

# **Evaluation of Norwegian Development Co-operation in the Fisheries Sector**

**Evaluation Report 6/2008  
Final**



**Norad**

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# **Evaluation of Norwegian Development Co-operation in the Fisheries Sector**

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**Submitted by:  
MRAG in association with  
ECON Pöyry and Natural Resources Institute**



## Preface

When Norwegian development aid was initiated more than fifty years ago fisheries were an obvious sector choice. Being a country of fishermen – at least as far as our lengthy coast is concerned - should place us in an ideal position to assist poor countries in Asia and Africa to develop and modernise their fish industry. After thirty years the results did not look so good, and the fishery sector certainly had its share of “white elephants” so often referred to in the development debate in the eighties. Our development minister could in 1988 “in no way defend ... the totally failed” Mbegani fishery project in Tanzania. And the “desert cathedral” in Turkana in northern Kenya, the plant for frozen fish that never opened, has been a welcome object for ridicule from aid sceptics ever since.

Much has changed since those days. Fishery has remained an important area in Norwegian development cooperation, although one may say that 1,5 billion kroner over 20 years constitutes a rather modest share of the total Norwegian aid budget. This evaluation report explains why. Most resources have been put into key thematic areas; policy development; research, training and education - areas that are not particularly capital intensive – in addition to some investments in private sector development.

The report makes an updated contribution to the development debate by assessing the outcomes and impacts of Norwegian assistance in these areas, and presents evidence from desk studies supplemented by three country case studies – Mozambique, Vietnam, and Nicaragua.

The overall conclusion in the report is a positive one. Norwegian assistance in the fisheries sector has played an important role in supporting fisheries development in partner countries. The cooperation has made use of Norwegian expertise in fisheries management and resulted in strengthening the management capability at the central levels in the partner countries. Long-term expert advisors placed within institutions have also contributed to capacity development. Positive impacts on institutions were found in Namibia, Tanzania and Vietnam.

Once again Norwegian cooperation is commended for its flexibility and responsiveness, and Norwegian bilateral support is considered by many involved in the sector to be one of the best development programmes in fisheries.

However, some of the “usual suspects” of concerns in Norwegian development practice are again popping up. Where are the poor? Most impacts have been felt at national level, and impact is less evident at regional and local level. Poverty alleviation is difficult to determine, although some trickle down effects in terms of job creation can be registered from private sector development projects. Some of the training has benefited individuals more than institutions. Institutional twinning has meant that areas of support could have been determined more by what Norway has to offer than by the needs of the partner countries. And finally, critical issues still to be addressed include governance, gender issues, and biological sustainability of the fisheries.

Worth noting, however, is that the support to private sector projects has been effective. Companies supported by Norad has demonstrated good profitability and financial sustainability. Norfund – whose task is to invest risk capital - has made losses in the fishery sector, but intriguingly, the wider development impacts of those investments have been positive.

The report argues for a continuation of Norwegian development cooperation in the fisheries sector, and contains a number of recommendations. I will only mention a few: There is a need to highlight policy implementation at local and regional levels, not to shy away from influencing agendas, and to focus on results. Further, there is a need to re-examine the balance between use of Norwegian expertise and poverty alleviation.

We are confident that this report forms a good basis for continued debate to improve our efforts in the fishery sector.

Oslo, January 2009

A handwritten signature in black ink, appearing to be 'Asbjørn Eidhammer', written in a cursive style.

Asbjørn Eidhammer

Director of Evaluation

# Contents

<b>Preface</b>	5
<b>List of Acronyms</b>	9
<b>Executive Summary</b>	13
<b>1 Introduction</b>	17
1.1 Background to the Evaluation	17
1.2 Process and Approach	18
1.3 Fisheries Development Co-operation	19
1.3.1 Issues	19
1.3.2 Trends	21
1.4 Norwegian Development Co-operation and the Fisheries Sector	21
1.4.1 Institutional framework	21
1.4.2 Development priorities	22
1.4.3 Co-operation in fisheries	24
<b>2 Methodology and Analytical Framework</b>	26
2.1 Initial Consultation with Norad	26
2.2 Archive and Desk Study Analysis	26
2.2.1 Development projects	26
2.2.2 Private sector projects	26
2.3 Case Studies	26
2.3.1 Choice of countries	26
2.3.2 Field work – analytical approach	27
2.4 Analytical Framework	27
<b>3 Norwegian Support to the Fisheries Sector</b>	29
3.1 Financial Data and Analysis	29
3.2 Previous Evaluations of Norwegian Co-operation	31
3.2.1 Kenya — Lake Turkana fisheries development projects	31
3.2.2 Tanzania – Evaluation of Mbegani fisheries development project	32
3.2.3 Namibia — Results and impact review of Namibian/Norwegian co-operation in the fisheries and maritime sectors	34
3.2.4 Vietnam — the internal mid-term review of the Vietnam fisheries law and regulations project – Phase II	35
3.2.5 Conclusions	36
<b>4 Performance of Norwegian Assistance Across Countries</b>	37
4.1 Mozambique	37
4.1.1 Context	37
4.1.2 Development support to the fisheries sector	39
4.1.3 Project and programme impact analysis	41
4.2 Nicaragua	48
4.2.1 Context	48
4.2.2 Development support to the fisheries sector	50
4.2.3 Project and programme impact analysis	52
4.3 Vietnam	56
4.3.1 Context	56
4.3.2 Development support to the fisheries sector	57
4.3.3 Project and programme impact analysis	59
4.4 Conclusions from country analysis	64
<b>5 Evaluation of Norwegian Support by Thematic Area</b>	65
5.1 Policy Development	65
5.1.1 Strategy and projects	65
5.1.2 Impact analysis	65
5.1.3 Conclusion	65

5.2	Training, Research and Education	66
5.2.1	Strategy and projects	66
5.2.2	Impact analysis	67
5.2.3	Conclusion	69
5.3	Private Sector Development	69
5.3.1	Norad's strategy and projects	69
5.3.2	Norfund's strategy and projects	70
5.3.3	Impact analysis	70
5.3.4	Conclusion	74
<b>6</b>	<b>Conclusions and Recommendations</b>	<b>75</b>
6.1	Conclusions against Evaluation Criteria	75
6.1.1	Relevance	75
6.1.2	Efficiency	75
6.1.3	Effectiveness	76
6.1.4	Institutional strengthening	76
6.1.5	Sustainability	76
6.1.6	Additionality	77
6.2	Theme-specific Conclusions	77
6.2.1	Support to policy development	77
6.2.2	Support to research, training and capacity building	77
6.2.3	Support to the private sector	77
6.3	Operational Aspects	77
6.3.1	Financial and management information systems	77
6.3.2	Human resources	78
6.3.3	Programme and project indicators	78
6.4	Recommendations	78
6.4.1	General recommendations	78
6.4.2	Aspects for discussion	79
6.4.3	Operational aspects	80
<b>7</b>	<b>References</b>	<b>81</b>
	<b>Annex I – Terms of Reference</b>	<b>83</b>
	<b>Annex II – Breakdown of Norwegian Fisheries Development Assistance</b>	<b>89</b>
	<b>Annex III – Synthesis of Findings of the Norad Fisheries Evaluation</b>	<b>92</b>
	<b>Annex IV – Private Sector Development Projects</b>	<b>96</b>
	<b>Annex V – Examples of Ex-ante and Ex-post Project and Programme indicators for the Fisheries Sector</b>	<b>98</b>

Annexes A-J are available at [norad.no](http://norad.no)

## List of Acronyms

<b>Acronym</b>	<b>Full Title</b>
AfDB	African Development Bank
BADEA	Arab Bank for Economic Development in Africa
BENEFIT	<i>Benguela</i> -Environment-Fisheries-Interaction and Training Program (Namibia)
CDCF	Centre for Development Co-operation in Fisheries
CIA	Central Intelligence Agency (United States)
CLP	Constitutional Liberal Party (Nicaragua)
CMI	Christian Michelsen Institute (Norway)
CSR	Corporate Social Responsibility
DAC	Development Advisory Committee
DANIDA	Danish National Development Agency
DMA	Directorate of Maritime Affairs (Namibia)
DNAP	<i>Direcção Nacional de Administração Pesqueira</i> (National Directorate of Fisheries Administration) (Mozambique)
DNP	<i>Direcção Nacional das Pescas</i> (National Directorate of Fisheries) (Mozambique)
EP	<i>Escola de Pesca</i> (Fisheries School) (Mozambique)
EU	European Union
FAO	Food and Agriculture Organisation of the United Nations
FDI	Foreign direct investment
FFP	<i>Fundo de Fomento Pesqueiro</i> (Fisheries Development Fund) (Mozambique)
FNP	Fridtjof Nansen Programme (Norway)
FSPS	Fisheries Sector Programme Support (Vietnam)
GAP	Good Aquaculture Practice
GDP	Gross Domestic Product
GoV	Government of Vietnam
ICEIDA	Icelandic International Development Agency
IDB	Islamic Development Bank
IDPPE	<i>Instituto Nacional de Desenvolvimento da Pesca de Pequena Escala</i> (National Institute for Small Scale Fisheries Development) (Mozambique)

IFAD	International Fund for Agricultural Development
IFM	Institute of Fisheries Management (Denmark)
AIFU	<i>Industrialiseringsfonden for Udviklingslandene</i> (Industrialisation Fund for Developing Countries) (Denmark)
IIP	<i>Instituto Nacional de InvestigaçãO Pesqueira</i> (Fisheries Research Institute) (Mozambique)
IMR	Institute of Marine Research (Norway)
INPESCA	<i>Instituto Nacional de la Pesca</i> (National Fisheries Institute) (Nicaragua)
IØ	Investment Fund for Central and Eastern Europe
IRR	Internal Rate of Return
IT	Information technology
IUU	Illegal, Unreported and Unregulated (fishing)
LME	Large Marine Ecosystem
MARD	Ministry of Agriculture and Rural Development (Vietnam)
MARENA	<i>Ministerio del Ambiente y los Recursos Naturales</i> (Ministry of Environment and Natural Resources) (Nicaragua)
MBI	Management Buy In
MBO	Management Buy Out
MDGs	Millennium Development Goals
MER	Ministry of Education and Research (Norway)
MFA	Ministry of Foreign Affairs (Norway)
MFDC	Mbegani Fisheries Development Centre (Tanzania)
MFMR	Ministry of Fisheries and Marine Resources (Namibia)
MIFIC	<i>Ministerio de Fomento, Industria y Comercio</i> (Ministry of Investment, Industry and Trade) (Nicaragua)
MONAP	Nordic Agricultural Development Programme (Mozambique)
MP	<i>Ministerio das Pescas</i> (Ministry of Fisheries) (Mozambique)
MT	Metical (unit of currency in Mozambique)
NAMFI	Namibian Maritime and Fisheries Institute
NGO	Non-governmental organisation
NOK	Norwegian Kroner (unit of currency)
NOMA	Norad Program for Master Studies
Norad	Norwegian Agency for International Development
Norfund	Norwegian Investment Fund for Developing Countries

