



DET KONGELIGE
UTENRIKSDEPARTEMENT

Royal Norwegian Ministry of Foreign Affairs

Evaluation Activities of the Norwegian Ministry of Foreign Affairs

Annual Report 2000





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Secretary General's foreword

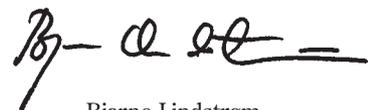
In order to ensure control over the use of the MFA's (Ministry of Foreign Affairs) resources and contribute to the enhancement of ongoing activities and development of future projects, evaluations of the MFA's activities are undertaken on a regular basis.

The evaluations cover the entire range of activities and thus encompass the area of responsibility of both the Minister of Foreign Affairs and the Minister of International Development. The activities of the Norwegian Directorate for Development Cooperation (NORAD) are also evaluated, in addition to NGOs and others that receive grants from the MFA and NORAD.

The MFA's evaluation reports are available to the public. In the interest of objectivity, particular emphasis is placed on selecting independent institutions to carry out the evaluations, both in relation to the MFA and the activity to be evaluated. Considerable emphasis is also placed on making the reports as comprehensible and available as possible.

The evaluation work is carried out in contact with the persons concerned in the relevant organizations through seminars and meetings in order to make the evaluations useful and contribute to learning.

Recommendations in the evaluations are discussed separately and follow-up proposals are submitted to the MFA's political management. The objective of the evaluations is to contribute to a better and more efficient Foreign Service.



Bjarne Lindstrøm

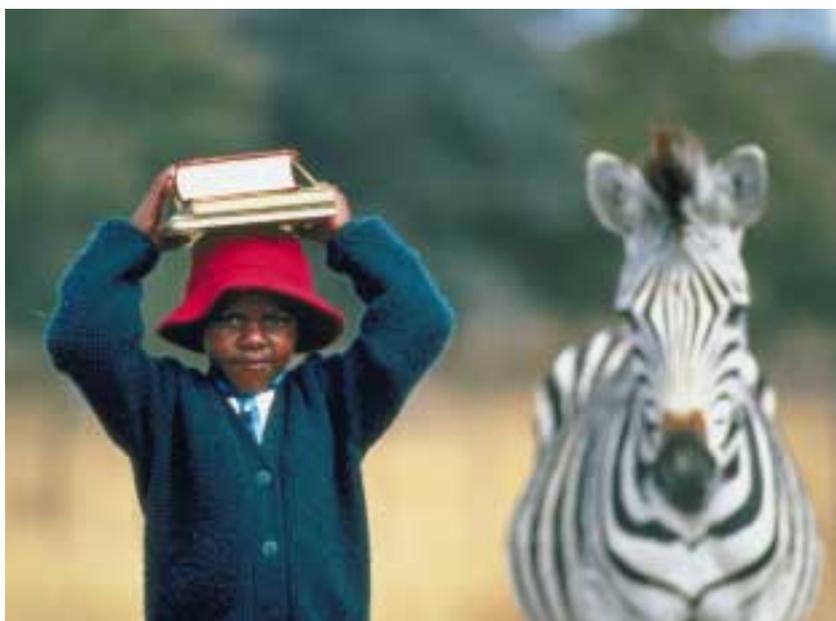


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Evaluation activities of the Norwegian Ministry of Foreign Affairs

Separate instructions have been drawn up for the evaluation activities of the Ministry of Foreign Affairs. Reference is made to the Financial Management Regulation for the central government, which requires that ministries at regular intervals carry out evaluations of their activities to determine whether the objectives of an activity or support or guarantee scheme are achieved, and to identify their impact on society.

Annual evaluation programmes are approved by the MFA's political management. The programme is prepared on the basis of proposals from the MFA's divisions, the Norwegian Directorate for Development Cooperation (NORAD) and foreign missions. The programme included priority policy areas and the MFA's and NORAD's various instruments, working forms and support schemes.

The Evaluation Section in the Ministry of Foreign Affairs is responsible for preparing and following up the evaluations. The evaluation work proper is carried out by professionals who are not linked to the MFA, or who have not in any other way been involved in the activity that is to be evaluated. The evaluation assignments are outsourced to interested researchers and consultants in Norway and abroad.

All of the MFA's evaluation reports are made public and published by the Ministry of Foreign Affairs in a separate report series, which is distributed free of charge. The reports are also published electronically. The reports are published in English, with the exception of reports that are confined to activities in Norway and that are published in Norwegian.

The evaluation work is conducted in contact with relevant persons and organizations in Norway and abroad. Emphasis is

placed on organizing the work in the form of seminars and meetings to exchange knowledge and viewpoints so that the collection and preparation of information to be used in the evaluation report also contribute to and stimulate learning among those concerned. All evaluation reports should include follow-up recommendations as to improvements and other changes in projects that are evaluated.

The MFA's political management takes decisions regarding the follow-up of each evaluation on the basis of the proposals drawn up by the Evaluation Section, and after circulating the report and its recommendations for comment to the parties concerned. The follow-up proposals are discussed further at a separate meeting of political management, the divisions concerned and NORAD. The implementation of the decisions is then assigned to the responsible divisions in MFA and NORAD, which shall report to the MFA's political management on the status of the implement of the decisions within six months.

The evaluation activities of Ministry of Foreign Affairs are carried out in an international context, and the MFA cooperates with other countries in the evaluation of joint international projects and multilateral organizations. In addition, the MFA takes initiatives to organize and participate in international meetings and conferences. In order to develop evaluation expertise in developing countries, the evaluations are also organized to include professionals from the relevant countries.



Foto: Scampix

Evaluation activities in 2000

The MFA published ten evaluation reports in 2000. See separate comments on reports.

The evaluation reports covered cooperation with developing countries in the field of health, education and research, special arrangements for support to business activity in developing countries, for promoting environmental objectives and sustainable development, and measures to foster reconciliation and peaceful development. Cooperation with Russia on nuclear safety was also evaluated. The following institutions were responsible for the evaluation reports in 2000: Bioquest HB, Christian Michelsen Institute, Centre for Partnership in Development (DiS), FAFO Institute for Applied Social Science, Fidtjof Nansen Institute, Netherlands organization for international cooperation in higher education, Nordic Consulting Group, Norlat A/S, KanEnergi AS, International Peace Research Institute (PRIO), and Overseas Development Institute.

