

## **Changing minds and attitudes**

Towards improved Belgian Technical Assistance

**Reflection and discussion paper - 2006/01**



# LIST OF ACRONYMS

<b>ACDI</b>	Agence canadienne de développement international	<b>PRBS</b>	Poverty Reduction Budget Support
<b>ACP</b>	Africa, Caribbean and Pacific countries	<b>PRSP</b>	Poverty Reduction Strategy Paper
<b>AFD</b>	Agence Française de Développement (French Agency for Development)	<b>PSO</b>	Personnel Service Overseas (The Netherlands)
<b>AusAID</b>	Australian Government's Overseas Aid Programme	<b>RBM</b>	results-based management
<b>BMZ</b>	Federal Ministry for Economic cooperation and Development (Germany) Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung)	<b>RDC</b>	République Démocratique de Congo
<b>BTC</b>	Belgian Technical Cooperation	<b>Resreps</b>	Resident Representatives
<b>CDF</b>	Comprehensive Development Framework	<b>SADEV</b>	Swedish Agency for Development Evaluation
<b>CIDA</b>	Canadian International Development Agency	<b>Sida</b>	Swedish International Development Agency
<b>DAC</b>	Development Assistance Committee	<b>SMCL</b>	Structure Mixte de Concertation Locale (Joint Steering Committee for projects and programmes)
<b>Danida</b>	Danish International Development Assistance	<b>SNV</b>	Netherlands Development Organisation
<b>DC</b>	Development Cooperation	<b>SWAps</b>	Sector-wide approaches
<b>DED</b>	German Development Service (Deutscher Entwicklungsdienst)	<b>TA</b>	Technical Assistance
<b>DFID</b>	Department for International Development (United Kingdom)	<b>TC</b>	Technical Cooperation
<b>DGCID</b>	Direction Générale de la Coopération Internationale et du Développement (Directorate General for Development and International Co-operation) - France	<b>TOR</b>	Terms of Reference
<b>DGDC</b>	Director General of Development Cooperation	<b>TSU</b>	Technical Support Unit
<b>DGIS</b>	Directorate-General for Development Cooperation (The Netherlands)	<b>UK</b>	United Kingdom
<b>DIE</b>	German Development Institute (Deutsches Institut für Entwicklungspolitik)	<b>ULB</b>	Université Libre de Bruxelles
<b>DRC</b>	Democratic Republic of Congo	<b>UNDP</b>	United Nations Development Programme
<b>DWD</b>	Directorate of Water Development	<b>VSO</b>	Voluntary Services Overseas
<b>ECDPM</b>	European Centre for Development Policy Management		
<b>ENACT</b>	Environmental Action programme (Jamaica)		
<b>EST</b>	BTC's thematic department		
<b>FA</b>	Financial Assistance		
<b>FCI</b>	France Coopération Internationale		
<b>GBS</b>	General Budget Support		
<b>GEO</b>	BTC's geographic department		
<b>GOM</b>	Government of Mozambique		
<b>GoPNG</b>	Government of Papua New Guinea		
<b>GOVNET</b>	Network on Governance of the DAC		
<b>GPG</b>	Global Public Goods		
<b>GTZ</b>	German Agency for Technical Cooperation		
<b>IDO</b>	International Development Organisation		
<b>IMG</b>	International Monitoring Group		
<b>INTRAC</b>	International NGO Training and Research Centre (United Kingdom)		
<b>IOV</b>	Inspectorate Development Cooperation in Partner Countries		
<b>JICA</b>	Japan International Cooperation Agency		
<b>JPF</b>	Joint Partnership Fund		
<b>JPO</b>	Junior Professional Officer		
<b>KfW</b>	Kreditanstalt für Wiederaufbau (Germany)		
<b>LenCD</b>	Learning Network on Capacity Development		
<b>M&amp;E</b>	Monitoring & Evaluation		
<b>MC</b>	managing contractors		
<b>MDG</b>	Millennium Development Goals		
<b>MFA</b>	Ministry of Foreign Affairs		
<b>MoWLE</b>	Ministry of Water, Lands and Environment		
<b>NEPAD</b>	New Partnership for Africa's Development		
<b>NGO</b>	Non-Governmental Organisation		
<b>ODA</b>	Official Development Assistance		
<b>OECD</b>	Organisation for Economic Co-operation and Development		
<b>OPM</b>	Oxford Policy Management (United Kingdom)		
<b>PF</b>	Partnership Fund		
<b>PIUs</b>	Project Implementation Units		
<b>PNG ASF</b>	Papua New Guinea Advisory Support Facility		

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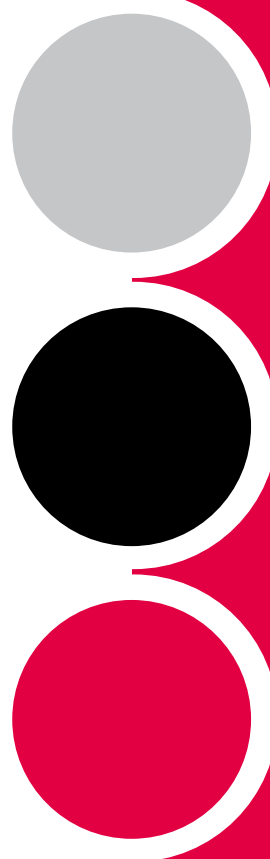
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## EXECUTIVE SUMMARY

### Introduction

An evaluation commissioned by the Special Evaluator of the Belgian Government is currently looking at the institutional arrangements, relationships and regulations among different organisations involved in Belgian development cooperation and may recommend wide-spread reform. The Belgian Technical Cooperation (BTC) expects that this evaluation will also make recommendations on BTC's future mandate and on its relationship with other development organisations in Belgium, in particular the Directorate General of Development Cooperation (DGDC).

In preparation for BTC's forthcoming dialogue with DGDC on the future role of technical assistance (TA) in Belgian development cooperation, BTC invited ECDPM to conduct a study focusing on:

- (i) The broad international policy discussions on TA and the current thinking about the place of TA in the context of the Paris Declaration on Harmonisation and Alignment;
- (ii) Good and innovative practices of other International Development Organisations (IDOs) in the area of TA, particularly bilaterals with similar mandates to those of BTC;
- (iii) Possible approaches for how TA provided by BTC could be made more effective by taking into account the international discourse on the topic and lessons learned by other IDOs, and
- (iv) How the metier of TA, particularly BTC expert positions, could be made more attractive for experts working in Belgian development cooperation organisations, with a focus on BTC.

BTC asked ECDPM to take on this task because of its extensive work on TA and its involvement in the international policy discussions on capacity development. ECDPM worked on this assignment with ACE Europe, a Belgian consultancy firm with a solid knowledge of Belgian cooperation and wide experience in international development cooperation.

#### What is technical assistance/cooperation?

These two terms are often used interchangeably, but technically they have different meanings.

The definition of the OECD's Development Assistance Committee (DAC) for technical cooperation is the most commonly cited:


Technical cooperation (TC) encompasses the whole range of assistance activities designed to develop human resources through improvement in the level of skills, knowledge, technical know-how and productive aptitudes of the population in a developing country.

TC is normally carried out through the provision of long-term personnel, short-term consultancies, education and training, research and support equipment.

The DAC makes a distinction between free-standing technical cooperation and investment-related technical assistance tied to capital projects.

BTC uses the term technical assistance to refer to most of their activities but with a special emphasis on long-term expert assignments.

This report is based on a desk study and on individual and group interviews with representatives from Belgian development organisations, universities based in Belgium, and TA experts and attachés working for Belgian organisations in the partner countries. The latter were mainly done by telephone. We also conducted interviews with representatives of IDOs in the UK (DFID), the Netherlands (with a focus on SNV), France (primarily focusing on the Direction Générale de la Coopération Internationale et du Développement), Denmark (Danida), Sweden (Sida) and Germany (with a focus on GTZ). We have also collected a limited amount of material from AusAID through phone interviews and e-mail exchanges.



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After the first phase of our work, there was a consultative meeting with Belgian stakeholders from BTC, the DGDC and Belgian universities. A Steering Committee consisting of staff members of BTC accompanied the work of the ECDPM/ ACE Europe team. Three meetings took place during the execution of this assignment which took place between mid-January and early April 2006.

## The study

The study is structured around the four questions of the TOR, mentioned above. We also added some final remarks and observations in the last Chapter to stimulate discussions on the future of TA. This executive summary captures information from the entire report but puts emphasis on the results contained in Chapters 3 as we believe that these are the topics which are of most interest to BTC and its stakeholders.

In **Chapter 1**, we present the current thinking, new concepts and approaches to different forms of TA provision. The chapter provides information on the origin of TA as a user-client relationship that has now become three way - user-donor-expert - with more complex accountabilities. It also looks at the key issues covered by the Paris Declaration and current ideas coming out of the international development on how to improve TA. In this regard, it gives particular attention to transactional versus transformational changes.

Under transactional changes, we can group innovations to improve the performance of TA through organisational and procedural adjustments without requiring fundamental transformation in the way IDOs and their partners do business. These include different forms of TA pooling arrangements, South-South cooperation, the gradual move towards untying, reforms in the creation of project implementation units, increased use of short-term personnel in lieu of long-term assignments, improved aid coordination and management reforms, such as delegated cooperation or improved personnel selection.

Transformational changes comprise more fundamental reforms of aid relationships such as identification and articulation of demand by users of TA. It proposes the provision of TA by moving away from TA as an instrument of donor policy towards untied, market-driven TA integrated into national planning and management systems and budgets.

We close this presentation on international thinking with a critical discussion on the extent to which such fundamental reform is indeed happening. The answer is not positive. Ownership, for example, often still rests with development agencies instead of partner country institutions. As many countries do not have the experience to procure and manage TA, a major effort to develop capacity would be required. Market-based competition will only succeed if all partners agree in advance to the rules of the game including that contracts may go to lower-priced suppliers. This is politically sensitive.

These difficulties need to be juxtaposed to the views of partner countries on TA. They generally want less TA, to have it unbundled (unconnected to projects), and un-earmarked. Without some movement in these directions, it is unlikely that partner countries will feel more committed to improving the effectiveness of TA.

**Chapter 2** concentrates on the practices and experiences of a number of seven countries - Denmark, France, Germany, the Netherlands, Sweden, the United Kingdom and Australia - and the issues they have addressed in order to make their national TA more effective and efficient. We limit ourselves to the issue of how TA personnel is provided or financed. The information does not aim to explain the full details of the technical cooperation system or the broader development cooperation in each of the countries covered.

In the first part, we explain the **institutional arrangements** for each country, especially the allocation of roles among different actors for broad policy formulation and programme/ project design in partner countries and implementation (see Table 2.2, TA arrangements). In all the cases we reviewed, the **broad aims of a country's development policy** find their implicit or even explicit origin in a country's foreign and security policy, formulated under the leadership of the respective Ministry of Foreign Affairs (MFA). The **more specific**

**development policy**, including the extent to which TA is used as an instrument, is then formulated by separate development ministries, or by a development cooperation department which is part of the country's MFA.

In terms of **identification, formulation/ planning and implementation** of TA, a rather diverse picture emerges from the comparison. '**Identification**' is understood here as the process whereby the areas of assistance are defined in cooperation with the line ministries of the partner country. '**Formulation/planning**' is the process whereby each intervention is planned in detail in preparation for the '**implementation**' phase. We distinguish three main categories;

- (i) The largest category consists of those countries which maintain **identification and formulation (or planning)** - the transition phase from policy to implementation - **as government operations**. Implementation is generally outsourced to managing contractors (MCs)<sup>1</sup>. This is a system used in the UK, the Netherlands, or Australia;
- (ii) A second category includes Denmark, which keeps the **identification, formulation** and a substantial part of the **implementation within government functions**. MCs generally manage more specific, technical activities through short- or long-term assignments;
- (iii) A third category consists of those countries which operate through **a variety of institutional arrangements which identify, formulate and implement** technical assistance, namely Germany and France.

In contrast to the seven sample countries, Belgium divides the responsibilities for identification and for formulation/ planning of projects and programmes between two different organisations.

**In the second part**, we discuss some **recent trends** in the provision and financing of TA, building on the policy discourse set out in Chapter 1. Supported with concrete examples, largely from our seven bilateral IDOs, we describe (i) **decentralisation of aid management** and how this has allowed a more effective response to the poverty reduction agenda of partner countries; (ii) the growing trend towards **merging of technical and financial assistance**; (iii) experiences with different forms of pooling of technical assistance; (iv) the growing trend of IDOs **to make TA personnel costs transparent**; (v) the pressures for and against tying and the increasing diversity in nationality among TA personnel; and finally (vi) trends towards more **delegated cooperation** among bi-laterals which work with similar approaches in the same sectors.

**In the third part**, we discuss how our sample IDOs address two key problems, **control and accountability**. These problems originate from the triangular relationship of aid provision (see insert below).


1. We understand the term "managing contractor" to refer to consulting firms which can mobilise TA experts in the context of their overall contract with an IDO, or individual consultants. AusAID uses the term managing contractor. Canadian CIDA calls them "executing agent". DFID normally uses the term 'consultants' to refer to individuals or consortia which DFID procures for personnel assistance, and uses the term "managing agent" to refer to firms which execute wider TA contracts (including the recruitment of personnel).

### Technical Assistance: Correcting the Precedents

Peter Morgan (2002) sees the original purpose of technical assistance as a form of voluntary exchange, usually in the private sector. Client or customers were in charge. With the arrival of funding from outside agencies such as international development organisations, this relationship has changed, principally because the clients lived in developing countries, the key stakeholders were in the supplying countries. There were thus three parties involved - the supplier, the host country and the TA expert - rather than two as in a conventional customer - expert/ contractor relationship. In terms of solutions, Morgan sees the problems for which TA has been criticised as arising largely from these changed conditions and suggests some principles that might help to address them, including:

- Emphasising country control and making greater use of country financial and administrative systems for programme delivery;
- Reducing the fragmentation of development interventions; and
- Encouraging more trust and collective action among all the participants.





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Despite various efforts to make transactional gains through new approaches to TA provision, such as delegated cooperation and the decentralisation of management, a number of key questions or dilemmas remain for which no best approach has yet been found.

**Management and control versus capacity development:** The all-too-common situation is that the TA personnel associated with particular projects or programmes are pulled between the responsibilities for **capacity development**, through advice, transfer of knowledge and skills or facilitation, and for **resource transfer**, often associated with management, supervision and control. In such contexts, the responsibilities of an expert can turn into a mix of functions, including advisory work, facilitation, on-the-job training, buffering of interests between parties, supervision and control of resource use and sometimes filling gaps. This mix naturally evolves during the course of an assignment even where job descriptions underline capacity development aspects such as on-the-job training, advisory work, or facilitation of change processes. The bi-laterals we reviewed demonstrate a number of approaches for supporting TA personnel and helping them modify their approaches to suit the needs of the project and programme.

Danida's TA policy allocates, for example, extensive decision making responsibility to steering committees for each project or programme. These committees are composed of representatives of the partner government and Danida officials and take joint decisions on TA management, including recruitment. Particular efforts are made to formulate detailed job descriptions which also specify the capacity development aspects of the assignment.

The Netherlands Development Organisation, SNV, provides TA which is not linked to resource management for a particular project or (reform) programme. The focus of an advisory position is agreed by contract with the 'client' (SNV terminology) and generally aims at the facilitation of change and reform processes at different institutional levels.

AusAID increasingly works with capacity development funds, or **facilities**, to support broad institutional reform and public sector support initiatives. The **facilities** allow technical assistance to fill positions for specific capacity development tasks which are in most cases de-linked from the resource transfer of the broad reform initiative. At the design stage of the **facility** a clear strategic direction is set and thereafter the partner government programmes the TA and is provided with managing contractor support to identify and mobilise it. In some instances these facilities operate in a complementary way to sector (budget) support programmes.

DFID has created several sector and thematic resource centres which provide short-term consultants, technical enquiry services and (electronic) libraries. They are managed through framework contracts and are often associated with university institutes. These centres can provide complementary inputs to a variety of projects/programmes, can be called upon when there is demand, and are not directly associated with particular initiatives.

**Accountability of TA:** The triangular TA relationship outlined above requires IDOs and their partners to clarify accountability relationships. Among the IDOs reviewed for this study, there are three approaches to dealing with the accountability issue;

- a. **Internal and external accountability:** GTZ's 'Policy on Contract and Cooperation Management' is founded on the understanding that the provision of TA is managed as a contract. GTZ projects and programmes are managed in cooperation with the partners and both sides are responsible for achieving, reporting and accounting to their respective stakeholders. To this end, an internal and an external accountability system was introduced recently whereby the internal evaluation renders accountability to all involved partners and stakeholders, and the external evaluation to the German government, taxpayer, GTZ clients and partners.
- b. **Shared accountability or co-management:** Some IDOs, such as France, encourage partners to take ownership of the development process through forms of co-management. TA experts are expected to report on performance through to both, partner and IDO. How the co-management is supposed to be implemented, however, is not as clearly delineated as in the case of GTZ's approach (see above).

- c. Responsibility is (ideally) vested in partner institutions: This approach is most clearly expressed in the Danida policy paper on TA whereby programme coordination, implementation, supervision and reporting are (ideally) vested in partner institutions. The basic principles of this approach also apply to DFID-funded technical cooperation, where a TA expert's accountability is to the partner (although in practice it is often dual - to DFID and the partner).

The success of both co-management and responsibility is (ideally) vested in partner institutions depends on the strength of the partner, the robustness of the partners' systems and procedures, and the ability and willingness of and trust in individuals to deal with management and accountability problems.

**Chapter 3** sets out a number of issues in order to further stimulate the internal discussions in BTC on how to become a more effective actor in the field of technical assistance and to inform forthcoming exchanges of BTC with its partners on the future positioning of the organisation.

In terms of the wider **policy orientation** of BTC, there is agreement that the organisation subscribes to the international poverty reduction agenda on behalf of the Government of Belgium. In terms of operationalisation, however, the Millennium Development Goals (MDG) are very broad for a small organisation like BTC and it sees the Paris Declaration as providing more concrete orientation. BTC and its stakeholders thus see the Paris Declaration as a framework to help the organisation define where it best fits into the current aid reform agenda and where it can provide added value.

In this chapter, we discuss a number of **strategic issues and approaches** BTC may wish to consider as part of its efforts to enhance the effectiveness of the organisation. These we have categorised as **purpose, institutional considerations, implementation issues and ensuring quality** and we discuss them in the context of related international trends.


A key issue in current discussions about the future of BTC, both within the organisation and in interviews with stakeholders, is its relationship with DGDC. Since the **strategic issues and approaches** which we discuss in the following sections suggest that the lack of a clearly defined institutional relationship between the two actors is a serious constraint to increased effectiveness of Belgian TA, we end Chapter 3 with a reflection on how BTC and DGDC might make further gains in effectiveness with a redefined institutional framework.

## Purpose

**Capacity development:** The DAC defines capacity development as " ...the process whereby people, organisations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time." (DAC 2006: 9) The "promotion of capacity development" refers to what outside partners - domestic or foreign - can do to support, facilitate or catalyse capacity development and related change processes. Interviews with headquarters staff as well as BTC representatives in partner countries suggest that a reflection on capacity development and its relevance to BTC would be useful to the Belgian development community and should bring together all relevant stakeholders, including the partner countries.

## Institutional considerations

**Identification:** In Chapter 2 we discussed the responsibilities of other IDOs in terms of policy formulation, negotiation of bilateral agreements, identification, formulation/ planning and implementation. It is only in the Belgian case that identification and formulation/ planning are seen as separate processes, the first to be executed by DGDC, the second by BTC. In all other cases, the two tasks are executed by the same organisation, either the field representation of the MFA or the agency entrusted with development cooperation, on the principle that there is continuum and overlap between the two functions and that they should not be separated. The review of other IDOs also shows that project/ programme identification is critical and that IDOs invest considerable resources in this phase and use solid analytical tools. The current division of responsibilities has brought considerable confusion and delay into the operations of DGDC and BTC, and, according to interviewees, has made the identification and mobilisation of TA more difficult. Successful examples emerge by coincidence rather than by



design. BTC's interviewees thus feel that the identification phase should be seen as the initial stage of the implementation process of an intervention, and not as the end of the strategic phase. BTC's current investment in the creation of an institutional analysis tool should thus help to create a standard for this stage and is an important step towards enhancing the effectiveness of overall Belgian cooperation. This tool could also evolve into a more comprehensive mechanism.

**Decentralisation:** Some donors started to decentralise operations as early as the 1990s. Once the international community had agreed towards the end of the 1990s that partner countries should take the lead in formulating their poverty reduction strategies, other IDOs like DFID, DGIS, GTZ, Sida and Danida largely decentralised their operations. This allows a close link among policy formulation, strategic prioritisation and planning for implementation and for better understanding among parties. It also helps IDOs to become better informed about what is going on and to be able to react more flexibly to changing environments. Within BTC headquarters, decentralisation of TA management does not seem to be a priority at present, although field interviews indicate that operations might benefit from a more decentralised set-up, especially in identification of activities, providing information for recruitment of personnel, ensuring backstopping to project managers and providing improved sectoral analysis. One reason for this lack of priority is the centralised operations of DGDC and the fact that attachés in the field have little autonomy, thus obliging BTC to interact on management issues with the Ministry in Brussels. Another reason might be that BTC feels a need to strengthen its headquarters first in order to provide the basis for a more decentralised structure in the future. If decentralisation becomes a higher priority, Resreps will need to develop a more corporate approach, be able to articulate appropriately the policies set by the organisation and to function as anchor points for BTC's operations in the field.

**Tying versus untying:** In recent years, there has been a trend among some IDOs towards more untying, and some countries, such as Sweden, the UK and the Netherlands have officially untied their programmes. Despite this fact, much assistance, including TA personnel, originates from the countries which provide financing. It is important to recognise the pressure on bilateral donors to tie their assistance. Sida, for instance, has a declared policy of untying, but is under considerable pressure from the Swedish public to use national expertise in development cooperation programmes. Belgian development cooperation has not committed itself to untie its assistance and politicians and policy makers continue to put pressure on BTC to work with Belgian expertise to the extent possible. This said, BTC recruits personnel from the international labour market when it cannot find suitable candidates in Belgium and increasingly BTC experts are non-Belgian. Yet, there is a balance to be made and arguments from the political level should be taken seriously – only sufficient national support can uphold the levels of funding required for development cooperation.

### Implementation issues

**Institutional analysis:** IDOs in general put considerable importance on the identification phase and most have invested in analytical tools to guide them and to help engage with partner countries. There are two levels. Organisations like DFID, GTZ and Sida are using Drivers of Change or Power Analysis to help them understand the institutional context in partner countries in the sense of cultural norms and the formal and informal laws of society which affect activities at a lower level. At the organisational level, most donors have their own analytical tools, often based on logframes. BTC is developing an institutional assessment instrument but will not be able to make full use of it unless the organisation works in close cooperation with DGCD. A joint approach would facilitate decisions on the choice of aid mechanisms for change processes, the type of TA to be provided, the use of Project Implementation Units (PIUs), collaboration with other IDOs, and the requirements for a managing contractor for implementation.

**Institutional change processes and new aid mechanisms:** New aid mechanisms such as SWAps and budget support and the change processes they imply involve a substantial capacity development agenda for IDOs. Bigger bilateral development organisations, like DFID, Sida or DGIS have made significant investments in their organisations and have built internal capabilities to work with these mechanisms. BTC has a clear view of its purpose which for a small donor is all about added value. **"It is not about money changing hands but about ideas changing minds."**<sup>2</sup> This implies involvement in institutional change processes and changing

2. Carl Michiels, consultative meeting for this study, 17 Feb. 2002, quoting Jan Vandemortele, Director Policy Unit, UNDP New York.

not only minds but attitudes. The question is how BTC should be involved. Putting a clear priority on TA would require some major changes in BTC. First, there would be a need to make use of an **agreed approach to institutional analysis** during the identification phase to understand the context of assistance and what the margins for change are. Second, BTC would need to do a solid **analysis of the organisational context** and the opportunities for Belgium to make a meaningful input. Third, BTC would need to **build a solid human resource** base capable of contributing to “changing minds and changing attitudes”. The credibility and excellence of TA personnel would be the means for the organisation to build its legitimacy vis-à-vis partner governments and other IDOs working within the same institutional reform contexts.

**Advisory versus management assignments:** Many IDOs struggle with the issue of the role of TA personnel. Given BTC’s focus on “changing minds and changing attitudes”, we would expect that the organisation would give particular **attention to the dichotomy between advisory and management responsibilities** in TA assignments. Another issue that would seem to require attention is the dilemmas associated with BTC’s co-management approach which often has the character of “regie” instead of “co-gestion”. For BTC, it could be useful to build on the experiences of the Fond d’Expertise in Congo and to discuss the **creation of other complementary funding mechanisms** at a decentralised level, such as AusAID’s “facilities” or partnership funds, which would allow for targeted recruitment of TA as stand alone advisors based on demand formulated by the partner government.

**Working with managing contractors:** The general trend over recent years has been to decrease TA directly contracted and managed by IDOs and to delegate more TA to individual consultants, consulting firms or other organisations. Working with contractors is presently not a concern for BTC, but it might become an issue in the future if the mandate of the organisation were to grow and BTC to become unable to execute all projects and programmes. As in Danida and GTZ, choices would need to be made between involving companies or other organisations and increasing BTC’s own expertise and staff. This would require a thorough internal reflection process. Given the complexity of such an approach, any decision to work systematically with MCs would require analysis of the potential efficiency gains to be made.

**Harmonisation with other IDOs:** Better harmonisation among external partners has so far been the major and most notable outcome of the implementation of the new aid and poverty reduction agenda. In countries where BTC supports institutional change processes, the harmonisation of activities with other IDOs will need particular attention. As a relatively young player, BTC will need to find its niche in each individual reform programme in a partner country, and can primarily do so if the added value of its TA experts in the area of “changing minds and changing attitudes” becomes evident to other partners in the field. Legitimacy would come from recognised value added. Such a role would require more Belgian capacity in the field, including greater decentralisation of decision-making, improved field management capacities and the clarification of roles and responsibilities between BTC and DGDC.

## Ensuring quality

**Specialisation:** There is a discussion in Belgium on areas of specialisation for development cooperation, but there is no consensus whether Belgian development cooperation should specialise and be present in only selected areas or seizing new opportunities by being in a wide array of areas. Normally, a small IDO such as BTC would benefit from a more narrowly defined focus. Within the framework of Belgian development cooperation there is scope for BTC to focus on certain areas, such as work in fragile contexts<sup>3</sup> or in institutional reform, such as in education and public health where Belgium has traditionally been strong.

