**Why Technical Cooperation is Important**

Technical cooperation is seen as an important way of helping to build up country capability to lead and manage its own development agenda for economic growth and poverty reduction.

Technical cooperation commitments by OECD countries in 2006 amounted to US$ 24 billion globally, constituting around one third of aid to the Government sector. Using it effectively is therefore critical if national development policy implementation is to be speeded up.

A number of previous studies strongly suggest that technical cooperation is not being used as effectively as it might be. For example, the Paris Declaration 2006 Monitoring Survey concludes that countries need to exercise more leadership in defining the role and outcomes of technical cooperation.

Therefore, the objective of this Joint Study is to attempt to fill some of these knowledge gaps about how to make technical cooperation work better.

**What is different about this Joint Study?**

The overall strategy has been to facilitate a country-led approach to assembling concrete evidence on countries' own experiences, focusing on:

- Examining the contribution of technical cooperation for capacity development from a wider perspective.
- Systematic surveys of examples of success factors and conditions.
- Systematic surveys of countries' views, experiences and reflections.
- Identifying measures for greater technical cooperation effectiveness.

The eleven participating countries from Asia and Africa selected themselves. The country studies were led by country management teams and study groups consisting of high level Government, development partner and civil society representatives. These teams coordinated analytical work and wide ranging focus group discussions with key informants. In this way, country reports are strongly grounded in country realities and experiences.

The overall study methodology consisted of:

- Analysis of the national policy and operational environment.
- Analysis of sector/thematic policy and operational environments.
- Design of technical cooperation good practice analytical framework.
- Country selected good practice case study analysis.

The basic intention of the study has been to identify potential success conditions (benchmarking criteria) and to confirm that six key features given below will enhance the effectiveness of technical cooperation for capacity development:

- Country-led planning.
- Flexible and responsive design
- Embedding within an organizational change process
- Country-led management
- Complementarity with other forms of support
- Embedding within an organizational learning process

A comprehensive body of evidence has been assembled and analyzed by the Joint Study, including eleven 11 country case study reports, incorporating 65 examples of country selected good practice, and a synthesis report.

The Joint Study has been organized through a Steering Committee and Management Committee consisting of representatives from participating countries, including: Cambodia, Ghana, Kenya, Lao PDR, Malawi, Malaysia, Pakistan, Tanzania, Thailand, Vietnam and Zambia, and development partners from the ADB, BMZ/GTZ, DfID, Japan, UNDP and World Bank.
What this study has found out: Some essences of study findings

The study has revealed that countries are making significant progress in putting in place the enabling conditions within the overall national policy environment for technical cooperation. High level understanding of the importance of technical cooperation, interest in ensuring its effectiveness and knowledge of good practice is growing. Nevertheless, country reports acknowledge that formulation of national level policies and strategies for technical cooperation and capacity development and building capacity to implement these strategies needs to be progressed quickly.

Similar broad conclusions apply at the sector level. Well defined sector strategies and use of sector wide approaches are now prevalent in most countries. On the other hand, capacity development strategies and the positioning of technical cooperation remain uneven across the study countries. Country reports accord the highest priority to strengthening sector organizational capacity at central and local levels to formulate, manage and implement technical cooperation and capacity development priorities. There is a strong sense in country reports that development partners need to do more in helping to put these capacities in place.

In encouraging partner countries and donor partners to translate the study findings into practice, the study has tried to outline some possible country-led actions for improving technical cooperation and related capacity development outputs, outcomes and impact. In the report, a number of specific recommendations are proposed at national, sector and operational levels to put the necessary success conditions (benchmarks) in place. It is hoped that all involved stakeholders and interested parties will participate in continuing discussions in coming years on how to take advantage of the results of this joint study.

How this brochure is organized

This brochure tries to give readers key messages from the main synthesis report in a summarized fashion. (See the Table of Contents below) In this brochure, findings and recommendations for actions are presented in eight sub-sections starting with policy and operational environment for both national and sector/thematic levels. They are then followed by six sub-sections for each of six key features, which are critical in ensuring the effectiveness of technical cooperation for capacity development.

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The main conclusion identified from the Joint Study is that technical cooperation is more likely to be effective when:

- Technical cooperation is integrated into a country-led and well defined national capacity development strategy as part of a broader country development policy agenda.
- There is a well defined national level organizational mandate and responsibilities for implementing capacity development strategy and technical cooperation.
- There is high level commitment and understanding of the importance of technical cooperation for implementing country capacity development programs.