In March 2000, the MFA hosted an international seminar in Solstrand outside of Bergen on the experiences gained from the evaluations and other material on international assistance for peace and reconciliation in conflict areas. The seminar included a total of 60 participants representing national authorities, NGOs and international organizations, and various research communities. Christian Michelsen Institute organized the seminar and drew up the report on the seminar.

The Evaluation Section Staff in the MFA participates in the OECD/DAC Working Party on Aid Evaluation (WPE). The WPE held two meetings in 2000 and produced among other things a Glossary of Terms in Evaluation and Result-based Management. The WPE contributes to joint evaluations

conducted by Working Party members and cooperation with partners in developing countries. In September 2000, Japan extended an invitation, in cooperation with the WPE, to participate in a conference on the use of evaluation in control and learning. A separate report on this conference is available. A Nordic meeting of the respective evaluation units is held once a year, and Sweden hosted the annual meeting in August 2000. In connection with the so-called Utstein Cooperation between ministers responsible for development assistance in the Netherlands, the UK, Germany and Norway, there was also contact between the evaluation staff of these countries. The MFA also participated in the international network for evaluating humanitarian assistance "Active Learning Network on Accountability and Performance in Humanitarian Assistance" (ALNAP). The network includes around 50 participants, representing bilateral donors, NGOs and international organizations. The secretariat is located at Overseas Development Institute in London.

The cooperation agreement between the MFA and the World Bank's Operations Development Department (OED) was continued in 2000. This contributed to financing evaluations of the World Bank's measures to promote environmental and natural resource management, gender mainstreaming and gender perspectives, the Bank's general lending to developing countries and the development of evaluation expertise. The Norwegian research and consulting institutions NORAGRIC, Norwegian Consulting Group and Hartmark Iras participated in the work. The agreement also contributed to financing a conference in South Africa in September 2000 on evaluation capacity in developing countries arranged by the African Development Bank and the World Bank. Economic support was also provided for the project Norwegian NGO

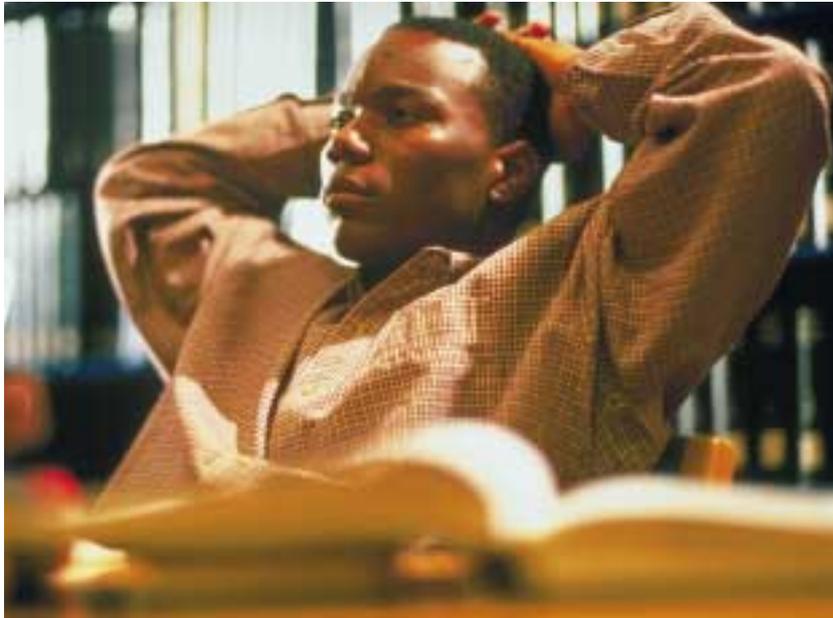


Foto: The Image Bank

Development Assistance Forum (Bistandstorget), which aims at developing evaluation expertise among Norwegian NGOs.

At the beginning of 2001, several evaluations were underway. An evaluation of the work carried out by Norwegian NGOs in Nicaragua over the past five years is nearing completion, as well as an evaluation of the activity of the Norwegian Human Rights Fund that was established in 1988. A study was being carried out on the implications for developing countries of a removal of tariffs and regulations on imports to industrial countries, in addition to a study on cooperation between the Bretton Woods Institutions to combat poverty. An evaluation of

development cooperation between Bangladesh and Norway was started. In addition, the MFA participated in several international evaluations, the steering group for evaluating the UN specialized agency for combating the AIDS epidemic (UNAIDS), the World bank's initiative for Comprehensive Development Framework (CDF), and an evaluation of international assistance for basic education headed by the Netherlands.

The Ministry of Foreign Affairs spent a total of NOK 17 million on evaluation activities in 2000, and at year-end five employees were involved in this activity.

Evaluation Reports

- 1/2000** *“Review of Norwegian Health-related Development Cooperation 1988–1997”
Centre for Partnership in Development (DiS), Norway*
- 2/2000** *“Norwegian Support to the Education Sector.
Overview of policies and trends 1988–1998”
Nordic Consulting Group, Norway*
- 3/2000** *“The Project ‘Training for Peace in Southern Africa’”
Fafo Institute for Applied Social Science, Norway*
- 4/2000** *“A survey of Norwegian development aid through NGOs 1987–1999”
NORLAT AS, Norway*
- 5/2000** *“Evaluation of the Nufu programme.
Norwegian Council of Universities’ Programme for Development Research and
Education”
Netherlands organization for international cooperation in higher education
(Nuffic), the Netherlands*
- 6/2000** *“Making Government Smaller and More Efficient: The Botswana Case”
Chr. Michelsen Institutt (CMI), Norway, Botswana Institute of Development Policy
Analysis (BIDPA), Botswana and Foundation for Research in Economics and
Business Administration, Norway*
- 7/2000** *“Evaluation of the Norwegian Plan of Action for Nuclear Safety.
Priorities, Organisation, Implementation”
Fridtjof Nansen Institute, Norway*
- 8/2000** *“Evaluation of the Norwegian Mixed Credits programme”
Fafo Institute for Applied Social Science, Norway*
- 9/2000** *“Norwegians? Who Needs Norwegians?
Explaining the Oslo Back Channel: Norway’s Political Past in the Middle East”
International Peace Research Institute (PRIO), Norway*
- 10/2000** *“Taken for granted? An Evaluation of Norway’s Special Grant for the Environment”
KanEnergi AS, Norway, in cooperation with Overseas Development Institute,
England and Bioquest HB, Sweden*



Evaluation Report 1/2000: “Review of Norwegian Health-related Development Cooperation 1988–1997”

Pages: 92

ISBN: 82-7177-606-1

Conducted by:

Centre for Partnership in Development (DiS), Oslo

Evaluation of:

Norwegian development policy in the health sector in the period 1988–1997 and the size of Norwegian support.

