



**MINISTRY OF FOREIGN AFFAIRS  
OF DENMARK**

*Danida*

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# **EVALUATION STUDY DANISH DEVELOPMENT COOPERATION WITH BOLIVIA, MOZAMBIQUE, NEPAL AND VIETNAM**

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**AN ANALYSIS ACROSS FOUR COUNTRY EVALUATIONS**





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The views expressed are those of the authors and do not necessarily represent the views of the Ministry of Foreign Affairs of Denmark. Errors and omissions are the responsibility of the authors alone.



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## LIST OF ABBREVIATIONS

ASCA	Accumulating Savings and Credit Associations
B2B	Business to Business
BSPS	Business Sector Programme Support
CPA	Comprehensive Peace Agreement (Nepal)
CSO	Civil Society Organisation
DASU	Decentralisation Advisory Unit (Nepal)
ESAT	Education Support Advisory Unit (Nepal)
EVAL	Evaluation Office, Danish Ministry of Foreign Affairs
GBS	General Budget Support
GoB	Government of Bolivia
GEP	Growth and Employment Programme
GoM	Government of Mozambique
GoN	Government of Nepal
GoV	Government of Vietnam
HRBA	Human Rights Based Approach
HUGOU	Human Rights and Good Governance Unit (Nepal)
IBIS	Danish NGO (later Oxfam IBIS)
IDP	Internally Displaced People
IFI	International Financial Institutions
IFU	Investment fund for developing countries
LIC	Low Income Country
MFA	Ministry of Foreign Affairs
MIC	Middle-income country
MS	Mellemfolkligt Samvirke (later MS Action Aid)
NGO	Non-Governmental Organisation
ODO	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PBGS	Performance-Based Grant System
PFM	Public Financial Management
PMU	Programme Management Unit
PRG	Peace, Rights and Governance
PSD	Private sector development
RBM	Results Based Management
SISTAFE	State Financial Management System (Mozambique)
SME	Small and medium-sized enterprises
SPS	Sector Programme Support
ST	Study Team
SWAps	Sector Wide Approach
ToRs	Terms of Reference
UNMIN	United Nations Mission in Nepal

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## INTRODUCTION AND BACKGROUND

In 2015, Denmark took the decision to phase out its programmes of bilateral assistance in Bolivia, Mozambique and Nepal, while the decision to transform its programme of development cooperation with Vietnam was made already in 2007. In the latter case, development assistance was phased out and a new Comprehensive Partnership Agreement entered into in 2013. Evaluations of the long-term provision of development assistance to each country were launched in 2016 and finalised in 2017 or in the beginning of 2018.

While all four evaluations assess the partnerships over an extended period, they do not provide exhaustive assessments of results achieved across all sectors and partnerships throughout the period from the early 1990s to 2015 in the four countries. Rather, the evaluations focus on the overall approach and strategic choices made by Denmark in its cooperation with the four countries. The evaluations also draw a number of parallel conclusions concerning key characteristics in Denmark's role as a development partner and point to a number of general issues related to these engagements.

This study, commissioned by the Evaluation Department (EVAL) of the Danish Ministry of Foreign Affairs (MFA), has a dual purpose. First, to provide an analysis of main issues emanating from the four country evaluations to stimulate discussions as to what works in which contexts and under what circumstances. Secondly, the study should provide lessons learned for the conceptualisation of country programmes in the future.

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## APPROACH AND METHODOLOGY

The approach adopted is very much shaped by the fact that the study is analysing four country evaluations that use quite different methodological and analytical approaches. Each evaluation has selected a set of project and programme interventions deemed illustrative of the development cooperation partnership in each country over the period covered. Combined, these provide for a complex and diverse body of evidence already shaped by a number of decisions and interpretations.

In order to draw out cross-country findings from the evaluation reports and to gather a constructive set of reflections on future forms of development cooperation and partnerships, the study has drawn inspiration from what may be deemed a ‘realist synthesis’ approach.<sup>1</sup> This approach emphasizes the role of programme mechanisms,<sup>2</sup> and attempts to identify and draw out patterns from the assessments in the evaluations, whether in the form of results or experiences. Particular attention is attached to the role played by contexts. At the same time, the study has taken care not to make simple generalizations across the different country contexts. While there are similarities to be found in the evaluations’ presentations of the four countries, there are also significant differences that make generalisations difficult to substantiate.

Mozambique and Nepal have faced major armed internal conflicts though with different regional and domestic characteristics. All four countries continue to face tensions rooted in economic and political forms of marginalisation and exclusion that closely interlink with ethnic and socio-cultural practices and relations. All four have experienced periods of economic growth, but often of a vulnerable and biased nature: for example migrant workers’ remittances in Nepal or the focus on gas and oil in Mozambique. Vietnam stands apart in some ways as it is a more developed and diversified economy. Elsewhere, the electoral advances in Nepal and Bolivia and the more pluralistic and decentralised reforms present in these two countries, stand in contrast to the more centralised and party-political elite control asserted over development processes in Vietnam and Mozambique.

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1 See Pawson (2002)

2 e.g. processes design to secure the organisation and management of programme design and of programme implementation, the incorporation of Danish priorities into country programmes, the matching of the Danish and recipient governments’ needs in monitoring and evaluation, etc.

The reports have for good reasons a strong focus on Danish development cooperation and contain to varying degrees information on the role of Danish aid compared to other donors. However, as illustrated in Table 1, Danish aid constituted around 5 percent or less of the total bilateral assistance and an even smaller share of the total development assistance provided to the four countries.

**TABLE 1. SUMMARY OF COUNTRY EVALUATIONS (PERIOD AND FINANCE)**

Country	Period covered by evaluation	Total amount of Danish Development Assistance in period	Danish aid as percentage of total Bilateral Assistance in period
Bolivia	1994 – 2016	2.7 billion DKK	3.8
Mozambique	1992 – 2016	4.5 billion DKK	2.4
Nepal	1991 – 2016	3.5 billion DKK	5.4
Vietnam	2000 – 2015	5 billion DKK	3.0

Source: Evaluation reports and <http://stats.oecd.org/Index.aspx?datasetcode=TABLE2A#> (Assessed 19-02-2018).

From the outset, it should be noted that the evaluation reports provide few insights into the use and role of bilateral negotiations, various forms of programme review and evaluation, country assessments, policy reviews and new strategies prepared by Danida and MFA, OECD policy and programme guidelines, etc. Where the evaluation reports do provide more information is in the area of aid instruments chosen and used in the various country programmes. In particular, the evaluations give indications as to the influence and effects of these instruments on the identification, design, organisation, and implementation of Danish development assistance in the four countries.

In order to select fields of intervention, the Study Team (ST) began by reviewing the four evaluation reports to identify possible issues and practices documented that are in common, or in other ways stand out from a process of comparison. The list was reviewed through the lenses of (i) the ST’s own knowledge of development cooperation in the four countries, (ii) the priorities in the MFA’s development cooperation

strategy,<sup>3</sup> and (iii) discussions with EVAL. Five fields of intervention were selected<sup>4</sup>:

1. State building;
2. Managing conflict and peace building;
3. Business and the private sector;
4. Environment and climate change;
5. Gender, human rights, and poverty reduction.

Within each field of intervention, the study undertook a preliminary review of the projects and programmes presented in the evaluations with a focus on two important phases: (i) the identification and design phases of the interventions, and (ii) the subsequent organisation and implementation of the same. The issues identified in this exercise then provide the basis for the study to explore and analyse the factors and processes leading to a particular set of choices around these interventions in the development of each country programme and those factors and processes that subsequently serve to maintain, adjust or terminate those original choices.

The aid instruments that the study has identified are used to guide the study of the selected fields of intervention. They include the type of aid modality, the basis for selecting activities, the form of technical assistance, the use of targeting practices, roles given to civil society, the engagement with groups of citizens. The manner in which each of these is used reflects trade-offs reached between key stakeholders and the respective priorities and interests they bring to their exchanges and negotiations. In turn, all of these are affected by the contexts for which they are chosen and in which they are implemented. The evidence in

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3 Namely, (i) Safety, peace and protection, (ii) Prevention of irregular migration, (iii) Inclusive, sustainable growth, and (iv) Freedom, democracy, human rights and quality. The World 2030, Denmark's Strategy for development cooperation and humanitarian action. DANIDA 2016. Copenhagen. The ST notes that World 2030 strategy came into effect after the periods covered by the evaluations.

4 It is noted that while the environment is a common concern across the evaluations, climate change is not addressed directly. Similarly, migration is not directly discussed beyond limited references to internal migrations such as the movement of peoples from highland to lowland areas in Bolivia or internal displaced people in Mozambique during the civil war. Climate change and migration have not been priority concerns in development cooperation for much of the periods covered in the evaluations and were not explicitly addressed in the programmes supported. This would explain their absence in the assessments. Their importance for future development cooperation and partnerships is not disputed.

the evaluation reports of key stakeholders possessing a capacity and capability to analyse and adapt to new and changing contexts, whether in Denmark or the country of development cooperation, provide the basis for assessing such factors as flexibility, relevance and predictability in the development cooperation with each country.

Finally, it should be emphasised that the empirical basis for the study is provided by the four evaluations' Final Reports to which is added the knowledge of the Study Team regarding the Danish development cooperation in these countries. The Study Team has not entered into the background documentation used for the evaluations, nor have individuals involved in the decision-making or provision of Danish aid assistance, or in other ways connected to the assistance, been consulted. While this means that assumptions and choices taken by the separate evaluation teams will be carried through into this study, with the possible limitations it involves, it is beyond the remit of the study to go 'behind' the four evaluations and to revisit the country programmes they evaluate. If the original evaluations entailed 'unpacking' the partnerships in the four countries, this study involves the 'repacking' of what they separately found in their own specific ways.

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# ANALYSIS OF FIELDS OF INTERVENTION

## 1. State Building

In each of the four evaluations, the ST has identified a range of interventions that fall under the general category of state building. These are summarised in Table 2 below.

**TABLE 2. SUMMARY OF MAIN AREAS OF INTERVENTIONS CONTRIBUTING TO STATE BUILDING, COVERED BY THE FOUR EVALUATIONS**

Support to:	Bolivia	Mozambique	Nepal	Vietnam
Decentralisation to strengthen governance	XX	XX	XX	X
Judiciary/Justice sector to strengthen governance	XX	XX	XX	X
Public Financial Management to improve governance	X	XX	XX	
Elections to strengthen democracy		X	XX	
Public Sector Reform to strengthen public services	XX	XX	XX	X
Cross-cutting issues in fields of governance <sup>5</sup>	XX	XX	XX	XX
Civil society for inclusion and accountability	XX	X	XX	X
Promotion of active citizenship <sup>6</sup>			X	

X = weak; XX = strong (estimates by ST based on evaluations)

Note: The table does not take into account variations including project and programme mergers and closures that have occurred over time.