NPA	Norwegian Peoples' Aid
NRI	Natural Resources Institute (United Kingdom)
NUFU	Norwegian Programme for Research, Development and Education
OAU	Organisation of African Unity
OECD	Organisation for Economic Co-operation and Development
PARPA	<i>Plano de Acção Para a Redução da Pobreza Absoluta</i> (Poverty Reduction Action Plan) (Mozambique)
PDSP	<i>Plano de Desenvolvimento do Sector Pesqueiro</i> (Fisheries Sector Development Plan) (Mozambique)
PES	<i>Plano Económico Social</i> (Social and Economic Plan) (Mozambique)
POA	<i>Plano Operacional Anual</i> (Annual Operational Plan) (Nicaragua)
PPABAS	<i>Projecto de Pesca Artesenal no Banco de Sofala</i> (Sofala Bank Artisanal Fisheries Project) (Mozambique)
PSD	Private sector development
PRSP	Poverty Reduction Strategy Plan
RCN	Research Council of Norway
RIA	Research Institute for Aquaculture (Vietnam)
SADC	Southern Africa Development Community
SEAFO	South-East Atlantic Fisheries Organisation
SEP	<i>Secretaria de Estado das Pescas</i> (State Fisheries Secretariat) (Mozambique)
SGPRS	Strengthened Growth and Poverty Reduction Strategy (Nicaragua)
SISTAFE	Central accounting and disbursement system of the Ministry of Finance (Mozambique)
SPS	Sanitary and Phytosanitary
TAFIRI	Tanzania Fisheries Research Institute
TBT	Technical Barriers to Trade
TFCS	Turkana Fishermen's Co-operative Society
UK	United Kingdom
UMB	Norwegian Agricultural University
UNAM	University of Namibia
USD	United States Dollar (unit of currency)
VND	Vietnamese Dong (unit of currency)
WTO	World Trade Organization



## Executive Summary

- This report evaluates Norwegian development co-operation in the fisheries sector over the period 1985–2006, covering bilateral development assistance and support to private sector development, with the emphasis on longer-term development impacts. The Fridtjof Nansen Programme is not covered as it has been the subject of several previous evaluations. Support through multilateral agencies such as FAO and World Bank is also not covered.
- The evaluation assesses relevance, efficiency, effectiveness, development of institutions and sustainability of co-operation, and focuses on the key themes of policy development; research, training and education; and private sector development.
- The methodology included: a desk review of information, documents and records made available to the consultants at Norad's offices and archives in Norway and at embassies in partner countries; detailed case studies of co-operation with Mozambique, Nicaragua and Vietnam; and a sample of private sector development projects in Asia, Latin America and Europe. Consultations were carried out with various stakeholders, including government ministries and fisheries research establishments, fisheries development institutions, fishing associations and fishing communities and private sector companies in the fishing sector.
- Norway has provided support to the fisheries sector to 57 countries totalling NOK 1,500 million (US\$ 221 million) over the period 1985–2006. Over half has been directed to Africa (principally Namibia, Mozambique and Tanzania). This is followed by Asia (principally Sri Lanka, Vietnam, Philippines and China) and then Latin America. The main channel was bilateral support (58%) with 42% as multilateral support. 27% of the bilateral support was for private sector development.

### Impacts of Norwegian Support to the Fisheries Sector

- Norwegian development co-operation in fisheries has been relevant to Norway and partner countries' priorities, although the overall goal of poverty reduction has not always been the key priority in establishing co-operation objectives. In some cases, areas of Norwegian expertise (e.g. the fisheries sector in general, and more specifically fisheries research, stock assessment and management for the industrial and/or semi-industrial sectors) have taken priority over other areas that could have been more directly relevant for poverty reduction (e.g. the small-scale sector). The projects have been demand-driven, within the framework of support areas established by Norway.
- Efficiency and effectiveness of projects have varied across countries and among projects, although overall have been satisfactory. This has depended on the type of intervention (e.g. some technical support projects were less efficient and effective) and on changes in government policies. In some cases the political risks affecting project implementation were underestimated.
- Most impacts have been felt at central (national) level, where the majority of the support has been channelled through the main sector institutions. Impacts at regional and local levels have been less evident.
- Training, research and education have been a primary focus of much of Norway's development co-operation in the fisheries sector. The approach taken, with a long-term vision, particularly with respect to fisheries research and stock assessment, has been effective in developing human resource capacity in the sector and has shown good sustainability as many people remain within sector institutions. Although it has not been directly relevant to poverty alleviation, it has contributed to equipping the sector institutions with the necessary capabilities to manage their country's fisheries to provide benefits to society as a whole.
- Norwegian support has contributed significantly to institutional strengthening, through a long-term approach to human resources development and training, and through the policy of implementing support from within existing institutions rather than creating parallel project implementation units. Long-term expert advisers placed within institutions have also

contributed to capacity development. This has resulted in positive impacts and good technical sustainability in most cases, as the people trained tend to remain within the sector institutions and activities are more likely to become embedded within institutions' routines. However, there still tends to be a lack of mid-level expertise.

- The institutional twinning approach to institutional development taken in the 1990s resulted in good institutional linkages and personal contacts, but effectively restricted support to the areas of Norwegian expertise. Efficiency was reduced through the need to use relatively expensive Norwegian experts, and the inability of institutions to respond to partner country requests for technical assistance in a timely manner due to other work commitments.
- Development of fisheries training institutions in partner countries has varied across countries. The experiences of Namibia, Tanzania and Vietnam show that there was a positive impact on the institutional development of training institutions in the fisheries sector. However, in Mozambique the emphasis was more on development at the individual level.
- Norwegian support to policy development in the partner countries has varied. In several cases, capacity building through training programmes in aspects of fisheries management and fisheries law with senior government policy makers has made a valuable contribution to policy development at central levels. However there is still a concern about the extent to which policy recommendations are implemented and transmitted down the regional and local levels.
- Support has contributed to helping ensure biological sustainability of fisheries, by developing capacity for stock assessment and management. However, in many cases and in line with global trends, fishery resources are suffering over-exploitation. There are encouraging indications that Norwegian support has helped create the capacity to tackle these difficult issues, although the results are not yet always apparent on the ground in terms of improved management and sustainable fisheries. For development co-operation with government institutions, financial sustainability is not ensured, since government revenues in most developing countries are not sufficient to maintain the level of implementation of activities. This problem is not unique to the fisheries sector but is a concern of the public sector as a whole in developing countries.
- Norwegian support to private sector projects has been effective, although the results differ greatly between Norad and Norfund projects. Companies seeking to invest in fisheries that received seed finance through Norad demonstrated good profitability and financial sustainability. Efficiency with regard to Norad support has been high, with substantial results achieved from limited initial investment funding. With regard to Norfund, profitability of projects has been substantially negative, although the wider development impacts (technology transfer, technical assistance and training) have been positive.
- Gender issues have not been adequately considered in project design and implementation, although there is evidence of favourable gender-related outcomes. However, these have tended to be more coincidental to, rather than a result of, project design.
- As with all development programmes and projects, there are many external factors which can determine success or failure, including macro-economic trends and government economic policy, government commitment to fisheries development, strategies for resource management and exploitation, counterpart funding, stakeholder involvement in project design and management, good governance and indigenous skills. Nevertheless, in the case of development co-operation it appears that additionality has been important, as Norway has been a significant long-term development partner in the fisheries sector in many countries. For the private sector projects, many of the investments could have gone ahead in the absence of Norwegian funding. However, additionality is related to helping direct investments towards regions and countries that may not have attracted private sector investment otherwise.

### **Operational Issues**

- The transfer of development co-operation from Norad to the Ministry of Foreign Affairs has not affected the day-to-day implementation with partner countries, as the main point of contact remains the embassies. However, experiences from other countries indicate

that the change could result in development co-operation being driven by political and diplomatic concerns rather than by developing country needs.

- Information management systems in Norad and the embassies are not adequate for monitoring and evaluating projects and programmes. This includes historical financial information systems, project documentation archival systems and the consistent use of outcome and impact indicators in project design and evaluation.
- With respect to technical, economic and social expertise in the fisheries sector, Norad is understaffed. It therefore relies on a number of other institutions, including the Institute of Marine Research and Norwegian universities, including Bergen, Oslo and Tromsø.

### **Overall Conclusions and Recommendations**

- The overall conclusion is that Norwegian development co-operation in the fisheries sector has had a positive contribution to fisheries in developing countries, supporting research, management, capacity building, aquaculture and the private sector. The impact on poverty alleviation is difficult to determine, since relatively few projects were designed to have direct impacts on poverty. However, the private sector support has had an effect on poverty alleviation through the creation of jobs and trickle-down effects.
- The long-term support provided has been flexible and responsive and Norwegian bilateral support is considered to be one of the best development programmes in fisheries by many stakeholders. The evidence obtained from field work highlights that Norwegian support to the fisheries sector is valued by all and it is recommended that Norwegian development co-operation in the fisheries sector should continue.
- There is a need to define strategic priorities within the fisheries sector, particularly related to whether to continue to focus on areas of Norwegian expertise, or to extend the focus more directly on poverty reduction in the fisheries sector. The latter can be achieved both by interventions aimed at improving the standard of living of poor fishing communities, or by better management of large-scale fisheries whilst ensuring that government income from the fisheries is channelled to other appropriate poverty reduction programmes to benefit wider society.
- A focus on poverty reduction implies integrated and cross-sectoral interventions affecting small-scale fisheries, for which current Norwegian capacity is inadequate. This has implications for capacity development in Norway and sourcing of expertise beyond Norwegian institutions.
- Projects should be demand-driven, but there is scope for Norway to influence the agenda to a certain extent, to ensure that the partner government has poverty reduction, good governance and gender issues at the heart of its policies. There needs to be transparency at the level of beneficiary countries with respect to government policy and the degree to which there is a real demonstrable commitment to poverty alleviation. Transparency also applies to any issues of corruption. Commitment to good governance and gender issues should be explicit in the design of Norwegian-funded projects.
- Policy for the fisheries sector should emphasise the importance of poverty alleviation, environment (including potential impacts of climate change) and gender issues in programme and project design. The political economy aspects of fisheries should also be taken into account — these include income distribution, the impacts of international trade and the distribution of economic rent generated in the fishing sector of existing and potential partner countries. The interaction of the small-scale fishing sector with other economic sectors should also be taken into account. Support to the fisheries sector should be integrated with other Norwegian bilateral aid initiatives such as budget support, economic and social development such as health and education and other infrastructure.
- There is a need for future co-operation to focus on results: the implementation of policy, not just policy development; putting into practice at all levels (particularly the regional and local levels) the lessons that have been learnt; and putting to use the human capacity that has been developed through training.
- Where feasible, short courses and training should be carried out in the partner countries, while specialised courses may be conducted at regional institutions. Other training could be provided by competent Norwegian or other overseas institutions, including those in the south.
- There is a need for the development of better management and financial information systems within Norad, the Ministry of Foreign Affairs and the embassies to monitor and

evaluate the impacts of programme and project support to the fisheries sector. It would also be useful if these systems were discussed with managers and policy makers in the partner countries. Linked to this, there is a need for better programme and project classification (by country, type of document, sector/sub sector) and a clearer archival system for project cycle reports and evaluations, separate from technical reports and background correspondence. Historical and current management and financial information systems should be compatible to facilitate identification of lessons learned across programmes and over time.

- There is a need to improve project planning and monitoring with clearly defined objectives and indicators. Ex-ante and ex-post indicators, both quantitative and qualitative, single and composite, could be used, and should allow for the assessment of impacts with respect to relevance, efficiency, effectiveness, institutional development and sustainability. Medium and long term impacts of projects should be taken into account and assessed, notably the impacts on poverty alleviation, environmental and financial sustainability.
- Although there is technical expertise at the Institute of Marine Research, Norwegian universities and research centres, there is a need for greater in-house technical capacity in Norad in marine/freshwater fisheries, socio-economics and fisheries technology, to be able to effectively support the Ministry of Foreign Affairs and the embassies with technical aspects of project design.