Purpose:

The health sector has increasingly become a priority sector for Norwegian development assistance. The purpose of the study was to provide an overview of support to health development and shed light on the effects of support.

Evaluation summary:

The report describes Norwegian aid to the health sector and notes that Norway has not formulated a policy in this area. Since 1992, strategies have been drawn up in areas such as AIDS, population and development and child development.

The report presents a statistical analysis of aid that is earmarked for specific programmes and projects, also via multilateral organizations, in the period 1988–1997. Aid to health projects has varied through the period. Following a substantial reduction early in the period under review, health aid has accounted for close to 9 per cent of total aid since 1995. The figure increases to 11–12 per cent when including a share of the general contributions from multilateral organizations. Policy indicates that the level should be 10 per cent.

Multilateral organizations are the main channel for development aid to the health sector increased in the period to about 48 per cent. Aid via NGOs exhibited a sharp increase (237 per cent), accounting for 56 per cent of bilateral aid. Direct support to health projects in cooperation with individual countries was modest.

Mother and child health and family planning has been the largest sub-sector for Norwegian aid (averaging 35 per cent of health-related aid). Aid to AIDS-related projects increased steadily to 1995 (up to 18 per cent), followed by some decline. UNAIDS received substantial support. Support to hospitals and health centres increased to about 10 per cent in 1997, while nursing, immunisation and control of epidemics accounted for 15 per cent of total aid. Aid to tuberculosis control programmes came to more than 7 per cent, while only a limited amount went to health administration. This is surprising in the light of the need for competence and institution building. Aid to Africa increased from 40 to 60 per cent, while aid to Asia was reduced by a corresponding amount in the period. The share of aid to Latin America was low, but increased slightly.

It proved difficult to provide an overview of health-related development research, but more funds were channelled through international organizations than national organizations. Increased emphasis was placed on medical disciplines than on health systems, administration and policy. A considerable share of projects focused on mother and child health

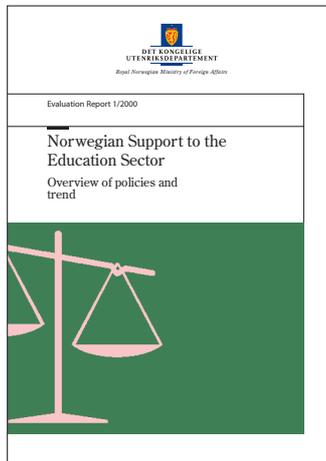
The report points out that there is a lack of adequate information in the area, and that this has a negative impact on the evaluations, particularly evaluations conducted by NGOs. The report assesses efficiency, relevance and cost-effectiveness, but the conclusions rely on a weak basis as there are no quantifiable measures or indicators.

Recommendations:

The report's recommendations are directed at the development administration in NORAD and the Ministry of Foreign Affairs. Different areas are identified where further analysis and surveys can provide important information about the results of Norwegian aid to health development. This applies primarily to relevance and the effects of various aid channels and questions concerning health-related research.

Follow-up:

The recommendations regarding improved documentation and reporting will be followed up, and guidelines for Norwegian health-related aid policy will be drawn up.



Evaluation Report 2/2000: “Norwegian Support to the Education Sector. Overview of policies and trends 1988–1998”

Pages: 59

ISBN: 82-7177-608-8

Conducted by:

Nordic Consulting Group, Oslo

Evaluation of:

Norwegian aid to education in the period 1988–1998 and the scale of Norwegian support.

Purpose:

Education has increasingly become a priority sector for Norwegian development assistance. The purpose of the study was to provide an overview of aid and shed light on the effects of support.

Evaluation summary:

The report described Norwegian aid policy in the area of education and notes that Norway undertook to provide education for all by 2000 at the Jomtien Conference (1990 World Declaration on Education for All).

The report presents a statistical analysis of aid earmarked for specific programmes and projects, also via multilateral organizations, in the period 1988–1998. The data proved weaker than assumed, which limited the scope and depth of the analysis. Particular emphasis is placed on bilateral aid in 1996–1998.

The study shows that aid to education increased in particular since 1995. In 1998, aid earmarked for education accounted for 8.9 per cent of the total. In addition, an unspecified share of general resources to multilateral organizations has been channelled to education. Africa receives most of the aid over the ten years, with Asia ranking second. Multilateral aid, particularly through the World Bank and to some extent UNICEF, accounted for 15 per cent of aid to education. In addition NORAD channelled bilateral resources via the same organizations. The largest share of bilateral aid to education was channelled via cooperation programmes with individual countries. In 1996–1998, the main recipient countries were Bangladesh and Tanzania. Two large sectoral programmes in Zambia and Nepal received support. A third of bilateral aid went to NGOs, primarily Norwegian ones. All total, aid was channelled via NORAD to 58 countries in 1998. Relatively few education projects were women-relevant. Aid to research and higher education comprised very few projects. Several courses in higher education were offered in Norway.

Norway provides considerable general resources to UNICEF, the World Bank and UNESCO, which are important stakeholders in education development assistance. Support is provided in particular to the International Institute for Education and Planning (IIEP), the Association for the

Development of Education in Africa (ADEA) and the Forum for African Women Educationalists (FAWE).

Providing a correct, detailed and complete picture of aid to education proved impossible due to shortcomings in the database. Support to projects in at least 60 countries made it difficult to provide an overview of results and the effects of support. The evaluation capacity among recipients was often limited, and reports and information on programmes and projects were spread among various areas of administration. It would appear that information systems have not been expanded in pace with the need for information.

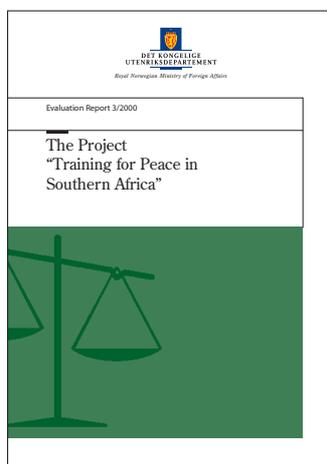
Recommendations:

The report's recommendations focus on the development aid administration in NORAD and the Ministry of Foreign Affairs.