**A critical mass of experts:** Currently, BTC does not invest in building or maintaining TA expertise, yet the organisation is in dire need of qualified people. The creation of sufficient expertise depends on a variety of issues, including pay and other incentives, career development, (junior) training and professional development. This is an issue which BTC can not address alone. The creation of a critical mass of expertise within Belgium, as some national politicians demand and which could demonstrate internationally the added value of a small country like Belgium, should be treated as an issue of national interest. Ideally, different actors would come together to

3. There are different views to what extent there is scope for BTC to engage more meaningfully in fragile states. A recent analysis of BTC’s activities in fragile states (Uvin 2006) suggests that some major hurdles need to be taken before that goal can be reached.



4. We recognise that there would be other options too. We have chosen to present these two options because we believe that they would be relatively close to the Belgian situation.

define a strategy that would include roles for universities, research institutes and development organisations in building up such a critical mass. Most interviewees see the emerging programme of voluntary service to be managed by BTC positively and with a potential for building Belgian expertise bottom-up. It is important, however, to not repeat the mistakes of the past, when jobless young people without working experience were sent to developing countries to substitute for local capacities.

**Knowledge management:** There is a considerable scope for increased knowledge management and networking among Belgian development actors. Interviewees saw potential for closer cooperation among BTC, universities and other research institutes on the management of technical assistance. Targeted cooperation between BTC and these actors could help to fill knowledge gaps. It could also provide backstopping to BTC's operations in the field, supply state-of-the-art expertise for short-term missions and assist in designing tailor-made TA programmes. DFID's network of thematic resource centres and SNV's as well as GTZ's approach of linking its advisers through internal thematic knowledge networks could be models for BTC to look at.

**Evaluation as a feed-back mechanism:** Most IDOs have moved away from measuring inputs to results-based management (RBM), whereby evaluations focus on achieved outputs, outcomes, evidence of change and - where possible - on the impact of the development interventions. Belgium is still at an early stage in developing its evaluation capacity for development cooperation. In the Belgian context, DGDC and BTC have to deal with a very strict a-priori control system in which the inspector of finances plays a dominant role. The whole system is input oriented and leads to fragmented measurement of project results. Evaluations have been organised in an ad hoc manner and at different levels, largely through the Special Evaluator, DGDC, BTC. The difference between monitoring and evaluation has not been clear and evaluations have seldom been issue-based across countries. Moreover, there is no shared understanding of the division of responsibilities between the DGDC and BTC concerning monitoring and evaluation and whether the purpose of it is learning or control,

#### **Further gains under a redefined institutional framework**

As discussed earlier, a major difference between the Belgian situation and the operations of other IDOs is the separation of identification and formulation/ planning which in many instances causes major operational delays, confusion and even tensions among partners. There is much demand for a clarification of the mandates of DGDC and BTC.

Theoretically, one can imagine two options for Belgium which are at the respective ends of the scale:<sup>4</sup>

- (i) Extending the mandate of DGDC to cover responsibilities equivalent to those of Danida, as shown in Table 2.2. In this case, responsibilities range from the formulation of development policy to the implementation of TA through a mix of Danida contracted experts and MCs. If this model were followed, BTC would be absorbed into the Ministry and disappear entirely.
- (ii) Focusing the mandate of DGDC on broad policy development, strategic management and evaluation, multi-lateral cooperation and indirect aid through NGOs and other types of actors. DGDC would withdraw from its role in identifying TA and allow BTC to assume responsibilities for identification, formulation/planning and implementation. In the future, this might also include supervision of implementation done by MCs.

Review of the structures of other donors does not provide clear guidance in favour of one or the other solution as different approaches can work. We believe that only effective dialogue can help to find the most appropriate answer to which option is preferable. We therefore present our tentative views on this issue as a way of provoking debate. We are not confident that we have the right answer but we are convinced that it is an issue where honest, dispassionate argument is needed.

We think that a key argument in favour of one of the approaches should not be based on dogmatic views, but rather on the argument of comparative advantage. In our view, BTC is increasingly perceived as a dynamic and transparent organisation with a capacity to adapt to changing circumstances. It has extensive experience in technical cooperation and the potential to deliver even more added value to the development process in Belgium's 18

partner countries. It would be unfortunate to waste this dynamism by incorporating BTC into another organisation or dissolving it.

The analysis in earlier chapters of this report suggest that the overall effectiveness and efficiency of Belgian technical cooperation could be enhanced substantially were the relationship between and mandates of DGDC and BTC clearer. A good starting point might be for DGDC to take the lead on overall policy setting, strategy formulation and evaluation, and lay the base for DGDC and BTC to work in full complementarity.

**In Chapter 4**, we highlight a number of areas which need to be addressed in order to make it more attractive for experts to work with Belgian development organisations, in particular BTC. From our field interviews it appears that working as a BTC TA expert is not very attractive, although the experience of working in the field as such is highly valued. There are, however, a substantial number of advisors who nonetheless renew their contracts for a second and third term. A more systematic review of the issue of attractiveness of assignments to qualify some of the messages could be beneficial for BTC as a follow-up to this study. It would be important for BTC to involve its experts in the discussions on the future strategies of the organisation and to provide them with feed-back on proposals originating from the field.

Individuals state that BTC offers no incentives to stay with the organisation, that new job opportunities are not discussed with them during their assignments but only at a very late stage, and that sometimes opportunities seem to be linked to personal relations, rather than a transparent process. It is interesting to note that pay was hardly mentioned as a determining factor, although more transparency about wage scales would be appreciated in the form of a clear policy on salaries and other benefits. Four principal problems with job attractiveness came out of the interviews, as follows:

- (i) **Corporate identity:** TA personnel called for clear policy direction on BTC's understanding of capacity development, its approach to supporting institutional reform and the organisation's role regarding new aid mechanisms. Field staff also want enhanced orientation prior to their assignments;
- (ii) **Professional exchange and feed back:** A key message from the interviews held with individuals in the field was that they feel that they are mostly left on their own and that exchanges between headquarters and the field and among TA personnel are insufficient. Key actors in the field want to be more involved in strategic discussions and decisions in BTC. The organisation is also seen to be risk averse and to blame individuals for failure rather than trying to learn from it;
- (iii) **Professional development:** There appear to be few systematic opportunities to help experts maintain their professional knowledge up to date or to enhance their competency to deal with new and complex development environments. Field personnel also complained that there is both a lack of clear information and inadequate dissemination of documents and reports on new development trends and initiatives. Experts would like to reduce administrative workload so that professional qualifications for a position can be better used;
- (iv) **Career development:** Interviewees complained of the lack of opportunities to build and retain a core group of qualified staff who can develop their careers within the organisation. There is also no young professional programme to allow younger people to ready themselves for TA assignments. BTC is also seen as not being gender sensitive or family friendly.

The presentation in Chapter 3 showed that the question of attractiveness touches upon issues which clearly go beyond what BTC can solve on its own. If the Belgian Government wants to work with highly qualified Belgian TA experts in partner countries, bottlenecks which are embedded within the development cooperation system need to be addressed. In addressing this issue, one might want to look at the approaches followed by other IDOs in the area of career development, incentives and building knowledge and expertise. We present some general trends, in particular with regard to young professional training, competence building and new forms of knowledge networking.



## Outlook

**The last chapter** makes some observations to stimulate further policy discussions and exchange on:

- (i) Engaging local TA, an issue for which future internal reflection in BTC is needed and for which we suggest the formulation of a policy to orient actors in the field,
- (ii) Moving towards more collaborative approaches, as outlined in the Paris Declaration, and what the priorities of Belgian cooperation should be in order to address the aims set out in the Declaration, and
- (iii) The likely future demand of TA, an area which is still under-researched but for which we ventured some preliminary thoughts. To meet the targets of the Paris Declaration, we see a growing role for TA in key areas such as strategy formulation, governance, harmonisation and coordination, public finance management and procurement, result-oriented monitoring and evaluation, and mutual assessment reviews. Moreover, we see an increasing demand for TA to function as buffers, brokers, negotiators, facilitators and catalysts, all requiring an advisory approach with a low need for being in the spotlight and for taking charge. Finally, we would expect that there will be more need for TA experts de-linked from projects and financial transfers who can concentrate on providing advice and building capacity rather than on administrative/management tasks.

## **Introduction**



# INTRODUCTION

5. The Special Evaluator on Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation, based in the Ministry of Foreign Affairs, Brussels.

6. We will use the abbreviation "IDO" for international development organisations but, for the purpose of this report, this is largely bilateral.

7. The use of terminology is somewhat confusing and would benefit from clarification and standardisation. It was not, however, a big issue in BTC and for this reason we have chosen not to spend much time on it. ECDPM will begin shortly a major study on promising approaches to technical assistance in which it may be possible to address the use of terminology in more detail.

## Background to the study

Belgium development cooperation context is presently under review. An evaluation, commissioned by the Special Evaluator of the Belgian Government<sup>5</sup>, is currently looking at the institutional regulations, arrangements and relationships between the different organisations involved in Belgian development cooperation and may recommend wide-spread reform. The management of the Belgian Technical Cooperation (BTC) expects that the evaluation will also make recommendations on its future mandate and structure as well as on its relationship with other development organisations in Belgium, in particular the Director General of Development Cooperation (DGDC). BTC and the Ministry of Foreign Affairs (MFA) will discuss the evaluation over the coming months in a process which will certainly touch upon the question of Technical Assistance (TA) and the niche for a small country in the context of international poverty reduction agenda. As such, the very justification for the existence of a specialised Belgian TA agency will be under discussion.

Against this background, BTC invited ECDPM to conduct a study on TA to inform its management on;

- (i) The broad international policy discussions on TA and the current thinking on the place of TA in the context of the Paris Declaration on Harmonisation and Alignment;
- (ii) Good and innovative practices of other bilateral International Development Organisations (IDOs)<sup>6</sup> in the area of TA;
- (iii) Possible approaches to how TA provided by BTC could be made more effective by taking into account the international discourse on the topic and lessons learned by other IDOs, and
- (iv) How the métier of TA, particularly BTC expert positions, could be made more attractive for experts working in Belgian development cooperation organisations, with a focus on BTC.

### What is technical assistance/cooperation?

These two terms are often used interchangeably, but technically they have different meanings.

The definition of the OECD's Development Assistance Committee (DAC) for technical cooperation is the most commonly cited:

Technical cooperation (TC) encompasses the whole range of assistance activities designed to develop human resources through improvement in the level of skills, knowledge, technical know-how and productive aptitudes of the population in a developing country.

TC is normally carried out through the provision of long-term personnel, short-term consultancies, education and training, research and support equipment.

The DAC makes a distinction between free-standing technical cooperation and investment-related technical assistance tied to capital projects.

BTC uses the term technical assistance to refer to most of their activities but with a special emphasis on long-term expert assignments.<sup>7</sup>

BTC set a strict time limit for the study in order to have up-to-date information in place ahead of its discussions with the MFA. We were thus limited in the analysis possible of a very wide topic.

Over the recent years, ECDPM has undertaken a series of studies, consultations and evaluations on TA (see bibliography) and is actively involved in international policy discussions on capacity development through its membership of the Learning Network on Capacity Development (LenCD) and its participation in the Network on Governance of the DAC (GOVNET). ECDPM is also just finishing a study on 'Capacity, Change and Performance' which is executed under the aegis of the GOVNET.

ECDPM undertook this assignment in cooperation with ACE Europe, a Belgian consultancy firm with a solid knowledge of Belgian cooperation and wide experience in international development cooperation, to ensure that the Belgian perspective is sufficiently taken on board.

## Structure

The study is structured along the four main questions of the TOR. The respective chapters can be read on their own as they deal with rather different issues. We have included in the respective chapters cross-references to other parts of the report where it is necessary to better understand the argument.

Chapter 1 presents current thinking, new concepts and approaches to different forms of TA provision.<sup>8</sup> Some of the information is accompanied with examples from the field. In Chapter 2, we concentrate on the practices and experiences of a number of other bilateral IDOs and focus on steps which they have taken in order to make TA more effective and efficient. In Chapter 3, we look at TA from a Belgian perspective and highlight some strategic issues related to its provision. In Chapter 4, we identify areas which would need to be addressed in Belgium in order to make assignments with Belgian development organisations, in particular BTC, more attractive. In the final chapter, we provide some thoughts about possible future demands for TA.

## Methodology

This report is based on a thorough desk study and on a series of individual and group interviews with representatives from Belgian development organisations and universities based in Belgium and on interviews with TA experts and attachés working for Belgian organisations in the partner countries. Given the content of the TOR, the request of BTC was not to engage in a wide-scale consultation with all BTC staff but to launch the discussion against the background of current international policy discussions on how to make technical assistance more effective.

Interviews with individuals in the field were conducted by telephone and via questionnaires. We collected also views from partner country officials through a number of phone interviews and questionnaires.<sup>9</sup> BTC provided us with the names and contact details of persons.

The countries and their IDOs we have looked at were proposed by ECDPM and agreed upon by BTC. It was important for BTC to get insights into the practices of big as well as smaller IDOs from primarily Europe. BTC wanted to get in particular information on innovative practices on the provision and management of TA. We interviewed representatives from the IDOs mentioned above during visits to London, The Hague, Paris, Copenhagen, Stockholm and Eschborn. We collected complementary information on AusAID's experience with TA by phone. The final draft report was shared for comments with BTC key staff in headquarters and the field, and with the IDOs which we described in the annexes. Suggestions for changes were incorporated subsequently.

After the first phase of our work, we conducted a consultative meeting with Belgian stakeholders from BTC, the DGDC and universities focusing on information collected to date. A Steering Committee consisting of staff members of BTC has accompanied the work of the ECDPM/ ACE Europe study team. It has met three times between early January and late March 2006.

We agreed with BTC to refrain from any conclusions or particular recommendations in this study as the objective should be to open doors for effective dialogue and exchange. As such, the study is exploratory and aims to contribute to an ongoing discussion on how to make Belgian technical cooperation more effective. It will be discussed with officials from DGCD before the summer break and is meant to provide food for thought for several planned face-to-face and electronic exchanges during the rest of 2006 within BTC, as well as with national and international partners. Instead of a concluding chapter, we decided to include an extensive executive summary which provides a comprehensive overview of the information provided in the main report and the annexes.

Obviously, the topic is very broad and there are several aspects which we did not deal with as we had to stay within the frame and resources provided through the TOR. Suggestions were made to compare the present situation with past institutional arrangements. Several comments were also made with regard to the complex field of recruiting and managing local TA on which contributors felt that a discussion would be needed within BTC. We have included a short section in the final chapter on this latter point, which suggests looking into this issue in more detail in the future. Finally, comments were made that with current staffing levels, it is unlikely that BTC will be able to deal with all the issues presented in this report at once. BTC will therefore need to determine priorities resulting in concrete actions which can be implemented within a relatively short time frame, while in the meantime continuing the debate with its partners on the role and the demand for TA in the future.

<sup>8</sup> Our understanding of technical assistance is in keeping with the definition provided in the Box above, but we pay special attention to the provision of long-term personnel. In the report, the 'provision of TA' includes the financing of TA delivered through managing contractors (MCs), also called, depending on the IDO, managing agents.

<sup>9</sup> Following the orientations in the TOR, this study focused strongly on Belgian stakeholders and on relevant experiences on TA from a number of other bilateral IDOs. In view of the importance of getting more detailed views from partner countries, and given the growing wish of partners to get involved in the management of TA personnel, we strongly recommend to BTC to collect these views more systematically. These should be taken on board in the context of ongoing consultations on the future of Belgian technical cooperation.



## **Chapter 1:**

### **The international discussion on TA**

## 1.1 Current thinking about aid effectiveness?

Although questions have been raised about the impact of development cooperation since the 1960s, it was only in the 1980s that the development community began to seriously re-evaluate conventional approaches. Several major studies helped to bring the issue to the fore. Probably the most influential of these was Elliott Berg's report for the World Bank: **Accelerated Development in Sub-Saharan Africa: An Agenda for Action** (Berg 1981) which was a critique of the policies of adjustment adopted by African countries and their supporting international institutions. He considered the policies ineffective but also saw the support of the international community as encouraging irresponsibility. Robert Cassen's **Does Aid Work?** (Cassen 1986) criticised the lack of learning in aid agencies.

For twenty years or more, TA has been criticised for its high cost, its demand-led nature and its tendency to self perpetuation. In 1988, for example, the paper by Forss et al. entitled **Evaluation of the Effectiveness of Technical Assistance Personnel** tackled the ineffectiveness of technical assistance, after finding that in four African countries most expatriate positions could have been filled by local personnel (Forss et al. 1988). Elliot Berg in his book for the UNDP, **Rethinking Technical Cooperation**, recommended strengthening local management of TA and greater use of short-term advisors and coaching arrangements rather than long-term resident experts working with counterparts (Berg 1993: 249). In general, the most vehement critiques in various publications have been of long-term expatriate personnel who report more to donors than to their host organisations, who concentrate on getting the job done more than on strengthening developing country organisations and who are seen as distorting national priorities through the advice they provide (Fukuda-Parr et al. 2002: 4).

In the mid-1990s, the international development community began to respond seriously to these criticisms and to devise policy and procedural reforms that would bring a new style and direction to development cooperation. This has included a gradual move towards a joint definition between developing countries and development organisations of goals and accountabilities. In this process, there have been several key international agreements. In 1996, the Development Assistance Committee (DAC) of the OECD published a report entitled **Shaping the 21st Century: the Contribution of Development Co-operation** which laid down several principles for providing development co-operation - poverty reduction, partnership, accountability and coherence among different policies.

In 1999, the World Bank developed the **Comprehensive Development Framework** (CDF) which advocated a holistic long-term vision with the country in the lead, both "owning" and directing the development agenda, and the Bank and other partners each defining their support in their respective business plans. It also called for stronger partnerships among governments, donors, civil society, the private sector, and other development stakeholders in implementing the country strategy, and a transparent focus on development outcomes to ensure poverty reduction.

Another defining document is the September 2000 **Millennium Declaration** which built on **Shaping the 21st Century** to set goals and targets in different sectors for poverty alleviation - the Millennium Development Goals. Then in 2001, the **DAC Guidelines on Poverty Reduction** encouraged donors to work in a closer and more co-ordinated way and to tailor their assistance to partner country priorities and needs. The introduction of **Poverty Reduction Strategy Papers** in most low-income countries has provided a framework for this co-operation.

There have been several international monitoring efforts to assess progress towards meeting the goals established in these documents, including:

- a multi-partner evaluation of the CDF (World Bank 2003);
- a multi-donor evaluation of budget support (Lister et al. 2006);
- country-based mutual accountability reviews, such as in Tanzania (IMG 2005); similar reviews are done or prepared in Mozambique, Vietnam and Afghanistan; and
- a review of the New Partnership for Africa's Development (NEPAD) done jointly by the United Nations Economic Commission for Africa and the OECD/ Development Cooperation Directorate.<sup>10</sup>

10. "OECD and The New Partnership for Africa's Development (NEPAD)", see: <http://www.oecd.org>

Most recently, the **Paris Declaration**,<sup>11</sup> signed March 2, 2005, focused on increasing aid effectiveness by improving its delivery and management. The original signatories to this Declaration included 91 countries (subsequently increased to 93 bilateral development organisations and developing countries), 26 multilateral organisations and 14 civil society organisations. The key areas covered by the Declaration are:

- **Ownership** - reinforce country leadership over their development policies and strategies;
- **Alignment** - base donor support on partner countries' strategies; build and strengthen countries' capacities and systems to effectively manage development; continue progress on untying to get better value for money;
- **Harmonisation** - support donor coordination and reduce administrative burden by streamlining operational requirements and procedures (e.g., environmental assessments), encouraging common arrangements and effectively sharing workload among donors (based on comparative advantages) including in fragile states;
- **Managing for results** - manage resources and improving decision-making in support of development results;
- **Mutual accountability** - shared accountability for development results.

There are 12 monitorable indicators to support the Declaration. International development organisations (IDOs) are expected to prepare action plans indicating how they plan to move forward on these.

## 1.2 To what extent is the agenda defined actually being practised?

Most international development organisations (IDOs) are trying to address the agenda laid out by the international development community by adjusting their policies and programming approaches. However, the agenda is complex and demanding and could well take a decade or more to implement. Most donors are only at the beginning and are still largely formulating policies to address the goals and concepts. Even at this stage, the workload implications are significant and many organisations are spending considerable time thinking about outputs and impact and how they can feed into the goals of the Paris Declaration.

That said, IDOs are changing. There is much more focus on results. Though in principle this helps to focus IDOs, it is not without its problems. A recent study by ECDPM suggests, for example, that results-based management approaches tend to stress short-term 'product' or delivery and to discourage the emergence of long-term processes of change unless they are carefully tailored to the context (Watson 2005). The same report also suggests that the sometimes heavy costs of M&E systems should be taken more into account.

IDOs are trying to align their activities among themselves. This has resulted in considerable movement away from projects towards programme-based approaches such as sector-wide approaches and budget support. The locomotives for this have been the Nordic countries, Britain, Ireland and The Netherlands which – together with partner countries – have pulled along many other organisations such as CIDA and even JICA and Germany in Tanzania. The European Commission and the World Bank have also provided considerable budgetary support. On the other hand, there are some IDOs who continue to be constrained from extensive use of joint mechanisms either by law as in the US or by the pressure of domestic constituencies as in Japan. Most of their assistance is in the form of projects.

Big sector programmes are not without problems. Transaction costs have not gone down as much as expected, with Uganda perhaps being one of the few exceptions (Lister et al. 2005: S7). In addition, in terms of partner countries, the costs now fall more on the central agencies such as finance and planning than on sectoral ministries. The expertise required has also changed – from sectoral expertise to more financial analysis. Another issue is the wisdom of jumping, as has happened in countries like Mali, directly from projects to budget support, bypassing the learning stage of sector support. The experience of Anglophone countries which have more experience in joint action than do Francophone ones suggests the need for a staged process whereby donors learn gradually to work together collaboratively, while helping to strengthen national management systems.

11. The Paris Declaration on Aid Effectiveness - Ownership, Harmonisation, Alignment, Results and Mutual Accountability, see <http://www.oecd.org/dataoecd/11/41/34428351.pdf>

12. In its first phase of support to the Rwandan education sector, DFID provided TA projects to the sector in addition to general budget support. The shift in support is to add a sector budget support modality and a pooled fund for capacity building to DFID's continued GBS. Other pooling-oriented donors follow this trend. The major gain in having complementary modalities is that it is enabling traditional project donors – or donors who for political reasons cannot give GBS – an interim modality that is enabling them to shift away from ad hoc TA and un-aligned projects.

13. CIDA Extranet electronic circular, 15 February 2006, Final minutes, PRC meeting of Jan. 17, 2006 - Mali Sectoral Budget Support

14. The European Parliament's views on the risks of providing budget support were most strongly expressed in its session of March 21 2003, in which it invited 'the Commission to keep the use of budget support to a minimum until it has evidence that public finance management in beneficiary countries is of such a standard that the inherent risk of the budget support approach has been considerably reduced' (European Parliament, 2003: 14).

15. In the early 1700s, for example, Peter the Great hired through his agents carpenters, engineers, shipbuilders and other trades people from the major cities in Western Europe to help build the new city of St Petersburg. They reported to the Russian authorities, were paid decent wages and were free to return to their home countries when they wished.

Another issue with big sector programmes is the need for national management capacity which is often weak. If developing countries do not have the capacity to understand and manage the aid mechanisms proposed, they are unlikely to fully "own" the activities. To compensate for this capacity gap, donors sometimes take the lead, as they did in Malawi to get a SWAp for HIV/AIDS going. When the government gradually took over more responsibility, the process slowed down although ownership did increase (Hauck & Baser 2005: 10).

Despite some improvements as a result of programme-based approaches, there is still concern in countries like Mozambique that "... a large proportion of aid coming into the country is made up of a multitude of uncoordinated, often IDO-driven, development and technical assistance projects, which do not add up to a coherent whole, do not necessarily promote the Government of Mozambique's priorities and of which the GOM has imperfect knowledge (Killick et al. 2005).

Today, there is increased attention on sector support, for example, in Rwanda where donors like DFID are aware that service provision is poor and is unlikely to be improved unless integrated into wider reform efforts. In this country, DFID terminated recently separately managed programmes in the education sector and integrated these into the wider education sector reform programme with funding channelled through treasury.<sup>12</sup> The approach which DFID follows in Rwanda reflects the organisation's overall policy of moving from individual projects to programme based approaches including, where appropriate, sector and general budget support.

On the other hand, there are donors which consider providing general budget support with little conditional-ity too risky. They are contributing instead to the reinforcement of sector reform programmes, through sector budget funding, or through individual projects. The rationale is that the use of funds at sector levels can be better monitored given low capacities at the central to manage funds provided through general budget support. CIDA recently decided on such an approach for their support to the Government of Mali.<sup>13</sup> Such cautiousness towards certain countries is often influenced by taxpayers, audit institutions and the media. The European Parliament, for example, has expressed its concerns about too rapid moves of the European Commission towards the provision of general budget support.<sup>14</sup>

Big plans to meet international goals are also disputed. In a recent article, William Easterly is critical of the MDGs, saying that poverty will not be ended by central planners but rather by searchers who explore solutions by trial and error and expand the ones that work (Easterly 2005: 2). He feels that the shared accountability for common goals is unworkable and that individual aid agencies need incentives to deliver tangible services for which they can be held accountable if aid is to work.

### 1.3 Comparing international thinking about TA with practice

Before addressing the views of the development community directly, let us look back at the origins of TA to try to understand how the use of the concept has changed in the context of international development assistance. In a paper done for the UNDP, Peter Morgan notes us that TA was originally a direct relationship between client and expert. The current development community has added a third dimension to this relationship - the donor - which has implications for procurement, procedures, the role of knowledge and, not least, accountability. In Box 1.1 we discuss these issues in more detail.

#### Box 1.1: Technical Assistance: Correcting the Precedents

Peter Morgan (2002) sees the original purpose of technical assistance as a form of voluntary exchange, usually in the private sector. Clients or customers were in charge.<sup>15</sup> With the arrival of funding from outside agencies such as international development organisations, this relationship changed so that:

- The provision of TA was managed as a public sector activity in accordance with government regulations set by the supplying country.

- While the clients lived in developing countries, the key stakeholders were in the supplying countries. There were thus three parties involved – the supplier, the host country and the TA rather than two as in Peter the Great's time.
- To maintain domestic support, the international suppliers of TA had to promise unrealistic levels of performance and development benefits.
- Most development agencies emphasised the planning and control of projects which could be “designed” and “delivered”. They also fixated on policy issues, overlooking institutional issues.
- These development agencies had a concept of knowledge as detachable from context, perception and action. The role of TA was thus seen as transferring generic knowledge to fill gaps that would enable counterparts to perform their performance. This was ‘machine thinking’ from the 50s and 60s that conceived of processes in terms of physical construction and results chains.