# 1 Introduction

## 1.1 Background to the Evaluation

This evaluation considers the design and impacts of Norwegian bilateral support to the fisheries sector over the period 1985 to 2008. The evaluation was carried out by a Consortium led by MRAG Limited of London, UK, the Natural Resources Institute (NRI) of Chatham, UK and ECON Pöyry of Oslo, Norway. The evaluation was carried out over the period April to July 2008.

The evaluation is based on reports and background literature which were made available to the consultancy team plus interviews with evaluation and fisheries staff from the Norwegian Agency for Development (Norad) and Norwegian Investment Fund for Developing Countries (Norfund) as well as face to face interviews in the detailed case study countries. In addition a number of telephone interviews were held with private sector companies which had benefited from Norad and Norfund finance.

The consultancy team consisted of Dr. Colin Barnes (MRAG/Team Leader), Sveinung Fjose (ECON Pöyry, Private Sector Development), Audun Gleinsvik, (ECON Pöyry, Private Sector Development), Suzannah Walmsley (MRAG/Fisheries Specialist), John Linton (NRI/ Private Sector Development), Ulrich Kleih (NRI, Natural Resources Economist) and Francisco Leotte (MRAG/Fisheries Specialist). The Project Director was Dr. Ian Payne (MRAG)<sup>1</sup>.

The case study fieldwork involved consultation with different stakeholders, including government ministries and fisheries research establishments, fisheries development institutions, fishing associations and fishing communities and private sector companies in the fishing sector. Contacts were made with Norwegian School of Fisheries at the University of Tromsø, the Institute of Marine Research in Bergen, the Food and Agricultural Organisation of the United Nations (FAO) in Rome and the World Bank. In addition to the desk review and fieldwork and case study analysis of development projects, a broad review was made of Norad and Norfund private sector development projects and proposals.

The Consortium would like to express their gratitude to all those who supported the design and execution of this study. This includes staff in the Evaluation and Private Sector Development Departments of Norad, Norfund staff, staff at FAO and the World Bank, and particularly the embassy and programme and project management staff in the case study countries that were visited by the consultants – Mozambique, Nicaragua and Vietnam. In Norway, meetings were held with Asbjørn Eidhammer, Head of Evaluation; Balbir Singh, Senior Adviser in the Evaluation Department of Norad; Kirsten Bjøru, Brit Fisknes and Jan Eriksen, Senior Advisers in the Private Sector Development Department of Norad; and with the Centre for Development Co-operation in Fisheries (CDCF). Meetings were also held with Tore Selvig and Hans Henrik Thaulow, Senior Advisers in Private Sector Development in Norad and Elin Ersdal, Acting Director of Investments in Norfund. A full list of the institutions and persons consulted in-country is given in Annex F of the separate Main Annexes volume of the report.

The Final Report is an update of the Draft Final Report, submitted in October 2008, in response to comments received from a number of stakeholder-reviews. The Draft Final Report itself followed the submission of an Inception Report in April 2008 and the implementation of the major evaluation component — the detailed fieldwork and case study analysis of a number of programmes and projects in Mozambique, Nicaragua and Vietnam.

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<sup>1</sup> The division of team work was as follows: Field work - Mozambique (Suzannah Walmsley and Francisco Leotte), Nicaragua (Sveinung Fjose and Audun Gleinsvik), Vietnam (Ulrich Kleih and John Linton), Private sector development (Sveinung Fjose and Audun Gleinsvik).

The structure of the main report consists of: the Introduction (this chapter) including the overall context of Norwegian aid to the fisheries sector; Chapter 2 describes the approach and methodology to the evaluation; Chapter 3 presents an aggregate analysis of the breakdown and geographical destination of the aid and a review of previous evaluations; Chapter 4 contains the detailed case study analysis for the review of fisheries development projects in Mozambique, Nicaragua and Vietnam; and Chapter 5 presents an evaluation of co-operation by theme (policy development; training, research and education; and private sector development). Finally Chapter 6 contains conclusions and recommendations for future actions to be taken in Norwegian development policy with respect to the fisheries sector. The main report is accompanied by brief annexes (I–IV), and a second volume contains further Annexes (A–J), including detailed material on the case studies, statistical appendices, completed proformas, institutions and persons consulted and a bibliography.

## 1.2 Process and Approach

The work programme for the evaluation consisted of a number of steps:

- Desk study analysis of a sample of bilateral development projects in the fisheries sector;
- Desk study analysis of a sample of bilateral private sector projects in the fisheries sector;
- Selection of case study countries for field visits;
- In-country detailed evaluations in Mozambique, Nicaragua and Vietnam;
- Analysis and synthesis of results, development of conclusions and recommendations.

It was agreed with Norad that one of its major supported programmes the Fridtjof Nansen Programme (FNP) would not be included in this evaluation as it has been the subject of a number of evaluations and strategic reviews. Nevertheless the FNP accounts for a major proportion of Norwegian funding to the fisheries sector and is considered to be a valuable resource for developing countries offering excellence in stock assessment, training and technical assistance.

The case study countries were the subject of more detailed analysis using a questionnaire which was used with different stakeholders who were involved in the management, planning and execution of specific projects and included consultation with project beneficiaries.

The terms of reference for the evaluation stipulated that it should focus on the outcomes and impacts of the following three components of the Norwegian development co-operation in the fisheries sector:

- Technical assistance to support fisheries management policy formation (fisheries management);
- Support to fisheries research, education and training of personnel (capacity development); and
- Activities directed towards fisheries-based private sector development (PSD).

The evaluation is limited to the activities funded by the Norwegian Ministry of Foreign Affairs (MFA), Norad and Norfund. Assistance provided through multilateral channels is not included in this evaluation. Multi-bilateral support is also not included, although some comments are made about specific projects, for example in Mozambique.

The evaluation of the Norwegian assistance to the fisheries sector co-operation follows a set of performance criteria, which include:

**Relevance of the assistance** in terms of Norwegian and partner country policy goals concerning poverty alleviation, partner country's needs, international conventions, and cross-cutting issues;

**Efficiency** – the extent to which the desired effects have been achieved at a reasonable cost, or if there were alternative ways of delivering assistance; efficiency is also indicated by project implementation following plans and no cost over-runs;

**Effectiveness** – the extent to which the objectives (i.e. desirable outcomes and impacts) have been achieved;

**Development of institutions** in partner countries;

**Sustainable impacts** in terms of environmental, economic and social indicators.

The political, social and institutional contexts in which the programmes and projects have been implemented were taken into account when assessing the performance of the Norwegian development co-operation in the fisheries sector. This is also informed by the risks and assumptions under which the activities were undertaken.

### **1.3 Fisheries Development Co-operation**

#### **1.3.1 Issues**

Fisheries are a source of income for 100 million people worldwide. The majority are employed in small-scale fisheries in Africa and Asia, where poverty amongst rural and coastal communities is often particularly high. In many developing countries, poverty and fisheries are synonymous, but although many fishers are poor, fisheries are also capable of generating great wealth. However, the distribution of this wealth must also be addressed for fisheries to contribute effectively to poverty reduction.

The Millennium Development Goals (MDGs) are a set of eight goals aimed at halving the number of people living in poverty by 2015. 189 nations committed themselves to working towards these goals, and therefore the reduction of poverty is likely to remain a high-priority on the development agenda for some time to come. Fisheries can contribute to achieving each of the MDGs.

There are two key aspects to fisheries and poverty reduction (MRAG & DFID, 2006):

- enhancing the contribution that the fisheries sector can make to poverty reduction, through more effective management and capture of economic rents particularly from large-scale fisheries; and
- reducing poverty in fishing communities.

Fisheries represent a potential source of wealth, but require management to ensure the sustainable exploitation of resources, so that the resource base upon which the fishery activity depends, is maintained. Many fisheries are over-exploited and therefore are not providing the benefits that they potentially could be, if the fishery resource was in a more productive state. To achieve this, it can be necessary to invest in the fundamentals of resource management, such as governance structures, enabling legislation, institutional capacity at national and local levels, and research skills for stock assessment. Such interventions can contribute towards improved resource management, ensuring the sustainability of the resource base. Furthermore, because of the scale of fish stocks, and the difficulties in managing them, fisheries cannot be managed only at a household or community level. Therefore, enabling interventions to strengthen and support the development of capacity of institutions responsible for management are important, although as a result, impacts on poverty reduction of fisheries investments are sometimes indirect.

#### **Distributional issues and trickle-down effects**

Large-scale fisheries often receive greater attention from governments, because of their potential to provide government fiscal receipts from licence fees, access fees and export revenue. Whilst not usually directly linked to poor people, large-scale fisheries can nevertheless have an impact on reducing poverty, if the revenues from the sector are effectively channelled into other programmes for poverty reduction to benefit society at large beyond the fisheries sector. However, this requires the government to have a clear policy for the redistribution of such wealth, and in practice often fisheries receipts remain within the fisheries sector institutions. In addition a key aspect of large scale fisheries is the extent to which the primary and secondary value added derived from these fisheries are retained in developing countries.

Interventions for the industrialisation and technological modernisation of fisheries, have often assumed that such actions would lead to an improvement in livelihoods and reduction in poverty, through greater employment opportunities. However, such links are by their nature more indirect than direct support provided to those sectors of society that most need it; the reality is complex and in practice impacts on poverty from such interventions are not clear.

This is part of a wider debate around ‘trickle-down’ effects. While it is recognised that economic growth is crucial for making sustained progress towards the MDGs (DFID & HM

Treasury, 2005), not everyone always benefits equally from growth and there is disagreement over the extent to which such benefits do trickle down to the poorest groups (Thorpe, 2005). ‘Pro-poor growth’ can be more effective at reducing poverty, by promoting the redistribution of benefits so that low-income growth is greater than overall growth. For fisheries, this may mean specifically prioritising the small-scale sector in certain situations and policy decisions.

### **Conflicts between sectors**

There are a number of issues that result in conflicts between large-scale and small-scale fisheries, often related to people’s access to and control of aquatic resources and territories, and in which small-scale fisheries are normally the loser. Large- and small-scale fisheries may compete for the same resources, and small-scale fishers can be negatively affected by the fishing pressure from larger vessels with a much greater catching capacity. There are also issues of spatial conflicts between trawlers and small-scale fishers, particularly where trawlers come close into shore to target demersal resources, such as shrimp, which live close to the shore and in estuaries. The trawlers damage small-scale fishers’ boats and gears, and such conflicts have even resulted in deaths in West Africa from accidents at sea.

The role of government institutions, in relation to mediating conflicts and addressing issues of access to resources and distribution of benefits, is important for the possibility of achieving poverty alleviation. If governments do not have poverty reduction at the heart of their policies, and take a cross-sectoral and integrated approach to the implementation of wider policies, taking into account potential impacts on the poorer sectors of society (including fishers), achieving real progress in tackling poverty is difficult.