The evaluations do not discuss in any detail the work undertaken by Denmark to identify which interventions to take up at the outset or the nature of the consultations involved in their design. It is therefore difficult to assess the degree to which the original identification and

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5 Democracy, human rights, gender, which can be construed to be state building

6 Interventions targeting the citizenry directly with the aim of 'inviting' them into engagement with the state. E.g. participatory planning, public audits, election mobilisation.

design of early project<sup>7</sup> interventions in each country were shaped by a particular 'Danida approach'. The evaluation reports point to a common vision that underwrote the approach with poverty reduction and human rights being very much at the centre. Awareness of more specific challenges is reflected in the Bolivia, Mozambique and Nepal reports. For example, in Bolivia there was a clear recognition of the need to work on indigenous peoples' rights and livelihoods, in Mozambique it can be seen that the transition from conflict to peace was a strong priority and in Nepal, forestry and decentralisation were seen from the outset as important points of entry for Danish development assistance. In all four countries, the transition to more stable and democratic societies, alongside poverty reduction and improved livelihoods, were priorities in Danish development cooperation.

In identifying these priorities in the start-up phases of country programming, the formulation of Terms of Reference (ToRs) and the selection of 'qualified' consultants are obvious activities through which a vision can be developed into a programme. The analysis of local contexts and the assessment as to what is feasible and not just desirable is critical to this process, not only for the establishment of development cooperation, but also for its future trajectory. The evaluation reports do not present or discuss this aspect of programming. The lack of evidence in the evaluations of such activities cannot be the basis for concluding they were not undertaken. Consultants' knowledge and that of the staff at the embassies can be assumed to have played a major role in the designing of projects that matched Danish aims and capabilities with local needs.

The aid modality used at the outset of all four country programmes tends to have been one of a collection of discrete projects. For example, in Nepal between 1991 and 1997, there were more than 40 projects aimed at consolidating democratic processes supported by Danish development assistance. In Bolivia, the early support to state building focused on pilot programmes for indigenous peoples, not least to support their participation in decentralised government. In Mozambique, the 1990s were characterised by a number of state building projects working with agriculture, energy, education, health and various local government bodies. The evaluations indicate that Danish technical advisers were often attached to such projects from an early point in time.

Another pattern discernible from the reports is Danida's targeting of key institutions that presumably were seen to be important for the transition to a more democratic and accountable practice of governance. This sometimes involved targeting a particular administrative sub-national body such as a district or provincial administration (Nepal, Bolivia,

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7 Most initial interventions appear to have been smaller and seemingly quite discrete projects.

Mozambique, Vietnam) and often possessed an element of project piloting<sup>8</sup> (Nepal, Mozambique, Bolivia and to a lesser degree, Vietnam). It is also noted from the reports that Danish embassies supported small local civil society initiatives through local grant facilities, though the specific use of this for state building is not raised or discussed. It is further noted that Danish NGOs such as IBIS and MS were active in partnering local partner NGOs, often providing ‘volunteers’ or ‘development workers’. Again, the evaluation reports do not provide detail on these CSO-based interventions, though the case of IBIS being expelled from Bolivia in 2013 due to their activities in support of indigenous peoples, in which volunteers presumably were also involved, is noted.<sup>9</sup>

As the dominant modality shifts towards a sector programme approach<sup>10</sup> in the late nineties, a greater coherence in the selected interventions and their implementation appears, both horizontally between key institutions and vertically in a greater coordination between national and local activities. At the same time, the state building aims and objectives appear to have remained much the same as before. In Nepal and Bolivia, the evaluations point to the clear use of activities that could create an enabling policy environment for other sector activities pursued at the local level, for example the local pursuit of land rights under new national legislation is a good example documented in the Bolivia evaluation. In the case of Mozambique, the evaluation notes the transition towards a sector approach in health, education, and in Tete province, for agriculture. Again, in these cases, there are similar examples of the coordination of national and sub-national activities reported.

The use of district project piloting in an attempt to improve targeting of the poor as well as for demonstrating an area based approach to development, is also documented. In all four evaluations, there are examples of targeting specific administrative regions with a concerted effort to promote pro-poor development through improved service provision and better governance. Where ‘area targeting’ was introduced in the early phase of country programming for state building, it appears to have become a crucial element in the subsequent sector programme support. It served in Mozambique, and to some extent the other three countries,

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8 For example, taking one or two districts as a pilot for measures supporting the decentralisation of government; taking a number of communities in a locality to test a new targeting instrument for selecting households to receive cash grants; constructing a number of all-female hostels in remote areas to assess changes in secondary and higher secondary school completion rates amongst girls.

9 It is noted in the evaluation with a brief factual explanation. What is perhaps of interest is (i) the change in the political landscape at that particular point in time, and (ii) a possible weakness in inter-stakeholder cooperation, to help in avoiding the situation.

10 For example, in areas such as decentralisation, public service provision, electoral and judiciary support.

to provide an opportunity to link good governance with local democracy and technical services provision in areas such as health, education, and agriculture. Technical advisers, often attached to a District or Municipal administration, were an important element in this approach according to the Mozambique evaluation. Their presence is noted in the other evaluations, but not analysed in any depth. In some cases, technical advisory units are seen to have emerged alongside the previous use of individual technical advisers. In Nepal these were created in the late 1990s for Decentralisation (DASU), human rights (HUGOU) and education (ESAT). In Mozambique, they did not assume such an organised form, but in the case of Danish support to national PFM and to health, technical advisers are stated to have had an important presence, though sometimes tending towards functioning as 'gap filling' with little mentoring of Mozambican officers involved.

The move towards a sector approach can reflect lessons learnt from the more fragmented and smaller project approach practiced earlier. It could also reflect a shift in international and Danish aid strategies, not least with the Sector Wide Approach (SWAps) being more widely adopted by bilateral development partners. In the Danish case, it was also marked by an attempt to draw support provided to national and local civil society (NGOs in particular), into a more holistic Danish approach to development cooperation in a country.

On the basis of the four evaluation reports it would appear that Denmark has had a fairly standard set of state building activities. Table 2 illustrates this quite well. In all four countries, the evaluations document some form of support to the national legislature, administration and judiciary with the specific focus seemingly determined by a perceived need, the activities of other development partners, and the Danish resource envelope made available. Also held in common is the support to decentralisation, usually beginning with an area specific pilot such as a district council and administration. The demand side to state building is where greater variation is found; as discussed, it is here that the role of the political context in shaping what is feasible, is greatest.

Drawing on the evaluation for Nepal, the various support activities in the area of decentralisation include national policy and legislation, civil service trainings, support to specific local government bodies (e.g. district councils), support to strengthening national and local public financial management, support to parliamentary secretariats, and support to revenue creation (tax). They do not include citizen mobilisation and only quite late in the period is support to local civil society introduced, and then as part of a broader programme with a number of development partners. It is not clear from the evaluations as to whether support to civil society organisations is seen as a specific element of state building, or a more general contribution to democracy and inclusive development.

The reported experiences of Bolivia, and to a lesser extent Mozambique,<sup>11</sup> reflect similar patterns and trends to those found in Nepal. It points to the capability of Danish development assistance to scale up and adjust on the basis of experience and contextual changes and that the development cooperation with the recipient governments has been consensual on the relevance and role of such support.<sup>12</sup>

With the possible exception of Bolivia, the four reports point to a strong supply side, top-down, approach to state building in Danish development assistance, particularly in the two most conflict affected countries and in Vietnam, where a centralised top down approach to political and economic activities remains strong.

From a Danish perspective, the building of state institutions' capabilities and capacities to meet the needs of a more efficient, effective, equitable and accountable state appears to be accepted by the four evaluations with little discussion. So too is the decision to facilitate the development of a more effective and accountable state by providing support to the legislature, the administration and the judiciary primarily at the national level. The strategic approach reflected in this focus primarily on central government institutions is understandable given:

- The very low level of state capacity at the start of the development partnerships in the cases of Bolivia, Mozambique and Nepal; and the 'communist'<sup>13</sup> condition of Vietnam;
- The greater 'political acceptability' of support to the supply-side in the inter-governmental partnerships involved;<sup>14</sup> and

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11 The examples of judicial reform and the environment in Mozambique are presented as initially Danish interventions that were subsequently scaled up with other development partners.

12 Relevance might be 'agreed' by a recipient government to secure funding, but during the implementation phase, the recipient government pursues its own interests more strongly. Mozambique is seen to have been adept at this (ST view).

13 'Communist' is used to indicate the political and economic context of a centrally planned economy, one-party state, with no 'active citizenship' permitted. It is the case that a transition towards a market-oriented democracy with free multi-party elections, an independent media and an active civil society has commenced since the outset of development cooperation with Denmark.

14 Mozambique retained a strong Marxist-Leninist party-state strategy until 1990, when it was formally (legally) abandoned. It continued to have strong informal implications thereafter, apart from a brief period under President Chissano.

- The increasing Danish focus on state building and good governance in the 1990s and early 2000s<sup>15</sup>.

What is less apparent from the evaluation reports is the extent to which the interests and priorities of local citizens have been addressed as a part of the same state building approach. The case for empowering citizens, promoting active citizenship, is strongest in the Bolivia evaluation. Indigenous peoples have experienced considerable gains in land rights and local government. In Nepal, it is found to a limited extent in support to specific minorities and localities, which is reported to have aided those traditionally excluded and marginalised in various ways. In Vietnam, the report states that both minorities and poor peoples have benefited considerable. In Mozambique it is stated that the poor benefited from the area-based support delivered to targeted localities. Beyond reference to these activities, there is little discussion or assessment of Danish support designed to give a more active role of citizens in pursuance of their interests and rights and thereby contributing to improved state performance, in the Mozambique, Nepal and Vietnam evaluations.

It can be argued that citizens' relationships with Danish development assistance in these countries are mediated through their governments. However, in all four countries, with their quite different social, economic and political characteristics, there is a strong elite presence in government that is often far from inclusive towards their populations. At times, the governments can be directly suppressive<sup>16</sup> and a supply side approach to state building tends to strengthen this imbalance in power and thereby the dominance of elite politics.

On the positive side, the evaluation reports suggest that the respective Danish embassies have been successful in building strong partnerships with national governments, at least in Bolivia, Mozambique and Nepal. They also appear to suggest that this has continued after the decentralisation of Danish development cooperation down to the embassies (2003) and has also continued after the changes in Danish priorities post-2012 (circa), not least the introduction of a stronger Human Rights Based Approach (2013). The Mozambique evaluation stresses this fact in particular. It is noteworthy that the close relationship between the

15 In the 1990s, Danida was a leading bi-lateral donor with its focus on state building to promote good governance. Decentralisation programmes supporting local government with complementary interventions at the national level to strengthen policy and state capacity for a more enabling environment.

