Supporting Ownership

Swedish Development Cooperation with Kenya, Tanzania, and Uganda

Volume II: Country Studies

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Author's Preface

The CDPR evaluation team thanks all those who provided the information to make this evaluation possible. Many government officials, representatives of civil society groups, and individuals generously gave their time. Special thanks go to Sida staff in Stockholm and in the countries studied, whose help and openness was key to our work.

The latter group will find in this report a number of suggestions for changes in Sida practice. The critical subtext of these suggestions reflects the gap between practice and the lofty and difficult goals that Sida professionals have set themselves. Promoting recipient 'ownership' of projects and programs is a radical agenda, which involves a difficult process of reflection upon the agency's past work. The willingness of staff to engage in this process reflects the resilience and adaptability of the agency.

Sida's ability to foster ownership in each of the countries is facilitated by a fundamental characteristic of the organisation: its institutional self-interest is more consistent with a broad and deep ownership agenda than for any other significant donor in East Africa.

Transferring control of projects and programs has profound implications, for the relationship between Sweden and its development partners, for the internal operations of Sida, and for the day-to-day work of Sida professionals in Stockholm and in the field. The evaluation team was acutely aware of the seriousness of the evaluation task and the potentially important role this report might play in future Swedish aid policy. Our hope is that the care we have taken in preparing the report matches the seriousness of the endeavour.

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List of Acronyms

ACFODE	Action For Development
ADF	African Development Foundation
AfDB	African Development Bank
AIDS	Acquired Immunity Deficiency Syndrome
A-in-A	Aid-in-Appropriation
BC	British Council
BEDC	Basic Education Development Committee
BoU	Bank of Uganda
CAO	Chief Administrative Officer
CBOs	Community-Based Organisations
CBR	Centre for Basic Research
CCCC	Capital Cost Community Contribution
CCM	Chama Cha Mapanduzi
CDF	Comprehensive Development Framework
CDPR	Centre for Development Policy and Research
CDRN	Community Development Research Network
CEDMAC	Constitutional Education for the Marginalised Categories
CG	Consultative Group
CHADEMA	Chama cha Demokrasia na Maendeleo
CHDC	Child Health and Development Centre
CIDA	Canadian International Development Agency
CMSA	Capital Market and Security Authority
ComSec	Commonwealth Secretariat
CRE-CO	Constitutional Reform Education Consortium
CSD	Civil Service Department
CSOs	Civil Society Organisations
CSRP	Civil Service Reform Program
CSS	Chamber of Southern Sweden
CUF	Civic United Front
DAC	Development Assistant Committee
DANIDA	Danish Agency for International Development Assistance
DAOs	District Agricultural Officers
DDP	District Development Program
DfID	Department for Foreign International Development
DHMB	District Health Management Board

DHP	District Health Plans
DM	Debt Management
DMD	Debt Management Division
DRC	Democratic Republic of Congo
DRT	Development Research and Training
DSWP	Dutch sponsored Domestic Water Supply Program
DWD	Directorate of Water Development
EAC	East African Co-Operation
EADCF	East African Development Communication Foundation
EAM	East African Movies
EC	European Commission
ECEP	The Ecumenical Constitutional Education Program
EDF	European Development Fund
EEC	European Economic Community
EPOPA	Export Promotion of Organic Products from Africa
EPRC	Economic Policy Research Centre
ESAF	Enhanced Structural Adjustment Facility
ESDP	Education Sector Development Program
EU	European Union
FAWE	Forum for Women Educationalists
FEF	Friends of the Environment Foundation
FHRI	Foundation for Human Rights Initiative
FIDA	The Kenya Federation of Women Lawyers
FINNIDA	Finish International Development Agency
FMA	Financial Management Agency
FSD	The Financial Systems Development Program
GDP	Gross Domestic Product
GoK	Government of Kenya
GoS	Government of Sweden
GoT	Government of Tanzania
GoU	Government of Uganda
GoU-MFPED	Government of Uganda Ministry of Finance, Planning and Economic Development
GoU-MWLE	Government of Uganda Ministry of Water, Land and the Environment
GTZ	German Development Co-operation
HBS	Household Budget Survey
HDI	Human Development Index
HESAWA	Health and Sanitation Through Water
HIID	Harvard Institute of International Development

HIP	Health Information Program
HIPC	Heavily Indebted Poor Countries
HIPC I	Heavily Indebted Poor Countries Initiative Phase I
HIPC II	Heavily Indebted Poor Countries Initiative Phase II
HIV	Human Immunedeficiency Virus
HIVOS	International Humanist Institute for Co-operation with Developing Countries
HQ	Headquarters
HR	Human Rights
HR&D	Human Rights and Democracy
HSSP	Health Sector Strategic Plan
HURINET	Human Rights Information Network
IBRD	The International Bank for Reconstruction and Development
IDA	International Development Association
IDS	Institute of Development Studies
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFIs	International Financial Institutions
IMF	International Monetary Fund
J/LOS	The Justice, Law and Order Sector
JICA	Japanese International Co-operative Agreement
KANU	Kenya African National Union
KMoF	Kenya Ministry of Finance
Ksh	Kenyan Shillings
KWPC	Kenya Women Political Caucus
LG	Local Government
LGA	Local Government Authorities
LGDP	Local Government Development Program
LOU	Lagen om Offentlig Upphandling (Public Procurement Law)
LRA	Lord Resistance Army
LSMS	Living Standards Measurement Surveys
MCDWAC	Ministry of Community Development, Women Affairs and Children
MDF	Multilateral Debt Fund
MFPED	Ministry of Finance, Planning and Economic Development
MISR	Makerere Institute of Social Research
MIT	Ministry of Industry and Trade
MoAg	Ministry of Agriculture
MoEC	Ministry of Education and Culture
MoF	Minister of Finance
MoH	Ministry of Health

MoLG	Ministry of Local Government
MPED	Ministry of Planning and Economic Development
MTCS	Medium-Term Competitive Strategy
MTEF	Medium Term Expenditure Framework
NALEP	The National Agriculture and Livestock Extension Program
NBS	National Bureau of Statistics
NCEP	The National Civic Education Program
NESP	The National Economic Survival Program
NGOs	Non-Governmental Organisations
NHSSP	National Health Sector Strategic Plan
NORAD	Norwegian Agency for Development
NOTU	National Union of Trade Unions
NPES	National Poverty Eradication Strategy
NRM	The National Resistance Movement
O&E	Organisation and Efficiency
ODA	Official Development Assistance
OECD	Organisation of Economic Co-operation and Development
OGL	Open General Licensing
PAF	Performance Assessment Framework
PAF	Poverty Action Fund
PEAP	Poverty Eradication Action Plan
PEDP	Primary Education Development Plan
PER	Public Expenditure Review
PIUs	Project Implementation Units
PMA	Plan for the Modernisation of Agriculture
PORALG	President's Office, Regional Administration and Local Government
PPA	Participatory Poverty Assessment
PRBS	Poverty Reduction Budget Support
PRGF	Poverty Reduction and Growth Facility
PRMU	Parastatal Restructuring Monitoring Unit
PRS	Poverty Reduction Strategy
PRSC	Poverty Reduction Strategy Credit
PRSP	Poverty Reduction Strategy Paper
RIHS	Rural Integrated Health Services
RRA	Rapid Rural Appraisal
RUWASA	Rural Water and Sanitation Development
SAF	Structural Adjustment Facility
SAS	Sub-Saharan Africa
SASDA	Secretariat for Analysis of Swedish Development Assistance

SDRs	Special Drawing Rights
SEK	Swedish Kronor
Sida	Swedish International Development Assistance
SOAS	School of Oriental and African Studies
STDs	Sexually Transmitted Diseases
SWAp	Sector Wide Approach
TA	Technical Assistant
TACAIDS	Tanzanian Commission for AIDS
TAG	Tanzania Advisory Group
TAPAC	Tanzanian Parliamentary AIDS Committee
TAS	Tanzania Assistance Strategy
TAT	Technical Assistance Team
TCCIA	Tanzania Chamber of Commerce, Industry and Agriculture
TEN	Tanzania Education Network
TEN/MET	Tanzania Education Network/Mtandao wa Elimu Tanzania
TRA	Tanzania Revenue Authority
TTU	The Tanzania Teachers Union
TUGHE	Tanzania Union of Government and Health Employees
UBoS	Uganda Bureau of Statistics
UDN	Uganda Debt Network
UK	United Kingdom
ULAMP	Uganda Land Management Program
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNICEF	United Nations Children's Fund
UNSA	Uganda National Students Association
UPAF	Uganda Prisoners Aid Foundation
UPDF	United People's Democratic Front
UPE	Universal Primary Education
UPPAP	Uganda Participatory Poverty Assessment Project
URT	United Republic of Tanzania,
USAID	United States Agency for International Development
USE	Ugandan Stock Exchange
UWONET	Uganda Women's Network
WB	The World Bank
WES	Water, Environment and Sanitation
WHO	Water User Groups

Executive Summary

Kenya

1. Country background and Sida operations in Kenya

After a buoyant period following independence from colonial rule in 1963, the Kenyan economy entered a phase of stagnation from the mid-1970s. Over the 1990s, population increase exceeded growth in GDP. Recovery in the mid-1990s, prompted by a combination of economic reforms and good harvests for the country's most valuable cash crops, has not been sustained. Corruption and mismanagement have adversely impacted upon investment. The government's unwillingness to implement economic reforms has undermined relations with donors, especially the Bretton Woods institutions.

Kenya is one of the least egalitarian countries in the world in terms of income distribution and access to key resources. The poorest 20 per cent of the population own only 3 per cent of the national income. Approximately 50 per cent of the population live on less than a dollar a day. Statistics suggest the situation is worsening, especially in rural areas. Inequalities are also apparent in the human rights field, where the failings of the judiciary, the police and other state institutions are a significant feature. Poverty reduction and human rights are therefore critical targets of Sida activities in Kenya.

2. Dialogue and government ownership

Corruption, maladministration and the disregard of human rights present significant barriers to Kenyan ownership. Failure of the government to introduce reform in the 1990s led to a sharp decline in donor contributions. However Swedish development assistance remained relatively constant over this period, although there has been a dramatic increase in disbursements made directly to specific activities rather than through the finance ministry (MoF). This is intended to target aid more efficiently, and is consistent with decentralisation policies that enhance participation, but it also constrains the role of the central institutions of the Kenyan government in the management of expenditure. This indicates that national ownership in Kenya continues to be viewed by Sida as problematical. Lack of transparency in the administration of funds has been a recurrent issue in the dialogue between Kenya and its donors.

3. Summary of project/program reviews

Six programs and projects have been selected for this evaluation. These are: the Debt Management Project; the Health Sector Program; the National Agriculture and Livestock Extension Program (NALEP); Support to a Non-Governmental Organisation (NGO) called the Federation of Women Lawyers (FIDA); the National Civic Education Program (NCEP); and the Lake Victoria Initiative (LVI). Three of the cases involve assistance to government ministries. The Debt Management Project was initiated in 1985 to assist the finance ministry to develop effective mechanisms for monitoring and reducing debt. This project had far-reaching implications for accountability and transparency in government practices. Current assistance to the health sector is targeted at service delivery in six selected districts. Implementation was delayed for two years (until 2002) due to the health ministry's (MoH) unwillingness to establish the financial management systems recommended by Sida for the administration of program funds. As with the assistance to the health sector, Swedish aid to the agriculture ministry (MoAg), most recently through the NALEP has been consistent over the past 30 years. The NALEP is an innovative program covering agricultural extension in 42 Kenyan districts, aimed at providing a demand-driven service to farmers.

The assistance given to the Federation of Women Lawyers is typical of Sida's support for established NGOs in the field of human rights and governance. Sida currently provides budget support for FIDA's activities, over a five-year horizon. Multilateral programs involving Sida are represented by the National Civic Education Program, the initial phase of which came to an end earlier this year. Sida has joined with ten other donors, giving assistance to more than 70 frontline organisations in delivering civic education in preparation for the next national elections. Finally, the urban renewal project in Kisumu is the initial element of the recently inaugurated LVI, which aims to offer development assistance to the populations of the Lake Victoria basin, incorporating Kenya, Uganda and Tanzania. The Kisumu 'show case' project involves the renovation of a municipal park.

4. Assessment of Sida efforts to foster ownership

There is a high awareness among Sida staff in Kenya of the importance of partner country ownership. However, the extent to which ownership was evident, and the character of that ownership, varied considerably across the projects and programs. Partner country ownership was strongest in the NALEP within the agriculture ministry, where decentralisation of the extension program has been adopted as a central policy. Ownership among local government agencies (the Municipal Council) and civil organisations was also strong in the LVI project. There was clear and well-established ownership within FIDA of all Sida-supported activities. However the Debt

Management Project was initially viewed as conditional to donor assistance and was only reluctantly embraced by the finance ministry. The health ministry and Sida have not shared a common view over the most recent assistance program and national ownership has not been evident. In the case of the NCEP, ownership was absent from the design stage, and implementation also worked against ownership. This left many of the participating Kenyan organisations with a clear sense that this had been a donor-driven exercise.

5. Major lessons from the evaluation of Kenya

Sida's activities in Kenya are more likely to foster ownership amongst local government and civil society, than at the national level. This may be counter-productive in terms of sustainability. In some areas, lack of capacity is a significant barrier to ownership, perhaps especially in project design and in critical areas of implementation, such as financial management and transparency. Corruption at senior levels of government is also a problem. These difficulties are more acute in some departments, therefore a selective policy is appropriate. Scale is a factor – ownership is most visible, and more firmly consolidated among smaller partner organisations and on smaller programs/projects. The longevity of Sida's engagement in some sectors and with specific organisations is also an important factor in fostering trust and ownership.

Uganda

1. Country background and Sida operations in Uganda

Uganda's modern economy started with foreign dominated primary commodity production and the export of agricultural produces and consumer imports. The post-1970s period witnessed the emergence of a new bureaucratic class and military dictatorships. The recent economic history of Uganda is characterised by market liberalisation under heavy donor assistance.

Sida acknowledges that its increasing development assistance is driven by the government's strategy for combating poverty. The areas of co-operation between Sida and Uganda from 1995 to 1999 have focused on the health sector; water; macroeconomic reforms; and human rights and democracy. These sectors saw the disbursement of SEK168 million, SEK 97 million; SEK80 million; and SEK97 million respectively. In addition, the private sector is assisted under Sida export and employment promotion programs. Swedish support to Uganda appears to be conditional upon continued democratization, peace, stability and respect for human rights.

2. Dialogue and government ownership

Uganda's economic reform since the mid 1980s is widely regarded as a success story. However, a closer look at the performance of the economy reveals large trade and fiscal deficits are only abated by increased inflows of foreign aid. Total aid is currently significantly above the country's export earnings and tax revenue. Uganda's success story, therefore, must be qualified by the question of how long such a heavily aid-dependent economy can be sustainable. Donors also believe that while the Ugandan government is willing to undertake economic and political reforms, more could be done to deal with corruption and prevent future conflict in the region.

3. Summary of project/program reviews

The seven programs and projects selected for this evaluation are: the Uganda Participatory Poverty Assessment Project (UPPAP); Health Sector programs; Water, Environment and Sanitation (WES) projects; the Justice, Law and Order sector plan; support to an NGO called Human Rights Information Network (HURINET); the Financial Systems Development program (FSD); and the Export Promotion of Organic Products from Africa (EPOPA) project.

The UPPAP project is designed to carry out regular Participatory Poverty Assessments (PPAs) at grassroots level. Since 1984, Sida has provided assistance to the WES sector, which is a national capacity building and training program. Sida funds projects in the health sector focused on the Sexually Transmitted Diseases (STDs) project, along with district health services, the Health Sector Strategic Plan, the Operational Plan in 1999, and the Poverty Action Fund. Technical assistance is also given on reforms in pay rolls, improving accounting systems and audits.

The Justice, Law and Order sector plan and assistance to HURINET also focus on improving government services and strengthening the NGO network. The Financial Systems Development program is one intervention by Sida in the form of technical assistance, implemented by the Bank of Uganda (BoU). Sida's involvement with the private sector under EPOPA involves assistance to farmers and exporters. This includes the registration of organic coffee farmers, increasing awareness of EU regulations, certifying products as well as market information and research.

4. Assessment of Sida efforts to foster ownership

Among the case studies, the UPPAP; the Health Sector programmes; the WES; the Justice, Law and Order sector plan; HURINET and the FSD program show that there has been a high degree of local involvement over the project cycle. In contrast to the activities managed by external consultancy groups, there is strong ownership in the activities initiated and implemented by the Ugandan government or local project partners. The EPOPA project appears the least owned, here, all stages of the project cycle were solely the work of Sida and the outside firm Agroeco. However, Sida's hands-off approach, and recent move to bilateral arrangements indicates Sida's determination to foster partner country ownership. This will also be helped by Sida's increased funding for capacity building programs and commitment to cutting out intermediary organisations.

5. Major lessons from the evaluation of Uganda

Sida is increasing its development assistance to Uganda and a successful partnership and co-operation seem to have emerged. However, whether Sida's plan to increase its presence in Uganda and its policy of non-interference are in harmony with improved partner country ownership depends on Sida's ownership policy and practice. The evaluation found that ownership is strongest where Sida directly funds projects or programs without intermediaries for financial disbursement and where Sida joins ongoing projects and programs.

Tanzania

1. Country background and Sida operations in Tanzania

Tanzania's history has been marked by two broad phases since independence: the first characterised by 'African socialism' and 'self-reliance', together with a one-party state; and the second characterised by market liberalisation, aid dependency and structural adjustment, and a move to multi-party democracy.

Structural adjustment programs began in 1986 after the government had reached an agreement with the IMF, but relations with donors broke down again in the early 1990s. Since the election of President Benjamin Mkapa, relations have improved significantly, and in November 2001 Tanzania reached the Heavily Indebted Poor Countries (HIPC) debt relief completion point. The Nordic donors provided more than 30 per cent of Tanzania's foreign aid between 1970 and 1996, Sweden alone contributing about half that amount. Swedish aid to Tanzania began in 1964, and increased rapidly from the early 1970s. Since the early 1990s Swedish aid has become less significant, and is now overshadowed by the recent rise in Japanese aid. In 1999/2000, 3.2 per cent of Swedish aid went to Tanzania.

2. Dialogue and government ownership

Donor operations in Tanzania are in transition from donor controlled to ownership-based partnerships. Since the mid-1990's Sida has been one of the leaders in this process. Sida retains a 'special relationship' with the government, rooted in a long and generally close partnership with many shared values. Multi-party democracy has been introduced and various components of 'civil society' are represented in sectoral working groups and some projects. However, this dialogue is limited: there are political tensions over democracy in Zanzibar, and there is very little effective national opposition or quality of debate on key issues. In the past few years the government has striven to take responsibility for, and control of, the kind of development strategy that the donors, including Sida, can reconcile with the idea of shared values underpinning a development partnership. In some key ministries, the capacity to design and implement strategies has increased, and there has been a public commitment to combat corruption. There has also been a high level political determination to push forward priorities such as reform of primary education delivery. Nonetheless, national ownership remains frustrated by lack of capacity and conflicting interests.

3. Summary of project/program reviews

Budget support and the Sector Wide Approach (SWAp) are new modalities of aid delivery and have only recently been introduced in Tanzania. Both are designed to enable greater national ownership. These initiatives in Tanzania reflect a renewed trust in the development partnership after a period of protracted conflict.

Effective national ownership in budget support and the education SWAp is compromised by links to other aid and policy reform instruments, by underlying conditionalities, and by institutional constraints for some donors on increasing national ownership. The other main constraints are capacity weakness, and an asymmetry of capacity between the government and donors and even between some of the donors. Sida's recent activities have included a strong commitment to particular projects and also a phased withdrawal from long-standing projects. A range of ownership issues arises in the analysis of these experiences, although Sida has sought to promote ownership in all projects. There can be serious obstacles to effective local ownership where the division of responsibilities is left unclear; or where poverty prevents users/beneficiaries from committing fully. Most of the project activities we looked at confirm the significance of understanding ownership in terms not just of content but also of process. Where ownership arises as a response to a push (e.g. of Sida withdrawal), resources and capacity are crucial to the ownership outcome.

4. Assessment of Sida efforts to foster ownership

Sida's extraordinarily long and close relationship with the Tanzanian government puts Sida in a prime position to support national efforts to increase ownership. There is probably greater trust between the government and Sida than between the government and any other donor. However, it is not clear that Sida has used this position as effectively as it might have done. A common view put to us during our visit in March/April 2002 was that Sida is 'too hesitant' and 'too quiet'. This may be a result of continued ambiguity around the meaning of ownership.

5. Major lessons from the evaluation of Tanzania

Ownership issues in Tanzania are affected by the institutional context of each national and international stakeholder. This can involve rules governing selection of consultants; it can involve asymmetries in capacity; or it can involve the kind of constituencies to which different members of a partnership or donor-recipient relationship is accountable. Effective institutional analysis can help Sida to identify the constraints on ownership and the possibility of removing such constraints. We also observed in Tanzania how ownership has evolved during often quite lengthy processes of adaptation and experiment. This process has tended to feature conflict, and struggles over degrees and types of ownership. Where Sida has a long-established track-record in a given activity it is often in a strong position to sustain ownership ideals through such conflict.

Introduction

Recent discussion on aid effectiveness has reached a consensus about the circumstances under which development assistance can contribute to sustained reduction in poverty. This consensus, which is broadly accepted by a significant number of donors, highlights the necessity of partner country ownership of development programs as a key element in fostering sustainable development. The prominence given to the focus on ownership demands the donors and recipients each have a clear understanding as to what is meant by the term, and by what means the goal of partner country ownership might best be achieved. To that end, this report presents a study of partner country ownership in Sida's development assistance to East Africa, focusing specifically upon an analysis of a selection of Sida projects and programs in Kenya, Uganda and Tanzania. A companion report to these country studies draws upon the data and evidence assembled here to provide a synthesis and examination of the broader implications of the ownership agenda in Sida's development assistance in East Africa. (Anderson et al, 2002)

The country studies reported here are based on both desk reviews and fieldwork. The fieldwork was conducted during visits to Sida Headquarters and the Swedish ministry of foreign affairs, in Stockholm, and in-country investigations conducted in East Africa between February and April 2002. This report is a product of interviews conducted during these field visits and a thorough review of various policy documents, academic studies, and related documentation. Interviews have been held with Sida staff in Stockholm, Kampala, Dar es Salaam and Nairobi; government officials in the partner countries; representatives of donor agencies; NGOs and civil society representatives; and academics and consultants based in East Africa. These discussions were geared towards understanding the nature of Swedish development assistance in relation to specifically selected projects, and also to gaining broader insights on the issues relating to partner country ownership of that development assistance. An appendix to this report provides a listing of persons interviewed.

The opening section of the report offers a brief introduction to Sida's view of country ownership, as summarised from recent documents. We have used the structure of the main points highlighted in this section to shape our project analysis in the following sections.

The three principal parts of our report then follow, each focusing upon ownership within a single country. Part I reports our findings from the

Kenya component of the study. We begin with an overview of the Kenyan macro-economic context in relation to the donor community, including Sida. The aim here is to establish key trends and issues that relate to ownership, and to position Sida within the donor group. The next, and most substantial section of our preliminary report on Kenya, provides our findings for each of the six projects and programs under consideration in our study – the debt management project (from 1985–1995), health sector support, the National Agriculture and Livestock Extension Program, the National Civic Education Program, the support for the Kenya Federation of Women Lawyers, and the Lake Victoria Initiative. The concluding section highlights four key questions regarding Sida's approach to ownership in Kenya. These concluding points are elaborated in greater detail in our accompanying synthesis report on general issues relating to ownership.

Part II adopts a similar structure in the investigation of ownership in Uganda. The projects selected here compliment those for Kenya, with a similar balance between sectors and coverage of project as well as program aid, and with attention being given to large-scale as well as smaller scale Sida activities. Here the key studies are of the Uganda Participatory Poverty Assessment project; the Health Sector program, the Water, Environment and Sanitation programs; the Financial Systems Development Program; support for coffee marketing, and two projects in the field of human rights and democracy. A concluding section reviews ownership in Uganda under similar heads to those considered for Kenya.

Tanzania is the focus of Part III. An analysis of budget support forms a key element here, alongside study of the SWAp in the education sector, the FEMINA Health Information Program, and the Civil Service Reform program. The long-running HESAWA project is also examined, as is support for the private sector. Part III of the report concludes with a discussion of critical issues affecting ownership in Sida's development assistance to Tanzania, including institutional constraints, conditionality, the impact of the project cycle, questions of multiple ownership, the conflicts generated by ownership claims, and Sida's internal attitudes toward the ownership agenda.

Sida and Partner Country Ownership

Sida has been an active participant in current debates concerning the meaning of partnership in development assistance and the significance of country ownership for the development agenda. (Molund 2000; MFA 1998 1999; PCSPGD 2001) In common with other donors, and in line with the international institutions, Sida policy assumes an explicit link between poverty reduction strategies, aid effectiveness, and high levels of country ownership of the development agenda. Ownership is thus recognised as a key issue in the strategy for development assistance. In seeking to build strong country ownership, five primary goals have been identified (Molund 2000) as a means of assessing the degree to which the objectives of ownership might be realised. These goals will be briefly reviewed here to provide a wider policy context for our discussion of Swedish development assistance and ownership in East Africa.

Ownership should be evident in the country strategy process

To what extent does Sida's country strategy process encompasses ownership issues? Sida believes ownership is at its strongest when the development assistance is compatible with the country's priorities and capacities. This compatibility is the outcome of explicit discussion, consultation and assessment of the capacity and willingness to own on the part of the recipient country. Where these features are in place, national ownership of development programs can be said to be strong. Activities that are not given priority by the partner country cannot be said to be owned by the partner country, and should therefore not be incorporated within the country strategy document. In East Africa, as we shall see, this presents very different problems in each of the three countries within our study.

Ownership should be a consideration in project identification, selection, implementation and follow-up

Sida believes that the likelihood of partner country ownership is strongly related to the extent of local involvement in the project cycle, and that this should ideally be reflected at all stages of that project cycle. Ownership is strong when the development activity is independently initiated and planned by the partner country. But this is based upon the capacity of the partner country to implement and follow the desired development activity. As ownership is closely related to sustainability, independence in executing activities over a project cycle is likely to be a crucial determinant of ultimate success. Here the partner country's commitment and readiness to contribute resources to the activity may be a key indicator of ownership. Ownership must be evident in the implementation of an agreed policy. This is a challenging goal, in that it implies the active engagement of actors at many levels in the process of implementation, and it has not always been consistently achieved in any of the countries of East Africa. In some cases, local ownership may be evident in the district administration of a program, yet national ownership is absent; while in other programs national ownership may be strong at the centre, but be seen to weaken at local levels of government.

Projects and programs should be designed to foster partner country ownership

In the design of projects and programs Sida hopes to foster activities that will, in themselves, contribute toward the strengthening of partner country ownership. This again brings the question of capacity to the fore, but it also relates to transparency, accountability and participation. The aim is to build capacity for assuming real responsibility through support for the partner country's administrative and operational development, thus enhancing the potential for meaningful ownership of the development process. In Uganda and Tanzania, this has been built into programs at a variety of levels, whilst in Kenya, this has most often focused upon securing transparent fiscal behaviour and putting in place legal mechanisms to allow development assistance to operate effectively. There are also significant differences in the capacity of the government between the three countries, and between different levels of government within each country. These all have an impact upon ownership.

Development assistance should aim to enhance popular ownership

The inclusion of stakeholders through consultation and participation in the development process is one of the crucial indicators of strong ownership. This can be evaluated through institutional apparatus, where these exist (democratic structures, open membership, fair and transparent processes etc), or through the degree of engagement with non-governmental and community-based groups where institutional structures are inadequately developed. The assumption underlying this emphasis is that broad ownership is desirable. In Kenya it has sometimes proved easier to enhance ownership of this kind than to stimulate ownership at the national level, while in Uganda national ownership appears strong and often encapsulates participatory mechanisms.

Ownership should be addressed in co-operation and co-ordination with other donors (i.e. built-in to multilateral support)

Sida's development assistance is necessarily, and in the present international policy climate increasingly interrelated to the activities of other donors. Typically, more than one donor may be involved in the same project or program. This is especially true with the shift from project aid to program aid that is currently apparent in Sida policy. For very practical reasons, the collective activity of the 'donor-group' in Kenya has been of unusual importance in the past few years, and in Uganda – where Sida's assistance is relatively recent in origin – Swedish aid has typically operated in conjunction with other donors. In Tanzania, by contrast, Sida's long-term engagement has strengthened bilateral links. The issue of ownership, therefore, must also be addressed through co-operation and co-ordination among donors, and it needs to be asked whether donor partners share Sida's understanding of the ownership agenda and how it should best be implemented. This question is already highly significant for Sida, and is unlikely to diminish in importance over the foreseeable future.

PART 1:
Kenya

Chapter 1

Kenya and the Donors – The Macroeconomic Context

The policy environment of development assistance is crucial to the issue of ownership, and varies to some extent from country to country. This has political and economic aspects, as well as being linked to social indicators and cultural factors, and must involve a consideration of donor policies as well as the priorities of the recipient government and the local constraints that may operate. In this section we will outline the most important features of the macro-economy of Kenya that have a bearing on the issue of ownership, particularly with reference to the role played by the donors and by Sida in the recent past.

1.1 The Macroeconomic Environment

Following its political independence, Kenya had a buoyant economy. GDP grew at a respectable average annual rate of about 5.8 per cent between 1965–1973. Similarly, the manufacturing sector expanded at 10 per cent per annum. (O'Brien and Ryan 2001) Inflation was at a reasonable level of about 10 per cent, banking and non-bank financial institutions were growing, and the per capita income was one of the highest in the region. All these positives seemed to have evaporated by the turn of the century. GDP growth by then had decelerated to below zero, per capita incomes had dropped by almost half, poverty and inequity became increasingly pervasive, and institutional failure became a rampant feature of the economy. The only remaining positive is that the Kenyan economy is well diversified by African standards. In this section we will briefly review the evolution of these major macro variables to conceptualise the issues of aid and ownership in Kenya. This will also provide us with the background information that is needed to understand aid, ownership and policy issues in Kenya.

The Kenyan macroeconomic management regime following independence and particularly in the 1970s, can be characterised as being controlled. This took a particular policy of controlling foreign exchange transaction, import and licensing, domestic prices, setting a ceiling on domestic interest rates and selective restrictions on bank borrowing. (see

Ndung'u and Ngugi, 1999, Mwega 2001, Ndung'u 2001) The 1980s were characterised by attempts to undo these controls, albeit gradually. This was evident following the imposition of a typical Structural Adjustment Package, begun in the early 1980s. The 1990s then witnessed accelerated implementation of the structural adjustment package. Table 1 shows the change in major macroeconomic indicators since the 1980s.

The data shows a clear distinction between the 1980s and the 1990s (in particular after 1992/3). These periods are marked by phases of initial and intensive liberalisation, respectively. The 1980s were characterised by a reasonable rate of growth of 4 per cent. This had decelerated to 2.4 per cent in the 1990s. The broad money (M2) growth, an indicator of monetary expansion, had increased from an average growth of 13 per cent to 17 per cent. In tandem with this, inflation has changed from an average annual figured of 11 to about 14 per cent. These two indicators would have been much higher had it not been for the more conservative monetary policy adopted in the late 1990s. Between the 1980s and 1990s the exchange rate had depreciated sharply (from an average of 14 Ksh per US dollar in the 1980s to 52 Ksh in the 1990s – and about 78 Ksh in 2002). The saving rate remained fairly stable in the two periods. The resource gap has also improved enormously, dropping from 14 per cent of GDP in the 1980s to 7 per cent in the 1990s. The latter is largely attributed to a decline in investment rather than to improvement in domestic resource mobilisation, however.

Table 1: Trends of Major Macroeconomic Indicators

Year	GDP Growth	M2 Growth	Inflation	Exchange Rate	Saving (% of GDP)	Investment (% of GDP)	Gap (% of GDP)
1980	4.0	0.6	12.8	7.4	10.4	29.3	18.9
1981	6.0	9.3	12.5	9.1	9.4	27.8	18.4
1982	3.9	16.8	22.1	11.0	10.8	21.8	11.1
1983	2.5	6.5	14.6	13.4	10.5	21.0	10.5
1984	0.9	12.9	9.0	14.5	9.1	20.7	11.6
1985	5.1	10.2	8.7	16.4	15.1	25.6	10.5
1986	5.5	27.6	8.5	16.2	9.8	21.8	11.9
1987	4.9	12.4	8.7	16.5	8.0	24.3	16.2
1988	5.1	8.2	12.3	17.8	11.1	25.0	13.9
1989	5.1	20.8	13.5	20.7	8.9	24.7	15.8
1990	4.2	15.5	15.7	23.0	9.0	24.3	15.3
1991	2.1	20.9	19.6	27.7	9.3	21.0	11.7
1992	0.5	33.6	27.4	32.2	11.6	16.9	5.2
1993	0.2	25.7	46.0	58.0	14.1	17.6	3.5
1994	3.0	30.4	28.8	56.1	15.5	19.3	3.8
1995	4.8	18.3	1.6	51.4	12.8	21.8	9.0
1996	4.6	23.8	9.0	57.1	15.6	20.3	4.7
1997	2.4	16.5	11.2	58.8	10.4	18.5	8.1
1998	1.8	2.4	6.6	60.4	8.5	17.3	8.8
1999	1.4	3.9	3.5	70.3	11.0	16.1	5.1
2000	-0.3	0.8	6.2	76.2	10.3	14.5	4.2
1980s*	4.0	12.9	10.9	14.3	10.3	24.2	13.9
1990s*	2.4	16.9	14.1	51.9	11.7	18.9	7.2
1980-2000*	3.3	16.4	14.2	34.0	11.0	21.4	10.4

* For GDP, M2 and Inflation average annual growth (OLS based), and for the rest arithmetic mean.

Source: de Jong, Alemayehu and Klundu (2002, Forthcoming): computation, based on KIPPRA-Treasury Macro Model (see Huizinga et al. 2001 and Alemayehu et al. 2002)

In sum, the pre-intensive-liberalisation period (before 1993) is characterised by policy reversal, short run policy inconsistencies, and the lack of complementarities in reforms, all coupled with political uncertainty, corruption, and weak institutions. (Ndungu 2001) This was aggravated by the vagaries of nature, such as droughts.

These are believed to be the reasons behind the poor macroeconomic picture observed in the 1990s, but these fundamental problems do not seem to have improved in the late 1990s either. Kenya's history of economic and political reform in the 1990s has been far from smooth. (Ndungu 2001) This macroeconomic background is also important in understanding the growing level of poverty and inequality witnessed in Kenya over this same period. This will be briefly discussed in the next section.

1.2 Poverty and Inequality

Tables 2 and 3 provide a general picture of poverty and inequality in Kenya as of 1994. Using a per-adult equivalent measure, the headcount (P_0), the poverty gap (P_1) and severity (P_2) of consumption-poverty indices were 43.8, 14.9 and 7.7 per cent in 1994. The comparable figures for 1997, the latest available, are 52.3, 18.7 and 8.8 per cent, respectively (Kenyan government 2000). These figures are estimated to reach 56.8, 23.2 and 13.4 in 2000. This shows that not only the poverty condition in Kenya is alarming but is getting worse. The table also shows that the worst poverty is concentrated in rural areas (see Table 2).

Kenya ranks among the world's most unequal societies. This is shown in Table 2 where the national level of inequality has been 0.45 and 0.57 in 1994 and 1997, respectively – a gain showing a deteriorating condition of distribution of income. Using the most commonly used measure of inequality – income based Gini coefficient, Table 3 shows that Kenya has a Gini coefficient of 0.59 for rural and 0.65 for urban areas. These figures drop to 0.58 and 0.62, respectively, when an adult equivalent measure is used. This decline is not significant however. It is worth mentioning that this is the highest figure in the world, comparing with the worst distribution of income in countries such as Bolivia, Brazil and South Africa. Given the recent evidence in Africa of high elasticity of poverty reduction with respect to inequality (see Ali and Thorbec 2000), addressing inequality must be seen as one of the most pressing policy issues for Kenya.

The extent of inequality in Kenya has significance for our evaluation of ownership, especially in relation to participation processes and lack of empowerment.

Table 2: Poverty and Inequality in Kenya

	Absolute Poverty (Adult Equivalent)								
	1994			**1997**			**2000****		
	$P_1 = 0$	$P_2 = 1$	$P_3 = 2$	$P_1 = 0$	$P^2 = 1$	$P_3 = 2$	$P_1 = 0$	$P_2 = 1$	$P_3 = 2$
Rural	46.75	18.01	9.49	52.93	19.33	9.19	59.56	24.08	12.33
Urban	28.95	9.69	4.63	49.20	15.67	6.86	51.48	19.90	12.88
National	43.84	14.93	7.69	52.32	18.74	8.81	56.78	23.23	13.39
	Hardcore Poverty (Adult Equivalent)								
Rural	29.19	10.17	5.04	34.82	10.32	4.09	-	-	-
Urban	10.07	2.96	1.32	7.58	1.91	0.68	-	-	-
	Inequality (Gini Coefficient)#								
National	**0.445**			**0.57**					

Source: Government of Kenya (1998 and 2000).

** KIPPRA estimates # Source: World Bank, ADI 2001

Table 3: Inequality in 1994				
	Rural		Urban	
	Consumption Based	Income Based	Consumption Based	Income Based
Per capita income or consumption				
Gini	0.37	0.59	0.44	0.65
E_1	0.24	0.84	0.39	0.97
E_2	0.31	3.53	0.79	3.01
Per adult equivalent income or consumption				
Gini	0.37	0.58	0.43	0.62
E_1	0.23	0.82	0.36	0.93
E_2	0.29	3.21	0.67	2.75

Source: de Jong, Alemayehu and Klundu (2002, Forthcoming)

1.3 International Institutions: World Bank, IMF and Program Aid

Since independence in 1963, Kenya has been a logical candidate for aid assistance. The economy has diversified, its infrastructure and institutions are well developed by African standards. Kenya also has a vibrant commercial economy, along with a geographical strategic importance. In addition, Kenya's economy was hit by a series of shocks in the late 1970s and early 1980s. These prompted the close engagement of the international institutions, keen to maintain economic and political stability in the country and secure future growth. Since the 1980s Kenya has benefited significantly from program aid. Most of the assistance has come from the World Bank/International Development Association (IDA) and the IMF. (O'Brien and Ryan, 2001 pp 474–79) Within the generally positive environment, there have however been significant shifts in emphasis, linked to economic performance and political factors.

Table 4 shows capital flows to Kenya since 1980. The disbursement from the International Bank for Reconstruction and Development (IBRD), which peaked in 1983–84, decelerated to virtually nil in the 1990s, while the net transfer from this source become negative. The disbursement and net transfer from the IDA was high by comparison, although it also declined in the 1990s. The flows from the IMF not only reached zero in the recent past, but also have become negative. Another recent development is the increasing role of regional development banks, in particular the African Development Bank (AfDB). In general short-term flows and debt are very small compared to the growing share of multilateral debt (that grew from about 19 per cent of total external debt in 1980 to 44 per cent in 2000, see Table 4).

Table 4: Capital Flows to Kenya: International Institutions (in millions of US $)												
	IBRD		IDA			Bilateral		Regional development banks			Short-term debt/ Total debt (EDT) (%)	Multi-lateral debt/ Total debt (EDT) (%)
Year	DIS	NTR	DIS	NTR	IMF, con-ces-sional (NFL)	DIS	NFL	Con-ces-sional (NFL)	Non-con-ces-sional (NFL)	Short-term debt net-flows (NFL)		
1980	45.2	3.2	71.6	69.9	0.0	79.1	61.7	0.0	0.0	209.0	18.9	18.7
1981	61.5	19.6	14.8	12.5	0.0	138.9	120.4	0.0	0.0	-172.0	14.6	21.7
1982	87.8	42.5	85.4	82.8	0.0	118.7	100.6	0.0	0.0	-132.0	10.1	25.9
1983	100.0	46.8	19.8	17.0	0.0	95.7	69.4	0.0	0.0	68.0	11.3	26.9
1984	129.6	58.9	35.6	31.9	0.0	188.5	159.1	0.0	0.0	-33.0	10.7	30.8
1985	77.5	-7.9	35.0	30.3	0.0	83.1	48.1	0.0	0.0	90.1	11.2	31.6
1986	51.0	-64.6	29.8	24.2	0.0	174.6	136.5	0.0	0.0	-104.4	8.1	34.5
1987	39.5	-105.7	73.3	66.6	0.0	194.2	151.5	0.0	0.0	208.7	10.2	33.6
1988	25.3	-139.7	135.5	127.5	0.0	186.4	135.2	0.0	0.0	-69.7	9.2	33.0
1989	17.6	-132.4	226.9	218.6	0.0	173.3	118.6	0.0	0.0	51.7	10.4	36.6
1990	3.5	-169.4	234.5	223.4	0.0	107.8	54.3	0.0	0.0	294.1	13.2	35.3
1991	0.3	-164.5	177.6	164.0	0.0	235.5	173.5	0.0	0.0	-272.9	9.5	35.1
1992	0.6	-158.2	91.0	75.0	0.0	197.1	156.9	0.0	0.0	21.4	11.3	36.4
1993	0.0	-155.5	226.1	207.6	0.0	90.1	52.2	0.0	0.0	73.0	12.7	36.8
1994	0.0	-155.4	97.2	76.4	0.0	96.1	-4.2	0.0	0.0	-65.0	9.4	38.4
1995	0.0	-143.6	158.9	135.3	-39.1	345.6	225.2	12.5	7.2	6.1	8.5	39.4
1996	0.0	-122.0	155.9	130.7	-24.6	161.3	33.0	24.3	-7.5	-84.3	7.7	42.5
1997	0.0	-96.7	83.7	57.3	-67.3	28.8	-72.7	42.0	-6.4	251.2	12.2	43.2
1998	0.0	-82.7	123.2	93.2	-62.5	52.8	-28.9	7.0	-16.3	7.1	12.4	43.2
1999	0.0	-70.2	78.3	38.9	-59.8	51.0	-97.9	3.5	-22.7	-65.6	12.6	44.0
2000						133.1						..

Source: Based on Global Development Finance (2001)

Note: Dis = (Disbursement), NFL = (Net flows)

Figure 1 and Table 5 below show the relative significance of the top three multilateral donors in Kenya. The World Bank's IDA takes the leading position (with more than half of total multilateral grants and loans), followed by European Development Fund/European Economic Community and ADF. There is a clear co-movement of aid flows from the top three multilateral donors. Each of the ups and downs shown in Figure 1 can be associated with donor satisfaction and dissatisfaction, respectively, of government policies within Kenya, especially the issue of good governance. These figures clearly demonstrate the concerted pressure that the most important multilateral donors have brought to bear upon the Kenyan government in pushing for their own preferred programs and policies. This pattern of behaviour implies, quite correctly, that the international institutions have imposed conditionality upon the Kenyan government in order to affect the type and speed of economic and political reforms.

To the extent such conditionality must inevitably constrain the freedom of policy decision-making on the part of the Kenyan government, the statistics presented in Figure 1 and in Table 5 suggest that national ownership of development assistance programs is likely to have been seriously undermined in periods when the imposition of conditionality was being contested. This has been a feature of donor relations with Kenya over the past decade and more.

Figure 1: Top Three Multilateral Donors in Kenya

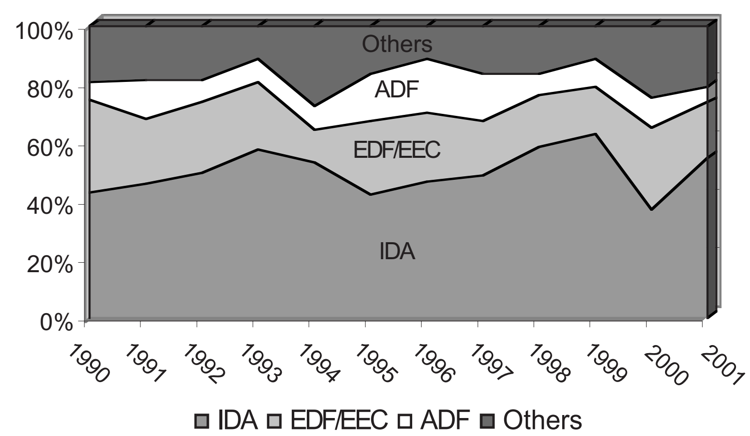


Table 5: Kenya: Top Three Multilateral Donors (grants and loans) (in billions of Ksh)

Year	% of Total Multilateral				Multilateral
	IDA	EDF/EEC	ADF	Others	
1990	43.0	31.4	6.5	19.1	4.2
1991	46.2	22.1	12.8	18.9	6.3
1992	49.6	24.3	7.7	18.4	8.0
1993	57.5	22.9	7.9	11.6	8.5
1994	53.2	11.2	8.4	27.3	14.1
1995	42.3	24.8	16.1	16.8	17.2
1996	46.3	23.6	18.6	11.5	19.5
1997	48.4	18.7	16.4	16.5	21.0
1998	58.3	17.8	7.7	16.2	20.2
1999	63.2	15.9	9.9	11.0	23.4
2000	36.6	28.5	10.5	24.4	14.1
2001	54.7	19.0	5.6	20.8	16.4

Source: Finance ministry (Budget estimates, various years)

A further implication of such capital flows, which usually come in the context of program aid, can be read from the figures given in Table 6 below. Table 6 shows that in terms of commitment, official creditors are very important to Kenya. Although private creditors were also important in the 1980s, they seem to have virtually withdrawn in the 1990s. The erratic trend of both commitment and disbursement figures indicates the stop-go character of aid flows to Kenya. Again, this relates to the issue of conditionality. The programs with the World Bank and the IMF in 1970 have been characterised by very low conditionality partly because the economy was performing well and partly because the government's policy was in line with the vision of the international financial institutions. However, by the mid 1980s donors' dissatisfaction with the pace of reform strained relations between the government and donors. This has continued in the 1990s. (O'Brien and Ryan 2001) Thus, from 1970 to 2000 the Kenyan government's ownership of programs was eroded, as conditionalities became increasingly difficult for the government to accept. This was accentuated, as noted by O'Brien and Ryan (2001), by the introduction of what are called the 'policy framework papers', which these authors argue, '…were supposed to be statement of the *government* policy…' but ended up being '…drafted by IMF and World Bank staff and presented to governments for review and acceptance'[1]. Broadly speaking, both commitment and disbursement have drastically declined in the late 1990s, chiefly owing to the government's disagreement with the WB and the IMF on a number of key policy issues.

The last two columns of Table 6 show another aspect of Kenya's external sector. The country is characterised by a chronic current account deficit and, partly because of this, its debt stock has accelerated from about $3.4 billion in 1980 to $6.6 billion in 1999. It is also perhaps revealing to note that the government's stated 'commitment' to liberalised policies generally follows years of a balance of payment crisis (witness the immediate years just before the 1983 and 1993 reforms). This feature of economic management points to the fact that the Kenyan government ownership of development assistance programs is in fact, extremely weak.

[1] O'Brien and Ryan (2001) noted the existence of a large amount of aid flows into the country outside the government budget (such as grants to NGOs, technical assistance, direct procurement by the donor, direct financing of some projects etc). The government has less control over these resources and hence is less influenced by such aid (say in buying reforms). After examining the behaviour of the government and the flow of aid resource for nearly three decades, O'Brien and Ryan (2001) concluded that '...on balance ... the government ownership and political will have more to do with the timing, extent and sustainability of the reform program than does the volume of donor aid'.

Table 6: Some Aid and Debt Indicators for Kenya (in millions of US $)

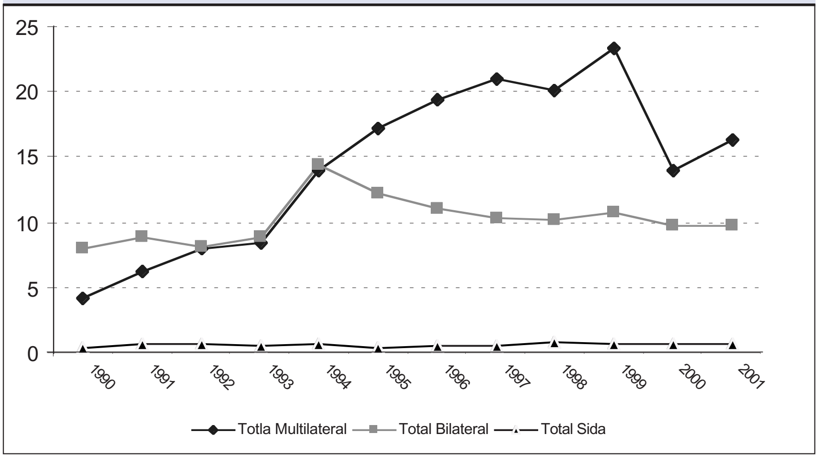
	Commitment				Grants				
	Total	Official creditors	Private creditors	Disbursements, long-term + IMF	Total	Excluding technical cooperation	Technical cooperation	Current account balance	Total debt stocks
1980	518.0	514.0	4.0	713.7	248.8	120.8	128.0	-876.3	3386.8
1981	404.7	268.4	136.3	442.6	298.7	170.7	128.0	-561.6	3228.2
1982	593.1	492.0	101.1	640.6	260.2	143.4	116.8	-305.3	3367.8
1983	293.8	281.5	12.4	641.3	277.0	154.9	122.1	-47.3	3628.3
1984	583.9	423.9	160.0	519.6	282.1	172.6	109.6	-126.9	3511.5
1985	296.8	151.6	145.2	572.5	311.5	194.6	116.9	-115.0	4181.3
1986	384.3	232.6	151.7	529.6	349.2	193.0	156.3	-45.0	4603.6
1987	516.5	301.0	215.5	659.5	400.1	245.7	154.5	-502.1	5783.7
1988	647.6	428.8	218.8	902.3	567.1	388.7	178.4	-471.3	5809.7
1989	1131.9	868.3	263.6	944.5	553.6	378.9	174.7	-590.4	5890.1
1990	825.1	605.8	219.3	778.0	1183.8	977.0	206.9	-527.1	7058.1
1991	868.1	538.6	329.5	951.9	639.9	418.1	221.9	-213.3	7452.9
1992	294.3	264.3	30.0	502.0	658.8	378.1	280.6	-180.2	6898.1
1993	211.5	211.5	0.0	447.1	550.7	291.8	258.8	71.2	7111.3
1994	103.3	103.3	0.0	294.3	502.6	311.2	191.4	97.9	7202.3
1995	389.0	221.5	167.5	697.9	462.4	242.0	220.4	-400.4	7412.4
1996	418.8	383.9	34.9	466.7	387.7	195.6	192.1	-73.5	6931.0
1997	268.3	254.2	14.1	218.8	381.0	201.8	179.3	-377.3	6602.8
1998	357.3	228.4	128.9	230.9	348.0	197.7	150.3	-362.9	6943.3
1999	54.0	15.8	38.3	280.8	333.8	195.0	138.7	11.0	6561.5

Source: Global Development Finance (2001)

1.4 Kenya's Major Donors and Sida's Position

Figure 2 shows that in the early 1990s, the relative importance of bilateral and multilateral donors was broadly comparable. However, from 1994, the role of multilateral donors became more important. This was a period of intensified liberalisation. The growth in multilateral flows reflects the financing that resulted from the endorsement of the liberalisation policy by donors. But this trend sharply altered at the end of 1990s, owing to the disagreement between the Kenyan government and the multilateral lenders on issues of conditionality – the passage of the 'economic crime bill' being perhaps the most important concern at this time. Throughout the period, the contribution of Sida was relatively small, but remained stable in relative terms. This may indicate that Sida's development assistance to Kenya operated on terms that remained relatively independent of the other principal donors in general, and the multilateral ones in particular. In short, Sida would seem to have been less responsive to shifts in the domestic policy environment than have been other donors.

Figure 2: Total Aid (loan and grants: a-in-a and revenue) to Kenya (in billions of Kenyan shillings)

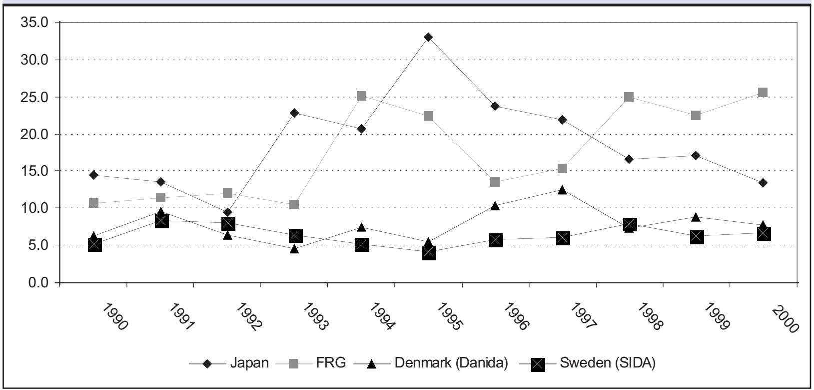


Source: Appendix 1.1a

Note: a-in-a is aid-in-appropriation. In this system the assistance is targeted and paid directly to the specific purpose, not to the general fund of the finance ministry.

Figure 3 shows the top three donors to Kenya, and Sida's relative position. Japan and Germany are the most important donors to Kenya, with Denmark a more distant third. The increasing importance of Japan's role, however, is described as a mixed blessing. This is because its aid is predominantly (about 60 per cent) loans as opposed to grants (O'Brien and Ryan 2001). Sweden is amongst a clutch of other countries that provides assistance to Kenya at just below the current level of Denmark. Japan has declined slightly from an average of 20 per cent of total bilateral aid in the first half of the 1990s, to 19 per cent in the second half. The comparable figures for Germany were 18 per cent and 19 per cent, respectively. Sida's share of aid to Kenya stood at about 6 per cent in the first half of the 1990s, and has since then shown a modest increase to about 7 per cent in the second half of the 1990s. It is interesting to note that the aid from the top donors in this period has generally followed the pattern of multilateral donors, which supply pro-cyclically with reform. Sida's aid, on the other hand, does not seem to follow this pattern (see Figure 3 and Appendix 1.1c). Again, this may be interpreted to show that Sida's assistance to Kenya is relatively independent when judged by the standards of other bilateral donors. Thus, it may be sensible to infer that to the extent that conditionality negatively affects ownership, Sida performs better on the issue of ownership when compared to Kenya's multilateral donors. However, this raises the question of whether Sida is therefore perceived by the other donors to be 'softer' on conditionality. This question also has obvious implications for Sida's role as a multilateral donor partner in Kenya.