Overall, significant progress is being made at the country level to put these conditions in place but countries and development partners need to do more to accelerate the process.

Enabling Country-led Approaches

A broad conclusion is that, through the growing number of joint country and development partner working groups for capacity development, more needs to be done to nurture and promote country ownership. Where appropriate, this needs to include nurturing latent country capacity and recognizing the potential of south-south and north-south-south cooperation.

A number of issues are identified to further strengthen the national environment, including:

- Put in place well articulated policy frameworks and operational guidelines for technical cooperation with clear organizational mandates for implementing and monitoring these policies.
- Strengthen country capacity to formulate its own national level capacity development and technical cooperation strategies.
- Strengthen country knowledge and information systems on technical cooperation and capacity development, drawing on the growing body of knowledge of international and country level good practice.
- Raise the awareness of senior Government officials and political groupings (e.g. parliamentary select committees) about the importance of technical cooperation.

The growing activity of joint technical working groups on capacity development and technical cooperation issues provides a strong foundation for addressing enabling and impeding factors.

Key Recommendations for Action

In some countries, many of these enabling factors are in place, in others less so. The broad recommendations from the Joint Study are:

- Initiate greater coordinated and cooperative efforts between countries and development partners to formulate and promote a regional and cross-regional technical cooperation policy agenda.
- Design and implement cross-regional, regional and national capacity development/technical cooperation knowledge management, awareness raising and advocacy action plans, drawing on growing country/development partner experiences and good practice.
- Strengthen country capacity to conduct capacity development assessments, formulate country level capacity development strategies, roadmaps and targets and technical cooperation policies, priorities and related operational guidelines.
- Strengthen country capacity to design and implement technical cooperation classification systems though government information systems with linkage to national reform priorities.
- Introduce greater devolution of authority to and strengthening of development partner country capacity to engage in capacity development/technical cooperation strategy and programming.

It is anticipated that national level country working groups will select the most appropriate ones based on their own assessment of priorities.
Case Study Highlights: Country Partnership Groups Helping to Align Capacity Development/Technical Cooperation Priorities with National Development Plans

In 2002, partnership roles were clarified and refined in the Tanzania Assistance Strategy and again in 2006 in its successor, the Joint Assistance Strategy for Tanzania (JAST), which provides a five year framework that guides the management of development cooperation. A results-based Joint Program Document (JPD) is essentially a development partners’ response to National Strategy for Growth and Reduction of Poverty and the JAST. Annual joint reviews and an Independent Monitoring Group help secure mutual accountability aided by JAST’s performance assessment and monitoring framework.

The Hanoi Core Statement was formulated by Government of Vietnam within weeks of the Paris Declaration. Organizational arrangements for coordinating thematic policy harmonization have been established under the Ministry of Planning and Investment (MPI) through the Partnership Group for Aid Effectiveness (PGAE). These thematic groups focus on harmonizing operational procedures related to program design and appraisal, with a growing focus on cross-cutting capacity development strategies. Donors have committed themselves to aligning their support with the Socio-Economic Development Plan (SEDP) 2006-10 targets.

Study Spotlight: Changing Patterns of ODA Constitute an Opportunity

Traditionally, technical cooperation has been seen as the main instrument of enabling country capacity development, primarily through knowledge, skills and technology transfer.

The pattern of ODA is changing. Although the volume of technical cooperation is increasing or remaining constant in many study countries, its share is declining. This is due to increased volumes of project and program aid (see Chart).

This presents an opportunity to accelerate country capacity development strategy implementation. The challenges are to strengthen country capacity to absorb these increased aid volumes and define the comparative advantage of different aid modalities in helping to achieve different kinds of development outputs/outcomes and results.

Study Spotlight: Focusing on Broader Outcomes of Technical Cooperation

Country reports provide examples of the chain of results from technical cooperation to short-term capacity development outputs and longer-term outcomes (see below).

Early formulation of operational capacity development roadmaps, including identifying different forms of technical cooperation to achieve different outputs and outcomes, helps to ensure that these results chains are incorporated into design of technical cooperation programs.