16 Bolivia has periodically possessed a strong set of policies directed towards the rights of indigenous peoples and presents a variation on the dominance of the 'supply side', but even in this case, the government has reacted strongly against certain 'demand' side activities that were perceived to undermine government policies.

government and Denmark continued after the introduction of the HRBA, not least as human rights have tended to be a low priority on the part of the national governments and more often than not are an unpopular topic in bilateral discussions with Denmark.<sup>17</sup>

Indirectly, the evaluation reports do point to the challenges that Danish embassies face in having to mediate between national government and MFA priorities, between national government and local citizens' 'priorities', and between the overall Aid Effectiveness Agenda and citizens' interests. The Mozambique evaluation suggests that the application of the Paris principles weakens the focus on the demand side and support of citizen empowerment. In fact, the principles stand in opposition to citizens' mobilisation given the nature of the elites involved. Can one both support the Aid Effectiveness Agenda and support civil society? If it is a choice as suggested, then Danish development cooperation has chosen to pursue the Aid Effectiveness Agenda and thereby the supply side of state building.

One area in which Danish development cooperation has achieved a degree of success in demand-side state building is in the sequencing certain types of intervention. Success lies in getting the sequencing right and it can produce significant results for outputs and outcomes; getting it wrong can result in the state becoming less effective, more corrupt, and more exclusive. It is not directly addressed by the evaluations, but evidence can be drawn out of their assessments. For example, in supporting the establishment of certain rights in law prior to mobilising specific groups of citizens to claim these rights (Bolivia, potentially Nepal, possibly Mozambique and Vietnam); in strengthening national policy on decentralisation before strengthening local bodies (Bolivia, Nepal and perhaps Mozambique). Whether getting such sequencing right is due to design or by default is not considered in the evaluations. It nevertheless appears as a significant factor in influencing an intervention's desired impact on outcomes if seen from the perspective of a need to match the supply and demand sides of governance and to mitigate for local contextual factors. This is reflected in the reported successes in Bolivia around indigenous peoples' rights, and in Nepal around decentralisation, both interventions having contributed to state building and development and to political stability according to the evaluations; both involving a sequencing of complementing activities.

In all four of the evaluations, Public Financial Management (PFM) can be singled out for what the evaluations say, but also for what they do not discuss. In Bolivia, Mozambique, Nepal and partly Vietnam, PFM is noted in the different evaluation reports as being an important part of state

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17 Human rights are often perceived as being a domestic concern and not an area that should concern development partners.

capacity building. The logic would appear to be that it reduces financial mismanagement, increases revenue, increases possibilities for transparency in fund allocation and utilisation, and thereby accountability to citizens. In Mozambique, Nepal and to a lesser extent in Bolivia and Vietnam, it is seen as a critical element in state capacity building when the aid modality is general budget support. In Nepal, the evaluation notes that the PFM is taken a step further in the form of Performance Based Grant Systems in which certain allocations to local government bodies are based upon annual performance assessments of local government bodies. These assessments include minimum conditions and performance measures for citizen participation in PFM (public meetings, participatory planning, presentation of audits, etc.) and the use of formula<sup>18</sup> in setting the size of allocations.

The type of downward accountability to citizens achieved through PFM instruments in Nepal is not found documented in the other evaluations, though SISTAFE is praised for having some similar attributes in the Mozambique evaluation, though few details are provided. Weaknesses with SISTAFE are also mentioned, but again without any details or elaboration. In Mozambique, the evaluation states that PFM linked sanctions were considered by the Danish embassy as a possible response to the increased politicisation of Frelimo's use of resources, but ultimately not applied. While PFM in the form of SISTAFE in Mozambique, was very much a Danish promotion led by the Danish embassy, in Nepal, Danish support to PFM tended to be more a consequence of other development partners' support with Denmark joining at a relatively late stage. Denmark did take the initiative to establish in 2008 under the Nepali government, a Local Governance Accountability Fund designed to involve local civil society organisations in the monitoring of local bodies' PFM. The design was based upon the experience brought by a Danish technical adviser who had previously been based in Mozambique.<sup>19</sup>

In much of the above, the role of the Danish embassy in each country can be seen to be quite central on the basis of the evidence in the evaluation reports. The decentralisation of responsibilities from Copenhagen to the Danish embassies (2003) appears to acknowledge and build upon this critical role. The apparent success in securing agreement around the scaling up and direction of state building in the countries also points to the success of the Danish embassies, not least in securing flexibility and relevance in the development cooperation.

On the part of the Danish embassies, the decision to exit from development assistance to the four countries has been the policy that they

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18 For example: administrative area, population size, and a simple cost of living index as proxy for a local population's economic condition.

19 Personal knowledge of one of the Study's authors.

have had less influence over. Only in Vietnam, due to the longer period for implementing the decision, has the Danish embassy been able to mediate the manner in which a development cooperation relationship is transformed into a new form of partnership. In so doing, the Danish embassy in Vietnam appears to have been able to prepare the grounds for a possible future partnership. There is little evidence in the other three evaluations that this has been possible as yet.

## 2. Managing conflict and peace building

While the evaluation reports do not emphasise the point particularly, Vietnam, Mozambique and Nepal are countries with significant conflicts prior to and/or during the periods of development cooperation with Denmark. Bolivia is a country in which policies aimed at greater social inclusion have served to mitigate the degree of conflict, yet where social and political turmoil has been present much of the time. Contributing to the management of conflict and to peace building is a priority in development cooperation, not least for preparing and maintaining the basis for a country's political and economic development.

In the case of Nepal, the evaluation has explicit references to managing conflict and peace building in Nepal after the civil war ended in 2006. In the Vietnamese evaluation, there are no references to peace and/or conflict at all. For Mozambique, which emerged from a devastating civil war that ended in a negotiated political settlement, the references to building peace and conflict management are infrequent and it appears that Danish development assistance to Mozambique did not explicitly address this important factor despite its role in shaping the context for development in the country. Instead, until very late in the successive country programmes, conflict and peace building were understood in more general terms of state building as a post-conflict measure. There are references to managing conflicts between national and sub-national levels of the state in Bolivia, caused in part by public-sector reforms initiated by Danish cooperation. However, the evaluation does not discuss or assess the contribution to managing conflict made by Danish development assistance with its promotion of social inclusion for indigenous peoples.

**TABLE 3. SUMMARY OF DANISH SUPPORT TO MANAGING CONFLICT AND PEACE BUILDING COVERED BY THE FOUR EVALUATIONS**

Support to:	Bolivia <sup>20</sup>	Mozambique	Nepal	Vietnam
Judiciary/Justice sector reforms promoting equity		XX	XX	
Decentralisation for greater local autonomy and active citizenship <sup>21</sup>	XX	X <sup>22</sup>	XX	
Election support promoting greater political inclusion			XX	
Socially inclusive public-sector services and delivery	X	X	XX	
Promotion of political inclusion with CSOs	X	X	XX	
Peace building (e.g. disarmament, demobilising, monitoring, retraining)			XX	

X = weak; XX = strong (estimates by ST based on the evaluations)

Note: The table does not take into account variations including project and programme mergers and closures that have occurred over time.

Nepal received assistance within the areas of peace, rights and governance from Denmark from the beginning of the development cooperation in 1991. This assistance was implemented through a series of projects that supported the 1990 democratic revolution, with more than forty projects aimed at consolidating the democratic processes of that time. The approach was later developed more fully in the Nepal Peace Support Programme of 2006-2013 and the Peace, Rights and Governance Programme of 2014-2018. In Mozambique, the cooperation was not explicitly framed as either managing conflict or peace building, though the presence of a range of Danish interventions with the explicit aim of contributing to a peaceful transition to democracy and stability using, for example, a need-based approach with a focus on state reconstruction aimed at rebuilding the country after conflict and civil war. In this understanding, the provision of basic social services, state capacity-

20 The country programme in Bolivia also involved judicial support and sector reform, PFM support, etc. but in the evaluation, it is only decentralization and processes related to different aspects of working with civil society and citizenry that are related to peace and conflict management. Only towards the end of the Country programme in Mozambique were processes related to managing conflict and peace building directly.

21 These interventions targeted citizens directly with the aim of 'inviting' them to engage with the state or local authorities. For example, in participatory planning, public audits, election mobilization.

22 It is noted that these intervention areas was only initiated during the last phase of the Danish support to Mozambique. For Bolivia the ST considers these activities as managing conflict and/or peace building interventions, even though they were not necessarily framed as such in the evaluation.

building and sectoral reforms are seen as important interventions for managing conflict. In Bolivia, Denmark's focus was on promoting peaceful and inclusive societies for sustainable development, but there were no direct post-conflict or peace-building interventions. Instead, the country programme concentrated on questions related to national reconciliation, dialogue and conflict management in the context of social conflicts, for example, in national and sub-national distributional struggles and conflicts over marginalization and ethnicity.

The evaluation reports indicate Danish development cooperation as having had a strong emphasis on social and political inclusion in its support to projects and programmes in Nepal and Bolivia, but less so in the other two countries. This priority is important for mitigating against the root causes of conflict in many instances. In the case of Nepal, however, the evaluation does not indicate as to whether specific studies of the conflict were utilized to identify social, political or economic factors driving the conflict or effects that needed to be prioritized and addressed. The evaluation does suggest in its summary of the phases of Danish development assistance that the Danish embassy in Nepal possessed a personnel with the competence to analyse the nature of the conflict in the period leading up to the Comprehensive Peace Agreement (CPA) in 2006. This in turn manifested itself in the strong focus on managing conflict and peace building activities after the signing of the CPA in Nepal, which the evaluation describes as addressing the "root causes" of the conflict.<sup>23</sup> These specific interventions, sometimes in partnership with other donors' initiatives such as the support Danida contributed to the Joint Donor Nepal Peace Trust Fund from 2006 to 2015, are well documented in the evaluation. They are shown as being a combination of bilateral and multilateral initiatives, with the UNMIN (UN Mission in Nepal) and the broader UN often playing a central and coordinating role, but Denmark as an active development partner. While the Nepal evaluation does not discuss as to how interventions were identified and designed or how priorities were established with the government and other development partners, it does state that Denmark's efforts in the areas of managing conflict and peace building were the strongest in performance terms. The 2003-2016 peace, rights and governance interventions receive the evaluation's highest ratings amongst all the Danish interventions assessed.<sup>24</sup>

In contrast to Nepal, the Danish country programme in Mozambique did not develop a specific set of managing conflict and peace building activities, despite the country having emerged from a devastating, sixteen year-long civil war in 1994. As was the case with the Nepal evaluation, the Mozambique evaluation does not report on conflict mappings, politi-

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23 Nepal Evaluation p38.