### **Externalities to the fisheries sector and cross-sectoral issues**

Fisheries are often influenced by factors that are external to the fisheries sector and beyond their control, for example, pollution affecting the productivity of fisheries resources, market forces affecting fish prices, a lack of other employment opportunities leading to too many fishers and over-exploitation of resources. A lack of schools, sanitation and healthcare are also problems that affect many poor fishing communities. Therefore to address problems in the fisheries sector, other sectors often need to be involved as the solutions may lie outside the fisheries sector itself.

Integrated projects that consider poverty from a multi-sectoral and livelihoods perspective have shown promise in addressing such issues effectively. Fisheries are an important part of the livelihoods of millions of people, providing a source of food, employment and income. For many poor families, fishing is a way of reducing their vulnerability to risks by supplementing and diversifying their incomes. They also provide a ‘safety net’ for the poor when other economic opportunities are limited. However, fishery-related livelihoods are complex and dynamic, and fishing may be engaged in full-time, part-time as part of a mixed livelihood strategy, or as a seasonal fall-back. There are often differences according to ethnic, cultural or socio-economic group, and men and women often have different roles in fisheries. These aspects need to be taken into account in the development of interventions that affect the fisheries sector. A combination of fisheries management, including institutional and legal aspects, as well as technical support to fishers to adopt appropriate fishing gears (that cause minimal environmental damage and are appropriate to the stocks being targeted), combined with inputs from the health, education, water and transport sectors in particular, can be an appropriate way of providing such support, although the nature of such support will be situation-specific depending on the constraints and priorities of the individual fishing communities.

### **Cause-and-effect and indicators**

As a result of the issues outlined above, identifying cause-and-effect relationships in the fisheries sector between project inputs and longer-term impacts can be difficult. There may also be a time-lags between project implementation and observing results — fish stocks, as biological populations, can take time to recover and restore to their full potential. This is further exacerbated when the development intervention focussed on capacity building, training and education, where the resulting effects on fisheries resources may take some time to materialise.

Other factors, such as technological and market developments and governance issues, may have effects on the outcome of projects, independent of the achievements of the projects themselves. This also makes cause and effect difficult to identify, although the issue is not exclusive to the fisheries sector.

Despite this, the careful identification of indicators can contribute to the process of identifying project impacts and success. Indicator identification should ideally be carried out in a participatory and bottom-up manner, i.e. with the involvement of stakeholders, and in a manner that allows them to identify what indicators would be appropriate to them to demonstrate success.

### **1.3.2 Trends**

As with wider development co-operation, co-operation in the fisheries sector has evolved over time. Fisheries projects in the past were often focused on technical and technological interventions to increase fishing capacity, provide more powerful fishing craft and more effective fishing gears. However, nowadays, a lack of fishing capacity is rarely the problem, and many fishery resources are overexploited. Rationalisation of fishing capacity and more effective governance and management structures are necessary. This is coupled with a greater appreciation of the multi-dimensional nature of poverty and the need for integrated and cross-sectoral interventions.

In recent years, integrated projects that address such issues, aimed at stabilising and reducing the pressure on fishery resources and addressing the root causes of poverty in fishing communities, which may not always be related to the fishery resource itself, are emerging. Furthermore, within the fisheries sector, there is a greater awareness and focus on issues such as responsible fishing, the precautionary approach and ecosystem approach to fisheries management, as well as addressing causes of 'rent drain' such as illegal fishing, by improved monitoring, control and surveillance.

Norwegian support has tended to follow a similar path, from early interventions which were based on technological inputs and helping teach people new ways to fish, to more research and training, and lately more integrated, livelihood-focussed cross-sectoral projects such as the Sofala Bank Project in Mozambique.

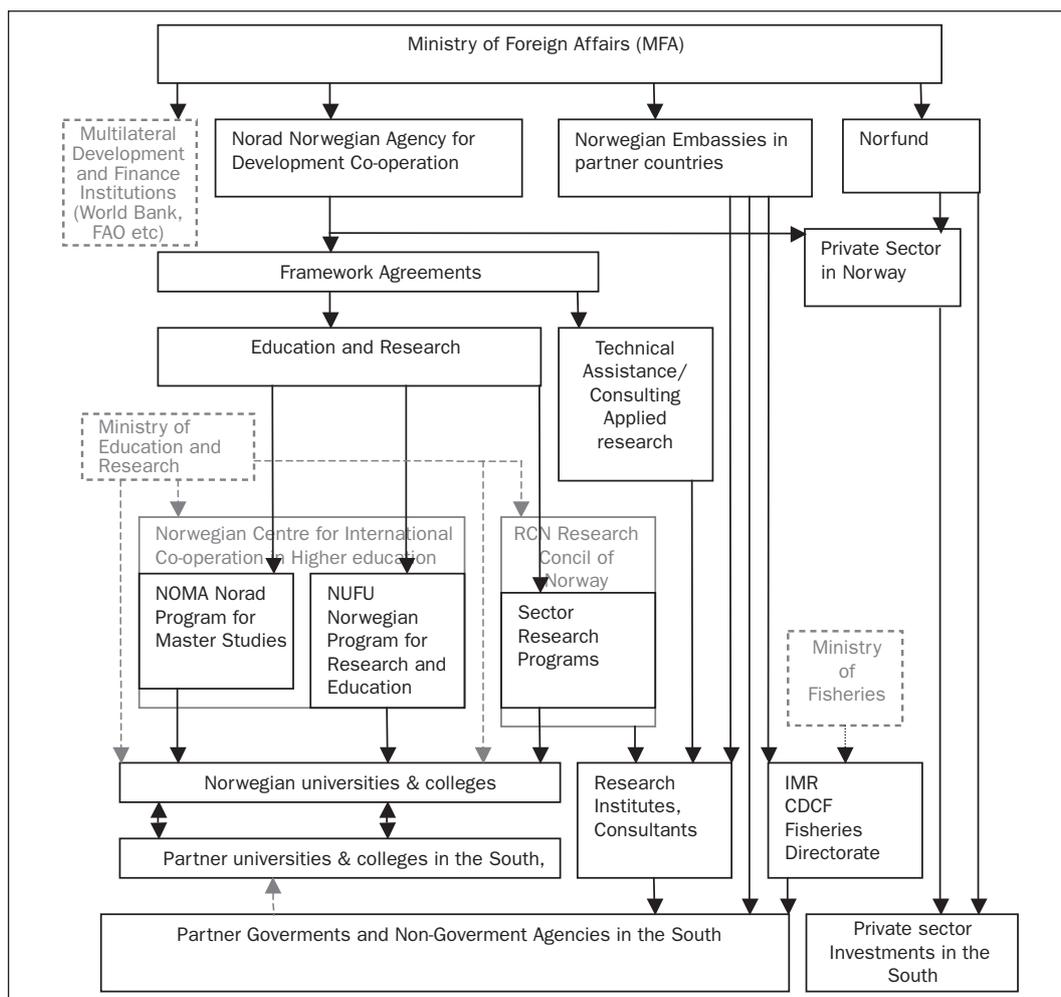
## **1.4 Norwegian Development Co-operation and the Fisheries Sector**

Norway has competitive strengths in a number of areas including fisheries and marine resource management, fish processing, boatbuilding, natural resources management and oil and gas technology. It is therefore logical that Norwegian aid to both the public and private sectors has capitalised on these strengths.

### **1.4.1 Institutional framework**

The Norwegian MFA works in co-operation with a number of other Ministries, universities and research and development institutions in Norway and in partner countries. The institutions concerned and the collaboration linkages with respect to fisheries projects are shown in Figure 1.

Figure 1: Institutional linkages of Norwegian development co-operation in the fisheries sector



Norwegian universities and research institutes<sup>2</sup> are actively engaged in supporting fisheries projects through technical assistance and training. In the case of the Fridtjof Nansen Programme, which ended in 2006/07, IMR in Bergen operated the programme, providing research and training on stock assessment for developing countries. The Programme is currently managed by FAO, with the use of the research vessel. The Research Council of Norway (RCN), which comes under the control of the Ministry of Education and Research (MER), receives funds from the Ministry as well as from MFA via Norad. Marine resources and the environment is one of RCN's five strategic priorities.

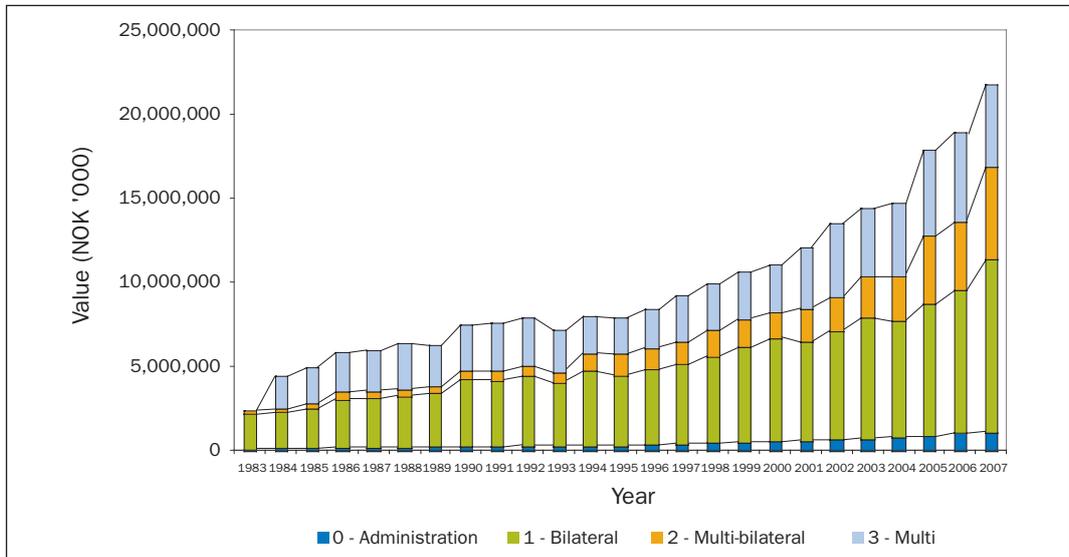
#### 1.4.2 Development priorities

Norway has an ambitious goal of giving 1 % of its Gross Domestic Product (GDP) to development assistance. With rapidly-growing GDP, partly due to a sharp rise in oil and gas prices, Norway's GDP and therefore also development assistance have increased sharply in recent years. There has been a general consensus by all political parties with respect to the importance of financial assistance to developing countries. Although the Conservative Party (Høyre) prefers a slower growth in assistance and the Progress Party (Fremskrittspartiet) would prefer a sharp decrease, the support for development assistance both among the political parties and the population is high. Among the governing coalition, the Labour Party (Arbeiderpartiet) and Socialist Left (Sosialistisk Venstreparti) and Centre Party (Senterpartiet), fully support the goal of giving 1 % of GDP. The Christian Democratic and Liberal Party (Venstre) also support this goal. History has therefore shown an increase in assistance over the period 1983–2007, regardless of whether the government was centre-right, left-wing or center-left (Figure 2).

<sup>2</sup> The main Norwegian universities which are engaged in fisheries sector work with Norad are Tromsø, Trondheim, Bergen, the Norwegian Agricultural University (UMB) and the University of Oslo.

Assistance increased from less than NOK 5 billion in 1984 to more than NOK 20 billion in 2007. There has been an increase in bilateral, multi-bilateral<sup>3</sup>, and multilateral support. However, multi-bilateral support increased more than bilateral and multilateral (Figure 2).