The growing complexity of projects and programmes, in conjunction with the changes in the role of education support, suggest that the assessments and evaluations should be an important tool for reporting and institutional learning. The report recommends an increase in analytical capacity in the area of education. Research in the field of education should receive increased attention. Emphasis is placed on the question of the sustainability of education projects and programmes, but the evaluation capacity of NGOs shows clear weaknesses. The report recommends that evaluations be conducted in collaboration with local experts and other donors and that more knowledge be gained about private organizations as an aid channel.

Follow-up:

The recommendation to enhance data and reporting will be followed up, and guidelines for Norwegian aid policy in the education sector will be drawn up.



Evaluation Report 3/2000: “The Project ‘Training for Peace in Southern Africa’”

Pages: 95

ISBN: 82-7177-616-9

Conducted by:

Fafo Institute for Applied Social Science, Oslo.

Evaluation of:

Project “Training for Peace in Southern Africa (TfP)” from the start-up in 1995 to 31 December 1999.

Purpose:

The main objective was to collect information on the results of this pioneer project and assess whether the objectives are still relevant in the light of the changes that have occurred in the region during the project period. On the basis of the findings, the evaluation was also to include recommendations on actions concerning the future of the project and Norway’s support to capacity building in the areas of peacekeeping, peacebuilding and conflict management in the area.

Evaluation summary:

The project was organized as a cooperation between the Norwegian Institute of International Affairs (NUPI) and two South African Institutions, the Institute for Security Studies (ISS) and the African Centre for the Constructive Resolution of Disputes (ACCORD).

On the whole, the evaluation group found the project successful, and was impressed by the broad range of activities conducted under TfP and its impact. About 1 970 South Africans attended seminars and training in peacekeeping through TfP, but participants were not registered in a systematic manner that would make it possible to use them as a stand-by capacity for peacekeeping operations. The two South African organizations have gained considerable expertise since the project started, in particular the ISS which published extensively under the project. However, the ability of the TfP to provide a regional view and support to SADC (Southern African Development Community) in peacekeeping training remains limited as long as the two partners are South African. TfP has operated under the programme names that have been directly linked to each of the two South African institutions, and there has been no active cooperation between them after the first year covered by the evaluation. Hence TfP is not seen as a coherent and integrated programme in the region. TfP has to some extent been affected by the disagreement in the region concerning the creation of a SADC Organ of Politics, Defence and Security.

Recommendations:

Training for Peace in Southern Africa should be extended for second phase, and the project’s regional aspects should be enhanced by including a third party from another country in the region. Training should be developed, and follow-up of

course participants should be enhanced by establishing an overview of participants with a view to promoting future peacekeeping activities. An evaluation should be made of how the project should be strengthened to support research in the area, and how cooperation between the Norwegian Institute of International Affairs and each partner institution in Southern Africa can be expanded. The authority and management of the project should be clarified and structured, and adequate professional guidance and support should be provided for those responsible for project management. Norwegian and Nordic coordination of projects in the area of peace and security in Southern Africa should be strengthened.

Follow-up:

The project will be extended with a view to strengthening its activities in Southern Africa, and to enhance its relevance in peacekeeping work.



Evaluation Report 4/2000: “A survey of Norwegian development aid through NGOs 1987–1999”

Pages: 36

ISBN: 82-7177-617-7

(Only available in Norwegian)

Conducted by:

NORLAT A/S, Oslo

Study of:

NGOs role in humanitarian and long-term Norwegian development cooperation 1987–1999

Purpose:

The objective of the study was to provide an overview of findings and conclusions concerning NGOs work, based on the evaluation of the organizations in the period 1987–1999. The report was intended as background material for a working group composed of representatives of the Ministry of Foreign Affairs and the Norwegian Directorate for Development Cooperation (NORAD). According to the terms of reference, a review of existing guidelines for support to NGOs with a view to making possible changes was to be conducted.

Study summary:

Of a total of 88 evaluation reports published by the Ministry of Foreign Affairs in the period, 20 were used in view of their direct relevance to the role of NGOs in humanitarian and long-term development assistance. In addition, a review by NORAD of 40 reports drawn up by NGOs was used, and relevant reports published by the Danish Ministry of Foreign Affairs. Examples of support to NGOs provided by the Ministry of Foreign Affairs and NORAD are divided more or less equally between the two institutions. Support given to local organizations by embassies is not specified, however. Most of the reports focus on the relationship between Norwegian and local organizations. However, only three of them specifically study local organizations, and three focus on international organizations (INGOs).

The evaluation reports do not shed adequate light on the attainment of objectives and efficiency in connection with aid via NGOs. As to the question of whether aid is implemented as planned, the evaluations often raise the question of *what* is actually planned. Short-term objectives are largely achieved, while little is known about progress in attaining the long-term objectives. The reports provide little indication of the cost-effectiveness of aid, and an answer to this difficult question was not found in the Danish material either. It was not surprising to find that inefficiency and poverty in recipient countries were the main factors that impaired efficiency and the attainment of objectives. A relatively large number of organizations had a framework agreement with NORAD, but only two organizations had programme-based framework agreements, so that almost all the organizations are still obliged to present relatively detailed project plans. Furthermore, the framework agreements do not include support from the MFA. Support for individual projects is granted based on applications to the MFA.

The role of NGOs has changed from being an operator in fields relating to poverty reduction to institution builders and “advocates” for their partners in developing countries. Support to basic social and material needs, in addition to natural resource management, is still an important part of the tasks of Norwegian organizations, even though implementation is now primarily the responsibility of their partners. The organizations have systematically sought to promote the development policy objectives and guidelines drawn up by NORAD. However, it is difficult to determine the extent to which this has been achieved. There is a risk that support to civilian society could undermine a weak government structure. In situations with weak local economic conditions, development assistance contributes to organizing and maintaining institutions that are not financially sustainable. In spite of the positive feedback on support to civilian society, the new division of responsibility between Norwegian and local partners can lead to a growing conflict between institutional and financial sustainability.