Figure 3: Top Three Donors to Kenya and Sida's Contribution (% of total bilateral).



Source: Appendix 1.1c

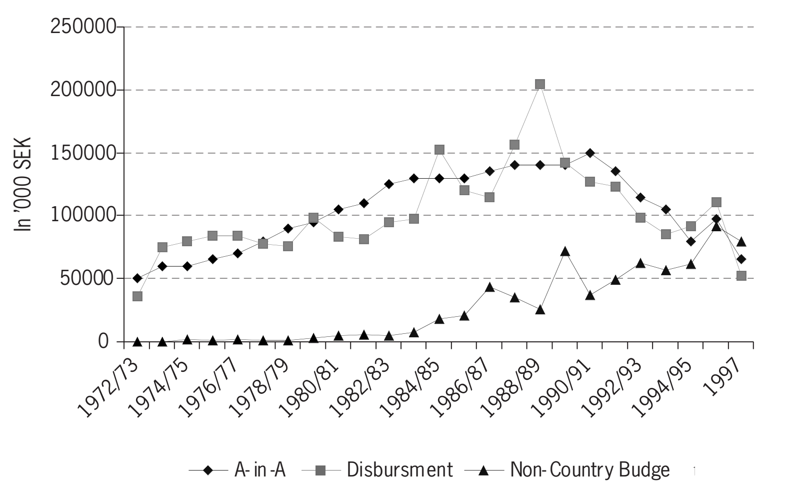
The discussion so far has been based on budget estimate figures obtained from the government of Kenya. Since a constant fraction of this budget is assumed to be realised (or is taken as an outcome) by Kenyan government technocrats[2], the comparative analysis above offers a general picture of the trends analysed. The actual budget outcome pictured for Sida, however, can be seen from official Sida sources. According to this

[2] 75–80 per cent of the loans and about 40 per cent of grants given under the a-in-a heading, and 100 per cent of revenue are usually assumed to be realised (Interview with finance ministry officials).

data (see figure 4 and Appendix 1.1b) Sida's support for Kenya had been steadily rising until the end of the 1980s. This is shown both in the amount of disbursement and non-country budget. The aid-in-appropriation, which was virtually negligible in the early 1970s started to pickup from the mid 1980s. It may be read from figure 4 that the disbursement and non-country flows which reached their peak by the end of the 1990 started to decline sharply in the 1990s. This is perhaps associated with deteriorating relations between the Kenyan government and its development partners during this period. It is interesting to note, however, that unlike the two sources of aid flows (i.e. disbursement and non-country budget), the aid-in-appropriation had steadily increased in the 1990s. This points to the fact that the Swedes, instead of withdrawing – as most donors did – must have changed the modality of aid delivery by increasingly using the aid-in-appropriation channel (see figure 4).

Figure 5 shows the disbursement of Swedish development assistance across various major program and project heads for the years 1998, 1999 and 2000. Across this period, the dominant elements of Swedish assistance have been the sums assigned to the social sectors (such as rural health programs) followed by natural resources (in particular, the national program for soil and water conservation, most recently under the umbrella of NALEP), and the support to various NGOs. A noticeable trend in the decomposition of aid is that the share of social sectors shows a declining trend (from 44 per cent in 1998 to 17 per cent in 2000) while that of assistance to infrastructure, trade, industry and related areas is sharply rising (from 1.8 per cent in 1998 to 21.3 per cent in 2000).

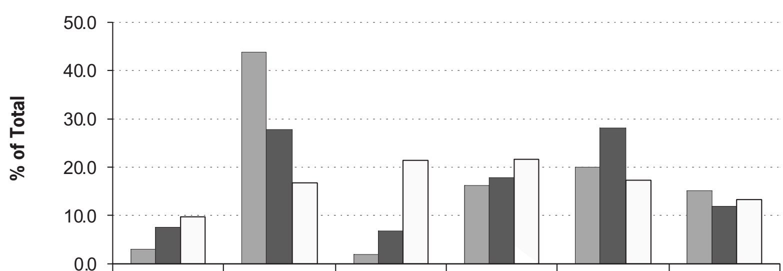
Figure 4: Government of Sweden (Sida) Aid to Kenya (in thousands of SEK)



Source: Sida International Co-operation, Statistical Survey of Operation [see Appendix 1.1b for actual figures]

A notable feature of Swedish aid for the programs over this period has been the relative increase in disbursement through the 'aid-in-appropriation' system, whereby monies can be targeted and disbursed directly to specific activities without being paid into the general funds of the finance ministry. This practice has the effect of targeting aid more efficiently, but it also constrains the role of the Kenyan government, and specifically the finance ministry, in the management of the expenditure. There is little doubt that the strategy is a response to high levels of corruption within the Kenyan administration, and that it also limits the opportunities to utilise aid money for other purposes through delays in local disbursement. While this might be justified in relation to questions of probity and aid effectiveness, it raises serious question regarding the degree of 'national ownership' that can be said to exist in the management of such funds. If the finance ministry is not handling the disbursement, can the Kenyan government correctly be said to fully 'own' the programs being funded? This practice might be said to enhance ownership at lower levels of government, or to facilitate non-governmental participation in the developmental process, but it might also simultaneously undermine the aim of building national ownership.

Figure 5: Composition of Sida's Aid to Kenya 2001 (outcomes, % of total)



	Dem. gov & HR	Social sectors	Infrar, Trade, indus. & urb dev	Natural Resources	NGOs	Others
1998	3.0	43.7	1.8	16.3	20.0	15.2
1999	7.6	27.8	6.7	18.0	28.1	11.9
2000	9.8	16.8	21.3	21.6	17.2	13.3

1998 1999 2000

Source: Sida International Co-operation, Statistical Survey of Operation

Chapter 2
Sida Programs and Projects in Kenya

2.1 Introduction: Program and Project Selection

In order to evaluate the issue of ownership across a wide range of Sida-supported activities, our initial desk review took in the full catalogue of programs and projects in Kenya, covering both current activities and historical activities (from 1985). The historical dimension was added to allow us to assess change over time, i.e. can it be shown that Sida policy and practice have strengthened over time in relation to building ownership, and can it be shown that the current policy environment has brought about changes in the manner in which Sida addresses the ownership agenda? It was also thought to be essential to reflect the various types of assistance in which Sida is involved. Most obviously this required the inclusion of project aid alongside program assistance. We also wished to reflect the balance of Sida activities in relation to sectors that have received priority over the longer-term. It should be noted that Sida is distinctive among the donors in Kenya in providing support to linked programs and projects within a given sector over an unusually long period (the Soil and Water Conservation Program, which has run in various forms since 1973, offers a good example). Lastly, we looked for synergy and comparability between the programs and projects selected for Kenya and those to be selected for Tanzania and Uganda.

The six programs and projects selected for the Kenya study are: the Debt Management Project, 1985–95; the Health Sector Program; the National Agriculture and Livestock Extension Program; the National Civic Education Program; the Kenya Federation of Women Lawyers; and the Lake Victoria Initiative. In the discussion of each of these programs and projects that follows, we have provided only a summary of our principal findings from the desk study, document review and interviews. In order to facilitate a freer discussion with Sida staff, development assistance partners, stakeholders, and other participants in our Nairobi workshop, we have not attributed statements to individuals.

2.2 Debt Management Project, 1985–1995

The project

This project emerged in the context of a wider policy advisory project supported by the World Bank, United Nations Development Program (UNDP) and Sida, following the Kenyan government's policy 'Economic Management for Renewed Growth' of 1986. This project was derived from the growth of Kenya's public foreign debt (which would reach its highest level of $5.1 billion, about 113 per cent of GDP, by the end of 1993). According to the joint evaluation mission, composed of the World Bank, UNDP, Sida and the Kenyan government, in 1985, the latter had requested UNDP/WB/Sida assistance for improvement of its economic management capability. The request envisaged assistance with developing capacity for policy advice to the government in areas of monetary, fiscal (including budgeting), and external debt management. The assistance was also geared towards institution building, through the preparation of a training program for key personnel (Sida Doc 1.KEN.6Z.4, 1989). This broader framework initially envisaged work in the areas of:

i. developing a macroeconomic model – the infamous 'Chakrabarity model';

ii. developing the debt management unit;

iii. developing capacity in trade policy analysis.

These broadly based objectives were later narrowed because some of the functions proposed could be better supported through other donors and projects, for example the Technical Assistance Pool executed by the government and the Harvard Institute of International Development [HIID], and supported by the United States Agency for International Development (USAID).

Thus, there were two distinctive phases of the project. In the first phase, from 1986 to 1989, the WB and UNDP took responsibility for technical assistance through what they termed 'a comprehensive planning and policy program for the MoF.' They also made an initial appraisal of the project. In this phase, Sida was a co-financier of, initially, the debt management component and, later, the high-level financial service advice as well as training in budget and taxation issues. In the second phase, from 1989, Sida took a more active role. After its own careful appraisal, Sida opted to shape the project solely for debt management and to execute this through its Nairobi office.

In the period 1986–89, the project was run through a cost-sharing arrangement between UNDP, the World Bank and Sida, with the World Bank acting as the executing agency. The Commonwealth Secretariat

(ComSec) was also involved in this stage, assisting specifically in the improvement of the debt recording systems and providing an experienced resident debt manager between 1989–91.

From 1990 onwards, Sida took sole responsibility for the debt management part of the project. This move was motivated by Sida's desire to improve the administration of the program, and by awareness of technical expertise that could be offered from the Swedish side (the Swedish National Debt Office could assist with training). To facilitate the project at this stage, the Kenyan government established a Debt Management Division (DMD), under the finance ministry. Sida's assistance included: short-term policy consultants to build the activities of this new Division, a resident debt management advisor (between 1986–87), and the provision of an extensive training program (both in Kenya and in Sweden) for DMD staff. The DMD then became responsible for debt recording, monitoring, and analysis, as well as providing assistance in debt management and in controlling new government borrowing.

The project appears to have been very successful in achieving its stated goals, and Kenyan-counterparts who participated in the program and were interviewed for this study confirmed the positive impact of the program. Sida's own evaluation noted that the debt management program:
"…constituted a satisfactorily prepared and executed innovative third-generation type of project with high expertise contents and major potential yields and spin-offs. It was widely regarded as one of the most successful Sida technical assistance projects, except for the staff hiring delays in the beginning and unexpected departure of much trained staff towards the end." (Nars 1996 p iii)

The success of the project can be seen in the building of capacity at the DMD of the ministry. It was also cost-effective: while the total budgeted cost in 1987–95 was SEK 13.3 million, two Swedish-engineered refinancing exercises helped to save an estimated SEK 30 million. In addition, other Paris Club related activities of the DMD were estimated to have generated savings of SEK 40–160 million. The net financial benefits therefore range between SEK 57 and 177 million. (Nars 1996) Notwithstanding the accuracy of this figure, the project was unquestionably financially sound.

Issue of ownership

The ownership process varied throughout the project. At the initial stage, the WB and UNDP played the dominant role. Sida had a very much lower level of engagement. The MoF, supposedly the principal owner, was not viewed as important. However, this altered once Sida became more directly involved with the MoF. This said, the issue of ownership was problematical in all stages of the project.

First, from the recipient side, a number of different government units were involved in debt management. Within the ministry, four separate departments (Fiscal and monetary Affairs, External Resource, Accounts Control, and Government Investment and Public Enterprises) were involved. The Central Bank of Kenya was also involved. This complexity created conflicts of interest. These were rooted in rent-seeking, and the desire to dominate the incentives, benefits of travel, training opportunities, etc. There was often a lack of co-operation among the government units that greatly complicated the project.

The multitude of donors involved (WB, UNDP, ComSec, Sida, Permanent and Short-term advisors) in this project also had implications for ownership. Problems of co-ordination were frequent (action delays, inadequate information among partners and government, failure to adequately monitor progress, report sharing, etc). Many of these difficulties were eased when Sida took on sole responsibility for the project from 1990. However, at this stage Sida lost the resource (both financial and staff) provided by the WB and UNDP, and also the political clout that their involvement added to the implementation process. These losses were compensated by Sida's desire to raise the Swedish profile in the area of high-level financial technical assistance, and it was this that was most influential in the shift of ownership away from the international institutions and toward Sida and the ministry.

From the outset of the project, there is clear evidence that the Kenyan government did not own the management of the technical assistance. In a project proposal aimed at 'strengthening Budget and Economic Management' authored by the government, it was explicitly mentioned the government wanted to implement the new project directly on the basis of a "host country contract". This was based on the theory that it would encourage the integration of technical assistance within the government's budget and economic management objectives. But, the government did not want to disturb the then existing 'established procedure for funding and identifying an institution to implement the project activities.' (OVP 1989) This was a very clear sign that the Kenyan government was not in control of the debt management project.

Following this, Sida's more direct involvement was prompted by a request from the government (project document, September 13 1990) for assistance with the implementation of the debt management project. In December 1990, Sida dispatched a mission to help the MoF develop the request into a draft project document. This would identify necessary assistance. The mission and the MoF officials agreed that the most urgent need was for the systemic strengthening of the DMD. This decision stemmed from negotiation between Sida and the MoF. It can be concluded therefore, both parties shared ownership of the proposal, although the commitment of the MoF had not at this stage, been put to the test.

Given the internal rivalries within the MoF, and the sensitivities of some of the issues to be tackled by the DMD, it is doubtful that the ministry would have made this recommendation without the guidance of Sida. This is suggested in the UNDP termination report. This observed that the debt management project was viewed negatively in some government quarters, noting that the government had failed to promote the importance of the project, including delays in implementation. Obstruction of this kind clearly indicates a lack of ownership.

Once the Sida project was underway, the short-term consultant, Mr Lars Kalderen, played an important and exceptionally positive role. Examination of the documentation shows that the project might have been in jeopardy without his involvement. He ensured the supply of expertise to the project, and secured the longer-term sustainability of debt management within the unit. He also undertook the organisation of workshops and seminars, pushed for the proper establishment of the DMD, and was instrumental in setting up the debt management steering committee. He drew up the draft terms of reference for the committee, and outlined the tasks for the DMD through to the end of 1991. All of these activities were critical to the success of the project. However, this raises a number of important questions. Should not many of these tasks have been initiated and conducted by MoF staff? Does the apparent absence of their executive role suggest a lack of ownership on their part? The documentary evidence cannot tell us the whole story, but the evidence suggests that much of the implementation in this early phase of Sida's direct involvement in the debt management project was indeed donor-driven. It can be argued that the need for capacity building was of paramount concern and that institutional inertia required greater donor intervention. While we fully accept the practicalities of such circumstances, the detrimental impact upon national ownership must also be acknowledged. It is a matter for debate whether such procedures can be justified as a necessary short-term step toward a longer-term building of ownership.

The project has also encountered a number of problems that have a direct bearing on ownership. First, willingness to accept ownership was related to the appropriate incentive structure in the recipient institutions. One of the main features of the project was that many trained staff left the ministry. The reasons for this are clear: remuneration in the public sector is far below the market price, and those trained on the project had little prospect of advancement within the MoF structures. This raises a number of questions. How, then, can you ensure sustainability in a competitive environment where the public sector compares so unfavorably with the private sector? Were senior MoF staff aware of this outcome? Did it influence their attitudes toward the project? Would donor anticipation of this problem at the inception stage have reshaped the project in any significant way? Failure to foresee this outcome has resulted in the weakening of the implementation and long-term sustainability of the DMD (through its impact upon capacity). There was also a direct impact upon ownership, as those people trained under the auspices of the project might be those expected to most readily accept ownership of the project and the financial and management structures to be left in place after its completion.

When the project was initiated in the mid-1980s, the donors were optimistic that there was support for the initiative at senior levels in the Kenyan administration. However, the departure of the permanent secretary, Mr. H. Mule, in 1986, and major changes in top management since 1993, clearly resulted in a lower priority being given to the project. In Kenya, where senior staff in government can often have a significant impact upon policy and priorities, and where senior staff changes are frequently made, the dangers of placing ownership in this top stratum of any ministry presents obvious dangers.

Among the reasons given for the termination of the project in 1995 was the Swedish perception that the Kenyan government remained unwilling to give adequate internal support. (Nars 1996) This implies that the lack of wider national ownership played a part in the discontinuation of the project. The donor's perception of the project was at this point very different from that held at the initiation of the project in the mid-1980s.

Who were the owners?

The real owners of the project at the initial, identification and formulation stages were the World Bank and UNDP, with Sida as inactive co-financier. Because the 'Debt Management' project emerged in the context of 'a high-level economic advice to the Kenyan government' program, it had multiple owners. Donors claim that this demand for 'high-level economic advice' came from the government following its new policy of 'Economic Management for Renewed Growth.' However, the Harvard Institute for International Development was clearly responsible for this policy initiative. Based on our interviews, and endorsed by the available documents, it is our belief that ownership of this process did not originate with the government. However, during implementation of the second phase, where Sida's participation was strongest, there is evidence of shared ownership between the donor and the MoF. With the ending of the project, the MoF is now solely responsible for the DMD, and so can be said to have assumed ownership. Although our interviews with staff indicate that the project has had a positive impact upon the work of the ministry, the operations of the DMD have not yet received the resources envisaged for the original project. To the extent that the DMD is now part of the institutional fabric of the ministry's operations, it can be said that the project has been sustained with Kenyan ownership. Nonetheless many within the ministry still view the DMD as a donor imposition. In a wider ideological sense, therefore, ownership of the DMD by the ministry and the Kenyan government cannot yet be considered strong.

Who identified the project?

The ownership process at this stage clearly lay with the UNDP, the WB and Sida. One could argue the economic policy of 1986 represented Kenyan support, but as this emerged out of a consultative process at the national level, it is difficult to discern any clear MoF ownership. Indeed, the identification of the need for the project can be viewed as an implicit criticism of the failings of the ministry.

Who formulated the project?

Here again, the UNDP and the WB played a pivotal role. Sida played a formulation role at the initiation of the second phase, when the MoF played a stronger role as the partner in consultations regarding project goals and design.

Who owned the process of implementation?

The ownership process now changed significantly. The shift in focus of the UNDP and the WB to other areas of assistance to the MoF was an important factor. Moreover, Sida's difficulty in running the initial program in conjunction with these two other donors, caused Sweden's bilateral commitment. The formal creation of the DMD brought a new owner to the table. As the DMD has strengthened, its staff have increasingly accepted their ownership. It is therefore relevant to note that the DMD is now fully owned and managed well by Kenyans.

What ownership was there in the evaluation of the project?

Evaluation rested squarely with Sida. The donor established the criteria for evaluation without consulting the MoF, and according to ministry staff there was no government involvement in the evaluation process. We have seen no evidence that there has subsequently been any formal internal MoF evaluation of the project, although informal assessments of the project by senior Kenyan staff within the MoF are now positive. One might infer that self-interest in renewing donor support has a role to play in this positive evaluation by Kenyan officials, but this seems to affect the degree, not the outcome of evaluating the project.

Conclusion: ownership and capacity building

To sum up, the ownership profile in this project shifted over time. It began in the context of a large project financed by a consortium of donors, and was markedly donor-driven. Under Sida, the project fostered greater Kenyan ownership, but even this was hampered by a series of problems in implementation. Sida's focus in this project was on capacity building, and this was given priority over the issue of ownership. However, the MoF now uses personnel trained in the context of the project to run the DMD. The DMD itself has thus now become a central element in the institutional infrastructure of the MoF. This has a strong bearing on ownership.

The debt management project thus illustrates that national country ownership can be strengthened at a later stage of development assistance. However, caution is needed in applying this more broadly. While in this case capacity building was a necessary prerequisite and its outcome was very positive, this may not necessarily be so. The strategic importance of debt management in Kenya's relations with its donors has been a significant factor in sustaining institutional support for the DMD, and could not be easily replicated in other contexts. Moreover, if a donor were to adopt the general hypothesis that 'ownership may be taken later', this might too easily become part of the justification for imposing projects and programs upon recipients. This point has considerable importance for a wider consideration of the prerequisites that a donor might seek to identify in order to ensure that national ownership be more likely to have materialised by the end of a project.

2.3 Health Sector Program

The project

Sida's involvement with Kenya's health sector dates back to 1969. Since the early 1970s this has centred on improving access to the curative and preventive health services in Kenya's rural areas. This is generally in keeping with the long-term focus of Swedish health sector assistance 'to support the recipient countries in their efforts to build up and develop well structured, nation-wide health systems' (Sida, 1986). Sida's support to the health sector over the period 1969 to 1986 was accordingly concentrated in six basic areas (Sida, 1986):

- community based health care
- construction of rural health facilities
- continuing education

- supply of essential drugs
- family planning activities
- strengthening of planning and management

Since the mid-1980s, the nature of Sida's health sector support to Kenya has shifted from project-centred assistance to sector-wide assistance. This is characterised by the evolution from assistance in the construction of health clinics, health centres and training institutions, and increased teacher training in the 1970s, to increased assistance in the promotion of primary health care in the 1980s and 1990s. Sida's first health sector assistance policy, released in 1982, heralded this policy shift by encouraging resource reallocations in the health sectors: to preventive rather than curative care; to villages and away from towns; to recognition of local traditional skills and away from reliance on expatriates; and to the development of human resources rather than investment in infrastructure (Sida, 1986). The current objectives of Swedish health sector assistance policy emphasise sustainable development through a focus upon the development of health systems, sexual and reproductive health and rights, and public health (Sida, 2001).

Sida's current assistance to Kenya's health sector therefore represents a significant departure from that offered in 1969. The current project document details a shift from a vertical project oriented approach, scattered over 31 districts in Kenya, to a more comprehensive assistance. This is concentrated in only six districts but aims to improve access to preventive, curative and rehabilitative health services. Assistance in the six model districts will be integrated, including collaboration with other line ministries. Linkages with other donors and NGOs working within those districts will also be sought. Sida's aid thus seeks to establish systems that will promote efficient and effective health delivery at the district level. The nature of health expenditure in the country has historically been heavily skewed towards payment of salaries rather than the purchase of drugs. There is also a skewing in favour of higher-level health facilities at the apex of the system, and away from the lower level health facilities in the rural areas. One consequence of this expenditure is the inefficiency of the referral system which reduces access. At the same time, donor funds are increasingly being used to finance the health ministry's recurrent budget. This is a significant shift from the previous practice where donor support was mainly used to fund primary health care projects.

Sida's focus on improving health services to the rural poor is mainly motivated by the desire to reverse the worsening trends in Kenya's social indicators. Whereas there has been a general decline in fertility in the country, probably due to the significant reduction in the crude death rate, HIV/AIDS infections are still on the increase and the annual death rates from AIDS-related illness is rising. The infant mortality rate has increased from 67/1000 in 1993 to 73.7/1000 in 1998. Life expectancy has also shown a general decline. Further, the pattern of diseases in Kenya shows a dominance of vector-borne, easily preventable diseases such as malaria. Sida's project document (Sida, 2000) suggests that current interventions may lead to a reduction in maternal and infant mortality by 75 per cent and 67 per cent respectively by the year 2015. Current support to the sector – entitled the Rural Integrated Health Services (RIHS) support program – aims to develop new district planning, budgeting and financial management and control systems to support the efforts of decentralising the provision of health services to the district. A primary aim of this strategy is to improve the health of vulnerable groups.

The RIHS program was conceptualised as part of a SWAp, in keeping with the current trend among donors to support sector wide assistance to the health sector.[3] However, the SWAp element is not yet easy to discern. One purpose of the SWAp was the co-ordination of the various donors operating in the sector, but due to the time it has taken for the MoH to operationalise the mechanisms necessary to administer the SWAp, donors including Sida have continued to fund particular projects within the health sector, earmarking funds towards provision of specific elements of the health program and targeting these activities to specified districts. As such, although donor co-ordination in funding the sector is a stated goal, the failure to get the SWAp going has delayed this. A major factor has been friction between the various donors and the MoH over financial management systems.

It is helpful to outline here a brief history of recent relations between Sida and the MoH with regard to support for the RIHS. The current program first took shape in 1995, replacing previous Sida health sector support. This program was conceptualised in four elements: support in the development of appropriate systems to ensure efficient and cost effective delivery of health services through decentralisation; support to programs for reproductive health; control of environmental related communicable diseases, including malaria; and support for the institutional collaboration between the Moi and Linkoping universities. Along with other donors, Sida's approach was defined within the first major attempt to adopt a reform strategy for the sector, the Health Sector Framework Paper of 1994. Extension of this initial support was due in 1998, but difficulties emerged between Sida and the MoH over the drafting and content of the extension documents. The funding by Sida was aimed at supporting cost-effective expenditure that would deliver health services to

[3] See Foster et al. (1999) for analysis of health SWAp's elsewhere in Africa (including Tanzania, Uganda, Ethiopia, Ghana, Mozambique and Zambia).

the maximum number of people through supporting the decentralisation of the health management and delivery system. To operationalise this support, and in line with the reform agenda, Sida insisted that District Health Plans and financial management systems had to be prepared and put in place in order to ensure the success of the decentralisation of the health delivery system[4]. In 1989, the financial management system was partly decentralised with the introduction of cost sharing. A portion of the cost-sharing funds was ceded to the district health management boards. The full decentralisation of financial management in the ministry would take this much further, giving greater autonomy over budgeting for all funds to the district. Executive control was thus taken away from the MoH headquarters.

At this point the donors were responding to a MoH document detailing necessary reforms to increase efficiency. This document – The National Health Sector Strategic Plan (NHSSP) – had been written to address the implementation bottlenecks that had prevented the adoption of the initial framework of 1994. A study commissioned by Sida, with the consent of the MoH, examined the extent of decentralisation in several districts. This had identified a number of constraints on the implementation of the 1994 reform agenda. These included weak linkages between district development plans and actual budgetary allocations, lack of a clear mechanisms for the allocation of resources to the districts, lack of effective implementation of plans and budgets, and lack of capacity to plan and budget at the district level. These concerns defined Sida's position. Yet despite the NHSSP addressing these difficulties, the MoH remained reluctant to implement the reform strategy. Consequently, conflicts ensued with the donors, especially Sida.

The dispute severely delayed the disbursement of funds to the program. The drafting of the extension proposal document became a major bone of contention: the MoH produced four drafts, each rejected by Sida. The drafts failed to include key elements that Sida had requested, principally the nature of the district level plans and the establishment of a financial management system that would allow disbursement directly to the districts. (The selection of districts was also a matter of dispute between the parties). A fifth draft of the proposal document was finally approved by Sida in July 2000. This was only after close collaboration between Sida and senior MoH staff.

[4] Decentralisation is not a new phenomenon in the Kenyan health sector. The district focus for rural development strategy released in 1983 called for a decentralisation of various ministries to the district level. For the MOH this entailed the restructuring and strengthening of the district level management capacity. In 1992 the district health management board (DHMB) and the district health management teams (DHMT) were created to represent community interests in health planning and to co-ordinate and monitor the implementation of the projects. (Kenya 1999)

The final agreement focused upon 14 districts, eight to be funded by the WB and six by Sida (Busia, Nandi, Nyando, Koibatok, Kajiado and Kuria). Though other donors, including the EU, considered funding the program, they eventually withdrew, apparently because of the bureaucratic problems encountered in dealing with the MoH. Under the program, budgets are set within each district and money is disbursed directly. Sida played a role in devising the District Health Plans for the six districts. A series of workshops was organised in each district. Sida also worked with staff at district level to design the plans and establish a work plan. The work plan contains budgeted activities. Sida insisted on each district team balancing its planned budget before moving forward, and it was not until November 2000 that the Permanent Secretary for Health was able to approve the district plans (Rural Integrated Health Service Program, 2000).

This process had taken over two years of negotiations. But disbursement of funds still depended on the MoH implementing a new financial management system. Another donor, the UK's Department for Foreign International Development (DfID) now became involved in assisting the MoH to devise the system, supported by the WB. The consultants appointed by DfID reported in August 2001, but it was decided not to proceed with their recommendations. Sida then came back into the negotiations over the financial management system. A decentralised system of management that allowed district level staff to set the budget against specified activities was approved in December 2001. The new system bypasses both the Provincial level of administration as well as the central administration of the MoH, especially in the program's financial management. This is intended to lessen the impact of corruption upon the program.

Issue of ownership

The above account has obvious implications for the question of ownership. These are far from positive. The reluctance of the MoH to advance reforms strongly suggests a lack of national ownership. On the other hand, Sida's apparent determination to force through changes is unlikely to have cultivated a sense of ownership among their Kenyan partners.

Nonetheless, some evidence of ownership does emerge within aspects of the process. The Kenyan government decided upon the NHSSP through a needs assessment exercise involving wide consultation with stakeholders. The government itself approached Sida and other donors for support. At the district level, there is evidently strong support among government health professionals for improvements to the service provision. Early reports on the operation of the district plans are encouraging in terms of the acceptance of local-level responsibility and ownership.

However, some of those interviewed believed that the NHSSP was written under compulsion from the WB, as a pre-condition for further assistance to the sector. Others saw the NHSSP as a belated attempt to operationalise the government's 1994 Health Sector Framework Paper. Within the ministry, the desire to improve services is constrained by a reluctance to embrace change. At the district level staff were reluctant to propose district plans, initially seeking to simply replicate the previous program. Only after 'prodding' from Sida did district officials come up with proposals that better fitted the intentions of the program document. Sida's imposition of a new financial management system was partly motivated by a desire to minimise corruption within the ministry. Unlike other donors, who are said to have withdrawn support from the MoH due to governance issues, Sida stayed on. However, Sida insisted on enforcing accountability in the management of Sida funds in the ministry. Ownership within the MoH may be undermined by the hierarchical nature of the civil service, which discourages the participation of staff in decision-making. The frequent transfers of staff between districts within the ministry may also contribute to a reduced sense of ownership.

Who are the owners?

At the national level, the MoH only reluctantly accepted ownership of the program. Having agreed in principle to a reform agenda, the MoH then contested the nature and implementation of that agenda. The donor is therefore in the position of supporting the initial principle, but in the face of MoH opposition. The MoH – the very agency that should have been responsible for its implementation, has thus undermined national ownership of the reform agenda. On the other hand, one might take the view that reform was fundamentally flawed because it was not supported by the ministry. Thus ownership of the reform agenda itself was weak. A distinction might also be made here between support for the rhetoric of the NHSSP, where Kenya ownership is evident, and lack of support at senior levels of the ministry for its implementation.

Coming down to the district level, ownership has emerged through the formulation process and through the process of implementation, the latter being greatly facilitated by the eventual disbursements. But this 'empowering' of the district reflects a 'dis-empowering' of the central authority of the MoH.

Given these difficult circumstances, Sida has retained strong ownership of the program, despite their best intentions. Sida staff has been active in influencing the drafting of key documents, in shaping the district plans, and in generating acceptable budgets. However, over zealousness on the part of Sida officials to minimise corruption has also undermined opportunities to 'grow' ownership. For example, there is no evidence that the project document was subjected to a peer review, or that there was wide consultation on the choice of districts to benefit from Sida assistance. MoH officials may feel that Sida's determination took too little account of the political landscape. These factors may have prematurely diminished the level of ownership that MoH officials were prepared to accept, despite largely supporting the broader aims of the strategy[5]. However Sida has remained committed to health sector support, despite the many obstacles. Unfortunately though, as Sida struggled to find ways to maintain support, the issue of Kenyan ownership was pushed into the background.

Who identified the program?

The origins of the program can be traced to the Health Sector Framework Paper of 1994. The constraints facing health sector reform were then subsequently addressed in the NHSSP. In both these processes the ministry took a prominent role. Sida's previous assistance to the health sector was on a project basis and had been centred on scattered, disjointed projects such as environmental health, reproductive health, continued education and primary health care. The new program envisaged a more integrated approach. It was this reform agenda that motivated Sida to adopt a new approach. In the identification of the program there was therefore a degree of Kenyan ownership. However, subsequent events leads one to question how much this was based upon a consensus within the ministry.

Who formulated the program?

At the policy formulation stage, ownership within the government was not broadly based. A few senior ministry officials worked on this, in conjunction with a group of four consultants. One of the consultants was later contracted to write the program document on which Sida's assistance was based. Although it can be said that the consultants simply collated the views expressed to them by the various stakeholders, the fact that it was drafted within a single ministry but with consultation only at senior level, weakens the extent of the ownership. However, the fact that the NHSSP – driven by a stakeholder process – was formulated to reverse the implementation bottlenecks of an earlier government document on health sector reform, leads to the conclusion that there was *a degree* of

[5] For example, in order to avoid any semblance of corruption Sida deliberately ensured that the six model districts did not include the home districts of the minister or senior officials of the Ministry. It is possible that this political factor may have obscured the actual level of policy commitment within the Ministry.

ownership in the early stages of policy formulation. As such, there were some mitigating circumstances (some of which have been examined in Sida's mid-term review of the program[6]). The delay in implementation was also due to very real problems, such as the lack of sufficient capacity in the MoH to undertake the drafting of the policy papers and DHP. Nonetheless, internal mechanisms for discussion of the program documents were not inclusive enough to sustain ownership.

Sida's role at the formulation stage was also problematical. Sida rejected the MoH documents. One of the same consultancy team was then engaged to formulate the program document. As one informant commented, Sida wanted a SWAp and led the drafters to produce a document that included the SWAp. However, the MoH contracted out the drafting of the NHSSP because they claimed that the ministry lacked the capacity to take on the task. The drafting of the program document can therefore be viewed as an exercise in capacity building; but we have seen no evidence that either the NHSSP or the project document were sent back to the stakeholders for review. At best, there was only partial ownership at the macro level in the formulation of the program, and none at all at the micro level.

Who owned the process of implementation?

The slow pace of setting up the management, budgetary and procurement systems has led to suggestions that there has been little or no ownership by the government of this process. Indeed, the program is now so far behind schedule that consultants hired by Sida to conduct a mid-term review of the project have recommended that it be extended by one year without increasing the Sida allocation. From Sida's perspective, these measures were necessary to stimulate reform and to limit the opportunities for corruption and malpractice. However, lack of capacity within the MoH was a genuine complaint, and Sida may have underestimated its significance.

Implementing the district health plans and budgetary procedures met with some resistance from the ministry and from district level MoH officials. Evidence from the district level suggests that resistance may have been due to power relations between different departments of the MoH, competing for control of program resources. However, in general it is true to say that staff at the district level have been more enthusiastic about the new systems than are those in MoH headquarters. This may simply be because district officials are given greater leeway in planning and budgeting. Or it

[6] For example the mid term review document is emphatic about the difficulty of implementing the original project document.

could be because of the significant shift in power that the new arrangements represent. But even if it is conceded that there may have been senior MoH staff who supported the reform agenda, but were prevented from actively mobilising by political constraints, one must conclude that Sida wanted to implement this program more than the staff of the MoH. Even in implementation, ownership was therefore weak.

What ownership was there in the evaluation of the program?

A team of consultants was contracted by Sida (not the government) to evaluate the RIHS earlier this year. MoH officials were co-opted into the team, as were Sida officials. The 'problems and obstacles in the co-ordination of the reform process' was one of the key elements in the evaluation. The consultants reported on the frictions between MoH officials and Sida, and between officials at different levels within the MoH. The frustrations experienced by both Sida and MoH employees due to unrealised expectations are very apparent. District level staff also felt deeply frustrated by the lack of information from the ministry. The report highlights the need for more communication between the districts and the MoH headquarters.

The open exchange of views this report highlights suggests a degree of Kenyan ownership. There can be little doubt that many staff within the MoH care deeply about the need to successfully implement the program. The report acknowledges that the conceptualisation of the policy document was not sound and did not facilitate implementation. The framers of the policy document must thus accept some responsibility for the delay in the implementation. However, Sida's insistence on a proper financial management system remains an essential requirement if the transparent use of donor funds in the districts is to be achieved. The evaluation makes it clear that Sida and the MoH have very different priorities.

Conclusion: ownership and the Ministry of Health – is the price too high?

Sida have only been able to maintain support for the health sector with persistence and patience, and by focusing on the perceived needs of the sector over and above other considerations. Ownership has been a casualty of this process. But it needs to be asked whether the institutional impediments to ownership within the MoH are so significant that structural change is needed before meaningful ownership can be developed. If this is the case, then Sida's short-term strategy might be justified in relation to a longer-term goal of stronger ownership. It is not clear that the MoH would have instigated reform without Sida's insistence upon the financial management system as a prerequisite of disbursement. To achieve this, Sida has had to direct the process to an unwelcome degree.

However, in terms of the principles and primary aims of Swedish development assistance, especially in relation to notions of ownership, some might consider that the price has been too high. In terms of Kenyan ownership, Sida's support for the health sector has been a failure.

2.4 NALEP – The National Agriculture and Livestock Extension Program

The project

The National Agriculture and Livestock Extension Program is the latest incarnation of Sida's long-term support for technical assistance in the agricultural sector in Kenya. The first program, known as the National Soil and Water Conservation Program, was initiated in 1973. This discussion will demonstrate that the design of the current program, and the strength of national ownership to be found within it, is best understood as a product of the 30-year partnership between Sida and the MoAg.

In keeping with the orthodoxies of the time, Sida's pilot project was seen purely as 'top-down' technical assistance. There is no evidence that issues of ownership were seen as relevant. That is not to say, however, that Kenyan views were disregarded: Sida's intervention was prompted by Kenyan requests for assistance to revive soil and water conservation programs. The program had expanded by the end of the 1970s, but mainly into the higher potential areas. This left aside the arid and semi-arid areas (for which separate integrated development programs were in operation). Up to this point, Sida's technical assistance was delivered through the frontline agricultural extension staff, and so integrated into the ministry.

However, the introduction of a 'Training and Visit' (T&V) methodology for extension services had by the mid-1980s marginalised the soil and water conservation component. In response, the Sida program became more detached from the general extension service. A catchment approach was adopted, which tended to emphasise the technical aspects of the assistance, with Divisional Soil Conservation Officers directing Soil Conservation Assistants, all of whom were specialists only in this particular aspect of agricultural extension. The capacity and expertise of the service was very highly regarded at this time, and the quality of the technical assistance offered was then a model of good practice. The degree of Kenyan ownership of the implementation of the service was also very high. There was also an emerging awareness of the need for farmer participation. By the end of the 1980s, each catchment had its own committee, with farmers expressing views on their conservation needs. These innovations all required greater resources.

Support was again increased in 1992, when the program was extended to arid and semi-arid lands. The program was now operating in all divisions of all districts. The expansion of the early 1990s also heralded a move back towards a more integrated approach to land husbandry, in which agro-forestry, livestock production and improvements in soil productivity played a greater role in the program. Through links with the Kenya Agriculture Research Institute, a broader-based and farmer-centred approach began to evolve. This first augmented and then replaced the 'technical blue-print' solutions to recognised problems. This re-integration of technical assistance in the area of soil and water conservation with the broader aims of agricultural extension that began in the early 1990s shaped the current NALEP program.

The program also emerged out of the ministry's own strategic planning. In the early 1990s the government began devising a new strategy for extension services in the agricultural sector. This was in order to seek WB support for major new initiatives in training and delivery. At this point Sida had been involved in reviewing its own commitment to the sector, specifically Sida activity in technical support for extension services. Sida was invited to contribute to the ministry's new strategy. The ministry then established 12 'Task Forces' each reviewing a specific topic. Through this process, Sida had an opportunity to critique the ministry's methods and discuss ways forward.

The planning documents were prepared, but the bid was thwarted by macro-economic difficulties which resulted in the WB withdrawing support for new government programs. With WB funding lost, Sida was well placed to enter negotiations with the MoAg over Sida support. The design for NALEP emerged out of these discussions. The program was a combination of the evolution of Sida technical support for extension work in the area of soil and water conservation, and the expansion of this model to cover other areas of extension services. This amounted to harnessing the methodologies elaborated in the soil conservation program and applying them to the wider remit of extension services. It also involved taking up new practices in the soil and water program.

By the mid-1990s, Sida assistance in soil and water conservation had therefore already moved beyond the purely technical aspects and toward a more holistic view of farm management and the needs of the farmer. NALEP put the farmer in control, shifting extension work from a supply centred service to a 'demand-driven' approach.

How this was to be accomplished is set out in detail in the various handbooks relating to the NALEP implementation, Only the key elements will be set out here. It is currently one of the largest and most ambitious programs supported by Sida in Kenya. The NALEP now delivers extension services with the support of Sida across 42 districts. For this reason it probably represents Sida's highest profile in Kenya. It also includes support for research services, and some specialised elements of agricultural work. Given the range of activities in so many of the poorest rural districts of the country, NALEP may be thought to have the most direct relevance to the poverty reduction strategies supported by donors in East Africa. NALEP is administered by a unit established within the ministry, based at the headquarters in Nairobi. Sida supports the technical assistance and socio-economic experts who advise this unit, but the unit is run by Kenyan staff and fully integrated within the structures of the ministry.

The principle underlying the method adopted for the NALEP was based upon the identification of user groups – participating farmers within a Focal Area. Comprising of between 200 and 400 farmers, Focus Areas were defined within each of the 42 districts under the program. The number of Focal Areas to be established in each district was decided by the ministry. This was based on available resources, technical capacity, and the willingness of local staff to adopt the methodology. The areas were selected and defined by district staff. An Extension Officer was assigned to each Focal Area, and this officer – the most junior member of staff in the district agricultural team, was given the task of compiling a detailed farm plan for each farmer. The plan included a business plan, aimed at making the farm profitable. Each Focal Area has a committee, with an elected chairperson. This committee and its chairperson act as the point of interaction with ministry staff, usually the Extension Officer (who attends the meetings). The committees are democratic, but it was conceded that staff often had to ensure that the committees represented a wide cross-section of farmers (including women, poorer farmers, and those with smaller plots).

Within each Focal Area, Common Interest Groups were formed of smaller number of farmers who shared particular interests, wished to tackle common problems, or wanted to mount new initiatives collectively. These Groups are intended to be self-selecting and self-motivated, with the Extension Officer providing guidance and advice only on request. Typically, such groups might comprise a dozen farmers, and there might be only one or two such groups in any Focal Area. Generally, the better-educated and wealthier farmers are more active in these Groups.

Extension staff under the NALEP are principally facilitators, providing guidance to farmers, rather than delivering specific services. This is intended to be more responsive to farmer demand, and to allow for greater flexibility and variation from district to district. The better-trained district staffs can assist the Extension Officers, but they are expected to operate within pre-determined budgets and must plan their work accordingly. This is a demanding role for extension staff and their workload is far greater than previously experienced. This has caused difficulties.

However, the distribution of the budget directly to the district is a key feature of the NALEP approach. Responsibility for setting and requesting budgets, and carrying through the expenditure is intended to make officers more responsible and accountable.

Issue of ownership

There is little doubt that national ownership of the NALEP is strong. Even though the program emerged from difficult negotiations with the WB, and was then adapted into discussions with Sida, there is firm evidence to show that the design of NALEP was rooted in the internal review process of the ministry. However, the process was not uncontested within the ministry. Other elements of the ministry had to give up resources and sacrifice authority to create the NALEP unit. This was a difficult process, and its residual effects are still apparent in the relations between NALEP and other elements of the ministry. This even trickles down from the central administration to the field officers. Many District Agricultural staff and Extension Officers feel that they have been 'colonised' by the National Soil and Water Conservation Program. Sida's identification with both the old and new program may encourage some elements within the ministry to view this as an enlargement of donor influence, although we have seen no independent evidence to support this view. On the contrary, senior staff of the NALEP within the ministry seem more enthusiastic about the potential of the program than their more cautious Swedish counter-parts.

What of ownership at lower levels of the ministry? Analysis reveals greater ambiguities. We only had the opportunity to meet with two members of the Provincial level Agricultural staff, and both enthusiastic supporters of NALEP's principal aims and methods. However, the creation of the NALEP unit has diminished the authority of the Provincial team. The team now only links up with extension services when requested to provide a specific service or to facilitate farmers in meeting a particular demand. We feel that there must be some ambiguities among staff regarding the utility of the NALEP in their work.

At the district level, District Agricultural Officers (DAOs) have been empowered by the NALEP. They now have firmer control in setting and administering budgets and directing work through the selection of Focal Areas. Those DAOs we interviewed all asserted strong ownership in the NALEP. Unfortunately, the same cannot be said for their staff. While most staff agreed with the suggestion that the methods of the NALEP ensured a better service to farmers in the longer-run, all contended that the work demanded of them in achieving this was too great and outweighed the advantages. While this might be dismissed as a plea of self-interest, a dispassionate assessment of their claims does indicate that they are well founded. This is particularly in regard to the compilation, distribution and utility of the Farm Plans. The detail of the information recorded in these plans is impressive, but its collection is time-consuming and the accuracy of much information is questionable. The business plan element of each survey stands out as being worthy of particular criticism. The business plan has no obvious benefit for the majority of Kenya's subsistence farmers. Moreover, it can be misleading in relation to the broader purposes of extension services.

And what does the farmer make of it all? The NALEP methodology places the farmer first, seeking to deliver a service specific to need. The key phrase of the NALEP training manual, is that they must provide 'demand-driven services'. This implies responsiveness and flexibility on the part of staff, but it also requires a pro-active approach from the farmers: if they don't ask, they won't get. It was openly acknowledged that extension and district staff had to work hard to 'guide' farmers toward appropriate requests. 'Guidance' can, of course, take several forms. In the best sense guidance should help the farmer to identify needs and find the best means of addressing them. The farmers' requests would thus be appropriate to the farmers' needs. But this is not necessarily how the agricultural extension staff or their supervisors within the ministry judge the appropriateness of a farmer request. From the perspective of the officers who must deliver the extension service to the farmer, 'appropriate' encapsulates what the staff are technically qualified to deliver, and what the available resources will allow. This places severe constraints upon the 'choice' available to the farmer, and necessarily diminishes the extent to which this can be described as a 'demand-driven' service. Farmers who want more than can be directly provided have the option to pay for it themselves, using ministry staff as facilitators – so long as staff have the capacity to play this role. For example, farmers who want to experiment with particular tree crops will not be given the saplings by the ministry, but will be told where they can contact the best supplier at the most competitive price. It is then up to the farmers themselves to organise and implement this.

This distinction between facilitation and implementation is crucial to the operation of NALEP, and has been embraced by the majority of staff. But do the farmers see this change in relationship in the same way? The ideal of the 'demand-driven' extension service is linked to the concept of the farmer as a consumer, who makes choices. This commercial analogy is appropriate for the extension staff as well. The DAOs clearly appreciate that this is governed by the need to work within a pre-set budget. It should be noted, therefore, that the empowerment of farmers through a 'demand-driven' service is more rhetorical than real: and this has implications for the extent to which popular ownership might flourish within the NALEP structure. Some farmers are likely to be much better positioned to make effective demands, and therefore take ownership, than others.

The idea that farmers should now pay for services has been embraced by the vast majority of the ministry staff we spoke with. We were repeatedly told that Kenya's farmers had been 'spoiled' by the 'hand-outs' given to them by NGOs. This, it was asserted, now made it more difficult to impose a new 'demand-driven' and properly budgeted system of extension. Although lip-service was paid to the need to liase with NGOs at the level of the Focal Area, it was clear that for most staff the NGOs represented part of the problem. The message is clear: giving things fosters dependency; farmers must be educated to realise that they will increasingly have to pay for services. The commercialisation of the work of the extension services was (perhaps unwittingly) encapsulated for us by one DAO, who told a Focal Area Committee that they should make the most of the free advice she was now giving them, because they would soon be expected to pay for all ministry advice. This remark, and others like it, was made in apparent disregard of the fact that Kenyan farmers are taxpayers, and that agricultural extension is among government services they might reasonably expect.

But it is not surprising that ministry staff should see things this way. This is a product of the wider process of recent liberalisation and privatisation that has seen the state retreat from service provision. Commercially viable elements have been hived-off to operate in the private sector. Moreover, Kenya's farmers are indeed used to being provided with services (albeit inadequately) and with 'gifts', and are in the habit of taking what is offered whether they need it or not. For farmers who lack resources, anything provided from the ministry, provides a welcome resource that can be utilised in some way. Wealthier farmers with better resources can afford to be more selective in the gifts they accept. By the same token, better-resourced farmers are in a stronger position to ask for what they want. Thus, it is the wealthy farmers who are most likely to gain benefits through participating energetically within NALEP. Wealthy farmers are most active in the Focal Areas, on committees, and in the Common Interest Groups. They also will make the journey to visit district staff if they have a particular request, and are best positioned to take up any strategic advice offered by extension staff. In contrast, poorer farmers may find themselves unable to act upon advice simply because they lack the basic capacity with which to do so – the finance to buy the seed, the labour to mount a new initiative, the simple capacity to take a risk or to speculate on a venture. It is therefore evident that NALEP is likely to bring the greatest benefits to those farmers in the least need. In policy terms, this observation would suggest that the NALEP is not an ideal tool with which to pursue the aims of the district Poverty Reduction Strategy. This is regardless of the strong and very positive elements of ownership evident in the design and implementation of the program.

Who are the owners?

The early history of NALEP is rooted in the efforts of the ministry to put up a funding proposal to the WB that would meet the donor's requirements. Senior staff candidly admit that this process was shaped by anticipation of what the WB might think appropriate, and that this led ministry staff to be more 'progressive' in their thinking than might otherwise have been the case. But, ownership of the design process was very firmly in the hands of the ministry, and there was evidently lively debate among senior officials about the direction to be taken. By the time Sida entered negotiations the thrust of the plan was already determined. Sida's involvement emphasised the use of the soil and water conservation program as a model to be developed. This may suggest a degree of 'donor direction.' However, as we have seen, by the 1990s the National Soil and Water Conservation Program was very much owned by the ministry, and had evolved considerably from its earliest form as a Sida-directed technical assistance project.

The degree of ownership by the different levels of actors within the ministry has been discussed above. It is apparent the ownership diminishes from top to bottom in the ministry structure. As regards the beneficiaries, it may yet be too early in the life of the program to evaluate the real levels of ownership among participating farmers. We have suggested that better-resourced farmers are likely to be best placed to capitalise upon the opportunities provided through the NALEP, and that those farmers who are in a position to be pro-active in their relations with Extension Officers will be likely to enjoy a greater sense of ownership. Poorer farmers, on the other hand, may find it more difficult to participate effectively in the NALEP. There is some evidence from our interviews with Extension Officers to suggest that the demands of program implementation do not allow time for less-advantaged farmers to be properly assisted. However, if the program were successful in 're-educating' farmers as to the benefits of 'demand-driven' extension services, then it would be possible to cultivate stronger ownership of the program.

Who identified the program?

Responsibility here is again rooted within the ministry, deriving from the internal review and involving consultation with a number of donors, including Sida. The long-term relationship between the ministry and Sida was undoubtedly important in the identification process. Sida-supported staff already had a good understanding of the dynamic for change within the ministry, and there already existed close working relationships and a high degree of trust. These aspects were important in allowing Sida to step in, although it is notable that after the breakdown of negotiations with the WB it still took several years for the NALEP program to emerge and for Sida support to be confirmed.

Who formulated the program?

The NALEP design was negotiated within the ministry, in consultation with Sida advisors. It built upon existing structures at the District Level. Even the introduction of 'new' budgeting mechanisms reflected practice already in place for the National Soil and Water Conservation Program. It is worth noting that senior ministry staff see the NALEP as being an outcome of earlier practices. In this sense, the NALEP is clearly viewed as being generic to the long-term work of the ministry.

Who owned the process of implementation?

The program is distributed across 42 districts, delivered through the DAOs and their staff. The donor has no direct role in the implementation of the program, other than through the support for technical and socio-economic advisors, including assistance with workshops and some training.

What ownership was there in the evaluation of the program?

There has as yet been no formal evaluation of the NALEP, which is still only in its second year of implementation. It is anticipated that Sida will undertake a mid-term review before the end of 2002. We are not aware of any internal evaluation planned by the ministry, although review of the progress of the program is part of the ministry's implementation strategy. To that end regular seminars are held involving staff from the NALEP team and the district level. Our discussions with senior staff in the ministry suggested that there is an open and reflective approach to the NALEP, and that through the workshops and training seminars there has been opportunity for feed-back and discussion of problems encountered thus far. In this process, ministry staff down to the district level would appear to be playing an active role, although it was not clear to us whether these discussions had yet resulted in any practical changes to the methods adopted under the NALEP.

Conclusion: ownership and 're-educating' the farmer

In terms of national ownership, the NALEP is a success. The ministry views Sida as an important partner, and greatly value Sida's support; but we saw no evidence of dependence upon the donor, or of deference to the donor. If there is a problem with ownership within the NALEP, it comes at the lower levels of administration where junior staff feel burdened by the high degree of change to working practices demanded by the methodology adopted under the program. The Extension Officers are at the sharp end of this, and they are ill-equipped to handle the challenges presented. They are principally responsible for 're-educating' the farmer as to the potential advantages of 'demand-driven' extension, and the success of the entire enterprise is ultimately likely to turn on whether they can achieve this. It remains to be seen, therefore, what degree of popular ownership can be achieved within the NALEP, and how broad-based it might be.

2.5 NCEP – The National Civic Education Program

The project

Since Kenya reformed its political system to allow multi-partyism in the early 1990s, there has been much discussion within the country and among donors of the need for a program of civic education. Initiatives mounted by the churches and through the individual and collective actions of and Community-Based Organisations (CBOs) sought to tackle civic education in preparation for the elections of 1992 and 1997. These activities were hampered by government officials and by officials of the ruling party, KANU, through a variety of legal mechanisms (the banning of meetings and confiscation of literature) and extra-legal methods (harassment and intimidation). During the 1997 election campaign the government acted as if any activity aimed at civic education was in fact a means of advocating support for the opposition. Those elections saw the opposition fail once again to mount a serious challenge to KANU and President Moi.