In terms of solutions, Morgan sees the problems for which TA has been criticised as arising largely from these changed conditions and suggests some principles that might help to address them, including:

- Emphasising country control and making greater use of country financial and administrative systems for programme delivery;
- Reducing the fragmentation of development interventions; and
- Encouraging more trust and collective action among all the participants.

There are two principal approaches to addressing the problems of TA – transactional and transformational. **Transactional changes** refer to improving the performance of TA without requiring fundamental changes in the way IDOs do business. **Transformational changes** are more fundamental reforms such as demand-driven market approaches that are integrated into national planning and management systems and budgets (Ibid, iii).<sup>16</sup>

### 1.3.1 Some changes around the edges – Transactional changes

Most discussion has focused on the transactional reforms, improving the performance of TA through organisational and procedural changes such as (i) increased pooling of resources, (ii) South-South co-operation, (iii) untying, (iv) management reforms, such as delegated cooperation and improved choice of personnel, (v) abolition of project implementation units, (vi) decreases in the number of long-term personnel and (vii) improved aid coordination. We will look at each of these in turn.

#### (i) Pooling

The 2001 ECDPM paper entitled **The Pooling of Technical Assistance** defines three levels of pooling (Baser and Morgan 2001: 37):

- **Full pooling** with the most transfer of resources and control to national participants, who both contract and direct TA personnel;
- **Mixed pooling** where national authorities manage the TA personnel but the contracting is done by one of the IDOs providing financing; and
- **Loose pooling** where the direction of the TA personnel is shared between the government and the IDOs. Personnel are normally contracted individually by one or more of the IDOs, often on a tied basis.

The chart from the report on pooling which is reproduced in Annex, outlines the advantages of each type of pooling, the enabling conditions required and the associated risks. It also suggests situations where pooling might be most suitable. The report concludes that IDOs need to be cautious about moving too quickly towards full pooling

<sup>16</sup> These concepts and the differentiations are key to the argument put forward in Williams, Jones, Imber and Cox (2003)

as all levels have genuine advantages and limitations. Full pooling can reduce transaction costs for donors but it may add workload for partner countries, for example for procurement.

Despite the endorsement of pooling of TA by the international development community in documents such as the DAC paper on capacity development (DAC 2006: 24), progress on the implementation of such arrangements is slow. Most countries, both developed and developing, see full pooling as the ideal but the recent update done by ECDPM on the 2001 study shows that most arrangements are in practice loose pooling, with some movement towards mixed pooling (Hauck and Baser 2005: iv). This situation could remain so for a considerable period of time given weak national management capacities. ECDPM continues to see validity in all three kinds of pooling and stresses the importance of finding the right match between local circumstances and the type of pooling chosen. The right match might even include un-pooled TA where a partner country prefers the technical assistance from a specific donor because it has a comparative advantage in that sector or because there are long-standing relationships.

This ECDPM report identifies four models of pooling, three in country and one international which can, at least in theory, be at any of the three levels - loose, mixed or full. They are:

- **Delegated cooperation** where the management of TA is delegated to lead agencies such as the Multi-Donor Trust Fund in Vietnam to support the Financial Modernisation Programme. The donors involved transfer funds through a World Bank trust account;
- **Integrated TA arrangements** within sectoral and thematic programmes, such as support to social sectors, HIV/AIDS, local government, etc. An example is the Ugandan Health Partnership Fund which provides short-term TA for policy advice and training and is managed through a Health Advisory Committee consisting of representatives of the Ministry of Health and participating IDOs.
- **TA in isolated units in government**, institutions or organisations where the funds respond to development needs at the level of individual development actors, but are not directly linked to wider national development planning. An example is the former Pooling Agreement for Technical Assistance (PATA) which provided specialist doctors to Mozambique in the 1990s but was suspended when the Ministry of Health failed to develop an acceptable proposal to better integrate the fund into public sector planning.
- **Regional TA support facilities** whereby the management is external to the country context, but aimed at supporting national development processes. Examples are the African Technical Assistance Centres in Bamako and Dar es Salaam, which provide short-term TA on financial management issues.

#### (ii) South-South Cooperation

South-South TA is mainly a feature of multilateral organisations such as the UNDP, the World Bank and the Commonwealth Secretariat. The work ECDPM has done with the Commonwealth Secretariat suggests that the experience of one developing country can often be more appropriate to the conditions of another such country than the lessons learned in more developed, industrialised states. Bilateral donors are, however, often under pressure to use national resources to maintain domestic support for development cooperation and, apart from JICA, do not appear to be heavily involved in South-South cooperation. In Section 2.3.5 we provide some statistics on non-national TA personnel in a few European donors.

#### (iii) Untying

There has been some increase in untying, although there are still a number of countries like Germany, Japan and the US which remain heavily tied, sometimes because of legal requirements. Others follow a policy of untying but are pressed by the public to use national knowledge and resources (see our discussion in Section 2.3.5).

#### (iv) Management reforms

Some IDOs are undertaking reforms like delegating the management of activities to other organisations (e.g., through delegated cooperation – see above) and improved personnel selection but this appears to be uneven across the development community. In Chapter 2 we describe some current experience.

#### (v) Abolition of Project Implementation Units



The general donor consensus is that project implementation units (PIUs) or foreign assisted project units should be avoided because they bypass government structures and hence undermine the ability of organisations “to learn by doing” (DAC 2006: 24). However, they are still a major feature of development cooperation and in some countries virtually all development projects function with a PIU or something similar (UNDP 2003: 4). This is obviously excessive. On the other hand, both the ECDPM work on Capacity, Change and Performance and some reviews described in a paper by the UNDP (Ibid: 3) suggest that some experiences with PIUs have been positive and that a more nuanced approach to PIUs may be needed, including a better understanding of where they are used, how and why.

#### (vi) From long-term to short term personnel

Another transactional change has been from long-term assignments to short-term personnel. The ECDPM pooling study questions the all-too-common philosophy that this is in itself a good thing in a world where “all countries, rich and poor, are short of the skills and intellectual capital they need to make rapid progress, and are competing for them on a global scale, and when ‘foreign aid is as much about knowledge as about money’” (Baser and Morgan 2001: 36). In some countries such as Mozambique there is a widening gap between the demand for and the availability of trained people and there may be justification for carefully placed long-term personnel. There is also evidence that long-term personnel are more effective in some situations such as those requiring solid understanding of a complex system. Both long and short-term TA are still important elements of the programmes of most development organisations.

#### (vii) Improved aid coordination

There is some evidence that budget support has resulted in improved national aid coordination, including for TA, in countries such as Rwanda (Purcell et al. 2005: S2). However, the TA and capacity building components are nonetheless often the weakest components of these programmes (Batley et al. 2005: S3). Even in Uganda,<sup>17</sup> which has been the pioneer in terms of use of new approaches to budget support and where the government is unusually proactive in aid management and in the assertion of its preferences, there has been little change in the style of TA management. TA and capacity development inputs are the least explicit part of the design of Uganda’s budget support programmes (Lister et al. 2005: S4).

<sup>17</sup> Uganda has received 1,3 billion USD in budget support since 1998.

### 1.3.2 Some advocacy for more fundamental change - Transformational reform

The transactional issues raised above are all important but too often the discussion has not addressed more substantive issues and especially the wider purpose of technical assistance. In more recent years, there have been several publications that have done this, some more cautiously than others. The paper by Williams, Jones, Imber and Cox (2003: iii-iv) of Oxford Policy Management (OPM) proposes a **fundamental reform of aid relationships and the provision of technical assistance** by moving away from TA as an instrument of donor policy towards **untied, market-driven TA** provided through the developing country government’s budget. The box below expands on these concepts.

#### Box 1.2: A Vision for the Future of Technical Assistance in the International Development System

Oxford Policy Management (OPM) stresses the need to make markets for advisory services and expertise function more effectively and to build the capacity of developing country governments to procure and manage their service needs. This **procurement focus** implies:

- A process of **identification and articulation of demand by the users of TA** including a more rigorous distinction between three different types of TA services:
  - (i) Services used by a developing country government (policy interest of partner country),
  - (ii) Services used by the international development organisations with a view to influencing developing country governments (policy interest of IDOs), and
  - (iii) Services related to the provision of international public goods (Global Public Goods);

- An **understanding of the role and philosophy governing national civil services**, which affects the extent to which skills and services can be expected to be provided within the civil service, or will need to be externally procured, and
- An **appreciation of the effectiveness of national procurement arrangements for skills and services** and related outputs which affects how effectively developing country governments are likely to be able to manage their own procurement.

The ECDPM pooling paper also suggests that **pooling alone is not enough to make TA more effective** and that what is needed is to redefine its purpose and modernise its design, context, selection and mode of provision. More innovation is required: “TA suffers from an ingenuity gap – much more needs to be done to devise more effective ways to spread knowledge and learning.” (Baser and Morgan 2001: 38)

The ECDPM paper on pooling also takes a slightly different approach than the OPM report of the issue of international contracting by suggesting that **market-based competition will only succeed if all partners agree in advance to the rules of the game** (Ibid: 37) and on what constitutes value for money. Developed countries will, for example, have to accept that contracts for services such as road construction may go to lower priced suppliers. This is politically sensitive.

In its book summarising the results of its two-year study on **Reforming Technical Cooperation for Capacity Development**, the UNDP (Lopes and Theisohn 2003: 2) recognises that **capacity development is not power neutral** and that the exercise of control and command through ownership is critical to it. The book presents ten default principles as an inspiration to ownership. These are outlined in Box 1.4 below (Ibid: 3-10) and some, such as incentives and accountability, are picked up in the DAC paper entitled the **Challenge of Capacity Development: Moving Towards Good Practice** (DAC 2006).

#### Box 1.3: The UNDP Default Principles

- (i) **Don’t rush.** Capacity development is a long-term process. It is not amenable to delivery pressures, quick fixes and short-term results seeking. Engagement for capacity development needs to have a long term horizon and be reliable.
- (ii) **Respect the value systems and foster self-esteem.** The imposition of alien values can undermine confidence. Capacity development requires respect. Self-esteem is at the root of capacity and empowerment.
- (iii) **Scan locally and globally; reinvent locally.** There are no blueprints. Capacity development means learning. Learning is a voluntary process that requires genuine commitment and interest. Knowledge transfer is no longer seen as the relevant modality. Knowledge needs to be acquired.
- (iv) **Challenge mindsets and power differentials.** Capacity development is not power neutral and challenging vested interest is difficult. Frank dialogue and moving from closed curtains to a collective culture of transparency is essential to promote a positive dynamic for overcoming them.
- (v) **Think and act in terms of sustainable capacity outcomes.** Capacity is at the core of development. Any course of action needs to promote this end. Responsible leaders can inspire their institutions and societies to effectively work towards capacity development.

(vi) **Establish positive incentives.** Distortions in public sector employment are major obstacles to capacity development. Ulterior motives and perverse incentives need to be aligned with the objective of capacity development. Governance systems respectful of fundamental rights are a powerful incentive.

(vii) **Integrate external inputs into national priorities, processes and systems.** External inputs need to correspond to real demand and need to be flexible to respond effectively to national needs and possibilities. Where such systems are not strong enough they need to be reformed and strengthened, not bypassed.

(viii) **Build on existing capacities rather than creating new ones.** This implies the use of national expertise as prime option, resuscitation and strengthening of national institutions, and protecting social and cultural capital.

(ix) **Stay engaged under difficult circumstances.** The weaker the capacity the greater the need. Weak capacities are not an argument for withdrawal or for driving external agendas. People should not be hostage to irresponsible governance.

(x) **Remain accountable to ultimate beneficiaries.** Even where national governments are not responding to the needs of their people external partner need to be accountable to beneficiaries and contribute to a responsibility of national authorities. Sensible approaches in concrete situations need to be openly discussed and negotiated with national stakeholders.

ECDPM is presently in the final stages of finishing a major study on Capacity, Change and Performance which includes extensive bibliographic research and 18 field studies.<sup>18</sup> The final report, due later this year will suggest implications for donors about how they can better contribute to strengthening capacity.<sup>19</sup> In the meantime, some of the case studies show innovative approaches to TA, where there has been a significant contribution to strengthening the capacity of organizations. DFID's input to the Rwanda Revenue Authority, for example, was based on a 'grown-up' relationship involving frank exchange, team spirit and shared accountability for results. Over time, there was a gradual shift from long-term resident advisors including an expatriate Commissioner General to short-term experts to tackle specific tasks. This shift reflected growing confidence in the management of the Authority.

18. See [www.ecdpm.org/dcc/capacitystudy](http://www.ecdpm.org/dcc/capacitystudy)

19. It is important to remember that TA does not equate with CD and may not even generate capacity. It is a mechanism whereas capacity development is a complex process of change.

### 1.3.3 But fundamental change is elusive

Given these studies and reports, is there any real transformation going on? Let us look at some critical areas;

#### (i) Ownership

The **ownership of TA** often still rests with development agencies. This is particularly the case when activities are supply led. And of the three types of TA services specified in the OPM study (see Box 1.3 above), two of them - TA for Global Public Goods (GPG) and TA reflecting the policy interests of IDOs - are generally supply led. The budgets for GPG, at least on the trade side, are increasing significantly so this may exacerbate the ownership issue unless approaches change significantly. In the meantime, the 77 countries of the Africa, Caribbean and Pacific (ACP) feel, for example, little ownership of the concept of Economic Partnership Agreements as presented by the European Union, despite the fact that these EPAs are supposed to be development instruments.

One organisation where recipient ownership is high is the Commonwealth Secretariat, which runs a small scale technical assistance programme for Commonwealth member countries. Member countries identify their own needs which are often focused on national issues of considerable importance, such as developing communications policies, updating maritime boundaries, advising on trade negotiation strategies and revising electoral

20. In most cases, these are supplemented by the larger contributions of the more industrialised members of the Commonwealth, particularly Australia, Canada, New Zealand and the United Kingdom.

21. Efforts to build procurement capacity would be in competition for limited national resources in countries often already undertaking many reforms. Tanzania, for example, has simultaneously five major reform processes - in the public sector, in local governments, in public finances, in the legal sector and against corruption (Kiragu, 2005). On the other hand, the extensive reform agenda creates demands for international TA experts which suggests that national capacity for international procurement is urgently needed.

22. Williams et al, 2003, page 27.

systems. Many assignments are sensitive and require a high degree of trust between the countries concerned and the Secretariat.

Part of the reason for the high level of ownership is the structure of the Commonwealth Fund for Technical Cooperation, to which all members make contributions. As a result, they feel that they are using their funds to pay for their TA.<sup>20</sup> The Secretariat provides a common procurement service for TA but makes little input to the nature of the assignments. It is the member countries who are the clients and the relationship with the expert on professional issues is direct. This is the original notion of TA described by Morgan in the paper cited in Box 1.1.

#### (ii) Purpose

There is some movement towards **redefining the purpose of TA** and giving it new roles. In the case of a Brazilian network of “nodes” or “workstations” which have had considerable impact on improving policy for human resource planning in the health sector, the Pan American Health Organisation ensured continuity over a 20 year period through a Brazilian attached to the national office of the Pan-American Health Organisation (Campos and Hauck 2005). In another example, a Canadian advisor acted as a “heat shield” to buffer the Environmental Action (ENACT) programme in Jamaica from external intrusions which can destroy organisations (Morgan 2005). In a final example, community development in South Sulawesi in Indonesia, JICA took two years as a preparatory “socialisation” and design phase. JICA advisors in the field acted as catalysts to stimulate change, inspire new thinking and create space for experimentation (Land 2004).

#### (iii) Procurement

In terms of the procurement model put forward in the Oxford Policy Management report, more TA is being incorporated into host country budgets. But the reality is that **most developing countries do not have the capacity to manage the complexities of an international procurement system.**<sup>21</sup> The OPM study recognises this and has charted the capacities required to manage TA and what level of activities is feasible under different country conditions. Table 1.1, reproduced below, suggests that most countries are a long way from being able to manage international procurement of their TA.

Table 1.1: Elements of National Capacity to Manage TA Skills and Services<sup>22</sup>

Level of capacity	Mode of TA provision	Examples
<b>Graduation from aid/existence of well-developed domestic TA industry</b>	A limited role for donor provision of TA may be justified in areas not well covered by the domestic TA industry and government funding.	India, Brazil, Mexico
<b>Procurement of TA by the recipient country</b>	Recipient government takes responsibility for TA procurement and management. Most donor support channelled through the government budget.	Botswana, Swedish Contract Financed Technical Assistance, UNDP National Execution
<b>Integration of TA into the national budget</b>	Funding for TA fully reflected in national budgets. Donor funding usually provided in the form of budget support managed by governments. In some cases donors may wish to retain control of procurement.	Uganda
<b>Identification of TA needs by recipient country</b>	Specific TA requirements identified by government and integrated into PRSPs and SWAPs. Various types of pooling arrangements to coordinate donor funding in support of the government's TA priorities.	Integrated Framework for Trade Related Technical Assistance
<b>Articulation of development priorities</b>	Provision of TA by donors in support of general development priorities identified by governments in PRSPs and SWAPs. Combination of pooling arrangements for TA funding and direct donor provision.	Cambodia
<b>Very limited capacity/failed states</b>	Considerable TA required to substitute for missing government capacities. Combination of pooling arrangements for TA funding and direct donor provision.	Afghanistan

Even the best run international procurement systems have their limitations and this is especially true when the success of activities depends on the quality of the people chosen. Because tendering systems are often limited to paper assessments, they have limited scope for judging the personal suitability of people although there is evidence that this can be more important to the success of assignments than the individual's technical expertise (Gilling 2005: 2).<sup>23</sup> Some donors have moved towards conducting interviews with tendering firms to supplement paper reviews.

#### (iv) TA costs

In general, **price signals are weak** for TA because the user is not the payer. In addition, as AusAID has pointed out (Lyon 2005: 1), there is little cost containment when, as is often the case, a development agency deals with a small set of suppliers. But using nationals is not necessarily the route to cost containment, although it may solve other problems such as lack of knowledge of the culture and language. At least in Africa, national expertise can often be expensive, commanding salaries or fees commensurate with those of Europeans or North Americans.

More transparency would help to address costs. There is an increasing number of cases where information on TA costs are shared with partner countries, either by putting them on budget - included in the national budget - or by making project/programme budgets transparent, including TA costs. Some agencies supplying TA are, however, still hesitant to publish information on TA because it reveals the income disparities between expatriates and nationals. Making the costs of TA visible is also politically sensitive and, in some cases where pooling is being considered, may drive down the use of TA, especially personnel, even if there are significant capacity shortages in the country.

#### (v) Rethinking of the goals of TA

In general, we can see that the agenda for reform of TA is moving, albeit slowly. There are some promising examples of success to draw on for inspiration but these are largely at the project and programme level. The experience with TA in sector-wide approaches and budget support is relatively young and needs to be monitored carefully. The recent DAC-led General Budget Support study (Lister et al. 2006) suggests, however, that so far the experience has been problematic. As experience with these modalities accumulates and is analysed, it is likely that **there will have to be some rethinking of the goals** set by the international development community for technical cooperation and capacity development and that the approaches that are accepted as means to achieve them may need to be revisited.

## 1.4 What do partner countries think about TA?

It is probably fair to say that many if not **most developing countries would say that they want less TA**, especially from Western countries. They see it as expensive and as displacing nationals. They complain bitterly about the salary differentials between nationals and expatriates and they feel that there is too little emphasis on building national capacity.

Developing countries resent the fact that TA is often a pre-condition for other kinds of assistance. They **would like TA unbundled** - separated out, standing alone. A few organisations - such as SNV - are doing this and their advisors have a role purely of building capacity - not of feeding into projects for whose results they are partly or wholly responsible.<sup>24</sup> Many developing countries would like to have more say in defining what is needed, to reduce the amount of donor-driven TA and to redirect funding to activities of higher priority.

In general, governments **want as much un-earmarked funding as possible** and preferably through government controlled systems.<sup>25</sup> Earmarked funding for sectors is their second choice. This reflects a desire for more national control, especially over the use of funds. Such national control usually concentrates aid funding in the hands of the bureaucracy, a fact that many NGOs see as undermining their independence and constraining their role as checks and balances on government.<sup>26</sup> This control of funds by Central Government also limits the

<sup>23</sup> Some years ago, CIDA developed some psychometric tests for candidates seeking overseas assignments but they were not widely used.

<sup>24</sup> Many other international development organisations abolished their sections which managed free-standing TA some years ago and their TA is always part of a broader project or programme.

<sup>25</sup> With regard to TA, this has been most clearly formulated by the International Monitoring Group in Tanzania, see Section 2.3.4.

<sup>26</sup> INTRAC in Oxford, England is organising a conference in December to look at the impact of programme-based approaches like sector-wide approaches and budget support on the capacity of civil society.

27. Lister et al, 2005, page S6.

28. The TA assistance strategy of the Government of Zambia specifies full pooling, for example.

29. In each case, there are two components which IDOs support differently depending on their assessments of the country and sector, their policy on pooling, their track record in the sector, and their capacity at the country level in the particular sector. We have discussed these approaches in more detail in Section 2.3.3.

30. This is true of Mozambique and Portugal. See Hauck and Baser (2005: 8)

31. From interviews done for Hauck and Baser (2005)

access to TA for other partners such as local governments and civil society. This has happened, for example, in Uganda.<sup>27</sup>

Some countries are keen to move towards pooling of TA which they see as a means of increasing their control over funding. They often see full pooling as the ideal, despite their own often weak management systems.<sup>28</sup> They also want flexibility to be able to call up TA as required. This probably implies a mix of mechanisms including pooling, budget support, sector support and project assistance. Examples of flexible approaches include the health sector in Uganda and the planned education sector reform in Rwanda.<sup>29</sup>

Despite the desire for more control over funding, **partner country demand for pooling of TA should not be assumed.** Any push for it without full national support is likely to undermine its success. There are a number of possible reasons why partner countries would shy away from pooling. Some ministries, for example, have an interest in maintaining their contacts with individual donors from whom they receive special kinds of support. Pooled arrangements can result in shifting responsibility and hence power from one ministry to another, often away from line ministries to central ministries such as finance. Some countries also greatly value their relations with donors who do not pool.<sup>30</sup> Finally, some countries may simply be tired of the demands put on them by collaborative approaches and not want to take on more negotiation processes. This appears to be the case in Kenya, where fatigue from the 18 month process of negotiating a SWAp left little energy for a pooling arrangement specifically for TA.<sup>31</sup>

Collaborative mechanisms such as sector-wide approaches and budget support put considerable weight (meetings, missions, reports, etc) onto the shoulders of partner countries. Although these new mechanisms are intended to reduce transaction costs, in many countries there is little evidence that it has happened so far and the results of harmonisation are sometimes unclear. In the Mozambican education sector, for example, there is evidence that the process of coordinating 26 donors has taken precedent over improving the quality of education (Hauck and Baser 2005: 9). Pooling in such a situation may be simply a band aid covering more fundamental problems, such as the need to reduce the number of active donors in the sector. That said, many developing country partners are still anxious to move towards programme-based approaches and to reduce the daily transactions with a multitude of donors.

Developing countries are uneasy with the fact that **accountability** is still heavily weighted towards the government's obligations to the donors, with little attention paid to monitoring the role of donors. This approach tends to undermine the normal accountability of governments to their citizens - the social contract that is the basis of Western democracies. Most countries would like to see monitoring and evaluation systems which address their priorities, are more participatory and provide them with opportunities for learning.

Of the attempts to rebalance accountabilities, the Tanzanian approach to mutual accountability being the best known with three reports having been done. The process began in the early 1990s when relationships between the government and the development community had deteriorated severely. A high-level group of experts was appointed to investigate proposed ways to get the relationship back on track, including an independent monitoring mechanism which now holds the partners to account. The group's findings are widely accepted and respected (Lopes and Theisohn 2003: 292). A similar kind of mutual accountability exercise, or report card, as it is called, was done for the first time in Mozambique in 2005, other countries are also interested.

Developing countries would also like to see ODA in general and TA in particular arrive on their **timetables** not those of donors. This implies using the fiscal year of the partner country and not that of the donor, and designing assistance so that it matches the general financial flows of the partner as opposed to establishing a project-only system.



## **Chapter 2:**

### **Finding from country case studies**

## FINDINGS FROM COUNTRY CASE STUDIES

### 2.1 Introduction

In Chapter 1, we indicated how the critiques, thinking and policy discussions on TA have led to more collaborative approaches among International Development Organisations (IDOs). They increasingly respond to an international agenda which revolves around their partnerships with developing countries and capacity development. There are still considerable differences in how individual IDOs put this international agenda into practice.

This chapter outlines the practices of a selected number of bilateral organisations<sup>32</sup> which play a major role in the provision or financing of TA. Annexes 4 to 9 provide information on the financing and provision of TA for each of the countries mentioned,<sup>33</sup> with details on the roles and functions of specialised TA agencies where applicable. Because the instruments and organisations involved are quite diverse, we limit ourselves to the information necessary to understand how TA is provided or financed. The Annex does not aim to explain the full details of the technical cooperation system or the broader development cooperation in each of the countries covered.

The Chapter presents the major trends and practices emerging from the 6 main cases (Denmark, France, Germany, the Netherlands, Sweden and the United Kingdom) as they relate to TA. In the first part, we explain the **institutional arrangements** for each country, especially the allocation of roles among different actors for broad policy formulation, policy design in partner countries and implementation.

In the second part, we discuss some **innovations and recent trends** emerging in the context of TA provision and financing as compared to the policy discourse set out in Chapter 1.

In the third part, we highlight some **problems** which IDOs are trying to address in their search for more effective and efficient TA provision, but for which no best approach has yet been found.

### 2.2 Institutional arrangements

TA in the form of projects and programmes as well as stand-alone expertise represents an average of 20-25% of the ODA (Official Development Assistance) provided by the bilateral IDOs in our sample,<sup>34</sup> despite attempts to reduce its use following the harsh critique of the 1980s and 1990s.

TA can not be looked at in isolation. It is an essential element of Official Development Assistance (ODA) and can be seen as one side of the "aid" coin, the other being financial assistance (FA). An overview on aid volumes of the countries which we have reviewed for this study is presented in Table 2.1. Some countries which have large percentages of TA by reference to total ODA have set up separate organisations to manage TA, for example GTZ in Germany, SNV in the Netherlands and BTC in Belgium.