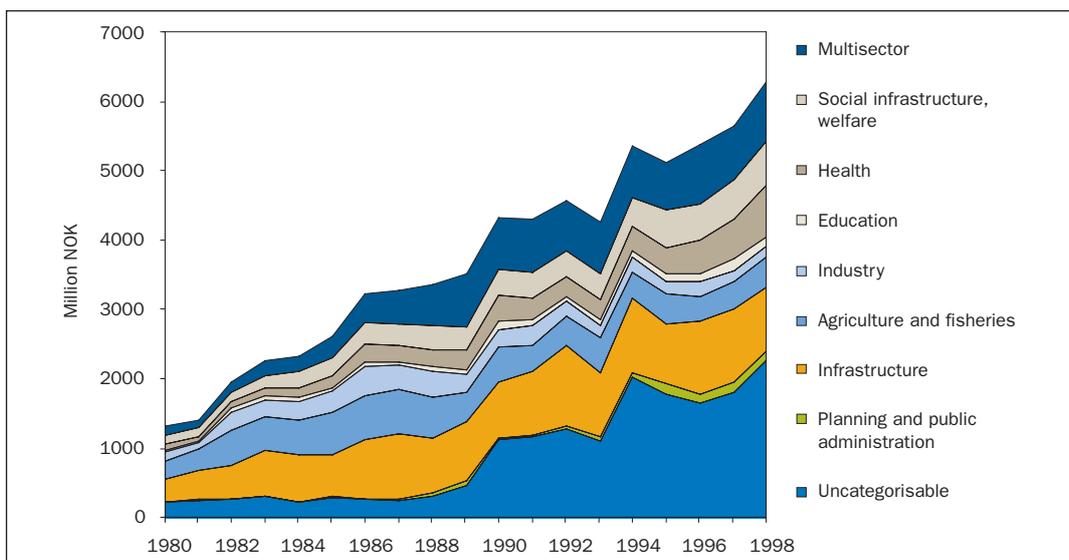
Figure 2: Norwegian development assistance, channels of support, 1983-2007



Norway's key priority for development co-operation is poverty alleviation. Changes in the focus of Norwegian development assistance have reflected international trends. Over the period from the 1970s to 1990s, Norwegian development assistance was more focused on technical assistance, using Norwegian expertise in many cases. Latterly there has been more emphasis on institutional building, local ownership, donor harmonisation and alignment with the poverty reduction strategy papers (PSRPs) for individual recipient countries (MFA, 2004). In recent years, more funds have been allocated to private sector development, not least through the building up and strengthening of Norfund.

With regard to thematic areas, over the period 1983–1998, there was an increase of support to infrastructure, health and social welfare (Figure 3). Support to agriculture and fisheries declined in the late 1980s and has remained stable since. At the same time, there was a sharp increase in 'multi-sector' support.

Figure 3: Norwegian development assistance, by sector, 1983–1998



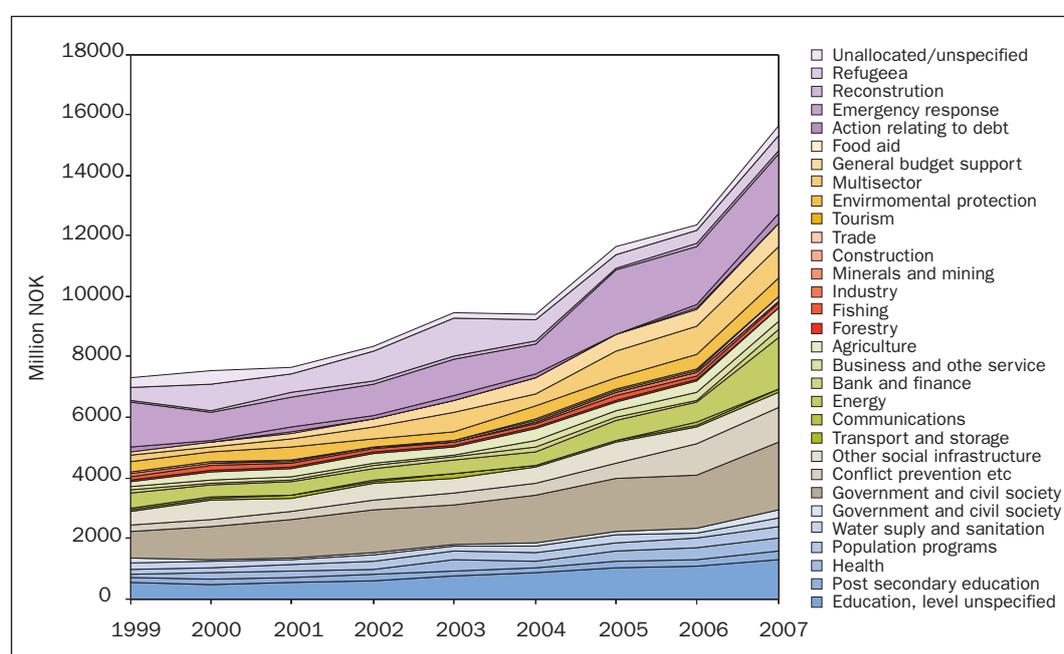
Source: Norad

<sup>3</sup> Multi-bilateral is bilateral support channelled through multilateral organisations.

From 1999–2007, in line with general trends in international development assistance, there was an increasing focus on areas such as budgetary support and multi-sectoral support. In accordance with the Paris Declaration, Norway has focused more on ownership and donor coordination and harmonisation, and in line with this, has supported larger rather than smaller programmes through bilateral assistance (Figure 4). The allocation for fisheries is small compared to other sectors and support to priority sectors such as education, environment and energy has increased over the period.

As a response to a policy with more donor coordination, through budgetary support amongst other approaches, responsibility for bilateral development assistance was transferred from Norad to MFA in 2004. Embassies were also given more autonomy. However, at the same time, and also in line with donor coordination, embassies were instructed to focus on fewer thematic areas, and to channel resources through joint donor initiatives with like-minded countries. This transfer of responsibility for bilateral development assistance was a large reform.

Figure 4: Norwegian development assistance, by sector, 1999–2007



Source: Norad

### 1.4.3 Co-operation in fisheries

Currently, the MFA is the main institution charged with policy and action planning for development. While there is no specific thematic document or policy for the fisheries sector, the Norwegian Action Plan for Environment in Development Co-operation (MFA, 2006) includes sections on fisheries, addressing them directly or indirectly in three of the four thematic priority areas for Norway:

- Sustainable management of biological diversity and natural resources;
- Water resources management, water and sanitation; and,
- Climate change and access to clean energy.

Specific mention is made of the following aims for the sustainable management of biological diversity and natural resources which are directly linked to fisheries management and development:

- Conservation and sustainable use of areas and ecosystems of global importance;
- The ecosystem approach to natural resource management;
- Supporting the implementation of multilateral environmental agreements including agreements on the marine environment and marine resources;
- Reduction of the losses to biological diversity.

Norwegian support to the fisheries sector in developing countries, as Norwegian support in general, aims to be demand driven, starting with a request by the cooperating country for project support. This is usually based on a Memorandum of Understanding between that country and Norway. Although the process is generally demand-driven, sometimes the initiative for interventions comes from Norway. The decision for approval and disbursement of funds rests with the MFA, where the project value is over NOK 15 million, and with the respective Norwegian Embassy where the project value is under NOK 15 million.

The role of Norad currently is to provide technical support on request and it may carry out project evaluations. The respective Norwegian Embassy may carry out its own project reviews, which may be assisted by Norad as a technical adviser. External institutions such as universities or consultancy organisations may be asked by Norad to carry out external evaluations and mid-term reviews of projects. In addition to development co-operation, Norad also has funds for private sector investments and institutional co-operation, notably through Norfund.

## **2 Methodology and Analytical Framework**

### **2.1 Initial Consultation with Norad**

Initial consultations were held with Norad Evaluation and Fisheries Department staff at the time of contract negotiations in Oslo. Subsequent in-depth meetings with Norad staff were held in May 2008 and team discussions were held on the choice of desk study and field-based country analysis. During the initial consultation it was agreed that the Fridtjof Nansen Programme which is the most important single recipient of Norad funding, would not be included as it has been the subject of several evaluations to date.

### **2.2 Archive and Desk Study Analysis**

A desk review of a sample of Norwegian-financed fisheries projects (both development co-operation and private sector support), was carried out in order to analyse a range of projects. The desk study analysis together with the fieldwork also gave the consultants an opportunity to review the project and programme management and financial information systems of Norad. This process revealed that information in Norad's archives is held in a variety of forms, including hard copy papers and reports and electronic files, and in some cases is difficult to access. Furthermore, fisheries projects and their scope are not classified in a consistent manner, making any analysis of disbursements problematic.

#### **2.2.1 Development projects**

Examination of the archives indicated that the information required was available. However it was relatively inaccessible. There was no simple way of identifying and extracting key documents in the project cycle. The project list the team received from Norad contained some major errors. For several disbursements there was a lack of contact information, archive code and description of the project. The only information obtained from the project list was the size of the disbursement and from what chapter-post the disbursement had been made. Due to time constraints and the lack of information in archives for bilateral programmes, it was not possible to obtain detailed information on these disbursements. From a methodological perspective, the lack of information is not necessarily problematic, since the number of projects for which information were available was sufficient to draw general conclusions.

#### **2.2.2 Private sector projects**

With respect to the desk study evaluation of Norad's support to private sector development, there were more serious problems. Reliable data on private sector support only existed in an accessible form for the evaluation from 1999 onwards. As a result, in general only private sector projects post-1999 were included in the analysis, as it was not possible to identify and thus sample projects prior to 1999. However, some of the companies that were interviewed also received support from Norad prior to 1999 and these projects were included in the evaluation. Working with data predominantly from post-1999 might have influenced the results slightly in a positive manner, since projects with limited financial success that would not survive long-term, might survive in the short-term (such as 5 years). Although restricted to a shorter time period, this selection methodology provided the least biased means of project selection, resulting in a balanced reflection of private sector project success, rather than attempting to select pre-1999 projects. A discussion of Norad's project information system and its effect on programme effectiveness and efficiency is included in section 6.3.

### **2.3 Case Studies**

#### **2.3.1 Choice of countries**

The following case study countries were selected for in-depth evaluation of Norwegian-supported fisheries programmes and projects, and provided a means of drawing conclusions about Norwegian development co-operation in the fisheries sector in general:

- Mozambique;
- Vietnam;
- Nicaragua.

The choice of case study countries was based on a number of criteria:

- The size and continuity of the programmes and projects financed by Norway;
- The geographical spread of programmes and projects (to cover Africa, Asia, Latin/Central America and Europe);
- Coverage of different aspects of fisheries management and development (marine capture fisheries, aquaculture, policy development, training and technical assistance, research and development, credit and infrastructure development);
- A range of programmes and projects in terms of the size of funding allocated.

In the original proposal to Norad, in-depth reviews of two countries were proposed — Vietnam and Mozambique — based on the importance and continuity of the programmes in these countries. The Inception Report stated that bilateral development assistance to Nicaragua would also be evaluated, although not as thoroughly as the bilateral programmes in Mozambique and Vietnam. Due to the clear links between the previous regional programme and the on-going bilateral fishery programme in Nicaragua, both bilateral and regional programmes, as well as private sector support, were reviewed.

The selection provided a broad geographical scope, covering Africa, Asia and Latin America, and each country provided a range of types of and sizes of projects. Projects in Europe were included in the desk review. The analysis took into account programmes and projects that have been completed and are on-going (although completed projects were given preference in order to evaluate longer-term outcomes and impacts) as well as projects that were unsuccessful or aborted.