Technical Cooperation and Capacity Development Results Chain: Ghana Public Financial Management

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Outputs</th>
<th>Outcomes</th>
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<tbody>
<tr>
<td>International and regional consultants, local and overseas training and limited equipment supplies</td>
<td>Tax/revenue legal and regulatory framework; improved compliance capacity, more trained staff and better PFM MIS at center/local level</td>
<td>Improved tax collection rates and Parliamentary oversight of pro-poor national budget allocations and disbursements; reduced need for ODA loans</td>
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![Technical Cooperation: Global Commitment Trends Chart](chart.png)
Optimizing the Sector/Thematic Level Environment for Technical Cooperation for CD

The main conclusion identified from the Joint Study is that technical cooperation is more likely to be effective when:

- Technical cooperation is integrated within a sector strategy and a country-led sector wide approach and/or program based approach.
- Technical cooperation priorities are informed by a comprehensive and phased capacity development strategy and plan.
- Technical cooperation is embedded within capacity development operational roadmaps, designed and managed by country teams.
- Technical cooperation is complemented by other forms of complementary support with sector organizational capacity to coordinate.

Overall, substantial progress has been made by most countries in fulfilling these conditions, although capacity development roadmaps are still in their infancy.

Another important message is the importance of development partners maintaining a long-term perspective on technical cooperation and capacity development, given its complexity.

Key Recommendations for Action

In some countries, many of these enabling factors are in place, in others less so. The broad recommendations from the Joint Study are:

- Develop methodologies and tools for joint sector capacity assessments, incorporating staff development programs for country and donor staff in their use.
- Develop principles and guidelines for the formulation of partnership principles for technical cooperation and capacity development, within a SWAp/PBA, incorporating transparent assessment of country development partner and technical cooperation modalities comparative advantages.
- Develop country level guidelines for joint government/development partner surveys of client satisfaction with services and organizational change advocacy strategies and mechanisms, incorporating well-defined country and development partner roles and responsibilities.

It is anticipated that national level country working groups will select the most appropriate ones based on their own assessment of priorities.

Building up Sector Organizational Capacity for Technical Cooperation Planning and Management

A broad conclusion is that, although countries and development partners sector working groups are increasingly active, measures to strengthen sector organizational capacity to lead and manage technical cooperation is a priority.

A number of issues are identified to further strengthen the sector/thematic environment, including:

- Conducting country-led sector organizational capacity assessments, at multi-levels, to help guide capacity development plans and technical cooperation priorities.
- Formulating criteria for use by sector managers in decisions over which forms of technical cooperation can best meet different kinds of capacity development outputs and outcomes.
- Country managers and development partners working together to ensure that technical cooperation and other forms of support are complementary and potential donor divisions of labor are clearly defined.

Another important message echoed in many country reports is that the potential advantages of harmonized approaches to technical cooperation are welcomed (e.g. pooled funding). However, countries highlighted that any harmonization should not be at cost to maintaining variety of forms of technical cooperation.
Case Study Highlights: Organizational Learning and Capacity Assessment, Kenya Education and Zambia Water Sectors

Over the last ten years in Kenya, the education sector has benefited from an extensive range of capacity development projects, focusing on district and school management development and science and mathematics education. Regular project performance reviews, many originating in the mid-90’s have informed sector capacity development/technical cooperation strategy. For the education sector, a

Government white paper in 2005 led to a sector strategic plan and the Kenya Education Sector Support Programme (KESSP). Lessons learned on technical cooperation for capacity development from existing bilateral projects are informing future capacity development strategy and improving technical cooperation management capacity, incorporating annual joint reviews.

In Zambia, rural water sector policy is implemented through the National Rural Water Supply and Sanitation Programme (NRWSSP). Over many years, government, with technical cooperation support, has implemented a wide range of activities at local government and community levels. Much of the information on technical cooperation effectiveness and programme implementation needed to be systemized as part of organizational learning. In 2003, government established a Rural Water Supply and Sanitation Unit (RWSSU), which alongside a University of Zambia research centre, plays a key role in using lessons learned to inform future technical cooperation priorities for capacity development.

Study Spotlight: Country Benchmarks on Sector Strategy, SWAps, and CD/TC Frameworks

Country reports assess the status of sector strategy and the extent to which capacity development and technical cooperation strategies and roadmaps are incorporated. As shown in the Table below, sector strategies are well developed, but operational approaches to capacity development and technical cooperation less so in many sectors studied.

<table>
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<tr>
<th>Sector Strategy</th>
<th>SWAp</th>
<th>Sector CD Assessment</th>
<th>CD Priorities</th>
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<td>Cambodia Health</td>
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<td>Kenya Education</td>
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<td>Lao PIP</td>
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<td>Malawi Education</td>
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<td>Malawi Health</td>
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<td>Zambia Water/Sanitation</td>
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- Extensive
- Significant
- Limited
- Beginning

Study Spotlight: South-South Cooperation, The Thailand and Malaysia Perspective

These two country reports focus on the country learning during transition from ODA recipient to development partner in providing bilateral technical cooperation. Use of study tours and institutional twinning feature strongly in these programs (see Photo).