Table 2.1: DAC Members' Net Official Development Assistance in 2004

Net disbursements	ODA (A+B)	A. Bilateral ODA <sup>35</sup>	of which Technical cooperation		B. Contributions to multilateral institutions
Countries	US\$ million	US\$ million	US\$ million	as % of A	US\$ million
Australia	1,460	1,191	692	58%	270
Belgium	1,463	902	414	46%	561
Denmark	2,037	1,202	112	9%	835
France	8,473	5,567	2,340	42%	2,906
Germany	7,534	3,823	2,486	65%	3,712
The Netherlands	4,204	2,670	663	25%	1,534
Sweden	2,722	2,076	112	5%	646
United Kingdom	7,883	5,339	751	14%	2,544

Source: OECD (2006). Development Cooperation Report 2005

32. Australia, Denmark, France, Germany, Netherlands, Sweden and United Kingdom.

33. We have focused the research on TA policy formulation, planning and implementation. Some information on the evaluation of TA is included. Resources for this study did, however, not allow for detailed research on TA evaluation.

34. There are different interpretations of what is TA. The statistical base for TA/TC is weak and needs to be better disaggregated. Upgrading is on the agenda for the DAC Govnet. Sida, for example, claims to have abandoned traditional TA and officially now only spends 3-4% on it. Sida staff suggests that the real figure, including capacity development activities, is more like 20%.

35. Bilateral ODA consists of 2 broad categories: 1. Grants and grant-like contributions, which includes as sub-categories i. Technical cooperation, ii. Developmental food aid, iii. Emergency and distress relief, iv. Contributions to NGOs and v. Administrative costs; and 2. Development lending and capital.



In most countries, development assistance (technical and financial assistance) is an integral part of foreign and security policy, although the degree of explicitness varies from country to country. The interrelationship is quite clearly expressed in Denmark but less so, for example, in Germany.<sup>36</sup> This implies that the application of TA experience and (good) practices from other IDOs must take into account the broader context and particularly the institutional arrangements through which TA policies are designed, implemented and evaluated. These arrangements can vary significantly, as the comparison of management structures of different countries in Table 2.2 shows.

In several cases we reviewed, the **broad aims of a country's development policy** is explicitly or implicitly linked to a country's foreign and security policy, formulated under the leadership of the respective Ministry of Foreign Affairs (MFA). The **specific development policy**, including the extent to which TA is used as an instrument, is formulated by separate development ministries (the BMZ in Germany and DFID in the UK), or by a development cooperation department which is part of the country's MFA such as the Netherlands (DGIS), Denmark (Danida)<sup>37</sup> or France (Direction Générale de la Coopération Internationale et du Développement, or DGCID). In the Netherlands, Denmark and France the respective departments report to a Minister of Development Cooperation or equivalent rather than to the Minister of Foreign Affairs. They thus have considerable independence although the Minister for Development Cooperation does not rank as high in the Cabinet as the Minister of Foreign Affairs.

Most countries follow similar arrangements in terms of **negotiating their bilateral agreements** with partner countries in the South. These agreements, or conventions, which identify the broad areas of cooperation (including financial and technical assistance) are laid down in a country plan. The respective ministry or department, e.g. BMZ, DFID, Danida, DGIS, has the responsibility for negotiating this bilateral assistance agreement. While there can be consultations about the possible nature of the assistance with representatives of an implementing organisation, e.g. GTZ, the main actors at this stage of the assistance process are officials from ministry/ department headquarters and their colleagues working in the embassies.

Somewhat different are the Swedish and Australian models where the MFA has delegated to its respective government agency for development cooperation, Sida and AusAID, significant responsibilities, including the negotiation of aid agreements with partner countries.<sup>38</sup>

Table 2.2: Institutional arrangements

TA/TC provision (principal institutions & organization)	Foreign & Security Policy	Dev Policy (TA / FC)	Bi-lateral Agreement (TA / FC)	Identification of TA (areas of assistance)	Formulation / planning of TA interventions	Implementation of TA
UK	MFA	DFID	DFID	DFID	DFID	MC <sup>39</sup>
Netherlands	MFA	DGIS	DGIS	DGIS	DGIS	MC
Sweden	MFA	MFA	MFA & Sida	Sida	Sida	MC <sup>40</sup>
Australia	MFA	MFA	MFA & AusAID	AusAID	AusAID	MC
Denmark	MFA	Danida	Danida	Danida	Danida	Danida & MC
Germany	MFA	BMZ	BMZ	GTZ	GTZ (& DED)	GTZ DED MC
France	MFA	DGCID	DGCID	DGCID/AFD	DGCID/AFD	DGCID/AFD/MC
Belgium	MFA	DGDC	DGDC	DGDC	BTC	BTC

Note: The shaded areas indicate where a Development Ministry or Department is integrated into the Ministry of Foreign Affairs

36. E.g., the website of Danida spells out that "Denmark's policy is to strengthen its foreign and security policy through a focusing of Danish development assistance", whereas the web-site of BMZ states that "development policy is an independent area of foreign policy".

37. Officially, Danida has disappeared and Danish development assistance is managed by the MFA's "South Group". However, Danish policy documents still refer to Danida as the department of the MFA dealing with development cooperation.

38. Given the limited number of people dealing with development policy in the Swedish MFA, much of the preparatory work for Sweden's broad cooperation strategy with a country (including areas other than development cooperation) is done by staff of Sida. The cooperation strategies themselves are still approved by the Swedish MFA. The cooperation strategies are then operationalised through country and regional plans, which are prepared by Sida staff in the field in consultation with the head office.

39. Including DFID Resource Centres

40. Sida supports many twinning arrangements between Swedish organisations and their partner organisations in developing countries

41. We have only looked at TA here and not FA.

42. We understand the term "managing contractor" to refer to consulting firms which can mobilise TA experts in the context of their overall contract with an IDO, or individual consultants. AusAID uses the term managing contractor. Canadian CIDA calls them "executing agent". DFID normally uses the term 'consultants' to refer to individuals or consortia which DFID procures for personnel assistance, and uses the term "managing agent" to refer to firms which execute wider TA contracts (including the recruitment of personnel).

43. Apart from its in-house staff, DFID can also rely on its thematic resource centres to help it monitor technical assistance assignments or locate specific expertise, especially short-term.

44. The Australian model is very similar. AusAID is a government agency which is administratively autonomous within the Foreign Affairs and Trade portfolio. The Director General reports to the Minister for Foreign Affairs. In its overseas offices the agency 'runs its own business' but nevertheless on a day to day basis, the head of the AusAID office reports to the Ambassador/ High Commissioner while also having reporting relationship to the relevant AusAID Branch in Canberra.

45. A specialised MC or TA service provider, presently Mercuri Urval, does all recruitment for Danida contracted TA.

46. KfW is a rather unique institution among bilateral IDOs. It is a development bank and has its origin in the Marshall Plan to rebuild Germany. KfW finances a wide range of big investment projects in Germany and abroad, including developing countries where, ideally, its work should complement GTZ's. In reality, however, there are many areas where GTZ and KfW have overlapping mandates, causing misunderstandings and tensions. More recently, both organisations intensified coordination and cooperation in many ways at programme and strategy level. Today, both contribute to Germany's sector and country strategies, where FC and TC have complementary roles.

47. In addition to GTZ, these are the DED, InWEnt, CIM and MCs.

48. The recent DAC Peer Review on Germany commented on the multiple organisations involved in the provision of TA and FA. This has triggered an intense discussion launched by the BMZ to reform the German development cooperation system. Several interviewees suggested that the German organisational landscape might change substantially during the current government mandate.

In terms of **identification, formulation/planning and implementation** of TA, a rather diverse picture emerges from the comparison.<sup>41</sup> **'Identification'** is understood here as the process whereby the areas of assistance are defined in cooperation with the line ministries of the partner country. **'Formulation'** is the process whereby each intervention is planned in detail in preparation for the **'implementation'** phase. In all the cases reviewed, the development ministries, or departments, play a lead role in the formulation/ planning phase, usually together with the partner country and occasionally with assistance provided by consultants. Broadly speaking, we would distinguish three categories in terms of institutional set-up and reporting, and how the different organisations work with their own TA experts, or involve MCs:

- (i) The largest category consists of those countries which maintain **identification and formulation (or planning)** - the transition phase from policy to implementation - as **government operations**. The officials of the development ministry or department, including sector specialists, initiate and lead the identification and formulation process, usually working from an embassy, or a special office, as their base. Implementation, on the other hand, is outsourced and normally executed by managing contractors (MCs).<sup>42</sup> In-house sector specialists provide advice and monitoring from a distance.<sup>43</sup> The countries which broadly follow this model are the UK and the Netherlands. Both have a minister with a seat in Cabinet, with the difference that the Netherlands minister is without portfolio and integrated into the MFA. Ambassadors to developing countries report to the respective ministers of DFID and DGIS on development cooperation issues.

A sub-category of (i) is the Swedish model, in which there is a government agency which has a lesser status than a government department.<sup>44</sup> The Head of Sida reports to the Minister of Foreign Affairs. Ambassadors to developing countries report to the Head of Sida. Implementation of TA/ CD projects takes place through a variety of arrangements, including twinning with Swedish public institutions and consultancy services provided by MCs. Sida has reduced its direct involvement in TA projects, and in 2002 there were only some 10 TA personnel directly managed by Sida.

- (ii) A second category includes Danida, which keeps the **identification, formulation** and a substantial part of the **implementation within government functions**. Experience has convinced Danida that it should directly manage personnel involved in long-term reform processes.<sup>45</sup> MCs generally manage more specific, technical activities through short- or long-term assignments.

- (iii) A third category consists of those countries which operate through a **variety of institutional arrangements which identify, formulate and implement** technical assistance, namely Germany and France. A government-controlled private company, GTZ is the principal (but not sole) provider of TA in Germany. Through its offices in Germany's partner countries, GTZ plays a key role in the identification phase. GTZ staff work in close cooperation with the Development Ministry representative based within the German embassy, and with the representatives from the German provider of financial assistance, KfW.<sup>46</sup> GTZ also takes a lead in the formulation and implementation of TA, though there are several other providers of TA which play a significant role, particularly in the implementation phase.<sup>47</sup> The German Development Service (DED), for instance, provides mainly long-term TA personnel (development cooperation workers/ volunteers). The organisation is independent and through its country representations can get involved in the identification phase. German policy is to increasingly harmonise the technical assistance provided by the different organisations.<sup>48</sup>

France recently changed its organisational structure for providing TA in response to the DAC Peer Review done in 2004. Identification, formulation and implementation are divided between the DGCID and the Agence Française de Développement (AFD). The DGCID takes the lead role at the identification phase, focusing mainly on institutional reform and governance programmes, and works with TA personnel recruited and managed through France Coopération Internationale (FCI), set up by the Government in 2003 to manage French TA. The personnel it recruits come either from within the French government or from the labour market. AFD used to be a financing organisation in the past but, as of 2005, began to shift towards initiat-

ing and supervising TA projects and programmes in primarily technical sectors, such as education, health, roads, etc. AFD works through MCs rather than managing TA directly.

Our interviewees indicated that transaction costs in the cooperation between DGCID and AFD in France, and between BMZ and GTZ in Germany are often high. For example, many institutional reform programmes in partner countries take place within sector ministries. During the implementation of institutional reform programmes it is common that policy questions arise which are beyond the technical mandates of AFD and GTZ. The agencies then need to call on Ministry staff, based in embassies or at headquarters, to guide them on policy questions.

In the context of this study we had only limited opportunities to look in detail at the different arrangements used for evaluating technical assistance in the countries we covered. Ministries, departments and implementing agencies carry out evaluations using their own staff, but also contract MCs to execute periodic evaluations of their progress of programmes and projects. These are combined with external audits to check the financial management of projects and programmes.

A notable trend in several countries is the move towards external evaluations, often commissioned by higher-level institutions.<sup>49</sup> GTZ introduced an evaluation system which uses a mix of in-house evaluations (reporting to the head of GTZ) and external evaluations commissioned both by the BMZ (since 2001) and by GTZ itself (since 2006). In line with a requirement of the Swedish Policy for Global Development, Sweden set up an independent evaluation institute, SADEV (the Swedish Agency for Development Evaluation) in early 2006. This is to report to Parliament on the coherence and complementarity of overall Swedish policy and implementation affecting developing countries (including trade policy). However, the exact role of this agency is not yet clearly defined and there is a potential overlap between its functions and those of Sida's own evaluation unit. In the Netherlands, there is the Policy and Operations Evaluation Department (IOB) to meet the need for independent evaluation in all fields of foreign policy. It reports to Parliament, followed by a policy response of the minister. The Permanent Committee on Foreign Affairs then discusses the report and the policy response.

Another change in the evaluation practices of IDOs is a growing level of transparency in the monitoring and evaluation of projects and programmes. Several ministries and TA agencies have started to publish evaluations (or summaries thereof) on their web-sites, or to make them available on request.

We have included some information in Belgian development cooperation in Table 2.2. A notable difference between Belgium and the other countries reviewed is the split of responsibilities between identification and the subsequent formulation and implementation stages. We will discuss this structure and how it compares with international practice in more detail in Chapter 3.

## 2.3 Innovations and recent trends in TA provision

The analysis of the cases suggests a number of cross-cutting trends and issues. Some are more recent and have arisen with the introduction of new aid mechanisms; others have been discussed in the past but are still relevant in the current policy discourse. Some issues reflect perceived good practice, whereas others raise difficult questions which IDOs are still trying to resolve, despite the introduction of reforms and innovative approaches to TA provision.

### 2.3.1 Decentralisation of aid management

Institutional reform in the mid-1990s resulted either in a growing integration of IDOs into their respective MFAs, as for example in the Netherlands, or in increased complementarity between development policy and foreign and security policy, as was the case in the UK.<sup>50</sup> In parallel, many IDOs shifted aid management responsibilities to decentralised staff, either generalists or sector specialists, in embassies or special offices located in developing countries. Many sector specialists have long-term experience as technical assistants in projects or programmes.

<sup>49</sup>. In Belgium, this already exists by way of the Special Evaluator (see footnote 1) the department has a far-reaching mandate and reports to the Parliament, whereby the Minister of Development Cooperation can provide comments.

<sup>50</sup>. The UK established in 2001 Conflict Prevention Pools for several geographic and thematic areas, one being for the African continent. A standing inter-departmental body, combining the expertise of the Foreign Ministry, the Ministry of Defence and DFID, coordinates the interventions and ensures that appropriate measures are taken at the different 'failure stages' in a region to prevent conflicts (Austin 2004).

51. Some bilateral IDOs started this decentralisation process in the early-1990s. Other IDOs followed later, such as the European Commission which started its devolution only as of 2001 (Frederikson and Baser 2004).

52. Preliminary plans exist to establish an International Cooperation Academy, which would be a network of Dutch knowledge institutions. The aim should be a more targeted exchange of policy relevant information between knowledge institutions and the ministry.

These changes follow from the partnership principle introduced into aid management from the early 1990s, and recognise the importance of aligning IDO activities with the priorities formulated in the development policy of the partner government. This means that IDOs need to have “an ear to the ground” and to be able to respond quickly to new developments and changing priorities. The presence of a well-informed aid administration, with the capability to translate broad IDO policy into the context of a partner country, and to make good use of different aid implementation mechanisms is critical.<sup>51</sup> In addition, because policy and implementation have moved closer together over recent years, staff members often need an understanding of both.

For most IDOs, this shift has required greater decentralisation of decision-making and the reinforcement of learning at the country level. Some organisations, like DFID and GTZ, have gone very far in this, with only responsibilities for broad policy decisions remaining in headquarters. In other countries, doubts about decentralisation have been expressed, for instance in the Netherlands, where there is a fear that decentralisation might cause implementation to become too autonomous and incoherent with the overall policy of the organisation. And there is awareness that policy relevant knowledge needs to be better used and processed at the central level.<sup>52</sup> In the late 1990s, the Canadian International Development Agency (CIDA) cancelled the decentralisation programme that it had begun earlier in the decade, largely because of the increased costs associated with sending Canada-based staff to the field. Political pressure from domestic stakeholders who felt alienated from decentralised decision-making processes was probably another factor.

### 2.3.2 Merging of technical and financial assistance

The recent international debate about official development assistance has focused heavily on the financial perspective - assuring promised levels of funding, increasing the flow of funds through mechanisms such as budget support, and improving public financial management systems in order to ensure that partner governments are accountable to funders for monies received. Technical cooperation/ assistance is often viewed as an appendix to these activities rather than having a *raison d'être* in and of itself. As such, it is expected to be as logical and linear as financial assistance and to be as easily packaged into the neat boxes of logframes and results chains. The same rules of accountability and the same approaches to monitoring and evaluation are seen as applicable.

There is, however, another view of TA/TC - as contributing to mutual learning, dialogue and change management, including the exchange of information and building capacities with partners through professional and cultural links. There is increasing recognition that these softer, less tangible activities cannot necessarily follow a linear and predictable trajectory and that the rules applicable to financial assistance do not always work for them. This has implications for how financial and technical assistance should interrelate.

At the same time, the adoption of new aid mechanisms such as SWAps and budget support has resulted in growing integration of technical and financial assistance (FA). Some IDOs integrated TA and FA in the 1990s, whereas for others, such as AFD in France, integration is very recent. In Germany, the discussion on merging TA and FA institutions is an open debate. An evaluation under the leadership of the BMZ currently looks at a variety of possibilities to strengthen the complementarity between TC and FA. The shift towards greater integration is premised on the assumption that technical assistance cannot be effectively managed organisationally unless it is integrated with financial assistance and that FA can not be implemented without complementary TA. Organisations such as SNV, however, are challenging this assumption through their free-standing TA activities focused on capacity development. GTZ also sees TC as a specific aid instrument in its own right contributing to wider system change which should not a priori be subsumed under an approach dominated by FA. For the underlying principles which inform GTZ's understanding of TC see box 2.1.

### Box 2.1: Principles underlying GTZ's systemic approach towards technical cooperation

- TC in GTZ's mandate and practice focuses on Capacity Development (CD) which is principally recognised as a long-term process of mutual learning;
- CD does not replace but generally supports the development of local capacity at the micro-, meso-, and macro levels. In that sense TC serves to support the implementation through the partner organisations;
- The implementation of complex programmes is one of the most challenging for many partner countries. This equally refers to the capacity of partners to design and implement complex programmes supported by complex aid modalities such as budget support;
- CD according to GTZ's understanding refers not only to the capacities of governments but integrates also civil society and private sector - importance is attributed to multi stakeholder approaches and to institutionalised societal participation;
- All transformation processes may be confronted with power plays, problems of interest groups and winners and losers. CD advisors often serve as facilitators and mediators between conflicting groups. They can only adapt their role based on long-term expertise and knowledge of the regional and cultural context of the partner countries;
- CD can be highly "political", e.g. in cases where democratic rules and regulations are not yet in place and where there is a need for mediation between civil society and governments. TC is also related to specific "values" such as human rights, popular participation in political decision making, rule of law and legal certainty, a market friendly and societal economic order.

The integration of technical and financial assistance raises the issue of defining the objectives of a development activity and which mechanisms are most appropriate to achieve them. Development philosophies play a role in making judgements here. If the focus is on building capacities, TA is likely to play the stronger role. Major reform activities may well require both TA and FA interventions but the change management strategy needs to be clearly articulated. If the focus is on technocratic gains, through a strengthening of broad systems and immediate increases in service delivery, then FA would probably dominate and TA might play only a complementary and financial monitoring role. The fact that the TA and capacity development aspects of many budget support programmes have not been well articulated and change management strategies are weak suggest that the technocratic approach based on large financial inputs has often taken precedence in sector and general budget support.<sup>53</sup> Moreover, it risks dominating the entire character and culture of a development agency and could possibly lead to a dominant orientation on technocratic gains. In Mozambique, for example, the dominance of finance is apparent in the education sector working group where most of the representatives of the 26 donors have backgrounds in finance or economics rather than in education (Hauck and Baser 2005).

Approaches need also to be tailored to different countries and regions. Whereas the large number of different projects and programmes financed by IDOs in many African countries is beyond the capacity of their administrations to manage, making an argument for harmonisation and pooling, less aid dependent countries such as India, Brazil and China want specific bilateral support based on identifiable professional competence.

Danida's experience from many years working in reform is instructive. For organisational reform programmes in key development sectors, Danida works with TA personnel on direct contracts. These people are involved in long-term change processes and require a level of knowledge and capabilities which the organisation considers of strategic importance. Other more technical assignments are implemented through MCs. GTZ has a similar approach and considers the knowledge of the partner country's institutional context gained by long-term experts essential in facilitating reform.

<sup>53</sup> This comes out in several of the case studies done as part of the Joint Evaluation of General Budget Support 1994-2004. See, for example, Lister (2005) on Uganda page S6, Batley (2005) on Mozambique, pages S2 and S10 and Claussen (2005) page S5.

54. Facilitated through increasing harmonisation among IDOs, we see this trend happening in various low-income countries, in particular in Africa. In less aid dependant countries such as India, China, Brazil, or Chile etc. this trend is not prevalent.

In some IDOs, the shift to financial cooperation has led to a loss of the sectoral knowledge which is generally contained in a TA agency. Interviews with people working at the operational level indicate that agencies like GTZ, SNV and BTC receive (informal) requests for assistance in implementing activities from IDOs like DFID and DGIS which have shifted towards the new aid paradigm, i.e. increased provision of assistance through (sector) budget support. DGIS is also concerned about eroding sectoral expertise and recognises the need for improved follow-up of macro interventions at the intermediary and micro level. Some policy makers in DGIS see SNV and other TA agencies as potential providers, or complementary resources of this follow-up. The current evaluation of SNV by DGIS is expected to take this issue into account.

### 2.3.3 Towards more pooling of TA

The trend towards pooling or 'basketing' of aid through various forms of programme-based approaches<sup>54</sup> has led to growing leadership by governments as evidenced, for example, in the case of Tanzanian (see section 2.3.4). Despite this, the number of examples of TA pooling is not expanding quickly. While there are some examples of IDOs cooperating on a limited scale to jointly finance TA inputs into crucial sectors of a government such as the Gabinete de Estudos in Mozambique highlighted in Box 2.2, most pooling arrangements remain 'loose' (see also Section 1.3.1).

#### Box 2.2: Gabinete de Estudos (Ministry of Planning and Finance - Mozambique)

The Gabinete de Estudos (GdE), a 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 formulating policy and negotiating with international funding agencies. After an informal round of contacts with recognised institutions, the Minister asked the Harvard Institute for International Development to provide technical support. The GdE was seen as a qualified success. An evaluation commissioned by the three funding agencies 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 (Pavignani and Hauck 2002).

Today, IDOs and their partners are still very much in a testing phase, gathering their experiences with forms of TA pooling and gradually trying to move from 'loose' towards 'mixed' or even 'full' arrangements. Where IDOs know each other well and where there is good understanding with the partner, pooling arrangements can work well. Where IDOs are less accustomed to working together or where there are widely varying development perspectives, coordination becomes difficult and exceedingly time consuming. When initiatives have gone wrong, partners are often unwilling to enter into similar arrangements such as in the de-mining sector in Mozambique (see Box 2.3).

#### Box 2.3: The National De-mining Institute of Mozambique

In the late 1990s, the Government of Mozambique indicated that it wanted to work in a coordinated fashion with IDOs on de-mining issues. One of the reasons was to keep a close eye on IDOs and NGOs in a context where much money was going into removing mines. Coordination was the accepted approach in general in Mozambique and, on this issue, UNDP took the lead. CIDA and other IDOs channelled funds through UNDP-Mozambique. Canadian funds were used to hire two of the five TAs assigned to the IND, and the TA staff was selected by the institute but paid by UNDP.

UNDP reported to CIDA and to other IDOs which supported separate activities, but there was no formal coordination mechanism for all of the IDOs. Because the relationship was 'at arms length' and reporting was irregular, the participating IDOs were not well informed of what was happening. This became an issue when allegations of mismanagement surfaced. The IDOs pressed for more transparency, but UNDP was constrained by its relations with the government in the context of its support for national elections, which it did not want to disturb. Two IND staff members were eventually fired, but some IDOs would have liked more in-depth investigations. CIDA and some other IDOs have since discontinued their funding to IND (Hauck and Baser 2005).

In cases where TA pooling arrangements work well, partners are very appreciative of the support provided. Positive lessons can be drawn, e.g., from the Joint Partnership Fund (JPF) for the Ugandan Technical Support Unit (TSU) operating under the Directorate of Water Development (DWD) of the Ministry of Water, Lands and Environment (MoWLE). We would see the JPF as a "full" pooling arrangement which is principally used to recruit long-term TA personnel in support of the decentralisation process of the water sector in eight regions in Uganda. The Mid-Term Evaluation of the TSU was positive, in particular about the well-established coordination mechanisms. It remarked, however, that the pooled TA arrangement was new to DWD and showed its weaknesses in effectively supervising and managing TA personnel working under the Unit. Ugandan water officials and representatives from IDOs are overall supportive of this temporary arrangement. It allows partners to respond to unforeseen situations in a flexible manner, it can bridge capacity gaps and it can provide process support.

Both the Ugandan Water Sector and the emerging Rwandan Joint Education Sector Support programme are assisted through what we would call a **Component 1 + Component 2 support strategy**. IDOs support the two components differently depending on their assessments of the country and sector, their policy on pooling, their track record in working with a sector and their capability at country level to work with a particular sector. Under **Component 1**, IDOs provide General Budget Support (GBS) to the national authorities through the treasury. This is either in the form of allocations to the budget which the partner government is expected to use for poverty reduction activities, e.g. in the education sector or "earmarked" budget support provided under the condition that funds be spent for a particular (social) sector.

Under **Component 2**, IDO funding goes into an "on-budget"<sup>55</sup> account of the sector ministry to finance short-term TA, training, workshops, small equipment, etc. Programme documents often describe Component 2 funding as a "Capacity Development Fund", or a "Partnership Fund", for example, DFID's support to the Ugandan Health Sector Support programme in the form of a small fund of some £ 750,000 over the years 2001/02 - 2003/04. Such funds are set up as temporary measures until governments can assume full responsibility for managing TA. In some cases, such as the Ugandan water sector, the government also contributes a minimal amount to under-line its commitment.

The principle of harmonisation is that IDO-contributions should be pooled as much as possible. Even harmonisation-minded IDOs like DFID do not pool all their contributions and use diversified support strategies. In the Ugandan health sector, for example, DFID supports Component 1 (Budget Support) and Component 2 (through a contribution to the Partnership Fund). An additional small funding facility exists which remains under the responsibility of the DFID delegation but is fully coordinated through the Health Policy Advisory Committee. This small facility provides an additional safety net to address emergency situations such as lack of blood reserves or provide TA for unforeseen problems. Ministry of Health officials evaluate this Partnership Fund facility very positively (Hutton and de Loor, 2003 and 2004). Whether finances are formally under the responsibility of the ministry or one of the participating IDOs is not of prime importance, according to a former DFID advisor. It is the existence of a strong coordination mechanism among all partners that is decisive in making the Partnership Fund a success.