24 Nepal Evaluation, p58.

cal economy analyses of the distribution of power, or similar studies having been undertaken in Mozambique. Instead, the evaluation suggests that the identification of interventions and the broader programme approach involved the expansion and deepening of activities primarily with one of the partners to the conflict, namely the Frelimo government, which had been in charge of Mozambique since independence in 1975. The managing conflict and peace building interventions identified in Mozambique focused broadly on creating the conditions for peaceful democratic development and poverty reduction. They do so by building state institutions able to deliver services to citizens in the areas of justice, health, education and agricultural services, with a strong Danish focus on capacity-building through the use of technical advisors.

In line with other development partners, Denmark is not reported as having adopted an explicit conflict-sensitive approach to the different development interventions during the transition period, or to have developed a specific focus on perceived underlying root causes that led to the civil war. The Mozambique evaluation makes it clear that the choice of interventions and the focus of development assistance were “at an initial stage [...] often driven by personal commitment by senior Danish embassy staff and their convictions of the value to support these initiatives. These became institutionalised and integrated into the strategies of the country programme.”<sup>25</sup> In unpacking what ‘personal commitment’ meant for identifying and designing Danish interventions in Mozambique, based on other comments in the evaluation regarding Danish personnel, it appears that support to Mozambique was based on a long-standing relationship between the two countries. One ‘output’ of the relationship took the form of MFA support to civil society organizations working in Mozambique. This in turn generated a substantial contingent of ‘gap-fillers’, technical advisers working in the (Frelimo) state administration from the end of the 1970s. They acquired Portuguese language skills and the ability to operate within a one-party system through contacts, networks and experience of working in many parts of the administration during the civil war. Many continued after 1994 in the Danish civil-society organizations that had established themselves in Mozambique to assist with service delivery in agriculture, health and education. They also provided a pool of technical advisors to work in the Danish embassy, various consultancy firms, as well as the NGO sector, facilitating the scaling-up of Danish support to Mozambique. The personalized approach in the identification and design of projects and programmes, and its subsequent institutionalization in Danish support to state building, social service delivery and poverty reduction, created a unique ‘lock-in effect’ whereby conflict management and peace building was subsumed under general state building rather than being highlighted more specifically in the development cooperation.

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25 Mozambique Evaluation, p8.

Danish support to Bolivia is not presented in the country evaluation as containing any explicit interventions aimed at managing conflict or peace building. Nonetheless, the role of Danish support in gaining approval of the Law on Popular Participation and Decentralization in Bolivia in 1994 should be noted from the evaluation. Danish development assistance contributed to the rolling-out of public services to geographically and socially excluded groups by designing a component that could strengthen sub-national governments and thereby target indigenous peoples and other socially excluded and economically marginalised groups. The analysis that led to this design is not clear from the evaluation, but it is reported that that the design and later implementation of the component “led to confusion and conflicts between central and sub-national governments”, with the detrimental consequence of it “diminishing state effectiveness and efficiency overall”.<sup>26</sup> Even though attempts were subsequently made to correct this by “developing additional competencies at central government and sub-national government levels”, the largely donor-driven interventions “proved to be unsustainable”.<sup>27</sup> What the Bolivia evaluation does state is that the strategic approach was flexible and able to adjust the strategy between different phases of the interventions “based on a good reading of context and opportunities, formulating and pursuing a clear theory of change.”<sup>28</sup> In common with Nepal, but in contrast to Mozambique, it is noted that Danish support to Bolivia embraced a dual-track strategy<sup>29</sup> involving support to state institutions becoming more inclusive and support to civil society organizations, representing indigenous peoples, in accessing rights and public services. This is stated in the evaluation as being one of the keys to understanding the relative success of the country programme.

In the cases of Bolivia, Mozambique and Nepal, the evaluations indicate that the strategic approach of Danish development cooperation to managing conflict and peace building, whether explicit or implicit, marked it off as a predictable and flexible donor. Its long-term engagements with partner countries, and not least its use of technical advisors, is presented as providing a solid foundation for building the trust of state officials and politicians. As noted in the previous section on state building, technical advisers often helped in sensitizing strategy to meet local political contexts. What is not noted is whether there was a capacity to assess if Danish development assistance might be reinforcing underlying drivers of conflict and a subsequent return to conflict (2013), a point raised in the Mozambique evaluation.

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26 Bolivia Evaluation, p3 and p18.

27 *ibid.* p3.

28 *ibid.* p27; 54.

29 Bolivia Evaluation, 4; 21; 51.

One implication from the above discussion, and implicit in the evaluations, is that 'time' is a critical factor and a long-term development cooperation increases the chances of success in support to conflict management peace building.

Targeting is also an important instrument in the pursuit of managing conflict and peace building. When the Danish aid programme started out in Mozambique it formed a set of projects that aimed at creating a 'holistic' approach that combined support to food production, humanitarian support of IDPs, 'gap-fillers' and social service provision. In the 1990s, the country evaluation shows the approach to have moved towards a sector-wide approach. Of particular note, given the Mozambique context of a weak and fragile state, was the decision to focus on Tete Province, using a multi-sector approach.<sup>30</sup> At this point in time, there was little experience with using a sector-wide or budget support modality, particularly not in a post-war situation. The decision is seen to have provided local state officials with greater resources to work with as well as incentives to deliver results at a time when the Mozambican state was very vulnerable and possessed few resources of its own. The evaluation suggests that the approach did make a significant impact on the underlying causes of conflict in the province. Decentralisation support in all four country evaluations can be seen to facilitate the targeting of groups that disproportionately faced different forms of inequality, both through focusing on specific localities (e.g. districts, municipalities, provinces) and specific groups in the decision-making over and distribution of resources (e.g. women, caste and ethnically marginalised, poor). While the support to decentralisation can be seen to be contributing to state building generally, the evaluations indicate the possibility of more specific effects that have served to reduce fundamental causes of conflict. For example, the reduction of poverty, promoting greater political inclusion, promoting local development, and similar. Perhaps of greatest significance in Nepal, Mozambique and Bolivia has been the (re-)connecting and strengthening of populations (citizens) to the state rather than to possible alternative political forces. However, as the Mozambique evaluation also indicates, the process can also lead to further exclusion for some groups.

### **3. Private sector development and engagement**

As an integral part of Danish development cooperation, private sector development has sometimes been approached as a stand-alone strategic sector-effort and sometimes as a central component of other thematic forms of sector support, particularly to agriculture and energy. It has often followed broader aims of strengthening economic relations

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30 Mozambique Evaluation p8

and furthering Danish commercial engagement in the partner country, though this has naturally depended on the state of the partner's economy and investment climate. Development aid has been central in catalysing growth in economic activities, particularly among SMEs and often facilitated the entrance of Danish companies through specific opportunities arising from the aid programmes and activities. In some of the evaluations, these efforts have been linked to the creation of thousands of direct jobs and indirect employment, and facilitated the transfer and application of technology and innovative business models. For the partner countries who have experienced substantial economic growth the economic relations build through private sector development programmes have come to form the backbone of future partnerships.

Across the four countries and their evaluations, private sector development has been approached radically different, with level and form of engagement often decided by the prospects of broader economic relations and mutual benefits of trade and investment between the partner country and Denmark. A critical differentiation should be made between efforts of private sector development implemented as sector programme support on the one hand, and then the use of commercial instruments such as the B2B or Danida Business Partnerships on the other. Whereas the latter has been used to different degrees in all four countries, specific private 'sector programme support' (SPS) have only been provided in Mozambique and Vietnam.

**TABLE 4. SUMMARY OF DANISH SUPPORT TO PRIVATE SECTOR DEVELOPMENT COVERED BY THE FOUR EVALUATIONS**

Support to:	Bolivia	Mozambique	Nepal <sup>31</sup>	Vietnam
Local business organizations		XX		
Access to credit		XX		
Small and medium sized enterprises		XX		XX
Business to business		X	X	XX
Support to start-ups		XX		
Agri-businesses	XX	XX	XX	
Access to markets		XX	X	XX
CSR	XX	X		XX
Business development services		XX	X	XX
Improved labour conditions				XX

X = weak; XX = strong (estimates by ST based on the evaluations)

Note: The table does not take into account variations including project and programme mergers and closures that have occurred over time.

In Mozambique, Denmark was one of the earliest donors to support the private sector. The evaluation indicates a persistence in the commitment, with the focus on private sector development (PSD) increasing in the last decade of development cooperation up until 2016. At this point, PSD had become the sector receiving second-most assistance, with only general budget support to public financial management exceeding it. These efforts were in large part a continuation of agricultural programme support, with its focus on agro-businesses and rural roads aimed at strengthening market access and enhancing rural development. The transition is reported as partly being a response to instructions from the MFA to limit the number of sectors and elevate the focus on PSD. The support to PSD was initiated in 2001 with the Agricultural Sector Programme Support (ADIPSA) and again re-launched in 2005 as Business-to-Business (B2B), matching Danish and Mozambican companies as per formula. The B2B programme was replaced by the Growth

31 The environmental sector programme was divided into two: one for environment (1999 to 2004), and one for renewable natural resource (RNR) management (1998 to 2004). An Integrated Environmental Programme (IEP) was designed for 2005 to 2010 but was suspended in response to the 2005 Palace Coup, and only renewable energy re-started in 2006. Environmental and forestry cooperation was therefore brought to a premature end.

and Employment Programme (GEP) in 2011, which ran until 2016 with a focus on business development mechanisms and access to credit. Over time, the commercial instruments and the Private Sector Development SPS efforts seem to have been gradually integrated, with local private sector development driven forward by a secondary aim of generating business opportunities for Danish companies.

This trend has been even stronger in Vietnam where a formal PSD was initiated in 1993 and gradually complemented by B2B, forms of Business Sector Programme Support (BSPS) and later the Danida Business Partnership Programme. These efforts broadly focused on catalysing Danish-Vietnamese commercial engagement, but also included more specific forms of support to e.g. promotion of provincial business environment, improved labour conditions, business services for global competitiveness, or business sector research. They fundamentally prepared the ground for the post-aid bilateral partnership (with trade of goods increasing four-fold between 2005 and 2015) between the two countries today, centering on green growth, agriculture and fisheries sectors. Despite the gradual integration of SPS and commercial instruments (the success of which is left unclear in the evaluation), the use of IFU appears fairly weak and is only mentioned in one of the evaluations, Vietnam, where IFU funds have only been drawn upon by a limited number of companies.

Unlike the explicit sectoral support for PSD in Vietnam and Mozambique, private sector support in Danish cooperation with Bolivia and Nepal has been ingrained in other forms of thematic SPS. In Bolivia, from 1997 to 2005, a central strategic aim pertained to supporting productive sectors, though without much explicit focus on the private sector. From 2005 to 2013, private sector support continued through assistance to key productive sectors and not least agriculture where the focus was most visible. In the final phase of Danish-Bolivian bilateral aid cooperation, the private sector became an explicit focus through the strategic aim of promoting inclusive and sustainable, green economic growth. Over time, the overarching focus on indigenous peoples has been strongly reflected in support to the private sector, thereby placing a priority on human rights issues and human rights based approaches to development.