Following the election, debate began on the revision of the constitution. In January 1999, civic education providers convened a National Civic Education Forum to discuss collective action on providing civic education in relation to the pending process of constitutional review. Out of this meeting, four consortia emerged:

- CEDMAC – Constitutional Education for the Marginalised Categories
- CRE-CO – Constitutional Reform Education consortium
- ECEP – The Ecumenical Constitutional Education Program
- KWPC – Kenya Women Political Caucus

By October 1999, these four consortia had reached agreement in principle with a key group of donors to work towards preparing a broad program of civic education. This would be funded by the donor group, and launched in the period leading up to the elections of December 2002. The donor group included virtually all the major donors already supporting civic education in Kenya through individual NGOs and CBOs. This new collective initiative amounted to a form of 'basket funding' for the sector. Ten donors finally signed the Memorandum of Understanding for the NCEP: Denmark, Netherlands, Sweden, Canada, UK, Norway, Finland, Austria, the USA and the European Commission.

The NCEP framework established a joint funding mechanism to facilitate donor collaboration and program management. Support would be channelled directly to the Civil Society Organisations (CSOs) who were to deliver the education program. Consultants were engaged to manage the program for the donors. They set up a Financial Management Agency (FMA) and a Technical Assistance Team (TAT), to which the participating CSOs reported. A Donor Steering Committee was established to oversee this structure. CSOs submitted funding proposals through the consultants, who followed a strict set of criteria, covering financial systems, management requirements, delivery capacity and reporting functions. CSOs were selected on the basis of their ability to meet the stated criteria, but the Donors Steering Committee had executive authority over funding. Once the program got underway, the TAT provided support and quality checks on the delivery of the materials, while the FMA ensured that funds were appropriately accounted for. Monthly accounts were required from each participating CSO, and the capacity to provide these accounts to an adequate standard was a crucial limiting factor in the selection of CSOs. Some of the work of the TAT went into building capacity among the smaller CSOs to meet this standard.

Implementation was delayed in 2001 by the need to prepare materials and by the technical requirements imposed upon the CSOs. There was also protracted discussions among the donors about details of the selection process and management of the program. Eventually 74 CSOs were awarded funding within the program, representing all four of the consortia. Very few received all the support they had requested, as the decision was taken by the donors to be as inclusive as possible in selection. CSOs were restricted to work in specific districts or locations, and their budgets were set against an agreed program of activities. Accounting procedures required strict practices and complete transparency of all costs incurred. Despite the rigorous nature of these demands, by March 2002 the consultancy team were able to report only a handful of very minor infringements of the accounting guidelines. Spot-checks on the activities of the implementing CSOs were also carried out. These included auditing functions and field visits to report upon service delivery. All of these functions were overseen by the consultants, and reported to the donor group.

The stated aim of the program is to 'promote general awareness of democratic principles, the practice of good governance, the rule of law and constitutionalism'. To this end, the four consortia participated jointly in devising a core curriculum for the program, guided by the consultants. Many members of the consortia already had their own civic education materials, but it was decided that a new set of materials should be devised for the program. It was intended that these materials should be balanced, free of bias, and devoid of any political advocacy. Although the CSOs were permitted to prepare complimentary materials, the core curriculum documents inevitably involved many compromises. Once the documentation was prepared, inception workshops were held for each consortium, so that a common standard of training could be established for the facilitators within each CSO.

Issue of ownership

Ownership is a highly contentious issue in several respects. Sida participates here in a multilateral program, and so is only one voice among many in defining the methods and approaches to be adopted. The decision to adopt a collective approach to civic education was made by the donor group, not by the CSOs or their consortia. The management regime was selected and imposed by the donors, who have also held executive authority over decision-making and have not (so far as we were able to discern) involved participants in consultative processes. All of this smacks more of the donor controlling the aid process or donorship than ownership. Moreover, the role of the consultants as an 'agency of enforcement' has almost inevitably emerged in relations with the CSOs, and in some cases may have soured relations between the individual CSOs and those donors who had previously funded them directly.

A principal complaint of the CSOs is that the NCEP structure was imposed on them all regardless of their experience, size, capacity or function. Many of the larger NGOs involved in the program had considerable experience of civic education, which they did not feel was fully utilised. Even those participants with strong accounting systems and good capacity for reporting functions found the administrative demands of the program to be onerous and intrusive. Many spoke of a lack of trust in these arrangements, and of the undermining of responsibilities and rights that had been cultivated in relations with donors over many years. Many were dissatisfied with the content of the core curriculum, which in its quest to avoid advocacy sometimes appeared undirected. This was a complaint particularly expressed by the members of the KWPC who felt that gender issues were diminished and their own mission statements often undermined. For many of the CSOs involved, there was no ownership in NCEP: it was a program directed by the donors and managed by their consultants.

These criticisms were less evident in the larger churches of ECEP, for whom the funding within NCEP was not a key element in their capacity to deliver education to the masses. They could maintain ownership within NCEP precisely because they were not dependent upon it. For other CSOs, the creation of NCEP and the pooling of donor resources meant the withdrawal of support for other activities already underway or planned. For some, NCEP seemed a very poor replacement for their own intended programs and activities, particularly when they had to make compromises on the issue of advocacy and content.

For the smallest CSOs involved in the NCEP, the lack of ownership and the undermining of trust was not such a strongly felt issue. These agencies often benefited greatly from enhanced capacity, delivered through the assistance they were given to bring their management, reporting and accountancy functions up to the standards required for participation in the program. In this sense, NCEP played a very positive role in bringing a further group of CSOs 'into play'. However, CSOs in Nairobi are competitors for the limited funds available from the donor community, and large CSOs did not always appreciate the support given to the 'smaller fish'. All CSOs now realise that there is likely to be increased competition for funds in the future. This also relates to questions of longer-term relationships between CSOs and the donors. Such relationships build ownership through trust, and in removing the direct link between the donor and the individual CSOs, the NCEP program was perhaps counter-productive.

Who were the owners?

There is no doubt that for the Kenyan groups involved, NCEP came to represent 'donorship' rather than ownership. The Kenyan government played no role in NCEP, and in no sense at all can be said to have cultivated 'national ownership'. Indeed, it may well have been a mistake to term it a''National' program. Rather, NCEP was mobilised by the donor group through the facilitation of consultants who engaged selected CSOs to deliver a service. Their terms were largely set by the donors and their representatives (the consultants). The donors established the structures through which the participants were selected, and donor approval was formally required to secure that participation. The contracting-out of the program to consultants aided efficiency and effectiveness, ensured fiscal probity, and allowed for the monitoring of activities. However, the role of the consultants also alienated the participating CSOs from the decision-making process. (A consultative committee of CSOs played no meaningful role).

While the consultants were always available to offer advice, they were viewed by the participating agencies as a police force – there to impose the rules set down by the donors. This sense of disempowerment was felt most markedly by some of the largest and most efficient agencies, whose authority and standing was undermined. Although smaller NGOs and CBOs benefited from the capacity-building elements of the procedures, even they made no claim to ownership within NCEP. Only the ECEP members retained any sense of ownership in the program.

None of these comments imply any criticism of the consultants involved, whom so far as we are able to judge performed effectively in carrying out the requirements of the donor group. In terms of fiscal management and accountability, standards achieved in documentation and dissemination of materials, and training of facilitators, NCEP can be considered to have been an enormous success. However this is potentially the greater problem: many CSOs worry that this might become a model for future donor collaboration in other programs and other sectors. The donors owned NCEP, and they would own any other program that followed a similar procedure. This would be the death knell of national ownership.

Who identified the program?

The CSO consortia prior to the collective involvement of the donors identified the need for a program, however it was through the intervention of the donor group that an effective mechanism for formulating the program was devised. The political character of the program, and the perceived opposition to it within the Kenyan government, had a significant effect upon the initial process of project identification, and perhaps encouraged the donors to be more directly interventionist that they would be in other fields.

Who formulated the program?

The donors, in consultation with their appointed consultants, formulated the program. However, an advisory group of participating CSOs were consulted on the formulation of the program, especially in respect of the design and content of the literature to be disseminated under the program. (It should be noted that none of the agencies contacted for this study felt that the feedback they offered on the literature influenced the content or presentation of the final product.)

Who owned the process of implementation?

Implementation was carried out by the participating CSOs, but this was controlled by the consultants. A consultancy agency was also employed to evaluate the delivery of the CSOs. This caused ill-feeling among some of the CSOs, who found the supervision to be intrusive and insensitive. For these reasons, many of the participating agencies we spoke to felt that they did not have strong ownership in the implementation of the program.

What ownership was there in the evaluation of the program?

Evaluation (and scrutiny) was carried out by consultants on behalf of the donor group. There was no ownership of this process among participating agencies.

Conclusion: a multilateral muddle?

The National Civic Education Program is likely to be heralded as a great success, measured in terms of its delivery of educational materials to a wide spectrum of Kenya society. But it was not successful in terms of ownership. It is easy to identify the elements of the management of the program that worked against the constructive engagement of the participants, and it must be acknowledged that some of the criticism of the CSOs concerned derives from a sense that their own vested interests were being eroded. The implication is that implementation by the CSOs would have been more effective had they enjoyed stronger ownership of the program: but to have allowed this would necessarily have compromised the structures established by the donor-group for the administration of the program.

The NCEP delivered good results in a remarkably short period, but the administrative costs were high – perhaps more than 20 per cent of the total expenditure went towards administration. This, combined with the erosion of relationships with individual partner CSOs may lead Sida and other donors to reflect on the usefulness of such methods. If the fostering of ownership is a key goal in achieving sustainable development, then the multilateral assistance provided through the NCEP is a poor model. If, on the other hand, a quick fix is needed for an immediate problem, and ownership is of little consequence, this provides an effective methodology.

2.6 FIDA – Kenya Federation of Women Lawyers

The project

The Federation of Women Lawyers – Kenya is a registered non-government organisation of women lawyers and women law students that stands 'to create a society free of all forms of injustice and discrimination against women.' FIDA Kenya aims to:

- Improve the legal status of women in Kenya through the provision of legal aid
- Improve the legal status of Kenyan women through the documentation and monitoring of the violation of women's rights
- Empower and enhance the legal status of Kenyan women through legal and gender awareness campaigns
- Improve the legal status of women through strengthened collaboration with government agencies and lobbying for reform
- Enhance understanding of FIDA-Kenya's work among its public
- Ensure the institutional and organisational development of FIDA-Kenya so that the organisation can be effective in influencing legislative and policy reforms for the benefit of Kenyan women.

Specifically, FIDA-Kenya

- Offers legal service to a limited number of women
- Creates awareness of legal rights and educates women on how to claim them through self-representation in courts
- Reports women's rights violations
- Advocates the reform of laws and policies that discriminate against women
- Undertakes social interest litigation.

The activities of FIDA Kenya is funded by consortium of donors including USAID, the British Council, UNDP, the Ford Foundation, and Sida, among others. As can be read from Table 8, the relative position of Sida in financing the activities of FIDA is very strong in all but legal services and training activities.

Table 8: Sida's Relative Contribution to FIDA's Budget, 2001 (in millions of Ksh)						
	Legal WRMRW*	**PR& Service**	**Fundraising**	**Training**	**Overhead**	**Total**
Ford Foundation	2.94	7.58	2.36	0.00	0.19	13.07
Sida	1.75	0.18	1.37	1.01	4.40	8.70
Sida's Relative Position (%) of total	*28.91*	*0.98*	*26.19*	*6.42*	*41.18*	*15.49*
CIDA	0.00	0.00	0.00	3.56	0.33	3.90
Embassy of Finland	0.00	0.00	0.00	0.00	3.20	3.20
UNFPA	0.00	0.00	0.00	6.02	0.12	6.14
DANIDA	0.00	3.89	0.00	0.00	0.30	4.19
UNDP	0.78	0.00	0.00	3.52	0.00	4.30
IPAS	0.57	0.00	1.50	1.56	0.44	4.07
DFID	0.00	6.90	0.00	0.00	1.70	8.60
Total	6.04	18.56	5.23	15.67	10.68	56.17

Source: FIDA: Report on the Donor Roundtable.

* WRMRW – Women's Rights, Monitoring and Advocacy

FIDA is one of a small number of NGOs with which Sida Kenya has developed a closer relationship over recent years. FIDA now receives support for their core budget on a planning horizon beyond the annual budget cycle. This implies that Sida has made a longer-term commitment, and this has grown out of a relationship developed over several years, as well as being a function of Sida's assessment of FIDA's effectiveness and profile. Sida's engagement with FIDA is typical of their practice with other prominent NGOs – that is, to move away from serial project funding and towards developing closer relationships that will allow longer-term budget support.

Issue of ownership

Sida is a co-financier of the activities of the FIDA. The fact that FIDA obtains its funding from a number of donors, and is not dependent on any one single supporter, gives the NGO greater autonomy and a stronger sense of ownership. FIDA staff members are in control of the identification, formulation, implementation and evaluation stages of all the projects in which they are engaged. FIDA normally draws up its own planning documents before approaching prospective donors. FIDA operates on the basis of a five-year strategic plan, and this process is now supported by several donors, including Sida, who earmark support in advance of the annual budget cycle. The strong relationship that FIDA has with a number of donors enlarges the support base, avoids dependency, facilitates the acquisition of seed grants, and removes any pressure to 'tailor' planned activities to the perceived interests of the donors (a problem experienced by many NGOs). On the negative side, FIDA staff must deal with the administrative burdens of reporting to a wide range of donors, and of meeting the differing requirements of these partners.

Sida has been supportive of both the short-term and long-term plans of FIDA. Senior FIDA managers find Sida to be flexible when compared to other donors, and less demanding in terms of reporting and related procedures. This, FIDA claims, has helped to strengthen its sense of ownership. Notwithstanding such independence, FIDA is also ready to include donors' comments on its plans, as long as these accord with FIDA's own objectives.

In sum, from an examination of FIDA documents and the interviews that we conducted with FIDA staff members, we found that FIDA has strong ownership of its programs and activities, and that Sida is viewed as having played a constructive role in this. However, there are two subtle points to note. First, recent donor emphasis on governance and gender issues has resulted in the availability of funds for such activities, and this has placed FIDA in the role of a 'favoured partner'. NGOs working in areas considered less 'relevant' by the donors could not hope to replicate FIDA's achievements. And since donors dictate the relevant issues, the strong ownership that is currently witnessed at FIDA may not be sustainable. Thus, it is imperative to note that FIDA is a strong owner, *given the general donor interest in gender issues*. Second, it must be noted that the direct beneficiaries of FIDA's work (those who FIDA support through legal assistance) are not necessarily aware of who is funding FIDA, although they evidently have a very clear perception of what FIDA does. FIDA's preference for supporting particular activities does not necessarily mirror the priorities of its beneficiaries, some of whom might wish to see resources deployed differently. Therefore, although FIDA is an advocacy agency, recipients of FIDA services do not have an ownership role.

Who are the owners?

FIDA is a strong owner at all stages of Sida-supported activities. FIDA outlines activities and solicits financing from donors, which subscribe to its objectives. Moreover, FIDA pools resources from different owners. This gives FIDA autonomy and strong ownership. Sida gives FIDA scope to conceive, design, implement and evaluate activities without bowing to their own whims.

Who identifies the project?

FIDA identifies its own activities without donor consultation. However, it would be naïve to assume that senior FIDA staff are unaware of donor priorities. Any significant shift in donors preferred areas of financing could affect FIDA's activities.

Who formulates the project?

FIDA formulates its own activities and procedures. Sida, in common with FIDA's other supporters, makes funding decisions on the basis of FIDA's strategic plan. However, FIDA does solicit input from donors and maintains a close working relationship with key funders. This relationship is critical to FIDA's ownership.

Who owns the process of implementation?

FIDA is in full control of all its activities, and hence 'owns' its Sida financed projects and activities. As noted in the discussion of 'owners' above, the issue of whether FIDA is owned by beneficiaries or by FIDA staff comes at this stage. The potential contradictions here can be understood if one considers that demand for FIDA's services already vastly exceeds the capacity of FIDA to deliver and respond. FIDA staff accept that their clients would welcome an enlarged service in this area, but they feel they must balance FIDA's work across a wider range of other activities, including lobbying of government. Popular demand for one particular area of FIDA activities is therefore high, but this does not give the recipients of that service an ownership role.

What ownership is there in the evaluation of FIDA projects?

Both FIDA and Sida engage in the evaluation of FIDA projects and activities. Since Sida and other donors are mainly involved in the financing of FIDA activities, evaluation of financial management is very important. FIDA does such evaluation internally, using independent auditors. Sida is happy with these arrangements. Sida will also evaluate specific activities they have helped to finance. If they contribute to a common pool of financing, however, they generally rely on the evaluation carried by FIDA.

Conclusion: ownership and budget support to FIDA

From the above analysis it can be concluded that FIDA has strong ownership. This is the result of its aim of avoiding dependence on individual donors, and the fact that its objectives are broadly in line with the gender and governance issues advocated by donors. So long as these two factors remain unchanged, FIDA's strong ownership will continue. Moreover, donor support for FIDA's budget, and especially its strategic planning process, is a crucial factor in building trust and so strengthening ownership.

2.7 The Lake Victoria Initiative

The project

In December 1999, Sida prepared a document outlining a strategy for Swedish support for sustainable development in the Lake Victoria region. This coincided with efforts by the East African nations to achieve regional collaboration through the East African Co-Operation (EAC's) Development Strategy. Sida advocated a regional development strategy aimed at contributing to 'equitable and sustainable development – economical, social and environmental – to the benefit of the people living in the region'. Ownership was a key factor in this strategy. Sida hoped to encourage trans-national ownership of Lake Victoria's resources through the incorporation of the lake region as a single economic and environmental zone.

This strategy is still in the early stages of development, but a range of activities is now being planned for future implementation. To publicise its commitment to the region, Sida has supported a 'showcase' project in Kisumu. This is the upgrading and refurbishment of the Kenyatta Sports Ground (Owen Park) in the centre of Kisumu municipality. This is a public park in a key area adjacent to the commercial zone of the town, which for some years has suffered from neglect. The project is intended to restore the park as a public space, used for meetings, concerts, sports events, and other public events.

Sida entered into extensive and widely inclusive negotiations with representatives of interested groups, including business people, youth groups, NGOs, CSOs, and local government. A partnership was also entered into with the Municipal Council of Kisumu, and a Memorandum of Understanding regarding the park was signed in October 2001. The Municipality secured title on the land, and supported the establishment of a Trust to administer its development. The intention is that the Trust will manage the park on a commercial footing, and that it will become a sustainable resource for Kisumu Municipality. These matters are still in process, but work on the park was nearing completion in April 2002.

The issue of ownership

From the outset, ownership has been at the forefront of this project. Because the park lies at the centre of the town, its use had been a matter of strong public debate. A number of community groups came forward to participate in the process of refurbishment. The Municipal government has played an important role, principally through facilitating the consultative process and being prepared to pass the park to community management. In this respect, the transfer of the title deed was an important gesture of trust and long-term commitment to the process. The Municipal Council has also undertaken to provide co-funding for the future management and maintenance of the park.

Community ownership of the park has also been consolidated through the establishment of the Trust, and the future success of the project will depend upon how effectively the Trust can represent community interests in the park's future management. At present, local ownership of this project seems very strong, and it appears that structures have already been put in place to secure and sustain that ownership.

Who are the owners?

While Sida must be acknowledged as a part owner of this project, through its partnership agreement with the Municipal Council, and through its representation on the committee and now the Trust, there is strong local ownership in the form of the participating local community representatives, and the Council. The present level of commitment to the project from all these parties is impressive.

Who identified the project?

The need for refurbishment of the park had emerged within the Kisumu community in response to earlier threats to the park from street traders and developers. Sida was able to mobilise these concerns in a constructive way, and to facilitate community groups to a common goal. Sida played a role in galvanizing community action, and their interest created a politically neutral arena. Sida might best be thought of as the 'honest broker' in this process. In this sense, Sida's involvement was opportunistic, not directive.

Who formulated the project?

Three key seminars, hosted by Sida in August 2001, thrashed out the formulation of the project. These consultative meetings were public, and attracted lively participation from a wide range of Kisumu's citizens. Through these meetings a committee was elected to represent the participants, and to oversee the refurbishment work. Sida sponsored the work of this committee. The refurbishment design emerged out of these discussions, guided by the advice of professional engineers and architects who Sida helped to engage. In these processes Sida endeavoured to play the role of facilitator, not initiator, although at certain points it is not easy to draw a clear distinction between the two. This is especially so in the working of the steering committee, where Sida's partnership with members was clearly very strong.

Who owned the process of implementation?

The work was directed through Sida, but carried out under the supervision of the committee. We were able to join them for one inspection of the park, and can confirm that ownership of the implementation process was very strongly expressed by the members themselves, and was evident in their engagement with and commitment to the project. It is intended that the committee will maintain future responsibility for the management of the park, and it is in this next stage that greater challenges will surely emerge. Given the broad range of people, perspectives, and interests gathered on the committee, it seems probable that opinions will vary among members as to the best management choices to be made, and how any revenues raised from the operation of the park might be deployed. How these matters are to be resolved will provide a greater challenge than has confronted the committee in the initial construction stage. The role of the Municipal Council in implementation has also been vital. Their continued commitment is a crucial factor in the project's progression.

What ownership has there been in the evaluation of the project?

Evaluation of the progress of the project is part of the Memorandum of Understanding between Sida and the Municipal Council, and has been part of the supervisory role of the committee.

Conclusion: from local ownership to transnational ownership

Although this is a small and unusual project, it has presented a model of how local ownership can be advanced in a community based project. Community concern about the park was the essential pre-requisite for the collaboration that has been generated by the project, and Sida was a facilitator and enabler only. Sida's partnership in the project did not undermine local ownership. The diversity of the community alliance fostered to facilitate this project is in many senses its most impressive aspect, but it must be questioned whether such a broadly-based coalition can be sustained, given the many potentially conflicting sets of interests that have come together. Thus local ownership has been broad in this initial phase, but is also fragile. Whether this model is sustainable remains to be seen. Moreover, the success of the Lake Victoria Initiative will also depend upon how successfully these achievements in local ownership can be translated to a transnational environment. This will be a more challenging task.

Chapter 3
Review of Ownership in Kenya

We have arranged our concluding discussion of the Kenya examples under four headings: the institutional constraints on ownership, by which we mean both those within the recipient country and those determined by the donor; the possible tensions between bilateral and multilateral assistance in relation to ownership; the question of whether ownership in Kenya can be discerned at national or local levels, and which of these is fostered by Sida's development assistance; and the awkward issue of conditionality and ownership.

3.1 Institutional Constraints

Institutional constraints emerge as a key factor mediating against the strengthening of national and local ownership in several of the examples we have considered. In the case of Kenya, corruption and maladministration, (or Sida's fear of corruption and maladministration), present the greatest barriers to ownership, as they undermine trust between donor and recipient and present a practical impediment to disbursement. Along with other donors, Sida perceives these problems to be more deeply rooted in Kenya than in its East African neighbours. Institutional constraints therefore derive from the practice of both the recipient and the donor.

In essence, this is a dispute over values and ethics, although discussion of the problem most often revolves around institutional mechanisms, focusing upon implementation of controls and regulations affecting probity and transparency. The clearest example of this is the struggle over the implementation of a financial management system in the health sector program. This was presented as a dispute over capacity and institutional management; but it was also a dispute about values and divergent priorities.

However, the dangers of over-generalisation on this point soon become apparent if we compare Sida's experience of the health sector with that of the agricultural sector. Sida has had a long-term relationship with the ministry's in both sectors, yet in one case a degree of Kenyan ownership has been evident throughout, while in the other, ownership remains very weak. Institutional constraints therefore need to be seen in terms of each ministry, and not simply reduced to a more general question of national ownership. However, much of the literature emanating from the World Bank and the IMF assumes that a shift from project funding to a sector-wide approach will necessarily strengthen national ownership. 'Basket funding' under SWAp's is intended to make aid delivery more effective by fostering greater recipient responsibility. But, of course, it can only normally be utilised where ownership is deemed to be strong and where financial systems and management structures can sustain accountability and transparency.

In Kenya, Sida has moved around these institutional limitations by channelling funding directly to the districts and avoiding central government. This allows for the effective delivery of development assistance, and lessens opportunities for corruption. However, it does little to foster national ownership as the central government is removed from the control of development assistance funds. In the future such a strategy must be counter-productive, since if the government will not accept responsibility for a program, it is not clear by what mechanism it can then be sustained beyond the commitment of the donor. Moreover, the institutional and organisational factors mediating the transaction between Sida and the Kenyan government are determined principally by the policies of the former. If national ownership of development assistance is to be strengthened in Kenya, this simple fact needs to be more openly acknowledged, and then accommodated in the political context.

3.2 Bilateral or Multilateral Assistance?

Sida's activities in Kenya involve both bilateral and multilateral programs. The emphasis already evident in Sida's policies on basket-funding in general, and SWAps in particular, tends to reinforce the view that collaboration among donors is increasingly becoming the norm. Since the late 1980s, the 'donor group' in Nairobi has worked closely together on several fronts, seeking to co-ordinate development assistance but also to show solidarity in its dealings with the Kenyan government on matters of political reform as well as social and economic policy. This raises some important questions for Sida's capacity to operationalise a coherent policy on ownership in Kenya within a multilateral environment of development assistance.

Not all the donors necessarily share Sida's values and working methods, or give the same priority to the issue of ownership. We believe it is important look at the role of ownership in determining Sida's position in multilateral programs. However, we have seen no concrete evidence that this question has been raised. This question has relevance for Sida's experience in the health sector in Kenya, where a divergence of opinion among donors about the degree of ownership in the design of policy mechanisms was apparent. However, of the projects and programs we have examined, the NCEP had the most significant multilateral engagement, and here a number of concerns can be identified. Most obviously, the bureaucratic and financial structures imposed under the NCEP were more rigorous and demanding upon the recipients than any programs run bilaterally by Sida. We heard evidence from some recipients that had longer-term bilateral relationships with Sida that the multilateral structure of the NCEP placed the donor at a greater distance, and diminished trust between the parties. In reference to ownership, this was especially damaging as it was felt to have undermined previous achievements.

While it can be argued that the political character of the NCEP gave rise to the more draconian aspects of the administration of the program, the impact of this upon existing relationships and upon local perceptions of Sida's role should not be ignored. Although it was difficult to discern the political issues that motivated actions within the donor group administering the NCEP, it was our impression that Sida's contribution was more liberal and permissive than that of many other participants. Sida's participation can therefore be construed as a positive influence, yet it remains the case that the program did not foster Kenyan ownership in any significant way. It needs to be asked whether Sida was aware of having compromised on the ownership question in relation to NCEP. Some Sida staff certainly expressed their worries about this. Without knowing the extent to which Sida sought to promote the question of ownership among the group involved with the NCEP, it is difficult to offer suggestions for the future. However, it would obviously be desirable for Sida to enter any multilateral program with a clear view of the ownership issues that might emerge, and with an agenda for effectively implementing Sida's aims in this regard.

It must be acknowledged that the NCEP was beset by a number of problems. This should make Sida cautious about drawing conclusions from the NCEP experience. The program was established in the face of government opposition, and was fraught with political difficulties from the outset. The large number of agencies involved in the program was also highly unusual, and added hugely to the complexity of the structures required to administer the funds and to provide technical assistance. Without such intense political scrutiny, and with a smaller number of agents (both donors and recipients), Sida's influence would be greater and the compromises therefore less.

In contrast to the lack of ownership in the multilateral NCEP program, ownership seems to have been strongest in bilateral projects and programs. This is a result of a longer-term historical connection allowing trust to grow (NALEP being the key example). This then facilitates an enlargement of scale; or for a more organic relationship to evolve with a smaller agency or group, such as with FIDA and the Kisumu park project. In all these cases, responsiveness and flexibility appear to be the critical factors in sustaining activities over the longer-term – Sida support both within NALEP (and its predecessors) and FIDA has evolved considerably, going through a number of project phases and accommodating the recipients' changing priorities. This is not necessarily only a characteristic of bilateral assistance, but it is certainly the case that prolonged dialogue is a crucial element in building trust and that this greatly facilitates ownership. Therefore, it should not be surprising that ownership appears strongest where Sida has been able to sustain such deeply rooted bilateral relations.

3.3 National or Local Ownership?

The distinction between national and local ownership is especially important in the case of Kenya. National ownership means the commitment of the national government to the program. This can be seen in the full participation of central government agencies in the design, implementation, evaluation and sustainability of development activities. Successful, or strong national ownership, can be measured by the extent of consultation with national stakeholders. This is likely to be fully realised where democratic institutions are present and are full utilised, and will be less developed where such institutions are absent or function improperly. Conditions in Kenya at present do not appear to facilitate the strengthening of national ownership.

While Kenya has active civil institutions, few of these function within the orbit of the government. In fact, most position themselves in opposition to government or are perceived as such by the government because of their advocacy roles. Over the past decade or more the majority of donors have retreated from engagement with central government, some (including Sida) finding alternative routes to implement their development assistance, and others reducing their commitment. This has meant Sida has sought mechanisms to by-pass the institutions of central government, and instead work through the district-level administration or community-based organisations. This can be termed 'decentralisation', and has become an increasingly prominent feature of Sida's programs in Kenya over recent years. It is widely assumed that decentralisation strengthens ownership by bringing decision-making in development programs down to a more local level, and hence by widening participation in the development process beyond the central government. Here we must make a further distinction between ownership operating through the central government and through the local government.

In the unusual case of NALEP, both central and district level staff are constructively engaged with Sida's assistance program, and ownership at all levels can be said to be strong. In this example, decentralisation has been achieved consensually within the ministry, to the benefit of both central institutions and local institutions. But in the health sector, it can be argued that the benefits directed to the district level have been seen to be at the expense of central government, and so have been resisted. Decentralisation where a sense of national ownership within central government is lacking can therefore be seen to be problematical.

Our discussion thus far has implied that ownership is best generated from the top down: that is to say, that strong national ownership in central government makes it easier to disseminate ownership through lower levels of government and to other civic institutions. But what of the inverse process? Can ownership be 'grown' organically at the local level, to be eventually adopted by central government? The links between local government and central government in Kenya are often antagonistic, rather than complimentary, therefore this proposition seems unlikely in the present political context. While much can be achieved through fostering local ownership, as the examples of NALEP and the Lake Victoria Initiative demonstrate, the difficulty of tackling national ownership remains to be resolved, and its significance for the longer-run sustainability development initiatives supported by Sida in Kenya cannot be overstated. The question of finding mechanisms for the strengthening of national ownership is therefore particularly acute in Kenya.

3.4 Ownership and Conditionality

Ownership and conditionality should, in theory, be mutually exclusive concepts. Where there is development assistance there cannot, by definition, be full ownership. In practice, the power relations of development assistance are reflected in conditionalities, whether formally stipulated or informally assumed. Moreover, conflict between partners over conditionality is likely to be one of the principal barriers to national ownership. If conflict over conditionality is to be diminished, donors must appreciate the need for recipient country ownership. The recipient must also be made fully aware of the donor's agenda through dialogue and consultation, and be prepared to accommodate significant portions of that agenda.

When applied to Kenya, these statements can be seen to reflect the deep ambiguities that the question of ownership throws up. As we have seen, since the mid-1980s Kenya's relations with the donor community, and especially the World Bank and the IMF, have not been good. The Kenyan government has generally been reluctant to accommodate donor conditionalities in key policy areas, and as a consequence trust between the parties has on more than one occasion diminished to the point where aid has been suspended. In these circumstances, the donors have not been willing to make space for recipient country ownership. In the main, the Kenyan government has rejected conditionalities that seek to modify its behaviour with respect to political, social and economic development. But in relation to Sida programs difficulties have also arisen in two other areas: the technical aspects of disbursement (for example, the imposition of appropriate financial management systems, the establishment of participatory processes, and the failure to impose reporting mechanisms to enhance transparency and accountability); and the disparity between Kenyan practice and Sida's understanding of 'shared values' (most obviously in the poor human rights record of the government). In these circumstances, Sida has generally been unwilling to make space for recipient country ownership in Kenya.

If national ownership cannot be advanced because of the incompatibilities of donor expectations and recipient behaviour, should Sida continue to offer development assistance to Kenya? This awkward question was posed by several Sida staff whom we interviewed. Their reflections revealed a division of opinion. The minority view argued for disengagement from Kenya, at least temporarily, until such time as a greater degree of common ground could be found with the government (presumably mobilised through significant changes to the country's domestic policies). The majority view argued for continuing Sida's engagement despite the compromises that must be made, on the grounds that it was better for Sida to foster the desired changes through its programs than to abandon those initiatives in the face of government hostility. One reason for this view was that Sida's activities in Kenya have often stimulated local ownership where there was no national ownership. If national ownership had been set as a condition of assistance, such projects would never have been undertaken.

This majority view reveals that alongside limits to ownership, there are also limits to conditionality. How far is a donor prepared to bend before breaking? Donor flexibility determines the trade-off between ownership and conditionality, and in Kenya Sida has been prepared to be extraordinarily flexible.

PART II:
Uganda

Chapter 1

Uganda and the Donors – The Macroeconomic Context

Uganda's modern economic history can be traced back to the period of primary commodity production under the dominance of European planters and local chiefs (1880–1920). This was followed by Asian dominated export of agricultural products and consumer imports (1920–1940). The marketing and processing of local produce by co-operatives and the establishment of import-substituting industries dominated the third period (1940–1972). The post-1970s period saw the expulsion of the manufacturing Asian bourgeoisie and the start of the "War of Economic Independence" followed by the creation of a new middle class and the dominance of the military and civilian bureaucrats. (see Mamdani 1990)

Uganda's macroeconomic performance in the 1970s and 1980s lurched from crisis to crisis until 1981, when reform under the sponsorship of the IMF attempted to reverse the situation with strict quantitative targets on the overall budget deficit; net bank credit and growth in the money supply. Relative macroeconomic stability was created but the reforms were soon abandoned. In May 1987, the National Resistance Movement (NRM) restarted the reform program with assistance from the Bretton Woods institutions. This time the reforms were wide ranging, extending from macroeconomic reforms to privatisation and public sector reforms. (Kasekende and Atingi-Ego 1999)

Between 1987 and 1992, donors favoured the Ugandan government (GoU) without emphasising policy outcomes. However, since 1992 donors have made demands for fundamental reforms. As a result, the Ugandan shilling was devalued; foreign exchange controls were abolished and the exchange rate was unified. In 1991 and 1994 respectively, the cash budget system was introduced and the marketing of coffee and cotton was liberalised. By the mid 1990s interest rates had been liberalised; the Open General Licensing (OGL) system had limited import rationing; and extensive public sector reforms were initiated. (Kasekende and Atingi-Ego 1999 and Mosley 1999) While donors relished the high growth rate the country was registering, the GoU obtained badly needed foreign resources. Donors admired Uganda not only because the government adopted prescribed policies but also because it had initiated its own market reforms. In Uganda, noted Dijkstra and Donge (2001 p 844) "donors evaluated *outcomes* rather than *processes*." However the government allowed open debate over the reforms. Most extensive was the debate over exchange rate liberalisation. (Mamdani 1990 and Tumusiime-Mutebile 1991)[7]

The major reforms undertaken by the Ugandan government include:

- Import liberalisation: Successive measures were introduced from the early 1990s to replace quantitative restrictions with tariffs, rationalise and reduce existing tariff rates, and reduce the number of goods on the negative import list.
- Export promotion: Taxes on exports were abolished (although the tax on coffee was reintroduced for a brief period between 1994 and 1996).
- Exchange rate adjustment: The exchange rate was fully liberalised and exporters allowed to retain foreign currency earnings.
- Price liberalisation: Marketing Boards were privatised and some lost their monopoly position.
- Poverty reduction: The government took poverty reduction as their primary policy objective. Spending on poverty reducing measures became systematic. The process has been aided by improved accountability and transparency.

The Poverty Eradication Action Plan (PEAP) currently lies at the heart of the GoU's reform, which government officials consider as the Comprehensive Development Framework (CDF). The PEAP came out of the President's Manifesto, which stressed the importance of water supply provision and sanitation services, rural electrification, modernisation of agriculture and industrial development as central to poverty reduction. The four pillars of the PEAP are:

a) fast and sustainable economic growth and structural transformation;

b) good governance and security;

c) increased ability of the poor to raise their income;

d) increased quality of life for the poor.

[7] Tumusiime-Mutebile (1991) argued that market prices are largely determined by the parallel or the kibanda rate. Hence, as the changes in the official exchange rate do not affect the demand and supply of dollars, devaluation will not cause cost-push inflation. While Mamdani (1991 p 352) argued "the pre-IMF dictum "print and spend" has simply been replaced by a new guideline: "borrow and spend!" devaluation has become a budgetary substitute for monetary financing of the deficit.

The PEAP is designed to fit into the economic planning process through guiding the formulation of the sector-wide approaches (SWAps) in key sectors of the economy. The public expenditure requirements of the SWAps in turn are considered through the budget under the Medium Term Expenditure Framework (MTEF). The MTEF began during the budget of fiscal year 1998/9, which also involved Public Expenditure Reviews.

But while Uganda's economic reform since the mid-1980s is widely regarded as a success story, total aid is currently well above the country's export earnings and total tax revenue. Uganda's success story, therefore, must be qualified by questions regarding how long such a heavily aid-dependent economy can be sustained and the likelihood of a recovery in the trade sector. (Jamal 1991 and Belshaw et al 1999)

1.1 The Macroeconomic Environment

According to the IMF, "Uganda's reform and stabilisation program has been a major success…Exports became more diversified, with non-coffee exports representing about 30 per cent of the total." (IMF 1996 p 3)[8] Similarly the World Bank noted "Uganda's economic performance over the last decade has been impressive…The Government's reform program has had considerable success in establishing fiscal discipline, restructuring public expenditure, opening up the economy and anchoring its reliance on market forces." (World Bank 2000 p i)

The donors' optimism is backed by improvements in the macroeconomic indicators. As Table 1 shows, real GDP growth rates recovered from negative values to an average of 6.8 per cent. GDP per capita showed steady recovery in the late 1990s, as well, although at $300 remains low. The inflation rate also declined from a three-digit figure in the mid- to late-1980s to single figures in the 1990s.

Table 2 illustrates the sectoral contributions to GDP from 1986 to 1999. The data shows an interesting trend whereby the contribution of agriculture increased towards the late 1980s and subsequently declined. From 1991 onwards, the industrial sector recovered from its depression and contributed significantly to the growth of GDP. The service sector shows steady growth but its contribution to GDP has not shown significant changes. Agricultural GDP growth, industrial GDP growth and Services GDP growth rates have grown at an average of 3.9, 10.3 and 6.9 per cent per annum from 1986 to 1999, respectively.

[8] IMF Survey (1996)

Table 1. Basic Macroeconomic Indicators

Year	Real GDP Growth Rate	GDP Per Capita ($)	Inflation	Savings (% GDP)	Investment (% GDP)	Exports (% GDP)
1986	-0.1	271	155	6.0	8.4	10.6
1987	3.6	423	218	-0.1	9.7	6.7
1988	7.2	426	169	0.6	10.8	5.2
1989	6.4	333	131	1.0	11.1	6.0
1990	6.5	264	45	0.6	12.7	6.1
1991	7.7	197	25	0.7	15.2	6.4
1992	7.3	164	42	0.4	15.9	7.2
1993	7.1	179	28	1.1	15.2	7.9
1994	7.8	215	7	4.3	14.7	9.0
1995	13.2	300	6	7.4	16.4	12.6
1996	8.6	306	8	4.6	16.1	13.2
1997	5.7	310	8	8.0	16.1	14.5
1998	6.6	324	6	5.6	15.0	10.3
1999	7.2	298	0	4.9	16.4	12.4
2000	7.0	300	5	5.0	8.4	10.6

Source: World Bank, Africa Database 2001

In the late 1980s, much of Uganda's economic problems were manifested in declining national savings. As shown in Table 1, domestic savings as a share of national income declined from a relatively high level in 1986. In 1987, the economy actually dis-saved and remained low throughout the early 1990s. In the same period the share of investment grew at a low pace. A closer look at the data reveals the consequent low investment meant a limited contribution from the export sector to total output.

Table 2. Sectoral Growth and Contribution to GDP

Year	Services (% of GDP)	Agriculture (% of GDP)	Industry (% of GDP)	Agricultural GDP growth rates (%)	Industrial GDP growth rate (%)	Services GDP growth rate (%)
1986	31	53	10	2	-5	0
1987	32	55	10	2	14	4
1988	32	54	10	6	19	7
1989	31	54	10	6	4	6
1990	30	53	10	5	6	7
1991	33	49	12	3	8	8
1992	34	48	12	-1	8	7
1993	33	48	12	9	8	7
1994	33	46	13	2	13	8
1995	33	45	13	6	20	13
1996	35	41	15	4	17	9
1997	37	38	16	1	11	6
1998	34	41	16	2	12	7
1999	34	40	16	7	9	7

Source: World Bank, Africa Database 2001

Table 3 illustrates the annual percentage changes in exports and imports from the 1980s to the 1990s. Since 1986 imports have largely outstripped exports, showing an unfavourable balance of payment position. The period 1988–92 has seen an unprecedented decline in the growth of exports. Table 3 also shows the long-term trend in commodity prices. In the late 1980s the terms of trade and commodity prices remained relatively constant. Since 1990, however, commodity prices began to improve until the end of the decade. During this period, after a significant rise in 1995, the terms of trade deteriorated with a slight recovery in 1999 and 2000.

Table 3. The External Sector

Year	Terms of Trade (1995=100)	Export Growth	Import Growth	Exports (% of GDP)	Imports (% of GDP)
1986	150.2	-4.7	-7.9	9.9	11.4
1987	97.7	4.4	34.5	6.5	9.6
1988	97.4	-20.2	13.7	5.0	10.5
1989	92.8	-6.1	4.4	5.8	13.6
1990	74.2	-19.2	-5.1	5.7	15.7
1991	68.1	-19.0	-0.8	6.0	20.2
1992	61.5	-1.9	-13.3	6.8	20.4
1993	57.5	21.9	19.1	7.4	21.5
1994	66.9	40.1	21.3	8.3	21.0
1995	100.0	100.3	64.5	11.6	24.0
1996	80.2	8.8	15.7	12.0	26.5
1997	76.5	13.7	3.1	13.1	26.2
1998	78.2	-23.2	13.3	9.4	27.6
1999	150.2	14.6	-2.0	9.9	11.4
2000	97.7	-4.7	-7.9	6.5	9.6

Source: World Bank, Africa Database 2001

Uganda's foreign debt has not fallen in absolute figures, but in relation to GDP has fallen from 60 per cent in 1990 to 54 per cent in 1999.[9] The total amount borrowed between 1986 and 1999 was $2.83 billion compared to $740.69 million borrowed before 1986. The country's debt commitment (plus interest) was $4.89 billion by June 2000, up from $902 million accumulated before 1986. The period 1995 to 2000 experienced a dramatic reduction in borrowing, from $1.567 billion to $447.6 million between 1990 and 1994.

Table 4 shows the debt statistics in which external debt to exports of goods and services reached 1051 per cent in 1990 from 266 per cent in 1984. The total external debt to gross national product has also been rising simultaneously with the total debt to exports in the 1990s. The above

[9] Uganda borrowed $823.4m between 1986/7 and 1989/90; $1.567b between 1990/91 and 1994/95; $447.6m between 1995/96 and 1999/2000.

statistics provide clear evidence that the debt burden has worsened in the 1980s and early 1990s but has shown signs of recovery from the mid 1990s. One of the reasons for the decline in the debt burden is that Uganda qualified for debt relief under the HIPC I initiative in 1998, and in 2000 under the enhanced HIPC. A commercial debt buy-back scheme arranged with the International Development Association (IDA) at 12 cents per dollar also contributed to a reduction of Uganda's commercial debt. Uganda received a reduction of its debt stock of about 20 per cent ($350 million). This, between 1998 and 2000, saved more than $40 million.

Table 4. Key External Debt Indicators

Year	Total External Debt to Export Ratio	Total External Debt to GDP Ratio
1984	266	30
1985	302	35
1986	363	36
1987	473	31
1988	594	30
1989	716	41
1990	1051	60
1991	1374	84
1992	1474	102
1993	1252	94
1994	980	84
1995	523	62
1996	492	61
1997	453	62
1998	594	59
1999	448	54

Source: World Bank, Africa Database 2001

1.2 Poverty and Inequality

The Ugandan population living on less than one dollar a day has fallen from 69 per cent in 1990 to 34 per cent in 1998. Poverty, however, is more widespread than GDP per capita indicates, especially in Northern Uganda. It is mainly the inhabitants of Kampala and the coffee-growing farmers in Southern Uganda who have benefited from the high growth of the 1990's, while farmers in areas affected by conflicts have least benefited. 40 per cent of the adult population cannot read and write. Average life expectancy has fallen because of HIV/AIDS.[10] Life expectancy of 52 years is much lower than the average for low- and middle-income countries, which stands at 64 years. As Table 5 also shows, infant mortality

[10] According to the World Health Organisation (WHO) in 2000, Africa as a whole accounts for 75 per cent of the estimated total HIV/AIDS cases world-wide.

rates decreased from 116 in 1987 to 99 in 1997 per 1,000 live births. However, public health provisions did not show improvement in terms of population per physician, increasing from 22,399 in 1989 to 25,007 in 1993.

Poverty has many dimensions that influence one another, and includes high variation in levels of income and consumption, physical insecurity, poor health, low levels of education, powerlessness, a heavy burden of work or unemployment and isolation (both social and geographical). Poverty also reflects society-wide phenomena including the poor quality of public services, lack of productive employment, and the absence of functioning markets (GoU-MFPED, 2000). Although consumption poverty fell from 56 per cent in 1992, 44 per cent in 1997 and 35 per cent in 2000, a large proportion of the population still consumes less than what is considered necessary to meet the basic needs of life. (GoU-MFPED 2001a) The poverty is exacerbated by the long-running civil disorder in much of the pre-1986 period.

Table 5. Key Social Indicators

	1986	1987	1989	1990	1991	1992	1993	1994	1995	1997	1998
Infant mortality rate (per 1000 live births)	..	116	..	104	..	97	..	..	..	99	101
Primary pupil teacher ratio	30	..	..	29	33	28	29	33	35	..	..
Population per physician (000s)	..	..	22	..	..	..	25	..	..	..	..
Life expectancy at birth, total years	..	48	..	47	..	46	..	..	..	42	42
Population with safe water (%)	..	..	..	..	..	..	..	34	..	..	..
Pop. Living under 1 dollar a day, (%)	..	..	..	69	..	..	..	..	..	..	34

Source: World Bank, Africa Database 2001

Over the last few years, the pupil teacher ratio has increased from 30 per cent in 1986 to 35 per cent in 1995. However, the quality of education is still of concern and the population growth puts pressure on resources. According to the 2001 Poverty Status Report, (GoU-MFPED, 2001a) real per capita consumption for the richest 10 per cent of the population increased by 20 per cent while it rose by only 8 per cent for the poorest 10 per cent. Although these figures imply an increase in real per capita consumption for all groups, they also imply an increase in income inequality. As shown in Table 6, inequality, measured by the Gini coefficient, increased from 36.4 per cent in 1992 to 38.3 per cent in 2000.

Table 6. Gini Coefficients for Uganda

Year	Rural	Urban	National
1992	32.6	39.4	36.4
1997	31.1	34.5	34.7
2000	32.0	40.2	38.3

The GoU has set itself the goal of reducing the headcount of income poverty to 10 per cent of the population by 2017. However, while this may be achieved in the coffee growing regions of the country and major urban areas, regional differences may be impediments. The Northern and Western parts of the country are still significantly behind the rest of the nation.

1.3 International Institutions: World Bank, IMF and Program Aid

The economic difficulties faced by most economies south of the Sahara since the mid-1970s has highlighted the need for stabilisation and adjustment with external financial assistance. With little concessional finance from commercial sources, Uganda has become a recipient of bilateral and multilateral donor assistance, which mainly included grants and loans. In 1999 aid per capita totalled 28 per cent of GDP. The largest donors are the World Bank, the European Union (EU) and the African Development Bank (AfDB). Between 1986 and 2001, the International Development Assistance (IDA) from DAC donors and multilateral sources to Uganda totalled about $232 million and accounted for about 10 per cent of the country's GDP. In 1999/00, around 70 per cent of donor support was in the form of grants and 30 per cent was in the form of loans. Uganda's relations with donors can be categorised into three phases:

Phase 1: January 1986–May 1987

The National Resistance Movement (NRM) was highly critical of IMF/World Bank policies, especially high interest rates and short repayment schedules for IMF loans. The government attempted "to go it alone" without multilateral financial institutions. A centrally planned economy was introduced and state monopolies established to organise production and distribution. Prices of basic commodities were administratively controlled. Export crop prices nominally increased and barter trade protocols were signed. External pressures came when major donors tied their support to adoption of an IMF-endorsed economic program and when non-aligned donors like Libya failed to honour their commitments. Throughout 1986, the World Bank attempted to persuade the government to change its strategy, and sent several missions to the country.

Phase 2: June 1987–June 1992

In 1987 the government decided to co-operate with the World Bank and the IMF. Stabilisation and austere monetary policy were introduced. The growth of money supply was cut back by 30 per cent; the official exchange rate was devalued; interest rates were liberalised; the Open General Licensing (OGL) system introduced for imports; and tighter budgetary policies introduced. These reforms stabilised the economy. Inflation was controlled and the balance of payments strengthened. Since 1987, the IMF agreed to disburse a total of SDR509,775 million (see Table 7). The World Bank portfolio in Uganda comprises about 122 adjustment support loans and specific projects in agriculture, infrastructure, and the social sectors, with a total commitment of over $8,020 billion since the 1960s. The World Bank increased its funding for economic reform programs to Uganda and since 1987 $649.2 million has been disbursed (see Table 8).

Table 7. MF Lending to Uganda (in thousands of SDRs)

Facility	Date of Arrangement	Date of Expiration or Cancellation	Amount Agreed	Amount Drawn	Amount Outstanding
PRGF	Nov 10, 1997	Mar 31, 2001	100,425	100,425	100,425
ESAF	Sep 06, 1994	Nov 09, 1997	14,762	14,762	14,762
ESAF	Sep 06, 1994	Nov 09, 1997	105,748	105,748	84,659
SAF under PRGF	Apr 17, 1989	Jun 30, 1994	19,920	19,920	0
ESAF	Apr 17, 1989	Jun 30, 1994	199,200	199,200	13,944
SAF	Jun 15, 1987	Apr 16, 1989	69,720	49,800	0
Total			**509,775**	**489,855**	**213,790**

PRGF = Poverty Reduction and Growth Facility2 Trust Fund
ESAF = Enhanced Structural Adjustment Facility2
SAF = Structural Adjustment Facility

Source: IMF Website

Table 8. World Bank Lending to Uganda for Economic Reform (in millions of $)			
Lending Mechanism	**Board Date**	**Closing Date**	**IBRD + IDA**
Poverty Reduction Support Credit	Current	–	150.0
Structural Adjustment Credit	12/22/2000	–	25.4
Structural Adjustment Credit	06/06/1997	12/31/2001	125.0
Structural Adjustment Credit II	12/08/1994	–	0.6
Structural Adjustment Credit I	12/23/1992	–	1.4
Economic Recovery Credit	11/26/1991	–	1.6
Structural Adjustment Credit	12/03/1991	7/31/1994	125.0
Economic Recovery Credit	11/06/1990	–	2.0
Economic Recovery Credit	02/01/1990	6/30/1993	125.0
Economic Recovery Credit	10/12/1989	–	1.5
ERCI Supplemental	4/20/1989	–	25.0
Economic Recovery Credit	3/13/1989	–	1.7
Economic Recovery Program	9/15/1987	6/30/1992	65.0
Reconstruction Credit	5/15/1984	9/30/1987	50.0
Total			**699.2**

Source: IMF Website

Phase 3: June 1992 to the present

Until 1992 there was still a lot of reluctance to implement adjustment policies from a very large and influential section of the NRM. But donors continued giving aid as the GoU had succeeded in restoring peace and security to much of the country. The cosy relationship between Uganda and donors also stemmed from high growth rates, the government's openness in dealings with donors, and the latter's belief that there was a "New Breed of African Leaders."