<sup>55</sup> On-budget means that funding is included in the state budget managed by the Treasury and follows state rules and procedures. Total fungibility across sectors is an important attribute of pure on-budget funding. Conversely, off-budget means that funding goes directly to an organization, public or civil society, without being captured by the state budget.



56. The IMG is a high-level independent working group composed of international and national experts with a mandate to recommend improvements to the practices of both IDOs and the Government of Tanzania - see articles on the IMG in Capacity.org, Issue No. 26 (September 2005) and Capacity.org, Issue No. 16 (January 2003) - [www.capacity.org](http://www.capacity.org)

57. For 2004/05 foreign suppliers, including from developing countries, won 25% of the total value of contracts let in DFID headquarters. DFID country offices have authority to contract lower value TC contracts and non-UK suppliers are often successful.

58. [http://www.sida.se/sida/jsp/sida.jsp?d=107&language=en\\_US](http://www.sida.se/sida/jsp/sida.jsp?d=107&language=en_US)

### 2.3.4 Transparency of TA personnel costs

In recent years, IDOs have increasingly included all costs related to personnel in the budget of the cooperation agreement. This practice reflects the growing move to work in partnership with developing countries and the concurrent requirement for openness and transparency on all aspects of cooperation. This transparency has obviously triggered questions and tensions, as partners want to have control over the quality and suitability of the perceived expensive TA personnel provided and to share decisions on who is recruited for a particular position.

This reasoning has led to efforts among partner countries to move towards more pooling of TA personnel where-by resources provided by the IDOs are put into a basket for recruiting better, or cheaper, personnel from any source. The International Monitoring Group (IMG 2005)<sup>56</sup> in Tanzania has recommended, for example, that the Government include in its Joint Assistance Strategy a provision for an IDO-supported TA pool. It also calls for a transparent and competitive system for procuring TA. The IMG further recommends that a national TA policy be developed which would de-link TA from financing and from projects in order to allow TA to be used for capacity building and to make it more demand driven. Tanzanian officials have been inspired by the diamond-rich Botswana Government which procures experts internationally to fill those positions which are considered indispensable to achieve the objectives set in the national development plan (Land 2002).

The push for complete untying of TA is sensitive for many IDOs as they see having experts involved in field operations as a means of ensuring that assistance is provided in accordance with their policy objectives and these positions are thus of strategic importance. As mentioned in Chapter 1, and further discussed below, they are also a means of maintaining domestic support in donor countries. Even in countries like Sweden which have been strong advocates of untying, there is a pressure to find a balance between good practice in development cooperation and compromises which can help to maintain domestic support.

### 2.3.5 Tying versus untying of TA

Among our sample countries, Sweden, the UK and the Netherlands introduced a policy of untying of aid following the adoption of a recommendation on untying at the DAC High Level Meeting, April 2001 (DAC 2001). Untying has been a recurrent issue in DAC peer reviews as well as in international fora discussing aid effectiveness such as the High Level Forum held February 28 - March 2, 2005 in Paris. While the DAC Recommendations on untying ODA to the LDC (2001) focus on FA in LDC countries, which excludes TC, these discussions have put considerable pressure on donors to untie more generally.

There is considerable controversy over general figures on untying of aid contributions and what they really mean. Criticisms persist that, despite the untying policy, much aid which includes financing for TA remains tied. In the UK, non-governmental organisations like Action Aid and others have criticised DFID for working primarily with UK-based firms. In response, DFID is doing a study on good practice in TA provision pointing out that firms with a strong UK background are indeed involved in TA provision but that many of these are working in consortiums with experts from other countries. Moreover, many of these firms operate through branches based in partner countries and which are part of the local economy. This provides opportunities for nationals to gain experience and specialised knowledge.<sup>57</sup>

Sida has been under pressure at home to use Swedish knowledge and resources in development cooperation. Its website, directed at the Swedish public, notes that Swedish firms and other organisations are actively involved in the provision of aid financed by the Swedish Government: "Sida's projects "are implemented in practice with the aid of some 1,400 partners in cooperation, often Swedish [...]. Since Swedish organisations, companies, government agencies, societies and experts are involved in the work, development cooperation also contributes to development in Sweden in the long term."<sup>58</sup> On the other hand, Sida tries to be innovative by optimising its capacity development assistance to partner countries. It has, for example, triangular aid arrangements in areas where it has no comparative advantage, as in its support for the Mozambican Supreme Audit Office where Sida



was part of a tripartite partnership with Portugal to finance the work of experts originating from the Portuguese Court of Auditors.<sup>59</sup>

Another aspect related to the tying/ untying debate is the nationality of staff, including TA experts and other staff working within IDOs administration. While we could not get statistical information from all the IDOs reviewed, the information from SNV, GTZ and Danida presented in Table 2.3 shows that most staff paid by headquarters originate from the financing country.<sup>60</sup> IDOs do, however, finance substantial numbers of nationals of developing countries as local experts and support staff working in embassies, project implementation units, project offices, etc.

Table 2.3: Nationality of staff for selected IDOs (2005)

	SNV / NL		GTZ / Germany		Danida / DK <sup>(4)</sup>	
	No.	%	No.	%	No.	%
<b>Staff / national</b>	173	50.4	2,191	91.4	131	65.5
<b>Staff / other European</b>	62	18.0	136	5.7	52	26.0
<b>Staff / non-European</b>	108 <sup>(1)</sup>	31.4	69	2.9	17 <sup>(3)</sup>	8.5
<b>Total</b>	343	100.0	2,396 <sup>(5)</sup>	100.0	200	100.0
<b>Locally recruited experts, Plus support staff</b>	~700 <sup>(2)</sup>	-	8,189	-	n.a.	-

(1) 1 person from North America and 2 from Australia, others originate from developing countries

(2) SNV has a division of approximately 1/3 staff and 2/3 locally recruited personnel

(3) 1 person from North America, others originate from developing countries

(4) Danida has on average some 200 to 250 advisers in the field; the figures are extrapolated from Danida's annual recruitment statistics

(5) 1050 of the 2,396 GTZ staff with headquarters contracts are 'seconded experts' (i.e. GTZ's staff providing technical assistance in partner countries)

Some countries, such as France, have an explicit policy on recruitment of nationalities. Not more than 20% of France's TA personnel can be non-French. Experts sent out through the Ministry of Development Cooperation often come from French government institutions and are thus French civil servants.

Managing contactors/management agencies do recruit internationally, but we were unable to find statistics on the nationalities of their personnel. Staff recruited into government institutions or government agencies such as DFID and DGIS are not necessarily nationals.


### 2.3.6 Delegated cooperation

In the search for greater aid effectiveness, some IDOs have entered into delegated cooperation agreements. Under delegated cooperation, the bilateral 'A' acts on behalf of bilateral 'B' in a particular sector or thematic area and uses the funds of IDO 'B' which have been allocated for this particular area of work. Bilateral 'B' may monitor the activities of Bilateral 'A' either through reports or participation in evaluation missions. Norway and Sweden have practiced delegated cooperation for several years. Sweden, for example, delegates its education sector programmes in Rwanda to DFID and to DGIS in Mali.

More recently, DFID and DGIS started delegated cooperation agreements, for instance in Uganda, where DFID has fielded a health adviser to its delegation and DGIS an education adviser to its embassy. As these positions also have an oversight task, the cooperation between DFID and DGIS allows one expert to cover the cooperation engagements for both organisations and represent the other in its support to the partner country.

**59.** Tribunal Administrativo (Supreme Audit Office): The project involves organisational 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 (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 (Pavignani and Hauck 2002).

**60.** GTZ points out, that two-thirds of its overall staff in the field are nationals from the partner countries. Those are under separate payment and therefore listed separately in Table 2.3. GTZ also has a policy on the use of national or expatriate staff.



Delegated cooperation agreements are motivated by concerns to reduce an inflation in the number of IDO staff, mostly policy advisers, and TA personnel in order to reduce pressures on the partner government for coordination, logistics, etc. Such cooperation requires that both IDOs know each other well, trust the approach taken by the other partner and share the same views on how to advance the change process.

## 2.4 Key questions in TA provision

Despite various efforts to reform TA through new approaches, such as delegated cooperation or the decentralisation of management, a number of key questions or dilemmas remain. These relate to the issues of 'control' and 'accountability' and originate from the triangular relationship of aid provision which we have discussed in Box 1.1. In this Section, we will discuss how some IDOs are trying to deal with these issues and how this is reflected in the design of TA interventions.

### 2.4.1 Capacity development vs. management and control

The all-too-common situation is that the TA personnel associated with particular projects or programmes are being pulled between responsibilities for capacity development, through advice, transfer of knowledge and skills or facilitation, and for resource transfer, often associated with management, supervision and control. In such contexts, the responsiveness of an expert can turn into the provision of a mix of functions, including advisory work, facilitation, on-the-job training, buffering of interests between parties, supervision and control of resource use and sometimes filling gaps. This mix of activities naturally evolves during the course of an assignment even where job descriptions underline capacity development aspects such as on-the-job training, advisory work, or facilitation of change processes. To what extent a TA expert in such situations can concentrate on **capacity development**, as opposed to being drawn into the **resource transfer** aspects of a change process clearly relates to a number of factors. We comment on three which we see of particular importance;

- Where the partner country is serious about development and capable of managing and controlling resources, the need for a TA expert to focus on resource transfer aspects is much less pronounced. Such cases are found rather more in middle income than in low income countries.
- The identification and design phase of a TA intervention is crucial. If the IDO and the partner do not jointly analyse and determine the focus of the intervention and the division of the responsibilities and tasks, then problems are likely to arise.
- The selection process of candidates should not be underestimated. A direct involvement of the partner in the entire process is crucial. A thorough screening by the IDO followed by the submission of one or two CVs to the partner country is not enough to ensure ownership.

Several examples from IDO practice suggest how this might be done:

#### Danida

Danida began supporting sector reform programmes in the mid-1990s and provided considerable financial resources through emerging sector-wide approaches. From evaluations of such support programmes, the organisation concluded that the reform efforts needed to be accompanied by technical assistance as the capacity of partners was not sufficient to manage assistance on their own. Today, Danida provides a considerable number of experts to accompany the implementation of long-term organisational reform and sector support programmes. In search of a more effective provision of TA personnel, Danida has formulated a policy on TA which sets out a number of innovations aiming at the enhancement of the partnership principle.

A key element of Danida's approach is the formation of a steering committee for each intervention area (a sector or thematic support programme), composed of representatives of the partner government and Danida representatives, who are mostly (sector) specialists working in Danida's delegations in the partner country. The steering committee has far reaching decision making responsibilities. In terms of TA personnel, it decides on recruitment, it supervises the joint work of the host (government) institution and the experts (either Danida staff, or experts recruited through MCs) and it reports on progress of the intervention to the partner government and

Danida. Danida and the partner government formulate an extensive job description which sets out in detail the organisational relationships of the partners, hierarchies and accountability (on the latter, see our discussion in the next Section). Efforts are also made to stress the capacity development tasks of the assignment and to balance them with oversight tasks or direct control over funds, where necessary. Nonetheless, according to our interviewees from Danida, confusion over the mix of an assignment often leads to misunderstandings and to demands for clarification.

An interesting innovation in the Danida approach is the role of a firm recruiting advisers which reports directly to Danida. The Danish human resource recruitment firm, Mercuri Urval, works with Danida representations and Danida's Technical Advisory Service (some 40-50 Danida experts based in headquarters), to define the job descriptions, and clarify lines of authority and accountability. It identifies suitable candidates and, in cooperation with Danida, reduces the list of candidates to one or two who then travel to the partner country for interviews with the programme steering committee, according to Danida's policy.

### The Netherlands Development Organisation (SNV)

A critical issue in the design of job descriptions is the relationship of the expert to other available resources. Where the expert position is fully de-linked from responsibilities over resources provided for a particular project or (reform) programme, the advisory work or the facilitation of change processes can take place without the expert being absorbed into management and control work. The Netherlands Development Organisation, SNV, follows this approach as part of its capacity development strategy. The approach is founded on the conviction that a partner country may want TA inputs, but should not be obliged to receive them only as part of a wider project or programme. Hence, SNV's activities are de-linked from financing and other resource inputs and aim exclusively at the facilitation of change processes between different actors, with a focus on organisations and networks situated at the intermediate level of a developing society (see Box 2.4).

#### Box 2.4: SNV - A shift in strategy

SNV's Strategy Paper (October 2000) defines the organisation's core business as: "Capacity building support to meso level organisations and local capacity builders in relation to structural poverty alleviation and improved governance."

The shift in logic of SNV's strategy, as described in SNV's Advisory Practice paper (July 2002) is derived from the six following principles:

- From poverty alleviation ‡ to the struggle against poverty
- From SNV development interventions with counterparts/ for target groups ‡ to local responsibility
- From project management ‡ to process facilitation
- From SNV programmes ‡ to portfolios of client driven activities
- From implementers ‡ to change facilitators
- From isolated knowledge transfer ‡ to facilitation of knowledge exchange & development

### AusAID

Over the past five years or so, AusAID has increasingly moved towards supporting organisational reform initiatives and sector support programmes with substantial financial inputs. These were prepared through intense joint identification, analysis and design processes with the partner. However, the accompanying TA was always perceived as AusAID's intervention and rarely seen as an intervention "owned" by the partner.

To address this problem and to increase flexibility and responsiveness, in the second part of the 1990s, AusAID started to set up capacity developments funds, or facilities as AusAID calls them, to support broad institutional reform and sector support initiatives. AusAID today has many facilities linked to sectors or cross-cutting themes

61. The advantage of AusAID is that it operates in countries where there are relatively few other bilateral IDOs active in a sector, or thematic area. This reduces the need for intense coordination efforts with other IDOs on the TA provision for a reform initiative. Where a sector is overcrowded with IDOs, decisions on TA needs can delay considerably a reform moment.

in partner countries. The funds allow partner institutions to fill positions for specific capacity development tasks which are in most cases de-linked from the resource transfer of the broad reform initiative. While the early generation of facilities provided support to a wide range of government departments, from the early 2000s AusAID shifted to a more targeted approach whereby key agencies responsible for public sector management and administration can apply for advisory services. As such, the facilities have a clear strategic direction and operate in a complementary way to sector (budget) support programmes.

The **facilities** are managed by MCs selected by tender. The MCs normally operate through an office based in the partner country, assist the partners in the identification of needs (including organisational diagnosis), help to formulate the requests, and recruit experts for a particular position from the national or international market. The MCs are responsible for the quality of the TA experts provided, whose focus is on achieving high quality change processes rather than particular milestones or outputs. TA experts report to the partner agency in support of the agency's own plan. The oversight of the facility is through a steering committee composed of representatives from the partner country and AusAID's delegation to a partner country. AusAID's overall assessment of these **facilities** is very positive, and partner institutions also perceive them as more oriented towards their side of the 'aid equation'.<sup>61</sup> AusAID's facilities are also perceived as the type of flexible instrument which is needed in changing circumstances. An example of an AusAID's **facility** is the Papua New Guinea Advisory Support Facility, Phase II (PNG ASF II) which is outlined in Box 2.5 below.

#### Box 2.5: The Papua New Guinea Advisory Support Facility, Phase II

ASF Phase II is a key element of Australia's development cooperation program in Papua New Guinea, and is embedded within AusAID's public sector initiatives to support the PNG Government. ASFII is a facility with the flexibility to respond to changing situations since it is not closely bound to pre-determined activities. ASF Phase II is seen as a targeted, focused and strategic instrument, with emphasis on making placements that are closely linked to current GoPNG priorities and reform initiatives.

The mission of the ASF Phase II is to support PNG public sector agencies in improving the quality and effectiveness of their operations, performance and service delivery. It will do so through making strategic, well-planned placements of appropriate high-quality professional advisers to work collaboratively with nominated agency staff towards agreed objectives. Advisers thus operate in an advisory and education capacity rather than as a consultant or in-line replacement for a PNG public servant. Their primary focus is to enhance skills and build capacity within the host agency, rather than to simply conduct reviews, write reports or 'do the job'. A prime purpose of their work is directed at the development and implementation of accountable policies, plans and systems and thereby to contribute to enhanced service delivery.

In 2005, advisors were placed in a variety of agencies of the PNG Government with a focus on central agencies and only secondly and thirdly within line national agencies and sub-national government level, such as provinces or districts. These included, for example, the Department of Prime Minister and National Executive Council, Department of Treasury, Department of Finance, the Bank of PNG, the National Disaster Centre, or the Department of Health.

(Source: [www.asf.sagric.com/index](http://www.asf.sagric.com/index) and [www.asf.sagric.com/agencies.htm](http://www.asf.sagric.com/agencies.htm))

## DFID

DFID has created several sector and thematic resource centres which provide short-term consultants, technical enquiry services and (electronic) libraries. They help to bolster capability and research in these sectors. They are managed through framework contracts and are often associated with university institutes. Examples are the Health Resource Centre, the Governance and Social Development Resource Centre and the Water, Sanitation and Environmental Health Resource Centre Network (see Box 2.6). These Centres can provide complementary inputs to a variety of projects/ programmes, can be called upon when there is demand and are not directly associated with particular initiatives.

### Box 2.6: Examples of DFID Resource Centres

**Health:** The DFID Health Systems and Health Resource Centres have recently merged into a single Health Resource Centre. The Health Resource Centre provides access to technical assistance and information for DFID and its partners in support of pro-poor health policies as well as health systems, service delivery and public health topics and programmes. The HRC is managed by an international consortium of five organisations based in the UK, Tanzania, Bangladesh, India and Switzerland ([www.dfidhealthrc.org](http://www.dfidhealthrc.org)).

**Governance:** The Governance and Social Development Resource Centre (GSDRC) shares the latest information about governance in development. The GSDRC works with international experts and is managed by a partnership between the International Development Department (IDD) of the University of Birmingham and the Institute of Development Studies (IDS) at the University of Sussex (<http://www.grc-exchange.org>).

**Water, Sanitation & Environmental Health:** WELL, the Resource Centre Network for Water, Sanitation & Environmental Health, promotes environmental health and well being in developing and transitional countries. WELL is managed by the London School of Hygiene and Tropical Medicine (LSHTM), the Water, Engineering and Development Centre (WEDC), Loughborough University and The International Water & Sanitation Centre (IRC) for NGOs working in water & sanitation in the South (<http://www.lboro.ac.uk/well/>).

## 2.4.2 Accountability of TA

The triangular TA relationship outlined in Chapter 1- partner countries, donors and experts - requires IDOs and their partners to clarify accountability relationships. This is particularly important where control of resources is concerned, as finances are often a source of tension or even conflict, particularly when reporting lines have not been clearly agreed. Among the IDOs reviewed for this study, there are three approaches to dealing with the accountability issue.

- (i) **Internal and external accountability:** GTZ's 'Policy on Contract and Cooperation Management' is founded on the understanding that the provision of TA is managed as a contract. GTZ projects and programmes are managed in cooperation with the partners and both sides are responsible for achieving, reporting and accounting to the respective stakeholders. To this end, an internal and an external accountability system was introduced recently.<sup>62</sup> The GTZ's project managers are responsible for managing the German contribution to the project and are accountable for results and financial management to their superiors in GTZ. This logic is part and parcel of the overall German development cooperation system, which is required to report to Parliament through the Ministry (BMZ). Parliament, in turn, has a clear mandate to control the financial matters of government funded activities.

<sup>62</sup> Recently, a new evaluation system was introduced comprising an internal evaluation that renders accountability to all involved partners and stakeholders, and an external evaluation that renders accountability to the German government, taxpayer, GTZ clients and partners. While this revision reflects aspects of shared accountability, the German system spells out very clearly that an external accountability requirement needs to be fulfilled. Other IDOs are less clear on this point which opens doors for misunderstandings from both sides, i.e. partners and IDO staff working in the field.

(ii) **Shared accountability, or co-management:** In some IDO countries, particularly France and Belgium, the discussions on the partnership principle have led to shared responsibility, including for the supervision of TA personnel and other resources, such as short term advice, equipment, training or services. In order to encourage partners to take ownership of the development process, TA experts are expected to report on performance through forms of co-management (or “co-gestion”) to both partner and IDO. How the co-management is supposed to be implemented, however, is not as clearly delineated as in the case of GTZ’s approach (see above).

(iii) **Responsibility is (ideally) vested in partner institutions:** This approach is most clearly expressed in the Danida policy paper on TA whereby programme coordination, implementation, supervision and reporting are (ideally) vested in partner institutions. Advisor performance should be systematically planned, supervised and reported on by the partner, including annual performance assessments of each long-term advisor. TA performance should be jointly monitored by an empowered programme steering committee which plays an increasingly central role in the Danish TA policy. The basic principles of this approach also apply to DFID-funded technical cooperation, where a TA expert’s accountability is to the partner (although in practice it is mostly dual - to DFID and the partner). Managing by steering committee is also common where DFID participates in pooled arrangements.

The Dutch SNV has contracts with its “clients” (SNV terminology), through which experts provide advisory services or facilitate change processes without complementary financial or other resource inputs. The individual advisor is then responsible to the client for mutually agreed targets. Since partner countries do not always monitor supplied advisory services, the advisor is also accountable to his/ her superior either in SNV or elsewhere if the position is funded from other sources than SNV.

The success of both co-management and the responsibility is vested in partner institutions depends on the strength of the partner, the robustness of the partners’ systems and procedures, and the ability and willingness of and trust in individuals to deal with management and accountability problems. Under the co-management approach, if the partner can provide clear leadership on TA design and direct the project or programme, the expert can take more distance from management aspects and focus on the provision of advice, facilitation, training, execution or other capacity development activities. The TA expert then can retain the role of overseer and co-signatory.

Under the responsibility is vested in partner institutions, the TA expert reports to a partner, who takes the lead to ensure timely and good quality accounting to the superior body, which can be either a higher-level partner country institution or a steering committee composed of representatives of the partner and the IDO. Where these conditions are not in place, for instance where the capacity of the partner is too low to assess and supervise the performance of the TA expert, there is obviously a need for the expert to get more deeply involved in management and the accounting to a possible joint steering group or - where this is absent - to the IDO.<sup>63</sup> Our interviews with practitioners show that representatives of the IDO - normally based in the country delegation - then supervise the TA expert, as highlighted in the SNV example above or the complementary information taken from a recent Danida job description. The design of this approach can in practice then be very similar to a co-management arrangement (see Box 2.7).

According to Danida’s policy, programmes which are to be executed under a division of responsibilities and which operate in low capacity environments need to include capacity development measures in the area of TA management. DFID’s thinking goes in a similar direction and envisages that the partner’s capacities to procure and manage TA need to be enhanced so that TA, whether sourced directly by an IDO or from a basket fund, can eventually be fully managed by the partner institution.

63. Danida’s TA policy paper (p.12) spells out: “In those cases where Danida deems it necessary to maintain direct project accounting, advisers can be made responsible for managing and controlling the use of funds.”

**Box 2.7: Job Profile - Bangladesh Water Supply and Sanitation Sector Programme (II)**

From the job profile of a Danida expert: Senior Adviser National Programme Director (NPD) Office, Water Supply and Sanitation Sector Programme Support (SPS), Ministry of Local Government, Rural Development and Cooperatives, Bangladesh (DK-31628-2005/BAN.04-W)

“... With regard to issues related to the national framework within which SPS operates, the NPD Office [to which the Danida SPS Adviser is attached] refers and reports to the Secretary, Local Government Division in the Ministry of Local Government Rural Development and Co-operatives. Concerning implementation of SPS in the context of overall Danida support to Bangladesh, the SPS Adviser in the NPD Office refers and reports to the Embassy of Denmark in Dhaka ...”



## **Chapter 3:**

### **Moving towards more effective technical assistance**



# MOVING TOWARDS MORE EFFECTIVE TECHNICAL ASSISTANCE

## 3.1 Introduction

This chapter will set out a number of issues in order to further stimulate the internal discussions in BTC on how to become a more effective actor in the field of technical assistance and to inform forthcoming exchanges of BTC with its partners on the future positioning of the organisation. In so doing, we will start off with a number of critical issues which we have identified during our interviews and the consultative meeting with Belgian stakeholders, and take on board the wider international discussion on TA provision and trends emerging from the practice of other IDOs. Key messages from interviews will be presented as complementary information to this discussion.

In terms of the wider **policy orientation** of BTC, there is agreement that the organisation subscribes to the international poverty reduction agenda on behalf of the Government of Belgium. In terms of operationalisation, however, the Millennium Development Goals are very broad for a small organisation like BTC and it sees the Paris Declaration as providing more concrete orientation. BTC and its stakeholders thus see the Paris Declaration as a framework to help the organisation define where it best fits into the current aid reform agenda and where it can provide added value.

In this chapter, we will discuss a number of **strategic issues and approaches** BTC may wish to consider as part of its efforts to enhance the effectiveness of the organisation. There are no clear-cut answers to most of these issues, and we present them in a form which allows stakeholders to discuss options, to take into consideration emerging international trends, and to decide on new strategic orientations. This kind of reflection would form a base for addressing more detailed internal **organisational and management issues** which are beyond the scope of this report. In the meantime, in this chapter, we concentrate on four main issues, namely purpose, institutional considerations, implementation issues and ensuring quality. These we will discuss in the context of related international trends.

A key issue in current discussions about the future of BTC, both within the organisation and in interviews with stakeholders, is its relationship with DGDC. After the ongoing evaluation of Belgian development cooperation has been finished, BTC representatives hope that this will help to clarify its mandate and to enhance its operational space in order to become a more effective actor in the field of technical cooperation. This issue is really beyond our mandate but forms the backdrop to many other issues. Since the following sections suggest that the lack of a clearly defined institutional relationship between the two actors is a serious constraint to increased effectiveness of Belgian TA, we will end the section with a reflection on how BTC and DGCD could make further gains in effectiveness with a redefined institutional framework.

## 3.2 Purpose

### 3.2.1 Capacity development

**International trends:** Capacity development has been an issue for much discussion within international development cooperation over the last 15 years or so. While there are many interpretations given to this concept by different actors, the international policy discourse in the DAC has resulted in the following definition: "...the process whereby people, organisations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time." (DAC 2006: 9)<sup>64</sup> In addition, the DAC defines the promotion of capacity development as what outside partners - domestic or foreign - do to support, facilitate or catalyse capacity development and related change processes. These definitions help to distinguish between capacity development as an endogenous process and outside inputs, especially TA, as one of several potential contributions to that process.