The same has largely been the case in Danish-Nepali cooperation around PSD, which included an imbedded focus on the private sector within other prioritized thematic sectors. These have especially been renewable energy, agriculture and agri-businesses, and earlier within the dairy-processing industries. Within the renewable energy sector, a focus has been to sustain the spread of renewable energy technologies and build a renewable energy private sector, fostering rural Small and Medium-sized Enterprises (SMEs) by removing key barriers to innovation, entrepreneurship and private sector development in general. Business partnerships have also been furthered through the B2B

programme and the subsequent Danida Business Partnerships (closed in 2014). In 2014, the Unnati Inclusive Growth Programme was initiated as a new major programme with aims of promoting sustainable and inclusive growth by targeting private sector development in the agriculture and rural economy sectors, linking business-oriented farmers to micro and small agro-based businesses and consumers.

In decisions on whether to apply an explicit PSD focus or pursue sectoral integration, it is also possible to see considerable flexibility in PSD, i.e. that it relatively easily forms part of any sector-focus. Private sector development pursued as SPS (increasingly pushed over time from Danida) opens up ample room for the inclusion of other thematic priorities on e.g. agriculture. In Mozambique, for example, agriculture was phased out as a separate SPS, yet a focus on rural development was easily includable in the new private sector programme, ensuring a continuation of efforts on the issue. PSD as such has a flexibility that makes it able to absorb and retain other issues or specific components from programmes being phased out. On the other hand, in instances of pursuing GBS as a different modality of aid delivery, such as in Mozambique where the political priorities of the Mozambique government were followed fairly closely, any PSD focus easily wanes away.

In all four countries (though least of them Nepal), private sector cooperation balanced between laying the ground for a future mutual beneficial bilateral partnership and that of more specifically strengthening the partner country's private sector. There is a significant difference between these two paths, with different potential for change. In Vietnam, private sector and business support programmes seem to have been beneficial to a considerable number of Danish and a small number of Vietnamese companies, and contributed to the transfer of knowledge and technology and fostered labour standards and Corporate Social Responsibility (CSR). Yet the evaluation clearly concludes that the programmes were too small to stimulate the Vietnamese private sector in general, and more focused on business partnerships that could further Danish commercial interests. The same can be said of Bolivia, where a fixed focus on agriculture garnered strong results for agricultural production (including an increase in the commercialization of agriculture production and export), with Danida being instrumental in the creation and development of two key government institutions responsible for innovation and transfer of new technology to farmers. Yet there is perhaps not much potential for broader-based changes in the private sector as a whole because of the strict sector focus. In Mozambique, the Business Environment Fund (FAN), while requiring the continuous financial support of donors, led to improved private sector influence on GoM policies and boosted the visibility and credibility of Private Sector Organisations. Such activities are less focused on Danish commercial interests and may be able to stimulate broader-based changes in the local private sector.

Just as degree of focus on PSD varied across the four countries (as it did over time in each of them as well), results are difficult to ascertain from the evaluations. In Mozambique, the evaluation finds that the capacity of the business sector to influence governmental policies was improved, just as Danish interventions seems to have created increases in demand of credit and related business services by small holders. Access to such was strengthened by Danish support to Accumulating Savings and Credit Associations (ASCAs), but there is no evidence in the evaluation on the impact of the credit provided. In Vietnam, results are more tangible and the PSD programmes are deemed to have created nearly 28.000 jobs and increases in income for target groups between 10% and 200%. Still, a major focus for Danish engagement in Vietnam remained commercial engagements between firms from the two countries. Here, the results are clear in the form of increased cooperation between companies from Vietnam and Denmark, not least effectuated by a strong joint-venture model institutionalized by the Danish embassy. As such, the B2B programme was mainly fruitful for expanding commercial relations between Denmark and partner countries, particularly in Vietnam. The synergy between B2B (and BSPS) and PSD programmes are unclear in not just the case of Vietnam, but in all of the evaluations.

Advancing CSR, including improved labour conditions and standards, human rights, and gender, seems to have had an effect in several of the countries, with the focus on PSD having been complemented by a focus on other core thematic features of a HRBA to development inside the private sector efforts. In Vietnam, many local companies implemented what is described as far-reaching Corporate Social Responsibility approaches, contributing to stronger CSR awareness in Vietnam in general. In Bolivia, assistance was provided to key productive sectors with a strong focus on better environmental management and strengthening of human rights-based approaches to development, particularly concerning indigenous peoples. Elsewhere, the approach to PSD seems to have furthered institutions such as credit associations or smaller business that have been approached and used mostly by small-business women. Altogether, these efforts have a productive impact beyond creating stronger private sector and stimulating economic growth.

Finally, several of the evaluations point to the importance of aid as the backbone of future commercial bilateral partnerships. In some of the countries where exit strategies are built around future bilateral commercial partnerships, decades of aid appear to form the foundation for a productive relationship. Possibilities for the future growth in trade and the generation of a positive outlook for commercial collaboration post-development assistance would appear to be considerably enhance by having a long-term aid relationship. The evaluations suggest that in the case of private sector development, but also for other sectors, the building of mutual trust and understanding has a very important place in the making of strong partnerships. In the case of Mozambique,

however, the sustainability of commercial engagements are questioned and it is conceivable to conclude that abrupt exits from even long-term aid relationships can have negative consequences for future commercial relations.

#### **4. Environment and climate change**

An important strategic field for Danish intervention, environment and climate change covers a broad set of interventions including water (e.g. irrigation, drinking water, and sanitation), various forms of pollution and waste management, and natural resource management. The four evaluations indicate that activities in this field were often considered marginal in the early period of Danish development cooperation, but that over time the field has grown increasingly important, not least due to the intersections of climate change, urbanization, flooding, environmental degradation, natural resource investments and drought in various combinations. Denmark's long-term engagement with environmental issues and most recently, with climate change, is documented as agenda setting. A number of interventions can be identified as falling into the general category of environment and climate change. Some categories overlap with other fields in the Study, notably State Building, due to the nature of the interventions. Furthermore, while environment and the activities noted above are found to be important in the evaluation reports for all four country programmes, climate change is scarcely mentioned. Its absence reflects the changing nature of development and the perception and delineation of the challenges faced.

**TABLE 5. SUMMARY OF INTERVENTIONS IN SUPPORT OF ENVIRONMENT AND ADDRESSING CLIMATE CHANGE (ECC) COVERED BY THE FOUR EVALUATIONS**

Support to:	Bolivia	Mozambique	Nepal <sup>32</sup>	Vietnam
Institutional reform in support of ECC	XX	XX	XX	XX
Decentralisation of environmental management	XX	XX	X	
Forestry management	X		XX	
Water and/or sanitation	X		X	XX
Building civil society to support ECC	XX	X	X	
Renewable energy	X		XX	X
Pollution and hazards	XX	X	X	XX
Nature protection/conservation	X		XX	X
Land rights and demarcation	XX	X <sup>33</sup>		

X = weak; XX = strong (estimates by ST based on the evaluations)

Note: The table does not take into account variations including project and programme mergers and closures that have occurred over time.

Since the late 1990s, environmental concerns are reported to have been present in all four evaluation reports on the country programmes, if to varying degrees. However, the reports also show that the priorities attached to these interventions from the early identification and design of Danish-supported projects and later sector programmes in each country have varied considerably. In all four countries, setting the institutional agenda has been supported, the drawing up of environmental and climate change strategies being examples of relevant areas where Denmark has contributed to important developments. In all four evaluations, the mainstreaming of the environment and sustainable development resulted in increased awareness and attention to the

32 The environmental sector programme was divided into two: one for environment (1999 to 2004), and one for renewable natural resource (RNR) management (1998 to 2004). An Integrated Environmental Programme (IEP) was designed for 2005 to 2010 but was suspended in response to the 2005 Palace Coup, and only renewable energy re-started in 2006. Environmental and forestry cooperation was therefore brought to a premature end.

33 The environment sector was include as part of a new Ministry of Land, Environment and Rural Development after 2015. While land demarcation originally former part of interventions related to agriculture more recent support has been related to urban management of land related to the decentralization component.

subject across a broad range of sectors and stands out as one of Denmark's strongest and most strategic contributions.

The Nepal environmental programme combined a focus on renewable energy with private-sector development related to more sustainable stoves for cooking and the production of energy from solar power, creating interesting synergies between sector programs, for example, by setting up and running special energy investment funds (rural and central) to trigger changes. Similarly, the Vietnam evaluation suggests that Denmark has placed a strong emphasis on strengthening synergies between development aid and Danish commercial interests, including in the areas of the environment, sustainable fisheries, alternative energy and water resource management.<sup>34</sup> There was also innovation during the later phase of Mozambique's environment sector programme. It included funding for different municipal programmes with a focus on capacity development in relation to environmental issues, administration, PFM and overall development management at the municipal level, thereby also contributing to the decentralization process in the country. In all four countries, Denmark also funded parallel efforts to decentralize political decision-making to sub-national levels. In Bolivia, Danish support targeted hazards and pollution issues, important legislation being developed at a time when mining was evolving rapidly.

The evaluation reports also strongly suggest that most of the technical knowledge related to the administration of environmental and climate change issues at the national and sub-national levels was provided through Danish technical assistance.

In the identification and design of Danish projects and programmes, the overall institutional engagement by Danida has been linked to local country-specific focus areas, suggesting that a combination of demand- and supply-driven dynamics has been central to Denmark's involvement. The four evaluations do not describe exactly how the identification and design took place. However, it is clear from all four evaluations that Denmark played a role in developing the environment as a sector (and later climate change) for intervention at a time when few other donors were ready to commit themselves to it.

Interventions identified in the area of the environment and climate change were aligned with partner priorities and strategies as a cross-cutting issue, often on a par with HIV/AIDs and gender equality. In Bolivia the identification and design process was described as a "relatively flexible and opportunity-driven Danish programmatic sector approach, focusing on locally identified problems and facilitating

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34 Vietnam Evaluation, 16,41.

engagement with a broad group of stakeholders.”<sup>35</sup> This seems to have been the case in all four countries to varying degrees. It is also clear that climate change adaptation did not feature in earlier environment sector support, appearing only in the last phases of programmes, around 2014. From the evaluations it is not clear if this move towards climate change adaptation was due to demand-driven or supply-driven global concerns and discourses, but it seems evident that Danish aid gained valuable experience related to increasing global concerns with climate change, possibly with strong synergies to the Danish private sector.

Despite the close alignment with partners’ interests in a number of countries, all the evaluations point to problems that emerged later regarding the commitment of the recipient governments to the programmes. In Bolivia and Mozambique, for example, government practice appear to have been increasingly at odds with its stated commitment to the environment and to climate change adaptation.