Chart 1. Uganda's Major Donors ($ millions)

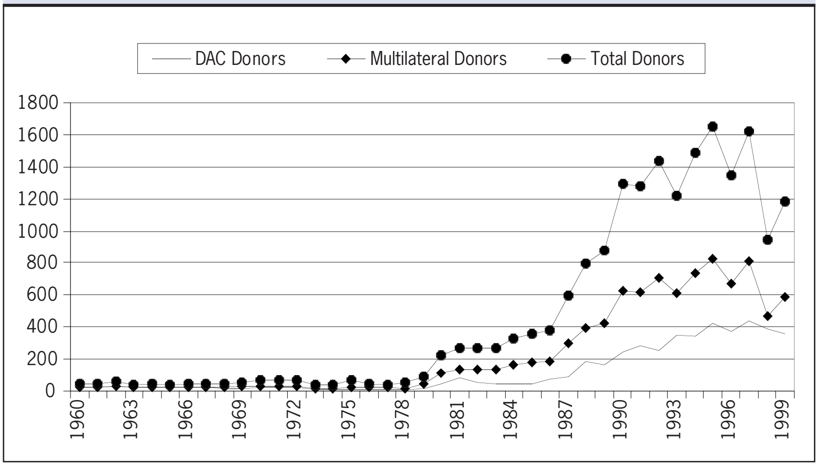
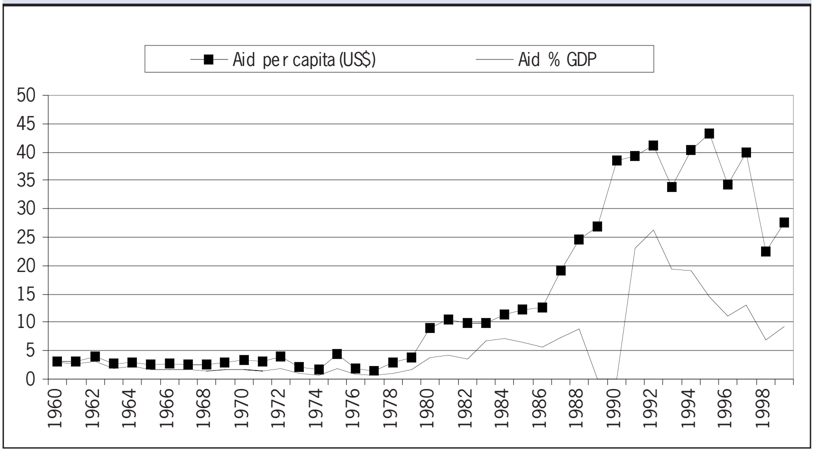


Chart 2. Uganda's Aid Indicators



1.4 Uganda's Major Donors and Sida's Position

However, there are a number of factors that still constrain the relationship between Uganda and the donor community. First, Uganda's security policy has been criticised for not being wholly committed to dealing with insurgency in the northern part of the country. Major donors believe that while the government is willing to deal with widespread corruption, not enough is being done to restore peace.[11] Special focus has also been on human rights violations by the United People's Democratic Front (UPDF) in war-affected areas as well as inadequate protection by the army of internally displaced persons in Northern and Western Uganda. There is also concern about the systematic failure of the criminal justice system in the North. Second, Uganda's involvement in the Democratic Republic of Congo (DRC) has led major donors to change their minds about Uganda's "security" concerns. Third, the fear of further escalation of conflict between Uganda and Rwanda motivated a new stand on Uganda by key donors, including the U.S., EU and Denmark.

Sida, in its country strategy, acknowledges that its increasing development assistance in Uganda is driven by the government's strategy in combating poverty. Despite Sweden's limited involvement in Uganda, a successful partnership and co-operation have emerged. Sida has also moved into general support of economic reforms and debt reduction, as

[11]There is currently an open debate over corruption and a Bill has just been introduced to parliament, which forces politicians and their families to declare their income. Recently key opposition politicians and donors have demanded clarity between the roles of the ministry of ethics and integrity and the inspectorate of government. Some believe the two anti-corruption bodies duplicate work and waste resources.

well as in assisting sector programs in the health; water and sanitation; justice, law and order sectors. This has been justified by the tying of debt write-offs directly to poverty reduction. Sida's increased presence in Uganda is not only limited to the formal government channels, development assistance to civil society is also significant. Sida also assists the private sector in Uganda under the export and employment promotion programs. As Tables 9 shows, the areas of co-operation from 1995 to 1999 have focused on various sectors. Sida has focused on the health sector; water; macroeconomic reforms; and human rights and democracy, SEK168 million, SEK 97 million; SEK80 million; and SEK97 million were disbursed respectively.

Table 9. Sida's Payments in Development Co-operation with Uganda, July 1995 – December 1999 (in thousands of SEKs)

Input/Sector	1995/1996	1997	1998	1999	Total
Country Frame	145,000	95,000	95,000	125,000	460,000
Health Care	61,200	28,600	36,392	42,472	168,664
Soil Conservation	–	4,000	–	273	4,273
Water Conservation	39,000	6,600	9,261	42,526	97,387
PK-Fund	3,400	507	653		4,560
HR & Democracy	9,600	38,000	–	14,967	62,567
Total Country Frame	113,200	77,707	46,306	100,238	337,451
Outside Country Frame					
Macroeconomic Reforms	30,000	–	–	50,000	80,000
Business Appropriation	–	2,300	1,800	4,109	8,209
Credit/Owen Falls	80,000	17,500	–	–	97,500
Research	–	2,950	–	–	2,950
SEO/Co-operation	9,600	20,479	19,134	14,899	64,112
Humanitarian	–	–	3,630	8,315	11,945
Other	–	–	–	293	293
Total Outside Country Frame	119,600	43,229	24,564	77,616	265,009
Grand Total	**232,800**	**120,936**	**70,870**	**177,854**	**602,460**

Source: Sida (2001b)

According to Sida, its increasing involvement is due to:

> "both countries having had close relations for a long time and a number of prominent politicians and high officials in the administration having lived and studied in Sweden. Furthermore, the Swedish development assistance is perceived as flexible and concrete and the Swedish partnership as genuine. Another positive factor is that Sweden has a high profile in several of the countries in the region and is considered to be capable of playing an active role in initiatives to promote peace and conflict prevention. Sweden's ability to co-operate constructively with other donors – not least those from the Nordic countries – has also developed favourably during the period which is

> an advantage in the sector program discussions that are now continuing in other areas, and to achieve administrative savings." (Sida 2001a p 11)

Although Uganda enjoys a healthy relationship with Sida, there are concerns. These include Uganda's internal conflicts, security with its neighbors and the extent and speed of the democratic process. Swedish support to Uganda therefore appears to be conditional on continued democratization, peace, stability and respect for human rights. If Uganda can achieve these, Swedish assistance is likely to continue along the following lines: (Sida 2001a p 12)

- "Co-operation is to be focused on combating poverty; both through initiatives through the social sectors and by contributing to the sustainable high growth of the private sector;
- Co-operation is to have a rights perspective with a special focus on women and children and is to be focused on reinforcing the culture of democracy;
- Co-operation is to contribute to development in the North and the Lake Victoria area and also to contribute to a sustainable use of natural resources and reduced pollution;
- An active Swedish participation in the development assistance dialogue and the development programs and an increased Swedish profile are to be aimed at; a further development of partnership with Uganda and other donors of development assistance is to take place."

Sida continues to support Uganda in various areas and the financial flow is steadily increasing. Sida's total budget for 1997 was about SEK120 million while the planned payment for 2003 is to be about SEK233 million. Increasing attention has been paid to the development of infrastructure; institutional reforms; support for small-sized enterprises; an agriculture soil conservation program under the Uganda Land Management Program (ULAMP); and research funding (see Table in Appendix 2.1b).

Table 10 also shows that Sida has increased its assistance to Uganda as a proportion of total Swedish assistance to Sub-Saharan Africa. In 1986 Swedish assistance to Uganda was 0.5 per cent of the total disbursed to SSA. By 2000 this figure had risen to 6 per cent. While total Swedish aid to SSA fell by 24 per cent from 1986 to 2000, Swedish aid to Uganda increased by 89 per cent in the same period.

Table 10. Swedish ODA Total Grants and Technical Assistance to Uganda and SSA (in millions of $ at 1999 prices)						
Year	Uganda ODA	SSA ODA	Uganda Multilateral	SSA Multilateral	Uganda TA	SSA TA
1986	2.6	529.3	3.0	105.9	–	80.9
1987	4.7	450.2	7.9	177.2	1.0	94.6
1988	12.0	549.8	0.0	32.6	–	117.4
1989	17.1	486.7	11.6	228.5	0.3	126.8
1990	12.9	548.7	12.3	219.9	1.4	18.0
1991	28.8	554.8	9.9	205.3	0.8	19.0
1992	23.3	506.0	11.9	251.1	4.9	197.9
1993	17.3	539.4	8.4	171.4	4.8	166.0
1994	25.7	440.0	7.5	142.5	3.3	129.1
1995	22.9	350.1	7.0	137.6	4.97	94.8
1996	27.3	389.1	10.7	181.1	0.1	65.5
1997	29.4	367.8	13.3	154.3	–	2.9
1998	9.3	344.0	11.1	148.3	–	–
1999	20.3	334.9	7.1	117.5	–	–
2000	24.9	404.4	10.6	190.2	–	–

Source: OECD Aid and Debt Statistics, 2002

One of the key areas on which Sida funding focuses, is macroeconomic reform, especially debt relief. As shown in Table 11, of the total Swedish assistance to debt forgiveness in Sub-Saharan Africa (SSA), Uganda's share increased from 15 per cent in 1990, to 32 per cent in 1995 and 49 per cent in 1996. The data confirms the support Uganda has received from Sweden since 1995 and its special focus to improve Uganda's credit-worthiness as well as the belief in the country's debt strategy and continued action in the HIPC process.

Table 11. Swedish Debt Forgiveness to Uganda and SSA (in millions of $ at 1999 prices)		
Year	Uganda	SSA
1990	3.4	22.0
1995	10.5	32.7
1996	4.5	9.1

Source: OECD Aid and Debt Statistics, 2002

Sida's emergency and humanitarian assistance to Uganda has mainly been in response to instability in the Northern and Western parts of the country. The situation is exacerbated by the presence of about 380,000 internally displaced persons mainly fleeing in fear of the Lord Resistance Army (LRA) and 180,000 refugees affected by the conflict in Southern Sudan. The United Nations and ICRC made a special appeal to donors in 1998 to which Sweden made a significant contribution in 1999 (Table 12).

Table 12. Swedish Emergency Assistance to Uganda and SSA (in millions of $ at 1999 prices)

Year	Uganda	SSA
1995	0.4	45.2
1996	..	33.9
1997	1.9	41.4
1998	0.5	47.6
1999	1.0	53.4
2000	0.9	57.2

Source: OECD Aid and Debt Statistics, 2002

Chapter 2 Sida Programs and Projects in Uganda

2.1 Introduction: Program and Project Selection

To address the issue of ownership across a wide range of Sida-supported activities, this evaluation looked at programs and projects, which are both wide-ranging and historically important in relation to ownership. Long-standing projects have been chosen to investigate sustainability and building of ownership. The evaluation also looked at activities within the formal channels of government and activities with no direct government involvement, mainly assistance to an NGO and the private sector.

The seven programs and projects selected for this evaluation are listed below, followed by a report on each of the activities in relation to the ownership dimension.

1. Uganda Participatory Poverty Assessment Project (UPPAP)
2. Health Sector Support
3. Water, Environment and Sanitation (WES) Project
4. The Justice, Law and Order SWAp
5. Support to an NGO called Human Rights Information Network (HURINET)
6. Financial Systems Development Program (FSD)
7. Export Promotion of Organic Products from Africa (EPOPA).

2.2 Uganda Participatory Poverty Assessment Project (UPPAP)

The project

The UPPAP project is designed to carry out regular Participatory Poverty Assessments (PPAs) from 24 rural and 12 urban communities in nine districts. The assessment attempts to capture views on poverty at the grassroots level. The main purpose of the assessment is to provide information on poverty for the National Strategy for Poverty Reduction, or the PEAP. The main output of the project are the Policy Briefing Papers, which are intended to compile data and information on key sectors of the economy.

Sida is one of the biggest donors to this project, contributing 38 per cent of the funding. The other donors are DfID (the largest), the UNDP, and the World Bank. The project has a management committee chaired by the ministry of finance, planning and economic development (MFPED). Oxfam is secretary for the project and donors sit on the management committee to discuss strategies.

Issue of ownership

The project falls within Sida's own country strategy and is compatible with Uganda's priorities. Of all donors, Sida is seen as the most "hands-off". It had given the project "space" over the project cycle and refrained from interference. Sida officials give their suggestions and ideas in the management committee, which the project staff is not obliged to accept. It should be mentioned that in the MFPED, there is a strong commitment to ensuring that the project is nationally owned, and Sida's support in this has always been welcome. However, in light of Sida's plan to increase its presence in Uganda, its policy of non-interference and increased partner country ownership will be put to its first major test. A stronger Swedish field presence is anticipated, and whether this translates into strong country partner ownership will depend on a number of factors.

In such circumstances, ownership in a Sida partner country like Uganda, is determined by the extent of the government's commitment to undertake tangible development to benefit the country's most poor using the development assistance from its partners. The GoU is taking initiatives in that direction by ensuring a highly participatory process. The government is also ensuring effective co-ordination of different donors in order to rationalise development objectives. But there is still more to be done to enhance ownership and partnership with local NGOs outside the MFPED.

Who are the owners?

The MFPED is the principal owner of the project. Experiences from a similar project in Tanzania shaped the work after the Ugandan team visited Tanzania and discovered that donors had designed and implemented the project, which had resulted in a lack of ownership by their Tanzanian counterparts. As a result, it was decided that the GoU would assume responsibility for the project. Most people involved in, or associated with, the PPA process felt this allowed for GoU ownership of UPPAP and the PPA processes with a management committee chaired by the MFPED and Oxfam, as the implementing agency. Oxfam's role as an implementing agency is ending in September 2002, and Oxfam has requested not to continue in the lead role of the PPA process. It is hoped that this role will be taken over by a management unit based in the MFPED, which will work closely with other collaborating partners.

Ownership of the PPA process has also been extended to several districts in the country, which are participating in UPPAP research studies. In 2001, PPA's were tendered by the MFPED and a lot of interest was registered from many local NGOs and CBOs all over the country. Staff from district local government have recently been brought on board.

There are various owners of the project. Oxfam, as the key implementing agency of the assessment, seems to have some control over the project. Oxfam's Uganda office manages the project, which is located within the MFPED premises. The PPA process allows for the participation of all stakeholders and donors who make a financial contribution. Concerns about some key institutions such as the Parliament not being properly on board, were addressed with the passing of the Budget Act, 2001. This ensures broad participation of all especially the Parliament at an early stage. It is also clear that the GoU is a key owner of the project in the sense that policies such as the Poverty Eradication Action Plan (PEAP), Plan for the Modernisation of Agriculture (PMA), the Local Government Development Program (LGDP) and decentralisation are being informed by the project. The districts are now also involved in the budget process. However, more still needs to be done to enhance ownership and partnership with local NGOs outside the MFPED.

Who identified the project?

Sida entered the UPPAP project from 1999 following a meeting between Sida's Social Development Advisor and the Ugandan co-ordinator of the project.

Who formulated the project?

The project started in 1997 with a proposal written and developed by the GoU and donors as well as Oxfam's Country Director (three Ugandans in strategic positions were central in developing the proposal). It followed a World Bank Rapid Rural Appraisal (RRA) as they were developing a country assistance strategy, and decided that the concept needed to be explored further. NGOs including Oxfam and the Community Development Research Network (CDRN) were involved from the start, and an Ugandan headed the World Bank's Rural Rapid Appraisal (RRA) team.

Who owns the process of implementation?

Oxfam is the implementing agency and a management committee comprised of the government, donors and local NGO's set the priorities and the agenda of the project. In implementing the PPA process, the project works with several partners, civil society organisations and government departments. Oxfam does not dictate the implementation of the project, and works in collaboration with staff of the ministry. After Oxfam expressed its desire not to take the lead in the PPA process, the MFPED commenced a process of soliciting competent personnel to manage the planned third phase.

Who evaluated the project?

The MFPED commissioned (in August 2002) an evaluation of the project to determine the effectiveness of the project's methods. The evaluation, which is being carried out by local consultants hired by the MFPED, is also looking at the partnerships built by the project.

Conclusion: ownership and capacity building

The UPPAP is a research program and its qualitative information and data analysis on poverty feed into sector policies. Thus government policies such as PEAP, PMA, LGDP and decentralisation are strongly informed by the project. Although the project allows room for the participation of stakeholders and donors who contribute to its funding, the issue of capacity at lower levels of government and implementing NGOs is still a problem.

2.3 Water, Environment and Sanitation (WES)

The project

It is recognised that lack of access to safe water is among the key consequences of poverty. In Uganda, the current national coverage for safe water in rural areas is 52.3 per cent, which is among the lowest in the world. Safe water coverage still varies from district to district, ranging from 14 per cent in Pallisa to a high of 84 per cent in Kasese. People in rural areas, those without a permanent residence and those internally displaced particularly suffer from the lack of safe water. Added to this, is the fact that 51 per cent of the people in Uganda do not have access to sanitation facilities and services, with the lowest national sanitation coverage in Karamoja (4 per cent) and the highest in Mbarara district (80 per cent). Current average water use per capita is half the minimum recommended amount of 40 litres per capita per day from stand post within a distance (maximum 500m) and 80 litres per day a yard-tap or in- house connections. This is due to intermittent services and crowding at the water point. It is widely acknowledged that inadequate household sanitation, poor solid waste management and drainage causes serious illnesses (e.g. recurrent diarrhoea, malaria, dysentery, typhoid, cholera, trachoma, worm infestations, scabies etc.).

Poor sanitation and hygiene are a burden on household finances, with medical bills constituting a significant expense. People frequently spoke about unaffordable health care, lack of access to health care facilities, and low quality service. Only 49 per cent of the population are within walking distance of a health facility and, even when facilities are accessible, medical assistance is beyond the financial reach of many. As a result, people are condemned to an almost inescapable cycle of disease, misery, and low productivity. The major findings of the various Participatory Poverty Assessment reports are:

- People have high expectations of the government's ability to provide safe water
- There is widespread suspicion that officials may be embezzling public funds
- Poor people cannot afford the Capital Cost Community Contribution (CCCC) for new water supply schemes
- People do not know about the National Water Policy or the government strategy on sanitation
- Many people are ignorant of the causes of water related diseases

The objectives set out in the National Water Policy are the basis for Sida's involvement. Since 1984, Sida has provided assistance through the Water, Environment and Sanitation Project. WES was a tripartite agreement among Sida, the GoU and UNICEF. Costing $3.5 million, the project began in the Western region, Mbarara district. The project started with national capacity building training programs and workshops. Since 1994 the project has mainly focused on physical investment in water pumps and drills. All funding to the project by Sida was undertaken through UNICEF. The GoU also obtained substantial support from a number of development donors, including the World Bank, the EU and the Danish Agency for International Development Assistance (DANIDA).

However, the situation has recently changed due to a shift in the GoU's policies. First, the government was not convinced of the viability of stand-alone projects. Second, the government was dissatisfied with UNICEF's involvement as it meant further bureaucracy in the procurement and flow of funds, as well as the limited visibility of the government, (which despite the contribution it made to supporting UNICEF's Sida funded activities, was not seen by its citizenry as making any contribution). Third, and most importantly, the government adopted a sector-wide approach in its development strategy. This coincided with Sida's move into program support and its wish to increase its local presence, which meant less reliance on intermediary international agencies such as UNICEF. In a recent issue paper, the GoU stated that:

> "The GoU is conceptualising a strategy for a radical shift from a project driven approach to development of comprehensive sector-wide programmes and sector investment plans, involving the participation of all stakeholders in a genuine partnership. Government must ensure that donors are fully involved in this process to ensure that they have confidence in funding the sector through the government system and to move away from project financing. (MWLE 2001 p 1)

Sida decided that it could channel funds directly to recipients in the districts, after capacity building undertaken by UNICEF and other development partners. Sida earmarked its budget support to WES, although it still funds some stand-alone projects. It was also agreed that Sweden and Uganda agree on bi-lateral terms. Uganda is now in transition from a multilateral arrangement to bilateral co-operation with Sida in the water sector.[12] The aims for the rural sector of the WES SWAp's, currently under preparation, are:

a) Community driven demand and extension management;

b) Planning and management by the district level;

c) Facilitation of this by the central government; and

d) Private sector involvement.

For the urban sector the SWAp's objectives include:

a) The achievement of efficiency and commercialised operations through the participation of the private sector in service delivery;

b) Investment planning and management of assets through the public body with professional personnel; and

c) Regulation by an independent regulator.

[12] The water sector is undergoing reform in order to ensure that services are provided and managed with increased performance and cost effectiveness. To undertake the reforms, technical studies were undertaken by a team of consultants hired by the Directorate of Water Development with support from Sida: (i) the Development of Rural Water and Sanitation (RUWASA); (ii) Urban Water and Sanitation Service; (iii) Water for Production, and; (iv) Water Resource Management. A 15-year strategy and water sector investment plan was produced following the Rural Water and Sanitation study and allocation of district water and sanitation grants are being made on the basis of guidelines from the Water Sector Investment Plan.

Although the SWAp focuses on the formal institutions of the central and local governments, the participation of the private sector and CSOs is at the centre of the sector development. A recent Joint Government of Uganda/Donor Review (2001 p 4) acknowledged that the "increased involvement of the private sector, including NGOs, is urgently called for. It is important that efforts are made in order to facilitate an even stronger public-private partnership within the water sector."

Issue of ownership

To appreciate how ownership issues have evolved in the current water sector, one has to look back at the WES project, which was being implemented by UNICEF. The development of UNICEF's country program was initially spearheaded by the MFPED. UNICEF focused on target districts through commissioned studies. Once actions had been prioritised, a proposal was written and sent to various donors. For such activities, UNICEF has a high degree of ownership. In the districts where UNICEF operated, ownership only existed in the sense that the execution of project activities and related issues were discussed in meetings usually chaired by the Chief Administrative Officer (CAO), and attended by heads of relevant departments, and local politicians. These involved reviewing the previous year's activities and drawing up work plans within the UNICEF's country co-operation framework. Another area where local ownership existed derived from the authority of the districts in deciding which project activities would be implemented.

In locating ownership in the water sector, it is essential to emphasise the nature of reforms underway, and the concrete steps being taken to realise these commitments by the various partners involved. First and foremost, a draft 15-year Rural Water and Sanitation Sector Strategy and Investment Plan and a 5-year Water Sector Plan were developed on the basis of the Water Statute (1995), and the National Water Policy (1999). The 5-year Water Sector Plan is used by government as a document on the basis of which donors can buy into the sector. Unlike the 15-year Sector Plan (2000–2015), which was developed with limited local stakeholder participation, the 5-year Plan has drawn on the significant participation of local partners in the process. The 15-year water sector plan is more focused on coverage but not on organisational reform. The goals are:

> "Sustainable safe water supply and sanitation facilities, based on management responsibility and ownership by the users, within easy reach of 65 per cent of the rural population and 80 per cent of the urban population by the year 2005 with an 80–90 per cent effective use and functionality of facilities. Then eventually to 100 per cent of the urban population by 2010 and 100 per cent of the rural population by the year 2015." (MWLE 2002)

The 5-year sector plan, which the Directorate of Water Development (DWD) mandated to manage and develop the water resources of Uganda, was initiated by Sida, and an expatriate providing Technical Assistance to the DWD. There was also input from a number of staff at DWD. DWD is the lead agency in the sector and is responsible for managing water resources, co-ordinating and regulating all sector activities and provides support services to the local governments and other service providers.

With Sida support, DWD is changing its vision, so that responsibilities in the water sector lie with the local government.

While Sida is taking the lead in the sector, there is significant commitment to reform by the government, spearheaded by the DWD. This is a result of the GoU considering access to safe water and improvements in sanitation as key to its poverty reduction strategy. According to the PEAP, (GoU-MFPED, 2001b p 133 and GoU-MFPED 2001c) the strategy for the water sector includes:

- Building community capacity to operate and maintain facilities; and increasing community ownership through community participation and financial contributions towards construction;
- Conserving water resources by adhering to environmentally friendly practices;
- Increasing efficiency through increased co-ordination of government programs with those of NGO's and other stakeholders.

It is clear that ownership in the water sector is still evolving. At the moment donors, especially, still have a very significant edge over local ownership. However, as the organisational structures and institutional capacity at DWD begins to evolve, more local ownership is becoming evident. In the water sector the development of ownership seems to be a direct function of capacity building and institutional development. In the past, there has been problems of community management and transfer of facilities to local people, but this was mainly due to lack of capacity and consultation with local stakeholders, which meant there was little local ownership. For example, under the WES, project communities were trained, but facilities put up by donors resources broke down without repairs (about 30 per cent). Moreover, legislation in Uganda has not yet dealt with the legal ownership of water facilities developed in communities with funding from different donors.

Who are the owners?

Local ownership in the WES sector is still weak because all initiatives; development of strategic planning; and organisational and institutional development; are still predominantly driven by donors. Sida has specifically taken a leading role in the water sector, with four Swedish advisers stationed at the DWD headquarters. While intervention and donor support in the water sector will ultimately benefit the Ugandan population, ownership of processes and programs is not yet firmly in local hands, either at the DWD level or in the districts. Problems derive from the lack of capacity at the DWD and the high level of breakdown of equipment and facilities constructed with donor funds. The GoU is also committed to the increased coverage of safe water, with or without ownership.

Who identified the project?

The original WES project proposal received funding in 1984. The Directorate of Water Development wrote the project proposal, working hand-in-hand with UNICEF. It was an integrated project, which combined water, sanitation and health and gender. WES was a Government of Uganda program developed together with UNICEF, which ended in December 2000. Under the current water sector strategic investment plan, a number of projects have been planned. Although the DWD is the brainchild of the present Strategic Investment Plan, DWD staff and the four Swedish advisers in the sector, were behind the investment plan and were active in supporting the transition from multilateral to bilateral support, and then into program support.

Who formulated the project?

The GoU together with UNICEF formulated the original WES project. When DWD decided to go sector-wide, the 15-year Water Sector Strategic Investment Plan was prepared. This strategic investment plan was supported by Sida and initiated by a group of seven staff from the DWD. After the draft plan was ready, the DWD hired a consultant to sell the document to all stakeholders. The investment plan was formulated with wide-ranging stakeholder participation at the centre through three workshops. The post-2002 WES project is becoming a buy-in for donors, unlike in the past when donors had their own programs.

Sida, for instance, is funding an expatriate to provide technical assistance (TA) to the DWD.

Who owns the process of implementation?

The WES project, according to a Sida evaluation report, is a "district-based program whose operationalisation within the context of decentralisation means that districts assume responsibility for planning and implementation, while the national level provides the supportive co-ordination framework in aspects of policy guidelines, resource mobilisation, technical assistance, monitoring and evaluation." (Mutono et al 1998 p i) However, it was found that UNICEF drove the implementation of the WES project.

Under the current initiatives in the water sector, Sida is supporting organisational and institutional reforms in the water sector by implementing water service delivery and physical implementation of water facilities through RUWASA. The target is to ensure decentralisation of actual water management and to increase ownership at the lower tier of government. Organisational changes being supported by Sida are intended to improve the management of water resources, with a view to transferring responsibilities to the districts under the decentralisation initiatives. The intention is to support the sector through the government budget and to have an organisational set-up that Sida trusts can deliver efficiently. To ensure ownership in the sector, there is significant decentralisation of water resource management to districts and lower levels. The Directorate of Water Development will only play an advisory/regulatory role in the rural sector; responsibility will go to the districts, sub-county, parish, and even lower levels. Capacity building and enhancing management of water resources aid the decentralisation process. The coverage of boreholes may not go up, but the goal is to lay a foundation to ensure plans are sustainable. This means that ownership of the implementation process is still evolving, and may not be clear until the organisational structures are in place and functioning. Sida was still enjoying significant ownership in the implementation of reforms in the sector, with a lot of enthusiasm and commitment espoused by certain key officials in the DWD, which is a good sign for the future of the water sector.

Who evaluated the project?

Under the WES project, UNICEF undertook annual internal reviews during the country program development; this process was always spearheaded by the MFPED. Program areas, identified on the basis of these reviews, were also used to formulate annual Program Plans of Action. Annual review processes were consultative, and involved consultations with districts in meetings which the Chief Administrative Officer (CAO) chaired. According to one progress report, UNICEF assisted programmes supported by Sida were implemented in 26 districts; 16 by the WES project and 10 by the South West Integrated Programme (SWIP). The estimated rural water supply coverage in National WES assisted areas moved from 30 per cent to 35 per cent. The figures for SWIP were 23 per cent to 27 per cent for water supply and 30 per cent to 40 per cent for latrines. The corresponding national figures were 20 per cent to 23 per cent for water supply and 35 per cent to 40 per cent for latrines.

External evaluations of the many years of Sida's support to the water sector, have also been undertaken. The recent evaluation, by Mutono et al (1998) looked at the measures taken by the GoU and UNICEF after the recommendations of the two evaluations carried out in 1994 and 1996 respectively. Most of these evaluations concluded that while the projects had some successes, there were also many problems. Many activities implemented under the WES project had become difficult to sustain. For example, communities were trained in handling water facilities but the facilities had broken down. There were problems of community management and capacity was lacking. There was also very little indication of sustainability of the WES projects in the districts because legislation in Uganda has not yet dealt with ownership of water facilities. It was on the basis of these concerns that the GoU decided to demand a bilateral arrangement with Sida and to adopt a sector wide approach in the water sector.

Conclusion: ownership and capacity building

The water sector is composed of many governmental and non-governmental institutions. Each of these institutions is involved in some form of capacity building for service delivery and water resource management. There are a number of areas where capacity is lacking. These include:

1) sector specific technical skills such as engineering. These are provided and co-ordinated with expertise from the sector, supported by long or short term TA's from the donor community;

2) crosscutting management skills. These consist of project planning and management; financial management; operations and maintenance; monitoring and evaluation; investment analysis; communication skills and procurement procedures.

As the UNICEF representative noted, there are some problems with direct budget support to the sector. Projects dealing with women and children cannot wait for capacity to be built in areas of accounting procedures and financial reporting. New districts like Nakapiripirit are unable to access government funding because the district does not even have a bank account. UNICEF had identified NGOs to work within needy districts and provide direct project support. However, the sector approach may not be able to carry out such processes efficiently.

Sida's support to the sector is moving towards the lower tiers of government, away from the centre. In order to ensure a 'hands-off' approach, Sida is focusing on capacity building. In a sense, Sida's current support is 'hands-on' to ensure a long run 'hands-off' approach. However, a more sober shift towards SWAps is needed, as poorer districts, lacking the requisite resources and capacity will loose out in SWAps and budget support.

Donors are in agreement that there will be an annual tracking study to follow up the money from the source to the end user. Once again this raises the issue of donor control and recipient country ownership of projects.

2.4 Health Sector Support

The project

It is well recognised that poor health contributes to poverty. This is both directly by lowering productivity and indirectly by requiring scarce resources to be spent on treatment, user-fees, medicines, etc. Although the GoU through the ministry of health is increasing its engagement to improve health service delivery, a recent study (Ehrhart and Tumuiime 2000) found that the public are still constrained by:

- Prohibitive distances to health care facilities;
- Unaffordable cost-sharing fees;
- Too few medical supplies, drugs and staff and space; and
- Poorly trained and/or unmotivated personnel

To address the above, the government has adopted the Health Sector Strategic Plan as a central component in its PEAP. Sida's development assistance is compatible with Uganda's priorities and capacities in the health sector. However, given current and likely constrains on the national budget, it is not realistic to suggest an end to health care user-fees. It is also not clear how corruption in the health delivery system can be solved. Petty corruption, in the form of drug sales, priorities in treatment etc. for those who bribe is pervasive.

Sida's involvement in the health sector is via the sector-wide approach steered by the Health Plan of the GoU. Sida's activities includes support to an HIV/AIDS program under the Sexually Transmitted Diseases (STDs) project, which the World Bank and the ministry orchestrate under a line of credit, and Sida makes up any shortfall. The second program is under the District Health Services Project. Since 1993, Sida has supported the development of services at a decentralised level. Third, Sida also funded the preparation of the Health Sector Strategic Plan and the Operational Plan in 1999. These were tested in some districts as a pilot for the SWAp. Sida also supported capacity building programs for the districts which had not previously bought their own drugs or employed professional staff before. Fourth, Sida has been active in PAF earmarked for the health sector as conditional grants to districts. While funds are transferred directly to districts, some procurement is carried out by the ministry of health (for example, drug supplies). The fifth activity is technical assistance based on local needs assessment. Consultants are hired as financial and management advisors to assist interaction between central and district levels as well as within districts and ministries. Sixth, Sida also supports civil service reforms to ensure that government works to deliver services efficiently in the health sector (e.g. reforms in pay rolls, improving accounting systems and audits). Although Sida's involvement in the health sector started at the end of 1999, a new agreement was signed in 2000. Sida has committed SEK 50 million annually for 3 years in the current agreement, which ends in 2003, followed by SEK 25 million put into the basket fund for health. Sida also supports NGOs, provides technical assistance, and funds research collaboration between Ugandan and Swedish universities.

Issue of ownership

Sida contributes to the basket fund along with Irish Aid, the EU and DfID. Sida's contribution since 1999 has been about $4.8 million per year. There are nine donor-working groups in the health sector, each with a list of activities they wish to undertake. Thus, the issue of ownership must be judged by the interaction among donors and the level of co-ordination.

Broad ownership of the assistance in the health sector faces a challenge particularly in the process of decentralisation. The role of districts in the Health Sector Strategic Plan (HSSP) planning process is not clear as the bottom-up approach was lacking in the design of the HSSP. Although the plan was rather ambitious, it lacked the necessary resources to implement it. Many officials believe also that certain aspects of monitoring are difficult because the HSSP was imposed from above. Monitoring the sector plan also means monitoring the entire sector. For this reason, many donors in the basket funding are providing not only program support but also project support and district support. Another problem was the civil service; in the Health Service Commission, for example, the pay roll system does not work properly. This was not a problem of the health ministry, but of the MFPED.

Conflicts of interest lie not only within the central government ministries but also between the central ministries and the district local governments. Districts also have their own priority area, which due to limited consultation during the preparation of the Heath Plan, they did not articulate. The government uses the *conditional grant* component of the budget to prevent local governments from allocating funds to areas outside of the sector plan. According to both government officials and Sida staff, if funds were released to districts without conditions there would not be a health plan. There is a strong feeling of ownership at government and ministry level of the HSSP. In a decentralised government structure, it becomes difficult to ensure that plans developed by decentralised local governments, which reflect local priorities are in harmony with national aspirations. Local government planning has had to rely on broad statements from the sector plan drawn by the ministry. This highlights the need for more co-ordination between local ownership and national aspirations.

Who are the owners?

The projects in the health sector are designed and selected by the health ministry, which also assumes full control of the project activities. The ministry also feels that it owns the Health Plan. Although the SWAp in the health sector was all about implementing the Health Sector Strategic Plan, the issues raised by Sida staff relate to the follow up of Sida funds so as to promote greater local ownership, and to ensure that these funds are managed by institutions that can be trusted with money and have the capacity to deliver efficiently. In a seemingly more 'hand-on approach', Sida was supporting civil service reforms to ensure that the government delivers services in the health sector through payroll reforms, and the improvement of accounting systems and audits in the health ministry. One Sida official at the Kampala Embassy confessed that: "one of the problems with SWAps from the donor point of view is that as a donor, suddenly you discover that you have to monitor the whole sector, which makes it a bit difficult". This is the reason why many donors in the basket funding were providing not only program support but also project support and district support, as long as it was in line with implementing the Health Plan. Donors try to put their resources to help government to implement the Health Plan, and in the process compromise national ownership.

Who identified the project?

The health ministry initiated the program, while the World Bank and Sida are involved in a supervisory role. However, there is a feeling that the 56 districts, which are the providers of the health service, were missed out in the initial consultation process.

Who formulated the project?

The ministry and the government formulated the Health Sector Strategic Plan (HSSP) and they own it. As far as the influence by donors in the formulation of the plan, Sida planned a number of meetings to discuss the HSSP in 1999 to gain a broad agreement on the priorities set out in the document. There is adequate communication between the donors and the health ministry. The ministry promised to undertake certain priority activities and Sida sent two Joint Missions to Uganda (together with other donors April and December 2001). During these Joint Missions, donors singled out workable priorities on which government had to prove they had delivered between one joint donor mission and the next. The ministry makes assurances that donor support was sustainable.

Who owns the process of implementation?

Implementation of the HSSP started in 2001. The Health SWAp is coordinated by a Health Policy Advisory Committee which meets once a month and is chaired by the Director General Health Services, and attended by Irish Aid, as a representative of the donors in the health sector, the Commissioner for Planning in the health ministry, the Director of Planning in the same ministry, and different health service providers outside the public sector, especially the Protestant Medical Bureau, the Catholic Medical Bureau and the Moslem Medical Bureau.. As far as implementation goes, districts are health service providers, so they are the implementers of the HSSP, yet the donors were working with the ministry on implementation, and not the districts. The ministry does not seem to have a lot of control over the districts, which are supposed to be autonomous according to the 1997 Local Government Act. However, the autonomy of districts had been undermined by the earmarking of allocated funds. Funds are allocated for specific activities such as Primary Health in the districts. On the other hand, ministries cannot order anything to be done in the districts, beyond insisting on the implementation of specific line items. The problems of ownership of the HSSP by districts at implementation also stem from the fact that the Health Sector Plan is a highly technical document, which has a lot of vertical health program approaches, and during the HSSP planning process, the bottom-up approach was not undertaken. This makes it difficult for districts to play a more positive role in implementation.

Who evaluated the project?

It is difficult to evaluate the Health sector SWAp as many activities have yet to begin. The HSSP has 20 indicators, which donors follow up to determine whether implementation was proceeding well. To monitor how the resources they put in the basket for health are utilised; donors had funded independent consultants to undertake a financial tracking study to see what had happened to drugs at various levels. The donors also funded a drug tracking study to see what had happened to the drugs. In order to ensure that they monitor how their resources are being utilised, donors had ended up exercising a lot ownership in the implementation of the HSSP. However, there is also strong ownership by the government and the ministry, but very limited ownership of implementation of the HSSP by the districts.

Conclusion: ownership and macroeconomic issues

Like in many developed and developing countries, the health sector in Uganda is under-funded. However, the health ministry feels that its plan is constrained by macroeconomic conditions set by the MFPED, as well as the Bank of Uganda. Since donors channel the funds as sectoral budget support, there is always conflict between the interest of the health ministry on the one hand and the monetary authorities on the other.

It is up to the government to integrate these in the work plans of ministries and sectors working groups. The ministry complained to government that they were not allocated enough money to implement the HSSP fully and on time. For example, the World Health Organisation (WHO) advocates that spending on health increase to $32 per capita, while Uganda currently spending $9 per capita. Donors want it increased, but the MFPED argues that the money cannot be absorbed into the economy without upsetting macroeconomic balances. There is also debate about whether these funds should be put in the economy through projects, signalling a possibility of return to project funding.[13]

2.5 Human Rights and Democracy

As many African countries witnessed in the last two decades, internal conflicts have caused severe damage to human resources and social services. Civilians have been internally displaced, infrastructure has collapsed, and production in agriculture has been severely affected, endangering food self-sufficiency. There have been periods without law enforcement and even to this day the northern part of the country is insecure. Rebel movements attack schools, clinics and disrupt people's lives. According to Hammargren et al. (1999 p 25):

> Education has to a large extent come to a standstill. Schools have been burnt and teachers killed. In Gulu and Kitgum attacks on schools has served as a rebel tactic to abduct children on a large scale. Approximately 60,000 school-age children have been displaced and do not have access to education. Girls-children are frequent victims of rape, and pregnancies will have long-term impacts.

The Lord Resistance Army (LRA) consistently violates basic human rights stipulated in a series of Geneva conventions, International Hu-

[13] There is also a row between the ministry of health and ministry of finance on prioritising health expenditure. The Netherlands promised a $24m grant to the health sector in 1993 following President Yoweri Museveni's visit. However, the grant has not been used because the two ministries failed to agree where the money should be spent. In March 2002 the ministry of health announced it would use the grant to purchase medical equipment, while the ministry of finance argued that the grant should finance primary health care in rural areas.

manitarian Laws and the convention of the Rights of the Child. However, it is also documented that members of the armed forces carried out rape, torture, robbery, and destroyed crops and houses. As a result the northern part of the country has grown to mistrust government forces.

Human rights and democracy entered public debate following the restoration of the rule of law in Uganda in 1986. The sector represents 6.7 per cent of the total GoU budget in 1999/2000, which is approximately the same as the health sector share. The current position of the government is to seek donor support through budget support as opposed to project aid. This decision is based on the plan to ensure that all institutions in the sector benefit from donor funds. This also brought the advent of local NGOs working around the issues. Sida is involved in HR&D in Uganda and funded a sector plan and a number of other projects via the UNDP and UNICEF. These include the Forum for Women Democracy, the Human Rights Commission, and the Foundation for Human Rights, as well as support to prisons, the election process, and training for parliamentarians. Of the total country budget, Sida allocates SEK31million for the HR&D sector with an additional earmarking of SEK3 million in 2001, SEK4 million in 2002, and SEK4 million in 2003.

2.5.1 The Justice, Law and Order (J/LOS) SWAp

The project

In the early 1990s the government, with the UNDP, started an initiative known as the Good Governance. This initiative, however, was an *ad hoc* intervention in prison reforms, awareness of human rights etc. The Good Governance Initiative was project assistance to various organisations. At project level, funding was disbursed without an agreed framework and linkages were missing, Project Implementation Units (PIU's) were scattered, and wage differentials were significant. Many agree that this resulted in scattered and sporadic projects, which lacked co-ordination. At the same time, delays and backlogs and limited co-ordination among the police, prosecutors and prisons undermined the efficient delivery of services, hence the need for a co-ordinated plan for the sector. This has led to the Chain-Linked and Case Backlog Project initiatives and later the J/LOS. The Chain-Linked initiative addressed the lack of co-operation between various agencies, both state and CSOs, in the field of criminal justice. Although donors funded a number of capacity building projects and supported institutional reform, the lack of co-ordination manifested itself in the limited number of legal staff; poor co-ordination in case management; and insufficient facilities for prisoners and witnesses. The Chain-Linked initiative, therefore, proposed a sectoral approach for strengthening the co-operation and co-ordination among criminal justice agencies.

In addition to the Chain-Linked initiative and the Case Backlog Project, the J/LOS was preceded by funding of electoral activities in 2001 under donor-established basket-fund for the sector. In November 1999, a high level meeting was held by representatives of institutions across the sector to discuss the government's strategy for the legal sector. The success of the previous initiatives and the SWAps in the Health and Education sector provided further incentives. The meeting referred to as the "Mamba Point Meeting" formally approved the need for the J/LOS SWAp. The Justice, Law and Order SWAp began in 1999 and covers the period 1999–2005. Sida's contribution to the preparation of the Sector Strategic Investment Plan, among other donors, is SEK1 million dollars. Sida disbursed SEK95, 000, of a total SEK50 million allocated for the implementation of the sector plan over the next three years. NGOs and CSO's fill gaps on human right issues that the sector plan does not cover, complementing government activities. However, the assistance will be under the sector framework though the funding is direct to NGOs.

Issue of ownership

Good governance and security is one of the four pillars of the PEAP. Sida's assistance to this sector is therefore in line with Uganda's development strategy and its own value as stipulated in the country strategy. The donors and the GoU are engaged in dialogue to identify sound policies on the part of each, and each is convinced of the need to implement these in the J/LOS. Development Partner Principles for the sector are good examples. The principles are intended to facilitate the co-operation and collaboration of the GoU and the funding partners in developing, implementing and reviewing the sector programme. The principles are:

1) The development and implementation of the J/LOS programme is the responsibility of the GoU who should lead all aspects of the process.

2) The aim should be to take a comprehensive sector wide perspective in order to achieve the GoU mission to enable all people in Uganda to live in a safe and just society. To that end the intention is that: all GoU activities related to justice, whatever ministry, agency or level of government is responsible; all other actors, whether they be service providers, advocates or campaigning organisations; and the wider community will be included.

3) Sector Wide Policy and Planning will be for the whole sector and will not be limited to activities financed under the sector programme.

4) All activities within the Sector Programme will be subject to joint appraisal, design, review and on-going commitment. Development Partners will endeavour to ensure that all new agreements, projects and other support is congruent with this principle. No new funding or project initiative will be developed outside the framework of the sector agreement.

5) The GoU systems for budgeting, disbursement and accounting should be used wherever possible. Financing through the GoU consolidated account to a single sector budget as part of the agreed MTEF should be the preferred modality. Where this is not possible, bilateral projects will still be planned and treated as integral parts of the agreed budget framework.

6) Wherever possible, resources for technical assistance will be provided to the GoU through the Sector Programme and the GoU will be responsible for selection and contracting. Where this is not possible, priority should be given to Ugandan consultants.

7) The Sector Programme will be reviewed jointly by the GoU and development partners on a bi-annual basis in April and October. The April review will focus on budget approval and policy priorities for subsequent years and the October review will focus on the financial and programme performance of the sector in the previous financial year.

On the positive side, the discussion over the sector plan was participatory and involved stakeholders. The process involved stake-holder forums and working group activities (see Diagram 1). Although the sector approach is seen as a co-ordinated effort, there is also a fear that it will marginalise inarticulate groups and those who would like to work outside of the system given the sensitivity of the HR&D issues. NGOs argue sector plans compromise their independence. As the basket sets the parameters some NGOs have refused to accept funding, for instance the Foundation for Human Rights Initiative (FHRI). This conundrum limits the extent of civil society ownership of certain aspects of the sector plan. During the Presidential elections of March 2001, donors insisted that whoever wanted support for the electoral process should tap into the basket. This greatly compromised ownership by weak organisations that did not have contact in government, and were unable to access the funding. Similarly, those institutions, which are supposed to check the excesses of the state, are usually unable to continuously access basket funds and remain independent.

This was the nub of the ownership challenge. While its concept of broad-ownership implies the inclusion of all stakeholders, the fear expressed by many NGOs is that the government will attempt to integrate Sida-supported projects into the official system of administration. Although Sida staff believe Uganda is still in transition from project support to sector-wide support, it was not clear whether, after Sida itself has gone sector wide, how civil society concerns would be taken into consideration. However, Sida responded to the partnership between seven CSOs and the government in June 2001, which resulted in an initiative to provide legal aid services to those who are burdened by legal fees. The CSOs formed a partnership which emerged as Civil Society Organisation Sector (CSO/S).[14] The project comes under the Justice Law and Order Sector Civil Society Partnership and is known as Enhanced Delivery of Legal Aid Services to the Poor. This puts the NGOs at the centre of the sector. Ownership in this sense emerges out of the interaction among the ministry of justice and constitutional affairs and the NGOs who are pushing to be part of the sector. The government as well as donors is recognising that the state has limited resources to fully engage in the J/LOS objective, which is to "to enable all people in Uganda to live in a safe and just society".

Who are the owners?

The J/LOS seeks to ensure personal safety, security and rule of law. In this regard the sector ensures the security of all Ugandans and those residing therein through prevention of crime and investigation and prosecution of criminal activity. It also ensure adherence to the rule of law through enforcement, promotion of civic education and local community participation and feedback and establishment of mechanisms such as a police force, prison service, law reform commission and courts to carry out these tasks. Due process is a constitutional imperative, which is mandated to the ministry of justice and constitutional affairs, who is the principal owner of the plan.

Who identified the project?

Sida's support to the sector at this stage is only in the preparation of the sector plan. It has had little to say in the identification and selection of priority areas in the sector apart from a shared consensus on the human rights and democracy issues.

[14] These are: The Legal Aid Project of the Uganda Law Society; the Legal Aid Clinic of the Law Development Centre; Uganda Association of Women Lawyers (FIDA – U); Public Defenders Association of Uganda; Refugee Law Project; Gender Resource Centre; and Foundation for Human Rights Initiative..

Who formulated the project?

The need for the sector plan emerged as part of the move to SWAp in the country's development strategy. The sector plan is formulated by the ministry of justice and constitutional affairs with 10 other institutions engaged in the sector. These included the following: the ministry of internal affairs, the Uganda Prisons Service, the Uganda Police Force, the Director of Public Prosecution, the Judicial Service Commission, the Uganda Law Reform Commission, the ministry of gender, labour and social development and the ministry of local government (MoLG). The formulation of the sector plan is an entirely centralised process.

Who owns the process of implementation?

The ministry of justice and constitutional affairs and the other institutions prepared the J/LOS plan and the ministry aims to lead the implementation.

Who evaluated the project?

There is no evaluation of the sector plan as it is just completed.

Conclusion: ownership and capacity building

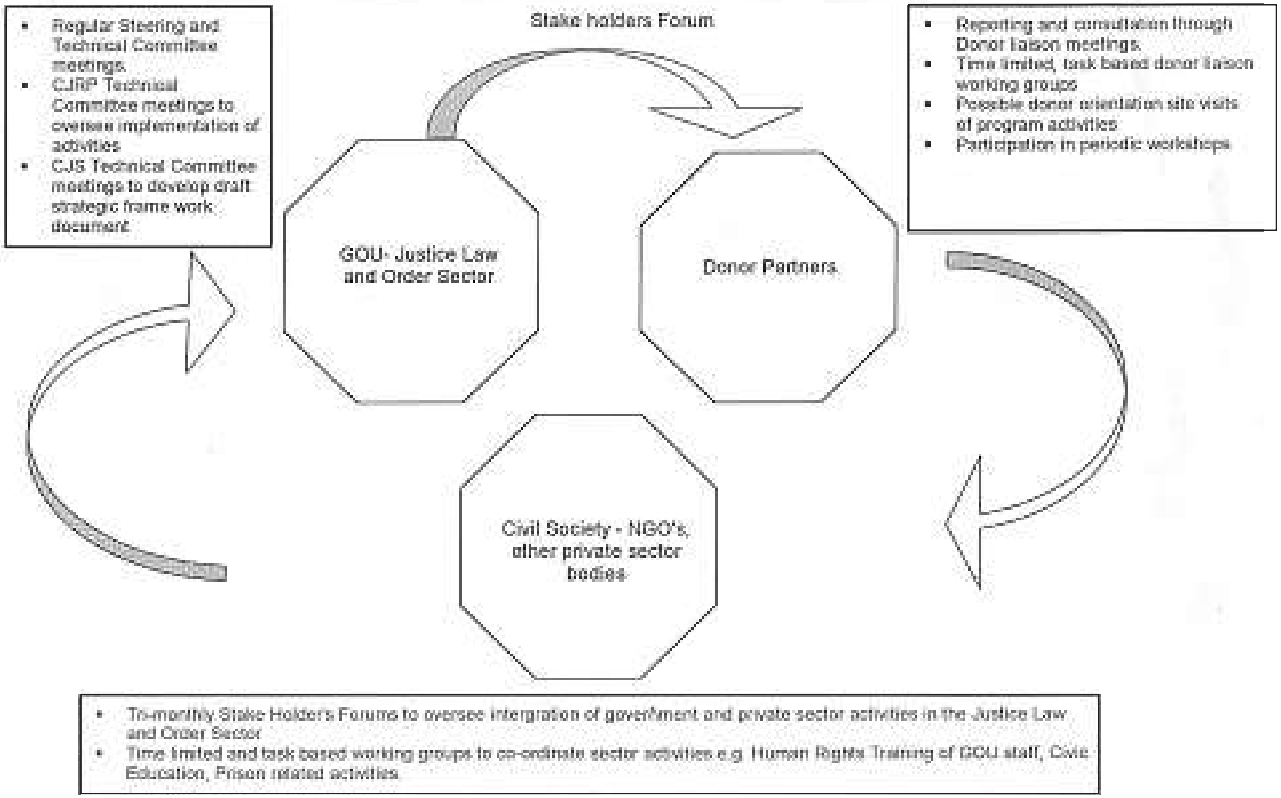
Human rights organisations in Uganda are still in *ad hoc* relationships with the J/LOS, and cannot generate concrete policy proposals and recommendations. Donors insisted that whoever wanted support for the electoral process should tap into the basket. However, activities in this sector raise major issues: what to do about weak organisations without contact in government; and maintaining the independence of institutions supported through basket funds.

2.5.2 Support to HURINET (NGO)

The project

HURINET is a network of NGOs working in the HR&D area. It is one of the 97 organisations registered under the sector. Formed in 1993 by eight local human rights organisations, this has grown to seventeen members. The NGO's decided to come together to form a network for greater impact. Organisations agreed to have subscription of USh100,000 per year, then wrote proposals to various donors. HURINET is based in Kampala, but has a nation-wide network. Members like Legal Aid and Jamii ya Kupatanisha are affiliated to the network. Today it has more than 10 applications waiting to be approved. HURINET stipulates that all members have a fixed office, annual reports, and provide human resources/administrative support.

Sector Wide Approach Co-ordination through Sector Secretariat



When HURINET started, it focused on intellectual (civic and political) human rights. Now there is a new shift to developmental rights, which is dictated by the member organisations. HURINET is continuously diversifying its donors, largely due to the enormous number of programs carried out by the organisation, but also due to the independence this affords HURINET. Sida's contribution is about 51 per cent of the total (although this has been as high as 80 per cent). Sida also granted funding to HURINET for establishing a Human Rights Fund.

The ultimate goal of HURINET is to ensure that members of the public are aware of their rights. It had become common for people to come to HURINET to report that their rights were being violated. HURINET also uses a quarterly newsletter, distributed widely to member organisations and the general public. 600 copies are usually produced at any one time. HURINET also hold dialogues on contentious issues, and invites members of the public to participate every three months. The organisation also produces Human Rights quarterly reports every four months to monitor and document HRs issues in the country.

Issue of ownership

Ownership issues with regard to HURINET can be located at various levels as discussed below. First, both Sida's country strategy and the Ugandan government's development strategy highlight the respect for human rights and democracy as prerequisites for poverty reduction. In this respect both Sida and the government of Uganda own the assistance to HURINET at the country strategy level.

The role played by Sida in HURINET's activities can also be seen in another light. The management at HURINET confirmed that the relationship is based on facilitation rather than dictation. Sida gives room for creativity, makes sure of the timely disbursement of funds, which enables HURINET to achieve its objectives rapidly. Sida's involvement is limited to sending counsellors to visit regularly to acquaint with the project. While this confirms some sense of ownership by Sida, it also enables HURINET to exercise full ownership at project identification, selection, implementation and follow-up. The ownership of HURINET can also be discerned from the nature of the relations between HURINET and the Ugandan government. To the extent that it respected the autonomy of the network and did not seek to obstruct or influence the operation of the network, even when funding for the network came through government, the government of Uganda could be said to 'co-own' the project. Even during the current phase when Sida funds HURINET directly, the government provided approval for this to happen. There are also ownership issues in the relations between Sida and HURINET, especially as a result of the direct funding which the network is receiving from Sida. By supporting HURINET directly, Sida was presumably helping to create a strong civil society that can serve as a counterweight to the state. This can be seen as an effort to strengthen popular ownership.

Who are the owners?

Members of HURINET are the owners of this project. Ownership of HURINET's activities is assured as members contribute to the cost of the network. Currently 80 per cent of the members pay their annual subscription on time. However, commitment of member organisations to the objectives of HURINET varies: member organisations differ in their level of development. Some are well organised and sophisticated, and others are small and undeveloped. Some are also more needy than others. These factors determine the degree of ownership among the members of the network.[15]

Who identified the project?