64. 'Capacity is the combination of attributes and relationships which emerge from a system. Capacity consists of 5 main elements: the will to act, to achieve development results, to relate, to adapt and self renew, and to have some coherence among activities. (Morgan 2006)

Several IDOs reviewed in the context of this study have undergone a process of reflection about their roles in supporting capacity development. Interviews with headquarter staff as well as BTC representatives in partner countries suggest that such a reflection would be useful in the Belgian development community and should bring together all relevant stakeholders, including the partner countries. Such reflection could be a first step for BTC on the path of defining a clearer framework for its work and of developing a solid policy base. It would have to go beyond a discussion of long-term technical assistance personnel to look at how BTC can best combine a mix of different mechanisms including training, seminars, workshops and short- and long-term TA. The discussion could help to clarify implementation roles for BTC TA personnel, especially the mix between management and control versus advisory and building longer-term capacity.

Once these issues are resolved, it would be easier to address some of the institutional bottlenecks among Belgian development organisations and to see where procedures would have to be revised in order to meet defined goals. We will elaborate on these later in this chapter.

### 3.3 Institutional considerations

#### 3.3.1 Identification

**International trends:** In Chapter 2 we discussed the responsibilities of other IDOs in terms of policy formulation, negotiation of bilateral agreements, identification, formulation/ planning and implementation. It is only in the Belgian case that identification and formulation are seen as separate processes, the first to be executed by DGDC, the second by BTC. In all other cases, the two tasks are executed by the same organisation, either the field representation of the MFA or the agency entrusted with development cooperation. This gives considerable importance to the identification phase and allows for continuum and overlap with planning. Most donors do not feel that these functions should be separated. Sida and GTZ are known for the investments they make in this phase. Other organisations, such as Danida or SNV, feel that they need to put more resources into this critical step of their operations.

The current division of responsibilities give DGDC the responsibility for identification of projects and programmes while BTC has responsibility for formulation/ planning them. This separation has brought considerable confusion and delay into the operations of DGDC and BTC, and, according to interviewees, has made the identification and mobilisation of TA more difficult. They also feel that the identification phase should be seen as the initial stage of the implementation process of an intervention, and not as the end of the strategic phase.

In some cases, cooperation between the two actors in the field has been good, because of an understanding between the representatives of DGDC and BTC in the field or because the identification was organised through a study fund and executed by BTC. In these cases, BTC was closely involved. Such positive examples often emerge because of personal relationships, or coincidence, rather by design. In other cases, interviewees claim that BTC had had to re-do planning because DGDC's preparatory work was inadequate or because it was not sufficiently in depth.<sup>65</sup>

Some of these problems in the planning stage undoubtedly result from lack of clearly defined requirements. BTC's current investment in the creation of an institutional analysis tool should thus help to create a standard for this stage and is an important step towards enhancing the effectiveness of overall Belgian cooperation. This tool could also evolve into a more comprehensive mechanism. It does not however address the structural problem of dividing the identification stage from planning. Most donors find that that the original concept of a project or programme has to be modified during the planning stage and that separating the identification from the planning makes adjustments difficult. It also forces the discussions to focus on resolving the differences between two

<sup>65</sup> The major problem is that the identification sometimes becomes formulation or planning by specifying implementation modalities and thus binding BTC to an agreement without consent. Consequently, BTC experiences difficulties in obtaining the planned results and satisfying accountability requirements.

66. In 2004/5, SNV decentralised tasks to regional offices which are responsible for a cluster of SNV's country operations. This will help to save costs, strengthen the coherence between operations in a region and stimulate cross fertilisation among thematic areas. The regionalisation was primarily motivated by concerns that individual country operations had become too autonomous.

67. The Structure Mixte de Concertation Locale (SMCL) has potential as a means to accompany the planning and implementation of Belgian cooperation projects and programmes. Because of the limited mandate given to DGDC attachés at the level of the SMCL, the effectiveness of this mechanism is, however, not always guaranteed.

organisations within the donor country rather than on the needs of the partner country and how the donor can best meet them.

### 3.3.2 Decentralisation

**International trends:** Some donors started to decentralise operations as early as the 1990s. Once the international community had agreed towards the end of the 1990s that partner countries should take the lead in formulating their poverty reduction strategies, other IDOs like DFID, DGIS, Sida and Danida largely decentralised their operations. This allows a close link among policy formulation, strategic prioritisation and planning for implementation and for better understanding among parties. It also helps IDOs to become better informed about what is going on and to be able to react more flexibly to changing environments.<sup>66</sup>

Within BTC headquarters, decentralisation of TA management does not seem to be a priority at present, although field interviews indicate that operations might benefit from a more decentralised set-up, especially in identification of activities, providing information for recruitment of personnel, ensuring backstopping to project managers and providing improved sectoral analysis. This lack of priority reflects the centralised operations of DGDC and the fact that attachés in the field have little autonomy. As a result, BTC must interact on management issues with the Ministry in Brussels. Another reason is that BTC feels a need to strengthen its headquarters first in order to provide the basis for a more decentralised structure in the future.

There may be opportunities for BTC to advance the decentralisation of its TA management without committing to a big move in this regard. One such area might be for BTC staff to work together with attaches from DGDC to make better use of existing mechanisms with potentially far-reaching mandates, such as the Joint Steering Committee for projects and programmes (SMCL).<sup>67</sup> Another might be to move to the field some of the functions of BTC's geographic department (GEO) which has a similar mandate to that of specialised decentralised staff in other donor agencies. Then there is scope to decentralise parts of the recruitment procedures, according to some comments received from Resreps. Finally, with some more sector specialists in field representations, BTC could more actively contribute in sectoral donor coordination and in technical meetings with the partner government.

A clear message from consultations with BTC and DGCD stakeholders was that decentralisation merits a closer look. Decentralisation, however, must have a clear purpose and needs to be designed well. If properly implemented, it will provide openings for flexibility and - being closer to country processes - create space to take better informed discussions.

Our interviews showed also that the Resident Representatives (Resreps) of BTC are a rather heterogeneous group without a common approach. If decentralisation becomes a higher priority, Resreps will need to develop a more corporate approach, be able to articulate appropriately the policies set by the organisation towards government and international partners and to function as anchor points for BTC's operations in the field. As BTC is a small organisation which can primarily add value via its personnel, the Resreps' capabilities to manage human resources should be given particular attention. We will discuss this issue further below, under 'ensuring quality'.

### 3.3.3 Tying versus untying

#### International trends:

Tying of aid is one of the most disputed areas in international cooperation. The DAC peer reviews assess the advancements made on this issue. In recent years, there has been a trend among some IDOs towards more untying, and some countries, such as Sweden, the UK and the Netherlands have officially untied their programmes. Despite this fact, much assistance, including TA personnel, originates from the countries which provide the financing for it. Several factors account for this situation. Partner countries may not have full knowledge of how to manage the procurement process and therefore follow the advice of an IDO representative who principally knows experts or MCs from his/ her own country. IDOs often choose to provide assistance in sectors where they have domestic expertise and they are naturally inclined to use this rather than foreign expertise.

It is important to recognise the pressure on bilateral donors to tie their assistance. Sida, for instance, has a declared policy of untying, but is under considerable pressure from the Swedish public to use national expertise in development cooperation programmes. Danida partially unties but representatives commented that they should have a minimum of 60% of the TA contingent filled by Danes. Interviewees from these countries have indicated that concessions on tying are essential to maintain public support for development cooperation.

Belgian development cooperation has not committed itself to untie its assistance and politicians and policy makers continue to put pressure on BTC to work with Belgian expertise to the extent possible. This said, BTC recruits personnel from the international labour market when it cannot find suitable candidates in Belgium and increasingly BTC experts are non-Belgian. Yet, there is a balance to be made and arguments from the political level should be taken serious - only sufficient national support can uphold the levels of funding required for development cooperation. The experience of other countries, including the ones which have wholly or partially untied, is illustrative.

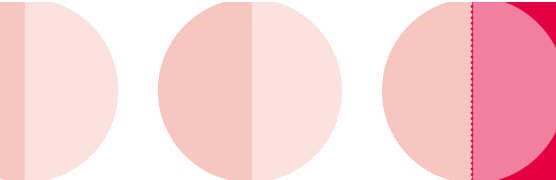
## 3.4 Implementation issues

### 3.4.1 Institutional analysis

**International trends:** IDOs in general put considerable importance on the identification phase and most have invested in analytical tools to guide them and to help engage with partner countries. These are often on two levels. Organisations like DFID, GTZ and Sida are using Drivers of Change or Power Analysis to help them understand the institutional context in partner countries in the sense of cultural norms and the formal and informal laws of society which affect activities at a lower level. There is increasing cooperation among donors in doing this kind of analysis. At the organisational level, most donors have their own analytical tools, often based on logframes. There is increasing concern, however, that logframes do not capture the intangible elements of capacity development such as building legitimacy, empowering partners and developing relationships.

As mentioned in section 3.3.1, BTC is developing an institutional assessment instrument. Under its current mandate whereby BTC is not responsible for the identification phase, it will not be able to make full use of such an instrument unless it works in close cooperation with DGCD. A joint approach would facilitate decisions on the choice of aid mechanisms for change processes, the type of TA to be provided, the use of PIUs either “embedded” or free standing,<sup>68</sup> collaboration with other IDOs, and the requirements for a managing contractor for implemen-

68. “Embedded” is understood here as a project unit which is fully integrated into an organisation using its systems and procedures. PIUs are often criticised because they operate quite separately from government organisations. – Comments received on the draft report suggest to look more systematically at the issue of PIUs, in particular at ‘why to use them’, ‘how to work through PIUs’, and ‘under what circumstances they can be most effective’.



tation. This cooperation should identify what the expected results should be, and then decide what are the most appropriate interventions given Belgium's comparative advantage. It is important to avoid preconceived notions of certain aid mechanism being superior. Hence, the analysis could result in an assistance strategy which makes use of project interventions, or which engages in pooled arrangements, e.g. in a sector reform programme.

As a small development organisation, BTC needs to choose carefully in which contexts it wants to operate and through what kind of mechanisms. There should be recognition that a small IDO can provide added value in strategically important niches which are not or only insufficiently addressed by other partners. This is not a plea for the traditional project approach, but rather a recognition that there is a need to identify and exploit innovative elements in projects and to use these as a laboratory and as learning opportunities to feed into processes of change at both the organisational and institutional levels in partner countries. The guiding questions should therefore be: What is BTC's value added? Where are the niches which other IDOs have not addressed? How can BTC identify innovative interventions and use these to feed into processes of institutional and organisational learning and change in its partner countries?

### 3.4.2 Institutional change processes and new aid mechanisms

**International trends:** Several bilateral IDOs, primarily the so-called like-minded from Northern Europe started, in the 1990s to work more closely together on social sector reform programmes. The resulting sector-wide approaches (SWAp) were at the forefront of a move to give partner countries more control and to reduce transactional costs through harmonisation of the activities of donors. The principle was to align to the extent possible with systems and procedures of the partner.

More recently, some IDOs have moved to the provision of Poverty Reduction Budget Support (PRBS) to further encourage partner governments to take ownership of the wider development process. This is a key element of the Paris Declaration which can be seen as the formalisation of a widespread consensus within the international development community gradually built over 10 years or so. This consensus aims to transform the relationships between IDOs and partner countries as well as within the international development community itself and to contribute to the strengthening, transformation, or in some cases even rebuilding of the institution of developing countries.

New aid mechanisms such as SWAp and budget support and the change processes they imply involve a substantial capacity development agenda for IDOs. Bigger bilateral development organisations, like DFID, Sida or DGIS have made significant investments in their organisations and have built internal capabilities to work with these mechanisms. In parallel, they have substantially reduced their directly managed TA. Danida has also redirected its operations largely towards the new agenda behind the Paris Declaration but, in contrast to its peers, has maintained a number of TA personnel on direct contract, particularly to support long-term institutional change processes. The bilaterals reviewed have all had to invest in new staffing, training and often internal reorganisation. DGIS, for example, recently merged the departments dealing with new aid modalities and institutional development.

BTC is trying to assess what its niche is by reference to these international trends and especially the Paris Declaration. The organisation is trying to gain a better understanding of new aid mechanisms and approaches to support institutional change processes. This work began as a follow up to Belgium providing sector budget support. The overall strategy for how DGCD and BTC should work together in supporting the new international agenda still has to be elaborated. The respective roles and responsibilities of each organisation need to be clarified, a point which emerges clearly from our field interviews.

There needs to be agreement on where Belgian development cooperation has comparative advantage. There are three broad options as outlined in Chapter 2:

- (i) TA with some financial support for capacity development,
- (ii) the provision of financial resources with accompanying TA for fast results, especially in service delivery, or
- (iii) involvement in transformational processes involving both TA and FA.

BTC has a clear view of its purpose, for a small donor it is all about added value. **"It is not about money changing hands but about ideas changing minds."**<sup>69</sup> This implies commitment to and involvement in very long institutional change processes to change not only minds but attitudes. The question is how BTC should be involved. Putting a clear priority on TA would require some major changes in BTC.

First, there would be a need to make use of an agreed **approach to institutional analysis** during the identification phase to understand the context of assistance and what the margins for change are. In many countries, other IDOs have done some of this analysis and Belgium may be able to pick up on it. This would relieve Belgium doing it on its own.

Second, BTC would need to do a solid **analysis of the organisational context** and the opportunities for Belgium to make a meaningful input including the type of TA to be provided, roles of the respective actors involved, and their responsibilities.

Third, BTC would need to **build a solid human resource base** capable of contributing to "changing minds and changing attitudes". BTC would have to invest in an improved human resources management system for its experts, such as pre-assignment training and career development, good human resources management in the field, knowledge management<sup>70</sup>, and networking. The credibility and excellence of TA personnel would be the means for the organisation to build its legitimacy vis-à-vis partner governments and other IDOs working within the same institutional reform contexts (see also the discussion below on harmonisation).

Accompanying institutional change processes would require TA personnel to have sector-specific knowledge, appropriate tools and new types of competencies, such as the ability:

- to engage meaningfully in dialogue,
- to facilitate change without dominating,
- to advise but also to help out operationally where necessary,
- to resolve conflicts,
- to buffer organisations against negative outside forces, perhaps by creating a constructive 'contre-pouvoir' with the partner,
- to develop the capacity of the partner to formulate a human resources policy,
- to participate in new development tools such as multi donor conferences, joint missions, network building, etc., and
- to analyse complex institutional environments.

Involvement in institutional change would require greater coordination with other IDOs and between BTC and DGDC. Under the current arrangements, a BTC expert is expected to stand back from engagements in policy dialogue, as this is a principal task of the DGDC attaché. But because technical and policy dialogue are closely interwoven, there is a need for complementarity of action among Belgian actors in the field.

<sup>69</sup> Carl Michiels, consultative meeting for this study, 17 Feb. 2002, quoting Jan Vandemortele, Director Policy Unit, UNDP New York

<sup>70</sup> BTC is studying a number of measures such as the creation of virtual platforms.

### 3.4.3 Advisory vs. management assignments

**International trends:** Our discussion in Chapter 2 made clear that many IDOs struggle to clarify the role of TA personnel. IDOs which work from a capacity development perspective, such as Danida, are confronted with questions from TA personnel in the field on what their key business should be - providing advisory services, or managing resources as an extended arm of Danish financial assistance. Such dilemmas emerge particularly in projects or programmes which are meant to facilitate institutional change and which involve large financial contributions. There is growing awareness that different accountability structures need to be found, for example, reporting to joint steering committees. Others search for improvements through the separation of funding and control, on the one hand, and the provision of advisory services through different channels, on the other, as is the case for AusAID's "facilities" (see Section 2.4.1). SNV's decision to fully disengage from the provision of financial resources was more radical and is designed to allow the organisation to operate as an honest broker in change processes at the intermediate level, but remains without direct access to funds which, at some stages of a change process, can be indispensable.

Given BTC's focus on "changing minds and changing attitudes", we would expect that the organisation would give particular **attention to the dichotomy between advisory and management responsibilities** in TA assignments. Another issue that would seem to require attention is the dilemmas associated with BTC's co-management approach which often has the character of "regie" instead of "co-gestion". Interviewees recruited as "investment related" TA personnel complained that their administrative and procedural responsibilities often take a disproportionate amount of their time, leaving little space for the technical adviser to show his/ her added value in his/ her area of competence or to contribute to enhancing the capacity of the partner.<sup>71</sup>

A radical reform of BTC as SNV has undergone may not be possible given its agency status and mandate. However, it could be useful to build on the experiences of the **Fond d'Expertise** in Congo (see box 3.1) and the positive results reported from Mali<sup>72</sup> and to discuss the **creation of other complementary funding mechanisms** at a decentralised level, such as AusAID's "facilities" or partnership funds. These would allow for targeted recruitment of TA as stand alone advisors based on demand formulated by the partner government. Such experts would have purely advisory functions, they would be de-linked from the provision of Belgian financial assistance and they would report to the partner where its management capacities are adequate. The purpose of such cooperation would be to create a constructive "contre-pouvoir" which would enhance the partner's capabilities to engage meaningfully in policy dialogue with other donors, take strategic decisions, etc.<sup>73</sup>

#### Box 3.1: BTC's 'Fonds d'Expertise' with the Congolese state

In 2003, Belgium and the Democratic Republic of Congo signed a Euro 5 Million contract for a three-year period to finance the recruitment of short and long-term expertise for critical positions within the central government. A first review of experiences shows that experts assigned to the Ministries of Agriculture, Transport and Communications, Education, Planning Office and the Media Authorities provided strategically important services in an environment suffering a dearth of high-level capacities. The positions are de-linked from other projects and programmes, allow a process orientation and provide the opportunity to respond to local priorities as they emerge. Congolese officials saw these positions as very useful in helping them to better structure and coordinate their work with other IDOs. But there is awareness that the programme could decline into an untargeted gap-filling programme without any links to wider capacity development efforts in the sector if it is not carefully monitored and oriented to the priorities emerging from the country's broader development process. There is also a need to carefully search for synergies with the assistance provided by other IDOs, possibly through the creation of pooled funding mechanisms.

<sup>71</sup> One of the TA interviewees even stated that 90% of his time was dedicated to paper work. There is a feeling among TA experts that they are responsible for the quality and the results of the project despite the sometimes very difficult environments in which they have to operate.

<sup>72</sup> Received by mail from Paul Van Impe, Mali

<sup>73</sup> A little case of such a "contre-pouvoir" approach is the "Gabinette de Estudos" in Mozambique which was supported by three IDOs in the early 2000s. For more information, see Box 2.2.

BTC and DGDC are currently discussing the creation of a “TA Fund” to be managed by BTC headquarters. The discussions are at an initial stage and show that such a fund could serve different objectives. First, it would allow for long-term and short-term TA experts to be attached in a flexible way to projects or programmes, thus enabling a longer association of TA experts with the partner organisation. Second, it would allow BTC to keep the costs for an expert outside the project or programme budget, thus reducing the overhead costs BTC charges on projects and programmes. BTC needs to keep these overhead costs to a minimum. While such a mechanism can be very useful for administrative efficiency or even career development purposes, it also has potential as an instrument for capacity development. It could also be useful to explore to what extent parts of such a new funding instrument could be managed at the decentralised level or gradually evolve in this direction as the partner country’s administration increases its capacity along the lines of the partnership fund or facility model presented above.<sup>74</sup>

The issue of advisory vs. management tasks of a TA expert also points to the need to carefully analyse and formulate the job description before recruitment of expertise and to take the selection of a candidate seriously. This should be done at the field with support from headquarters to ensure that potentially delicate reporting and accountability relationships which the expert needs to observe next to his/ her advisory tasks are fully reflected in the job description. Danida’s model of a **professional human resources recruitment company**, with part of its business specialising in development cooperation, merits review. Moreover, the acceptability of a TA expert would substantially increase if the **partner were more actively involved in the selection process**. Danida’s policy spells out to reserve resources for proposed experts to be interviewed by a joint government/ Danida panel in the partner country.

Advisory assignments can be executed through long-term and short-term assignments. A common practice among IDOs as of the 1990s was to increase the use of short-term experts and to reduce the number of long-term ones. Interviews suggest that BTC has more long-term than short-term experts and that it may want to consider in which contexts each has its comparative advantage, in particular for advisory services.

### 3.4.4 Working with managing contractors

**International trends:** The general trend over recent years has been to decrease TA directly contracted and managed by IDOs and to delegate more TA to individual consultants, consulting firms or other organisations. DGIS, DFID, AusAID and Sida all use MCs, while Danida, GTZ and France have both their own TA personnel and MCs, depending on the nature of the assignment. In theory, the use of one or the other depends on defined policy and the outcomes of an institutional/ organisational analysis but in reality other considerations often determine the choice of management system, such as the workload of IDO staff and the availability of personnel with particular experience or language skills among MCs.

Working with contractors is becoming a concern for BTC, as the mandate of the organisation is growing and BTC unable to execute all projects and programmes on its own. As in Danida and GTZ, choices need to be made between involving companies or other organisations and increasing BTC’s own expertise and staff. This requires a thorough internal reflection process on the comparative advantage on when to use contractors. The organisation needs to set up tendering processes and to monitor the work of the contractors.

Given the complexity of such an approach, any decision to work systematically with MCs requires analysis of the potential gains to be made. One of these might be the use of MCs for external/ ex-post auditing or for management-oriented technical assistance to programmes, which would enable the technical adviser to dedicate his/her time to the technical advisor role. Successful management of MCs of course requires a clearer strategy on how technical assistance should be used and how it should support capacity development.

<sup>74</sup> Resreps commented that such a fund per country could be useful, but it would have to be integrated into the indicative programme and managed transparently.



First experiences in the field - as comments received from Cameroon indicate - have been mixed. Using contractors is not always more cost effective, as calculations made by some BTC field representatives showed. The quality is not always to the expected standard and sometimes creates unforeseen follow-up costs. Moreover, knowledge accumulated in the process of implementation is often lost with the termination of a contract. Finally, it can create cumbersome negotiation processes of BTC staff with national or local authorities on which contractors to choose. This is particularly the case when there is a risk of bad quality work and the misuse of funds.

### 3.4.5 Harmonisation with other IDOs

**International trends:** The harmonisation and alignment debate has resulted in more coordination and harmonisation among donors. Some Scandinavian countries took the lead in the 1990s through forms of delegated cooperation for sector support programmes, shared offices in partner countries and joint missions. This trend has continued with delegated cooperation arrangements also in place between DFID and DGIS, for example. Institutional reform programmes in particular demand much closer cooperation and harmonisation between the external partners, so as to ensure that they all support the same change objectives. Better harmonisation among external partners has so far been the major and most notable outcome of the implementation of the new aid and poverty reduction agenda.

In countries where BTC supports institutional change processes, the harmonisation of activities with other IDOs will need particular attention. As a relatively young player, BTC will need to find its niche in each individual reform programme in a partner country, and can primarily do so if the added value of its TA experts in the area of “changing minds and changing attitudes” becomes evident to other partners in the field. Legitimacy would come from recognised value added.

Such a role would require more Belgian capacity in the field, including greater decentralisation of decision-making, improved field management capacities and the clarification of roles and responsibilities between BTC and DGDC. In view of the fact that Belgian development cooperation has fewer financial resources to contribute than many other IDOs, excellent TA expertise to position itself in change processes becomes even more important.

The recent association of BTC personnel with the DAC evaluation on General Budget Support is an important move towards more harmonisation with other IDOs.<sup>75</sup> While this cooperation resulted from a “window-of-opportunity”, there should be scope for more systematic cooperation agreements with other IDOs. Forms of delegated cooperation could be explored, e.g., in francophone countries and fragile environments where BTC can bring added value compared to, for instance, Danida, which has problems finding qualified francophone expertise but has recently increased its operations in francophone West African countries.

## 3.5 Ensuring quality

### 3.5.1 Specialisation

**International trends:** The broad trend in recent years is for IDOs to focus on a number of poverty reduction related sectors, in particular health, education and water/sanitation, public finance management, governance and state reform. However, most have also retained some minimal activities in other areas, such as agriculture, or cross-cutting themes like gender, environment, or sustainable livelihoods. From our sample of bilateral cases, there is only SNV which has defined its areas of specialisation narrowly. On the other extreme, we find GTZ which can mobilise expertise in a broad spectrum of disciplines.

<sup>75</sup> Following the proposal of the Special Evaluator, a BTC staff member was associated to the management group which accompanied the consultants who undertook the DAC-led evaluation on General Budget Support (GBS). It provided BTC a good opportunity to get familiar with the thinking and practice of other IDOs in the area of GBS which will eventually help the organisation to get more meaningfully involved with institutional reform processes funded via GBS. DGDC was unable to provide a person at that time.

There is a discussion in Belgium on areas of specialisation for development cooperation, but there is no consensus whether Belgian development cooperation should specialise and be present in only selected areas or seizing new opportunities by being in a wide array of areas. Normally, a small IDO such as BTC would benefit from a more narrowly defined focus. A limited number of sectors would allow the organisation to deepen its knowledge and expertise and to build a profile internationally. Any such move would depend on the policy priorities set by DGDC, which BTC needs to follow.

Within the framework of Belgian development cooperation there is scope for BTC to focus on certain areas, such as work in fragile contexts<sup>76</sup> or in institutional reform, such as in education and public health where Belgium has traditionally been strong. Such a specialisation would then require a further strengthening of BTC's respective thematic departments. For other areas, where DGDC expects BTC to work but where the organisation has less expertise, outsourcing to consulting firms might be an option.

### 3.5.2 A critical mass of experts

**International trends:** According to DAC statistics, technical cooperation represents approximately 25% of official development assistance. Over the last two decades, its focus has changed significantly with a considerable shift from sectoral expertise to financial management and public sector reform. The neglect of sector specific expertise has reduced the ability of IDOs to accompany change processes at the intermediate and micro levels. Some donors feel this more acutely than others such as the Netherlands which has lived through a radical change towards the new aid paradigm and extensive outsourcing to consulting firms. Other IDOs, like Danida, continue to support institutional change processes with solid technical expertise and a strong capacity development orientation, but filling such positions is difficult. This is in part because Danida gave little attention to developing and maintaining the appropriate resources in-house. In contrast to this is the German system which has developed a critical mass of experts through a variety of training and career development activities which possess both technical skills and long-term regional know-how, as well as change management and facilitation skills.