In the subsequent organisation and implementation of the Danish projects and programmes, they generally followed the movement from project organization during the 1990s and early 2000s to sector-wide, GBS and mixed modalities later in the 2000s. Support to the environment, and later to climate change, was spread throughout the initial project phases in many often disjointed interventions, which over time became more concentrated and focused as designated sector programmes were developed. According to the evaluations, the impetus for this focus seems to be a Danish political decision to concentrate on fewer and what were considered to be more strategic implementing partners in the sector programmes. This was a movement away from the close national alignment practiced before.<sup>36</sup> In the case of all four countries, the support to the environment and to climate change seems to have been based on Denmark being a lead donor in or the sector and providing numbers of technical advisors and consultants to support programme implementation. The role of Denmark as a champion of the environmental sector was highlighted in Mozambique, as Irish Aid and the European Union channeled their funding through Denmark in acknowledgment of Danish expertise in the sector.<sup>37</sup>

For some countries like Mozambique, support to the environment and to climate change created synergies with other sectors, for example, the SISTAFE PFM support intervention in Mozambique. Such collaborations are seen to have had positive effects beyond the specific programme

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35 Bolivia Evaluation: 4.

36 Note, support to the environment was planned to be phased out in Bolivia, but then reintroduced in 2014 for a short period prior to the closure of the country programme.

37 Mozambique Evaluation: 61.

involved. The initiatives linked to PFM reforms supported by Denmark in Nepal and Mozambique played a significant role in decentralizing the control of the planning and implementation of sector interventions from the central to local levels (region and districts/local levels), particularly in the environmental sector, where the impetus to decentralize brought together different instruments.

The impact of Danish development assistance to the environment sector can be seen to have varied across the four countries. In contrast to Mozambique, Nepal decentralized forest management by setting up Community Forestry User Groups (CFUG), which served to decentralize natural resource management generally. According to the evaluation, this made Nepal one of the few countries to have reversed net deforestation. It is not stated as to whether local governance of the environment (forestry) was also linked to the broader work of local governance conducted under the local government bodies to which Denmark was also providing development assistance through the national government's Local Governance and Community Development Programme. More generally, the evaluations suggest that the environment has been a challenging field of intervention for Denmark, one in which it has often had to confront frequent changes in political direction and shifting priorities as well as lack of management and administrative capacities in the recipient countries.

In exiting from the country programmes, the evaluation reports suggest that Denmark's role as a champion of the environmental and climate change sector in the four countries had created dependence on external expertise, not least due to the low numbers of national staff with higher education and a technical knowledge of the field. In the early stages of programming, Denmark responded to this situation by providing a large number of technical advisors and other forms of technical assistance, which the evaluations suggest was a relevant and necessary strategy to enhance the professionalization and knowledge base of partner institutions. However, such an approach inherently carried challenges for the sustainability of the interventions made.

The sustainability of the achievements made is questioned by several of the evaluations, the concern being that the termination of Danish development assistance might result in gains achieved being lost. On the positive side, some interventions, particularly in Vietnam, appear to have been taken up by the national administration<sup>38</sup> and the Community Forestry User Groups in Nepal would appear to be well established.<sup>39</sup> However, in Bolivia, it is suggested that many of the activities did not continue after Denmark's support ended; that a large number of highly

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38 Vietnam Evaluation: p13-14; 45

39 Nepal Evaluation: p77

qualified and motivated staff members left the institutions built up with Danish assistance when the funding ceased.<sup>40</sup>

### 5. Cross-cutting issues of gender, human rights and poverty reduction

Gender, human rights and poverty reduction constitute a field of cross-cutting issues reflecting core values for Danish development assistance. All three represent redistribution outcomes that require financial resources to take up, economic development to enable their sustainability and political will if policies and their implementation are to happen. For the purpose of this study, given the presence of poverty reduction in almost every development intervention, the focus is narrowed to the presence of documented evidence in the evaluations of an explicit equality focus in the promotion of poverty reduction.

Table 6 presents a short summary of the Danish support in the three cross-cutting issues.

**TABLE 6. DANISH SUPPORT TO GENDER, HUMAN RIGHTS AND EQUALITY IN POVERTY REDUCTION COVERED BY THE FOUR EVALUATIONS**

Support to:	Bolivia	Mozambique	Nepal	Vietnam
Minorities and Indigenous peoples' social and cultural rights	XX		XX	X
Land , forestry and other natural resource rights	XX		XX	X
Social and ethnic Inclusion in access to services	XX	X	X	X
Social and ethnic Inclusion and access to justice	XX	X	XX	XX
Equality focus in poverty reduction	XX	XX	XX	X
Gender focus in poverty reduction	X	X	XX	X
Gender equality in access to justice	X	X	X	X
Gender equality in access to services	X	X	X	XX

X – weak; XX – strong (estimates by ST based on the evaluations)

Note: The table does not take into account variations including project and programme mergers or closures that have occurred over time.

40 Bolivia Evaluation: p30; 34

Gender equality, human rights and poverty reduction are reported to have had a presence from the outset of country programmes in all four evaluation reports. However, they also quite clearly document that the priorities attached to these from the early identification and design of Danida supported projects and programmes in each country varied considerably. In Bolivia and Nepal, they were quite central in the activities undertaken during the 1990s. In Mozambique, the extremely poor state of state institutions and public service delivery led to the capacity building of state institutions and public service provision being prioritised. Poverty reduction and some degree of targeting of those in greatest poverty is noted, but gender and human rights were not priority concerns until much later. In Vietnam, the situation appears to have been similar to Mozambique's, but more due to the political context, the state possessing greater capacity and the socio-economic condition of the population being somewhat better. Nevertheless, the Vietnam evaluation states that the achievements in reducing poverty, particularly for some of the poorest regions and the ethnic minorities present, are reported as having been considerable.

The modalities used in all four countries appear to have followed similar trajectories. In Bolivia, from 1995, support from Danish development assistance had a strong focus on securing recognition for the rights of indigenous peoples. Initially, 1995-97, this was based upon smaller projects with a total budget of 36 million DKK. In 1998 it became a Sector Programme Support to Indigenous Peoples with DKK 277 million in funding over six years for nine interventions including bilingual education, land rights, support to decentralisation and popular participation, and to diverse CSOs.

In Nepal, gender and human rights have been pursued through general sector programme support as in the pursuit of inclusive education, forestry programmes that reach women and marginalised groups, and inclusive voter registration. But also in more targeted activities, often through civil society organisations as in support to Dalit organisations and indigenous peoples, to detainees, and bonded labourers. The evaluation for Bolivia points to the important contribution made by civil society organisations in the social mobilisation of indigenous peoples to claim their land rights. In so doing, they would be making use of legislation that had been developed and passed with support from Danish development assistance through Danida and the Danish Embassy.

Technical advisory support in the fields of gender, human rights and poverty reduction is not discussed in any detail in the four evaluation reports. In the Mozambique evaluation, the movement of individuals between positions with Danish NGOs, Danida and the Danish embassy appears in a positive light in that it generated a credible critical mass of (Danish) long-term expertise in the country. In Nepal, the country evaluation notes the establishment of a Human Rights and Good Governance

Advisory Unit (HUGOU) in 1997 as a way of focusing support to civil society in a more concerted and coherent manner. It involved working with civil society as a sector in programming terms and across sectors as a cross-cutting issue. It is also known that the education support unit funded by Danida in Nepal had a gender adviser attached to support the inclusion of girls in basic and primary education and later secondary education. This unit ended, as did other similar units, when Danish development assistance to specific sectors was moved into multi-lateral programmes.

The four evaluation reports, more or less describe a common pattern over time for the country programmes in the periods evaluated. Beginning with individual projects, these are subsequently brought together into a more administratively focused sector-wide approach in which there are certain priorities advanced and links to other Danida supported activities increasingly made. The Danish embassies' use of the small grant facility and the provision of support to Danish NGOs based in Copenhagen, but working with local partners does mean that some individual small projects remain. To these should be added the local partners in Bolivia, Mozambique and Nepal, supported by the Danish NGOs covered by framework agreements.

Vietnam appears to have been the country programme with least use of civil society organisations in support of the pursuit of gender and human rights. Here, the focus appears to have been primarily on securing gender and human rights through capacity building of state institutions and the public administration. Gender equality is reported to have been integrated into programmes on pollution, industrial production, and the environment. Women were also brought into income generation and employment generally as in the programme on Livelihoods in Marine Protected Areas (LMPA). Gender equality, human rights and poverty reduction all received greater attention after a country strategy evaluation undertaken in 2002 and embodied in the new country strategy 2006-10. However, the same strategy shifted the aid modality towards the Aid Effectiveness Agenda with a reduction in Programme Management Units (PMUs) and long-term advisers, increased use of GoV's financial management and procurement systems, and putting aid on budget. This has not affected the focus on poverty reduction, but when the Danish commitment to gender equality and human rights has been at odds with a recipient government's priorities, it appears from the evaluations that Danish priorities might have been 'relaxed' a little.<sup>41</sup>

As noted elsewhere, the evaluation reports suggest that the nature and political practice of governance in Mozambique is more comparable to that found in Vietnam than that in Bolivia and Nepal. In the two former

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41 The ST notes that the Vietnam evaluation does not discuss this issue.

countries, the respective evaluation reports indirectly suggest that the ruling parties have been active in defending their positions of political domination while also expressing various commitments to pursue greater democratisation and the opening up of their economies, not least to private companies. One consequence noted in both evaluation reports is that the space available to civil society organisations, which might take up gender equality and human rights-based agendas, remained and remains very limited. As such, the movement in the MFA's approach towards a HRBA in 2013 appears to have had the unintended consequence of strengthening the capacity of the state and not necessarily led to any new emphasis on the demand side's role in holding the state accountable. In Mozambique, it is reported that while gender equality legislation is quite strong, its implementation is poor, the understanding of duty bearers is weak, and as result women and girls remain over-represented amongst those in poverty. It is also reported that there is little strategic support to women's rights organisations and that efforts at women's empowerment remain localised. In Vietnam and Mozambique, there is little evidence in the evaluation reports of citizens generally becoming more active in claiming rights from the duty bearers in the state, whether at national or local levels.

It should be noted that in three of the countries, Danish NGOs financed within the framework agreements allocated and managed in Copenhagen are working with local counterpart partners. In Nepal, and Mozambique, Mellempfolkeligt Samvirke (later MS ActionAid) has supported local civil society organisations. In Mozambique and Bolivia, IBIS (later Oxfam IBIS) has also supported national and local civil society organisation in support of rights and democracy. IBIS is reported to have been expelled from Bolivia in 2013, accused of providing support to the indigenous protest march around the TIPNIS project.<sup>42</sup> It is further noted that a 'shrinking space' for civil society is reported to be a challenge in contemporary Bolivia and in Mozambique. At the same time, the positive and constructive balance between engaging with civil society to claim rights and strengthening the state institutions and their capacity to deliver on a rights-based approach in key aspects of governance is well documented.