Malaysia South-South Cooperation: Integrated Agricultural Development in Malawi
The main conclusion is that country-led planning can make technical cooperation more effective, especially if enabled by the following conditions:

- A strong demand for organization capacity improvement to implement a set of pressing and identified priorities.
- A well defined source of country leadership with the necessary organizational authority.
- Clearly sequenced capacity development results and aligned technical cooperation.
- Well-defined organizational and management mandates at multi-levels, increasingly at local and community levels.
- Agreed partnership principles for technical cooperation planning, consistent with country planning cycles.

Another finding is that selective technical cooperation can help catalyze putting these success conditions/benchmarks in place.

A related conclusion is that multi-level technical cooperation programs need to be carefully synchronized in order to minimize potential difficulties of donors supporting different levels of the organization (e.g. centre, district, community).

Key Recommendations for Action

In some countries, many of these enabling factors are in place, in others less so. The broad recommendations from the Joint Study are:

- Provide sector planners with the tools and skills to formulate long-term sector capacity development strategies and technical cooperation priorities.
- Formulate sector level partnership principles for capacity development/technical cooperation planning/ implementation, incorporating transparency over the efficacy of different technical cooperation aid modalities and individual donor comparative advantage.

It is anticipated that national level country working groups will select the most appropriate ones based on their own assessment of priorities.

"Capacity development inputs are usually most directly targeted at individuals … but results are sought in terms of organizational development and performance."

Pakistan Country Report
Case Study Highlights: Examples of Country Led-Planning

**Orangi Water and Sanitation Project, Pakistan.** The project originated from a pilot project in 1980 to serve the needs of the Karachi urban poor. Local expertise, no foreign technical assistance, has helped stimulate beneficiary demands and strengthen community capacity to apply low cost water and sanitation technologies. A key factor in the success of the project has been to nurture latent community capacity, facilitated by local staff. Another feature has been the high attention accorded to extensive interaction between Government and beneficiary communities at the planning stage so that capacity development for service delivery at the grass roots level is fully consistent with local perspectives and capacity realities.

**Rural Water Supply and Sanitation Unit, Zambia.** The project originated from concerns over the capacity of the Ministry of Local Government and Housing to implement an agreed reform process. Initially the Ministry received technical cooperation to strengthen its own operations. Subsequently, it was recognized that a specific organizational location; a rural water supply and sanitation unit within the Ministry, was necessary to coordinate planning and management of water sector support programs. Further technical cooperation has helped develop common planning tools and unit personnel are now engaged as managers of water sector reform program components. The existence of a widely supported policy environment has been critical in sustaining organizational capacity improvement. Community participation in the design and implementation of safe water and sanitation projects is a key feature (see Photo).

Study Spotlight: Assessing Conditions that Help to Make Technical Cooperation Effective

Country reports incorporate countries views on what factors enable or impede effective use of technical cooperation. In the case of the education and health sectors (Malawi) and Planning and Investment Ministry (Lao PDR), specific perception surveys were undertaken (see Chart below). These suggest that building up country capacity to undertake its own capacity assessments is a priority. There was also a perception that technical cooperation could be better aligned than it is with country priorities.

There is also a view that ensuring measures to address staff attrition and potential staff substitution issues as part of technical cooperation planning is important, especially in Malawi where attrition of doctors and nurses is high.

**Sector Level Success Conditions for TC Effectiveness (% of Respondents that Strongly Agree/Agree)**

- TC effective with beneficiary monitoring
- TC more effective with complementary support
- TC undermined by trained staff attrition
- TC effective under government procurement
- Local/regional consultants more effective
- Pooled TC better than single donor TC
- Long Term TA more effective than short term
- TC brings risks of local staff job substitution
- TC design meet country priorities
- Capabilities exist to prepare CD plans

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Malawi Education & Health  
Lao PDR PIP
The main conclusion is that flexible and responsive designs can make technical cooperation more effective, especially if enabled by the following conditions:

- Long and medium term time horizons for capacity development roadmaps, based on shared understanding of organizational development priorities.
- Sector managers’ commitment and capacity to monitor capacity development and technical cooperation activities and propose adjustments.
- Development partner willingness to delegate technical cooperation decision making to sector managers.
- Willingness to adjust technical cooperation modalities and activities on the basis of joint monitoring/evaluation exercises, especially on the part of the donor country offices.