### **2.3.2 Field work – analytical approach**

For the detailed field work case study countries, background documentation was reviewed (e.g. past evaluations, project documents). Where possible, this was carried out prior to the country visit. Once in-country, further documentation from Embassy archives was obtained and reviewed. A list of projects in the country was developed, and three or four projects for in-depth analysis were selected. Selection aimed to include projects with a range of timeframes, institutions and thematic areas (e.g. policy, law, research, institutional development and technical interventions).

A number of meetings with programme and project management staff were set-up, either through the Norwegian Embassy or through existing contacts of the consultants. In each case, face-to-face interviews were held with Government ministries and fisheries development and research organisations as well as stakeholders (e.g. NGOs, local offices, fishers and community members) at the level of each programme and project. Proformas were used for consistency in data collection, according to the type of interview (see Annex E):

- Government ministry and central government institutions;
- Stakeholder organisations and focus groups;
- Private sector companies.

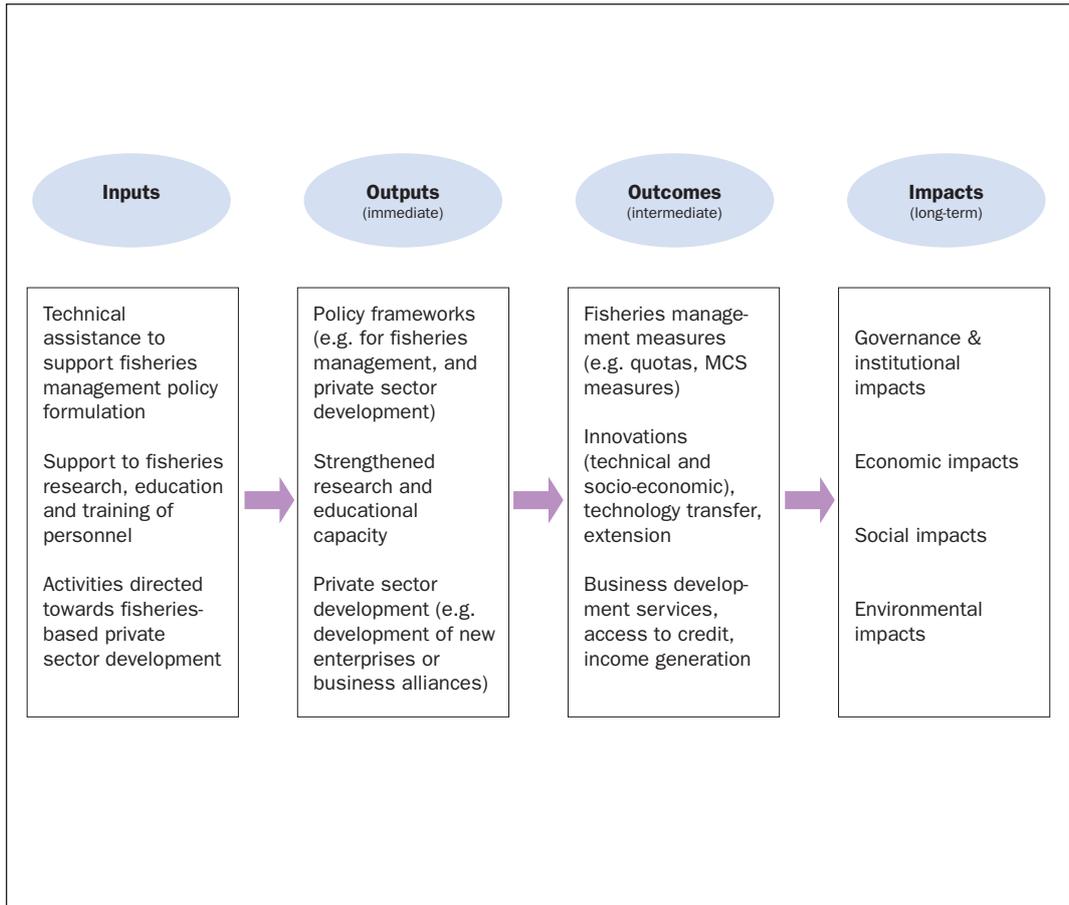
In each of these case study countries, Norad-supported bilateral projects were reviewed as well as Norad and Norfund support to private sector development in fisheries.

## **2.4 Analytical Framework**

The causal chain approach was used to link project inputs and outputs with longer term outcomes and impacts (Figure 5). Whilst the first two steps of this intervention logic need to be taken into account, the emphasis of the evaluation was on outcomes and developmental impacts of the co-operation programme. As a result, the first two steps were mainly analysed through the desk review, whilst outcomes and impacts were the focus of in-country fieldwork.

A summary of all projects reviewed is provided in Annex H.

Figure 5 Causal chain approach



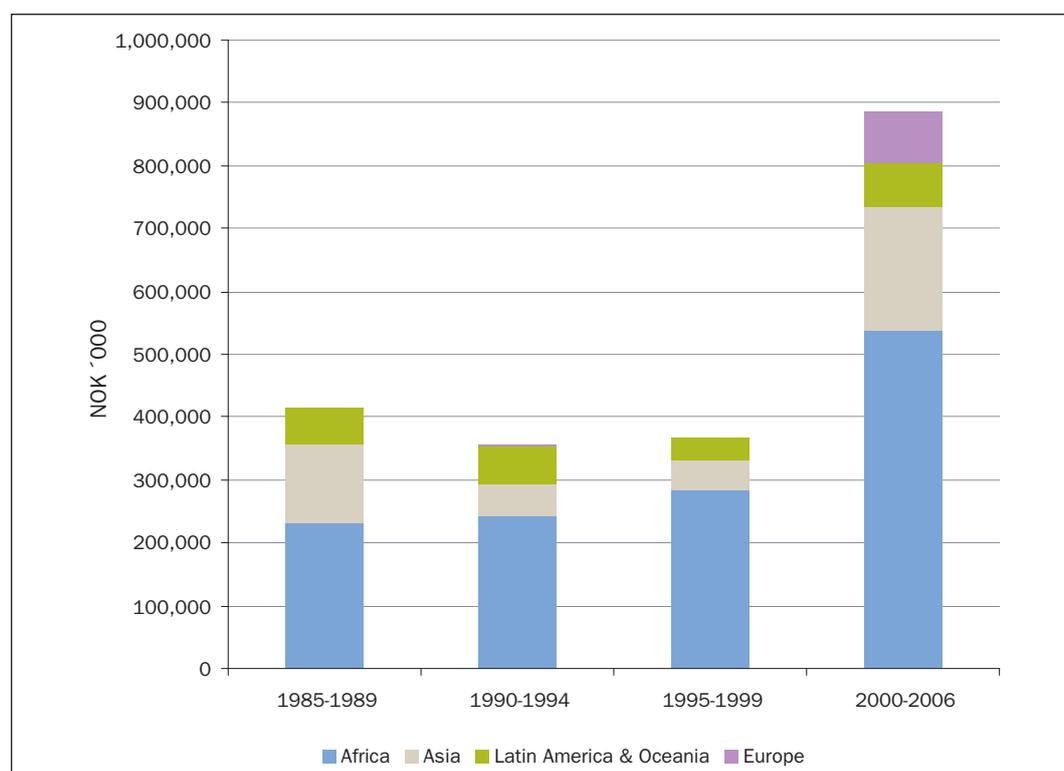
### 3 Norwegian Support to the Fisheries Sector

#### 3.1 Financial Data and Analysis

Financial statistics on Norwegian support to the fisheries sector were obtained for the years 1984–1998 and 1999–2006. Overall Norad funding to the fisheries sector is summarised in Figure 6. In analysing these datasets for the purposes of identifying target countries for field visits, it was found that these two data sets were based on different source data and therefore were not comparable. The reason for this was a change in policy with regard to how data are categorised. Prior to 1999 there were broad data classifications, which only allowed categorisation for development by whole sectors, such as primary industries (fisheries, agriculture), education and health. In 1999, the OECD introduced classifications which allowed more detailed reporting on specific industries such as fisheries, agriculture, primary education, etc. The difference in data richness can be seen in Figure 3 and Figure 4. Because of the change in categorisation, datasets on Norwegian support to fisheries are not comparable. However, by sorting data on support prior to 1999, it was possible to make a good estimate of Norwegian support to fisheries over the period (Figure 6).

One of the data sets (Fisheries assistance for the years 1985–1998) was identified as having a potential flaw — data recorded under the DAC code 3. *Landbruk og Fiske, 9. Annet Landbruk og Fiske* (agriculture and fisheries) included data for projects other than fisheries. The process of ensuring that the data from these two sets were comparable would have required extensive time and resources that were not available to the evaluation team. Analysis was therefore undertaken excluding this category. Results presented exclude support given under DAC code 3.9. This implies that the actual amount of support provided to fisheries could have been higher than the figures presented here.

Figure 6 Total support to the fisheries sector, excluding category 3.9, 1985–2006 (NOK '000)



Source: Norad records

As expected, over half of the total support has gone to Africa (Figure 6); overall aid to Africa has risen over the period 1985–2006. In the period under evaluation, Norway has given direct support to 57 countries with an approximate total value of NOK 1,500 million<sup>4</sup>. Figure 7 indicates the relative level of assistance to different countries. A further NOK 500 million has been given through regional initiatives. Annex I gives a more detailed breakdown by country and type of assistance over the period 1999–2006. It should be noted that the datasets for pre- and post-1999 are not comparable, therefore the apparent large increase in expenditure in the fisheries sector in the period 2000–2006 is likely to be an artefact of problems with the data. Furthermore, it was not possible, with the data available, to identify the assistance provided to the fisheries sector by thematic area (policy development; research, education and training; and private sector development). These different themes are usually incorporated into a wider sector agreement or are elements within a particular project or programme, making it impossible to determine overall expenditure without going through all individual project accounts.