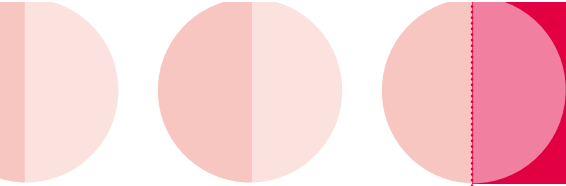
The discussion in the section above entitled **Implementation Issues** suggests that the issue of 'critical mass' needs to be taken seriously. Currently, BTC does not invest in building or maintaining TA expertise, yet the organisation is in dire need of qualified people. The creation of sufficient expertise depends on a variety of issues, including pay and other incentives, career development, (junior) training and professional development.<sup>77</sup> The general attractiveness of working as a TA expert needs to be addressed. We have done so in Chapter 4, where we present in more detail the findings from our interviews and complement them with information on the practices of other IDOs in this regard.

This is an issue which BTC can not address alone. The creation of a critical mass of expertise within Belgium, as some national politicians demand and which could demonstrate internationally the added value of a small country like Belgium, should be treated as an issue of national interest. Ideally, different actors would come together to define a strategy that would include roles for universities, research institutes and development organisations in building up such a critical mass. At present, there is no consensus on how to go about this although it is recognised that it needs to be linked to training and specialisation as discussed above.

The planned 'TA Fund' could provide openings in the short run to keep expertise within BTC. This suggests the need to clarify the purpose of this fund, specifically whether it serves as a career development mechanism, provides ad-hoc and short-term expertise or seeks to develop the capacity of partners. Putting too many demands and unrealistic expectations on this mechanism is likely to undermine its effectiveness.

<sup>76</sup> There are different views to what extent there is scope for BTC to engage more meaningfully in fragile states. A recent analysis of BTC's activities in fragile states (Uvin 2006, forthcoming) suggests that some major hurdles need to be taken before that goal can be reached.

<sup>77</sup> One remark we received points out that the volume of projects which BTC manages does not permit the creation of a critical mass. BTC might want to reflect more on this issue to determine how much the creation of a critical mass of experts would cost and how this would relate to the current portfolios.



Most interviewees see the emerging programme of voluntary service to be managed by BTC positively and with a potential for building Belgian expertise bottom-up. However, as the objective of this programme is more oriented towards sensitising the Belgian public about development cooperation, it is important to be realistic and not overload the programme with too many expectations, as is the case with the TA Fund. It is also important to not repeat the mistakes of the past, when jobless young people without working experience were sent to developing countries to substitute for local capacities. In light of these ambiguities, interviewees indicated their preference for the **development of a genuine young professional/junior expert programme** within BTC, along the lines of the programmes which have already been proposed or discussed within BTC in the past.

### 3.5.3 Knowledge management

**International trends:** The importance of knowledge management and knowledge creation is recognised by many development experts and a regular topic for discussion. However, so far the issue has enjoyed relatively little importance in terms of funding and conceptual development. Many IDOs see knowledge as a good which needs to be available within the organisation, and much less as a public good to be shared among networks of knowledge actors. The awareness of the strategic importance of knowledge management, understood here as the systematisation, brokering, absorption and channelling of expertise, is still to be nurtured among most IDOs. We have collected information about forms of knowledge networking in the Netherlands and the UK, which could be of interest to the Belgian context. GTZ has offered to share its knowledge management system with BTC.

There is a considerable scope for increased knowledge management and networking among Belgian development actors and between Belgian actors and international partners. Interviewees saw potential for closer cooperation among BTC, universities and other research institutes on the management of technical assistance. In the past, there has been little structured consultation and cooperation, although there have been some moves in that direction recently.<sup>78</sup> Targeted cooperation between BTC and these actors could help to fill knowledge gaps. It could also provide backstopping to BTC's operations in the field, supply state-of-the-art expertise for short-term missions and assist in designing tailor-made TA programmes.

DFID has set up a network of resource centres which provide advice and expertise in areas of specialisation that the organisation sees as important for delivering poverty reduction or where it feels that it does not need or have the capability to nurture such knowledge in house (see Chapter 2 for details). Framework contracts with universities and consortia of academic institutes allow DFID to mobilise resources quickly for short-term backstopping missions, counselling, evaluations, etc.

SNV is trying to become a learning organisation. It is providing its advisors with up-to-date information and critical analysis through thematic knowledge networks which will include e-discussions and other communications tools. The objective is to develop a cadre of high quality capacity development advisers who are able to function as knowledge brokers within specific thematic areas or sectors.

DGIS is in the process of launching an "International Cooperation Academy" to bridge the gap between policy and research. The academy will link knowledge institutions in the area of development cooperation to DGIS to increase the availability of information for policy making. This has been a neglected area since the Ministry's radical shift of operations to the new aid paradigm of programme-based approaches at the beginning of this decade.

<sup>78</sup> BTC started to improve its knowledge networking in recent months through contracting two Belgium organisations (ITM Antwerp and ULB) to provide long-term backstopping for health programmes in three countries.

### 3.5.4 Evaluation as a feedback mechanism

**International trends:** Most IDOs have moved away from measuring inputs to results-based management (RBM), whereby evaluations focus on achieved outputs, outcomes, evidence of change and - where possible - on the impact of the development interventions. RBM usually focuses on performance in the sense of tangible outputs that are measurable in quantitative terms. The accountability is usually from the partner to the IDO and seldom takes into account the role of the IDO in achieving results.

Although in theory, RBM can be both a control and feedback mechanism, the first objective has usually had priority and David Watson (2006) in his paper on the monitoring and evaluation of capacity notes that there is little learning taking place. Where learning has occurred, it has usually been when monitoring and evaluation have been participatory. Participatory approaches are, however, more used in civil society than by IDOs. That said, development organisations are trying to ensure, by identifying "lessons learned", that monitoring and evaluation provide guidance to improve the efficiency and effectiveness of current and future development interventions. Although the terminology "lessons learned" is widely used, it is often only lessons that are identified and there is a big gap between that stage and putting lessons into effect. Many IDOs have weak mechanism for ensuring that experience is indeed well incorporated into the planning process for new activities. These organisations also struggle with the issue of learning for whom - themselves or their partners?

In the Belgian context, DGDC and BTC have to deal with a very strict a-priori control system in which the inspector of finances plays a dominant role. The whole system is input oriented and leads to a fragmented measurement of projects.

Belgium is still at an early stage in developing its evaluation capacity for development cooperation. In the past, evaluations have been organised in an ad hoc manner and at different levels, largely through the Special Evaluator, DGDC, BTC. The difference between monitoring and evaluation has not been clear and evaluations have seldom been issue-based across countries. Moreover, there is no shared understanding of the division of responsibilities between the DGDC and BTC concerning monitoring and evaluation and whether the purpose of it is learning or control. Despite these constraints, quite some progress has been made in recent months. Belgium has, for example, been quite active in the Heads of Evaluation Group of European IDOs on the 3C's evaluation and has invested in a thorough evaluation and review of its policies and practices in supporting decentralisation, and health reform.

Many TA experts are frustrated because their success and performance is equated with the success of the project. If the project fails for reasons beyond their control they still feel that they are held accountable. There are neither guidelines to evaluate the experts' performance, nor a time-path for the follow-up of the expert's work, nor a discussion on how to involve the partner in the evaluation. Technical advisers feel that the quality of feedback on their reports from BTC headquarters is good, but that the interaction mainly happens on their initiative and the frequency of feedback and its timeliness could be improved.

This also points out the need for clear communication from BTC headquarters to the field on the purpose of monitoring and evaluation, why they should be done at certain times, and how the results of the evaluations will be used, for example, for stimulating evidence-based learning among beneficiaries, donors, researchers and field workers. Such an exercise could be either within projects or programmes or across them. Evidence-based learning complements the focus on knowledge discussed above and can help to encourage coherence, coordination and complementarity of interventions at different levels by showing the negative effects when these are weak.

There is a growing feeling in many development organisations that standard RBM approaches do not adequately capture the intangible or soft goals typical of many TA and capacity development activities, including "chang-

ing minds and changing attitudes<sup>79</sup>. There is a need for a methodology for monitoring and evaluation which can assess outcomes such as increases in confidence, improvements in the perceived legitimacy of organisations, growth in the willingness to take independent action, and the development of effective relationships or social capital. The focus should be on both benefits to the partner and to BTC in terms of assessing its comparative advantage. Such a process would depend on indicators being developed in dialogue with partners and prior to project implementation (see also Chapter 4).

For BTC, developing such indicators would probably imply more investments in terms of time and resources in the design of TA interventions than the present process requires but the exercise would encourage a common understanding among the actors on the objectives and therefore results-focus of the activities. It would also help to increase the understanding of the need for and purpose of monitoring and evaluation.

### 3.6 Possible further improvements from a redefined institutional framework

The overall institutional set-up of Belgian Development Cooperation is currently being evaluated. The majority of our interviewees expressed the wish that the outcomes of the evaluation help to address the bottlenecks resulting from the current institutional set-up/ arrangements. The division of tasks between DGDC and BTC needs to be given particular attention, in order to reduce the current delays and red tape.

Other IDOs have successfully reorganised their institutional arrangements at home and their operational base in partner countries. A major difference between the Belgian situation and the operations of other IDOs is the separation of identification and formulation which in many instances causes significant operational delays, confusion and even tensions among partners. There is much demand for a clarification of the mandates of DGDC and BTC.

Theoretically, one can imagine two options which are at the respective ends of a scale:<sup>79</sup>

- (i) Extending the mandate of DGDC to cover responsibilities equivalent to those of Danida, as shown in Table 2.2. In this case, responsibilities range from the formulation of development policy to the implementation of TA through a mix of Danida contracted experts and MCs. If this model is followed, BTC would then be absorbed into the Ministry and disappear entirely.
- (ii) Focusing the mandate of DGDC on broad policy development, strategic management and evaluation, multilateral cooperation and indirect aid through NGOs and other types of actors. DGDC would withdraw from its role in identifying TA and allow BTC to assume responsibilities encompassing identification, formulation/ planning and implementation. In the future, this might also include supervision of implementation done by MCs.

Review of the structures of other donors does not provide clear guidance in favour of one or the other solution as different approaches can work. In some of our sample cases including the Netherlands, Denmark, and France a Ministry of Development Cooperation which is integrated into the Ministry of Foreign Affairs is responsible for setting broad development policy, formulating bilateral agreements or conventions, and identifying and planning of development interventions. In Sweden, Sida, despite its status as a government agency without its own minister, has taken over some activities that are carried out by ministries, or integrated ministries in other countries.<sup>80</sup>

The conclusion from this is that the status of the development cooperation organisation is not the important factor. It can be either a ministry/ department or a more independent agency. The issue is the agreed mandate assigned to it.

<sup>79</sup> We recognise that there would be other options too. We have chosen to present these two options because we believe that they would be relatively close to the Belgium situation.

<sup>80</sup> The DAC peer review of 2005 was overall very positive about Swedish Development Cooperation.

We believe that only effective dialogue can help to find the most appropriate answer to which option is preferable. We therefore present our tentative views on this issue as a way of provoking debate. We are not confident that we have the right answer but we are convinced that it is an issue where honest, dispassionate argument is needed.

We think that a key argument in favour of one of the approaches should not be based on dogmatic views, but rather on the argument of comparative advantage. In our view, BTC is increasingly perceived as a dynamic and transparent organisation with a capacity to adapt to changing circumstances. It has extensive experience in technical cooperation and the potential to deliver even more added value to the development process in Belgium's 18 partner countries. It would be unfortunate to waste this dynamism by incorporating BTC into another organisation or dissolving it.

The analysis of earlier chapters of this report suggest that the overall effectiveness and efficiency of Belgian technical cooperation could be enhanced substantially were the relationship between mandates of DGDC and BTC are clearer. A good starting point might be for DGDC to take the lead on overall policy setting, strategy formulation and evaluation, and lay the base for DGDC and BTC to work in full complementarity.

Complementarity requires a shared understanding on the principal purpose of cooperation and how this should be translated into subsequent operational steps. The bilateral conventions would be formulated under the lead of DGDC, with the participation of BTC, but the identification of activities would be led by BTC with the participation of DGDC. This change in responsibility for the identification phase would allow BTC to do the institutional/organisational analysis in cooperation with its partners and to jointly decide on implementation, resources and quality requirements.

DGDC and BTC need also to develop a shared understanding of what constitutes an effective system of evaluation. Such a system must account to Cabinet and Parliament for the management of development cooperation, which requires monitoring of activities by either a government audit institution or outside auditors. But this is not the only aspect of evaluation. To ensure a high quality development cooperation programme, DGDC and BTC need to develop a common view of the purpose of development cooperation and monitoring and evaluation systems which can provide feedback on progress to be used for joint learning, adaptation and change. DGDC would appear to be the more suitable organisation of the two to develop the framework for such an evaluation system and to ensure its implementation.

### Box 3.2: Main messages from the interviews with Belgian stakeholders

We did 20 individual and group interviews in Belgium and the field with experts in the area of TA provision and management. The questions asked relates to the value-added of Belgian TA and the management arrangements for it as specified by the mandate of BTC, the development of Belgian expertise, and the impact of the implementation of new aid mechanisms on the work of BTC in the field. This box highlights the main messages from the interviews with particular attention given to responses received from people in the field. Additional information about the reality of Belgian development cooperation in the field was drawn from the dissertation of Kathleen Wuytack (2006). We arranged the main messages along the principal headings of Chapter 3.

#### Purpose and capacity development

- There is clearly a need to promote reflection and sharing of opinions about different new aid modalities and their impact on TA management. Currently, reflection is largely confined to a small group of people in Brussels and, in general, there is a lack of strategic vision, policy direction and strategic thinking such as, for example, about the link between TA and capacity building processes, or processes of institutional change. There is an urgent need for this as a

81. GEO is BTC's department which accompanies the implementation of projects and programmes according to regions, and EST the department which provides thematic and sector-specific advice to projects and programmes.

means of defining clear policy directions which can help to improve the efficiency, effectiveness and outcome of TA in the field and to support TA personnel in their evolving roles.

### **Institutional considerations (identification, decentralisation)**

- People in the field complain that the transaction costs of the current institutional framework are high as a result of the difficult relations between the two main institutional actors in Belgium - DGDC and BTC. There was a clear dichotomy between the views of two groups. The first was those interviewees who are tired of reform and changes in Belgian development aid and accept the existing situation without necessarily being convinced of its effectiveness. The second was those who feel that the reform has not been executed properly and that it needs to be completed, for example by giving BTC the mandate for the full project cycle. This dichotomy of views has resulted in a lack of collegiality and shared responsibility, for example, for an effective system of providing TA.
- For most BTC interviewees, the divide between identification and formulation is artificial and negative. These people saw the need to ensure a smooth flow from identification and formulation of interventions to actual implementation. A minority of interviewees stated that the problem is not that identification rests with DGDC, but that the identification sometimes becomes concrete planning: it specifies implementation modalities and commits BTC to results agreed with the partner country without BTC being involved.
- BTC interviewees deplore the lack of a clear and shared vision on TA and the TA arrangements within BTC. For example, interviewees perceive the units GEO and EST<sup>81</sup> as having different views on the roles and tasks required of TA personnel, specifically whether they should be 'project managers' or 'technical facilitators'. This lack of agreement creates confusion in the process of recruitment of and support to TA personnel and thus undermines the effectiveness of the assistance.
- Surprisingly, very few interviewees raised the issue of the involvement of the partner country in TA identification, the recruitment of TA or the management arrangements (which are all carried out under the system of 'régie'). It should, of course, be mentioned that Belgium is operating in some of the most complex and difficult countries in Africa (fragile states). Obviously in countries without reliable state structures, technical cooperation will have a more 'gap-filling' character and it is not easy to call upon local management arrangements. The ultimate goal, however, should be to involve the partner country as much as possible but there is not yet a consolidated strategy to do so.
- The BTC representatives in the partner countries would like to be more involved in the management of TA. In some countries, the Resreps are already trying to take on some management aspects, for example, in Congo, which has some 30% of Belgium's TA, the Resrep launched an initiative to coach TA on their tasks within their projects. Both Human Resources and EST in BTC headquarters agreed that the Resreps should be more involved, but subject to a general review of their roles and responsibilities, including the degree to which they should be involved in managing TA personnel. They also see the need to ensure that the Resrep cadre be more homogeneous in the future in its development approaches and that the cadre possess the required skills for modern 'people management'. Interviewees of EST and Human Resources were the only ones to state the need for discussing the role of the partner country at the same time (see also report of Wuytack).
- Despite the critical feedback, some interviewees suggested that there is manoeuvring space within the BTC system for experimentation and improvisation on the ground.
- In general, there seems to be a consensus that a separate TA fund not directly connected to individual projects would be a good idea.

### **Implementation issues (institutional analysis, change processes and new aid mechanisms, advisory vs. management roles)**

- The scattered and relatively recent experience of interviewees with new aid modalities lead the majority to believe that, in addition to more traditional TA profiles such as gap filling and classic project management, there is a need for a new profile of TA with capabilities in analysing governance processes and institutional and political contexts. Surprisingly, only a few interviewees refer to the role of TA in capacity development. In general, there is a consensus that different profiles of TA should be developed and supported.
- TA experts are, in general, quite critical about their task descriptions, seeing them as unclear with a vague allocation of responsibilities, and not in line with their and counterpart expectations regarding the transfer of know-how. Most TA interviewees would like to see their administrative tasks, which they see as sometimes overwhelming, transferred either to an administrative unit within the Resrep's office or to the partner country's administration if this is reliable. They accept to take managerial decisions, but would like to be released from their execution. Administrative procedures not adjusted to new aid modalities and constantly changing approaches contribute to this desire of TA personnel to get out of execution.
- Belgian expertise is ageing and is not being replaced by sufficient young blood. Expertise is not sufficiently capitalized or further developed in house. BTC headquarters and Resreps agree that it is part of the responsibility of BTC to 'grow its own timber', with one respondent saying: 'If you stop with TA, you might as well stop the bilateral cooperation and limit the role of the Belgian Development Cooperation to its contribution to basket funds and budget support'. The majority of BTC interviewees do not see the new Belgian volunteer programme as fully meeting this need and argue for a special programme for young professionals. TA experts also feel that a strategy for career development is urgent, as BTC is currently not providing sufficient incentives for TA to stay with BTC for multiple assignments. The majority of the interviewees is also concerned about the reputation of Belgian technical cooperation and the fear that it may be declining. In the past, Belgian TA had a good reputation in sectors such as tropical health, infrastructure, and education.

### **Ensuring quality (including an adequate number of specialists, a critical mass of qualified candidates, good knowledge management and evaluation)**

- There is no comprehensive policy for training and competence building, although most interviewees agree that a number of concrete and highly appreciated steps have been taken in that direction. Some interviewees think that a proper budget line and programme for training TA personnel might be very useful. All interviewees criticised the one week preparation prior to departure as too short.
- Presently, technical support is mainly provided through headquarters and focuses on the implementation of projects. In general, TA experts are very critical about the dynamics, timeliness and frequency of interaction with supporting services, especially GEO and EST. TA personnel would like more support from EST for tasks such as accessing state-of-the-art knowledge.
- There is no comprehensive system for the evaluation of TA personnel. Those interviewed expressed frustration that they are mainly assessed on the extent to which they are able to meet the reporting requirements, the quality of these reports and the fulfilment of the logical framework as described in the project plan. Interviewees saw evaluation as a means of control not as a mechanism for feedback.
- Typically, most TA experts find it difficult to feel part of BTC and there is little corporate identity. Although 30 to 40% of TA personnel is working on a second or third project for BTC, some interviewees felt that they were only 'mercenaries'.
- TA personnel complain that there is inadequate exchange among them but some Resreps interviewed state that they are trying to encourage this exchange.



82. The Resreps proposed names of people in various ministries who have been partners of Belgian development cooperation. It has been very difficult to contact these people. Finally, two returned an e-mail questionnaire, one person was interviewed in person and ACE Europe did 7 telephone interviews.

- There has been little consultation or cooperation between BTC and knowledge institutes universities, think tanks and training institutes about the provision and management of TA. There is also no tradition of policy research capacity in the development sector, a weakness cited by BTC interviewees. Recently, there have been some initiatives to remedy this situation, for example, ITM Antwerp and ULB have been contracted to provide long term backstopping for health programmes executed by BTC. Both universities and BTC acknowledge that there is scope for more cooperation in different fields. BTC is trying to promote opportunities for TA experts to do doctoral studies and is looking for opportunities for university professors/researchers to deliver state-of-the-art expertise through short assignments to projects. For BTC, a more structured cooperation with universities could help to bridge the knowledge and expertise gaps between new university graduates and TA experts with 5 years of experience. Universities offer some different opportunities for students to get development experience but these opportunities are not enough to bridge the gap between a new graduate and the requirement for a minimum of five years experience for a BTC assignment.
- The Flemish universities are asking for a more structured cooperation to allow them to deliver state-of-the-art expertise, develop fellowship programmes, and take on backstopping assignments in BTC projects. They appreciate BTC as the biggest Belgian organisation in terms of the number of development professionals employed.

### Box 3.3: Main messages from the interviews with partners

This study included ten interviews with partners of the Belgian development cooperation in Ecuador, Morocco, Niger, RD Congo, Burkina Faso and Rwanda.<sup>82</sup> The interviewees are situated within ministries, and are either responsible for the coordination of development funds (ministries of finances or planning) or for the follow-up of development projects in a particular sector such as health and justice. The questions asked focused on the purpose of TA provision, institutional and implementation issues related to the management of TA, and the quality of Belgian TA. This box highlights the main messages to retain from the interviews. Although there are major differences among the countries, for example between fragile states and states with a strong institutional architecture, this box tries to highlight some of the important common issues.

#### Purpose

The interviewees feel that the Belgian purpose in providing TA is not very clear, but there was also considerable diversity in their expectations of it - from 'accompagnement' and 'cheminer ensemble', especially in more fragile states to the 'provision of topical expertise (appui ponctuel, apporter un savoir faire spécifique) in the framework of the development plan of the country (as suggested by the partner in Rwanda and Morocco). In principle, the interviewees agree that TA is about building local capacity; but they admit that the issue and content of capacity building are not really discussed with the Belgian partner. This leads us to conclude that the dialogue between the Belgian development cooperation and its partners does not cover approaches to capacity development in any depth. The conclusion from the discussions on the purpose of TA is that endogenously run processes should determine the nature of the TA rather than TA being the driving force. In the same vein, there was an explicit message from Rwanda to integrate TA into a phased local empowerment process that is designed and managed by the partner country, Rwanda.

#### Institutional considerations

In general, the cooperation with the BTC as provider of TA is appreciated for its transparency and clear communication. (We noted however that the BTC is not considered to be a provider of TA in

Morocco, but is viewed as a 'gestionnaire' for the Belgian development cooperation and a partner for daily management of projects in the field.) Yet, the interviewees raised questions about the efficiency and the 'strange working relation' between DGCD and BTC. For some interviewees, the diverging views between both institutions were sometimes difficult to handle/deal with, but, in general, the partners did not suffer too much from the existing institutional arrangements. On the other hand, the centralised character of decision-making on the contrary is not appreciated and the need to obtain signatures from Brussels is seen as unnecessary bureaucracy. Some also see the need to acknowledge more effectively in policy discussions between partners the field experience and views of TA and BTC.

### Implementation issues

Some partners indicate that they would welcome an in-depth discussion about the existing arrangements and the purpose of TA with the Belgian partner, especially in the context of new aid mechanisms such as programme approaches (as opposed to projects) and the shift to the provision of free-standing TA to support institutional change processes. All interviewees were particularly critical about their involvement in the recruitment and management of TA personnel and about the procedures in place. They feel, for example, that the current recruitment process (in which they can choose a candidate from a limited number proposed CVs) do not guarantee that TA personnel proposed are able to meet the expectations of the partner. On the other hand, the 'fonds d'expertise' in the Congo is appreciated as a means of improving the identification and recruitment of relevant expertise in a more flexible manner.

In some countries, partners pointed to the tension between the role of TA personnel as 'gestionnaires', or project managers, and as capacity builders. Some partners would welcome TA personnel that is more able to adapt and to assimilate local successes and lessons. According to the interviewees, BTC is aware of the tension, but is not resolving it, for example, there is overall little direction in the ToR on building local capacities. Instead, it is left to the TA to deal with the tension in the field.

Some interviewees stress the need for the BTC to invest more in instruments to continuously assess and review the institutional context of the partner country. The instrument of 'co-gestion' and the SMCL are generally seen as workable and efficient ways of managing projects and there was no pressure to revise them, except to decentralise the signing authority from Brussels to the field. The partner in Congo is supporting the BTC initiative to bring together different committees (SMCL) in a platform for exchange and mutual learning.

### Quality

Partners are interested in 'value for money', even if this means that TA personnel are non-Belgian. Some partners suggest that BTC as a smaller development agency would be more effective and have higher impact if it were more focused and specialised in a few areas. A minority believes that more specialisation has added value only in the context of a programmatic approach or in complementarity with other development agencies. Interviewees unanimously believe that Belgian TA would be more effective if evaluations were the shared responsibility of BTC and the partner countries.

Most partners understand that a young professionals programme could be interesting for the BTC and the Belgian development cooperation, but they are afraid that it would undermine capacity in their countries. The attitude is: 'ok, but not if it bothers us'. Only in Rwanda is there a more positive attitude coupled with the suggestion that the programme should be developed in cooperation with partner countries to allow young professionals from both sides to build up their experience and exchange with others (coming from Belgium and other countries in the South).



## **Chapter 4:**

### **Making TA assignments more attractive**

## MAKING TA ASSIGNMENTS MORE ATTRACTIVE

### 4.1 Views from the field

From our field interviews it appears that working as a BTC TA expert is not very attractive, although the experience of working in the field as such is highly valued. The summary of responses below is rather critical. However, one needs to consider that the organisation is still rather young as it effectively entered into operations only by the year 2000. One needs also to consider that a substantial number of technical advisors nonetheless renew their contracts for a second and third term. A more systematic review of the issue of attractiveness of assignments to qualify some of the messages could be beneficial for BTC as a follow-up to this study. The responses received suggest that it is important for BTC to involve its experts in the discussions on the future strategies of the organisation and to provide them with feed-back on proposals originating from the field.

Individuals state that BTC offers too little incentives to stay with the organisation, that new job opportunities are not discussed with them during their assignments but only at a very late stage, and that sometimes opportunities seem to be linked to personal relations, rather than a transparent process. It is interesting to note that pay was hardly mentioned as a determining factor, although more transparency about wage scales would be appreciated in the form of a clear policy on salaries and other benefits. Four principal problems with job attractiveness came out of the interviews; (i) lack of corporate identity; (ii) insufficient professional exchange and feed-back; (iii) poor professional development; and (iv) inadequate career development.<sup>83</sup>

<sup>83</sup>. These issues are not new, but have been there from the start of BTC.