When the National Resistance Movement came to power in 1986, it paved the way for many organisations that work in the HR&D area. By 1993, there were many HR&D organisations but they were still lacking the capacity to engage the state. The FHRI approached the UNDP in 1993 looking for technical assistance to provide capacity building. The aim was to establish a secretariat to chart an agenda for organisations working in HR&D. The result is HURINET, which developed a professional exchange program with the other neighbouring countries and established a resource centre. The UNDP in turn approached Sida, which became the major financier of the network.

Who formulated the project?

During phase 1 (1996–1999), Sida came in to assist the organisation as part of a government grant through the UNDP on Good Governance. The original proposal was written by HURINET, and Sida provided funds through the government and the UNDP. During phase 1 the government bureaucracy negatively affected HURINET's programs. It led to delays in the purchase of equipment, which was often then made at inflated prices. From the point of view of HURINET management team, the first three years' support to HURINET through the Good Governance program at UNDP saw delays in funding disbursement, which to some extent undermined the capacity of the organisation to

[15] Many dropped out after failing to raise the annual membership fee. These include: Uganda Prisoners Aid Foundation (UPAF); the Widows and Orphans Trust; and Uganda Orphan's Support Organisation.

manage the activities set out in its strategic plans. The second grant was therefore made direct to HURINET and UNDP's involvement ended there.[16] This is because the UNDP's involvement as "a go between" made the timely disbursement of funds to HURINET difficult. Thus, ownership of HURINET's activities was undermined as the result of lack of co-ordination between the Sida and UNDP.

During phase 2 (1999–2001), the organisation received a three-year grant direct from Sida, independent of the government. During this phase membership began to grow, which led to the expansion of the strategic areas of involvement. The 1999–2001 program was the result of a strategic planning workshop, which identified several areas that had been implemented. After three years Sida was satisfied that HURINET could handle funds efficiently. During the current phase 3 (2001–2004), the organisation has received funds for core support direct from Sida based on the network's own formulation of a strategic plan.

Who owns the process of implementation?

The network annually holds a strategic planning workshop where members come up with activities that should be implemented. In the latest strategic planning workshop, they agreed on four areas. During the Entebbe strategic planning meeting, member organisation decided on what HURINET should do, following complaints that it duplicated activities. If HURINET raises funds, it can pass the funds to a member organisation, even when it has its own program. Funding complications during phase 1 aside, HURINET has enjoyed some degree of ownership. Although there was a program co-ordinator for the Good Governance project based in the ministry of justice, the ministry did not influence the implementation of specific HURINET programs.

Who evaluated the project?

At the end of the 3-year period an internal evaluation noted that the HURINET's objectives could not be met due to delays in disbursement of funds from the UNDP. As noted above Sida changed its policy and started to fund HURINET directly. HURINET will be evaluated externally sometime in 2002.

[16] A group of NGOs formed the Human Rights Network. This is a lobbying group as well as a network that provides technical assistance to its members. The network began its work financed by Sida through the UNDP. Government bureaucracy prompted Sida to establish direct funding.

Conclusion: Ownership and SWAps

Sida's and other donors' planned future move to sector support under the Justice, Law and Order SWAP will inevitably affect HURINET and the ownership for human rights organisations. Independence of these organisations is clearly important for their functioning and the donors should take into account that the NGOs are playing an important role in the sector. Sida's recent decision to assist NGOs under the legal aid provision project is one positive indicator that the NGOs will not be marginalised by the sector plan. Delays in the release of funds could also affect efficiency, as was the case when the funding was channelled through the government and the UNDP. Similarly, Sida funding through the basket may delay implementation of programs, as was the case in phase one.

2.6 The Financial Systems Development Program (FSD)

The project

Uganda's financial sector is dominated by commercial banks, which are mainly concentrated in the urban centres. The financial sector is small as measured by the saving ratio (see Section 2). The major constrains for the growth of the financial sector are limited and underdeveloped financial institutions and limited financial instruments. The Financial Systems Development Program (FSD) is one intervention in the form of technical assistance, implemented by the Bank of Uganda (BoU) and GTZ, which existed prior to Sida funding. Sida's involvement meant a tripartite agreement with GTZ as a consulting firm. The project is the outcome of internal interaction and evolution at the BoU. The project has five components and is mainly focused on staff training via exchange programs with counterpart countries. This technical assistance project is neither a sector-wide approach nor a basket-funding scheme. Sida identified intervention points assisted by the representative of the Swedish Central Bank. Sida's contribution to the project amounts to Euro 3.25 million (of the total Euro 8.6m earmarked for the financial sector). Sida was providing SEK30 million to the FSD project. Sida has recently indicated that it is willing to increase funding to $100,000 mainly for training in the dissemination of financial sector information.

A second phase agreement was signed in February 2002 between the Bank of Uganda, Sida and GTZ, and also with the German Embassy. Prior to the signing of the agreement, Sida had been providing support to the capital markets, albeit on an *ad hoc* basis. The BoU and Sida then expressed the intention to expand co-operation in the financial sector.

Sida had two options, to have a Sida-only project or to collaborate with GTZ by building on the FSD project. The FSD is moving towards basket funding and a SWAp in the financial sector. This is evident since it involves wide areas of support such as capacity building for the Ugandan Stock Exchange; Capital Markets Authority; strengthening the payment system; support to Postbank Uganda; and supervision and regulation of the financial sector. It also involves technical support by experts from the Swedish Central Bank.

Issue of ownership

The Sida Uganda Country Strategy identifies the financial sector as a priority sector for assistance. For instance, Sida funds private and NGO driven credit schemes. The government of Uganda also identifies the financial sector as key to its development strategy, particularly microfinance to the poor.

Under the government's Medium Term Competitiveness Strategy the Bank of Uganda had already started the FSD well before GTZ and Sida came on board. Even if GTZ withdraws from the program, the project would continue. According to officials of the Bank about four donors wanted to fund the FSD mainly motivated by the politics of wishing to be associated with success stories. The above is an indication that there is a very high sense of ownership of the FSD project within the Bank of Uganda.

GTZ and Sida have identified specific areas of support within the existing program. Sida's input in the design process started in June 2000. It took almost two years to come to an agreement after intense dialogue held with the BoU. The Swedish Central Bank was brought on board to meet with the BoU officials, which strengthened Sida's case during negotiations. Initially Sida wanted to fund mostly consultancies to develop some financial instruments, while GTZ's role involved buying equipment, and software needed to implement the changes that had been proposed. Swedish consultants who proposed several alternatives to the Bank of Uganda informed Sida's decisions. The changes that were suggested to the Bank of Uganda were accepted in some cases. However the Bank of Uganda had actually rejected some consultants whom they felt were not doing a good job. This was different from the practice of other donors, whose consultants often proposed what the recipient should do.

Who are the owners?

The owner of the project is the BoU. However, there is a feeling among Sida representatives that since the project components were in place, Sida's influence is weak and GTZ's seem to have greater influence in the direct execution of the project. A GTZ advisor has been stationed in the Bank as a head of a GTZ implementation unit for the FSD program.

Who identified the project?

The BoU identified the project. The program existed before Sida's intervention and consultation with Bank of Uganda was not on choice and design, but collaboration on existing activities. As a "late comer" Sida joined an already existing decision-making process, established by the Bank and GTZ.

Who formulated the project?

The formulation of the project is very much influenced by the Bank and GTZ.

Who owned the process of implementation?

The Executive Director of Finance (EDF) follows the implementation of the program. The EDF chairs the program co-ordination committee consisting of managers of the five components of the program. The committee, during its quarterly meetings, reviews implementation and achievements of the program; takes strategic decisions and ensures consistence in implementation across projects. The BoU has a lead followed by GTZ, which is helped by the fact that GTZ is well familiarised with the program.

Who evaluated the project?

There is no evaluation report available.

Conclusion: ownership and SWAps

The FSD has now been changed to a program which involves a multiplicity of participants and funding agencies. The ultimate goal is a sector-wide program in the financial sector. The Bank is taking initiatives to ensure a highly participatory process in terms of generating activities responsive to institutional needs as well as effective co-ordination of different donors. The sector-wide approach may further strengthen ownership by the Bank of Uganda but it is not yet clear how stakeholders will be included in the process and assume ownership.

2.7 Coffee Marketing (EPOPA)

The project

This project is a typical private sector initiative in export promotion initiated in 1994. The project involves assistance to farmers and exporters. The project components include registration of organic coffee farmers; awareness of EU regulations; certification of products (key to project); and market information and research. The project's main aim is to reduce certification costs. Sida pays the Netherlands based consultancy firm Agroeco to carry out the aforementioned activities. The project is the responsibility of Sida's Private Sector Division, which runs 400 projects with only twelve staff. It is semi-autonomous and trade promotion and development is its main activities.

The key component of the project is the coffee certification system in order to access international markets. This has been motivated by the fact that each EU country has its own certification agency for organic produce. Sida shares the certification cost for the first few years, then withdraws, leaving the local exporter to sustain the exports. Sida's assistance helps to provide market information and market research. The project started in Lira district with the Lango Co-operative Union and cotton as the product to be promoted.

Issue of ownership

The EPOPA project is in line with Sida's country strategy and Uganda's development policy. As noted in the country strategy:

> In Uganda's development plan for the private sector (MTCS), priority is given to commercial legislation, institutional reforms, support for development of small-sized enterprises, increased internalisation and export promotion activities and these areas will therefore serve as the basis for the Swedish support to the private sector in Uganda.
> (Sida 2001a p 14)

None of the stakeholders (farmers and local exporter) were involved in the project design and formulation. In terms of ownership at the project cycle this project could be said the least owned by the partner country as Sida initiated the project.

Who are the owners?

Local ownership will continue if they can make a profit after Sida's support ends. Ownership in this project is discerned on the basis of profits, with ownership highest amongst whoever makes the greatest profits. This means that there is ownership by the farmers, the local exporter, and the local consulting group, which supervises the field operations. However, the GoU is an owner by proxy, especially from the increased foreign exchange earned from the export of high value organic coffee.

Who identified the project?

This project is entirely an initiative of Sida's Private Sector Division.

Who formulated the project?

Sida formulated the project components.

Who owns the process of implementation?

The coffee marketing project aims to clarify the EU's Law on organic products. Sida contracted Agroeco as the implementing firm. Agroeco identifies potential exporters already dealing in conventional coffee. Farmers are registered physically and followed up by a local consultant (hired by Agroeco Consultants), in order to ensure that the small farmers use only organic farming materials. The consultant organises the farmers and exporters who share the financial risks. This means that the ownership of project implementation can be located in the extent of risk, which those involved undertake in order to be able to benefit from the project. Ownership is highest with the consultant who supervises the process, but the farmers who take localised risk to follow strict procedures for growing organic coffee, and the exporters who put significant capital upfront are also owners in a very limited sense.

Who evaluated the project?

An evaluation was carried out by outside consultants, which did not consult the beneficiaries. The general finding indicates that the project is a success and Sida should move into other commodities. However, the evaluation did not deal with the issue of ownership and only sought to discover if the extra income from organic coffee was accruing to the farmer. (The evaluation found it did).

Conclusion: ownership and the private sector

In terms of ownership, the small coffee farmers and the local exporter joined the project because it was profitable. Sida had been influencing development and change from its own perspective and the relationship between risk and profit provide a sense of ownership. New initiatives are being developed for other products including sesame, tea, coffee, cocoa and cotton.

Chapter 3
Review of Ownership in Uganda

3.1 Institutional Constraints on Ownership

Ownership is very much a reflection of the institutional context of the donor and the recipient. This refers to how much the government institutions are accountable and transparent and how much a donor places trust upon a country's administrative capability. If the government is seen as relatively free of corruption and malpractice donors seem to be happy to streamline their assistance along budget support and if otherwise along a project line or NGOs and CSOs. Sida's development assistance to Uganda began with project support and to non-governmental bodies and still continues to do so. Since the mid-1990s, in response to the commitment by the government to strengthen financial accountability and better monitoring of outcomes, Sida joined the initiative to support sector-wide approaches with other multilateral and bilateral donors. (Sida 1995) The current situation is referred to as a *transition period* from project support to sector-wide approach. Sweden contributes to the Health Sector, the Water and Sanitation Sector, Poverty Action Fund (PAF), and Justice, Law and order Sector. PAF, created as a key component of the 1998/9 budget, is a special form of sectoral budget support in which funds go to poverty reduction under the Poverty Eradication Action Plan (PEAP), for instance primary health, education and feeder roads.[17] It is also interesting to note that Sida's assistance under the Sector Investment Projects (not full SWAps) existed but the real SWAp began with basket funding.

The shift from project assistance to a sector-wide approach is based on the arguments that the former does not address ownership issues; duplicates development activities; suffers from multiplicity; creates wage differentials; and is chaotic and uncoordinated. Project support is not favoured as it only builds the capacity of a few individuals and the knowledge gained bypasses formal administrative structures. (Sida 2000) This is succinctly put by a recent government document:

[17] PAF grew from Ushs56.75 b in 1998 to Ushs155.16 b in 1999/00.

> The Government of Uganda's development activities has been based on implementation of a series of discrete projects. This approach had several weaknesses. First, it fostered piecemeal approaches as opposed to comprehensive strategic sector wide investment programs. Secondly, it was largely donor driven and lacked domestic ownership. Thirdly, it lacked adequate co-ordination among the various stakeholders, resulting in duplication of efforts and inappropriate sequencing of projects to be implemented. This led to a situation where the project based financing of sectors has proved very expensive, inefficiency in Government system often incompatible with the decentralisation process and fragmented approaches within individual sectors with the result of poor sustainability. (GoU-MWLE, 2002, p 1)

Government officials and donors have reached a consensus that project support is an institutional constraint to achieving ownership of development assistance. This is based on the difficulty of integrating stand-alone projects into the GoU's regular administrative systems, mainly complications resulting from procedures for reporting, procurement and disbursement of funds. However, many argue that projects do not "fail" entirely and SWAps have their own problems. For example, how does immunisation of 5,000 children in a poor district or digging boreholes in 17 districts fail? SWAps are seen by many project staff as merely a collection of projects. Many believe projects are good at building capacity at the same time as providing technical assistance. SWAps will find this difficult as they are centred on the bureaucracy and accountability issues, which slows down implementation.

Donors, mainly the World Bank, advocated sector-wide approaches based on some success stories in sector investments. According to Jones, (2000 pp 268–269) sector-wide approaches are mechanisms of co-ordination for all donor support to a sector:

> …[W]ithin a common management and planning framework around a government expenditure program this approach would replace the proliferation of poorly co-ordinated and separately managed donor projects that existed in most countries and sectors with a single financing and management framework. Donors would commit resources into a common pool managed by government, rather than using separate and parallel project implementation units.

For sector-wide approaches to be effective, there are a number of conditions, which have to be in place, and include the following:

- Willingness by the leadership to adopt a sector-wide approach;
- Participation of all stakeholders in the preparation and implementation of the plan;

- The existence of local capacity to conceive and manage the plan;
- Anticipated expenditure should fall within the budget framework, for instance, the Medium Term Expenditure Framework;
- Donors commit to the financing of the plan in a form of a basket-fund;
- Uniform planning, management, administration, procurement etc. are established;
- The budget support is monitored.

Most government officials argue that the best way to deal with poverty is to avoid stand-alone projects. The solution is to have medium to long-term development projects. Hence, the GoU is planning to introduce fifteen SWAps of which five are ready (including the education sector). However, government officials also acknowledge that the country is venturing into new areas and policy makers are conscious of not making expensive mistakes. The finding of this evaluation is that SWAps ownership is stronger at the supply (ministry and donor) end than it is at the demand end (districts and users). This was borne out from the Justice, Law and Order, Water and Health Sector Plans as discussed above. Hence, the function of SWAps in fostering ownership must involve increased stakeholder participation and local ownership in the conception, formulation, implementation and evaluation of the plans.

3.2 Bilateral and Multilateral Assistance

Sida's assistance to Uganda is both at bilateral and multilateral level. Shared values over the issue of ownership are critical for Sida as it is increasingly moving towards budget support and program assistance. Although co-ordination among donors features as the key aspect of ownership, there still remains some bilateral assistance especially to the non-governmental organisations.

The government has highlighted poor co-ordination between donors as an example of the disadvantages of project type investment programs. The government has also argued that projects were not sustainable, and created imbalances between districts that benefited from donor funds, and those that did not. The government argues that program support is a better approach overall.[18] Basket funding and SWAps allows for the mobilising of available funds in one pool. The GoU decided that the best way forward was to formulate workable SWAps for sector investments, so do-

[18] DANIDA, EU, USAID, and IFAD all supported agriculture. These donors would not reveal the impact of the projects which they funded. The Germans were funding cattle breeding projects, and because there was no sector plan to deal with this they imported semen into the country. But local cows injected with the semen failed to produce the big calves, which meant the project was a failure.

nors could come on board with projects of their own choice. Some donors have refused to join budget support for legal reasons, but agreed to fund projects identified under the sector investment plan. Sida was the first to provide budget support by contributing SEK55 million to the PAF in the form of basket funding. The GoU obtains the funds from the basket to finance projects earmarked as priority. The GoU then ringfences the funding in order to provide protection from budget cuts. Basket funds mean the government will only answer to one designated donor.[19]

Since the introduction of the PRSPs the Poverty Reduction Support Credit (PRSC) contains the government's commitment to its development partners, both bilateral and multilateral, and was prepared in collaboration with all the donors who contribute to budget support. In discussion with donors, a number of formal conditions have been made which have influenced their contribution to budget support. For example, Belgium and Denmark have been critical of Uganda's involvement in the Democratic Republic of Congo and based their contribution to budget support on the perceived role of Uganda in helping to bring peace to the Great Lakes region. Two years ago, after Uganda's failure to support a Japanese bid for the top UNESCO seat, Japan temporary suspended aid to Uganda.[20] Corruption has also been raised by many donors, who have pressured the government into fighting corruption at various levels of government. While there is a commitment from the government to use funds provided by donors through the preferred budget support, shortfalls mainly arise when commitments made by either donors or government are not met. Some donors have been unwilling to commit resources into budget support because of stringent accountability requirements, which necessitates the close scrutiny of disbursement of funds. Inadequate capacity sometimes makes accountability and payment systems difficult to monitor. (MFPED 2001c)

Multilateral assistance has been provided mainly through international NGO's e.g. UNICEF in the Water, Sanitation and Environment Sector; UNDP in the Justice, Law and Order Sector and the World Bank in the Health Sector. This is evident as the shift from project aid to program aid is currently taking place, not least as a key Sida policy. The government demanded a shift to bilateral assistance in order to reduce the role the international organisations play, and increase its own visibility and ownership of development programs. This shift also means Sida's development assistance is increasingly interrelated with the activities of other donors. The issue of ownership, therefore, hinges on co-operation and co-ordination among donors, and the divergence or convergence of

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[19] Sida is small compared to other donors, so leadership in basket funding is always by another donor (the Netherlands currently has leadership).

[20] See "Uganda Apologises to Japan" New Vision 17 January 2002 p 5.

Sida's understanding of ownership with that of other donors. In Uganda, donor co-ordination has blurred ownership and in some cases created multiple owners. For instance, while there is a high degree of ownership of the FSD program by the Bank of Uganda, GTZ has greater influence in the implementation. This has led to a divergence of opinion and extensive negotiations over the project.

Similarly, some donors turn a blind-eye to President Yoweri Museveni's 'No-Party or One Party Democracy" system. Donors have directed their political conditionality towards the government's military involvement in the Democratic Republic of Congo via concerns raised over the levels of defence spending.[21] Some donors view Uganda's security policy from a broader military and political perspective, and others from an economic development perspective. The first group sees the increase in Uganda's defence expenditure as necessary to deal with military threats to its existence, and to advance the donors' political agendas in the region. The second group see defence expenditure as essential to achieve peace and security, which is a pre-requisite for economic development. As these cases demonstrate, Sida's ability to enforce its policy on ownership depends on how far it can influence other donors to share its values and working methods.

3.3 National or Local Ownership

The first PEAP document of 1997 involved limited stakeholder participation. There is now a consensus in Uganda that the latest PEAP is a product of wide ranging stakeholder participation. According to one government official "the PEAP is a Government of Uganda document and we own it. By the time the donors came, we already had it and when the World Bank woke up in 2000 to talk about the PRSP, we already had one." All donors agreed that PEAP could be PRSP, they actually agreed to all the priorities set in the document and agreed to fund priorities in the PEAP.

Sida also took the PEAP as a genuine local initiative and an indication of national ownership.[22] The Country Strategy for Uganda (Sida 2001a) states that progress in Uganda was made in the "extension of ownership of the plan to combat poverty [PEAP] to many groups in the commu-

[21] According to the World Bank Africa Database between 1986 and 1997 military expenditure in Uganda increased by 52 per cent. In Kenya and Tanzania it fell by 9 per cent and 66 per cent respectively.

[22] However, the government also wants to move away from a PEAP only driven development agenda. The likely move will be into another strategy, which addresses issues in the productive sector. Many policy makers, concerned with the high dependency of the economy on aid, are currently debating strategies for broadening the tax base. The policy focus is now on the productive sectors.

nity" (p 3) and the "policy for combating poverty has been well received by multilateral and bilateral donors." (p 7)[23]

The Ugandan PEAP documents show that the government realised that there had to be co-ordination of development programs. With a multiplicity of investments in sectors and districts, policy makers needed to co-ordinate the inflow of these resources. The government discovered that partnership could only work if donors and government can agree to do certain things in consensus or strengthen partner dialogue.

The principle of the new partnership is that the government undertakes co-ordinated development and owns it. To the extent that there is commitment at the highest level of government to the implementation of various objectives of the PEAP through sector plans and strategies, national ownership has been achieved. Some critics have however, questioned the sustainability of such donor-funded initiatives. As the government took a lead and involved stakeholders in rationalising the goals set out in the PEAP, a clear initiative has been made. This could also be attributed to Uganda's commitment to leadership, including the Presidency, and its capacity already built in a core policy team in the ministry of finance, planning and economic development.

The design of PEAP, the Poverty Action Fund, the Plan for Modernisation of Agriculture and the Medium Term Expenditure Framework are owned in both the objective and subjective sense: the government showed engagement in project design and implementation as well as commitment to idea and policy. However, it has been found that it is not always possible to discuss ownership with donors and project partners. Rather, it is implicitly addressed through technical assistance and capacity building projects.

The PEAP is also aided by the devolving of government through decentralisation, which provides an opportunity to reach local people and enables participation of civil society. The District Development Program (DDP), which comes under the ministry of local government, allows local councils to run workshops for districts explaining policy orientations and how these address PEAP priorities. They also hold regional and national workshops convened for all political representatives, donors and key stakeholders.

Local or popular ownership of development programs is closely linked to the concept of democracy. This concept is more closely related to achieving ownership rather than implying merely government ownership. Distinction must also be made between ownership at the central govern-

[23] However, some in the development community believe that "the most ill informed institution about the PEAP is the parliament."

ment level, and ownership at local government level. More often than not, ownership is different at all levels of the state apparatus. This is the result of the division of tasks and responsibilities of the various tiers of the state. For instance, the central government is responsible for defence, security and maintenance of law and order, taxation policy, financial practice etc. while the districts have responsibility for delivery of social services such as education and health. In Uganda it has been found that ownership of development assistance as well as key policies is stronger at the national level, and especially in the ministries and less in the districts, which have capacity problems. This was the case in the Health, Water and Justice, Law and Order sectors.

National ownership is often measured by the extent of consultation with national stakeholders. Consultation and participation by stakeholders enhances national ownership, and also implies a process of democratisation. Hence one of the prerequisites for national ownership is democratic participation. Therefore, shared decision-making and the democratisation process nationally involve dialogue between NGO's and CSOs and the government on the one hand and the central government and the local government on the other. The latter implies that the dialogue is part and parcel of the decentralisation process. How the government transfers administrative responsibilities and financial resources to the districts determines how far the local governments participate in the development process and own the programs in their own region. According to Kayizzi-Mugerwa (2002 p 6) successful decentralisation fosters ownership of development programs as:

> "Responses to local needs are quicker, while financial decentralisation has helped to introduce prioritisation at the local level. It also seems plausible that the rampant corruption at the centre is reduced somewhat, given the proximity of the local leadership to the population."

SWAps allow the use of formal administrative channels, which many believe is conducive to sustainability and ownership via strengthening government capacity. After all government institutions can carry reforms and assure sustainability, while project assistance, especially to NGOs, may not be sustainable. However, the move from project to budget support may achieve narrow ownership, for example with a ministry but broad ownership by CSO's and the districts is key to the reform process.[24]

The GoU has implemented wide-ranging political, administrative and legislative reforms through the decentralisation process, in which powers

[24] In addition, there will be no incentive to take independent decisions. SWAps are also seen as not dynamic enough to deal with emergency assistance: accommodating refugees, returnees and the demobilised, for instance.

of the central state have been transferred to local governments. This enabled the local communities to hold the service-delivering agency accountable to their needs. There is an increasing involvement of districts in service delivery and planning, although funding to the districts is based on earmarking and conditionalities to prevent misuse of money. Funds flow from the central government as conditional grants, whereby each sub-sector is allocated a specific amount. The districts also get unconditional grants. If these are not accounted for, additional funds are not released. The MoLG publishes monthly releases to ensure effectiveness of donor funds, but capacity at district level to implement and account for funds is still debated. (see Golola 2001) Corruption at different levels: centre, local, and district are a cause for concern. Local governments are seen as part of the democratisation process and as genuine Ugandan initiatives. However, the decentralisation process is far from smooth. For instance, many district officials complain that the conditional district grants are too strict. According to the UPPAP co-ordinator, "why not say what they are not for, rather than what they are for". The government is worried about misuse while the districts do not have the capacity to convince policy makers of alternative uses of funds as a means to address their problems.

As far as the participation of civil society in national ownership is concerned, the revision of the 1997 PEAP and formulation of the PRSP between December 1999 and January 2000 are good examples. The process allowed many CSOs to participate by invitation of the MFPED. A series of consultative meetings were organised to discuss the revision, which involved CSOs, the government and the World Bank. The Civil Society Task Force, representing 45 organisations, was formed to solicit inputs for the consultation process.[25] The Task Force was instrumental in gathering information at grassroots level. It conducted consultations, seminars, and media discussions. According to Gariyo, (2001) the Task Force organised eight zonal meetings (where each zone encompassed 4 – 7 districts), with 644 participants (405 male and 239 female of all ages religion and differing social background), over 40,000 copies of newspaper pieces, and 10,000 copies of a policy brief were published and circulated to the public. Key lobby groups such as National Union of Trade Unions (NOTU) and the Uganda National Students Association (UNSA) participated in the consultation process. But although the con-

[25] The Task Force included international and national NGOs: the international NGOs included Oxfam (UK), Action Aid (UK), VECO Uganda (Belgium), SNV (Dutch), and MS Uganda (Denmark). The local NGOs included Action for Development (ACFODE), the Uganda Women's Network (UWONET), the Centre for Basic Research and MISR, Forum for Women Educationalists (FAWE-Ugandan Chapter), World Vision International and the Catholic Medical Bureau. The Uganda Debt Network (UDN) was the lead agency.

sultation with CSOs was extensive, many of them mentioned that it had not been possible to come up with sufficient input due to time constraints. The process had largely been hurried due to the deadline set by the IMF and World Bank on submitting the PRSP. Another area where participation has developed is the moving of the donor Consultative Group (CG) meetings to Kampala with the policy debate opened to the public. For instance, between 1998 and 2000, the GoU hosted in-country meetings with donors. Holding the meeting in Kampala allowed broad participation by members of civil society including the private sector, academia, and NGOs.

Another example of the link between national and local ownership is demonstrated by the increased participation of the poor in UPPAP. This assessment process allowed the voices of poor to be incorporated into policies, effectively instilling a sense of ownership by those directly affected by national policies. Whether the subsequent policies were ultimately to the benefit of the poor or not, the participatory poverty assessment process and the wide-ranging consultations make the government accountable. In areas where PPA studies are carried out there was also an attempt to demand greater transparency and accountability in monitoring and evaluation of programs/project/SWAps implemented by the central and lower local governments using donor funds. There are a number of civil society initiatives participating in this process. For instance, through the Budget Advocacy Initiative, an NGO called the Uganda Debt Network (UDN) works with local communities to identify what they would prefer to be included in budgets at sub-county and district level instead of leaving it to a few councillors.

3.4 Ownership and Conditionality

It is evident from the analysis in this evaluation that there is a tension between ownership and conditionality and various forms of conditionalities. The government is compromising ownership, as the budget is heavily dependent on foreign assistance. As mentioned above, one example is the PAF, which is protected from budget cuts, and fiduciary assurance is provided to donors by the government. Most donors who are in basket funding still have a "wait and see" approach on how the government delivers and deals with transparency and accountability, not least with concerns around fungiblity. The GoU developed fiduciary assurances to manage basket funds according to agreed procedures with donors. The objective is to instil an agreed level of accountability audit in all government departments. According to a senior staff member of the MFPED, the issues of fungiblity are as important to Ugandans as they are to donors: "it is my tax money, not only donor money."

As conditionality and full ownership of development assistance are not compatible, there is a trade-off between the two. The conflict between partners arising from conditionality can only be moderated by partner dialogue that explicitly recognises the donors' agenda and the need for recipient country ownership. The discussion of conditionality and ownership must be placed on two stools. On the one hand, there is conditionality following program aid and budget support, and on the other, that which stems from specific project assistance. As argued in the synthesis report of this evaluation, conditionalities are divided into four categories:

1) legally binding requirements on Sida, arising from its relationship to its government;
2) those derived from shared values, set by the Sida's national constituencies, which include the recipient's commitment to a poverty-focused development strategy;
3) those based on technical considerations;
4) those motivated by the Swedish government's desire, *via* Sida, to modify the behaviour of the recipient government with respect to political, social and economic development. (see Anderson et al 2002)

The government meets the core conditionality set by Sida and is able to execute the projects evaluated for the purpose of this report. The GoU adheres to conditions set in terms of transparency in expenditure, regular reporting etc. The second type of conditionalities in line with shared values is the most ambiguous. Sweden and other donors attempt to avoid providing assistance to recipient governments who violate human rights, for instance. This is mainly due to pressure from donor constituencies. Related to this is also sharing values in development objectives. Sida and other donors would like to assist governments with a clear strategy to reduce poverty. The extent of shared values, however, must allow for some divergence. For instance, political conditionalities are not necessarily governed by shared values, which leads us to the fourth type of conditionality, which takes the form of behaviour modification in response to changes in shared values amid program and project implementation.

Behavioural modification, therefore, involves re-negotiating the shared objectives of the partnership, allowing some sort of ownership but not a full one. As mentioned above, President Museveni successfully argued that security was a pre-requisite for development, justifying the country's defence spending on the need to contain foreign-sponsored rebellions across the country. Major bilateral donors such as the US and, to a lesser extent Britain, also considered Uganda was furthering their security interests in the region. According to Britain, it is "deteriorating regional security" which exerted "pressure to increase the defence budget". USAID attributed increases in spending to "the need to put significant military force in the North to combat increasing terrorism".[26] Concern over Uganda's military expenditure was mainly raised by Denmark and Japan.[27] However, the Paris Club talks on cancellation of Uganda's bilateral debts with key donors were suspended.[28] The World Bank and IMF strongly warned Uganda about its military expenditures,[29] and Denmark called for a total withdrawal from the Democratic Republic of Congo.[30]

The GoU has always argued that under-spending on defence in such a turbulent region had partly been responsible for the lingering insecurity in some parts of the country and had stunted the recovery of the tourism industry. In his address to the nation in 2002, President Museveni said: "I am engaged in detailed talks with our partners to come to an optimal level of defence spending that can cope with the perceived, and jointly identified, threats". There is, for instance, the Defence Review Exercise, in which Uganda is involved with the British government. This is intended to harmonise the government's position with international partners on the issue of defence spending.[31] The President clearly states that he is not in a hurry to introduce multi-party democracy. He is, however, keen to show donors that the GoU is determined to keep the country at peace. In a recent speech President Museveni said: "China crushed the students' (revolt) and the economy is booming. What the investors need is law and order and good economic policies," adding: "we are in suits during the day and in uniform in the evening".[32]

The trade-off between conditionalities and ownership also manifests itself through divergence of goals as donor inspired programs and projects may be given less priority by the recipient country. At the same time donors may demand transparency and greater accountability of government revenues and expenditures. The GoU may prefer to only take loans where the resources are flexible so it can use them for high priority expenditure. Any resources that the government spends on a low priority project have a high opportunity cost because they stop a higher priority project from being funded. The shift to budget support seems to provide a way out of this dilemma because it allows the government to spend borrowed money on high-priority issues. Budget support makes it

[26] USAID Country Strategic Plan for Uganda, FY 1997–2001. Kampala: USAID, December 1996, quoted by Torrenté 2001 p 116.
[27] See "Japan warns of Defence Bills" New Vision 25 February 1998.
[28] See "Donors Halt Debt Talks", New Vision, 17 May 2000.
[29] See "Kisangani: Donors warn Uganda over war budget", the East African 12–18 June 2000
[30] See "Leave Congo, Says Denmark", New Vision, 8 May 2000.
[32] See "Museveni Open", New Vision, 15 March 2001.

possible for both the government and the donors to agree on how loans and grants will be efficiently and flexibly utilised.

Conditionalities define what the recipient can or cannot do, and as such can be seen as hanging on a pendulum. If the shared values remain in place, ownership is fostered, but if the recipient country departs from these values, donorship and behavioural modifications take place. In Uganda, within the limits arising from conditionalities imposed by donors, the government has always been more than willing to engage constructively with the donors and make the most out of what is possible. The government exercised ingenuity to the extent to which the conditionalities allowed, tailoring and justifying its spending and investment priorities within the limits allowed. The terms of the conditionalities were negotiated by the state, and often, the most adverse of them rejected. Ownership cannot be absolute when a nation is dependent on donor resources, but within the limits of these conditionalities, the GoU has achieved the maximum ownership of the national development process.

PART III:
Tanzania

Chapter 1
Tanzania and the Donors – the Context

1.1 The Political, Social and Economic Context

The United Republic of Tanzania was formed in 1964 by the union of Zanzibar and Tanganyika. The country's post-independence history has been divided into two dramatically different phases. The first was characterised by 'African socialism', 'self-reliance' and *ujamaa* villagisation policies. These worked together with a one-party political system in which the ruling Chama Cha Mapanduzi (CCM) party spread through the security forces, judiciary, organisations of economic policy, and unions. This period was identified with the figure of Julius Nyerere, leader of the independence movement and first president after independence in 1961. Nyerere won elections every five years from 1965 to 1980, when he was the only candidate. The second phase of the country's history since independence has been characterised by market liberalisation and structural adjustment reforms, aid dependence, and compliance with international demands to institutionalise multi-party democracy. In 1991 a presidential commission set the road to the first multiparty elections, held in 1995. In both the 1995 and 2000 elections, the candidate of the CCM won by a large majority. Opposition parties failed to present a serious challenge to the CCM, probably penalised by a funding system based on seats in parliament. There is little effective debate on economic policy in Tanzanian politics, which is remarkable given the poverty of the population and the wide swings in experiments in economic policy.

Politically, Tanzania has an image of stability in a volatile regional context. This image is also identified with the nation-building project of Nyerere, and has been used effectively by CCM in its electoral strategies. Nonetheless, this stability must be qualified. Aside from the invasion of Uganda, to overthrow Idi Amin, and the recent spillover effects of refugees from conflicts in Burundi, the Congo and elsewhere, the most serious source of political instability has been the union of the mainland with the islands of Zanzibar. There were tensions between the Civic United Front (CUF) and the CCM in the multi-party era. The political crisis came in the wake of the 2000 election in Zanzibar. A Common- 127 wealth Mission of Observers called for a new election in Zanzibar on the grounds that serious irregularities favoured a CCM victory. The reaction of the newly established government to CUF-led protests was heavy handed, with about forty people killed in confrontations. A new election was not held, and political and popular discontent continued, but the situation improved following a CUF-CCM agreement on the rules for the next elections (scheduled for 2005).

Tanzania is among the poorest countries in the world. GDP per capita, among a population of some 33 million (according to some estimates, but pending a new census in 2002), was an estimated $268 in 1999. Official estimates put average life expectancy at just more than 51 years during the 1995-2000 period and infant mortality at about ninety per one thousand live births. Overall, the economy went through a terrible period of decline, modest recovery, and then stagnation from the early 1980s to the mid-1990s, but has experienced moderate growth rates since 1996. The average annual real GDP growth rate was 4.2 per cent for the period 1996-2000. However, this rate of growth has been accompanied by very modest growth in GDP per capita, less than 3 per cent per annum.

Table 1. GDP per head (mainland)[a]

	1996	1997	1998	1999	2000[b]
GDP per head (Tsh)					
At current prices	121,999	147,312	170,844	93,453	208,89
At constant (1992) prices)	49,53	49,767	50,194	51,045	51,86
Real change (%)	1.3	0.5	0.9	1.7	1.6

[a] Calculated using population estimates extrapolated from census results.
[b] Official estimates

Source: Economist Intelligence Unit

The majority of the poor live in rural areas. Available data suggest that poverty is concentrated among female-headed households. Other research shows that the poorest households are those that have a high ratio of women and children to men, especially when men are often absent and do not remit earnings. (Sender and Smith 1990) As of April 2002 a full analysis of data from the 2000/01 household budget survey (HBS) of Tanzania had yet to be published. Drawing on preliminary analysis of data from a sub-sample of the HBS, the Poverty Reduction Strategy Paper (PRSP) Progress Report 2000/01 concludes that little changed in the country's poverty profile during the 1990s. This data, which should be treated with caution, suggests that the improvement in economic growth during the second half of the 1990s may have compensated for the low growth in the first half of the decade.

Table 2. Selected Indicators of Poverty (based on household budget survey data)		
	1991/92	2000[a]
Percentage of households with female heads		
Urban	20	29
Rural	17	22
Mainland	18	24
Household size		
Urban	4.9	4.9
Rural	5.9	5.5
Mainland	5.7	5.4
Dependency ratio		
Urban	0.75	0.81
Rural	0.95	1.02
Mainland	0.89	0.97
Access to safe water (% of households with access)		
Urban	89	89
Rural	34	47
Mainland	50	56
[a] provisional data for 2000 based on preliminary analysis.		

Source: Government of Tanzania, Poverty Reduction Strategy Paper Progress Report 2000/01.

Agriculture is the basis of the economy, accounting for 46 per cent of recorded GDP activity and four fifths of the economically active population. It also contributed more than half the value of exports in 1999. Only eight per cent of land area is cultivated, and of that only three per cent is irrigated. The main cash crops are cashew nuts and coffee, whose international prices have been low, and tobacco, cotton and tea. The expansion of tourism and of the mining sectors has reduced the foreign exchange contribution of agriculture.

Tanzania has been engaged in a process of structural adjustment since 1986, when the government reached agreement with the IMF over support for a three-year economic recovery program. Relations with the donors broke down in the early 1990s, as discussed below. The support of the Bretton Woods institutions for economic liberalisation was demonstrated in November 2001 when the country reached the completion point under the framework of the Heavily Indebted Poor Countries initiative. To reach this point Tanzania had to satisfy HIPC conditions: completion of a Poverty Reduction Strategy Paper (PRSP), implementation of a poverty strategy for at least a year, three years of agreed macroeconomic stabilisation and structural adjustment policies supported by an IMF Poverty Reduction and Growth Facility (PRGF), and executing a range of social sector and institutional reforms.

Table: 3 Exports (Union)[a] (in millions of $; fob)					
	1996	**1997**	**1998**	**1999**	**2000**
Minerals	55.9	51.1	26.4	73.3	177.4
Cashew nuts	97.8	91.1	197.3	199.9	84.4
Coffee	136.1	119.3	108.7	76.6	83.7
Manufactures	122.8	111.3	35.7	30.1	43.1
Tobacco	49.2	53.6	55.4	43.3	38.4
Cotton	125.3	130.4	47.6	28.5	38.0
Tea	22.5	31.8	30.4	24.6	32.7
Petroleum products	15.8	7.1	0.1	0.4	N/a
Total Incl others	**763.8**	**752.6**	**588.5**	**543.3**	**662.1**

[a] All trade data should be treated with caution.

Source: OECD/DAC

The international financial institutions and bilateral donors have been generally pleased with recent commitment to policy reforms. Nonetheless, there is still controversy about the efficacy of reforms and some concern over their apparent costs. Further, it is not easy to separate the effects of pre-reform policies and their macroeconomic consequences from the reforms themselves. Overall, the government's pursuit of stabilisation has been relatively successful, and has brought inflation and the fiscal deficit under control.

However cutbacks in government spending has affected delivery in education. In 1980, after fifteen years of state investment in schooling, Tanzania had attained the best education indicators of the continent, in terms of primary enrolment, if not quality. Total enrolment in primary schools as a proportion of the school-age population was almost 90 per cent in the early 1980s. But by 1997, less than fifty per cent of the school-age population was enrolled, the result of the adoption of school fees, associated by most observers with structural adjustment policies promoted by the IMF and World Bank. In 2001 the government announced that it would abolish fees for primary schools for 2001/2002. In April 2001 an Education Fund was established to sponsor children from very poor families to complete higher education.

Provision of health care followed a similar pattern of rapid expansion in the post-independence period, and contraction once budgetary constraints began to affect delivery in the 1980s. In the early 1990s user fees were introduced for health care. Today the country's health indicators are amongst the worst in the world. Average life expectancy in Tanzania was forty-five in 2000, compared to forty-seven for sub-Saharan Africa. Almost half the population does not have access to clean water. However since late 1996 budgetary allocations for health care have increased.

The government has also recently established a national HIV/AIDS policy. In December 2000 the president, Benjamin Mkapa, announced that the government would establish a Tanzanian Commission for AIDS

(TACAIDS) to co-ordinate efforts to develop a national policy. By September both Tanzania and Zanzibar had established national strategic plans promoting a multi-sectoral approach to combating the disease. In June the government announced that it would make anti-retroviral drugs available to all Tanzania's AIDS sufferers. This amounts to about three million people, including children, or ten per cent of the population, and an annual expenditure of about $1bn.[33] Estimates by the UNDP suggest that in 1997 HIV prevalence varied between 11 and 30 per cent, and the disease was on the increase.

Table 4. Government Finances (in millions of Tsh)

	1995/96	1996/97	1997/98	1998/99	1999/00
Total revenue	495,255	653,446	738,441	859,271	1,057,951
Recurrent	448,373	572,030	619,083	689,325	777,645
Of which:					
Import taxes	131,369	168,548	183,003	171,993	178,001
Income taxes	103,871	125,726	149,787	162,894	209,714
Sales taxes	84,558	123,503	138,179	208,040	222,341
Grants	46,882	81,416	119,358	169,946	280,307
Total expenditure	475,396	608,384	856,177	927,732	1,168,779
Recurrent	470,014	579,488	669,592	791,208	808,865
Development	5,382	28,896	186,585	136,524	359,913
Balance	**18,859**	**45,061**	**-117,737**	**-68,461**	**-110,827**
Cash adjustments	-41,128	32,078	49,599	92,885	-2,444
Financing (net)	21,270	-77,139	68,137	-24,424	113,272
Foreign	-34,900	-49,065	64,468	-18,684	105,417
Domestic	56,169	-28,074	3,669	-5,740	7,854

Source: OECD/DAC

1.2 Trends in aid flows

There have been four phases of aid flows to Tanzania, reflecting the major stages of the donor-recipient (or development co-operation) relationship. From 1970 to 1982, aid to Tanzania increased twenty-fold, inspired by the Arusha Declaration in 1967. However, official development assistance contracted in the first half of the 1980s, in a period during which the government resisted settling with the IMF and World Bank, and failed in its own efforts at macroeconomic reform (see Annex 6 to the Synthesis Report). Aid flows shrank by about one-third in this period. Aid increased subsequently, rising to a peak in 1992 (of $1,158 million), followed by another decline and subsequent revival.

Until the 1980s the bulk of aid came from bilateral donor sources. Tanzania has received aid from more than fifty bilateral sources, the bilateral

[33]Local newspapers reported in December that stocks of Viruamune (an anti-retroviral drug) were available for distribution at the Muhimbili Hospital in Dar es Salaam.

grouping being an extremely heterogeneous one. The Nordic group (Sweden, Norway, Denmark and Finland) was the major source of donor funds, providing Tanzania with more than thirty per cent of its ODA between 1970 and 1996. Sweden alone donated half that amount for most of the period. A second group of major bilateral donors comprised Germany and the Netherlands, each financing eight per cent of aid. Canada, the US and the UK followed, funding six per cent of Tanzania's ODA. Italy and Japan became significant donors in the late 1980s. At one point in the late 1990s Japan became the single largest bilateral donor. China and the socialist bloc significantly reduced their support after Tanzania abandoned *ujamaa* policies in the mid1980s. In the 1980s the relative significance of bilateral funds declined. In 1988 multilateral aid accounted for 40 per cent of ODA, and rose to more than 85 per cent in the first half of the 1990s.

Tanzania's relationship with the donors provides an important background to the recent evolution of ownership issues. Increasing evidence of the shortcomings of the government's economic policies coincided with international policy shifts that affected the international financial institutions and bilateral donors. In 1980 Tanzania signed a three-year standby agreement with the IMF. The accord had the usual conditionalities attached, credit ceilings on government borrowing and reduction of external commercial arrears. Due largely to the huge increase in marketing board credit needs, the ceiling on borrowing was greatly exceeded, leading to a suspension of the agreement in November 1980. Negotiations continued through 1981. By September the IMF submitted a memorandum including a devaluation, significant fiscal deficit reductions, the elimination of subsidies on many products (including a tripling of the price of maize meal), removal of interest rate subsidisation and an increase to positive real rates, improving farm incentives by raising producer prices by 75–80 per cent, implementing cost-of-living adjustments, the removal of import controls on inputs leading to input price liberalisation and implementing a single licensing system. The government rejected the package and negotiations lapsed for another seven months.

Table 5. Net Official Development Assistance[a] (in millions of $)					
	1995	**1996**	**1997**	**1998**	**1999**
Bilateral	**590**	**603**	**572**	**770**	**613**
Of which:					
UK	31	67	67	159	89
Denmark	60	91	64	70	81
Japan	124	106	55	83	75
Sweden	45	65	48	60	46
Multilateral	**287**	**274**	**372**	**228**	**376**
Of which:					
IDA	148	121	169	85	175
EU	64	44	64	43	71
Total	**877**	**877**	**944**	**999**	**990**
Of which:					
Grants	716	684	648	839	722
[a] Disbursements net of repayments of aid loans.					

Source: OECD/DAC

In May 1981 the government launched its own Program, stressing mobilisation of internal resources for export growth and food self-sufficiency. The National Economic Survival Program (NESP) was hastily conceived and ineffective. Its poor formulation and weak implementation lowered the credibility of those within the government seeking alternatives to the IMF.[34] In late 1981, the government of Tanzania and the World Bank formed the Tanzania Advisory Group (TAG), which included expatriates who had been prominent in advising the government. The TAG formulated a structural adjustment Program intended to satisfy the IMF. Much of it focused on measures to tighten government budgeting. Contemporaneously, the government formulated the National Agricultural Policy, designed to conform to IMF conditionality: devaluation, cost of living increases for producers, and the removal of consumer subsidies. As these policy changes were in process, the Tanzanian economy continued to decline. As donors began to withdraw, the external account deteriorated. Exports fell by 30 per cent between 1981 and 1984, and imports were severely compressed.

The 1984/85 budget was formulated to move policy closer to the IMF position, including import liberalisation, the removal of subsidies, a devaluation of 26 per cent, tax increases, a freeze on civil service hiring, end of overdrafts on government accounts, and the introduction of school fees. In line with a 1984 presidential commission on public sector reform, the 1985/86 budget further reduced government spending by announcing the layoff of 27,000 workers in the civil service and the elimination of

[34] The conceptual and implementation weaknesses of the NESP are analysed in Stein (1992).

a number of parastatals. The budget also abolished export taxes, reduced some customs duties, and raised interest rates.

By the 1986/87 budget Tanzania had met most of the conditions of the 1981 IMF memo. In June 1986 at a donors' meeting in Paris, Tanzania pledged to settle with the IMF and the World Bank. In August 1986, the IMF signed a standby accord for 64.2 million SDRs. Conditionality conformed to the long-standing IMF requirements: devaluation, a ceiling on domestic credit to the public sector (including parastatals), reduction of budget deficits, increased interest rates, fewer price controls, higher producer prices, and a near-freeze on public salaries. Shortly after the IMF accord, the government received a structural adjustment loan from the World Bank. The 1989/90 budget continued the liberalisation policy. A second three-year program (now called the Economic and Social Action Program) was prepared for the donor's consultative group meeting in December 1989. (Stein 1992)

By this point, the government of Tanzania had become a preferred recipient of assistance, if not yet a 'success case' like Uganda. A World Bank Agricultural Adjustment Credit of $385 million focused on the market liberalisation of both outputs and inputs. The Financial Sector and Adjustment Program of 1991 ($275 million from the IDA), funded financial sector liberalisation, including privatisation, and foreign banks' entry into the Tanzania market. Finally, the Structural Adjustment Credit in 1991 ($200 million), supported privatisation of parastatals, civil service reform, and market restructuring for agricultural exports. (Raikes and Gibbon 1996)

Overall, the multilateral agencies increased development assistance by 45 per cent in 1986 and 23 per cent in 1987. Total DAC aid increased even more, by forty per cent in both years. In dollar terms the 1987 level was almost double that of 1985. Program aid increased almost four-fold. The high level of support continued through the early 1990s, peaking in 1992 with net ODA going over $1.3 billion (OECD, 2001). Even countries with no notable enthusiasm for adjustment policies supported the measures. Between 1987 and 1994 Japan gave 12 billion yen of grants in support of adjustment. In real terms this amounted to twenty-six per cent of the total grants Tanzania received from Japan over this period.[35] This was part of a general commitment of Japan to adjustment, and resulted from pressures within bilateral relations with the United States. (Stein 1998)

In 1992 the rapid increase in assistance came to an end, reflecting popular opposition to adjustment policies. There were major upheavals in two

[35] The data was collected in support of a research project on Japanese aid to Africa undertaken during 1995–6 in Japan. The results appeared in Stein. (1997 and 1998)

universities in response to cost sharing proposals associated with the conditionality of the World Bank Higher Education Credit. In the Arusha region small miners resisted the alienation of their rights given to new companies under the new investment regulations linked to reform and conditionality. Growing independence after 1991 also allowed the press to play an increasing role in articulating criticisms. (Raikes and Gibbon 1996) In 1992, President Mwinyi appointed Malima as Minister of Finance. He had previously been Minister of Planning and an important figure associated with Nyerere's socialist strategy. Malima was brought in to devise new strategies in the wake of the growing disenchantment with adjustment.

The shift away from the commitment to adjustment played a clear role in the decline of aid to Tanzania. When the fiscal and credit targets were not met, the IMF cancelled its adjustment lending. The bilateral donors were disturbed by what they saw as politically connected people enjoying tax exemptions on import duties, declining efficiency in tax collection, an increase in tax-free transit warehouses, and corruption associated with debt conversion programs. The Nordic countries (except Denmark) cut off aid in November 1994. Overall DAC aid fell by 28 per cent between 1992 and 1995. Over the same period, multilateral aid declined by 46 per cent (OECD, 2001). The IMF and Nordic suspension of assistance sent a shock through the government. Malima was moved out of his position in the finance ministry (MoF), and specific measures were taken to eliminate the corruption perceived by donors. (Raikes and Gibbon)

After the election of November 1995 Mkapa became president and put into place a team that would satisfy the adjustment conditionality. The government earned praise from donors when it formulated a shadow IMF program in June and July 1996. The IMF rewarded Tanzania with a three year ESAF, which led to an agreement with the Paris Club in January 1997 that included Tanzania joining the HIPC initiative in April 2000 (World Bank 2001). Once again the government was rewarded with aid reversing the downward trend between 1996 and 1999. While not achieving the peak levels of 1990–92, net flows increased in 1996 (OECD, 2001).

In the 1990s donors became increasingly concerned that Tanzania's lack of ownership was undermining the effectiveness of aid. For example, the 1994 FINNIDA Aid Evaluation Report stated that 'in principle, Tanzania is involved in all phases of the project cycle …all the missions are carried out by joint teams, as well as the selection of implementing agencies of projects'; but then went on to observe that in practice donor intervention at the implementation level was commonplace. Donor distrust in what was perceived as a corrupt state and doubts about the level of government commitment to reforms were balanced by increasing awareness of the shortcomings of donorship. Denmark hired a group of local and international advisers to investigate ways of increasing confidence between the government and donors. The Helleiner Report, published in June 1995, became an important document for both donors and the government and has influenced the aid discussion beyond Tanzania. The report observed that donors 'were frequently ambivalent about the ownership issue…some demand that the government take greater control of their Programs and at the same time resist when it attempts to do so at the expense of their own preferred projects'. The report stressed that for greater Tanzanian ownership of aid Programs and the development agenda formulation of a development strategy was essential. The report recommended that donors harmonise their rules and procedures and leave overall co-ordination of development to the government. A step forward in the partnership between donors and the government occurred in 1996, when the Nordic countries elaborated on the Helleiner Report by establishing principles for a partnership agreement with Tanzania. These were:

- The development program must be fully owned by Tanzania and formulated according to Tanzania's vision;
- Tanzania is responsible for the Programs and accountable for resources provided;
- Shared financing should be the leading form of assistance, with the Tanzanian share increasing progressively;
- Donors will support the shift from project support to sector Program support;
- Only those activities given priority by the Tanzanian government should be supported by donors.

An important example of increasing ownership, the Public Expenditure Reviews (PER)/ Medium Term Expenditure Framework (MTEF), was established in 1997 to increase transparency and foster participation of stakeholders in the management of government expenditure. PER and MTEF are not projects or Programs but a process. They involve oversight of expenditure strategies spanning three years, developed for predictability of resources flows. PER/MTEF working groups are forums involving ministries, donors and NGOs, to guide donors in their funding. Although formally driven by mechanisms set up in Tanzania, and chaired by the Secretary of the MoF, the Tanzanian document went through the review process of the World Bank. The government itself drafted the report for the first time in 1999.