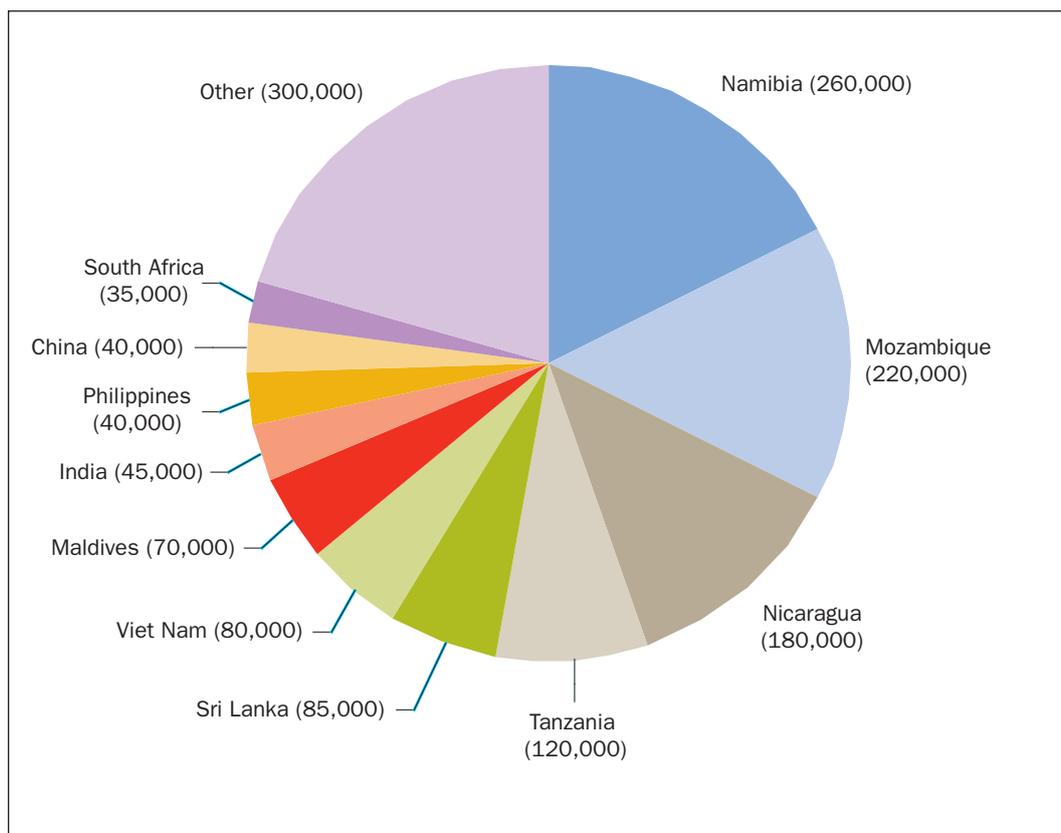
The following points emerge from the data tables on Norwegian support to the fisheries sector over the period 1999–2006:

- Bilateral aid is the major source of financial support; 58% of total support was bilateral. This figure includes projects that benefit a single country and which have in the main been developed by the recipient. It also includes the Norwegian Programme for Research, Development and Education (NUFU) projects (NOK 12.1 million, 1% of total) and also includes both development co-operation and private sector development projects. Smaller quantities went to support to multilateral institutions such as FAO and the World Bank — 42% of total Norwegian support was given to multilateral projects – that is to say projects and activities that are targeted at more than one country or which involve significant funding by more than one donor.
- Most support has been development co-operation, with 16% of total support targeted at private sector development, provided through bilateral channels. This represented 27% of bilateral support.
- Africa is the highest recipient of Norwegian development support to the fisheries sector over the period 1999–2006, with the single most important recipients being Namibia, Mozambique, Tanzania and South Africa. Assistance to the Asian fisheries sector comes second after Africa. The aid was predominantly to Vietnam, Sri Lanka (post-tsunami support), Philippines and China. Support to private sector development was particularly significant in the Philippines. Support to Central and South America totalled NOK 72.6 million over the period 1999–2006. 84% of this support went to Nicaragua, with the majority going for private sector development. In Europe support has been mainly for private sector development in Turkey and Bosnia & Herzegovina.
- Unspecified assistance to Africa and unallocated assistance to sub-Saharan Africa was very significant (NOK 106 million), most of which (NOK 104 million) was for the Fridtjof Nansen Programme. A further NOK 161 million was spent on the FNP under ‘Sub-Saharan Africa unallocated’. In total NOK 304 million was accounted for by the FNP, most of which was provided via bilateral assistance, with only 13% through multi-bilateral channels.

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<sup>4</sup> Although this figure includes some support to the Nansen Programme (approximately NOK 304 million), it is thought that it does not include the majority of the Nansen Programme funds.

Figure 7 Norwegian development assistance to the fisheries sector, by recipient country 1999 – 2006 (NOK '000)



Source: Norad documents

The main beneficiaries are shown in Figure 7. This shows that the three largest recipients of aid were Namibia, Mozambique and Nicaragua. This reflects the importance of the fisheries sector in these countries as well as the support that Norway gave to the independence movements and political ideologies in these countries.

### 3.2 Previous Evaluations of Norwegian Co-operation

There have been a number of mid-term and final evaluations and other reviews of the effectiveness of Norwegian development co-operation. In this report we consider four country reviews which were carried out by external consultants. They are as follows:

- Kenya: Evaluation Report of the Lake Turkana Fisheries Development Projects (1985);
- Tanzania: Review of the Mbegani Fisheries Development Project (1986);
- Namibia: Results and Impact Review of Namibian/Norwegian co-operation in the fisheries and maritime sectors (2005);
- Vietnam: The Internal Mid-Term Review of the Vietnam Fisheries Law and Regulations – Phase II (2007).

#### 3.2.1 Kenya — Lake Turkana fisheries development projects

##### Project objectives

The aim of these projects was to support the development of fisheries on Lake Turkana which lies in an arid area of Northern Kenya where poverty and drought are major issues. Norad assistance to Kenya's fisheries started in 1967 and specific support to Lake Turkana started in 1971. The evaluation report (Watson *et al.*, 1985) covers project objectives and target groups, socio-economic impacts, fishing, fish marketing, organisational aspects and project management, and training and education. In terms of national fisheries production and the number of fishers, Lake Turkana fisheries are relatively minor compared with the inland fisheries on Lake Victoria and the coastal marine fisheries.

### **Relevance**

The project was relevant to the Norway's and Kenya's goals of poverty alleviation. The report states that the fishing groups, both men and women, benefited from the project, although there was some criticism of managerial waste and lack of accountability. The project was compatible with Kenyan national fisheries policy and strategies. Section 3.4 of the report covers project compliance with Norway's principles for development co-operation. The report notes areas where there is non-compliance with the principles of Norwegian co-operation and suggests ways in which this may be corrected. There is no mention of international conventions or fisheries codes of conduct, although these were probably less relevant in this case than with shared inland waters and marine waters. Cross-cutting themes relating to environmental sustainability, gender and governance are considered in the report.

### **Efficiency**

Issues of cost-effectiveness and efficiency are considered briefly in the report and there are recommendations for making the project more cost-effective. There is a criticism of Norad project control of expenditure. There is no mention of coherence and complementarity between this project and other Norwegian supported projects in Kenya. However it should be added that this project was unique in terms of supporting a project in an area marginal to fisheries with several environmental and security problems. It was recognised that the management of water resources which also feed into Lake Turkana needed to be co-ordinated with international institutions such as FAO, the World Bank and the Organisation of African Unity (OAU). In addition the need for regional collaboration with Ethiopia over the use of Omo River water is highlighted.

### **Effectiveness**

The project had some positive impacts at the regional<sup>5</sup> and local level for human development and fisheries-based private sector development. However the lake suffers from major environmental fluctuations which affect water levels, limiting the potential effectiveness of support.

### **Institutional strengthening**

There are recommendations for institutional development, notably the importance of Norad's role as a sponsor of the Turkana Fishermen's Co-operative Society (TFCS). The project also supported other local institutions. The report contains comprehensive proposals for the reorganisation of the TFCS.

### **Sustainability**

Norwegian support to the Turkana project helped develop human resources which should have contributed to the project management. The major issue was environmental deterioration in Lake Turkana — a result of drought, over-fishing and natural fluctuations in water levels.

## **3.2.2 Tanzania – Evaluation of Mbegani fisheries development project**

### **Project objectives**

The review of the Mbegani Fisheries Development Centre (MFDC) (Hersoug *et al.*, 1986) was carried out by a joint Tanzanian/Norwegian team in 1986. The evaluation report 4.86 considered the following areas:

- History of the Mbegani Fisheries Development Centre;
- Status of fisheries;
- Project objectives;
- Status of the fisheries;
- Socio-economic framework;
- Training and manpower development;
- Organisational aspects;
- Economic aspects;
- Future development.

The agreement between Tanzania and Norway was signed in 1976 and provided for the provision of consultants to construct the MFDC and later to provide training at certificate and

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<sup>5</sup> When referring to impacts at the 'regional and local levels', regional refers to regions *within* a country, rather than a group of countries.

diploma levels. A grant of NOK 13.2 million was made. After early problems of project delays, the project was found to be a failure but a renegotiated agreement was signed in 1980 and the Norad board decided to grant the project NOK 85 million. Total costs by 1984 were NOK 150 million with Norad paying 75 % of the running costs every year. While the project's original objectives were aimed at support to the development of an industrial fishing fleet, the fishery resources available were not sufficient to support such activity. As a result, the project was refocused towards supporting the artisanal sector.

### **Project relevance**

Section 1.3.4 of the evaluation report demonstrates that the project was moving generally in the correct direction of compliance with Norwegian principles for development co-operation, although the report noted that more support needed to be made to addressing gender issues. The project with its emphasis on artisanal fisheries may have indirectly contributed to poverty alleviation, although the evaluation report made the point that the MFDC at the time of the evaluation was hardly helping the poorest members of the population. To some extent there was collaboration with international agencies, notably FAO. It was recognised that women should be more integrated into the operations of the MFDC as students and staff.

### **Efficiency**

The project had considerable impacts on training and had some economic impacts on local communities near Mbegani. It is not clear whether the Mbegani project was cost-effective. The capital and operational costs were high and this was influenced by imported capital items and the use of expatriate staff. The report demonstrated that there was an assessment of the expenditure as well as the operational and management structure of the Mbegani project. There was some basic comparative analysis of expenditure at Mbegani with Kunduchi Marine Fisheries Training Institute and the Ardhi Institute, suggesting that cost savings could be made at the MFDC.

There is limited evidence on the coherence and complementarity of MFDC with other projects and programmes in Tanzania. There was consideration of possible collaboration with other educational institutions, including the Dar es Salaam Maritime Training Unit, Nyegezi (lake fisheries), the University of Dar es Salaam and the Tanzania Fisheries Research Institute (TAFIRI) and Kunduchi Marine Fisheries and Training Institute. Such collaboration could have, to some extent, reduced costs and raised revenues, the latter might also benefit from Mbegani providing regional training for fishers and fisheries staff. It is difficult to measure the additionality of Norwegian support but the report gives a review of the positive and negative impacts of the centre including the social and economic impacts on local communities, including fishing communities.

### **Effectiveness**

The Mbegani project had some desirable impacts at the individual, local, sector, national and regional levels. It is not possible to establish from one evaluation report carried out in 1986, the degree to which these impacts continue in 2008. However, it is clear from the review that financial, human and natural resources were not adequate to support the initial aim of developing an industrial fishing fleet. The Centre therefore redirected its efforts towards the artisanal fishing sector, running short course to both coastal fishers and fishers from inland waters such as Lake Victoria. These courses included traditional boatbuilding, outboard engine repair and fish processing, the latter working in co-operation with women. The Mbegani project was not cost effective. In terms of the project's capital and operational costs, the value for money impacts on Tanzanian fisheries were relatively low.

### **Institutional strengthening**

After initial management and operational problems, the MFDC established itself albeit with high investment and operational costs. The review found that the MFDC was hierarchical and that the internal organisation was complex with many departments which were time consuming. The report considered that the ideal organisation would not be achieved without considerable changes, and suggested alternative models for organisation, including the transfer of responsibilities to Tanzanian staff.

## **Sustainability**

There would seem to be a major issue concerning the financial and staffing sustainability of the MFDC. As with other projects supported by Norwegian aid in the fisheries sector, there is a need to obtain the commitment of the partner country for counterpart financing and staffing from the outset of the project. There may be other sources of funding apart of Norwegian and partner country funding and it is important that both Norad and the partner countries examine the availability of financial and human resource support from other donors, non governmental organisations (NGOs), international financial institutions and potentially the private sector.