Country initiated organizational assessments are an important entry point to ensuring a shared understanding between countries and development partners of the need for flexibility and responsiveness.

Common Features of Good Practice Examples

The good practice examples demonstrate a number of common features, incorporating:

- Joint country/development partner performance reviews of technical cooperation, including set milestones when they will take place, can help to raise awareness of the need for flexibility.
- Building measurable and time lined capacity development outputs and outcomes needs to be part of any performance review and design change.
- Flexibility can be addressed in a number of ways, either at the initial design stage or as part of a more iterative review and forward planning process.
- Extensive consultation with beneficiaries, including information and advocacy campaigns on technical cooperation can help define the boundaries of changes to design and when.
- For training programs, obtaining regular feedback from trainees is vital in order to inform any changes in staff development priorities.

Without a long-term engagement it is not always easy for development partners to be sufficiently sensitive to often subtle changes in organizational capacity priorities.

Key Recommendations for Action

In some countries, many of these enabling factors are in place, in others less so. The broad recommendations from the Joint Study are:

- Enhance country capacity to use sector organizational performance assessment tools, incorporating sequencing of critical capacities and mapping of technical cooperation priorities and modalities.
- Develop tools for formulating capacity development results chains related to technical cooperation support, incorporating well-defined milestones for technical cooperation performance review and adjustment.
- Formulate tools and operational guidelines for effective joint country/donor monitoring and evaluation of capacity development outputs/outcomes and technical cooperation inputs.

It is anticipated that national level country working groups will select the most appropriate ones based on their own assessment of priorities.
Case Study Highlights: Examples of Flexible and Responsive Design

**Thailand South-South Cooperation for Agriculture Small Enterprises in Timor Leste.** The project was initiated by a visit from the Ministry of Agriculture and Fisheries to Thailand in 2007 to conduct a survey on the one village, one product (OVOP) practices. The mission observed specific OVOP practices in agriculture, alongside gaining an understanding of its history, management, marketing and technical support. On return to Dilli, the Minister chaired a seminar for over a hundred participants from the private sector, Government and community groups. The result was formulation of a flexible and responsive proposal for SSC support, recognizing the need for implementation to be responsive to local capacity and evolving needs in a post conflict environment.

**The Kafue District Rural Water Supply and Sanitation Program, Zambia.** A key feature is that all technical cooperation and complementary support are guided by the district development plan which is constantly reviewed in response to perceived changes in priorities. 17 area development committees have been setup as part of awareness raising and demand for water facilities and as a result, the number of grant applications has increased significantly in response to these demands. A key success condition is the long process of consultation between Government and donors on a flexible design which included wide consultation with local leaders and incorporating their views in the design.

**Study Spotlight: Adjusting Technical Cooperation Approaches on the Basis of Regular Performance Reviews**

Country reports highlight the importance of regularly reviewing how well technical cooperation is progressing and adjusting approaches accordingly. For example, the Christian Health Association of Malawi exchange program was originally designed to use international consultants.

After a review, it was concluded that South-South cooperation, using expertise from Kenya and Zambia, might be more appropriate since aspects of North-South knowledge, skills transfer and understanding of the Malawian situation were less relevant.

Subsequently, the beneficiary organization concluded that the experiences from this arrangement were more relevant and meaningful. Other country reports suggest that a mix of North-South and South-South approaches to providing technical cooperation is becoming more prevalent.

**Adopting a Long-Term Perspective to CD for Public Investment Planning, Lao PDR**

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<th>Inputs</th>
<th>Outputs</th>
<th>Outcomes</th>
<th>Impact</th>
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<tbody>
<tr>
<td>International and local consultants, local training at central and provincial levels</td>
<td>Revised PIP regulatory framework, organizational mandate, structure and staff job descriptions; improved PIP MIS and trained staff; availability of local training programs</td>
<td>Increased central and provincial capacity for PIP planning and pro-poor ODA expenditure allocations and monitoring</td>
<td>Improved NPRS indicators and MDGs; better information to policy makers and House of Assembly members</td>
</tr>
</tbody>
</table>

**Study Spotlight: Focusing on Longer-Term Results of Technical Cooperation**

Country reports highlight the importance of incorporating anticipated development results, not just short-term outputs, into the design of technical cooperation. The formulation of the program of support for strengthening public investment planning in Lao PDR (see Photo) is one such example. Early results (see Table) suggest that this support is beginning to positively influence broader national development planning and monitoring processes.