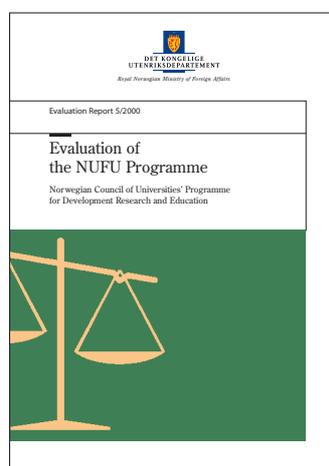
The study neither confirms nor rejects whether NGOs have a comparative advantage in relation to official aid. However, it seems clear that the legitimacy of the organizations’ work has been shifted from poverty reduction to the development of civilian society, with increased focus on peace, democracy and human rights.

Recommendations:

An overall strategy for support to NGOs should be drawn up, preferably with country strategies and sectoral strategies. There is also a need for clearer guidelines for support from the MFA and a renewal of the guidelines for support from the NORAD. Increased support to NGOs in developing countries should be considered. NGO funding should be provided over a longer time horizon, and framework agreements should generally be used for cooperation. Furthermore, support criteria, reporting routines and procedure should be standardized to a greater extent. The duration of support should be assessed before initiating the support, and with a view to countering dependence on aid. The financial gap between emergency aid and long-term aid for NGOs must be reduced and the transition after discontinuation of emergency aid should be facilitated. Short-term support for peace projects should perhaps be avoided as this can generate expectations of long-term support.

Follow-up:

The recommendations will be incorporated in the Ministry of Foreign Affairs’ further work in this area.



Evaluation Report 5/2000: “Evaluation of the NUFU programme. Norwegian Council of Universities’ Programme for Development Research and Education”

Pages: 70

ISBN: 82-7177-618-5

Conducted by:

Netherlands organization for international cooperation in higher education (Nuffic)

Evaluation of:

The NUFU programme, cooperation in research in higher education between universities and research institutes in developing countries and Norway.

Purpose:

The programme for cooperation in research and education is based on an agreement concluded between the Norwegian Research Council and the Ministry of Foreign Affairs in 1991, which was renewed in 1995. The purpose of the evaluation was to provide input for drawing up a new agreement and maintaining cooperation. The terms of reference for the evaluation place emphasis on providing a description of the programme, assessing the programme’s performance in relation to its objectives and resources, and the programme’s results in terms of its quality and relevance for developing countries. The evaluation focuses on the second agreement period.

Evaluation summary:

The Norwegian Council of Universities has administrative responsibility for the programme, which has been delegated to the Norwegian Council of Universities’ Programme for Developments Research and Education (NUFU). The Centre for International University Cooperation (SIU) is NUFU’s secretariat. NUFU finances individual projects based on applications. Originally, the cooperation primarily involved research, but higher education has gradually become an important part of the programme. In the agreement period, support was granted to about 100 projects in 33 institutions in developing countries and 11 in Norway. 526 researchers from developing countries and 335 from Norway were involved in the projects during the period. A total of 386 candidate have completed their PhD and Master’s studies, while about 850 are enrolled. Africa receives 77 per cent of the resources for developing countries, with 11 per cent for Asia and 8 per cent for Latin America. The main fields that received support were medicine, social science, agriculture and natural science.

The evaluation report finds that the programme has been successful, with substantial results in relation to resources. The strong commitment on the part of participants is one explanatory factor behind the successful cooperation. The cooperation contributes to capacity and institution building in developing countries in areas prioritized by these countries. The cooperation has been adapted to local conditions by, for example, increasing the share of education projects.

Researchers in developing countries appreciate this cooperation because it provides access to information, advanced technology, a professional network and publication channels over a long-term time horizon, with common interests with Norwegian colleagues. The exchange of employees and students is appreciated by both partners. The report finds that the SIU and NUFU’s secretariat are doing a very good job. The report finds that the cooperation is consistent with the principles for Norwegian development cooperation, with the exception of the lack of emphasis on recruiting women to participate in the projects.

The report directs criticism at the inadequate follow-up of the objectives of the cooperation in practice. The agreement emphasizes the principle of equality between the partners, and that research projects should be relevant for developing countries, while it is the Norwegian institutions that make the decisions as to which projects should receive support, often based on unclear criteria. The report finds that quality assurance is not satisfactory, that the institutions’ role is sometimes weak both in Norway and abroad and that the cooperation is not adequately coordinated with Norwegian support to other projects in this area.

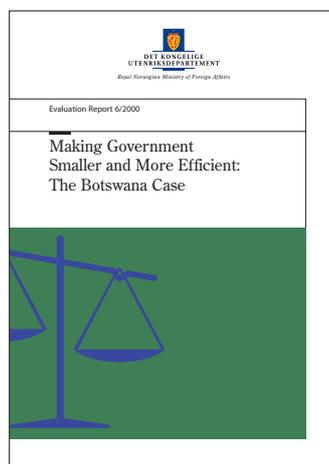
Recommendations:

The report recommends that the programme’s objectives and principles be clarified in relation to how cooperation functions in practice. The criteria for allocation of resources should be more explicit, and access to and participation in decision-making processes on the part of developing countries should be enhanced.

Quality assurance of the projects should be improved, and SIU should be given a more independent role. To strengthen the anchoring of the projects in institutions in developing countries, NUFU should introduce framework agreements for institutions with a large NUFU project portfolio. NUFU should increase its role in financing the establishment of research networks in developing countries, and regional research centres. To make the cooperation more attractive to Norwegian partners, the report recommends compensation for participation depending on whether the cooperation involves research, capacity-building, pilot projects or network development. The coordination of projects supported by NUFU should be enhanced using Norwegian development aid for the same area. The report recommends an increase in the overall allocations to NUFU.

Follow-up:

The recommendations were used in the negotiations on a new cooperation agreement between the Norwegian Council of Universities and NORAD.



Evaluation Report 6/2000: “Making Government Smaller and More Efficient: The Botswana Case”

Pages: 43

ISBN: 82-7177-620-7

Conducted by:

Christian Michelsen Institute (CMI) Bergen, the Botswana Institute of Development Policy Analysis (BIDPA), and Foundation for Research in Economics and Business Administration, Bergen

Study of:

Botswana's public sector

Purpose:

The purpose was to study Botswana's public sector in relation to the country's economic development.