1.3 Sida in Tanzania

Swedish government aid to Tanzania began in 1964. Since then Tanzania has remained one of Sida's major recipients. The aid flow to Tanzania increased very rapidly in the early 1970s, then fell after 1993. This pattern followed the general trend of Swedish aid funding, from the 1990s Swedish policy became more closely tied to existing IMF and IBRD adjustment Programs. From the early 1970s to the mid-1990s, Sweden was still Tanzania's largest bilateral donor, annually contributing between 10 and 15 per cent of total DAC assistance. Until the mid-1980s, Swedish aid to Tanzania was administered in project grants, without effective conditionality. The twenty years from 1965 to 1985 were characterised by a close relationship between the two countries. (SASDA 1994 pp 20–22; Elgstrom 1999 pp 117)

Elgstrom has periodised Sida's strategies in Tanzania into four phases. (Elgstrom 1999 pp 123–41) During the first, from 1965 to 1970, Sida participated actively in Tanzania's development effort, epitomised in the philosophy of *Ujamaa*. Sida staff generally shared the Tanzanian commitment to social development and 'whole-heartedly' embraced the idea of long-term planning. Efforts concentrated on the social sector, which received 85 per cent of Swedish aid. (Anell 1986 pp 233–47, Elgstrom 1999 p 125)

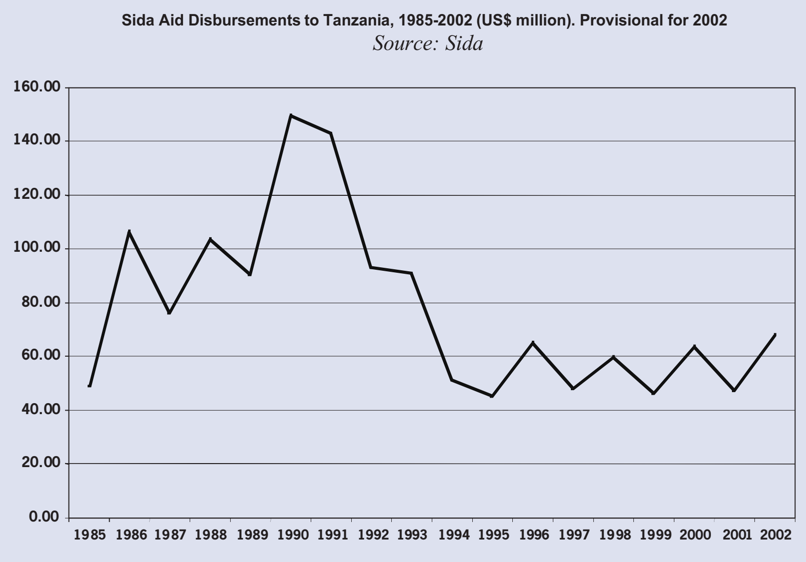
In the next phase, from 1970 to 1979, 'there was a marked politicisation of Swedish aid policy'. Nyerere's emphasis upon economic and social equity reflected Swedish priorities, and Tanzania's active role as a 'front-line' state in the struggle against apartheid reinforced the relationship. (Sellstrom, 1999) Sida introduced 'country programming' in this phase, giving commitments to projects in Tanzania over several years. Within this framework, 'recipient authorities were expected to be able to use the aid as they themselves wished', choosing sectors as well as projects. From 1970, Swedish aid to Tanzania became increasingly 'recipient-oriented'. 'Aid on the terms of the recipient' became the Sida position, with equity the main goal. (Elgstrom 1999 p 127)

Did this amount to Tanzanian 'ownership' of development? Some in Sida expressed the view that there is a parallel to be drawn between the 1970s in Tanzania and current debates about ownership. However, the ideological and policy differences between the two periods are striking. The first difference is the radically changed ideological climate in which Sida operates globally and especially in Tanzania. The second difference is Sida's participation after the mid-1980s in IMF and World Bank liberalisation programs. In other words, deferring to Tanzanian development strategy in the 1970s, when it was radically different from models favoured by major donors, was quite different from providing support for government goals when those goals followed the principles of the so-called Washington consensus. These differences make any direct comparison of ownership between the two periods tenuous, and it is more helpful to see the 1970s experience as reflecting a different model of ownership than the one that has emerged since the mid-1980s.

The period 1979 to 1983 marked the third, transitional phase in the Swedish aid relationship with Tanzania. By the late 1970s it was evident that Tanzania, along with many other African countries, was in the midst of a deep economic crisis worsened by heavy debt. While the IMF and other donors sought to impose the initial wave of structural adjustment Programs to address these problems, the Tanzanian government rejected these solutions as unpalatable. Sida at first stood apart from this dispute, refusing to support IMF demands for Tanzanian compliance, but after a painful and divisive debate within Sida, policy was finally changed in 1984. (Elgstrom 1992 p 80) A stringent IMF ERP was finally introduced in June 1986.

This decision proved to be highly significant not only for Sida's support for Tanzania, but also for the general position of the agency vis-à-vis other donors. Sida's stance had been a matter of pride to the agency throughout the 1970s, demonstrating Swedish political independence on the world stage. These principles, as well as the partnership with Tanzania, were to some extent a casualty of the debate. From 1984, Sida's stance in Tanzania would more closely follow the pattern of the other major donors, led by the IMF – in Elgstrom's words, 'initial support for Tanzania against the demands from the IMF was abandoned in favour of the one-note choir of donor voices.' (Elgstrom 1999 p 134)

Figure 1: Sida Disbursements



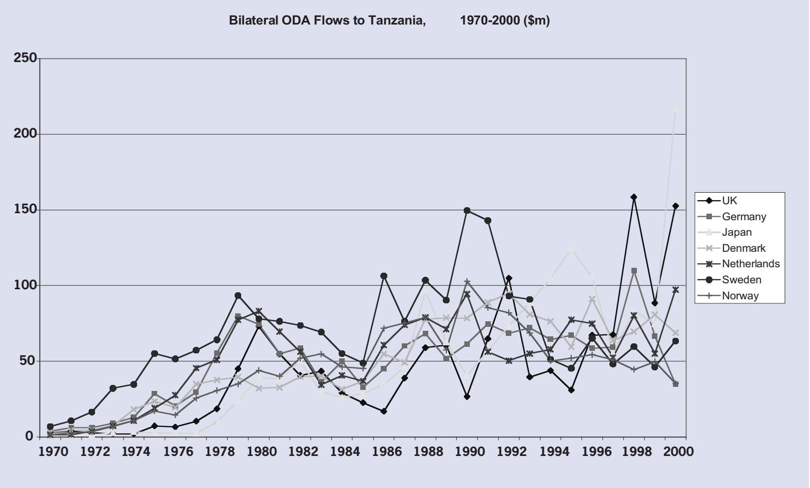
From 1984, Sida entered the present phase in its relationship with Tanzania, with an emphasis upon macro-economic reform and market conditionality, often supplemented by political demands. More recently this has entailed giving increased prominence to governance, seen as a prerequisite for sustainable development, and the promotion of gender equality. However, when operating in co-operation with the wider donor community, Sida has endeavoured to find ways to take an independent position.

The externally led character of this macro-policy orientation sits uncomfortably with Sida's long-standing core philosophy of capacity building; local agency and a pro-recipient stance as keys to successful development assistance. This tension manifests itself in the persistence with which Sida sought ways of passing greater responsibility and autonomy of decision-making to the Tanzanian government, even within multilateral aid programs. This approach in part explains Sida's interest in pursuing a new ownership agenda. By the end of the 1990s, Sida's approach in Tanzania was more cautious than in earlier years, applying stricter guidelines to national counterparts, being prepared to withdraw support for failing projects, and insisting upon greater accountability in the face of growing evidence of corruption and mismanagement. (Catterson and Lindahl; 1999, van Donge and White 1999; Booth et al 2000)

1.4 The Major Donors and Sida's Position

Many of these trends may be seen in Figure 2 below. Sweden was the most important bilateral donor until the early 1990s but since then, while still one of the major donors, it has surrendered this role. Overall, bilateral aid has fluctuated more dramatically since the early 1990s than in the 1970s and 1980s. However, during this more recent period, Swedish aid has been overshadowed by the sharp rise in Japanese aid and the expansion at the end of the 1990s of British aid also. One interesting observation of this is that Japan has thus far been more sceptical than Sweden and other major bilateral donors about the benefits of shifting away from project towards program aid (including budget support and SWAps). It is also clear that Sida aid has roughly followed the trend in multilateral aid flows during the 1990s. Further, although Tanzania has remained the most important single country to Sida as a recipient (taking the largest single share as a country recipient in 1979–80 and 1999–2000), Tanzania does not have quite the significance it once had in Sida's portfolio. Thus, in 1979–80, on average 8.8 per cent of Swedish aid went to Tanzania (according to DAC figures, see Appendix 1.3a), while in 1999/2000 only 3.2 per cent of Swedish aid was allocated to Tanzania. All this suggests that Sida's 'special relationship' with Tanzania has cooled off and that Sida is closer to the other bilateral and multilateral donors in its allocation decisions regarding Tanzania. Nonetheless, it is worth stressing that Sida is still among the major donors in terms of the quantity of aid and, even more, Sida retains a close relationship with the government. Therefore, the significance of Swedish aid in some ways goes beyond simply its quantity: this involves precisely Sida's role in initiatives such as the Nordic Partnership and in contributing to the work on closer donor harmonisation and encouraging greater national ownership of development strategies.

Figure 2: Bilateral ODA Flows to Tanzania



Chapter 2
Sida Projects and Programs in Tanzania

2.1 Introduction: Project and Program Selection

The CDPR Tanzania team chose activities in which to assess ownership according to the following criteria:

- Ones that included central government-led activities or those with little or no direct government involvement;
- Ones identified by Sida informants as having ownership problems as well as successes;
- Stand alone projects or programs and covering a range of sectors;
- Ones involving a leading role for Sida or in which Sida was part of a multiple donor involvement;
- Activities reflecting poverty linkages as specified in Sida's Country Strategy for Tanzania (see table).

Table 6: Classification of Contributions as Proposed in the Poverty Action Program

Direct Relevance	Poor Included	Policy/Institutions	Indirect Relevance
HESAWA	Education	Civil Service	Budget Support
	Femina-HIP	Budget Support	Private Sector

Source: Country Strategy for Development Cooperation: Tanzania, 2001–2005, Stockholm: Sida.

2.2 Budget Support

The program

The *raison d'être* of budget support is to 'reduce transaction costs'. Budget support forces donors to co-ordinate better among themselves and to reduce the administrative burden on governments. Furthermore, budget support is expected to reduce government uncertainty vis-à-vis the supply of aid, in terms of both the amounts and timing of aid disbursement.

The Poverty Reduction Budget Support mechanism (PRBS) in Tanzania has its origins in a confluence of events beginning in the mid-1990s. Following the breakdown in aid relations after 1994, Denmark commissioned a five person independent group of two non-government Tanzanians and three non-Tanzanians to investigate aid relationships. The focus was on how co-operation could be made more efficient, and identifying constraints on the government of Tanzania. The so-called Helleiner Report had a significant influence upon the donor-recipient relationship in Tanzania. Its recommendations led to the development of the Tanzania Assistance Strategy (TAS), a framework for government and donors to organise development co-operation. After the election of President Mkapa, the relationship between the government and the donors improved, and the government took steps to deal with the severe macroeconomic crisis and widespread poverty.

In the late 1990s the Nordic countries, in co-operation with the Netherlands and later the UK, established a new foundation for co-operation or aid partnership. This group was the core of the precursor to the PRBS, the Multilateral Debt Fund (MDF). Ireland, Switzerland and the European Commission also provided funds to the MDF. When the multilateral creditors issued the HIPC decision document in 1998, these countries agreed to service much of the debt payments to the IMF, World Bank and African Development Bank, until Tanzania reached the HIPC decision point. As with HIPC debt relief, the aim was for Tanzania to apply the savings from servicing the debt toward increased social spending. As Tanzania approached the decision point in 2001, it was recognised that the MDF would no longer be needed. Both the MDF group and the MoF favoured the shift to budget support. As the shift to budget support evolved, it became clear that it was tied to other institutions and instruments of development assistance and policy reform, including the TAS, the Poverty Reduction Strategy Paper (PRSP), the Poverty Reduction Strategy (PRS), the Public Expenditure Review (PER) and Medium Term Expenditure Framework (MTEF), and the IMF's Poverty Reduction Growth Facility (PRGF). It is not possible to assess ownership issues relating to budget support without acknowledging the links between these instruments.

The foundations of budget support are reflected in the 'Principles for Promoting Harmonisation and Aid Effectiveness', approved by the local Development Assistance Committee (DAC) member meeting in April 2002. The general principles section of this document sets out the key mechanisms through which donors would work with the government:

- The Poverty Reduction Strategy (PRS) is 'the dominant instrument and overarching objective for government and development partners. Efficiently/effectively linking our work with PRS is the main rationale for harmonisation';

- TAS is to be used by donors to identify the entry point for assistance, along with the PRS, PER/MTEF and poverty monitoring;
- Reducing donor transaction costs should lower government transaction costs (and vice versa);
- There should be 'quiet times' when no missions or consultations with government are held.

Section Four of the document elaborates, with a statement of DAC targets:

- to include all development assistance in the budget for financial year (FY) 03 (submission deadline in April 2002). Exceptions would be IMF PRGF assistance (disbursed to the Central Bank) and some assistance to NGOs and private sector;
- to provide information on all development assistance to the MoF for recording in the External Finance Department database for FY03 MTEF (submission deadline in November 2002);
- fifty per cent of appropriate development assistance to be recorded in government accounts in FY03, and sixteen per cent coverage was achieved in FYs 1999 and 2000;
- sector work should include a consideration of external resource mobilisation, in the context of the PER/MTEF exercise and in consultation with the MoF.

The issue of ownership

Budget support might facilitate greater national ownership. Such aid inflows are meant to be more reliable, with the government having more control over aid and the priority policies supported by this aid. Government capacity is freed by the reduction in wastage through uncoordinated and project oriented donor engagement. Thus, there should be an increased capacity to take control, through a reduced workload in the MoF. This might be counterbalanced by increased responsibilities resulting from a shift of tasks from line ministries to the MoF through SWAps.

A number of mechanisms have been developed in recent years that may reflect, protect and even help create government commitment to the policy priorities laid out in the documents underpinning budget support. These mechanisms include the PRSP process and the TAS. In principle, the ownership reflected in these documents reflects national ownership, not merely government ownership. This is true insofar as the PRSP incorporated concerns that emerged during consultation exercises, and insofar as the budget is subject to parliamentary scrutiny. Sida officers stated that in the working group on aid harmonisation, they argued for as much aid as possible to go through the budget, to enable parliament to look at a complete budget. Moreover, some at least of the activities funded through the budget with donor support reflect wider social and political involvement in design, formulation, implementation and review processes. Examples can be found in the education SWAp and in HIV/AIDS activities. Ownership also requires government responsibility, to be achieved through financial reporting, discipline on expenditures, the appointment of internal auditors for local governments, and the quarterly PRBS review meetings.

In combination with ongoing efforts to promote closer harmonisation among donors, budget support is intended to be part of an effort to resolve the inefficiencies of the aid regime that reduces national ownership. Sida has had a significant influence on the evolution of budget support, through endorsement of the Helleiner report. This influence was exercised through the MDF, and through work on donor harmonisation. However, budget support in the initial stage has created uncertainties and has entailed transition costs. These limit the scope for budget support to enhance ownership, although some uncertainties might be overcome by adjustments to the manner in which budget support is managed.

Who owned the program?

The main owners of budget support are the donors who contribute to the PRBS mechanism and the government. The MoF is the main site of government ownership. Evidence that the MoF has taken responsibility for budget support is found, for example, in the Technical Note on the PRBS. This note argued for replacement of the MDF with the PRBS on several grounds. First, the amount of money allocated could no longer be absorbed by debt relief after HIPC; second, the PRBS would allow greater flexibility in allocations to social sectors; and, third, social spending needed to be maintained at previous levels to allow HIPC to have a significant impact on basic services.

Ownership of the PRBS is not confined to donors and the government. Because budget support is inseparable from other aid instruments, stakeholders in those instruments are also stakeholders in budget support. Furthermore, given that a country's politics are expressed in its budget, parliament and its constituency should also be owners of budget support. But, as we will see below, there are limits on effective ownership among this broader set of stakeholders. For practical purposes, the main owners of budget support are the PRBS group members and the MoF.

The complexity of ownership in budget support comes in part from the links between budget support and the PRSP. PRSP linkages are found in virtually every recent donor related document. The PRBS is tied explicitly to the PRSP via the Performance Assessment Framework (PAF) targets, which is the conditionality associated with the PRBS. The PAF performance targets were negotiated between the government and the bilateral donors. There is a common perception that the conditionalities were substantially affected by these negotiations; that is, that the targets are not imposed as they had been in the 1980s and early 1990s.

The World Bank, IMF, Sida, and many others cite the PRSP as strong evidence of ownership, because it involved provincial workshops, as well as being discussed in parliament. The reality is somewhat different. As in many countries, the PRSP for Tanzania was a prerequisite for reaching the HIPC decision point. While it was intended to follow the TAS process, it was completed well over a year before the publication of the TAS. Members of Parliament indicated that their involvement was largely perfunctory, most of it occurring during one Saturday discussion session. They could not cite one example of changes to the document resulting from their input. While some MoF officials claimed that they made many changes based on comments by stakeholders, our request to see earlier drafts of these changes was not met. The document does allocate a few pages to discussing the concerns of the provincial workshops. But it is not clear how these concerns were translated into changes in the operational parts of the document. One senior MoF official suggested that it had been in the interests of the country to complete the PRSP quickly in order to reach the HIPC decision point. We are constrained in our conclusions by the lack of verifying statements in interviews and documentation. Therefore, we are unable to prove the MoF opinion that stakeholder impact on the PRSP was significant.

While there is no direct evidence of stakeholder impact, MoF officials report that the World Bank and IMF rejected two drafts of the PRSP in August 2000. When asked about this, an IMF representative in Tanzania acknowledged that 'there are obviously still some ownership problems'. The PRSP explicitly reflected the PRGF targets, which predated the PRSP, for macro-stabilisation. It also repeats the IMF's view that stabilisation reduces poverty.[36]

The PRGF also explicitly plays a role in the PAF targets underlying the PRBS. Officials in the Swedish and other embassies emphasised the independence of the PRBS from the IMF and the World Bank.[37] Yet there was a strong belief among people interviewed in the MoF that if they did

[36] '[T]he poverty reduction strategy is to a large extent an integral part of ongoing macroeconomic and structural reforms…Some of these reforms, including those being supported under the PRGF and PSAC-1 are expected to have a significant impact on the welfare of the poor.' (PRSP p 17)

[37] However, some SIDA/embassy staff acknowledge that the conditionality link between the PRBS and the PRGF does exist and is more rigid for some donors than for others.

not satisfy the IMF conditionality they would be cut-off from PRBS support. As one senior official stated, 'no one will sit with you if you don't settle with the Fund…in my experience everyone will back off'. He did not believe the donors when they assured him that they would be flexible on IMF conditionality. As in the structural adjustment period, the overriding factor in Program aid is still seen as the conditionality of the IMF. Although new aid delivery mechanisms like budget support might increase the scope for national ownership, the weight of past donorship could thwart the realisation of that outcome. The trust in governments, which some hope will be built through ownership, needs to be reciprocated by increased trust in donors.

Who formulated the program?

The government has been involved in formulating budget support, through MoF involvement in the production of relevant documents and agreements. However, the weight of ownership has rested with the donors.

Who owned the process of implementation?

Embedded in the PRBS is the Public Expenditure Review/Medium Term Expenditure Framework (PER/MTEF). The Public Expenditure Review is explicitly linked to the PRBS in the November 28 PAF Memorandum of Understanding between Tanzania and the donors of the PRBS group. The aim is to integrate the mid- and end-year review process into the PER review. The Swedish accord is explicit. In section 2.1f, which presents Tanzania's obligation under the PRBS, Sida requires Tanzania 'to undertake regular expenditure tracking studies under the Public Expenditure Review Process'. In interviews with officials of Sida and the government, it was expressed that the PER with its bi-weekly meetings almost made the PRBS review process redundant. Therefore, the way that the PER operates is critical to the nature of ownership in the implementation of budget support.

A senior member of the MoF argued that the PER was the single most important process that the government had created for consultation and review of policies and public expenditures. He claimed it was important in co-ordinating expenditures with the poverty targets in the PRSP and in broadening participation in the budgetary process. This process includes government, donors and key non-government representatives, such as academics.

Up to 1997, the PER was a World Bank in-house exercise. (World Bank 1994 and 1997b) As part of the follow-up to the Helleiner report there were discussions about creating a mechanism to build trust on expenditure matters and information flows from donors in order to prevent the repeat of the breakdown of relations in the mid-1990s. In the past few years, however, the PER has become a more genuine site of Tanzanian ownership and responsibility. The former commissioner for budgets and the current deputy permanent secretary in the MoF have played leading roles in turning the PER process into a joint process with donors. According to most observers, the more owner-oriented format of the PER also owes a great deal to the strong commitment of a senior World Bank official. The twice monthly PER meetings continued to be hosted in the offices of the World Bank.

However, there was evidence of operational problems in the PER, and these have ownership implications. A non-government participant and a senior member of the MoF complained that the PER process was one-sided with the government providing expenditure information in response to donor request. As Tsikata put it:

> "Comments on the reports related to the exercise are more likely to come from donors other [sic] than nationals. Moreover, although the PER is supposed to be a Tanzanian document, it still goes through the review process of the World Bank leading to inordinate delays. This reduces the legitimacy of the Tanzanian consultative process." (Tsikata 2001)

There is a problem of asymmetric capacity, with the donors having much greater resources and more time to prepare for each meeting. Participants on the government side are under time constraints and have many competing tasks. The government's most effective officials cannot always attend. As one active non-government participant stated: 'The incentive structure is really lopsided.' However, there were complaints from members of parliament in interviews that they were not invited to PER meetings, nor informed of its deliberations. There were similar complaints from other important non-government actors, for example, business organisations.

Moreover, while the PRBS offers administrative 'economies of scale' in dealing with donors, it creates the potential for cartel behaviour on the part of donors. Bilateral agreements on the PRBS are signed between each donor and the government. In addition to a series of technical provisions, the Swedish-Tanzania accord on PRBS contains 'reservations' whereby Sweden reserves the right to withhold payments and demand reimbursements for 'breaches of international human rights'. These steps can also be taken 'if events arise that may have a serious detrimental effect on the parties' co-operation'. It is clear that bilateral provisions and relations between a particular donor and Tanzania could lead to the suspension of PRBS assistance. During our March-April visit there was growing tension with the UK Department for International Development's decision to suspend aid to Tanzania, in protest against the Tanzanian government's purchase of a new air traffic control and radar system made in the UK and backed by a UK export credit guarantee.[38] Explicit pressure was put on the embassies of Denmark, Sweden and Norway to suspend PRBS support. However, as Sida's decision on the next tranche of PRBS support was not due for a number of months, Sida staff did not have to make a decision on the matter.

What ownership was there in the evaluation of the program?

There has been little evaluation of budget support, because the process is so recent. Sida was responsible for assessing Tanzania's progress in how external resources are managed internally. The review was to evaluate the shift of aid disbursements to the budget. It appears that this evaluation exercise was led and owned by the donors. The following year's PAF targets would be drawn up by the MoF in consultation with the donors on the basis of this review. Most respondents agreed that the conditionality in the PAF targets is more independent and flexible than in the past; i.e. less driven by the IMF and the World Bank.

Conclusion

The shift to budget support sought to make aid more efficient and better co-ordinated. In so doing it make it easier for the government of Tanzania to assume ownership of the policy agenda supported by aid. Budget support in Tanzania is still new and experimental. However, we tentatively conclude that it has enhanced ownership. Officials in the MoF noted a reduction in duplicate meetings with donors. 'Quiet periods' by the main donors will further help the MoF apply itself more effectively to policy matters.

At the same time, a number of questions arise from the discussion above. The transition to budget support to deliver aid in Tanzania has created its own pressures on ownership. The most important are the asymmetry of capacity between the government and donors and the fact that disbursements are not always made in accordance with commitments. To some degree, budget support has carried forward undesirable characteristics of the donor-recipient relationship. The starkest example of this during our

[38] There was not only criticism that this resource allocation was perverse in the light of the poverty reduction challenge in Tanzania and of HIPC debt relief to that end, but also sharp criticism of the value for money involved in this deal: some, including within the World Bank, argued that the equipment was priced substantially above competitive world market prices for equivalent equipment, and that there was no need for Tanzania to buy, and pay for adaptation of, what was designed as a military radar system. In early July DfID resumed funding.

field study was the conflict over the radar system. This highlighted the possibility that if a country retains dependency on foreign aid, ownership can never be complete, and there will always be tension with conditionality. There is a need to clarify this issue, as discussed in the Synthesis Report. Otherwise, it is possible that the potential for budget support to facilitate ownership will not be realised.

2.3 Education Sector Development Program (Education SWAp)

The program

Together with direct budget support Sector Wide Approaches (SWAps) represent an innovation in the modality of aid delivery in recent years. At the very least, SWAps 'provide a means of co-ordinating the different contributions to the development of [a] sector.' (Riddell 2001 p 4) More ambitiously, SWAps are generally intended as vehicles for a shift away from project-oriented aid and direct 'national' linkages tying donors to specific activities. A SWAp, in theory, offers far greater scope for aid to help develop coherent policy making potential and institutional depth within a given sector. As Cassels put it: 'The most fundamental change is that donors will give up the right to select which project to finance, in exchange for having a voice in the process of developing sectoral strategy and allocating resources…becoming a recognised stakeholder in negotiating how resources are spent replaces project planning…' (cited in Lind and McNab 2000 p 425) Such a change clearly makes sense in terms of building donor partnerships with governments; however, it is not clear *a priori* that this means governments then have <u>sole</u> ownership.[39] However there remains questions concerning ownership of the content of reforms supported by a SWAp and of the processes of design, implementation and evaluation: these relate to ownership in terms of commitment and capacity.

The education SWAp in Tanzania and the Education Sector Development Program (ESDP) that it supports, originated in the 1990s. Around the middle of that decade, the government gave new impetus to efforts to reform education policy. Government officials produced fairly comprehensive sectoral development plans such as the Basic Education Master Plan. However, during the latter half of the 1990s there was open conflict over ownership. The government produced a policy package that con-

[39] And yet Lind and McNab (2000 p 430) argue: "Key principles for the Cupertino relations include Tanzanian assumption of leadership and sole ownership of the Programs with regard to planning, design, implementation and evaluation" (emphasis added).

tained weaknesses, and little consultation with donors was undertaken in its production. The donors rejected the package. Most people agree that the policies that emerged from this conflict contained much that was suggested by the government. However, there was no momentum to sectoral reform until 2000. The SWAp itself is recent but is linked to the ESDP, and it is difficult to analyse the SWAp without analysing the role of government and donors in relation to the ESDP.

Through the ESDP, policy makers and donors or development partners are trying to address a massive crisis in education in Tanzania. By the mid-1990s only an estimated 60 per cent of school age children were enrolled in primary schools, while secondary enrolment rates (at one stage about 5 per cent) were among the lowest recorded in the world.[40] The introduction of user fees for primary education, in the mid-1990s, failed to bring about an improvement in the financial health of the sector and reduced the demand for education. As of 2002 user fees were abolished (although debate continues about whether or not there should be some form of, probably 'voluntary', contribution at the community level if not the individual level). User fees were replaced by a capitation grant equivalent to $10 per student (and the actual disbursement of this grant is a further subject of debate). The implication is that a new policy package for education has come into being, supported by a SWAp, at a time when there is some evidence of an increase in demand for primary school education.

The progress of the education sector reform program and the shift to a government/donor SWAp reflects a prioritisation of primary education. Public recurrent expenditure has been reallocated towards primary education in recent years: the share allocated to primary education rose from 51 per cent of the total public sector recurrent budget in 1992/93 to 71 per cent by 1999/2000, while secondary education's share fell from 15 per cent to 6 per cent over the same period. Real public recurrent spending per primary pupil has increased too, while real public recurrent expenditure per secondary pupil has fallen since the early 1990s.[41]

The issue of ownership

The SWAp modality offers an excellent view of 'ownership' challenges, since one of the objectives of sector wide approaches is precisely to enhance ownership. SWAps are also important in that they highlight developments in donor co-ordination efforts and the constraints on such co-ordination. The education SWAp and sectoral reform in Tanzania

[40] According to the Financial Times Survey of Tanzania at this point it was "the lowest in the world".

[41] See Oxford Policy Management (2001).

have had a long and tortuous history. One advantage of examining this policy history, and Sida's role in it, is that it offers the possibility of seeing ownership in motion. It will become clear that ownership in this Program did not simply evolve in a measured, even and linear fashion but has changed its form and intensity in fits and starts and has often – in its presence or absence – been the product of complicated struggles. Indeed, analysis of the education SWAp shows how much ownership can only really be captured in processes.

Who were the owners?

There are many owners in any SWAp, and the SWAp linked to the ESDP is no exception. A range of donors is involved – and the degree of commitment to SWAp modality principles varies among them. At the government level, owners include the education and culture ministry (MoEC), obviously, but also the President's Office and the Prime Minister's Office, regional administration and local government, other ministries with a stake in education, and state organisations such as the Tanzanian Institute of Education.[42] Other significant owners include NGOs – particularly the umbrella group of NGOs with educational interests known as TEN/MET – and schools themselves, as well as school committees and parents and pupils. Degrees of commitment and powers of influence vary among these owners, as does the degree of involvement at different stages of the 'project cycle'. One of the most significant features of this SWAp, we argue, is that the MoEC has been closely involved as a key owner in developing a strategy for education provision that effectively shrinks its own stake in the process.

One indicator of who the owners are, is membership of what the 'Program of Action to Promote Harmonisation and Aid Effectiveness' refers to as the Sector Development Group for Education, the main government/donor (including NGOs) consultation mechanism in this sector. This cuts across formulation, implementation and monitoring/evaluation, and for some overlaps with identification from the start. The participating members identified in the Program of Action include: the ministry of education and culture, Ireland, GTZ, Norway, the Japanese International Co-operative Agreement, DfID, Sida, Netherlands, Canada, Finland, the European Community, UNICEF and UNESCO. To this list, and of course to government owners, should be added the World Bank.

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[42] Regional and Local Government Office staff were moved after the elections in 2000 from the Prime Minister's Office to the President's Office to form the President's Office – Regional and Local Government (PORALG).

Who identified the program?

The ministry of education and culture was involved in identification over the prolonged and difficult gestation of the ESDP and its currently operational component, the Primary Education Development Plan (PEDP). Senior individuals have made critical contributions to identification/selection in the education policy package, even if they have not had the lasting depth of involvement of the MoEC. Thus, real momentum was given to the selection of education policy as a priority by the President's political commitment to universal primary education (UPE); and the appointment after the 2000 election of a new Minister of Education and a new Permanent Secretary for Education, both with education sector knowledge. NGOs may have been brought into the policy process more directly later on, yet they can be said to have played an ownership role even at the stage of identification/selection, by highlighting the crisis in education and by helping to shape a shift in policy on the user fees issue. Clearly the donors were owners at this stage. Those with a particular interest in experimenting with a shift away from project based aid, such as the World Bank, DfID, and Sida (as well as others), were more clearly committed to the identification of a sector wide approach to education policy reform, while others (such as the Japanese International Co-operative Agreement) remained important project owners without having the same role in the identification of education as a focus for SWAp initiatives. Sida's view is that its long-term engagement with MoEC means that Sida facilitated from the first the identification of sector wide needs. For 'the Swedish model for the collaboration with the MoEC has for many years been to support prioritised government programs, not to run Swedish projects'. Furthermore, Sida continued to provide support to the MoEC during the 1999–2001 period when other donors were putting assistance on hold. Although it is impossible to prove how significant this was, it seems likely to have helped the development of government commitment to or interest in the shift in modality.

The ESDP was conceived in 1995 but at this stage was driven by the donors. Tanzanian ownership of identification and selection of a sector wide reform process appeared clearly the following year. However, by 1999, after protracted conflict, the gestation of a sectoral reform program had stalled. One Sida official claimed that the stalling was due to a lack of ownership. However, it may have stalled not for lack of national ownership but for lack of leadership in 'prioritising priorities' and proper budgeting.

Government commitment to identifying and selecting, and then formulating and implementing the ESDP expanded dramatically in 2000. Most people agree that the impetus for this came from the president's public statement of commitment to education reform and universal primary education. This was partly a response to political pressure during the election campaign and partly due to the pressure put on him by senior donor representatives. Another source of ownership or mechanism of increasing ownership was the HIPC completion point. One of the requirements for reaching the completion point was a clear commitment to reform in sectors such as education.

Information about the ESDP circulated fairly effectively between the education ministry and the key donors, including Sida, and the identification and selection of a sector wide approach to education provision emerged from a dialogue between donors and government. Nonetheless, consultation was, at times, dysfunctional. It was identified early on that education should be provided far more directly through local government authorities, but at this stage there was insufficient information dissemination between donors and the MoEC, and information passed weakly between PORALG and the ministry. Information dissemination to other owners, e.g. the teachers' union and NGOs, was even weaker, and they have found themselves in a more reactive position because of this.

Key officials in the MoEC acknowledge that they had not consulted the donors enough at this stage, i.e. they take some responsibility for the difficulties in the latter part of the 1990s. There are various possible interpretations of statements like this, but they do show that the early consultative process was a difficult one. Another example of consultation is the presidential commitment to universal primary education and the emergence, between drafts, of this commitment in the production of the interim PRSP. Everyone interviewed acknowledged that, whatever the internal political processes involved, key senior donor representatives had quietly pressed the president to make such a commitment.

The identification phase for the education reform as a basis for a SWAp in Tanzania was a prolonged one. It is important to see that information dissemination, consultation, collaboration, and shared decision making took different forms throughout this process: at first they were limited and conflictual, but later on they became more consensual. One of the major problems in such a process, perhaps more than in most situations encountered in our study, is that it is exceedingly difficult to work out 'whose idea' the SWAp, or indeed the ESDP, really was. Furthermore, there are still limits to shared decision-making and collaboration, and hence to national ownership. At the identification and formulation stages, conflicts over the appointment of particular individuals have underlined power relations in aid. In one example, the government perceived Sida as 'too hesitant' and not pushy enough to stand up to the other donors. The key in situations like this is to increase the degree of transparency in aid agencies and their co-ordination mechanisms – something that is definitely happening in Tanzania but is not yet perfect.

Who formulated the program?

The joint government-donor'statement of partnership' on the ESDP (2001), sets out clearly the principle that 'the government takes the lead in formulating vision, policy, programs and projects and has full ownership of and accountability for the development co-operation programs in terms of planning, design, implementation, monitoring and evaluation'. Given the history of the ESDP, this is not a principle that should be taken at face value: it is clear from all our discussions that the government eventually adjusted to donor expectations.

The main government owners at the formulation stage were the MoEC, PORALG, and the Permanent Secretary for Education. The MoEC was the main focus of policy design efforts, including design of its own restructuring, while PORALG was important in influencing the delivery structure for education provision. Perhaps the key mechanism for policy formulation and implementation, so far, has been the Basic Education Development Committee (BEDC), and linked to this the Task Force for basic education and the technical working groups. Hence, the relevant owners would be members of the committee and task force. These include MoEC officials, non-government organisation representatives, the Tanzanian Teachers' Union (TTU), and the donor group representatives. Most people observe, for example, that DfID's education adviser has been a particularly active representative of the donor group, although this is precisely as representative for that group rather than as a DfID representative (since DfID itself has not put money directly into education for some time, preferring direct budget support). Sida has been an owner through its participation in the donor group and its commitment to pooled funds for the education SWAp. Not all members of the BEDC, however, have had equal ownership stakes at the formulation stage. The Tanzanian Teachers Union General Secretary claimed that the union had joined recently, needing donor pressure to overcome government resistance.

Sida was not part of the core funding of the formulation process during the 1997–2000 period, yet Sida was, in its own words, 'very active in the dialogue with MoEC…stressing ownership and partnership'.[43] Interviews with the MoEC officials generally confirm this perception. And Sida did, during this phase, make some financial contributions to enable workshops to be held, consultants to be hired, etc. Further, Sida helped significantly in building the bridge between formulation and implementation by agreeing to a government request for financial support during 2001–2002. Nonetheless, one Sida official in Stockholm suggested that it was a failure on Sida's part that it had not taken a lead role in the original identification and formulation of the ESDP.

[43] Sida (2000a).

It is commonly observed that the PEDP retains significant portions of the policy content developed originally by ministry officials in the mid-1990s basic education master plan. The production of the PEDP and ESDP was more collaborative than the master plan and the subsequent consultant inputs. Sida has long contributed to teacher education and to teaching materials provision, for example, through the Book Management Unit. However, in cases like these, the activities themselves have changed in the PEDP/ESDP and the process has drawn in a greater number of owners. To some extent this depends on the donor being committed to SWAps. Thus JICA protected its own activities from this widening of ownership by staying outside the SWAp and maintaining its preferred project modality.

Who owned the process of implementation?

The distribution of ownership shares within government changes at the implementation stage. The MoEC remains important but its role diminishes; which it has been reluctant to accept. Given the design of the ESDP, the burden of education provision shifts to the local government authorities. These then become the key government owners. Nonetheless, the ministry retains an important role, for example in teacher training policy and in regulatory oversight of the production of teaching materials. In principle, SWAps provide for greater government ownership and reduced donor ownership, or 'donorship' of policy implementation, as donors retreat into the relative anonymity of group representation and pooled funds, and back out of projects. The donors sit as partners on the task force and development committees: to the extent that there are indications that some donors continue to take responsibility for nudging policy formulation forwards, they could also be said to retain an ownership stake. The teachers' union, NGOs, and school committees all clearly play some ownership role in implementing the ESDP. One NGO informant claimed that NGO involvement began at the Bahari Beach meeting, after which NGOs got a place on the BEDC. Later the NGOs got another place on the BEDC and eventually secured membership of the Task Force, where 'real power' in the BEDP lies. NGOs and others also bring in a range of voices through the technical working groups.

Most agreed with the assessment that the ESDP took off 'supersonically' at the start of 2001. It should be clear by now though, that in this SWAp and sectoral reform there has not been a smooth process of incrementally transferring ownership from donors to national owners. The speed of institutional reorganisation has also created potential contradictions for a clearly owned SWAp process. The education and culture ministry has undergone various phases of restructuring, however its own scope for ownership (in terms of capacity) has been ensured by a degree of continuity in key personnel: i.e. institutional memory and momentum has been maintained. Nonetheless, the ministry has lost some responsibility and control because of the impetus given to decentralisation. The MoEC can no longer work as a 'project house'; instead it has not just to take or give up ownership but also to change its *modus operandi*, becoming a site of planning, policy making and evaluation. This may mean that interests (and hence commitment and responsibility) may not fully converge between the MoEC and other government departments responsible for reform implementation. It would be naïve to assume that government is monolithic and characterised only by internal harmony. While the hard evidence is elusive, a qualitative judgement made on the basis of interviews with various stakeholders would be that conflicting interests among stakeholders is one obstacle to effective ownership.

The educational activities of the government are increasingly shaped by national budget processes, within which donors have ensured a degree of earmarking clarity (in pooled funds managed in parallel to the central budget, in direct budget support, and in the reallocation of monies previously destined for debt service towards education). It is in the budget managed by the MoF that government ownership is also very clear: budget allocations to education have increased sharply, relative even to other social sectors such as health (25 per cent of the national recurrent budget is allocated to education), and currently 80 per cent of the recurrent budget for education is met out of tax revenue. However there are problems. There continues to be breaks in the circuit joining the MoF to the MoEC. Moreover, while many activities of the MoEC have been clarified in recent years, financial decision making on priority tasks remains obscure. Education and culture ministry decisions on budget allocations appear to some donors to be made in secret and outside the published organisational structure. Further, some people claim that the ministry's budgeting capability is still very weak. In other words, capacity development has not kept pace with the MoEC's organisational role change and there is insufficient integration of skills in the ministry with budget processes.[44]

Meanwhile, information circulates poorly, consultation is weak, and collaboration virtually non-existent between the education and culture ministry and the PORALG. This may partly stem from unwillingness on

[44] To some extent, it is acknowledged that a similar challenge faces Sida and other donors. Indeed, there seem to be differences in institutional response to this challenge among donors. Sida's education adviser suggested that there was a need for different skills – more to do with negotiation and networking – than in old style projects and that these were evolving. DfID's education adviser claimed that DfID has taken a more direct approach to investing in development of these new skill requirements. These observations confirm the point made in Riddell (2001) regarding needs for donor re-training in managing SWAps.

the part of ministry officials to give up control; it may also stem from weaknesses in local government capacity; and it may stem from poor design on the part of the government and donors. At any rate, it is not surprising that there are some costs in the process of institutional change, which will inevitably take time to overcome. There is a quite widespread opinion, for example, that the rush to decentralisation has been excessive and has had negative implications for the efficiency of the reform of key sectors like education. These challenges of ownership reflected in the division of labour for implementing and managing the ESDP remain unmet in spite of mechanisms designed to resolve the problem: for example, the key policy document, the Primary Education Development Plan (2002–2006), sets out clearly the expected functions of different levels of government and different ministries; the BEDC is co-chaired by the Permanent Secretaries of MoEC and PORALG; and the BEDC includes as members key directors of the MoEC and PORALG as well as a MoF representative. It may be too soon to tell whether these mechanisms are effective or not: however, this would seem to be an area where donors supporting the ESDP can act.

There is another example of contorted ownership issues in implementation (and, to some extent, formulation). During the implementation phase, i.e. after formal formulation procedures, the government has been faced with a rapidly increasing demand for primary education now that user fees have been abandoned. One of the responses to this has been to raise the rate of supply of trained teachers by shortening teacher training for primary school teachers (at any rate, for Form IV school leavers becoming teachers) from two years to one year. The Tanzanian Teachers' Union has presented strong criticism of this action, overtly on quality grounds, to the Permanent Secretary for Education in her position as Chair of the BEDC. However, there has been no response to this yet. More generally, the general secretary of the TTU argued that although the TTU was consulted, its recommendations tended to be ignored once made. This would seem to show that establishing mechanisms for broad ownership and participation does not necessarily guarantee effective dispersal of ownership among all potential owners.

There are various mechanisms that can potentially deepen and broaden national ownership but whose potential is unrealised, due to capacity weaknesses. The point of the ESDP is that it is to be delivered at district level and in a manner that includes school committees as well as local government authorities (LGAs). A specific mechanism within this is the replacement of user fees by a capitation grant to be managed by school committees, the allocation of which will partly depend on the progress made by individual schools in developing their own development plans. However, effective decentralised delivery and ownership might founder due to lack of skills and awareness. Sources within the MoEC fear that the government has not done enough to spread information in the districts concerning, for example, the nature of the capitation grant and the conditions of access to teaching materials.

It is acknowledged in the Consultative Group memo on the education SWAp (September, 2001) that there is a need for concerted training at local level in, among other things, management and budgeting skills. Given what that memo itself calls the 'long and arduous' progress towards this SWAp, it is perhaps surprising and unfortunate that more was not done earlier to ensure parallel progress in skills development and governance mechanisms to ensure that decentralisation is effective. One example of the problem was given in an open letter to the president, published in the Tanzanian newspaper *The Guardian* on March 14th, 2002. The letter was written by a recently appointed internal auditor in a LGA and the author argued that the effectiveness of the auditors was compromised by their lack of independence, and claimed that there is widespread corruption at the local level, including the abuse of education funds.[45]

It is difficult to discuss the evolution of the PEDP/ESDP without referring to tensions among the donors, or more specifically between the World Bank and some of the leading bilateral donors. There is clearly a strong element of personality clashes in this. However, recent tensions have raised a more significant issue. Briefly, institutional pressures on particular organisations can frustrate the cause of increasing government ownership by leading to a variety of funding mechanisms and, potentially, donor priorities. This can in turn create rivalries among organisations, which at the very least makes it harder for government to negotiate the relationship with donors. One of the objectives of mechanisms like SWAps and the harmonisation principles agreed to by the DAC donors is precisely to create a more co-ordinated and manageable donor position vis-à-vis government; but institutional and personal tensions can undermine this effort.

Was there ownership in the evaluation of the program?

Government owners are important to the ongoing monitoring and evaluation of sectoral reforms in education. For example, the MoEC has generated many reports on the state of play, the main constraints and challenges, reviews of organisational structures, and so on. Government officials are often adamant that involving external consultants in this, is perfectly compatible with their own continued ownership. Thus far, it is

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[45] "Civil servants stealing so much" The Guardian Dar es Salaam March 15th 2002.

chiefly the MoEC that has played this role as government owner. Other owners, such as the TTU and TEN/MET, are also important in the evaluation process. Donors such as Sida have produced various evaluations of the evolution of the ESDP and their own role in that evolution. At the time of the field visit to Tanzania for this study, the first review of the PEDP was due shortly. It was envisaged that there would be two reviews annually, in March and September, with the timing chiefly designed to link the review process effectively with the budget cycle. At the time of our visit, draft terms of reference for the first review had been produced by the MoEC, and a draft composition of the review team (which was to reflect multiple ownership of the ESDP and PEDP). Since these had not yet been submitted to the BEDC, we were unable to see them.

Sida has played a consistent role in evaluating processes and progress in the education sector. One example, of continuing relevance, is that during the evolution of the ESDP, Sida repeatedly highlighted shortages of capacity as its threat to success and genuine national ownership, particularly at the local level. It may be added that the

'Principles for Promoting Harmonisation and Aid Effectiveness' among DAC members state broadly, of SWAps in Tanzania, that it 'is not unambiguously clear that basket funds have lowered transaction costs, built up capacity or improved the level of service delivery. The requirement to sequence the implementation of the sector development plan implies that the formulation of strategy and capacity building (for budgeting/planning, implementation and reporting) are preconditions for basket funding'. The first quoted sentence conforms to our observation of the education reform Program and SWAp. Regarding the formulation of strategy and capacity building as preconditions of basket funding, there is enough confusion in delivery, much of it related to lack of effective formulation and capacity, to suggest these preconditions do not exist.

Conclusion

A number of themes emerge from the experiences, to date, of the education SWAp and ESDP in Tanzania.

- A dispersal of ownership among different levels of government and different ministries has not in this case produced an accumulation or consolidation of ownership overall, but rather has in some ways fragmented ownership. This is partly a natural function of institutional and organisational change. Yet this is more than merely a technical problem: interviews with different stakeholders suggested repeatedly that there were questions of 'turf', i.e. that there are conflicting interests and agendas within and between ministries and government departments. These were to some extent frustrating a complete assumption of ownership.[46]

- The education experience shows clearly that ownership requires effective leadership.
- However, leadership in this case, from the head of state particularly, emerged partly at the behest of donors, i.e. this is a good case of donors urging ownership on political leaders.
- SWAps are intended as a mechanism to reduce 'donorship', but donors clearly have retained ownership stakes in their partnership role: although hard to measure and subject to the dynamics of process, donorship is nonetheless declining in education.
- And this is so even where donors perceive themselves almost as guardians of the government ownership stake, e.g. in conflict with the World Bank over policy and funding issues.[47]
- Moreover, a number of employees of the MoEC have indicated that they do not really believe there is real government ownership. This is a view echoed by at least one significant external Tanzanian consultant to the education reform process.

Finally, gestation of the ESDP has been more than elephantine: not only long but extremely painful and complicated. To simplify, at one stage there was clear government ownership of ideas for reform but no leadership and, partly reflecting that, no ability to distinguish levels of priority. This was followed by and partly provoked a period, in the second half of the 1990s, of extreme donorship. The current ESDP, with its active primary education component, reflects a compromise on both sides. This is a classic example of how most institutional arrangements, including ownership, are the residues of conflict of one kind or another.

2.4 FEMINA-HIP (Health Information Program)

The project

Femina is a magazine that provides a vehicle for a health information project supported by Sida. The magazine focuses on HIV/AIDS issues for young people. The key to the project is the 'edutainment' (education

[46] Other evaluations and analyses of the shift towards SWAps have made similar points, e.g. highlighting the threat that such institutional change poses to established patronage networks.
[47] This judgement is based on interviews with Sida staff, the World Bank education adviser in Dar es Salaam, civil society stakeholders in Tanzanian education, and other donor representatives: all were forthright on the specifics of this conflict.

through entertainment) concept. Femina existed as a magazine prior to the project but as a more general young women's magazine. The triumvirate of the East African Development Communication Foundation (EADCF), East African Movies (EAM) – a private enterprise – and Sida has taken over the magazine and transformed it into the edutainment HIP vehicle, with enormous success.

Femina is sold commercially and then after a lag further copies are distributed to NGOs and youth clubs. These copies are stamped on the cover: 'COPY FOR SCHOOLS AND NGOs SUBSIDISED BY Sida'. Both young women and men read the magazine, and it has initiated a debate on reproductive health and HIV/AIDS issues in communities and households. The magazine reaches 25 regions, although distribution is uneven. As the rest of Tanzania catches up, with businesses realising the significance for their workforces and with government recently taking up a clearer leadership role in tackling the HIV/AIDS challenge, Femina is well placed to expand. It is, therefore, all the more important that the organisational and ownership challenges in the running of the project are resolved effectively.

Notably, in this project there are no direct government owners. However, government ownership does matter to the future of Femina insofar as it is tied up with broader policy responses to the threats and challenges posed by HIV/AIDS. Where government policy is non-committal, and where few resources are allocated to prevention and/or treatment of HIV/AIDS, then there are obvious constraints on other projects and initiatives addressing the problem. For example, Femina could play a role via subsidised distribution through the public sector, but this would depend on the level and nature of government commitment to such initiatives. However, it is encouraging to note that the government has begun to take ownership of the policy challenge. To quote the Swedish ambassador in Tanzania, there has been 'rapid development in the last few years' in government leadership on HIV/AIDS. Over the past four or five years the top politicians, having been quiet on the issue, have 'now moved to the frontline'. This is reflected in the Tanzanian Parliamentary AIDS Committee (TAPAC), whose membership currently includes more than 100 parliamentarians. It is also reflected in the appointment of Major General (ret'd) Lupogo as head of TACAIDS, the government's commission on AIDS. The legislation establishing TACAIDS was written in January 2001 but was not signed until January 2002. As of April 2002 it still had no secretariat (so its evident commitment is, as yet, unmatched by capacity). Another indication of political commitment (an ingredient of ownership) might be the General's comment that the government had threatened to de-register the NGO Pro-Life unless they stopped their active anti-condom campaign.

Broader ownership is also important to ensure the future financial sustainability of Femina (i.e. without Sida aid). This depends on a large-scale tie-in with the public sector and on higher private sector advertising and bulk private sector subscriptions. If government ownership is evolving, so too is that of the private sector in HIV/AIDS. If this scaling up of ownership continues, then there is scope for more corporate in-house AIDS awareness campaigns and with them, bulk subscription to Femina for employees.

The issue of ownership

It is easier to identify Tanzanian ownership of the Femina project than in any other project examined in the course of this study. Local ownership and responsibility have been critical to its success. In many ways the project has Tanzanian ownership stamped on it very clearly: through, particularly, the role of East African Movies, of Jamillah Mwanjisi (the editor of the magazine), and the active role taken by reader groups and youth clubs associated with the magazine and its HIP messages.

Nonetheless, the ownership question is not fully resolved. The most significant issues revolve around the role of the EADCF and, above all, that of the project co-ordinator. The project's success has been largely due to her commitment; yet at various stages the project has been almost over-identified with her and it is still not clear how effectively it would function were she to withdraw. The other main ownership issue concerns the division of responsibilities among the closely collaborating three organisations involved: Sida, the EADCF, and EAM.

Who were the owners?

The main owners from early on in the project were the East African Development Communication Foundation, East African Movies, and Minou Fuglesang (Sida and Karolinska Institute). The chair of the EADCF explained that the conception of the Femina HIP project was a collaborative event. Minou Fuglesang had introduced the 'edutainment' concept but a loose group of people had been the core team which identified the project and then looked for support to cushion the transition from the old Femina (the straightforward teen girls' magazine) to the new, HIP-oriented magazine. From this perspective, although Ms. Fuglesang (of the Karolinska Institute) had links that facilitated Sida's involvement, it cannot be said that Sida was a key owner at the beginning.

Sida came to play more of a role in the formulation stage, which also involved the EADCF and EAM. Indeed, one of the keys to the organisational framework of Femina was Sida's inability to deal directly with a private enterprise such as EAM. Sida needed an NGO, so the

EADCF was created, partly if not exclusively, to provide this kind of partner institution. According to Jamillah Mwanjisi, the managing editor of Femina, Mr. Shaba and Mr. Saidi wrote the original project proposal, although Ms. Fuglesang sharpened it up. Sida – according to EAM – put in a condition of sustainability and of a gradually declining financial contribution from Sida.

East African Movies claims to be the owner of Femina, and is also a service provider to the EADCF for the provision of the HIP message. EAM also claims that at the end of the donor funded project full ownership will return to the company. Thus, in a way, EAM is both principal and agent. This is also true of Minou Fuglesang: the project is in many ways 'her baby' (and most people agree with this), which makes her an owner, but at the same time as project co-ordinator she is simply an efficient agent. Sida maintains an ownership role (again, potentially problematic in the eyes of some) but this is largely hands-off insofar as Sida officially is concerned. At any rate, that is true if Ms. Fuglesang is regarded as a consultant hired in by Sida and the EADCF. EADCF, with Sida support, is a major owner in terms of taking lead responsibility for the characteristics of the magazine and its edutainment aims and for editorial content.

It is also important to note that, the readers' groups that produce regular feedback on magazine content and editorial direction and the youth clubs that set up as associations linked to the magazine are active owners since they influence and identify with the magazine and its mission.