Gender equality is clearly reported as existing as a cross-cutting issue in Danish development assistance in all four evaluations, but evidence as to the degree to which it was mainstreamed or the extent of its impact in programmes is sparse in the evaluations. The presence of gender equality as an objective in the identification and design phase of a programme will secure its registration as being present, but with regard

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42 TIPNIS involved a road to be constructed through a reserve in which three indigenous peoples hold 'ownership rights'. Danish support (Danida, IBIS,) was central to informing the communities of their rights. Bolivia Evaluation p23, footnote 24.

to subsequent implementation and issues of sustainability, scaling-up and the monitoring of effects, little more is added. Given the nature of the issue and its status in Danish development assistance, this is perhaps surprising and suggests that data from monitoring the impact of such support on gender outcomes is lacking.

Poverty reduction is reported in greater detail, but it is noted that the effects are reported in terms of numbers moving out of poverty and therefore at a general level. There is little or no discussion of the specific forms of poverty addressed with Danish assistance or the ways in which Danish development assistance has alleviated or reduced specific types of poverty. As the evaluation reports draw their own empirical evidence from primarily secondary data, it could well indicate the absence of adequate baseline data and a weakness in subsequent monitoring of projects and programmes.

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## **FINDINGS FROM ACROSS THE FOUR EVALUATIONS AND FIVE FIELDS OF INTERVENTIONS**

The following key findings are based upon the Study Team's analysis of the five fields of intervention. They should not be read as conveying criticism of the evaluation reports. The approach taken by this study is quite different to that of the evaluations and the ToRs of the evaluations did not necessarily cover the issues raised in the findings below. As stated at the outset, the study seeks to provide an analysis of the main issues emerging from the four country evaluations, not least with a view to providing some lessons for future country programmes.

### **Finding 1: Difficult, but necessary to monitor and navigate shifting national contexts**

Understanding the national context is not easy, but is central to good development cooperation. It requires detailed and up-to-date knowledge on the political system and economy, on forms and degrees of inequality and poverty, on the state of governance and of democracy, on the impact of climate change on the environment, and on the various forms of economic vulnerability faced in the country. Conflict mapping, political economy analyses, power analyses are examples of exercises designed to aid the provision of 'informed and transformative' development assistance in all the fields studied. Similar work will be the *sine qua non* for future development partnerships.

### **Finding 2: Mediating changing Danish priorities with partner governments needs to be expertly managed**

The Danish side of development cooperation is dynamic with its changes in government, in ministers, in political agendas, in development priorities, in strategic approaches, and not least in the funding allocations. Found to permit flexibility, continuity and predictability, Danish development cooperation is also identified as being complex due to changes in policy and management, a potential source of tension when involving conflicting interests, and at times unpredictable despite its 'flexibility' and 'relevance'. The role of the Danish embassies in mediating between headquarters and recipient governments is critical to the quality of

partnerships. A specific analysis to assess their mediating role - what works, when and how, and what does not - could help maximise the benefits of future partnerships for the key stakeholders involved: the two governments and their peoples.

### **Finding 3: Supply-side state building is important, but not without a strategy for the demand-side**

Past and present conflicts have a presence in all four countries. When combined with weak national and local government institutions, poor or non-existent service provision, food insecurity, poor infrastructure, multiple forms of inequality, and extensive poverty, a development cooperation that focuses on supply-side state building appears justified. However, in the longer term it is insufficient. Rebuilding the state capacity to function also empowers those who hold power through the state. While these elites are necessary partners for the development cooperation, they also need to be held accountable. The possibility for 'dual-track' programming, designed to balance the need to sustain the state, while increasing its accountability to all citizens, should be prepared as part of the broader strategic approach to state building. Demand side activities could then be taken up as and when deemed feasible.

### **Finding 4: Targeting is an important instrument in Danish development assistance, but requires careful analysis of context and monitoring of effects**

The selection of institutions to strengthen, local government bodies and localities to focus on, sectors to work with, groups to be reached, are all examples of targeting. As an instrument, targeting is used to reduce inequality, improve service provision, maximise impact from limited resources, create inter-sector coordination, raise broader social awareness, etc. However, targeting can be by design (e.g. women) and by default (e.g. agricultural training favouring men due to land ownership). It can lead to unintended outcomes (e.g. social exclusion strengthening identity politics) and it can lead to abuse (e.g. clientelism in politics). While many examples of targeting have been found through all four reports, the basis for targeting and the assessment of effects, intended and other, are not discussed. While not a criticism of the evaluations, it is an area of Danish development cooperation that requires further analysis and discussion, given the importance it has in influencing development outcomes.

### **Finding 5: Technical advisers have had a significant presence, but their placement, role, and impact need to be assessed**

The evaluations refer to several phases in the provision of Danish technical advisors in recipient countries. First, a strong presence of technical advisers attached to projects or programmes as a part of the Danish support. Next, in connection with a move into sector programme support, technical advisers were moved into national institutions, sometimes into advisory units with several advisers reflecting the components of a sector programme. Later, such units were merged or more often closed, reflecting the decision to adopt the Paris Principles. The evaluation reports do not draw any direct conclusions concerning the efficiency, acceptability, or sustainability of these forms of technical advisory support. Similarly, they do not discuss the various benefits of locating technical advisory capacity in Copenhagen headquarters, at the embassies, or both. Finally, the more recent trend towards out-sourcing the provision of such support to private consultancy companies is not addressed in the four evaluations. As with other findings, a focused study could provide important lessons for future partnerships.

### **Finding 6: Gender and human rights – the policies are strong, the practice less so**

The gap between policy and practice might well be a reflection of the gap between Danish priorities and those of the national governments and not just failings in programme design, monitoring and evaluation. The four evaluations present evidence of the successes achieved in promoting gender equality and human rights in all four country countries. They also indicate a degree of pragmatism on the part of Denmark, particularly with human rights, due to the need to focus on supply-side state building and to maintain a strong partnership with national governments. Both areas of intervention are presented in mainly descriptive terms, sometimes with little detail. Impacts tend to be presented straight from output indicators and consequences for inequality (single or intersecting) are not discussed. Similarly, there is little discussion of their importance across other programmes, Bolivia being the partial exception. The basis for activities being scaled-up, revised or closed are not addressed. As the scale of the challenges faced are considerable, particularly in countries in which gender equality and human rights have a poor track record, analysis as to what worked and what did not in these countries and elsewhere, would be of considerable use to future country programmes. It would be particularly so for conflict and fragile contexts.

### **Finding 7: Support to decentralisation has been effective in reaching poor and marginalized groups**

The provision of Danish development assistance to support decentralisation reforms and local government has been an important part of each country programme, including Vietnam (not analysed in the evaluation). Decentralization efforts, combining political and fiscal reforms, appear to have a particular potential to deliver crucial services, increase state capacity, as well as building trust and mutual accountability between local state and citizen groups.

The evaluations indicate that Danish support for decentralisation has ceased to be a high priority in the past decade. The evaluations document this shift indirectly and do not discuss the reasons that might lie behind it. Given the reported successes in the evaluations of Bolivia, Mozambique and Nepal,<sup>43</sup> the reasons behind the shift deserve to be revisited, not least as evidence from the four evaluations document that decentralisation facilitated state building, the management of conflict, the pursuit of both mitigation and adaptation in climate change, and the addressing intersecting inequalities. Its relevance for future partnerships involving fragile and post-conflict contexts should not be neglected.

### **Finding 8: The balance between private sector development and fostering commercial relations**

Danish private sector efforts in the four countries have balanced between laying the ground for a future mutually beneficial bilateral partnership and that of more specifically strengthening the partner country's private sector. There is a significant difference between these two paths, with different potentials for change. The evaluation reports do not provide any evidence that a focus on building commercial relations improves the quality and capacity of local private sector and this challenge appears more prominent in fragile countries. Experiences from the post-conflict countries studied show the difficulties of building business relations and of having Danish companies enter these relatively fragile markets.

Related to the importance of maintaining aid for local private sector development is how future commercial engagement seems to be built and strengthened through aid relationships. In several of the countries where exit strategies are built around future bilateral commercial partnerships, decades of aid form the foundation for a productive relationship. A strategy to build directly upon long-term development

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43 Decentralisation is not discussed in any detail in the Vietnam evaluation.

cooperation would make use of this window of opportunity and enable strong future partnerships of mutual benefit.

### **Finding 9: Denmark has been a strong advocate of international principles in ODA**

From the evaluations, it is clear that Denmark has been a strong advocate of aid effectiveness, having participated actively in donor coordination mechanisms in all four countries even when the coordination and harmonization agenda (budget support) was challenged. The evaluation reports do not address how harmonisation has been practiced or the division of labour with other bilateral and multilateral donors. It is also clear from the evaluations, particularly for Mozambique, that a focus on budget support might preserve a degree of political stability, but at the expense of other Danish priorities on poverty, democratization, human rights and corruption.

## **REFLECTIONS FOR FUTURE DANISH PARTNERSHIPS FOR DEVELOPMENT**

The following reflections are designed to promote discussion and debate and are in no order of priority. While they build upon the analysis and findings of the study, they are intended to look forward towards future Danish country programmes, development assistance and country partnerships.

### **Reflection 1: Reassess the Danish approach to knowledge management and monitoring and evaluation (M&E)**

A decision to move towards a more flexible and adaptive approach to programming and implementation necessitates a much more dynamic approach to and use of monitoring, evaluation and research. While traditional cycles of evaluation could continue to exist, there may be a need for M&E practices that focus on organizational learning with much shorter feedback loops and subsequent response from embassies (i.e. change in approaches and practices, whether across implementation, political dialogue etc.). A particular challenge remains how to move from individual to institutionalized knowledge learning and communication and to ensure the systemic use of knowledge in dialogues and decision-making involving headquarters, the embassies and those designing and implementing projects and programmes. As a minimum, this calls for a much stronger focus on monitoring and evaluation, and a greater connection between HQ (Eval) and embassies. It also requires that evaluations remain strongly focused on organizational learning and the institutionalization of lessons learned into ongoing and future activities. It would also be the basis for stronger policy-oriented research contributions from Danish-local institution research partnerships.

### **Reflection 2: Future (flexible) programming and implementation requires strong capacity at embassy-level**

Several of the lessons learned and suggestions brought out above indicate that embassies are at the centre of Danish development cooperation and their role requires greater consideration. This includes issues of capacity and competence, both individual and institutional,

of strong contextual knowledge and the need for room to manoeuvre such that they might pursue courses of action locally (i.e. an element of decentralisation). A more flexible and adaptive approach to planning, programming, implementation, monitoring and evaluation requires strong competence and capacity at embassies if they are to respond to and navigate socio-economic, political, or demographic changes while maintaining Danish priorities. It also requires a capacity at the headquarters to guide and support the embassies.