Evaluation summary:

Taking into account that Botswana is a middle-income country, the report discusses development problems that are common in countries with substantial revenues from mineral exports. This provides government with greater scope for financing the public sector than poorer developing countries, which tends to lead to a large public sector. When mineral exports start to decline, which is now the case in Botswana, the authorities must either increase taxes or scale back public sector activity. The report argues that this type of dilemma is similar to the one that arises in countries that receive aid in excess of the country's capacity to absorb it.

Direct revenues from diamond exports account for about 50% of total government revenues in Botswana, with a further 17% in the form of indirect revenues from the same source. However, revenues from mineral exports have declined and the report estimates a fall in government revenues from about 42% to 30% of GDP over the next 20 years. One consequence is that the public sector will have to be restructured, and its role in the country's economy redefined.

The authorities in Botswana play an extensive role in economic and social affairs in the country. Government's role was part of a solution for initiating socio-economic development in response to a shortage of private businesses and contractors. This has instead become part of the problem: it has created heavy barriers to start-ups of private businesses. Moreover, it undermines extensive public core services such as health and education services.

The report compares the quality of public services in Botswana with 66 developing countries, with a more detailed analysis of six countries. The comparison shows that Botswana spends more on education than the average for the other countries in the survey, but scores below average on the literacy indicators. Basic health services are highly efficient in Botswana, while the cost-effectiveness of hospitals is poor. The

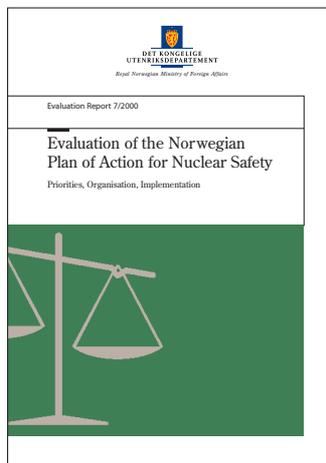
HIV/Aids epidemic has been reversed or almost eradicated 30 years of progress in the health of population.

The report attributes the low educational attainment level to the wide income gaps and the high proportion of poor people (38%). The report argues that the larger the share of poor people, the slower the growth in human capital and the economy is. Hence Botswana must address the poverty problem in order to increase human capital and thereby economy growth. This will require clear focus on priority areas, and increased capacity for implementing programmes and projects. The authorities in Botswana are duly commended for not being corrupt and of high quality, but the public sector has become too large for effective policy implementation.

The development of the country, based on mineral revenues, bears a number of similarities with countries that are heavily reliant on development aid. On average, between half and three-fourths of total aid transfers to a country go to the government. When the level declines, the recipient country finds itself in a situation similar to that of Botswana. For example, both Tanzania and Uganda have scaled back the public sector by more than 10% of GDP after aid was reduced. As in the case of Botswana, schemes that the authorities and donors consider temporary tend to persist though their own dynamic.

The report highlights the following lessons for donors:

The objective of aid to the public sector should be to improve the quality of government core activities rather than expand the authorities' area of responsibility. The authorities' objective should be to maintain the budget deficit at a sustainable level. In cases where the size of the public sector is larger than what is considered optimal, donors that extend adjustment loans should be cautious in requesting the authorities to mobilize additional resources.



Evaluation Report 7/2000: “Evaluation of the Norwegian Plan of Action for Nuclear Safety. Priorities, Organisation, Implementation”.

Pages: 64

ISBN: 82-7177-621-5

Conducted by:

Fridtjof Nansen Institute, Oslo

Evaluation of:

Plan of Action for Nuclear Safety and the Environment

Purpose:

The Action Plan for Nuclear Safety and the Environment is a follow-up to Report No. 34 (1993–94), which included the Storting’s decision to contribute to the protection of health, the environment and business against radioactive contamination and pollution from chemical weapons in Russian and Eastern Europe. The Plan has been in operation for five years, and has not been evaluated earlier. The terms of reference for the evaluation relate to the question of how the Plan follows up the intentions set out in Report No. 34, how the concrete projects are selected and implemented and how the work is organized and administered on the Norwegian and Russian side. Norwegian efforts in an international context are also reviewed. While the Plan comprises the priority areas 1) safety measures at nuclear facilities, 2) nuclear safety, 3) radioactive waste and 4) arms-related environmental hazards, the evaluation focuses on areas 2 and 3.

Evaluation summary:

In the period, NOK 343 million was spent on a total of 113 projects in the four priority areas. The projects include various activities from survey, reports and research to the supply of equipment and the construction of facilities for processing, transport and storage of nuclear waste. The Ministry of Foreign Affairs chairs and is secretariat for the State Secretary Committee and the group of senior officials that follow-up the Plan. The group of senior officials is composed of representatives of the Ministry of the Environment, the Ministry of Defence, the Ministry of Fisheries, the Ministry of Trade and Industry, the Ministry of Agriculture, the Ministry of Health and Social Affairs and the Norwegian Radiation Protection Authority.

The evaluation report shows that the Plan is consistent with the Storting’s objective.

Russia and Norway basically have a common understanding of the objectives of the cooperation, and appreciate this. Furthermore, the evaluation finds that Norway’s work to involve the international community in addressing these issues through agreements and financial support is slowly bearing fruit. In practice, cooperation also involves efforts to strike a balance between several objectives, and to find an appropriate structure for cooperation on the Norwegian and Russian side respectively.

The evaluation points to some shortcomings. For example, the Norwegian partners do not always have access to information on the use of resources on the Russian side, and some of the projects show little progress. The evaluation notes that in some cases the Norwegian partners have accepted insufficient transparency in the interest of faster progress. Moreover, the Norwegian decision-makers have tended to look at the allocation of resources to individual projects in isolation of other projects, and placed insufficient emphasis on overall projects in this context. The lack of context is amplified by a lack of coordination on the Russian side. The report stresses that this could have serious implications for dealing with nuclear waste. The Ministry of Foreign Affairs is criticized for not assigning sufficient priority to the secretariat function. The report also criticizes the lack of strategic thinking and professional assessment with regard to the management of the Plan.

Recommendations:

The evaluation recommends that cooperation be continued in a way that provides Norway with margin of manoeuvre and a broader range of options for continued Norwegian work in this area. In practice, the evaluation recommends that cooperation with the Russian authorities be continued and reinforced at local, regional and federal level.