Who identified the project?

All agree that there was information dissemination, consultation, collaboration and shared decision making among the key players during the early stages of the project, when the idea of grafting a health information project onto a glossy youth magazine was conceived and developed. There was a clear convergence of interests among these main owners and a shared enthusiasm for the idea.

Who formulated the project?

The actual formulation stage, like that of identification and selection, was somewhat informal. Ideas were shared and in retrospect there is not a very clear picture of who exactly had the idea and developed it – which is not necessarily negative. It is clear that much of the formal clarity in the project proposal and especially the introduction of the 'edutainment' concept came from Ms. Fuglesang.

One significant feature of the ownership/adoption characteristics of the project in its early phases was Sida's policy on advertising and on partners. First, the identity of the Femina project derives to a significant degree, from Sida's inability, institutionally, to strike partnerships directly with private sector organisations. It was for this reason that the EADCF was created as Sida's direct partner. This has shaped the whole project, including its shortcomings, and has stamped Sida ownership on the project. Second, EAM had to pull out of advertising deals with tobacco and alcohol companies because such advertising contravened Sida policy. Without making any judgement on this policy, it is a fact that this imposes institutionally Sida ownership on the project. This restriction has also affected the longer run financial viability of the project given that advertising revenue remains severely limited.

Formulation is not a once and for all event but overlaps with implementation and evaluation. Hence, as the Femina project nears the end of its first contract with Sida, key stakeholders are starting to develop a project proposal for a second phase. Some interviewees suggested that it should be the EADCF doing the preparation of this proposal and that the EAM is having to 'pull it from them'. This raises an issue of the division of labour among the owners, discussed below.

Who owned the process of implementation?

Local ownership intensified with the implementation of the project and, above all, with the hiring of the managing editor, Jamillah Mwanjisi. Not only has she taken on the role with gusto; but also much of the character of Femina's brand profile lies in the readership's identification with her persona. Around the managing editor and project co-ordinator a health and media team developed, generating a dynamic capacity to implement and develop the edutainment approach through the magazine. The magazine is sold commercially (presently some 10,000 copies) within Dar es Salaam, where market transactions act as the mechanism of refracted ownership. The remaining 20,000 copies are then distributed to schools and NGOs and associate youth clubs. Again, ownership is spread through active reading and use of the issues of the magazine, particularly evident in the activities of youth clubs and school reader groups.

The involvement of a youth readership suggests local ownership increasing through dispersal, chiefly because this dispersed engagement is co-ordinated and its benefits reaped by the management team. Mechanisms to bring this about include feedback groups, the letters page, photo-novels with participation of youth groups linked to NGOs, and other efforts within the magazine to encourage dialogue and to reflect this in future magazine content. One example would be the Temeke Youth Club (on the outskirts of Dar es Salaam), visited by two members of the CDPR team. The club members present clearly took their role very seriously and took great pride in the fact that they had organised a local workshop in association with Femina and that pictures of this workshop had been published in the magazine. One small qualification to the ownership issue here comes from the observation that, although this club was a mixed-sex one, only young men were present at the pre-arranged meeting with us.

Tanzanian ownership is also extremely clear in the role of EAM. One illustration of this is that the company has, together with the management team at the magazine, had to build a distribution network almost from scratch, thus taking on a considerable cost.

The main mechanism of joint ownership between Sida and its Tanzanian partners during implementation of the project is the regular visit by the project co-ordinator. As we will see below, these visits remain too important if one wants to build more exclusive and sustainable local ownership of the project.

More broadly, joint ownership is shared between Sida, EAM and the EADCF. There is a problem, however, in that most people acknowledge that there could be a clearer division of responsibilities. In particular, the capacities of the EADCF need to be addressed more effectively in the future phases of the project. Some argue that EAM staff members had to take on more managerial responsibility than they had expected, and that this is because of weaknesses in the EADCF. It was put to us, in fact, that the success of the project would depend either on a more permanent presence of the project co-ordinator or on a sharp improvement in the capacities of the project management. From the EADCF perspective, members of the Foundation give their time freely and, therefore, despite their commitment have limits on what they can achieve. The Foundation also has limited resources in terms of office space and equipment. Indeed, although the Foundation and especially its chair have been owners from the start of the project, there is some perception that due to financial dependence on Sida real ownership power rests with Sida. Mr. Shaba of the EADCF put this argument to the CDPR team. However, he presented the argument chiefly in terms of hypothetical situations in which Sida would wield true ownership power rather than giving actual incidents.

What ownership was there in the evaluation of the project?

All owners have been involved in evaluation, both bottom up and top down. From the bottom, the readers' groups especially provide an ongoing source of evaluation of overall direction and particular content issues. The EADCF and EAM have begun to evaluate their experience more recently as the project ends its current incarnation in June 2002. Sida has also evaluated the project, commissioning Thomas Tufte to compile an evaluation report, which will be one input to the process of assessing the future evolution of Femina HIP and its relationship with Sida.

A study of feedback mechanisms, *Reading FEMINA HIP: An Analysis of Feedback During the First Year*, was produced by the Karolinska Institute and two internal staff, for the EADCF. The EADCF also commissioned a US peace corps volunteer, Jessica Tomkins, to produce the *Femina Clubs* report, in draft form at the time of the CDPR visit in March 2002. Further, there are frequent meetings between the editorial team and school reader groups, there has been consultation with the visiting Sida project officer based in Stockholm, and the EAM business strategy demands monitoring and evaluation of performance and constraints. The so-called Tufte report has been disseminated among the major owners, i.e. EADCF and EAM senior staff. The two EADCF reports were produced in a collaborative manner.

Thus, evaluation has been integrated into the project and its management has broadly sustained the level of ownership evident in most dimensions of the project. However, the EADCF chair, Mr. Shaba, in an interview with CDPR team members, raised a note of tension. Mr. Shaba argued that if Sida were really interested in promoting ownership they would not have contracted Europeans (i.e. the CDPR team) to conduct a study of ownership in Sida activities.

Conclusion

There is stronger and more evident Tanzanian ownership of, and responsibility for, the Femina project and its activities than in any other activity we investigated. This ownership is concentrated in the management of the project, i.e. in EAM and the EADCF and the editorial team. Ownership is also strengthened by being dispersed and at the same time centrally managed: i.e. through Femina's outreach activities with school and community clubs. It is also extremely important to note the significance, within this ownership, of a gender mix, symbolised above all by the leading role of the managing editor.

The tripartite organisation of Femina as a project, linking Sida with the EADCF and EAM, imposes some peculiarities on the characteristics of ownership. Thus EAM is both owner in a straightforward private sector proprietor sense and at the same time service provider to the EADCF, which in turn, is the direct partner for Sida. This has generated some problems concerning the division of labour and relative capacities between the EADCF and EAM which clouds the ownership situation. It is important to note that this is at least partly a function of the institutional constraints on Sida itself, i.e. in its limited ability to work with the private sector directly. It is also a function, probably, of the strong individual personalities involved in, and taking responsibility for, the project.

Finally, one of the most obvious owners of the project is the project coordinator. While her passion and ability have had a huge influence on the success of the project, from a purely ownership perspective the extent to which the project is identified with her remains a constraint on genuine local ownership.

2.5 Health and Sanitation Through Water (HESAWA)

The project

HESAWA has aimed to improve the health standards of beneficiaries by providing access to safe water, sanitation and health education in three regions (Mwanza, Kagera, and Mara) of Tanzania around Lake Victoria. Estimates indicate that at the end of 2001 more than 3,240,000 people, 61 per cent of the total population in the lake zone, 'have in different ways benefited from the Program' (Zonal HESAWA Co-ordination Office, Semi-Annual Progress Report, July–December 2001, March 2002). HESAWA is the longest running of all Sida's activities examined under this evaluation, beginning in 1985. The project replaced the Water Supply and Sanitation Program, which had provided installations of piped water to the area. HESAWA marked a degree of continuity of Swedish support to water provision in the area but represented a significant change in the aid strategy since capacity building, users' awareness promotion, and community participation were promoted together with the provision of physical installations. Together with piped water schemes, HESAWA has introduced a variety of water sources (such as drilled shallow and medium deep wells, improved traditional water sources, dug wells), and has undertaken large-scale building of schools and household latrines.

Issues of ownership

Our reasons for choosing to evaluate HESAWA are twofold. First, Sida's support is being phased out. Since July 2002, after 18 years of donor support, activities under the program will have to be funded by Tanzanian institutions alone. Therefore the HESAWA prospects for sustainability are a useful perspective through which local ownership, in terms of commitment and capacity to implement development programs, and Sida effectiveness in promoting it, can be assessed. Second, as a long-standing program HESAWA allows us to analyse dynamics of ownership over time, from a top-down program of the initial phase, to one in which a genuine attempt has been made to involve local owners. This section begins with an analysis of ownership changes over time.

In the first years of its activities HESAWA was a top down program in which more than one hundred international and national consultants led the planning, implementation, and evaluation activities. In theory the government structure from national to village level was to be supported by the Program Zonal Co-ordination Office via Regional and District Action Teams down to village HESAWA Committees. Indeed, HESAWA documents claim that from the beginning of the second phase (1990/91–93/94) local authorities became increasingly involved in the management and implementation of activities. (URT ministry of community development women affairs and children (MCDWAC) Plan of Action FY 1998/99–2001/02 HESAWA PHASE IV June 1999 p 10) However, an evaluation carried out during Phase II underlined that, although villages were preparing plans that were then channelled to the regions via wards and districts, the final plans had 'little relationship to the needs originally expressed at the village level.' (Smet et al 1993 p 77) The control over planning rested in operational terms with the National Directorate and the Zonal Co-ordination Office, the owners of decisions over budget allocations. Thus, as late as 1992 the conclusions of the evaluation regarding ownership in HESAWA were: 'The Program in many places seems to be perceived as a Sida Program implemented through government, rather than a government Program supported by Sida... At this stage, HESAWA can not be said to be firmly enough rooted to be sure that the concept itself will survive beyond the lifetime of the project.' (ibid. p 78)

In fact, some of the weaknesses of the project identified in the 1993 evaluation have remained unresolved. For example, that evaluation warned of the lack of progress in community based operations and maintenance activities. The cause was identified in delays in setting in place a spare parts supply system, 'a startling omission within a Program ... more than seven years old.' (Smet et al p 30) Also it was stressed that 'the real extent of both willingness and ability in villages to pay for the cost of keeping facilities in good repair' (ibid. p 114) was unknown and that, before the issues of spare supplies and community contribution were addressed, the concepts of handing over and phasing out would have been difficult to operationalise. (ibid. pp 114–115)

With the start of Phase III in 1994, the Program began to address some of the issues concerning devolution of powers and responsibilities to local owners. Considerable results were reached in merging the Program into the government structure, with district councils playing an increasing role in Program activities. District councils began to fund 5 per cent of the HESAWA external budget for their district. However, it has to be stressed that this financial commitment was achieved because the district's contribution was set as a condition for the release of donor funds. More genuine indicators of ownership were the fact that top political leaders such as district commissioners and councillors became involved in HESAWA promotion; all districts appointed district HESAWA co-ordinators; and district councils took more responsibility for annual planning and budgeting, monitoring of the implementation of activities, and preparation of quarterly expenditure returns. (Smet et al 1997 p 42) Some major problems relating to ownership remain. About 30 per cent of water installations built by HESAWA were reported as not functioning during the third phase. (Ibid p 1) One possible reason for this was that the financial and technical ability of the local population was not sound.[48]

In the second half of Phase III, the Water User Groups (WUGs) were introduced. They are responsible for providing labour and local materials for the construction of the installations, collecting funds for 25 per cent of the cost of the installation, and for the full operation and maintenance expenditures. The idea was taken from the Dutch sponsored Domestic Water Supply Program (DSWP) in Shinyanga, drawing on a participatory planning methodology to encourage responsibility. Program trainers called assemblies with all the users around one installation. A one-day orientation course for each group aimed at promoting the importance of user contributions to operation and maintenance expenses. During the assembly the users elect a Water User Group committee with twelve members who then divide themselves into three sub-committees: finance and planning, environmental sanitation and security, and technical. The subcommittee members would then get three days of training on, respectively, issues related to collection and handling of maintenance funds, hygiene and safety principles, and the use of a toolkit for minor repairs.[49]

By the end of 2001 more than 4,000 WUGs had been formed. As the training of WUGs and replacement/construction of pumps to which they contribute represent about two thirds of the fourth phase budget, (URT MCDWAC Plan of Action FY 1998/99–2001/02 HESAWA PHASE IV June 1999 pp 44–45) the evaluation of the ownership dimensions related to WUGs will be emphasised over the analysis of ownership issues related to other activities in the Program.

HESAWA final phase: who were the owners?

The degree of ownership amongst different owners has significantly changed through the stages of identification, formulation, implementa-

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[48] See Drobia (1998 p 3). Furthermore, the long standing issue of an effective spare parts supply system remained unsolved (see Smet et al 97/12, pp 36–37)

[49] See Cedmert and Dahlberg (2001)

tion of HESAWA final phase. At the stage of identification Sida emerges as the only owner of the decision to phase out support to the project. The formulation stage has seen the involvement of Tanzanian owners, such as the regional and district level authorities, together with project staff. It is only at the implementation stage that the beneficiaries of the Program have been involved.

Who identified the final phase?

On the modalities of identification of phasing out Sida support as the new strategy for HESAWA, it is clear that it was a Sida unilateral decision. As a Sida officer has put it, the withdrawal of Sida from HESAWA was mainly related to dissatisfaction with an old project coupled with doubts about Tanzanian commitment to the Program. The decision to phase out Swedish support was not met with unanimous agreement within Sida. In interviews, people on the Tanzanian side within the ministry of community development, women affairs and children and the Program National Director, commenting on the Sida decision, openly showed disappointment about what they argued was a premature decision. Regional, district, and village Authorities, as well as grassroots beneficiaries of HESAWA were not consulted at the stage of identification of the phasing out of Sida support.

Who formulated the final phase?

The formulation of the plan of action for the last phase of HESAWA has involved a wider number of owners. Informants tended to give us lists of institutions involved in the exercise and suggested that it was difficult to attribute specific parts of the plan to individual actors. The process of actual planning started in Dar es Salaam. On 28–29 May 1997 a workshop on 'Planning principles for the HESAWA Program final phase' was held with participation from the Planning Commission, the ministry of community development, women affairs and children, the ministry of water and health, the HESAWA Program management and Sida.

At that stage sustainability was 'unanimously agreed' as the crucial challenge during the final phase and after donor withdrawal. Once the principles for the development of HESAWA during Phase IV were set, the HESAWA Program was commissioned to work on a framework for Phase IV. The Plan of Action was eventually elaborated by the Program management 'with support from a consultant.' (URT MCDWAC Plan of Action FY 1998/99 –2001/02 HESAWA PHASE IV June 1999 p 18)

The plan of action has been continuously modified over time. The March 1998 version represented the basis for the 'Specific Agreement Between the Government of Tanzania and the Government of Sweden on Support to Health through Sanitation and Water Program'. The plan was then revised in March, June and July 1999 after the Program Steering Committee pointed out the implications of the ongoing Civil Service Reform and Local Government Reform were not accounted for in the plan of action. HESAWA field workers, HESAWA Co-ordinators, regional and district Officials as well as officials from relevant ministries were involved in the process of revision. (URT MCDWAC Plan of Action FY 1998/99–2001/02 HESAWA PHASE IV June 1999 p 18; PHASE IV Mid-Term Review of the HESAWA Program in Tanzania 7–25 February 2000 31 March 2000 p 33)

The latest major modification to the plan of action took place in 2000, when it was decided to concentrate efforts on rehabilitation of facilities and re-training of village level staff rather than increasing the number of beneficiaries. A major role was played by the team that carried out the Mid-Term Review in 2000. Two of the three members of the team were consultants and the remaining member was an economist at the ministry of community development, women affairs and children.

Other potential owners during this stage of the cycle were the Water User Groups (WUGs). However, according to available documentation these have not been involved in the formulation of the contents of the Plan of Action for the last phase. While their lack of participation in the earlier drafts of the plan of action is justified by the fact that most WUGs had not yet been trained, their apparent exclusion from later versions of the plan is less justifiable. Thus, crucial choices, such as the decision to require WUGs to contribute 25 per cent for the replacement of stolen or new pumps, were adopted without the sufficient involvement of direct beneficiaries. This lack of users' ownership of the formulation stage of the Program lies behind the difficulties in the implementation process that will be discussed in the next section.

A final issue is whether the phasing out of Sida support was proposed on the basis of perceived Tanzanian ownership, or whether, on the contrary, ownership became a concern because Sida assistance was to be phased out. If one analyses the plan statements regarding the problems to be addressed in the last phase, it seems that the latter was the case. Inadequate management capacity by user groups, shortage of trained technicians in villages, and unclear lines of communication between the Program actors were listed as issues to be addressed. (URT MCDWAC, Plan of Action FY 1998/99–2001/02 HESAWA PHASE IV June 1999 p 21–26) On the outstanding issue of spare parts supply, the plan acknowledged that in the past HESAWA has 'failed to establish an adequate system for distribution and sale of spare parts', and promised to lead 'a concerted effort ... to establish a reliable system through the private sector'. There could not be much confidence in this, however, given the fact that 'there is, however, little money to be made from the sale of spare parts, and there is always a risk that the system will fail especially in remote areas.' (URT MCDWAC Plan of Action FY 1998/99–2001/02 HESAWA PHASE IV, June 1999, p 37)

Who owned the process of implementation?

When dealing with ownership aspects of the implementation process, a number of different themes emerge. The first refers to the modalities of Sida disbursement of aid. In the plan of action it was decided that Sida's budget contribution would be allocated to the MCDWAC. The ministry was to lead preparation of the budget, with support from the districts, the Zonal Co-ordination Office, and consultants. Requests for funds would be presented quarterly by the ministry to Sida, and once approved, would be disbursed to the districts through an HESAWA account at the ministry. The rationale was to design the flow of funds in such a way that the ministry would be in control. (URT MCDWAC Plan of Action FY 1998/99–2001/02 HESAWA PHASE IV June 1999 p 16) For three years this has been the procedure followed for disbursement. In the last year, after Tsh278 million, or about 30 per cent of Sida contribution, had gone missing (Agreed minutes between the ministry of community development, women affairs and children and the Embassy of Sweden/Sida 21–29 January 2002 from the Mid-Year Review of HESAWA p 2) Sida has decided to bypass the ministry and release funds directly to Mwanza, where the Zonal Office has allocated funds to districts.

The district councils are crucial owners during implementation. During the fourth phase the percentage of district contribution to the budget was raised to 11.5 per cent from 5 per cent. This, however, was a minimum obligatory sum, the expectation being that the district should increasingly take over financing of the Program activities currently supported by donor funds. Initially the take-over was expected to meet office running expenses, meetings and running of vehicles, and ultimately to carry the burden of construction of installations. (Agreed minutes between the ministry of community development, women affairs and children and the Embassy of Sweden/Sida, 17–29 May, 1999 from the Annual Review of HESAWA p 3) However, while the trend expected was an increasing contribution by districts, the same document noted that district budget proposals were 35 per cent above the previous year's budget. This was contrary to the 1997 Agreed Minutes, which had stated that there should be a gradual decrease in the donor-fund component with the forthcoming end of donors support. (Agreed minutes between the ministry of community development, women affairs and children and the Embassy of Sweden/Sida, 17–29 May 1999 from the Annual Review of HESAWA p 4)

It is hard to say whether this slow assumption of financial responsibility by districts is due to a lack of commitment or to an inability to raise contributions. Changes noted in the HESAWA budget in Magu district, Mwanza Region, visited during the evaluation, may highlight the magnitude of the challenge districts are facing. In the last year of activities funded by Sida, the annual budget in the district was Tsh93.3 million, of which Tsh82 million came from Sida, Tsh1.3 million from the central government and Tsh10 million from the district council. The scheduled budget for the year starting January 2003 is Tsh32 million, 12 million to be allocated by the government and 20 million by the council. The HESAWA budget for this year will be about one third of the previous year. Here we are assuming that the government contribution will materialise according to schedule. However, the Program financial advisor talked about a 'sense of money asked for, but not forthcoming'.

Even if the budget has decreased, in terms of the district council contribution the input has doubled, which is a sign of commitment. About one third of the budget will go into the running of cars, lorries, motorcycles and offices. The single biggest item in the budget will be the replacement of stolen pumps and the deepening of wells, both activities that will be left uncompleted by Sida and taken over by the district.

Comparing the last year of HESAWA Program funds in Magu District and the following year funded by the district alone, it should be noted that some of the budget decrease has been due to the discontinuation of activities. For example Tsh10 million worth of WUG promotion and training in participatory monitoring at village level will not be continued. (Magu District Council Plans/Budgets for 2002 and interview with Joseph Bundala, District HESAWA Co-ordinator Magu District).

It will be clear that, despite the district councils' increase in support to HESAWA, the transition to the post-Sida phase will not be without difficulties. The solution to increase support to the Program appears to rest on an increase in local revenue collection by the districts. From this perspective it is understandable that, at a meeting between district councillors in Magu District to discuss sustainability issues of HESAWA, it was agreed 'villagers should be assisted so that they improve their economic base.' (Summary of Councillors' Workshop Magu District 4th–5th December 2001 p 1) In this case increased welfare through the promotion of cotton farming was suggested as a prerequisite for increased local community contributions.

It was also stated that 'promotion [was] to continue so that users continue making the financial contributions for maintenance', and that 'the district council should include promotion in its annual budgets.' (Summary of councillors' workshop Magu District 4th–5th December 2001 p 2) However, we have already shown that WUG re-promotion will not be budgeted next year.

A final element related to district councils and ownership at the implementation stage is their lack of confidence in the capability to address the challenges that HESAWA sustainability poses. For this reason it was agreed that the district council should work with the central government 'to look for other donors.' (Summary of Councillors' Workshop Magu District 4th–5th December 2001 p 2) In Tarime District, councillors also came to the same conclusion. (Summary of Councillors' Workshop Tarime District 22nd November–23rd November 2001 p 1)

Moving to the analysis of users of water installation at the implementation stage, the questions concern whether the enormous task of making users the owners of facilities has been achieved. The first aspect worthy of attention here is the WUGs' response to the request for providing 25 per cent of the cost of new/replaced installations. The performance from this point of view has been disappointing, as just over 50 per cent of planned interventions have been completed for stolen and broken pumps. (Annual Progress Report July 2000–June 2001 September 2001 p iv; Zonal HESAWA Co-ordination Office Semi-Annual Progress Report July–December, 2001 March 2002 p iv) There is consensus among stakeholders on the reasons for these difficulties. The Zonal HESAWA Co-ordination Office stated that 'the 25 per cent cost sharing ... proved prohibitive to several WUGs' and hence rehabilitation works as well as pump replacement was slower than expected. (Zonal HESAWA Co-ordination Office Semi-Annual Progress Report July–December 2001 March 2002 p 9) At a workshop the district HESAWA Co-ordinators agreed on the demand on users was excessive, and proposed to reduce it. (PHASE IV Mid-Term Review of the HESAWA Program in Tanzania 7–25 February 2000 31 March 2000 p 27) Thus the lesson is that for users to comply with cost-sharing measures, their involvement in setting the limit is crucial. Given the fact that the 25 per cent share was decided without any consultation with water user groups or any study about users' income in program areas, the problems in implementing it are linked to neglected ownership at the planning stage. It has to be said, however, that while HESAWA might have burdened its users beyond their capacity, other development programs in the Lake area had irresponsibly continued to provide similar installations for free or for less than 5 per cent of the cost of installations.

As for the performance of WUGs with regard to the daily collection of funds for maintenance and the safety of the installations, there are some signs of ownership. The number of stolen pumps had dropped considerably. This might be due to increased ownership bringing better protection. Our observation, (although the eight WUGs visited during the evaluation does not constitute any rigorous sample), was that in all WUGs visited, cement had been laid over the installations to prevent the stealing of pumps, and that this has taken place during the last phase. Concerning money collection, half of the WUGs visited had over Tsh100,000 available for minor repair expenditures. Amongst the other half, one WUG stated that lack of money was preventing them from saving enough money, and the remaining three felt that training provided had not been sufficient.

Another element that will influence the WUGs' capacity to maintain installations is the availability of spare parts. We have already underlined that, with the beginning of the final phase, the privatisation of the spares system was considered a problem of major importance but it is yet to be solved. The problem stem from the high cost of spares combined with low-income beneficiaries. Furthermore, different spare parts have been installed since the beginning of the Program. Therefore, the demand for types of spare varies and is usually quite fragmented. Many WUGs are also not aware of the availability of spares. Thus it is not surprising that the business community in the Lake regions indicates lack of demand as the main reason for not supplying hand pumps and spares. 'A few people who have tried to enter the business burnt their fingers and eventually abandoned the business' (Bumaco 2000 p 4) and nowadays business people are not willing to tie up their capital in items which might not be sold for a long time. This kind of market failure seems to be recurrent in programs of this kind. For instance in neighbouring Shinyanga, the spares supplier Kulaya had bought spares worth Tsh9 million in 1997 and sold three in the last three years. (ibid. p 4)

Conclusions: ownership and sustainability

As HESAWA support is phased out by Sida, it is unclear what future the activities have and how much ownership at various levels has really accrued during the lengthy history of the project. Clearly, there has been some transformation: the original project was donor driven and top-down but although progress has been achieved in shifting away from this modality that progress has been slower and so less complete than was needed.

The initial decision to phase out Sida support appears to be one example of a decision taken unilaterally with little consultation involved. Thus, while the phase-out support has sought to ensure ownership and durability in the project, ownership has increased partly as a survival mechanism, and unevenly. There has been some significant integration of project activities and responsibilities into government and particularly local government structures. However, severe constraints on effective ownership remain, and there have continued to be external decision-making processes into the last phase of the Sida-supported project.

The durability of the project relies on local, beneficiary ownership, given the thousands of water user groups involved and the importance of installation maintenance. However, ownership by water user groups – in the sense of commitment to maintenance and financial responsibility – has been extraordinarily uneven. Even different groups located extremely close to one another displayed stark differences in local ownership, in the albeit small sample of user groups visited by one member of the CDPR team.

Although one source of variation in ownership may well be differences in personal commitment to maintenance and sanitation, it is clear that for many user groups the realities of poverty are a major constraint, such as taking on significant financial responsibility for upkeep and training. Resource constraints also intersect with another long-standing problem with HESAWA, i.e. the provision and availability of spare parts. Rural water user groups appear to be locked in a poverty trap that limits effective demand and, consequently, fails to stimulate a private sector interest in developing spare parts supply enterprises.

2.6 Support to the Private Sector

The projects

The weakness of the private sector in Tanzania has been a serious impediment as the country moves away from the statist model of the pre-adjustment period. Wide-ranging economic policy reforms have done little, until recently, to address these private sector capacity problems (and may have exacerbated some of them). Sida during the 1990s has increasingly recognised the importance of supporting private sector development. Sida commitment is formally presented in its recent 200-page report. (Sida 2001)[50] Its private sector development unit has been expanding the number of projects it supports in places like Tanzania. Sida is currently involved, in Tanzania, with a range of projects in three different categories: an enabling environment, supporting interest-based associations; and supporting financial services. Projects are at various stages of completion. Time constraints and difficulties in accessing information meant we selected only three projects to examine the nature of ownership: support for the Tanzanian Chamber of Commerce, Industry and Agriculture (TCCIA); the formulation of a trade policy by the ministry of industry; and assistance in financing the operations of the Capital Market and Security Authority (CMSA).

[50] Sida (2001a)

(a) TCCIA

Formed in October 1988, the TCCIA reflected the need in the adjustment era for an organisation representing the private sector with the ability to initiate dialogue with the government and donors. The UNDP was the first agency to support the Chamber with a Technical Assistance grant of $1.4 million between 1992 and 1994. The focus was on capacity building in the Chamber's headquarters in the capital and in six regional chambers. In addition to outfitting the offices with equipment two expatriate advisors were posted at the TCCIA headquarters and the salaries of two local graduates recruited by the Chamber were paid for by the UNDP. With UNDP support disappearing, the TCCIA submitted a request to Sida in March 1994 to continue with additional technical funding. After a couple of Sida evaluation visits, an agreement was signed in December 1995 for an initial phase of twelve months (May 1996–April 1997). A second accord was signed in June 1997 covering the three years to April 2000 but was extended to 30 June 2001. The first two agreements provided SEK17.5 million. TCCIA was able provide matching funds of about $1million. A new accord was signed in July 2001 covering the period July 2001 to July 2004 and providing additional support of SEK18.3 million.

(b) Trade Policy

Sida has had a long history of supporting industry in Tanzania, including direct financing of state owned projects such as the Mufindi Pulp and Paper plant. Sida private sector support to the ministry of industry and trade began in the mid-1990s through to 1998 with funding to the Parastatal Restructuring Monitoring Unit (PRMU). Of the 141 parastatals approximately 100 have either been liquidated or sold off. The PRMU collected annual reports of privatised companies to build a database. As the support was winding up, there was a question of future projects to support. Support for the formulation of a new trade policy has been relatively hands-off: the Swedish consultancy input has been administrative and was chosen in consultation with the MIT.

(c) Support for the Capital Market and Security Authority (CMSA)

The Regulatory Authority for the Security Exchange was authorised in 1994 in association with privatisation and began operation in 1995. In 1997 Sida agreed to a request for a grant for SEK8 million. Partly due to the slowness of new issues, the support period was extended until December 2000. In June 2000 a Sida consultant evaluated the project and produced recommendations for a period of Sida funding which included new support training, public education programs and support of activities to increase business. A proposal was submitted in November 2000 by CMSA for funding a public education program, the introduction of government and municipal bonds, and for support to put in place a regulatory mechanism for credit rating agencies. An agreement was signed in March 2001 covering the period from 1 January to 31 December 2001 with the ability to make disbursements to 31 March 2002. Due to the difficulties of finding a consultant the agreement was extended for six months up to 30 June 2002.

Issues of ownership

Given the inherent weakness of the private sector, the strongest challenges for Tanzanian ownership of reform in this field involve capacity and commitment to providing a supportive policy environment. Sida support for private sector development, at least in the three projects we examined, has consistently promoted capacity building within organisations. As capacity has emerged and as organisations devoted to the advancement of the private sector have developed, so they have taken greater responsibility in their relations with donors. Here, donor flexibility is important and is an attribute of Sida support that we highlight below. Finally, the private sector thrives or stagnates within a context of government policy. A trade policy has been developed, supported by Sida, which determines the environment in which Tanzanian private enterprises will have to compete, nationally and internationally. This policy is a reflection of currently fashionable international prescriptions. Regardless of whether this is appropriate for a country like Tanzania, the ownership issue is how to attribute ownership, as opposed to donorship, in such a case of policy convergence. Even in a case like this, it is important to separate out the ownership of the *process* of reform.

Who were the owners?

TCCIA

This is a project with a strong historical sense of ownership. The leadership has driven much of the process and played a strong role in the selection of consultants. The senior management of the TCCIA emphasised that from the beginning Sida strongly pushed ownership. However, there have been problems on the finance side and the process of recent selections that have complicated ownership issues.

Trade Policy

In discussing implementation, below, we raise complex issues of attributing ownership where policy formulation closely reproduces standard international prescriptions. Nonetheless, the MIT has clearly assumed ownership through increased capacity, commitment to policy reform and its substance, and taking responsibility for formulation of the new policy.

CMSA

Sida has retained ownership of evaluation of its support. However, the CMSA has been a clear owner from identification and formulation through implementation of the support link and its activities.

Who identified the projects?

TCCIA

The July 2001 accord between Sida and the TCCIA was based on a proposal written by TCCIA. This contains two excellent annexes tracing the progress on key dimensions of the TCCIA over the support period and specifying goals and indicators for the new project period.

Trade Policy

In October 1998, a workshop was held with the MIT and three Sida appointed consultants (from Swedish Development Advisors) to discuss what projects Sida might fund. The consultants were unenthusiastic about a proposed trade policy but as Sida, the MIT and business organisations liked it, the consultants reluctantly approved.

CMSA

The authority approached Sida in 1997 for assistance in developing capital markets and regulatory structures.

Who formulated the project?

TCCIA

The formulation of a support project for the TCCIA has evolved across the different agreements with Sida and increasingly has been led by TCCIA identification of needs.

Trade Policy

The initial formulation of the trade policy involved 18 people from the TCCIA, the Planning Commission, the Revenue Authority, the ministry of agriculture, the Board of External Trade and the MIT. However, it eventually fell to a more manageable eight-person team. Background papers were produced in the Spring, 2000 by this team. However, it was recognised that they were quite weak and that did not contain sufficient detail about trade policy. The MIT approached Sida to divert some of the money from consultancy fees to training, to improve trade policy knowledge. Sida was extremely flexible with the budgets and agreed. A team selected by officials in the MIT from the Centre for International Economics in Canberra (Australia) ran a ten-day training workshop in July, 2000. New background papers were drafted for December 2000 and presented in a meeting in February 2001. MIT, with Sida financing, presented zonal workshops in five regions. A nearly final draft was produced in January 2002. The policy is presented in three documents: the main policy document and two annexes, one with technical papers and the other outlining an implementation action plan.

Who owned the process of implementation of the project?

TCCIA

The two main problems during implementation of Sida support to the TCCIA concerned uncertainties over the selection of consultants and a question of financial control and responsibility. The issue of consultant selection has been a procedural one. If Sida use the LOU (Swedish law on public procurement) then Sida alone takes responsibility for decisions made: however, perhaps the main point is that Sida has taken decisions on a basis of openly sharing information with the TCCIA. Regarding financial control, from the first phase through to the end of the second phase funds were completely controlled by the consultant (at that time the Chamber of Southern Sweden, CSS) and kept in Sweden. The TCCIA believed that the CSS was accountable to Sweden rather than to the TCCIA. TCCIA officials had little involvement in the accounting system and were generally unaware of the availability of funds to plan accordingly. They felt they 'did not own the account'.

Sida responded positively to this ownership problem with a shift to a new system specified in the new three-year accord. Two signatories from the TCCIA would be able to sign for Sida funds. The TCCIA management claimed that the new system was very good for ownership and that members were now very active in council meetings with frequent questions on the use of the finances. At the same time, a new computer based accounting system has been introduced under the auspices of the accountancy firm KPMG to improve the allocation and auditing system.

Trade Policy

If there is no difference between a country's trade policy and the standard prescriptions of the International Financial Institutions, then the issue of ownership has no meaning. One might say that those leading the formulation of the policy had taken ownership of trade policy reform through taking responsibility for these standard prescriptions and, in the process, had benefited from an increase in capacity.

A comparison with the targets of the PRGF and 'Strategic Trade Policy' illustrates the strong impact of conditionality. For example, the benchmark for the Arrangements for 2001 under the PRGF includes the provision to 'Eliminate all remaining tax exemptions for the government.' (IMF 2001 p 65)[51] In the trade policy document under taxation it is stated that 'A desired situation will be one where discretionary exemptions are eliminated due to their inherent lack of efficiency and transparency.' (MIT 2002 p 13–14)[52] There is of course a long history of the successful use of selective tax policies as a mechanism to promote trade in a number of East Asian countries.

On tariffs, the PRGF states '…the staff especially welcomes the government's intention of advancing the next step in the reduction of import tariffs originally scheduled for 2002/03 to 2001/02. Although the staff understands the authorities' concern about the potential revenue impact in determining the magnitude of adjustment, the present level of international reserves and balance of payments outlook would allow for more than a token decline in the average duty.' (IMF 2001 p 19) Reflecting these comments, the trade policy document states: 'The government will ensure transparency in application in use of tariffs and further liberalisation and unification as an instrument of protection, further reduction of tariff rates and narrowing of tariff bands so as to increase competitiveness and consumer welfare.' (GOT 2002a p 13)

Again, it is not our place to pass judgement on the pros and cons of particular policies or reforms. However, this example does raise the question of whether 'ownership' of policies which are convergent with IMF or standard international policies, masks a process of <u>persuasion</u>. Put differently, the formulation of a new trade policy, with Sida support, has clearly developed the MIT's responsibility for such a policy and has generated capacity enhancement also; but there is a question mark hanging over ultimate ownership if there has been little <u>choice</u> over the content of that policy. This remains the case even though, as we stressed above, the MIT (together with other stakeholders) displayed strong ownership over the <u>process</u> of formulation. Furthermore, there is no doubt that since 1984 there has been ongoing trade liberalisation. This was initially unilaterally imposed upon the government but more recently many government officials and experts within the country have become convinced of the benefits of trade liberalisation.

CMSA

Interviews at the CMSA indicated that there was a fairly strong sense of ownership except for some minor problems. Some projects, such as training for new instruments, were turned down by Sida. However, interviewees thought that Sida at least provided reasonable explanations for their rejections. CMSA interviewees also argued that extending the commitment period would strengthen ownership.

[51] IMF (2001).

[52] Ministry of industry and trade (MIT) (2002a).

What ownership was there in the evaluation of the projects?

There has been little evaluation of Sida support to the TCCIA or of the new trade policy developed with Sida financial and consultancy support. Evaluation of the TCCIA support link has been consultative and has shown a concern for TCCIA ownership. CMSA interviewees raised some concern about lack of ownership in the evaluation of their link with Sida. Sida selected the consultant that did the evaluation in June 2000: CMSA officials were not given any choice.

Conclusion

There has been evidence of clear ownership in the TCCIA with respect to identifying needs. Sida support has been focused on capacity building to consolidate that ownership, and recently at least Sida has strongly encouraged local ownership in regard to management of funds and of consultancy selection.

One issue to arise from examining Sida support to the private sector concerns support to the ministry of industry and trade's development of a trade policy. MIT officials do show ownership through their enthusiasm for policy initiatives and a demand for knowledge; and this has been backed over the years by the capacity building support provided by Sida. But there is a larger issue of concern. For where policies are a pure reflection of international standard prescriptions, mimicking their assumptions and language, ownership becomes virtually impossible to verify. The responsibility for adopting a certain policy – regardless of any judgement on that policy – may well lie in a protracted process of international persuasion rather than a genuinely locally created and designed policy. At the very least, there is a fear that ownership in the sense of commitment to such policy prescriptions might be somewhat shallow.

2.7 Civil Service Reform (National Bureau of Statistics)

The project

The CDPR team had chosen to look at civil service reform and, before arriving in Dar es Salaam, selected the National Bureau of Statistics (NBS) and the Tanzania Revenue Authority from a menu of components suggested by Sida. However, given time constraints and scheduling difficulties, it proved impossible to cover these activities in sufficient depth to produce an adequate assessment of ownership issues. Thus, what follows should be treated with caution: we only looked at the NBS and the discussion is based on a group interview with five senior staff members and on relevant documents. The single TRA interview that could be arranged was, in the event, cut short; therefore, it was felt that there was too little evidence even for a sketch of ownership issues.

The study concentrated on the second half of the 1990s, which saw the institutional reform of the NBS. During this period the NBS changed from a typical government department to a semi-autonomous executive government agency overseen by a governing board whose membership reflected a fairly broad client base. Sida's role was also reduced.

However, this institutional reform came against a background of deeply rooted Sida support to the collection and management of statistics in Tanzania. Swedish involvement goes back to the 1960s, when there was a Swedish head of statistics and the Swedes were involved in the 1967 census. Labour market information and household surveys through the 1960s and 1970s 'enjoyed Swedish consultancy support' according to the Director General of the NBS. In the early 1980s there was discussion, involving the Economic Commission for Africa, Sweden, and Tanzanians around capacity building needs particularly vis-à-vis household survey data. An institutional link with Statistics Sweden was created which provided for long-term support with a Swedish advisor based in Dar es Salaam. The link functioned uninterrupted between 1983 and 1999, with support to plan development, hardware needs, training, introduction of statistical software, strengthening regional offices, securing short-term funding for specific projects, etc. It was against this background that Sida shifted policy in the mid-1990s.

The issue of ownership

Reform of both the statistical service and the revenue authority are interesting in that they have undergone significant changes in institutional status in recent years and they are critical to broader ownership issues in the country. This is because it is not possible to own economic reforms fully without a statistical service that has the capacity to collect and process data and, indeed, to identify gaps in data provision. Nor is it possible to own economic and social reform unless the government can raise revenue fairly and efficiently: indeed, ultimately revenue collection is critical to reducing 'aid dependency'.

The main ownership issue that arose in the transformation of the NBS was the 'donorship' driving the initial impetus for change. However, despite ongoing resource constraints, the NBS has taken over the ownership more or less foisted on it.

Who were the owners?

The main owners of the reform of the National Bureau of Statistics have been the Bureau itself, Sida, and the President's Office. The distribution of ownership shares has shifted over time. Initially, Sida owned the reform insofar as it decided to phase out support for the NBS. This decision was based, it seems, on a judgement that the Bureau had become too dependent on long-term Swedish support through the historical institutional link to Statistics Sweden. The decision was also based on Sida efforts to tie support to the wider process of civil service reform. (Nordic Position Paper No.2 May 1996)

In the late 1990s, the Tanzanian government also opted to reduce funding for the Bureau. This provoked NBS leaders to assume greater ownership. The NBS demanded greater autonomy (allowing more freedom in hiring/firing policy, salary levels and structures, and the ability to charge users, including line ministries, for providing statistical services). The government did realise responsibility for reform in defining and passing the Executive Agencies Act No. 30 of 1997, which approved transition of the NBS from a government department to a semi-autonomous agency. This same Act established a Governing Board that has assumed, at least in principle, an important ownership role vis-à-vis the management and direction of the NBS. Membership of the Board includes government and non-government representatives. The NBS itself has demonstrated ownership through its hiring and salary policy and through commitment to producing a business strategy and annual performance reviews. Sida's ownership of reforms has faded, although some support has been provided in the run-up to the census to be conducted in August 2002. Sida was supposed, according to the NBS, to have commissioned or produced an evaluation of the reform process in August 2000 but NBS staff have heard nothing of this.

Further, reform of the NBS has to be seen within the context of broader civil service reform. Hence, the identification/formulation stage particularly involved other owners: the Civil Service Department (CSD) in the President's Office that managed the Civil Service Reform Program (CSRP); and a range of donors, including the World Bank and the 'Nordic Consultative Forum' co-ordinating Nordic involvement in the CSRP. As the Nordic Position Paper No. 1 (February 1996) put it: 'One of the motivations for the Nordic Initiative was to strengthen the national ownership of reform in Tanzania, so that reform should not remain a donor driven exercise with main emphasis on retrenchment. The Nordic Review recommended that the institutions and organisations to be reformed should become more involved in the reform planning and implementation. Progress seems to have been achieved to some extent….When it comes to political ownership and commitment, the situation is still uncertain'. Nonetheless, the government did carry out organisation and efficiency (O&E) reviews, and in 1998 the CSD organised a regional consultative workshop on Civil Service Reform in Eastern and Southern Africa, opened by the Minister of State for the Civil Service in the President's Office.

Who identified the project?

Against a background of long-term institutional and capacity building support for the NBS by Sida, the key to recent institutional reform appears to have been a shift in Sida policy in the mid-1990s. On the one hand, Sida insisted on greater autonomy for the NBS almost as a condition of further support. On the other hand, Sida announced its intention to phase out support altogether: indeed, the NBS describe Sida in meetings around annual sector reviews in the late 1990s as having been 'very firm' on the need to phase out support. The NBS argued for an extension of Sida support to facilitate that phasing out and it was agreed that Sida would only provide support for specific issues. Thus, at this stage (from an NBS perspective), Sida was the real owner of the idea of institutional reform: there was more 'donorship' than local ownership. Central government had some responsibility too for what was to follow, by shrinking the financial allocation to the Bureau; however, this was, at the identification/selection stage, and ownership by default rather than active ownership.

Who formulated the project?

Much the same could be said of the formulation phase. Sida planned for a phasing out in its sector review documents, and negotiated with the NBS over the timing and form of this phase-out. However, the central government took on more of an ownership role at this stage, with the design and passing of the Act that enabled institutional transition from government department status to semi-autonomy. Government ownership also included the monitoring and evaluation mechanisms such as the annual performance report and three-year strategic plan.

Who owned the process of implementation?

In some ways implementation preceded formulation. Thus, it is important to note that the NBS, by its own account, demanded autonomy from the government, with 'moral encouragement' from Sida, once it realised that it was going to lose both Sida and government financial support. This demand then led to government contributions to the formulation of institutional reform.

The NBS has shown ownership in, and taken responsibility for, implementation, especially through its hiring and salary policies and its active negotiation for continued technical support. First, as a semi-autonomous agency, the NBS is in a position to offer improved staff incentives. For example, the CDPR was told that a new university graduate employed by the NBS could earn more than double the salary earned by someone with the same training in a sector ministry. Further, certain key appointments appear to have been made. One of these is the appointment of an executive responsible for financial administration, marketing and IT issues. The person appointed has considerable academic and practical experience in organisational productivity, and, shows an unusual commitment to raising organisational efficiency. Meanwhile, the NBS managed to secure ongoing financial support from Sida and other donors. This was particularly to build up capacity for collecting and processing economic statistics to conduct a national census in August 2002.

The NBS also claims a certain long-standing ownership commitment. One reflection of this might be the Director's insistence that the Bureau stood up to the World Bank during the 1990s in rejecting the Bank's advice to conduct standard World Bank type Living Standards Measurement Surveys (LSMS). The leadership of the NBS claimed that the Bank was aggravated by this stance, and by the Bureau's insistence that 'lighter' surveys would be more appropriate.

What ownership was there in the evaluation of the project?

The Act establishing the NBS as a semi-autonomous agency insisted on the production of regular annual performance reports and a three-year strategic business plan. The NBS has worked on such documents although it is not clear that they are widely disseminated or read. The Strategic Plan 2000/01–2002/03 was published in March 2000. The most recent annual performance report, published in February 2002, covers the period from July 2000 to June 2001. This report notes that there was in that period an increase in demand for the Bureau's services and that the NBS had undertaken a range of assignments including a Household Budget Survey and the Integrated Labour Force Survey, as well as playing a role in the preparation of the Poverty Reduction Strategy Paper (PRSP). The NBS remains accountable to the Permanent Secretary in the President's Office: however, the PS plays a role described by Mr. Makai as 'eyes on, hands off'.

Meanwhile, Sida annual sector reviews have played an important role in the evolution of reform of the NBS. However, the NBS claimed that Sida was meant to conduct an evaluation beginning in August 2002 but that nothing has been heard since of this initiative. There is little monitoring in the Sida office in Dar es Salaam of the NBS, since this component of

Sida support is regarded as historical, relevant materials are either lodged in Stockholm or stowed in archives in the Embassy.

Conclusion

The outcome of the past few years of reform, backed by Sida support and by Sida withdrawal, has clearly been a sharp increase in ownership, commitment and responsibility within the NBS. Although in some ways the NBS had ownership foisted on it, its leadership was clear-sighted enough to see that survival depended on seizing this with enthusiasm, aiming for autonomy and transforming itself into a client-driven organisation. Perhaps the key points here are that service provision on a commercial basis, backed by greater freedom to offer reasonable employment incentives, has thus far offered a means of increasing ownership. However, there are two qualifications. First, this would probably not have been possible without the long-standing institutional relationship with Sida. Second, the NBS is likely to continue to rely to some extent on external financial and technical support to develop greater capacity in data collection and processing.

Chapter 3
Review of Ownership in Programs and Projects in Tanzania

Our assessment of ownership across the range of Sida activities we looked at shows that ownership is never perfect, nor is it a one-dimensional entity. Donors in Tanzania have varying interpretations of what ownership is, or ought to be, and ownership most typically grows from conflictual processes. Furthermore, it cannot be concluded that budget support or sector wide approaches necessarily favour ownership more than traditional project approaches.

3.1 Institutional Constraints on Ownership

One of our most significant findings is that ownership issues are inevitably tangled in the institutional context of each national and international stakeholder in a given activity. This can involve the rules governing selection of consultants and the limits imposed by national rules on degrees of shared decision making; it can involve asymmetries in capacity; or it can involve the kind of constituencies to which different members of a partnership or donor-recipient relationship (or donor co-ordination group) are accountable.

Regarding asymmetric capacities, we have seen, first, how in the PER process Tanzanian participants can easily feel crowded out by the weight of material and even the frequency of meetings. Thus, even in a mechanism intended to enable greater ownership, the uneven distribution of technical skills, know-how and time can limit that ownership. Second, the same factor, asymmetry of capacity and resources, has affected the relationship between bilateral donors and the World Bank, and that between the government and the World Bank. In the education sector, for example, strains have shown recently in the relationship between the donors and the Bank. Bilateral donors, including Sida, are worried that the Bank is effectively crowding out the capacity for careful absorption by the government and other Tanzanian stakeholders of World Bank initiatives. Indeed, there is a concern that the pace at which the Bank works, contributes to a tendency to 'push' loans rather than sticking to its role as 'lender of last resort' within this sector.[53] Indeed, some donors also admit that they find it hard to keep up with the volume of material from the Bank, given their own limitations of capacity and their own spread of working commitments.

Moreover, different institutional pressures on the varied organisations involved in aid activities may compromise, and certainly will affect, ownership. One Sida interviewee argued, for example, (again with reference to the education SWAp), that the World Bank is accountable to its Board while a bilateral donor like Sida is accountable to Swedish tax-paying voters; and that this led the Bank to be driven by a disbursement logic while other objectives drive bilateral aid programs. While this was said to show how, despite its avowed intentions, the Bank is limited in its ability to allow national ownership, the truth may be that in both cases these institutional demands impose some limit on how much ownership can be granted to national governments.

What emerges from these examples is the fact that institutional and organisational factors naturally create impediments to seeing reality from the perspective of developing country governments (or, for that matter, of other organisations in developing countries). This constraint is a very old one: the best illustration remains Albert Hirschman's observations on his experiences as an adviser in Latin America in the 1950s.[54] Recent commitments among donors to prioritising national ownership of aid programs offers an opportunity to achieve this. However, there is a lag between the opening of an opportunity and the development of mechanisms to realise that opportunity. Sida – and others – need to make far clearer statements of recognition of these institutional contexts and the tensions they raise, if they are to find ways of overcoming those tensions. This might also involve some donors with clear views on ownership taking a lead in pushing for change in the behaviour of other donors.

There are other ways in which the characteristics of organisations affect their role in encouraging or undermining ownership. One important issue to raise here concerns the nature of targets and benchmarks in the evolving aid regime. Differences among donors became apparent here, especially in the context of budget support. Here we saw that there has been discussion of merging the World Bank PSAC and its heir, the Poverty Reduction Strategy Credit (PRSC) to be introduced in 2003, with the Poverty Reduction Budget Support (PRBS) of the bilaterals and the EC. Despite the confidence that some have in this merger, others are con-

[53] The overall lender of last resort is typically the IMF: however, within the education sector several interviewees referred to the World Bank in these terms.

[54] Hirschman (1967 and 1994).

cerned that there are differences in behaviour that will be very difficult to reconcile. Sida and other bilateral donors involved in the PRBS see benchmarks applied in budget support negotiations with the Tanzanian government as flexible, and as indicators of direction. However, it is claimed by some that it is not possible for the World Bank (let alone the IMF and its related Poverty Reduction Growth Facility) to treat benchmarks with the same elasticity. Because this tension has not been resolved, (and in fact has not been addressed openly) there is still plenty of room for the government to remain suspicious of donor avowals of flexible benchmarks and to continue to believe that ultimately they are under the watchful eye of the Bank and Fund.

Thus, national ownership will probably always be compromised by the variety of institutional pressures on stakeholders in aid activities. Nonetheless, the obstacles this generates may not prove insurmountable: what is required above all, at this stage, is more open acknowledgement and discussion of these factors.

3.2 Ownership over the Project Cycle

It is often extremely difficult to pinpoint whom first had any given idea, in terms of identifying a project, program or approach. Examples of this include the need for an education sector reform strategy and, within that, the need for presidential commitment to boosting primary education as an urgent priority. The President's public commitment to this priority was critical to making the education SWAp in Tanzania a reality through the ESDP. But was the President's decision a personal one, reflecting observation during pre-election campaign touring? Was it, at least, a decision foisted on the President by Tanzanian political advisers? Or was it an idea offered persuasively to the President by senior figures in the donor community? Another example would be the commitment to a national strategy for reducing poverty. The government produced its own National Poverty Eradication Strategy (NPES). However, this has largely been substituted by the PRSP. If the PRSP reflects international donor approval of certain processes and outputs, does this mean there was no local ownership? Or, assuming that there was ownership of the original NPES, did this become redundant when the PRSP was 'imposed'? Other examples of the conundrum of original identification include FEMINA-HIP and the need for a new trade policy in the MIT. More clear cut cases of identification, in our sample, included the two cases where we explored an activity characterised by Sida withdrawal: the follow-through on the decision to phase out support to HESAWA and the decision to phase out support for the National Bureau of Statistics. In each of these two cases, there was a sharp sense among interviewees that the decision was almost entirely Sida's, whatever the later adaptation to that decision.

Two main observations may be made. First, in situations like the above, where locally owned ideas and externally owned ideas have merged, ultimately the balance of ownership has favoured the donors. In other words, donors have tended to 'get their way.' This has often involved brushing aside local initiatives (and in some cases lobbying hard for specific personnel changes in government). Later, it has involved Tanzanians coming on board, assuming renewed ownership but always a qualified ownership. Second, if there is a general pattern, it is that ownership in the identification/selection phase, and to some extent during formulation, is concentrated among donors more clearly than in later stages.

There are two implications of these observations. On the one hand, evidence that Tanzanian ownership is increasing over the life cycle of a given activity is positive. This suggests that even if an idea is largely conceived outside Tanzania, or by outsiders, there is scope for local organisations to take increasing ownership through increased capacity, greater responsibility, or assimilation of policies, projects and programs. On the other hand, the fact that donorship tends to be concentrated in the early stages of a project, program or activity suggests that there might be some stasis, i.e. an institutional commitment to what is owned that acts as an obstacle to a transfer of ownership. In this case, donors may become so attached to a particular activity that it is difficult to give up control or micro-management.