### **Reflection 3: There is a need to understand how targeting can be a stronger instrument in Danish development**

Targeting has been used as an instrument for development for many decades. While much has been written, often based on studies conducted over a number of years, its use in Danish development assistance has received relatively little attention. First, the use of social protection in many countries reveals a gap in the Danish knowledge base; second, the use of targeting in Danish development assistance provides important experiences from which lessons can be drawn; and third, specific types of targeting could prove important in conflict and fragile contexts and in the provision of both humanitarian and development assistance.

### **Reflection 4: A case for fewer and more focused interventions for maximum effect and leverage**

Future bilateral programmes in countries in conflict or newly post-conflict, should have a limited number of focused activities. These would be selected on the basis of a strong knowledge base (conflict mapping, drivers of conflict and development, political economy analysis). They could cover such areas as:

1. Approaching basic underlying causes of conflict: unequal access to political and socio-economic resources;
2. Approaching violent conflict and conflict escalation: mechanisms for conflict mediation, tribunals, independent monitors, institutional grievance mechanisms
3. Approaching climate mobility: working with local government to manage migration, food insecurity, and environmental investments to mitigate AND adapt to climate change

They would have core sets of indicators with which to monitor progress, with agreed minimum conditions to be maintained and future perfor-

mance measured. Programme revision and/or exit could be linked to these measurements.

### **Reflection 5: Still a strong case for Danish bilateral aid**

Many positive results are reported in the four evaluation reports and there is a strong case for keeping bilateral development assistance and not moving it increasingly into multilateral programmes. Denmark does have a comparative advantage in key areas such as decentralisation, governance, renewable energy, education, health, environment and climate change, and it can engage in partnerships in ways that multinational programmes cannot. Danish pilots can also become and/or inform multilateral programmes through important inputs into new programmes, tweaking existing programmes, testing new instruments, strengthening and standardizing approaches to M & E, etc. In conflict and fragile state contexts, such bilateral development assistance might have a greater flexibility, provide more rapid and better targeted support to meet critical short-term development needs, be a mid-station from humanitarian to long term development assistance, and serve as a precursor to larger multilateral programmes. In the context of private sector development and growing commercial relations, several of the evaluations note how a persistent and continuous bilateral relationship have laid the foundations for partnerships based on strong commercial collaboration.

### **Reflection 6: The future role of country evaluations**

The four country evaluations have been undertaken by different firms, using different analytical approaches and methodologies. They faced a range of challenges, not least in the selection of programmes to investigate, the availability and quality of data, and the different sets of stakeholders with their respective interests. While the evaluations provide an interesting historical account of the Danish development cooperation with the four countries, the scope of these evaluations is enormous, and the analyses quite general. Considerations regarding future development assistance were difficult.<sup>44</sup> Future evaluations could prioritize thematic areas rather than single countries. Importantly, evaluations should serve purposes beyond satisfying symbolic or bureaucratic procedures requiring evaluations at pre-set points in times (e.g. programme closure; shift in country strategy or priorities). Furthermore, how the knowledge gained through evaluations is used for internal

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44 It is noted that this study is an attempt to draw out some comparative lessons from the four evaluations.

learning and to advise future practices at both HQ and embassy-level, remains a major challenge.

### **Reflection 7: Towards persistent yet flexible country programming.**

The four evaluations do not contain reflections on the relevance of programming at country level. The study's findings do suggest that country programming continues to have a strong relevance by ensuring a long-term and persistent presence in partner countries. At the same time, it is clear that a more adaptive and flexible approach to country programming is required than that currently being practiced. At present, priorities and ambitions concerning the forms of social, economic and political change to pursue and how to do so, are defined at the outset and in theory, should be maintained over the course of several years. In practice, shifts in Denmark tend to make the cooperation much more 'dynamic'. More flexible and adaptive country programming could combine the persistence of long-term commitment to a partner country through a multi-year financial envelope, with a greater flexibility and agency on the part of the local Danish embassy, in consultation with Copenhagen, to decide on specific interventions designed to support the achievement of strategically defined objectives. They would also have the space to change approaches and focus over time as the context and conditions changed. Such an approach from Copenhagen and the local Danish embassy could enable a more nuanced acknowledgement of the non-linearity of change, but it would require a strong embassy-level capacity to implement such an approach to programming.

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# APPENDIX ONE TERMS OF REFERENCE

File no. 2018-3009

## **Danish cooperation with Nepal, Bolivia, Vietnam and Mozambique: An analysis across four country evaluations**

### **Terms of Reference**

#### ***Background***

Following the 2015-decision to phase out Danish bilateral assistance in Nepal, Bolivia and Mozambique, the Evaluation Department commissioned and carried out three country evaluations, documenting the results of the engagements in Nepal, Bolivia and Mozambique. The evaluations provide an account of a long-term engagement, assessing the strategies and approaches applied by Denmark as a donor to these partner countries.

In addition, an evaluation of the Danish engagement in Vietnam was published in 2017, analysing the changes and results achieved by the Danish-Vietnamese partnership. Vietnam has undergone rapid socio-economic development over the last decades and as a consequence of graduating to a middle-income country, Denmark decided to transform the relationship with Vietnam. Hence, the cooperation changed from one with a strong development focus to one that reflects the political and economic interests of both countries.

While all four evaluations assess the partnerships over an extended period, they do not provide exhaustive assessments of results achieved across all sectors and partnerships throughout the period. Rather, the evaluations focus on the overall approach and strategic choices made by Denmark in its cooperation with the four countries.

Despite the diversity in the political and economic contexts in the four countries evaluated, the evaluations draw a number of parallel conclusions about key characteristics of Denmark as a development partner and point to a number of general issues related to these engagements. In a forward-looking perspective of designing new country programmes, and in a context where the nature of ODA is shifting towards new partnerships and stronger engagement in fragile contexts, identifying

and assessing the main factors that drive partnerships and development results is important for drawing out lessons learned. Some, but not necessarily all of the issues involved are outlined below.

The four evaluations document and highlight Denmark as a predictable and flexible donor, showing how Denmark has been engaged in long-term partnerships, providing a solid foundation for building trust and a thorough understanding of the dynamics of the political context in partner countries.

Related to the flexibility that Denmark has demonstrated, the evaluations document a strong commitment to the aid effectiveness agenda and show how Denmark has applied the principles of the Paris agenda consistently. The evaluations demonstrate how Denmark has been a strong advocate of the aid effectiveness agenda and participated actively in donor coordination mechanisms, even when the coordination and harmonization agenda was challenged. However, the evaluations also point to possible unintended consequences of supporting a harmonization agenda in countries where democracies have not been consolidated and where state-centrist governance models prevail. The evaluations point to the flip-side of this perseverance and predictability in contexts where democracies have not been consolidated, which is the recent recognition of the need to support accountability and separation of powers, e.g. through support to civil society, media and private sector.

The evaluations account for Danish willingness to take risks and support low-profile interventions, thereby providing catalytic effects in specific sectors or intervention areas. However, selection of sectors and engagements has been challenged by the different political economies guiding decisions in partner countries vis-à-vis Copenhagen. The evaluations describe how the decentralization of the management of development cooperation from Copenhagen to the Danish representations have impacted decisions and challenged alignment ambitions.

Cross-cutting issues and the challenges of implementing these into programmes is a central feature in the four evaluations. While Denmark seems committed and consistent in the planning phase, evaluations show a lack of documentation as to the implementation of these cross-cutting issues.

As an additional, although not central feature, the two evaluations of the partnerships with Nepal and Mozambique attempt to throw light on Denmark's performance as a partner from the perspective of a conflict-affected country. The evaluations consider how Denmark has addressed the transition from conflict to stability and peace through a state-building approach. While the approach and the results of state-building are commended in the reports, criticism is also raised about Denmark's (lack of) attention to reconciliation processes. With an increased focus

on fragile states in the Danish development assistance portfolio, an analysis of the Danish engagement from a post-conflict perspective is also useful.

While the above-mentioned issues are central to the evaluations, they are by no means exhaustive of the general issues that the evaluations raise. They do however represent issues of relevance to the design of Danish development assistance in the future.

***Purpose of the study***

In an effort to analyse the main issues emerging from the four evaluations, and contribute to the discussion in the Ministry of Foreign Affairs as well as with other interested stakeholders, the Evaluation Department is commissioning an evaluation study.

The study has a dual purpose: first to provide a qualified analysis of the main issues emanating from the four country evaluations to stimulate discussion in the Ministry of Foreign Affairs and outside on what works in which contexts and under what circumstances. Secondly, the study will draw upon this analysis to provide a set of lessons learned to inform the development of future country programming in the future.

The analysis should cover the main conclusions of the four evaluations and discuss the emerging issues from a forward-looking perspective.

***Methodology and scope***

The study will be a desk review of the four evaluations, possibly supplemented with a few interviews with key evaluation stakeholders (e.g. evaluation team leaders, MFA staff). The issues outlined in these ToRs presents initial topics which have been discussed in the evaluation processes as well as with key stakeholders in the Ministry, but do not constitute an exhaustive list of issues to be considered in the study. The study team will review the four evaluations and identify main issues of relevance for Danish development assistance, drawing on the evaluations as well as on existing knowledge of country contexts and Danish development cooperation in general. As such, the study should contain not only an analysis of the evaluation findings, but also seek to identify some of the underlying factors driving these issues.

***Composition of the team***

The study will be conducted by three independent researchers with knowledge of Danish engagements in the four partner countries. The team is composed of Neil Webster, Senior Researcher at Danish Institute for International Studies (DIIS), Lars Buur, Associate Professor at University of Roskilde and Ole Winckler Andersen, Senior Analyst at DIIS. In undertaking the analysis, the team may draw upon other researchers including Adam Moe Fejerskov.

## APPENDIX ONE TERMS OF REFERENCE

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### *Outputs, reporting and time schedule*

The study team will undertake an initial review of the evaluation reports and present to EVAL a brief inception note outlining methodology and key dimensions of the study. Upon agreement of scope, methodology and focus, a report not exceeding 30 pages will be submitted to the MFA for its comment no later than March 2, 2018. A final report will be submitted by March 23, 2018. It is envisaged that the study will be published as an Evaluation Study.

### **TENTATIVE TIMELINE**

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30 January 2018	Submission of inception note Team
31 January 2018	Discussion of inception note EVAL, team
20 February	Mid-term meeting: discussion of preliminary findings and outline of report
2 March	Submission of draft report
7 March	Discussion of and feedback to draft report
23 March	Submission of final report

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# **EVALUATION STUDY DANISH DEVELOPMENT COOPERATION WITH BOLIVIA, MOZAMBIQUE, NEPAL AND VIETNAM**

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