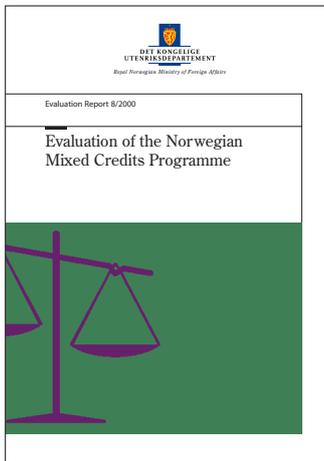
Strict requirements should apply with regard to the transparency of decision-making processes on the Russian side, including open tenders and financial transparency.

The report recommends that support to research be considered separately from other project support, and that a programme be drawn up by the Norwegian Research Council for Nuclear-related Research. The report also proposes to separate the function of project coordination and implementation from the bodies responsible for strategy and policy development.

The secretariat function should be enhanced, and an expert group should be established to assist the group of senior officials. The report recommends that environmental impact assessments be conducted more systematically, as a basis for decision-making.

Follow-up:

Emphasis will be placed on continuing the cooperation with the Russian authorities, and demands will be made for transparency on the Russian side. It is important that the Norwegian authorities pursue a broad approach.



Evaluation Report 8/2000: “Evaluation of the Norwegian Mixed Credits Programme”

Pages: 86

ISBN: 82-7177-622-3

Conducted by:

Fafo Institute for Applied Social Science, Oslo, Norway

Evaluation of:

The Norwegian Mixed Credits Programme

Purpose:

The objective of the evaluation was to assess the programme's contribution to business development in the South, and to what extent mixed credits have fulfilled Norwegian development cooperation policy objectives in general.

Evaluation summary:

The term mixed credits refers to tied grant aid in connection with export credits to developing countries. Norway established such a facility in 1985, following the introduction of similar export facilities in most other OECD countries. The objective of the facility was to increase the contribution made by Norwegian businesses to private and public sector development in recipient countries through the transfer of capital, technology, infrastructure and competence. The facility is linked to the purchase of Norwegian goods. Since its inception in 1985, the Norwegian authorities have allocated a total of NOK 865 million in support to mixed credits, distributed over a total of 131 projects. In 1992, OECD countries endorsed the Helsinki Agreement, which sets out guidelines to prevent trade distortions arising from tied aid concessionary credits being used to finance otherwise financially viable projects in developing countries. Since 1992, Norway has shifted emphasis away from primarily transferring communications technology and manufacturing production towards the social and energy sector. China and Indonesia are the two largest recipients of a total of 24 recipients of mixed credits from Norway. All in all, 42 Norwegian enterprises have taken part in the mixed credits programme. Ten of the enterprises have received 70 per cent of total resources, while most suppliers have been involved in less than three projects.

The report finds that the Norwegian regulations for the programme and its implementation are consistent with the intentions of the Helsinki Agreement. After evaluating a sample of 28 projects in China, Indonesia, Lesotho, Botswana and Zimbabwe, the report concludes that the projects have largely been implemented in a professional manner and with few exceptions have performed well compared with other aid projects.

Recipient countries' plans or development strategies are important to the success of the projects. China shows particularly favourable results, but the report bases its

explanations partly on the country's development regime and its strong and competent administration of the credits. The report also considers the African countries' projects to be relatively successful, in spite of the countries' weak development plans. The Norwegian partners had drawn up sound project plans in these countries and selected financially viable projects that could be integrated in the countries' development plans. Several of the projects in Indonesia have not shown the same degree of financial viability.

While NORAD's guidelines stipulate that competitive bidding is to be used for mixed credits, this is seldom the case in practice. The report argues that empirical evidence, the assessment of interviews of stakeholders and theoretical observations indicate that an overpricing of 20 per cent occurs.

The programme has provided some Norwegian companies with export competence and opened market in developing countries, but few companies have used the expertise acquired to expand internationally. The report concludes that the mixed credits programme has had little impact on the Norwegian business sector.

The main conclusion of the report is that mixed credits are relatively successful, and that no significant changes in the international framework would indicate that Norway should change or discontinue the programme. The development effect of the programme has been limited, and planning should be enhanced with a view to achieving a greater impact in developing countries. At the current level, the programme is not optimal for promoting the Norwegian business sector's participation in business development in developing countries.

Recommendations:

The report recommends two different alternatives. One alternative is to expand and improve the mixed credits programme, with an increase in the budget, enhanced administration, improved compatibility between the OECD's criteria and Norwegian practice as regards tenders. In addition, the tied element must be more in line with the intended effects.

The other alternative is to discontinue the programme and replace it with other forms of contribution on the part of Norwegian business to promote business development in the South. Other programmes should be expanded, and untied credit used on a larger scale.

Follow-up:

The programme will be considered in the light of the international initiative to un-tie aid, and to promote business development in developing countries.



Evaluation Report 9/2000: “Norwegians? Who Needs Norwegians? Explaining the Oslo Back Channel: Norway’s Political Past in the Middle East”

Pages: 107

ISBN: 82-7177-637-1

Conducted by:

The International Peace Research Institute (PRIO), Oslo, by Hilde Henriksen Waage.

Study of:

Norway’s role in the peace process in the Middle East prior to 1993.

Purpose:

The study was to focus on identifying and analyzing how Norwegian efforts to build confidence and peace between Palestinians and Israelis in the years prior to the opening of the Oslo Back Channel influenced Norway’s role in the subsequent peace process. The study should also try to identify factors and criteria that could be used by the Ministry of Foreign Affairs in a subsequent evaluation of the Oslo Channel.

Summary:

The Oslo Process illustrates the broad Norwegian peace-building efforts in the 1990s, with the Oslo Accord from 1993 as temporary highlight. Through its secret diplomacy, Norwegian negotiators brought the parties to the conflict together and helped get them on the peace track. But – why Norway? What made Norway of all countries suitable for such an extraordinary task?

The report shows that the creation of Israel in 1948 was met with enthusiasm in Norway, not least in the Norwegian Labour Party. Admiration for this little country was at the root of the extremely one-sided Norwegian Middle East policy pursued by Norway from 1948 well into the 1970s. Following a united and powerful negative reaction to attempts on the part of the Norwegian Minister of Foreign Affairs Knut Frydenlund to approach the PLO in 1974, Norway became fairly isolated in Europe in the 1970s as a result of its restrictive policy towards the PLO.