One response to this is to clarify ownership expectations far more explicitly from the outset in a project or program design. Another response is to commit to more staff training dedicated precisely to managing this challenge. It was noted by some Sida/embassy staff that the shift to SWAps, budget support, and promotion of greater local ownership entailed a need for staff reorientation training. However, much of this training remains informal. One person concluded that the solution lay in learning-by-doing and that the skill needed was to 'know what you don't know, what you need to know' so that help could be sought. This seems reasonable. However, an initial commitment to new modalities and working practices is assumed. But this may not be the case.

3.3 Multiple Ownership

Multiple ownership is the norm. Multiple ownership is particularly obvious where Sida is involved in multi-donor activities such as budget support programs or SWAps. However, diverse ownership characterises other development co-operation activities too, including more traditional projects. This may happen where there is more than one donor. More fundamentally it is the case with multiple national owners and it is worth pointing out that this can include multiple owners within government.

Examples to highlight this feature of co-operation activity include the following:

- Budget support: here there are the bilateral donors and the EC that make up the PRBS group, whose core group emerged from the earlier multilateral debt fund group (MDF); then there are the IFIs, given that budget support is not independent of IMF and World Bank interventions; and on the government side there are MoF officials, ministers, parliament and political parties, and so on;
- SWAps: sector wide approaches clearly pool the funds of several donors into one basket; there are many national owners of SWAps in education or health – including the MoF, line ministries, local and regional government officials, academics/consultants, and NGOs, as well as, e.g. in the case of education, school committees;
- HESAWA: a classic old-fashioned project also contains many owners, from different levels of government down to the water user groups;
- FEMINA-HIP: aside from Sida, the main owners of the Femina project include East African Movies and the East African Development Communication Foundation and then the school reader groups and associate youth clubs.

Thus far ownership issues relating to the fact of multiple ownership have evolved through experience and trial and error: there is perhaps scope for addressing these issues more directly and openly from as early as possible. There are two reasons why multiple ownership invariably complicates ownership. There are two reasons why. First, where ownership is shared or fragmented the division of labour may be unclear. To put this differently, the responsibilities that go with rights of ownership may be vague, leading either to conflict or to inefficiency. A good example of this is the Femina project, where the division of labour between the EADCF and EAM has not been sufficiently clear. As a result, there has not been adequate acknowledgement of capacity needs. A similar problem affected the education sector development program and the SWAp that supports it, where ownership on the national side is shared among the MoF, the education and culture ministry, local governments, and school committees. Insufficient clarity regarding the division of labour has perhaps been a factor in developing clear budgeting within education and in working out the details of the new capitation grant that has replaced user fees. Further, in this SWAp there is multiple ownership among donors. Although the donors co-ordinate their influence on education reforms remarkably well at present, (through a donor representative in the BEDC) there have been tensions around the appropriate responsibilities of the bilateral donors and the World Bank.

However, the education example also raises the second main reason for ownership complications to follow from shared, or divided ownership. This is derived from conflicting interests. In this case we observe interests intersecting rather than converging. Recent tensions suggest that bilateral donors may have interests that conflict with those of the World Bank. Perhaps more importantly, there are conflicting interests both between different sections of government and within the education and culture ministry. The MoEC has been put in a position where it is supposed to own a reform process that brings about a reduced role for the ministry. From housing all education projects and activities, MoEC must become a policy and monitoring unit. It has had to cede some authority to the MoF and it has had to yield some control to local and regional government. Given that conflicting interests may coincide with the first factor, i.e. lack of clear division of labour and allocation of ownership rights, this can lead to inefficiencies in delivery. Although the ESDP is still young, there certainly have been inefficiencies. Furthermore, it was fairly clear that there are conflicting interests within MoEC: some are enthusiastic about the changes and are happy to be at the helm of reform; others are less eager, to say the least. While it may be said that there has simply been a reallocation of responsibility within government, the transition costs involved may compromise the process of generating greater and clearer ownership.

There is, perhaps, a much broader dimension to this. If we consider the development of a new trade policy by the MIT, ministry officials are owners but so too, presumably, are a whole host of exporters of agricultural and manufactured exports. It should be stating the obvious (but still is often ignored) that there will be conflicts of interest here between producers and policy makers. This is unavoidable and demonstrates that ownership is essentially political. Sida may need to address more explicitly this political dimension, which is not restricted to democratisation and human rights issues.

3.4 Ownership as the Product of Process and Conflict

Ownership is never simply granted or created instantly. Typically, we observed how ownership has evolved during often quite lengthy processes of adaptation. Furthermore, this process has tended to feature conflict, struggles over degrees and types of ownership. One implication of this observation is that ownership, itself multi-dimensional, may evolve unevenly within a given activity. For example, while ownership might advance in capacity or the generation of ideas, in other ways ownership might still be wanting, perhaps in the sense of a lack of leadership.

The education SWAp, again, offers a good illustration of this. There was in some senses strong ownership in the middle of the 1990s when the education and culture ministry came up with plans to improve the education delivery system. However, first this ownership was incomplete (in terms of the working definition of this evaluation) since real commitment and capacity would only have been evident had there been a more determined clarification and costing of priorities. Second, to the extent that there was genuine national ownership, this was violated by the donors riding roughshod over the plans, drowning staff with a flood of external consultants and taking control of the process away from the ministry. It was years later before finally an education reform plan was developed (containing significant overlap with the original government-designed one) that rested on some form of shared ownership between government and donors. The donors (some, at least) then nudged the President to take the lead (and also to make some key personnel changes). Finally, that top-level dimension of ownership was added, with presidential impetus to change, and the ESDP was born, accompanied by the SWAp. In an ideal world, the delays and conflict involved in this process would have been avoided. However, while there are lessons to learn, the reality is probably that some elements of conflictual and imperfect development of effectively (nationally) owned activities will remain the norm.

Two further, very different examples might consolidate the point. First, in one sense the education example reflects the whole developmental and donor-recipient relationship of Tanzania over the past few decades. There was a sense of national ownership from independence, and a commitment to, and leadership of, national policies. Even during the period of severe macroeconomic crisis and increasingly strained relationships between the government and the donors, government resistance represented an ownership stance of commitment, while the stance of the IFIs and many bilateral donors mirrored this with staunch donorship. Since the second half of the 1990s there has been a rapprochement reflecting new learning by both sides, renewed mutual trust (but still less than full trust, on both sides), and a commitment to shared ownership of development activities. Second, in the Femina-HIP project, where conflict has been exceptionally minimal, there are small tensions and a learning process. Ownership has been threatened by the lack of clarity on organisational and individual roles.

A special case of ownership arising from protracted processes exists where ownership develops in the wake of a donor's decision to pull out of an activity. The two examples in our sample were HESAWA and the National Bureau of Statistics. There was not really any national ownership of the original decision by Sida to withdraw or phase out support from HESAWA or the NBS. Nonetheless, once this decision had been taken, national ownership clearly became a condition of survival. One would not advise withdrawal of support as a purposeful technique for provoking national organisations to take ownership more effectively; however, this is to some extent what happened in both cases. The effect has differed between the two. In the case of the NBS, squeezed by shrinking state funding and fading Sida support, there has been a surge of organisational ownership. According to senior NBS staff, at any rate, the Bureau received Sida's moral support in pushing for greater autonomy from central government, which it achieved through the Executive Agencies Act. Although the NBS still has capacity and resource shortages, it has benefited from a long period of capacity building with Sida support and from an increasing demand for its (now commercialised) services. Ownership intensified in HESAWA too, once Sida had opted to fade away from the project: this ownership was reflected both in local government and in the water user groups. However, perhaps the greatest constraint on effective ownership by these user groups (which are critical to maintenance and, therefore, sustainability) is resource shortage or, more bluntly, poverty. We have not been able to fully account for the distinct variations between user groups across even extremely short geographical distances. However, it is clear that all suffer from weak economic conditions and find it hard to allocate resources to maintenance. This in turn has undermined the development of a local spare parts supply industry.

Our observations of a range of activities suggest that individual personalities and particular personal relationships can be decisive in determining the production of ownership. We do not wish to implicate particular people, but brief examples include the following:

- A battle of wills between donors and specific individuals within a line ministry can compromise ownership;
- Personalities and personal relations (particularly where this involves asymmetries of power) can sour effective donor co-ordination and can affect the degree of responsibility given to different stakeholders;
- Strong personalities may complicate national ownership in a project or program at the same time as contributing centrally to its success;
- Personalities can be important to the success (or failure) of developing new institutions and mechanisms of the donor-recipient relationship.

3.5 Sida Attitudes and the Meaning of Ownership

Sida in Tanzania is currently a firm supporter of national ownership. Most of the staff we interviewed, and most of their actions as far as we could tell from documentary evidence and corroborative interviews with other stakeholders, showed a genuine interest in and commitment to raising national ownership in development partnership activities. For example, the Ambassador has clearly played a significant role both within the Embassy in promoting commitment to the concept and more widely by using Sida's generally 'good name' with the government. The great irony of this is that at times enthusiasm for national ownership has involved 'telling the government they must take more ownership'. (Although in this particular case this is far from a problem, donors certainly need to be wary of this.) This commitment is reflected in Sida's working practices and commitments. Thus, Sida's 'Strategic Goals for the Swedish Embassy in Dar es Salaam, 2002–2003' sets out the first operational goal as achieving stronger government ownership of the development process and lists as activities in support of that goal being 'an active partner in the dialogue concerning the Tanzania government's ownership of the PER, PRSP and TAS processes' and to 'consistently raise the issue of government responsibility for program management at all levels'. Yet the strong collective sense of commitment to ownership does not mean that there is no need for further and clearer efforts, within the Embassy, to discuss the concept and strategy of promoting national ownership.

Sida's extraordinarily long and close relationship with the Tanzanian government puts it in a prime position to support national efforts to increase ownership. Basically, while compromised trust remains a problem in the general government/donor relationship in Tanzania because of past crises in this relationship, there is probably greater trust between the government and Sida than between the government and any other donor.

However, it is not clear that Sida has used this relational position as effectively as it might have done. A common view put to us during our visit in March/April 2002 was that Sida is 'too hesitant', 'too quiet'. In other words, a number of informants suggested that they understood Sida to have a sympathetic stance on some issues but that the organisation failed to take a stand openly or to make sufficient effort to persuade others of its view. This is partly, it seems to us, a product of a long history of Sida not wishing to push people too hard or to be as assertive (even arrogant) as some donors are perceived to be. However, we also think that it is partly a function of ongoing ambiguities – among the donors – about the meaning of ownership.

This question of definition has been central to the whole of this evaluation of ownership, so we will not devote much space to it here. However, a local Tanzanian example might be useful. In our report on budget support we note that the IMF representative in Tanzania, during the course of discussions of IMF rejections of two drafts of the PRSP, said: 'there are obviously still some ownership problems'. Taken at face value, this is ambiguous. It could be interpreted to mean an admission that the IMF has not sufficiently supported increased national ownership in the sense of control. Yet in terms of the main written IMF discussion of the meaning of ownership the statement would be interpreted to mean that the Tanzanian government had still not yet merged its own interests and objectives with those of the IMF.[55] Other evidence in our report – e.g. on the World Bank/bilateral donor relationship in the education SWAp – also suggests that there are still different operational interpretations of either the meaning of ownership or of the priority given to it. Our point is simply this: we believe that Sida in Tanzania has a strong commitment to a rounded concept of ownership (in terms of commitment, control and capacity) but that it could do far more to make this explicit publicly in Tanzania and to fight for this version of ownership. Otherwise, the Sida vision of ownership will continue to be compromised.

3.6 Ownership and Conditionality in Tanzania

The CDPR analysis of ownership argues that there is a tension between ownership and conditionality. We do not accept that ownership is compatible with conditionality. Nonetheless, we do accept that aid will be conditional. One implication of this is that there will always be limits to full national ownership, which does not in any way dilute the importance of ownership. The main source of tension between conditionality and ownership, in our examination of the issues in Tanzania, concerns the move towards budget support. Sida interviewees have shown that there are ways of negotiating this tension: i.e. by taking a flexible approach to the use of targets and benchmarks (although the amount of elasticity needs more definition). However, budget support by bilateral donors such as Sida is not independent of the IMF PRGF and World Bank instruments. Given that these, particularly the PRGF, are less flexible and are likely to operate with a different interpretation of ownership, Sida's commitment to ownership through budget support is effectively undermined. The truth is that these issues, in budget support to Tanzania, have not yet been fully tested. But the ambiguities and tensions do need explicit clarification by Sida and others, even if this produces some conflict between donors.

[55] Sharma and Khan (2001).

PART IV:
Conclusions

This evaluation is ultimately a study of what Sida has done and not done to foster partner country ownership of development assistance in the three East African countries of Kenya, Tanzania and Uganda. In considering Sida policies on ownership, we have focused on five key issues:

- Ownership should be evident in the country strategy process
- Ownership should be a consideration in project identification, selection, implementation and follow-up
- Projects and programs should be designed to foster partner country ownership
- Development assistance should aim to enhance popular ownership
- Ownership should be addressed in co-operation and co-ordination with other donors (i.e. built-in to multilateral support)

1. Ownership should be evident in the country strategy process

As far as ownership in the country strategy process is concerned, the case studies in this evaluation show considerable variation between the three countries. There is close harmony between Uganda's priorities and capacities and Sida's objectives as set out in the country strategies, but there is hardly any evidence of explicit discussion, consultation and assessment of the capacity and willingness to own Sida's development assistance on the part of the recipient country. Nonetheless, Sida also funds projects and programs that are given priority by the Ugandan government, and this implies a common purpose and shared focus between donor and recipient country. Therefore, a strong degree of Ugandan ownership is assumed. No such assumption can be made in the case of Kenya. While Sida has made great efforts to link its assistance to strategic planning within specific sectors, the country strategy process as a whole shows no evidence of Kenyan ownership at the national level. This reflects a determination on the part of the donor to ensure transparency and full accountability in its dealings with the Kenyan government, and the reluctance or incapacity of that government to apply the measures that would achieve this. Tanzania lies somewhere between its two neighbours on this point. Since the mid-1990s, Sida has increasingly aligned itself with the 'choir of donor voices' in Tanzania, (Elgstrom 1999 p 134) yet even within this environment of multilateral aid programs Sida has been active in seeking to pass greater responsibility and autonomy of decision making to the Tanzanian government. While this is evident in the country strategy process, examination of experience in Sida-supported activities suggests reluctance on the part of the government to 'take' ownership. The country strategy document and internal documents of the

Swedish Embassy in Tanzania clearly reflect the goal of prioritising greater national ownership.

Given the radically differing politics of each country, and bearing in mind the nature of Sida's relationship with each government, it would be unwise to suggest a common approach to the question of ownership of the country strategy process. The relative strength of program aid in Uganda facilitates ownership of the country strategy process to a degree that is currently difficult to achieve in Tanzania or in Kenya.

2. Ownership should be a consideration in project identification, selection, implementation and follow-up

We have seen much evidence to demonstrate that Sida is active in promoting ownership through the cycle of projects and programs that form its development assistance in these three countries. But it is not surprising that these efforts have been more successful in some cases than in others; nor it is surprising that ownership sometimes strengthens and weakens at differing stages of the cycle.

Once again, Uganda provided the most consistent evidence of strong ownership. Among the case studies, the UPPAP; the Health Sector programs; the WES programs; the Justice, Law and Order sector plan; HURINET and the FSD all showed a high degree of local involvement over the project cycle. In Tanzania the picture was less consistent. The budget support program, although still relatively new and experimental, has stimulated ownership: but the asymmetries of capacity, and changes in disbursements after commitments have been made have tended to undermine ownership to some degree. In the education SWAp, ownership has come increasingly to the fore as the process has advanced, but it has been fragmented at different levels of government. With longer established programs, for example HESAWA, it is almost inevitable that ownership has been a more apparent issue in the most recent phase of Sida support. It is notable that the Non-Governmental Agencies in Tanzania that are in partnership with Sida (FEMINA and the private sector projects, for example) have been more enthusiastic about ownership than has the Tanzanian government. While these NGOs embrace ownership, it is more often the case that the Tanzanian government has had ownership 'foisted on it'. In Kenya, government ministries have shown stronger commitment to ownership in design than in implementation, but even this generalisation requires qualification with reference to the differing attitudes evident between ministries. While Sida's assistance to the Kenyan health sector provided what was our worst case study in terms of ownership, perhaps the best example of strong ownership through the project/program cycle was Kenya's National Agriculture and Livestock Extension Program.

Therefore, it is not the country or the attitude of the government as a whole that mediates ownership across the project/program cycle, but factors that are more specific to the activity, the relationships between donor and recipient within specific sectors, and the levels of capacity present. Where ownership is absent or limited in the identification stage, it is clear that it then becomes increasingly difficult to foster it as the activity is designed and implemented.

3. Projects and programs should be designed to foster partner country ownership

Sida clearly states that it wishes to engage in projects and programs that strengthen partner country ownership. This is closely related to the partner country's capacity to execute projects, including human capital, the system of procurement and the legal framework. Many donors who moved to budget support soon found out that in order for tangible results to be achieved, they also needed to support institutional building at central government (line ministry) as well as district level. These donors, including Sida, have found it compelling, and rightly so, to invest in building capacity in the recipient to disburse and monitor donor funds, including reform of pay-roll systems, training in procurement and revenue collection and management and strengthening financial management systems. Activities of this type were examined among the case studies in each of the three East African countries, and it was apparent that issues of capacity were frequently identified as impediments to ownership. This view was expressed both from the perspective of the donor (whose requirements of transparency and accountability needed to be met) and the development partner (for whom capacity building of a specific type might be recognised but would not necessarily have as high a priority as it does for the donor). It is our conclusion that issues of capacity need to be central to the ownership agenda, and viewed in relation to the burdens placed upon the partner.

Awareness of ownership was generally strong among Sida staff in the field, and among local partners (perhaps especially so among NGOs). Nonetheless, there was an absence of clearly defined parameters for the achievement of ownership as a goal of development assistance. While ownership was therefore seen to be prominent in Sida policy in all three countries, the emphasis given to partner country ownership varied on a project/program basis.

4. Development assistance should aim to enhance popular ownership

As any project or program will ultimately affect various stakeholders, inclusion of these through consultation and participation is necessary for broad ownership. The objective here is to assist projects and programs aimed at building the partner country's administrative and operational capacity and at the same time emphasise a 'bottom-up' approach to planning. The best examples of this are to be found in 'community demand driven projects', the success of which depends upon the effective participation of beneficiaries at all stages from identification, analysis, planning, implementation, management, monitoring and evaluation of projects. The ideal model is to design projects where all stakeholders, beneficiaries, technical staff, donors and policy makers come together to discuss and agree on action or strategy. This ideal is of course exceedingly difficult to achieve in practice, and that difficulty becomes greater the larger the project or program.

In the case of Uganda, the challenge is to steer the sector-wide approaches to include needs in district as well as society levels for greater impact on owning projects and programs. This calls for the involvement of all stakeholders, including members of the private sector. Decentralisation and the participation of local level stakeholders are the norm in Uganda, and are facilitated through government policy. This suggests that development assistance will indeed act to enhance popular ownership through consolidating participation. However, the success of this must ultimately hinge upon how effective the institutions are in representing local opinion and whether mechanisms exist (democratic or other forms of civil representation) for implementing effective change. In Uganda, 'participation' is given strong emphasis, although the democratic institutions that would consolidate this are as yet lacking. Where program aid predominates it must be recognised it is difficult to assess popular ownership except through an evaluation of the functioning of democratic institutions.

In Kenya and Tanzania the situation is somewhat different, in that there is as yet lesser emphasis upon program aid (although in the latter case this is rapidly changing) and less government sponsorship of decentralisation and local participation (although again, increasing decentralisation in education policy shows a shift in this direction in Tanzania). In neither case did we find strong evidence to suggest that the 'ideal' model of popular ownership was present, although Kenya's numerous robust and energetic civil society organisations are keen to take ownership wherever they can. However, in Kenya, and to a lesser extent in Tanzania, popular ownership was most commonly expressed as an alternative to 'government ownership'. While this 'alternative' kind of popular ownership can facilitate the success of local projects in the shorter term, it is to be doubted that this will result in sustainable outcomes.

5. Ownership should be addressed in co-operation and co-ordination with other donors (i.e. built-in to multilateral support)

Since the development of SWAps and basket funding, Sida's development assistance has become more interrelated with the activities of other donors. Where more than one donor is involved in the same project or program the issue of ownership must inevitably converge and be advanced through consensus among those donors. This must also be viewed as part of a wider process of co-operation among the donors themselves which is apparent in all three countries. This donor co-ordination has both weaknesses and strengths in relation to ownership. Increased donor co-operation facilitates the government's bargaining position as it deals with one nominated donor representing the collective opinion of donors. In another, far less positive sense, increased donor co-operation raises the possibility of increased and less flexible conditionalities, as the collective values of the donor group are likely to be entrenched through negotiation. For instance, conditions have been imposed on Uganda in the form of pressure to withdraw from the Democratic Republic of Congo. This showed the risks of donor dependence and perhaps lack of ownership. The case of Uganda demonstrates that there is pressure from donors as well as a willingness by the government to move to budget support based on SWAps. This implies that conditionality will become stronger until concerns over fungibility are resolved.[56] Political considerations and tactics also affect donor relations with Kenya to a very large extent. This was most graphically to be seen in the heavy-handed and overbearing administration of multilateral support for the National Civic Education Program.

Transparency, accountability and anxiety regarding corruption are important issues affecting donor attitudes in all three countries, and these concerns have a profound impact upon development assistance. Even in the case of Uganda, which has a better reputation in these areas than Kenya or Tanzania, donors believe that the efforts of the Ugandan government to initiate public debate and to take concerted measures to deal with corruption have not received sufficient attention. If this persists, the implication is that donors will be less co-operative with the Ugandan gov-

[56] The World Bank's Poverty Reduction Strategy Credit (PRSC), for instance, may erode ownership given that $150million every year is now agreed between the Bank and the GoU.

ernment. Consequently, these concerns will have a negative impact upon the donor dialogue. As the projects evaluated for this report show, Sida's development assistance is invariably (and increasingly) linked to the donor dialogue in all three countries. In the health sector in Uganda, for example, Sida is working with the World Bank and in PAF funding with many other bilateral donors. Ownership can in part be assessed by the extent to which the partner is part of the donor dialogue. The participation of the partner is only the first step in this process. In terms of ownership, it is more critical to consider the strength of the partner in challenging 'the united front of donors'. This presents a challenge not only for the partner, but for Sida as well. If Sida is co-ordinating its funding with other donors, as in the case of basket funding, it must face the fact that either it agrees to conditionalities set by the dominant donor (which in effect means sharing the political interests), or it sets out to negotiate its own position. This currently presents Sida with its greatest dilemma in relation to Kenya. It is also becoming an increasingly prominent issue in Tanzania with Sida participation in basket funding, and it will surely become a more pressing concern in Uganda if concerns over military expenditure and democratisation are not resolved.

For Sida, the first question to ask is whether it wants its own voice to be heard in this donor dialogue; and second, how far it wishes to promote the country partner ownership within the donor dialogue. In Kenya, Uganda and Tanzania the answers to these questions will have a substantive impact upon Sida's role over the coming years.

Appendix I

Tables

1.1 Kenya

Table 1.1a: Aid to Kenya (in millions of Kenyan shillings)

	Year	Aid in Appropriation (A-in-A)		Revenue		
		Loans	Grants	Loans	Grants	Total
Multilateral	**1990**	**1610.8**	**1772.0**	**734.2**	**100.0**	**4217.0**
	1991	2216.1	2004.7	1987.7	107.0	6315.5
	1992	2059.5	2967.0	2800.4	192.1	8019.0
	1993	2669.2	2276.4	3226.4	294.8	8466.8
	1994	3615.3	4003.4	5871.5	582.1	14072.2
	1995	5281.1	5329.4	5823.1	755.8	17189.4
	1996	7657.6	5793.7	5445.9	594.1	19491.3
	1997	9217.6	5884.0	5149.6	790.6	21041.8
	1998	9575.5	5540.4	4199.8	897.9	20213.6
	1999	10244.3	4491.3	7352.4	1275.2	23363.1
	2000	3971.1	6034.1	3263.6	785.4	14054.2
	2001	5900.6	4666.7	5069.5	763.3	16400.0
Bilateral	**1990**	**2952.0**	**3963.6**	**66.8**	**1096.0**	**8078.4**
	1991	2341.6	5110.3	64.0	1350.1	8866.0
	1992	2260.4	4778.5	94.0	1029.4	8162.3
	1993	2055.9	6207.1	130.1	584.0	8977.2
	1994	4356.3	9246.1	70.0	766.8	14439.2
	1995	4986.4	5916.3	400.0	996.8	12299.5
	1996	3788.9	6093.5	52.8	1194.6	11129.8
	1997	2620.8	6139.5	248.7	1312.1	10321.2
	1998	3550.5	5688.1	56.4	891.8	10186.8
	1999	4807.0	5177.1	86.6	701.7	10772.3
	2000	4073.6	4826.8	116.8	814.8	9832.0
	2001	3746.5	4490.6	0.0	1617.1	9854.2
Sida	**1990**	**0.0**	**206.4**	**58.0**	**150.4**	**414.8**
	1991	0.0	401.1	64.0	276.4	741.6
	1992	0.0	425.0	0.0	237.8	662.8
	1993	0.0	437.4	0.0	142.1	579.5
	1994	0.0	576.1	0.0	172.2	748.3
	1995	0.0	323.6	0.0	184.2	507.8
	1996	0.0	439.6	0.0	203.4	643.0
	1997	0.0	433.5	0.0	190.6	624.0
	1998	0.0	504.3	0.0	302.9	807.2
	1999	0.0	478.6	0.0	185.4	664.0
	2000	0.0	452.3	0.0	207.4	659.7
	2001	0.0	437.0	0.0	256.5	693.5

Source: Budget estimates, finance ministry (various years)

Table 1.1b: Trends of Swedish Aid to Kenya 1965–1997 (in thousands of SEK)					
Year	**Appropriation (A-in-A)**	**Disbursement (Disb)**	**Disb/A-in-A %**	**Non-Country Budget**	**Total Sida (=Dis+Non-country)**
1965/66	0	0		3360	3360
1966/67	0	0		13497	13497
1967/68	0	0		6535	6535
1968/69	0	0		14581	14581
1969/70	0	0		14115	14115
1970/71	0	0		23245	23245
1971/72	37800	19456		0	19456
1972/73	50000	36060	72.1	0	36060
1973/74	60000	74449	124.1	131	74580
1974/75	60000	79729	132.9	1427	81156
1975/76	65000	84549	130.1	1134	85683
1976/77	70000	84090	120.1	1500	85590
1977/78	80000	77902	97.4	1393	79295
1978/79	90000	75335	83.7	1355	76690
1979/80	95000	98370	103.5	2516	100886
1980/81	105000	82931	79.0	4307	87238
1981/82	110000	81619	74.2	5643	87262
1982/83	125000	94740	75.8	4887	99627
1983/84	130000	97682	75.1	7824	105506
1984/85	130000	152212	117.1	17628	169840
1985/86	130000	120136	92.4	20625	140761
1986/87	135000	114488	84.8	43993	158481
1987/88	140000	156288	111.6	35474	191762
1988/89	140000	204268	145.9	25162	229430
1989/90	140000	142023	101.4	71911	213934
1990/91	150000	126680	84.5	36748	163428
1991/92	135000	123300	91.3	49416	172716
1992/93	115000	98272	85.5	62349	160621
1993/94	105000	85311	81.2	56791	142102
1994/95	80000	91870	114.8	61129	152999
1995/96	97500	111148	114.0	91723	202871
1997	65000	52450	80.7	79815	132265
Total	**2640300**	**2565358**		**760214**	**3325572**

Source: Sida International Co-operation: Statistical Summary of Operation

Table 1.1c: Top Ten Donors to Kenya (in billions of Ksh)

													Average	
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	1990 -1995	1996 -2001
Japan	1.2	1.2	0.8	2.0	3.0	4.1	2.6	2.3	1.7	1.8	1.3	1.9	2.0	1.9
USA (USAID)	0.8	1.1	0.9	0.9	0.8	0.5	0.7	0.7	0.6	0.4	0.5	0.1	0.8	0.5
FRG	0.9	1.0	1.0	0.9	3.6	2.7	1.5	1.6	2.5	2.4	2.5	1.5	1.7	2.0
Finland	0.5	0.5	0.5	0.5	0.3	0.3	0.3	0.5	0.3	0.1	0.2	0.2	0.4	0.3
France	1.5	1.2	0.8	0.4	0.3	0.3	0.3	0.2	0.0	0.0	0.6	0.7	0.7	0.3
Denmark (Danida)	0.5	0.9	0.5	0.4	1.1	0.7	1.2	1.3	0.7	0.9	0.8	0.6	0.7	0.9
Italy	0.3	0.2	1.0	2.0	1.3	1.0	0.8	0.5	0.6	0.3	0.7	0.1	1.0	0.5
UK	0.5	0.5	0.3	1.1	1.7	0.3	0.2	0.3	0.3	0.2	0.4	1.5	0.7	0.5
The Netherlands	0.5	0.7	0.5	0.7	1.2	1.0	1.3	1.0	1.0	0.8	0.2	0.0	0.8	0.7
Sweden (Sida)	0.4	0.7	0.7	0.6	0.7	0.5	0.6	0.6	0.8	0.7	0.7	0.7	0.6	0.7
Total Bilateral	8.1	8.9	8.2	9.0	14.4	12.3	11.1	10.3	10.2	10.8	9.8	9.9	10.1	10.3
Share of Total Bilateral (in %)														
Japan	14.4	13.6	9.4	22.8	20.7	33.1	23.7	21.9	16.7	17.1	13.4	19.2	20.1	18.8
USA (USAID)	10.1	12.3	10.8	10.2	5.9	3.9	6.7	6.4	6.2	3.5	4.8	1.4	8.3	4.9
FRG	10.6	11.4	12.1	10.5	25.1	22.3	13.5	15.3	24.9	22.5	25.5	15.1	16.7	19.4
Finland	6.2	5.6	6.3	5.3	2.1	2.1	3.1	4.9	2.6	1.1	1.7	1.7	4.2	2.5
France	18.0	13.3	9.3	4.7	1.9	2.7	3.1	2.0	0.5	0.2	5.8	7.4	7.3	3.1
Denmark (Danida)	6.3	9.6	6.4	4.6	7.4	5.5	10.4	12.4	7.3	8.8	7.8	6.0	6.7	8.8
Italy	3.7	1.9	12.5	22.8	9.2	8.1	7.5	5.3	5.4	2.5	6.7	1.4	9.6	4.8
UK	5.8	5.9	3.5	12.6	11.4	2.2	1.7	2.5	3.0	1.9	4.4	15.6	7.1	4.7
The Netherlands	5.6	8.2	6.5	7.6	8.0	8.2	12.1	9.4	10.1	7.4	2.1	0.4	7.5	7.1
Sweden (Sida)	5.1	8.4	8.1	6.5	5.2	4.1	5.8	6.0	7.9	6.2	6.7	7.0	6.0	6.6

Source: Finance ministry (various years)

1.2 Uganda

Table 1.2a: List of Uganda's Major Donors

- Danish Agency for International Development Assistance (DANIDA)
- The Norwegian Agency for Development (NORAD)
- The Netherlands Government/Royal Dutch Embassy
- European Union (EU)/European Commission (EC)
- European Development Fund (EDF)
- The World Bank
- The International Monetary Fund (IMF)
- International Development Association (IDA)
- United States Agency for International Development (USAID)
- United National Development Program (UNDP)
- International Finance Corporation (IFC)
- African Development Bank (ADB)
- Japanese International Co-operative Agreement (JICA)
- Department for Foreign International Development (DfID)
- Swedish International Development Assistance (Sida)

Appendix 1.2b: Sida Budget for Uganda as per 2001-07-20 (in thousands of SEK)

	Agreement Period	Amount Agreed	Amount Pledged	Plan Disbursed 2001	Plan Disbursed 2002	Plan Disbursed 2003
Social Sector Health SWAp		**150**	**0**	**38**	**56**	**28**
Budgetary Support	2000-2003	81		22	27	13.5
Policy/Inst. Development	2000-2003	25.5		4	8.5	4.25
HIV/Youth	2000-2003	27		11	11.5	5
UNICEF/Health	2000-2003	7.5			5	2.5
Health	2000-2003	9		2	4	3
Infra., Priv. Sect, Urban, Water/Sanitation		**41**	**384**	**86.5**	**129**	**120**
Ministry of Water/WES	2001		15	20		
UNICEF/WES	1997-2001	41	25	39	25	
WES	2002-2004		120		40	40
Private Sector/Legal sector SWAp	2001-2004		15		5	7
Private Sector/SME Small&Med. Enterpr.	2001-2004		5	2	2	1
Private Sector UBP Ug. Beef Producers	2001-2004		9		3	3
Preparation Private Sector	2001-2004		9	2	3	3
Private Sector Development/EPOPA	2001-2004		15	3	6	6
Private Sector/Finance	2001-2004		30	10	10	10
Rural Electrification Fas 1	2001-2002		16	0.5	10	5
Rural Electrification Fas 2	2002-2004		70		10	20
Rural Electrification Private Sector IFC	2001-2003		45	10	15	20
Miscellaneous	2003-2004		10			5
Agri., Fishery and Environment		**14**	**65**	**6**	**20**	**20**
ULAMP 1	1998-2001	14	5			
ULAMP 2	2002-2004		60	5.6	5	
Democracy Governance & HR		**20**	**32**		**15**	**20**
Human Rights Commission/HRC	1998-2008	8.5		13.5	12	10
Human Rights Commission/HRC	2001-2003		12			
FHRI/Foundation for Human Rights Initiative	1999-2001	3		3	4	5
HRN/Human Rights Network	1994-2001	2.5				
RWI/Raoul Wallenberg Inst.	2000-2001	0.8				
Civic Education/Election		5		5		
HR-Fund	2001-2004		15	3	5	5
Prison's Project	2001-2002		5	2	3	
Prep Legal sector SWAp	2001	0.62		0.5		
Birth registration/UNICEF	2001-2002		7.5			
Legal Sector SWAp	2001-2004		15		8	6
Research Cooperation		**15**	**45**	**9**	**15**	**15**
SAREC/Makerere	2000-2001	15		9.2		
SAREC/Makerere	2002-2004		45		15	15
Soft Development Credits		0	0	0	0	0
Other		**24**	**23.5**	**7.5**	**17**	**17**
Consultancy Fund	1998-2001	6		4		
Consultancy Fund	2001-2003	18		4	7	7
Humanitarian Fund	2001-2003		22	2	10	10
Program development	2001		0.5	0.5		
Embassy Staff			1	1		
TOTAL COUNTRY BUDGET		**235**	**625**	**160**	**257**	**233**

Source: Sida (2001c)

1.3 Tanzania

Table 1.3a: Tanzania in Swedish Aid

Sweden 1979–1980		1989–1990		1999–2000	
Tanzania	8.8	India	6.9	Tanzania	3.2
Viet nam	8.0	Tanzania	6.3	Mozambique	2.8
India	7.3	Mozambique	6.2	South Africa	2.1
Mozambique	3.9	Nicaragua	2.5	Honduras	2.1
Bangladesh	3.4	Viet nam	2.3	Viet nam	2.1
Sri Lanka	3.0	Ethiopia	2.1	Nicaragua	1.9
Zambia	2.8	Angola	2.0	Palestinian Adm. Areas	1.7
Kenya	2.7	China	2.0	Bangladesh	1.7
Ethiopia	2.6	Zambia	1.9	Bosnia-Herzegovina	1.6
Angola	1.8	Kenya	1.6	Yugoslavia, Fed.Rep.	1.6
Botswana	1.4	Zimbabwe	1.5	Uganda	1.3
Guinea-Bissau	1.3	Bangladesh	1.3	Ethiopia	1.2
Laos	1.3	Botswana	1.1	Angola	1.0
Pakistan	1.1	Afghanistan	0.9	Zambia	1.0
Nicaragua	0.8	Uganda	0.8	Zimbabwe	1.0
Total above	**50.3**	**Total above**	**39.4**	**Total above**	**26.1**
Multilateral ODA	30.0	Multilateral ODA	30.3	Multilateral ODA	30.4
Unallocated	13.0	Unallocated	22.4	Unallocated	26.4
Total ODA $ million	**976**	**Total ODA $ million**	**1 905**	**Total ODA $ million**	**1 715**
LLDCs	51.1	LLDCs	51.7	LLDCs	42.0
Other LICs	36.2	Other LICs	36.7	Other LICs	24.1
LMICs	8.9	LMICs	7.2	LMICs	32.0
UMICs	3.8	UMICs	4.1	UMICs	1.8
HICs	-	HICs	-	HICs	0.0
MADCT	-	MADCT	0.3	MADCT	0.0
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**
Europe	2.2	Europe	0.1	Europe	9.8
North of Sahara	1.7	North of Sahara	2.7	North of Sahara	0.6
South of Sahara	49.9	South of Sahara	56.1	South of Sahara	43.7
N. and C.America	2.8	N. and C. America	6.4	N. and C. America	14.7
South America	0.3	South America	2.2	South America	4.4
Middle East	0.1	Middle East	1.8	Middle East	5.5
S. and C. Asia	25.8	S. and C. Asia	19.4	S. and C. Asia	10.1
Far East Asia	17.1	Far East Asia	11.1	Far East Asia	11.3
Oceania	-	Oceania	0.2	Oceania	0.0
Total Bilateral	**100.0**	**Total Bilateral**	**100.0**	**Total Bilateral**	**100.0**

Source: OECD/DAC

Table 1.3b: Swedish Development Assistance to Tanzania (in thousands of SEK)

Contribution	1997	1998	1999	Total
Human Rights/Democratic Governance	18,848	36,622	40,107	95,577
Social Sectors	112,386	98,509	103,804	314,699
Infrastructure, Private Sector, Urban Development	102,454	159,170	95,371	356,995
Natural Resource Use	46,432	34,240	39,764	120,436
Economic Reforms	27,500	91,400	0	118,900
Research Co-operation	30,810	29,883	38,459	99,152
Humanitarian Assistance	498	2,883	24,877	28,258
NGOs	33,952	26,379	20,844	81,175
Information, Recruitment	550	18	194	762
Other	0	18,332	1,992	20,324
Total	**373,429**	**493,437**	**365,411**	**1,232,277**

Source: Country Strategy for Development Co-operation, Tanzania 2001-2005, Stockholm: SIDA.

Table 1.3c: Major Sub-Saharan African DAC ODA recipients (in millions of $ at 1999 prices) (net disbursements deflated by total DAC deflator)

	1984-85 average	1989-90 average	1997	1998	1999	2000
Tanzania	1,034	1,253	943	1,023	990	1,089
Mozambique	658	1,150	946	1,064	804	913
Ethiopia	1,295	1,094	578	676	643	722
Uganda	340	661	812	662	591	854
Kenya	835	1,333	447	488	310	534
Senegal	652	901	422	513	536	441
Zambia	560	511	609	357	624	829
Overall Total	**17,013**	**19,803**	**14,223**	**14,103**	**12,719**	**13,266**

Source: OECD/DAC

Appendix 1.3d: Proposed Budgetary Allocation for Priority Sectors, FY1999/00–2001/02 (in billions of tsh)

	1999/00 Actual	2000/01 PRSP target	2000/01 Preliminary outturn	2001/02 Budget
Education	40.4	120.0	120.0	192.0
Recurrent	37.2	54.3	54.3	82.5
Development	3.2	65.7	65.7	109.5
Health	24.7	63.1	63.1	93.7
Recurrent	21.9	32.7	32.7	43.0
Development	2.9	30.4	30.4	50.7
Water	4.8	15.0	15.0	26.0
Recurrent	2.1	4.9	4.9	9.1
Development	0.0	10.1	10.1	16.9
Judiciary	4.3	9.9	6.1	16.2
Recurrent	3.9	5.7	5.7	9.2
Development	0.4	4.2	0.4	7.0
Agriculture	6.1	15.1	15.1	23.9
Recurrent	5.5	6.3	6.3	9.3
Development	0.6	8.7	8.7	14.6
Roads	47.0	86.8	86.8	176.7
Recurrent	42.2	55.1	55.1	63.8
Development	4.7	31.7	31.7	112.9
Total	**127.3**	**309.9**	**306.1**	**528.5**
Priority Sectors as % of Aggregate Recurrent & Development Spending	19.3	39.7	38.6	53.0

Source: Finance ministry, reported in Poverty Reduction Strategy Paper Progress Report 2000/01, GoT 2001.

Table 1.3e: ODA flows to Tanzania (net), 1970–2000 (in millions of $)

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Bilateral donors (DAC)	**37.9**	**49.8**	**53.4**	**90.5**	**140.2**	**235**	**212**	**257**	**333**	**458**	**524**	**486**	**485.2**	**429**	**410**	**373**	**514**	**719**	**786.1**	**692**	**844.1**	**764**	**816**	**650**	**570**	**586.7**	**605.4**	**569.1**	**769**	**613**	**779**
UK	3	3.9	2.8	2.1	2	7.2	6.6	10.4	18.6	45.1	73.2	54.8	40.6	43.5	29.2	22.6	16.9	38.9	59.1	60.8	26.7	65	105	39.6	43.8	31.1	67.3	67.6	158.6	88.6	152.7
Germany	3.9	6	6.2	9	12.9	28.6	20.4	29.6	55.4	79.9	74.5	54.8	58.8	36.3	49.9	32.9	45	60.2	68.1	51.8	61.4	74.8	68.5	72	64.4	67.2	58.7	59.3	109.9	66.6	34.8
Japan	0.8	1	1.1	2.7	3.4	2.9	2.6	2.4	10	23.6	39.3	38.4	50	30	26.1	28.5	35	46	96.7	62.6	40.7	56.9	73.2	88.8	104.8	124.3	105.7	55.4	83.4	74.8	217.1
Denmark	3.2	4.2	4.6	7.4	18.2	23.7	19.6	35	37.6	39.7	32.2	32.8	39.8	40.4	31.6	37	54.9	49.2	77.8	78.7	78.5	89.1	94.8	80.9	76.5	59.6	91.2	64	69.6	80.8	68.8
Netherlands	1.3	1,5	3.7	7,2	10.8	19	27,6	45,6	50,9	77,5	83,2	69,7	56,3	34,5	40,6	36,9	60,7	74,1	78,9	71,4	94,5	56,4	50,5	55,1	57,8	77,4	74,9	52,4	80,3	55,2	97,3
Sweden	7	10.7	16.5	32.2	34.7	55.1	51.6	57.4	64.2	93.4	78.1	76.5	73.8	69.3	55.1	49	106.4	76.5	103.6	90.4	149.6	143	93.1	91	51.3	45.3	65.2	48.2	59.8	46.2	63.5
Norway	1.4	2.9	3.5	6.9	10.8	17.2	14.5	25.7	30.7	35.1	44.1	40.1	51.9	54.9	46.4	45.4	71.8	75.2	79	57.5	102.9	85.6	82.1	68.6	50.3	52.2	54.4	50.9	44.6	49.7	35.2
Multilateral	**13.4**	**12.6**	**7.8**	**9,7**	**22,3**	**60,5**	**55**	**75,9**	**90,8**	**127**	**128**	**173**	**187,2**	**148**	**137**	**102**	**147**	**180**	**229,6**	**225**	**326**	**318**	**555**	**300**	**389**	**286,2**	**274,1**	**372,9**	**228**	**376**	**269**
World Bank (IDA)	9.4	8.1	2.7	3	5.7	17.5	28.6	36.5	24	38.4	34.4	76.9	97.5	63.6	55.2	28.1	83.5	87	98	111	181	174	229.4	136.9	172.3	147.8	120.5	169	84.7	174.9	109.4
EC	-	-	0	-	-	15.1	5.7	10.6	19.9	29.2	25.1	40.6	29.9	27.1	31.9	29.9	37.4	32.9	34.7	51.5	41.9	40.7	111.5	69.5	87.3	63.8	44.3	63.9	43.2	71	32.4
Other Bilateral	**-**	**-**	**-**	**-**	**-**	**0.2**	**0.6**	**6.9**	**1**	**3.6**	**27.4**	**43.9**	**11.3**	**14.9**	**7.7**	**10**	**5.2**	**-**	**0.3**	**1**	**3.2**	**-2.5**	**-2.3**	**-0.2**	**6.2**	**4.5**	**-2.4**	**2.7**	**2.7**	**0.8**	**-2.6**
Total	**51.3**	**62.4**	**61.3**	**100**	**162.5**	**295**	**268**	**340**	**425**	**589**	**679**	**703**	**683.8**	**593**	**554**	**484**	**666**	**900**	**1016**	**918**	**1173**	**1080**	**1339**	**950**	**966**	**877.4**	**877.1**	**944.7**	**1000**	**990**	**1045**

Appendix 2

List of persons interviewed

2.1 Kenya

Sida and Swedish Government Staff

Gun-Britt Andersson	Minister for Foreign Affairs, Government of Sweden, Stockholm
Tom Anyonge	ex-Program Officer, Agriculture, Sida Nairobi
Carol Bäckman	Program Officer, Division for Rural Development, Sida Stockholm
Jan Bjerninger	Head, Asia Department, Sida Stockholm
Elin Cohen	Assistant Program Officer, Human Rights and Democracy, Sida Nairobi
Gosta Edgren	Ownership Evaluation Reference Group, Sida Stockholm
Lars Ekengren	AC Africa Division, Sida Stockholm
Goran Engstrand	Formerly Swedish Ambassador to Kenya
Arne Eriksson	Program Advisor, NALEP, Ministry of Agriculture, Nairobi
Ingemar Gustafsson	Head, Methods Development Unit, Sida Stockholm
Johan Holmberg	Swedish Embassy, Addis Ababa, Ethiopia
Katja Jassey	Policy, Sida Stockholm
Anders Karlsson	Sida Consultant, and former Head of Development Cooperation, Kenya
Per Karlsson	Program Officer, Sida Nairobi
Tomas Landström	Program Officer HIV/AIDS, Health Division, Sida Stockholm
Annika Magnusson	Head, Africa Division, Sida Stockholm
Peter Magnusson	First Secretary (Senior Economist), Embassy of Sweden, Nairobi
Thomas Melin	Architect/Program Manager, Urban Development Division, Sida Stockholm
Stefan Molund	Deputy Head, Evaluations Unit, Sida Stockholm
Grace Muema	Assistant Program Officer, Sida Nairobi
John N. Ndiritu	Program Officer, Public Administration, Sida Nairobi
Johan Ndisi	Desk Officer Kenya, Africa Division, Sida Stockholm
Carin Norberg	Director, Department for Democracy and Social Development, Sida Stockholm
Jan Olsson	Head, Policy Department, Sida Stockholm
Ulf Rundin,	Formerly Swedish Ambassador to Kenya
Elisabeth Sjöberg	Senior Program Officer, Health, Sida Nairobi
Annica Sohlstrom	Senior Research Officer, SAREC, Sida Stockholm
Michael Stahl	Head, SAREC, Sida Stockholm
Eva Stephansson	Formerly Sida Socio-economic Advisor, Ministry of Agriculture, Nairobi
Maria Stridsman	Development Counsellor, Sida Nairobi
Lotta Sylwander	Head, Department for Africa, Sida Stockholm
Alex Tameno	Program Officer, Sida Nairobi
Amare Tegbaru	Senior Socio-Economic Advisor, NALEP (Sida)
Pär Vikström	Agriculture Program Officer, Natural Resources, Sida Nairobi
Lennarth Wohlgemuth	Director, Nordiska Afrika Institutet, Uppsala

Public Sector Staff

Pamela Akal	Divisional Home Economics Officer, Nyando Division, Nyando District, Ahero
James Angawa	Division Extension Co-ordinator, Nyando Division, Nyando District, Ahero
Livingston Bumbe	Assistant Secretary, Ministry of Finance, Nairobi
Jane Gakonyo	Extension Officer, Muchungucha Focal Area, Thika Division, Central Province
Jennifer K. Kaboro	Soil Conservation Officer, Divisional Extension Team, Embu Township
Charles Kairu,	Senior Economist, Division of Debt Management, Ministry of Finance, Nairobi
Gilbert Kamau	Divisional Extension Team, Thika Division, Central Province
Mathu Kamau	Giharu Divisional Extension Team, Murang'a, Central Province
Margaret Kamiti	Giharu Divisional Extension Officer, Murang'a, Central Province
Peter J.K. Kiara,	Head of NALEP, Ministry of Agriculture, Nairobi
Dr Risa ole Kurrarru	District Medical Officer of Health, Kajiado
Jane Mambeka	Divisional Extension Team, Thika Division, Central Province
Titus Masila	Divisional Farm Management Officer, Nyando Division, Nyando District, Ahero
Ms P. Mbijiwe	Poultry Officer, District Agricultural Team, Embu
Emma Mbutu	Aids Officer, Divisional Extension Team, Embu Township
Mrs D.W. Meruaki	Divisional Extension Co-ordinator, Embu Township
James Muriu	Giharu Divisional Extension Team, Murang'a, Central Province
Redempta Mwangi	Extension Officer, Mukawa Focal Area (NALEP), Thika Division, Central Province
M.N. Mwaura	DAPO, District Agricultural Team, Embu
Leah Ndagui	Giharu Divisional Extension Team, Murang'a, Central Province
Jane Ndungu	Divisional Extension Officer, Thika, Central Province
Margaret Nduru	District Agricultural Officer, Embu
B.W. Ngayo	Veterinary Officer, Divisional Extension Team, Embu Township
John Njeri	Divisional Extension Team, Thika Division, Central Province
J.N. Njiru	Bee Keeping Officer, District Agricultural Team, Embu
Daniel Njogu	Coffee Factory Engineer, District Agricultural Team, Embu
Mrs M. Njogu	Crops Officer, District Agricultural Team, Embu
James Njoroge	Divisional Extension Team, Thika Division, Central Province
Joshua. Njue	Small Ruminants Officer, Divisional Extension Team, Embu Township
Benjamin I. Njue	Coffee Extension Officer, Divisional Extension Team, Embu Township
John Nthiga	District Agricultural Officer, Murang'a District, Central Province
F.N. Nthukuri	Farm Surveyor, District Agricultural Team, Embu
Mary Nyaga	Crops Officer, Divisional Extension Team, Embu Township
Dr James Okumu	Public Health Officer, Kajiado District
Esther Onyango	Divisional Crops Officer, Nyando Division, Nyando District, Ahero
David Onyonka	Director of External Debt Management, Ministry of Finance, Nairobi
Dan Opio	Divisional Extension Team, Thika Division, Central Province
T. K. Opiyo	District Agricultural Officer, Nyando District, Ahero
Henry Owiti	Soil and Water Conservation Officer, Nyando Division, Nyando District, Ahero

Peter Owoko	NALEP District Co-ordinator and District Crops Officer, Nyando District, Ahero
Dorothy Sammy	Marketing Officer, Divisional Extension Team, Embu Township
Francis Wambugu	District Agricultural Officer, Thika, Central Province
Elizabeth Wanjohi	AIDS Officer, District Agricultural Team, Embu
Solomen Waweru	Provincial Agricultural Officer, Nyeri, Central Province

NGO Staff, Consultants and Academics

Abdullahi Abdi	Program Officer, Northern Aid, Nairobi
Goran Andersson	Director, SIPU, Stockholm
Said Athman	Program Advisor, Northern Aid, Nairobi
Farmers Focal Group Committee	Embu Township
John Gitau	Chair, Athena Komo Focal Group Committee (NALEP), Thika Division, Central Province
Goran Hyden	Professor of Political Science, University of Florida, Gainsville
Karuti Kanyinga	Senior Research Fellow (and Consultant to NCEP), Institute for Development Studies, University of Nairobi
Jane Kiano	Executive Officer, National Council of Women of Kenya, Nairobi
Wambui Kiaru	Program Officer, National Council of Women of Kenya, Nairobi
Amos Kibire	Program Coordinator, Education Centre for Women's Democracy, Nairobi
Wambui Kimathi	Program Coordinator, Kenya Human Rights Commission, Nairobi
Cecelia Kimemia	Executive Director, The League of Kenya Women Voters, Nairobi
Jane Kiragu	Executive Director, Federation of Women Lawyers – Kenya (FIDA), Nairobi
Martha Koome	Chairperson, Federation of Women Lawyers – Kenya (FIDA), Nairobi
Joyce Koros	Project Secretary, Federation of Women Lawyers – Kenya (FIDA), Nairobi
Juliet Makokha	Board Member, National Council of Women of Kenya, Nairobi
Francis Mathaka	Senior Accountant, Education Centre for Women's Democracy, Nairobi
Juma Mohamed	Extension Officer, Supreme Council of Kenya Muslims (SUPKEM), Kisumu
Anthony M Mugo	Program Officer, Public Relations and Fundraising, Federation of Women Lawyers – Kenya (FIDA), Nairobi
Maeve Muli	Research Officer, SEDEP
George Mwamodo	Executive Director, Labour Awareness Resource Program, Nairobi
Francis Njenga	Regional Coordinator, Labour Awareness Resources Program, Kisumu Branch
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Supporting Ownership – Swedish Development Cooperation with Kenya, Tanzania, and Uganda

Looking at Swedish development cooperation with three countries in East Africa, Kenya, Tanzania and Uganda, this study tries to find out how a longstanding Swedish policy of facilitating and promoting partner country ownership of development aid has been translated into practice. In each country, half a dozen projects and programs are examined in depth.

The conclusions of the study are relevant to development cooperation generally. With the shift from projects to programs and the increasing need for coordination between donors, the contextual parameters for implementing a pro-ownership policy are changing. While program support can facilitate ownership, the link is by no means automatic. Ownership can be undermined by policy conditionalities or by lack of administrative and technical capacity in the partner country.

The shift to program aid also affects the ability of donors to promote popular participation and broader stakeholder ownership of the activities that they support. In the context of program assistance, the government is responsible to program beneficiaries and other citizens through the general democratic processes rather than through representation by donors. Popular ownership can only be assessed through an evaluation of the functioning of democratic institutions.

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