#### 4.1.1 Corporate identity

- Interviewees complained that there is a dire need for clear policy orientations from their organisation. Suggested issues for policy guidance mentioned were:
  - **BTCs understanding of capacity development** - TA personnel are now forced to focus their efforts on the realisation of the project objectives and outputs without dealing consistently with the development of capacity or with the post project period;
  - **BTC's approach to supporting institutional development and change processes**
    - To what extent is the TA expert expected to provide an impetus to change and innovation?
  - **The role of new aid mechanisms.**

Policy documents on these issues would help to clarify 'grey areas' of operations between BTC and DGDC at the field level, and the position of TA personnel in systems of **co-gestion**. There are no clear lines of hierarchy but technical advisers are expected to be the main generator of the project and the controller at the same time. The current procedures and framework for **co-gestion** do not appear to be appropriate for training or skills transfer.

- A one-week introduction to BTC prior to departure exists but TA personnel would also benefit from more systematic pre-assignment training combined with visits to research institutes and courses on language and culture. All interviewees consider current arrangements insufficient. For local TA experts, a one-month internship at Brussels headquarters could be very useful.
- Such pre-assignment training should also stress the need for sharing of knowledge and information and help to create a corporate identity which sees knowledge management as a key ingredient to successful provision of technical assistance. Moreover, incentives could be created in the organisation which stimulate the sharing of knowledge and information, e.g. through appraising staff on their willingness to share.

#### 4.1.2 Professional exchange and feed back

- A key message from the interviews held with individuals in the field was that experts feel that they are mostly left on their own.
- The organisation is seen to be risk adverse and to blame individuals for failure rather than trying to learn from it. This inhibits a learning-by-doing approach for technical advisers and the partner country, as learning from success and failure is not possible.

- Exchanges between headquarters and the field and among TA personnel themselves are insufficient, including the timeliness and frequency of feed-back on reports. Generally, there is a feeling that BTC headquarters needs to invest a lot of time on its relations with DGDC and that their high transaction costs are at the expense of operations in the field.
- Key actors in the field feel left out of strategic discussions and decisions within BTC, and that the experiences and insights are not systematically fed back into the organisation. This underlines the importance of improving exchange and reflection mechanisms involving the field. One step in this regard is to ensure that interviewees receive feedback on the interviews held for this study).
- After an assignment, and in between different projects, there is no systematic and overall policy to stay in contact with former TA experts. In some cases, there were also no thorough debriefings organised after the assignment. Such responses point to a need for improving the overall capabilities for BTC to learn from its TA personnel.
- Learning should also take place with regard to the different contexts in which BTC operates. Proposals were made to undertake a study on how to operate in middle-income countries and emerging economies (South Africa, Morocco, Ecuador, Vietnam) where specific needs for TA and expertise may be significantly different in comparison with what is needed in fragile and more destitute countries.

### 4.1.3 Professional development

- On a case-by-case basis, and normally on the initiative of the expert, BTC allows individuals to follow training courses, for example where project budgets have not been fully used. The organisation, however, provides few systematic training opportunities to help experts maintain their professional knowledge up to date or to enhance their competency to deal with new and complex development environments. Suggestions were also made to foresee the BTC delegations in partner countries with limited training budgets for intermediate training of expatriate and local TA personnel. A comprehensive policy on training and competence building would be desirable, but – as the human resources department stated – an effective policy can only be formulated once the roles and responsibilities of the organisation are clearer.
- There is both a lack of clear information and inadequate dissemination of documents and reports on new development trends and initiatives, in particular in those areas where Belgium is involved. Individuals mentioned that access to state of the art knowledge through web-sites, regular e-newsletters, e-discussions and policy briefs, and exchange among experts dealing with comparable issues or working in the same region would be helpful. International seminars, such as the recent event on sector budget support in education, and exchanges between PIUs and TA teams, such as in DR Congo, were cited as very useful. A more structured cooperation with universities and research institutes would also be welcome as a way to enhance knowledge, bridge the divide between theory and practice, and design best fit solutions for particular circumstances.
- There is a need to enhance the specific capabilities of TA experts recruited for work in institutional change or sector reform processes which are funded through new aid mechanisms. To undertake this more process-oriented type of work, BTC staff, both in the field and at headquarters, need to be open for dialogue and reflection, be able to listen and to not exclusively focus on the delivery of quick results. The opportunities for experts to build these capabilities are rather limited.<sup>84</sup>
- The administrative workload is heavy and reduces the experts' focus on content-related activities, although accountancy seem to have improved in recent years and procedures have been simplified and made more transparent. While the exposure to management work in a different cultural environment can bring new insights, the discipline-related technical expertise of the individuals tends to decrease during the

<sup>84</sup> Comments from the field indicate that there is a particular need for TA experts to get acquainted with human resource issues, institutional and organisational development. Moreover, relational capabilities are required as well as 'process-oriented' capabilities to engage successfully in dialogue, negotiations or advisory work.

85. It should be noted that not all development organisations favour a system where TA experts make a career of one overseas assignment after another. They see disadvantages, such as experts getting out of touch with new developments in their areas of specialisation, becoming accustomed to the perks of overseas assignments and loss of connection with their national culture.

86. Suggestions were made to make the personnel appraisal system more effective which could help to streamline the internal recruitment process of TA experts for follow-up assignments.

assignments in some cases. Some TA interviewees would like to see their administrative tasks transferred to a kind of “back-office” (administrative support unit) within the Resrep office in case the partner country’s administration is too weak. They accept to take managerial decisions, but would like to be released from administrative and accounting tasks. But opinions differ. Critical remarks made by other staff tell that the creation of “back-offices” should not be favoured as administrative and financial management tasks need to be dealt with as an integral part of a project. These tasks, eventually, should be executed fully under the responsibility of the partner.

#### 4.1.4 Career development<sup>85</sup>

- Because recruitment is connected to projects and programmes, assignments are time-bound contracting. There are opportunities to build and retain a core group of qualified staff who can develop their careers within the organisation.<sup>86</sup> Some individuals expressed the hope that the proposed TA Fund might help to solve this problem.
- There is no young professional programme to allow younger people to ready themselves for TA assignments. The few experiments have not been evaluated in a systematic way.
- Interviewees perceive the organisation as not being gender sensitive or family friendly. This ‘unfriendliness’ discourages qualified women and men from staying in the organisation and encourages them to look for careers elsewhere. In general, a more flexible and sophisticated human resource policy would be appreciated when it comes to the allocation of experts to assignments. The following ideas have been proposed and there are some exceptional cases of experimental nature where they are practiced: part-time engagements, ‘freezing’ of BTC contracts at headquarters during the period of field work, TA personnel posted in headquarters and making frequent field trips, backstopping missions to provide advice to the field.
- Many technical advisers consider the absence of reintegration support as a serious problem.

## 4.2 Some practices of other IDOs

The challenge of improving the attractiveness of assignments goes beyond what BTC can do on its own. If the Belgian Government wants to work with highly qualified Belgian TA experts in partner countries, bottlenecks in the development cooperation system need to be addressed. This statement should come as no surprise.

In addressing the issue of attractiveness, one might want to look at the approaches of other IDOs to career development, incentives and building knowledge and expertise. These are surely not all issues to be addressed in order to make TA assignments more attractive. In addition, more inter- and intra-organisational dialogue is needed on how to solve some of the more systemic problems at hand.

### 4.2.1 A Career in TA

All the organisations we have reviewed have core staff with fixed contracts. In the case of Danida, DFID, DGIS and the French Ministry of Development Cooperation, for example, these are civil servants who can rotate between headquarters and field positions. Agencies like GTZ and even small organisations like SNV have similar arrangements, although their staff are not civil servants. Most of these organisations have, in addition, experts with time-bound contracts at headquarters as well as in the field. Unfortunately we were not able to get any figures on these two groups. Additionally, there are experts with unlimited as well as time-bound contracts employed from the labour market in the partner countries and under contract with the respective delegation of the organisation. GTZ is one of the biggest IDOs in this regard, and employs more than 8,000 local or regional staff through its field offices (see Table 2.3).

In DFID, staff can enter the organisation through the junior civil servant recruitment which is open to UK and EC nationals and earmarks a number of positions for DFID each year. There are also special recruitment processes for experienced personnel to become civil servants. DGIS and Danida have similar systems. The French DGCID works with civil servants from its own ministry as well as with experts from other ministries, who are sent abroad for a limited period.

In terms of junior development programmes, the situation is more diversified. All IDOs recognise the need to bring young professionals gradually into their organisations. Where this has been neglected, as in the Netherlands, TA organisations like SNV and the Association for Personnel Service Overseas (PSO) have initiated junior programmes to compensate for evident gaps. The most elaborate and expansive system we found is that of GTZ, with programmes for different experience levels and age groups. There are opportunities for interns (students), junior specialists (post-graduates) and junior experts. In addition, there are long-term post-graduate training courses offered by the German Development Institute (DIE) and the Seminar of Agricultural Development (SLE), from which young experts generally move into the bigger German organisations or multi-lateral institutions.

France runs a very elaborate volunteer programme whereby some 25,000 young people annually work abroad with different organisations, including NGOs and the private sector. From this group, promising individuals are integration into the civil service positions, or to work as a junior expert with AFD. Volunteer organisations, such as VSO in the UK and PSO and VSO in the Netherlands, are recognised as a means for younger but well educated personnel to gain experience. After two to three years experience, these younger people become eligible for positions in bigger development organisations.

Most of these countries also have JPO-programmes which feed their nationals into multilateral organisations as junior professional officers with time-bound contracts.

### 4.2.2 Incentives

We could gather only limited material on the pay-scales of the different IDOs and on the non-pay incentives and allowances which they offer to TA experts. However, we know that a mid-career expert posted abroad, a European IDO has to budget - all costs included - some Euro 100,000 to 150,000 per annum (rough average).


Not surprisingly, IDOs prefer time-bound contracts and outsource work to consulting firms with the aim of reducing costs. In the countries reviewed, the 'family situation' is a major constraint to recruitment, especially for mid-career experts with children and with partners who are often also in mid-career. For certain positions, Danida has difficulties attracting few such mid-career staff.

### 4.2.3 Training and knowledge networking

Organisations like GTZ, Danida and SNV which recruit their own TA experts have elaborate training programmes. These include pre-departure orientations, language training and middle-management courses. Some also have a small fund which the expert can use at the end of the assignment to update his/ her knowledge in order to more easily reintegrate into the home labour market, or to better master the next assignment abroad.

Denmark has created a Danida-linked agency which organises all training-related activities of Danida-experts and MFA staff, either in-house or with outside organisations. In Germany, most training activities are executed by InWEnt, one of the biggest international human resources and organisational development organisations in international cooperation. It has 35 offices in Germany and worldwide.

In the Netherlands, a considerable number of courses are offered through private companies and privately run institutes. SNV has invested heavily in knowledge networking, with the aim of reinforcing exchange and learning among its advisors. SNV has entered into a partnership with UNDP precisely to deepen knowledge and skills in



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areas which the organisation sees as crucial for the advisory work of its staff, including dealing with leadership issues, evaluation for learning and facilitating successful networking of actors.

#### 4.2.4 Institutional and organisational changes

The attractiveness to work as a TA expert also increases ones the wider institutional context in which Belgian development cooperation takes place is improved. In Chapter 3 we presented a number of strategic issues which need to be solved in this regard. Once these are answered, some of BTC's internal organisational bottlenecks, such as a missing human resources development strategy, can be addressed. There are, however, a number of other issues which could be looked into in the meanwhile, such as the issue of improving feed-back, shaping of a corporate identity, or a better incorporation of key field staff in strategic discussions and decisions. We will not discuss this any further in this report as we believe that the report presents sufficient material to launch a broad internal dialogue on some of these issues presented.





## **Chapter 5:**

### **Looking ahead**



## LOOKING AHEAD

There is no real conclusion to this paper as it is part of a wider reflection process on the future of Belgian development cooperation. The paper is meant to feed into the reflection on the added value and future strategic positioning of BTC in international development cooperation, to stimulate the internal exchange among BTC headquarter staff and between BTC headquarters and its key people based in partner countries, and to facilitate a constructive policy dialogue on the future of this organisation between BTC and other Belgian stakeholders, in particular with DGDC. This dialogue will take shape within two to three months after completion of this report. Many of the issues discussed above will probably continue to be on the agenda beyond that period.

We would like to end with some brief observations to stimulate further discussion and exchange.

### 5.1 Engaging local TA

We have mentioned in our introduction that this study focused strongly on the international policy discussion on TA, complemented with views collected from Belgian stakeholders and relevant experiences with TA from a number of other bilateral IDOs. Complementary interviews on TA management were held with BTC field staff and a number of officials from partner countries. The specific issue of engaging expertise from partner countries as BTC TA personnel was not within the scope of this study.

It is a complex discussion as the recruitment of local expertise for work with IDOs can have disturbing effects on the labour markets of partner countries. In response to critique that IDOs absorb qualified personnel which otherwise would have strengthened national government organisations or the private sector, some IDOs have formulated TA policies which try to avoid detrimental effects on the labour market (Danida 2005). Other IDOs have decided to engage in civil service reform programmes, such as DFID and a number of the Nordics.

On the other side of the argument are IDOs and representatives from central government institutions who content that hiring nationals to work with local offices of IDOs keeps qualified personnel in the country and gives them solid working experience. They can also play roles which might be difficult if not impossible for expatriates such as bridging between national and international institutional environments and buffering organisations from sometimes hostile outside forces (see the discussion in Section 1.3.3).

The statistics in Table 2.3 show that IDOs can be important employers, often paying wages which are considerable higher than salaries paid by local organisations. This is also the case for BTC which, in some countries, pays higher salaries than the market average. Any future internal reflection in BTC needs to address this issue and could design a policy which provides an orientation on how to go about dealing with this issue in field operations. This point was also underlined by several comments made from the field. The issue is not new and BTC could make use of the substantive reflections on this issue which other bilateral and multilateral organisations have accumulated and documented, according to some BTC staff members.

### 5.2 Moving towards more collaborative approaches?

The pressure on individual development organisations is to align and harmonise. This is most evident in the activity surrounding the Paris Declaration which is mobilising many of the development organisations to think about what they can and should be doing. There is a real danger, however, that the response will focus more on being seen to meet goals than on making the fundamental changes that some of the goals imply. Many of them are very ambitious and it will be difficult to meet them. Some may need modifying. For example, is it still realistic to try to put 66% of ODA through programme-based approaches when some of the current commitments for budget support to Ethiopia and Uganda have been suspended and there are on-going discussions about Kenya? The workload considerations for development organisations would be significant were they to switch from budget support which requires a relatively low level of management intensity to programmes or projects.

Many of the Declaration's indicators address issues which have been raised earlier in this paper, for example, the use of pooling for technical assistance and monitoring and evaluation mechanisms. These indicators repre-

sent major challenges for development organisations to meet, not to mention the pressure they put on developing country partners to bring supporting systems such as procurement and public finance management up to internationally acceptable standards. The indicators that would appear to be most relevant for BTC are listed below. The organisation needs to think about which goals are priority for Belgian cooperation and what trying to meet them would imply in terms of the organisation's own capacity.

### Box 5.1: The Paris Declaration

The main goals of the Paris Declaration in terms of collaboration include:

- strengthening partner countries' national development strategies and associated operational frameworks;
- increasing alignment of aid with partner countries' priorities, systems and procedures;
- eliminating duplication of efforts and rationalising donor activities to make them as cost effective as possible;
- reforming and simplifying donor policies and procedures to encourage collaborative behaviour and progressive alignment with partner countries' priorities, systems and procedures; and defining measures and standards of performance and accountability of partner country systems in public finance management, procurement, fiduciary safeguards and environmental assessments.

Some of the key indicators for 2010 include:

- aligning 90% of aid flows to national priorities and ensuring that at least 85% are reported on government budgets;
- ensuring that 50% of technical assistance cooperation flows are implemented through coordinated programmes consistent with national development strategies;
- ensuring that either 90% or 100% of donors use partner governments' procurement systems, depending on the performance of these systems;
- 66% of aid flows to be provided in the context of programme-based approaches;
- 40% of donor missions to be joint;
- 66% of country analytical work to be joint; and
- 100% of partner countries to have mutual assessment reviews in place.


## 5.3 Where is the demand for TA in the future?

Without an actual survey, we are unable to give a detailed overview of trends in the needs for technical assistance over the next 5 to 10 years. However, in June 2006, ECDPM will begin a study entitled **Technical Assistance Personnel: What can we learn from promising experiences?**<sup>87</sup> which foresees a more in-depth review of this issue.

In the meantime, there are a few areas where we can venture some preliminary thoughts.

- Budget support and sectoral budget support both normally involve agendas for policy dialogue and financial overview which imply TA. The demand here is often for policy and financial management experts with high-level negotiation skills, a broad development view which situates the sector in the macro political and economic context and the ability to understand budgets and analyse the strengths and weaknesses of accounting systems. These skills can be quite different from those of a sector specialist working on a more limited educational or health programme, but which are equally important to make sector reform programmes a success.

<sup>87</sup> The study will be funded by Danida and AusAID and will look in particular on what types of TA work in different development cooperation contexts. The study proposal can be obtained via Heather Baser, ECDPM.



Ideally, the policy/financial expert would also have sectoral expertise in order to ensure that the programme maintains its focus on the specialisation but these multiple requirements can create a recruitment challenge. IDOs will have to ensure that their training and career development programmes take these requirements into account.

- There are some new roles appearing for TA personnel which may create demand for specific skills in the future. These include:
  - Brokerage: This involves bridging between the activities of different partners involved in gradually evolving institutional change processes. ECDPM has been asked to provide such assistance to the **Commissariat de Developpement Institutionnel** of the Government of Mali which is about to embark on a large public sector reform programme financed by the European Commission.
  - Buffering: In the case of the Environmental Action Programme (ENACT), the TA acted as a heat shield to protect the staff of the unit from external intrusion, to motivate and support their operations, to ensure the efficiency of the financial and administrative system and to liaise with Canadian stakeholders (Morgan 2005). This required a person with good management skills who was prepared to stand back and not take credit for his actions, to be there to help but not to take over.
  - Catalysts: TA personnel can sometimes provide the spark to get processes going, to engage in networking, or to keep up the momentum over a long period. An exceptional, but very successful example is the national advisor recruited by the Pan-American Health Organisation in the 1970s and still in place who has helped to stimulate the creation of knowledge and policy networks for human resources in health in Brazil. While such long-term support goes against traditional wisdom on what is good practice, this position has been identified as the stabilising factor to keep up the momentum over extended periods of institutional and political instability (Campos and Hauck 2005).
- Some organisations are moving towards unbundling technical assistance from other activities, that is, providing TA personnel with no attachments to project or programme activities and who are thus free to concentrate on providing advice and supporting capacity development. This move is in response to critiques that much TA is provided as a condition for other kinds of assistance and is hence supply driven. Some of the new roles described above may well lend themselves to a free-standing model of TA.

The SNV case study describes how this kind of free-standing TA works. The demand is for people with the ability to provide advice and support. The human qualities are critical – competency in training, ability to support others without taking over, and a low need for being in the spotlight in favour of nationals getting the credit for activities.

- The push by the international development community to meet the targets of the Paris Declaration such as 90% of donors using partner countries' procurement systems will likely create demand for TA to assist in key areas, such as:
  - Operational development strategies: The Declaration sets a requirement that at least 75% of partner countries have operational development strategies. Since many countries are short of planning skills, technical assistance may well be called in to fill the gap.
  - Procurement and public finance management systems: The target foresees that a significant number of countries will either bring their systems to a level that conforms to broadly accepted good practice or have a reform programme in place to achieve these. There is likely to be increased demand for financial and procurement specialists to help set up such systems and to ensure that nationals can run them.
  - Harmonisation: The target foresees that 66% of aid flows will be provided in the context of programme-based approaches. This will probably result in an increased demand for TA personnel with experience working on programme-based approaches and in donor coordination.
  - Results-oriented frameworks: Here the target is to reduce the proportion of countries without transparent and monitorable performance assessment frameworks by one third. This is likely to create a demand for TA personnel with experience in monitoring and evaluation to help set up frameworks and to train staff in using them.

- Mutual accountability: The indicator for this area is that all partner countries have mutual assessment reviews in place by 2010, a target which will likely result in increased demand for personnel with relevant experience.

There is a danger that the Paris Declaration may create incentives for donors to put in place increasing numbers of TA personnel in order to meet short-term targets. In this process, long-term capacity development risks falling to the side.

- Governance is becoming more and more of an issue in development cooperation with increasing numbers of activities in areas such as civil service reform, decentralisation, anti-corruption, and human rights. The move towards partnership arrangements in development cooperation often also includes emphasis on governance issues. The Paris Declaration is an example of this with many indicators focusing on improved management by both the IDOs and the partner countries. The demand for personnel with experience in these areas is likely to increase and may well manifest itself in assignments at different levels including local, regional and national as well as governmental and non-governmental.
- Increasing transparency of the costs of technical assistance may result in pressure to reduce costs through increased use of national personnel and of lower cost expatriate personnel such as through South-South cooperation.

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## ANNEX: CHART TA POOLING

Source: Baser, H. and P. Morgan. 2002. *Harmonising the Provision of Technical Assistance: Finding the Right Balance and Avoiding the New Religion*. (ECDPM Discussion Paper, 36). Maastricht: European Centre for Development Policy Management.

Type of TA arrangement		
Full pooling	Mixed pooling	Loose pooling
ADVANTAGES (may be perceived differently by different stakeholders)		
<ul style="list-style-type: none"> <li>Government in charge and makes decisions on what TA should lead to improved management skills and reinforced ownership</li> <li>Can reduce coordination costs between IDAs and gov't in the long-term</li> <li>Can reduce competition among IDAs</li> <li>Complete transparency provides opportunity to compare costs of TA from different sources</li> <li>Less opportunity for IDAs to put non-development demands on TA staff</li> <li>(For central government agencies) funding is usually on budget and is centrally controlled</li> <li>Allows IDAs to support objectives in areas where they have no comparative advantage</li> </ul>	<ul style="list-style-type: none"> <li>May require less time to put in place than full pooling</li> <li>Relieves gov'ts with limited procurement and contracting skills of some management responsibility</li> <li>Can reduce coordination costs between IDAs and the gov't in the long term</li> <li>Less risk for donors</li> <li>Reporting to donors may be easier than with full pooling</li> <li>(For sectoral ministries) control is more decentralised</li> <li>Allows IDAs to support objectives in areas where they have no comparative advantage</li> </ul>	<ul style="list-style-type: none"> <li>May be put in place relatively quickly and thus can support strategic innovations</li> <li>Little pressure on local management systems</li> <li>TA often chosen by common agreement to reflect recognised national or individual competencies of donor countries</li> <li>(Perversely) gov'ts may be more willing to admit local capacity gaps and use international TA if the costs are not known</li> <li>Off-line nature provides funding for activities not funded through the central system</li> <li>Since requirements are less onerous, a broader range of IDAs can be involved</li> <li>(For sector ministries) control is more decentralised</li> <li>(For donors who must show attribution) the role of each donor is evident and reporting is through their own systems</li> </ul>
ENABLING CONDITIONS		
<ul style="list-style-type: none"> <li>Good preparatory work among IDAs and gov't to produce stakeholder consensus on a sectoral strategy and on an M&amp;E strategy</li> <li>Good relations between gov't and IDAs</li> <li>Willingness of IDAs to take risks</li> <li>Full untying authority</li> <li>Willingness of gov't ministries to give up individual projects</li> <li>Reasonably competent and honest local management who are not overburdened with other activities</li> <li>Solid gov't procurement procedures for both domestic and international purchasing</li> </ul>	<ul style="list-style-type: none"> <li>Good preparatory work among IDAs and gov't to produce stakeholder consensus on sectoral and M&amp;E strategies</li> <li>Reasonable relations between gov't and IDAs</li> <li>Some willingness on part of IDAs to take risks</li> <li>Willingness of gov't ministries to give up individual projects</li> <li>One IDA prepared to take the lead and set up fund</li> </ul>	<ul style="list-style-type: none"> <li>Agreement among a limited number of IDAs on the appropriate use of TA</li> </ul>

Type of TA arrangement		
Full pooling	Mixed pooling	Loose pooling
RISKS		
<ul style="list-style-type: none"> <li>Can take a long time to put in place</li> <li>Lowest common denominator thinking can lead to less innovation</li> <li>Individual foreign TA may be unwilling to sign contracts with individual governments</li> <li>Political pressure to divert funds for other uses</li> <li>Procurement and financial systems not adequate to resist corruption</li> <li>Inadequate local expertise to meet all TA needs, resulting in rising costs</li> <li>Pressures to use local or regional TA even if inappropriate or overly costly</li> <li>Funds sometimes deducted from central budget allocations to individual ministries, thus reducing ministry interest</li> </ul>	<ul style="list-style-type: none"> <li>No opportunity to build up local procurement capacities through experience</li> <li>Pool could be led by IDA, thus undermining local ownership</li> <li>Little transparency on costs</li> <li>Tendency to use more international TA than is necessary because of tied funding</li> </ul>	<ul style="list-style-type: none"> <li>No opportunity to build up local management capacities</li> <li>The government's needs and preferences may not be given adequate attention, resulting in a lack of ownership</li> <li>Pressure to use international TA, even if inappropriate, because of tied funding</li> <li>No transparency with regard to costs</li> <li>Harder for gov'ts to coordinate</li> <li>Possibility of overwhelming gov'ts</li> <li>IDAs have more opportunity to start their own initiatives, which may not respect gov't priorities</li> </ul>
WHERE SUITABLE		
<ul style="list-style-type: none"> <li>Where amortisation of up-front transaction costs is possible over large activity</li> <li>Where there is a high degree of trust between the gov't and IDAs</li> <li>When hiring small numbers of individual TA staff (many IDAs may be reluctant to open large contracts to international tendering because they would lose out to lower-priced competitors)</li> <li>When hiring national TA is a priority</li> <li>When linkages between foreign TA and specific IDAs may indicate a lack of objectivity</li> <li>Where the gov't has good procurement capacities as well as an overall vision</li> </ul>	<ul style="list-style-type: none"> <li>Where amortisation of up-front transaction costs is possible over a medium to large activity</li> <li>Where the trust between the gov't and IDAs is weaker than in cases of full pooling, or IDAs have not developed strong collaborative mechanisms in the country concerned</li> <li>Where considerable international TA is appropriate</li> <li>Where IDAs have comparative advantages that can be utilised</li> <li>Where the government's management and procurement capacity is weak, but where there is an overall strategic vision</li> </ul>	<ul style="list-style-type: none"> <li>When activities are small and heavy transaction costs can not be amortised</li> <li>Where there is little trust between the gov't and IDAs, or where IDAs have not developed strong collaborative mechanisms in the country concerned</li> <li>Where untying authority is severely restricted</li> </ul>



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