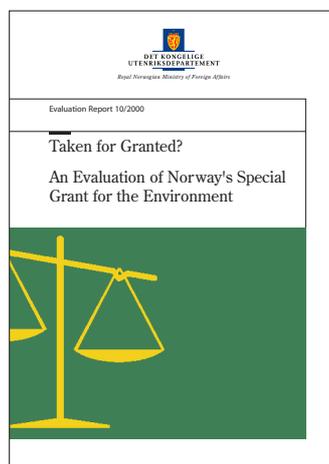
At the beginning of the 1980s Norwegian policy had become somewhat more refined. Major changes had taken place internationally. Israel had become isolated. In the UN, voting showed that Norway was one of the most restrictive countries in the world in terms of recognition of the PLO, support to the Palestinian cause and criticism of Israel. The report argues that it was in particular Norway’s pro-Israel stance that made Norway suitable as facilitator in the Middle East conflict. It was PLO Chairman Yassir Arafat who took the initiative to use Norway as facilitator. In addition to its close ties to the enemy, Norway has close ties to the US. Moreover, it was absolutely necessary because in one way or another the US had to play

an important role in any mediation initiative in the Middle East.

The Minister of Foreign Affairs Thorvald Stoltenberg pursued his predecessor’s peace efforts throughout the 1990s. At a meeting with Arafat in Tunis in January 1989, they elaborated the plan that laid the basis for the Oslo Back Channel four years later. Norway, preferably through a research institution, was to take the initiative to organize seminars where the parties could meet. The Norwegian Ministry of Foreign Affairs was to arrange them and foot the bill. However, the Israeli government was not willing to discuss the proposal when it was put forward by Stoltenberg in March 1989.

The report maintains that it is impossible to explain the events that led to the Oslo Process without examining the role of the then director of FAFO, the Norwegian Institute for Applied Social Science. Rød Larsen was a man who never gave up, he was a man who coaxed and pushed the Israelis and the Palestinians into the Norwegian process. Both the timing of and the way the Norwegian breakthrough came about was a Terje Rød Larsen achievement, in cooperation with other known Oslo participants such as Mona Juul and Jan Egeland at the Ministry of Foreign Affairs.

The report concludes that Norway could play the role of key facilitator notably because of its good relations with Israel, the strongest party in the conflict. A fundamental precondition for any negotiations with the PLO was that Israel had contacts with a country in which it had confidence. Norway was such a country. And the person who was fully aware of this, and knew how to exploit it, was Yassir Arafat himself. Without Norway’s history, it is uncertain whether Terje Rød Larsen would have made any headway. However, it is far from certain that all that had been invested by Norway in the preceding years would have borne fruit without Terje Rød Larsen.



Evaluation Report 10/2000: “Taken for Granted? An Evaluation of Norway’s Special Grant for the Environment”

Pages: 64

ISBN: 82-7177-639-8

Conducted by:

KanEnergi in cooperation with the Overseas Development Institute and Bioquest HB

Evaluation of:

The Special Grant for Environment and Development

Purpose:

The Storting established a special grant for environment and development (hereafter referred to as the Special Grant) in 1984 as one of three special grants. The main objective of the evaluation was to describe the Special Grant as an instrument for promoting the objective of environmentally sustainable development through Norwegian development assistance. The evaluation was to focus on central elements in the discussion on the usefulness of the Grant, such as its effectiveness in terms of integrating environmental considerations into Norwegian development assistance, creating flexible budget support, promoting the transparency of this sector and performance and reporting routines.

Evaluation summary:

The findings of the report, which concentrates on the period 1995–1999, are based on written documentation and interviews, selected projects from NORAD’s database for environmental grants, country visits (Tanzania, Bangladesh, India, Vietnam and Laos) and visits to multilateral organizations (UNDP, UNESCO, FAO, World Bank and GEF). The evaluation covers both the initial Grant and the Asia Grant established in 1995. In 2000, the two grants were merged into a block grant of NOK 310 million.

Since its inception, total transfers to the Special Grant have amounted to NOK 1 909 million.

Asia, primarily China, received 40 per cent of the allocations from the Grant over the period, while the share for Africa (a total of 26 per cent) and multilateral organizations (a total of 31 per cent) increased later in the period. Over half of the projects are classified as unspecified environmental support, with agriculture, forestry and fisheries receiving 18 per cent, while 6 per cent has been classified as infrastructure projects. The report finds that support is adequately distributed across sectors.

The formal administrative responsibility for the Grant is divided between the Ministry of Foreign Affairs and NORAD, while embassies are responsible for projects up to NOK 15 million. The Ministry of the Environment is involved in strategy discussions and the work on Memorandums of Understanding with developing countries.

The report stresses that the report was intended as an instrument for integrating environmental concerns into development assistance. It criticizes the absence of a separate strategy for using the Grant. Proposition No. 1 to the Storting sets out the annual guidelines for using the Grant. In 1993, the Ministry of Foreign Affairs drew up the guidelines for using the Grant, and *A Strategy for Environment in Development Cooperation* in 1997. The report characterizes the strategy for the Special Grant as diffuse. The responsibility for the Grant has been delegated to various actors in the Norwegian administration. On the basis of more general guidelines and policies, the Special Grant has played different roles in different countries, in the Ministry of Foreign Affairs and NORAD. According to the report, this calls into question the existence of a Special Grant as a separate budget instrument.

The report finds that the division of responsibility for archiving the documentation between the Ministry of Foreign Affairs, NORAD and a number of embassies impairs accessibility to the project documents. The report focuses more on cost control than performance assessment. The report assesses the potential strategic function of the Special Grant and the potential for it to be undermined by a weak documentation system.

The report maintains that the various reasons for establishing the Special Grant remain valid. However, it points out that since 1984 the system for following up policy objectives has improved and environmental awareness has increased. According to the report, a special grant is justified during a limited period while policy is being developed, but the report considers mainstreaming to be the main challenge ahead.

Recommendations:

The report recommends that the special Grant be discontinued in its present form. For areas that will lose support, the report recommends finding special administrative solutions. The report recommends that the Environmental Strategy from 1997 be operationalized and that the role of the Ministry of the Environment in relation to NORAD/Ministry of Foreign Affairs and recipient countries be clarified. The report recommends that a long-term environmental strategy be elaborated on the basis of environmental expertise in addition to policy priorities. The report recommends substantial improvements in the reporting system, and enhanced coordination between bilateral and multilateral institutions.

Follow-up:

The recommendations will be followed up through the work on the development aid budget, and with view to promoting a performance-oriented approach in the area of the environment.



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