### **3.2.3 Namibia — Results and impact review of Namibian/Norwegian co-operation in the fisheries and maritime sectors**

#### **Project objectives**

This review was carried out by the Nordic Consulting Group in 2005. The objectives of the report were to:

- Assess the results and impacts over a period of development co-operation between Namibia and Norway in the fisheries and maritime sectors;
- Document the results and impacts;
- Assess the sustainability and institutional foundations of co-operation in developing the sectors;
- Make recommendations as to how the co-operation areas are sustainably embedded in Namibian institutions.

Norway began supporting the fisheries sector in Namibia, including the Nansen programme which is not included in this review, in 1990. The support has included institutional support to the Ministry of Fisheries and Marine Resources (MFMR) and the Namibian Maritime and Fisheries Institute (NAMFI), including training in legal issues. Other support was given to capacity-building and education at university level. Norway no longer has bilateral co-operation with Namibia which is now considered to be a lower middle income country. The review includes sections on:

- The development and status of fisheries and the maritime sector in Namibia;
- Norwegian assistance to the fisheries and maritime sectors;
- Assessment of individual components;
- The sustainability issue;
- Main review findings;
- Recommendations;
- Lessons learned; and,
- Next steps.

Namibia has an important fisheries sector which contributes to GDP and direct and indirect employment, including fishing and fish processing. The fishing activities are mainly undertaken by industrial fishing vessels operating under joint ventures.

#### **Relevance**

Norwegian aid has supported Namibia's needs in terms of fisheries policies and strategies. It is not clear that Norwegian support to the fisheries sector has had any direct impact on poverty alleviation in Namibia. Namibia does not have a small-scale artisanal fisheries sector and the main beneficiaries of support to the fisheries sector have been commercial industrial fisheries, although their development has generated employment and incomes. The review considers that there may be scope for poverty reduction in inland fisheries and aquaculture but these sectors are marginal in terms of their contribution to fisheries value-added and employment. Norway's expertise in fisheries, natural resources and conservation are particularly relevant to Namibia. The Norwegian programme also supported the development of fisheries courses at the University of Namibia and support was also given to the Benguela Current Commission which works on the Benguela large marine ecosystem which affects Namibia and Angola.

There is limited mention of the gender impacts of Norwegian support. Clearly some women have benefited from training as fish inspectors and fisheries biologists.

Norwegian support to the fisheries sector in Namibia has been complemented by support to various regional international initiatives. These include support to:

- The Southern Africa Development Community (SADC) fisheries unit which now comes under the SADC Department of Food, Agriculture and Natural Resources based in Botswana;
- The regional large marine ecosystem project BENEFIT based in Swakopmund, Namibia;
- South-East Atlantic Fisheries Organisation (SEAFO) headquarters based in Walvis Bay;
- INFOSA, a regional service of the INFOPECHE Programme based in Windhoek, Namibia.

Some concerns are raised with respect to environmental sustainability which is an issue in Namibian fisheries with the problem of over-capacity.

### **Efficiency**

There is **no consideration of the cost-effectiveness** of Norwegian support to the Namibian fisheries sector and therefore how cost-effective the support has been. There has been an effort to attain coherence and complementarity with other regional fisheries management and resource assessment programmes.

### **Effectiveness**

The effectiveness of the Norwegian programme in Namibia has been demonstrated through the regional resource management programmes, institutional support, resource management and the development of the private sector. These impacts have been at the individual, sectoral, national and regional levels.

### **Institutional strengthening**

Institutional support through the Norwegian support programme has been important. This has included support to MFMR, NAMFI and other organisations in the fisheries and maritime sectors, including the University of Namibia. The latter includes support to the Directorate of Maritime Affairs (DMA) on training, manning of patrol vessels, fisheries inspectors and observer course, maritime policy and legislation. Institutional development was also a component of the Nansen Programme.

### **Sustainability**

The benefits of Norwegian support to Namibian fisheries are likely to continue through the extensive training that was supported at college and university levels and through the training of technicians and fisheries inspectors. However, one issue that is mentioned in the Impact Review is that of retention i.e. the fact that trained personnel such as fisheries biologists and ships' engineers may be poached by other sectors. Although this represents a loss to the fisheries sector, their skills should continue to benefit the overall economy. The Norwegian programme did contribute improved stock management, notably of the stocks that Namibia shares with Angola and South Africa.

Although the co-operation was a success, unfortunately lessons from Namibia are not easily transferrable to other developing countries because the specificities of the Namibian fisheries sector are very different from most developing countries (industrial sector based on productive resources due to an upwelling system, limited/non-existent artisanal sector).

### ***3.2.4 Vietnam — the internal mid-term review of the Vietnam fisheries law and regulations project – Phase II***

#### **Project objectives**

This project has also been reviewed as part of the case study field work that was carried out by the consultancy team in Vietnam (see Section 4.3). The review was finalised in November 2007 (Ministry of Agriculture and Rural Development & Royal Norwegian Embassy, 2007). The objective of the project was to develop a modern legal framework for the Vietnamese fisheries sector. Other objectives were to contribute to the sustainable development of the Vietnamese fisheries sector and to enhance institutional capability for the better management and development of the fisheries sector in Vietnam. The project appears to meet the needs of the partner country with respect to the effective management of the fisheries sector. There is

limited mention of international laws or conventions with the exception of the World Trade Organisation (WTO).

### **Relevance**

The project does not directly contribute to poverty reduction, although an up-to-date legislative framework should contribute to the better management of Vietnamese fisheries and therefore may contribute to the more sustainable management of fisheries. The project responds to the need of the partner country to update fisheries legislation so that it meets the current needs of the fisheries sector. The project is considered to be a good governance project in environmental terms. With respect to gender, section 8 of the review considers that women were sufficiently involved in the project, although it is yet to be seen whether the project will contribute to changing the current legislation that does not allow women to take aquaculture leaseholds.

### **Efficiency**

Project efficiency through cost-effective delivery has been achieved and the project was below budget plans. The mid-term review considered that that the project was good value for money, although no figures were found in the report to demonstrate this assertion.

### **Effectiveness**

The project would seem to be effective, the review indicates that the formulation and enhancement of the laws and subordinate legislation has been enhanced through training courses, seminars and the financing of postgraduate education. Project management and coordination has been effective. There is some criticism in the report of the fact that the project office was not located in the offices of the Legal Department of the Ministry of Agriculture and Rural Development (MARD), although this has since been rectified. There was also some concern expressed that certain personnel have moved to other functions.

### **Institutional strengthening**

The report indicates that while training should contribute to institutional development, there was evidence that the legal department of MARD was not as effectively engaged with the project as it should have been or joint teams with Norwegian and local staff.

### **Sustainability**

The fact that there was a strong emphasis on capacity building shows that the project should contribute to the sustainable management of fisheries through more effective fisheries legislation. The project makes a contribution to the sustainable management of fisheries and aquaculture, however in the long term this will depend on the retention of the legal staff and the commitment of the government to the sustainable management of fisheries.

### **3.2.5 Conclusions**

The evaluation reports and reviews of Norwegian funded projects are carried out by Norwegian and in some cases local staff. The reviews vary considerably in their content and length. There is also considerable variation in the degree to which the reviews assess the five evaluation criteria established for this evaluation (relevance, efficiency, effectiveness, institutional strengthening, sustainability). It is therefore recommended that future programme and project reviews follow a common framework which includes the major impacts established by the evaluation department.

## 4 Performance of Norwegian Assistance across Countries

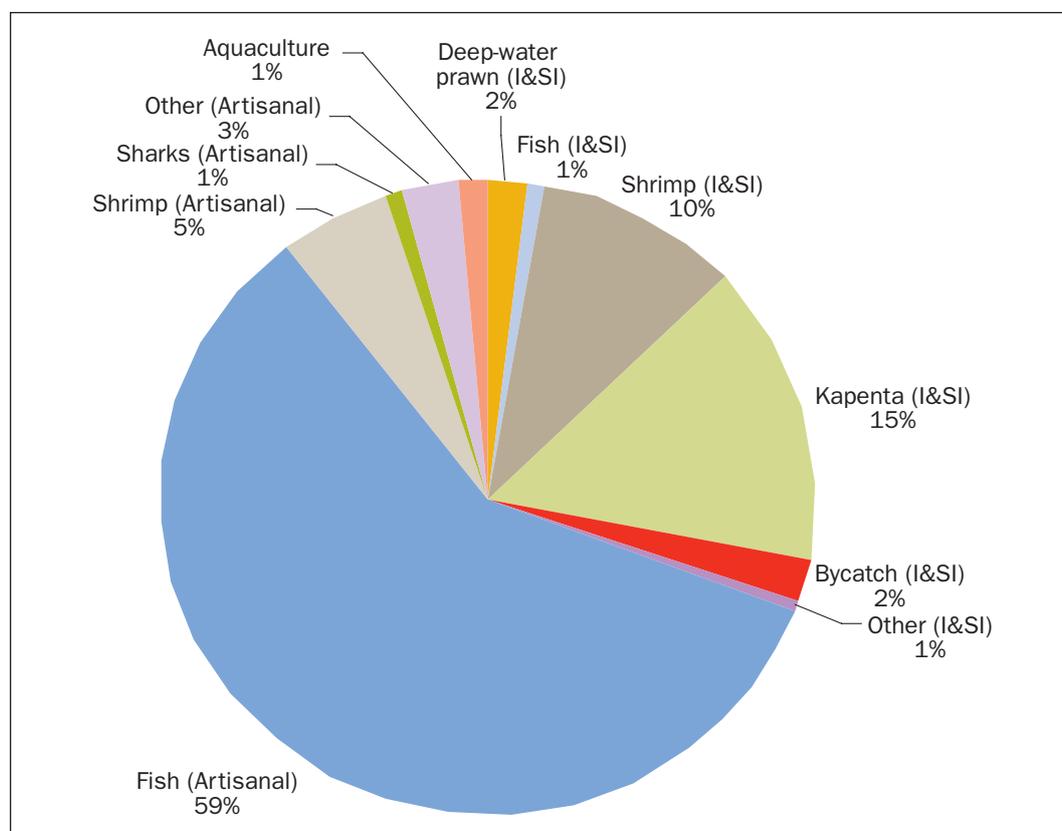
### 4.1 Mozambique

#### 4.1.1 Context

Mozambique is situated on the Indian Ocean coast of southern Africa. With a coastline of more than 2,700 km, the fishery sector is of great importance to the country. It represents 4% of GDP and was responsible for 28% of foreign exchange earnings in 2003 (MP, 2005).

The main fisheries are the industrial and semi-industrial shallow-water shrimp fishery, deep water shrimp (gamba), foreign fleets targeting tuna and other highly migratory species, and the small-scale or artisanal fishery. Inland fisheries (especially for kapenta) in Lake Niassa and Cahora Bassa also contribute significantly to fisheries production. Total fisheries production is around 90,000 tonnes, of which artisanal production accounts for around 68% (Figure 8). Although these data include improved estimates of artisanal production, they probably still underestimate it somewhat, as not all coastal districts are covered by the sampling system. Aquaculture production reached 1,171 tonnes in 2005 (MP, 2006), mainly of shrimp, although this has declined in 2007–2008 as two of the three shrimp aquaculture facilities have ceased production.

Figure 8: Contribution of fisheries and sub-sectors to total fisheries and aquaculture production by volume in Mozambique (2005 data)



Notes: I&SI = Industrial and Semi-industrial

Source: MP, 2006.

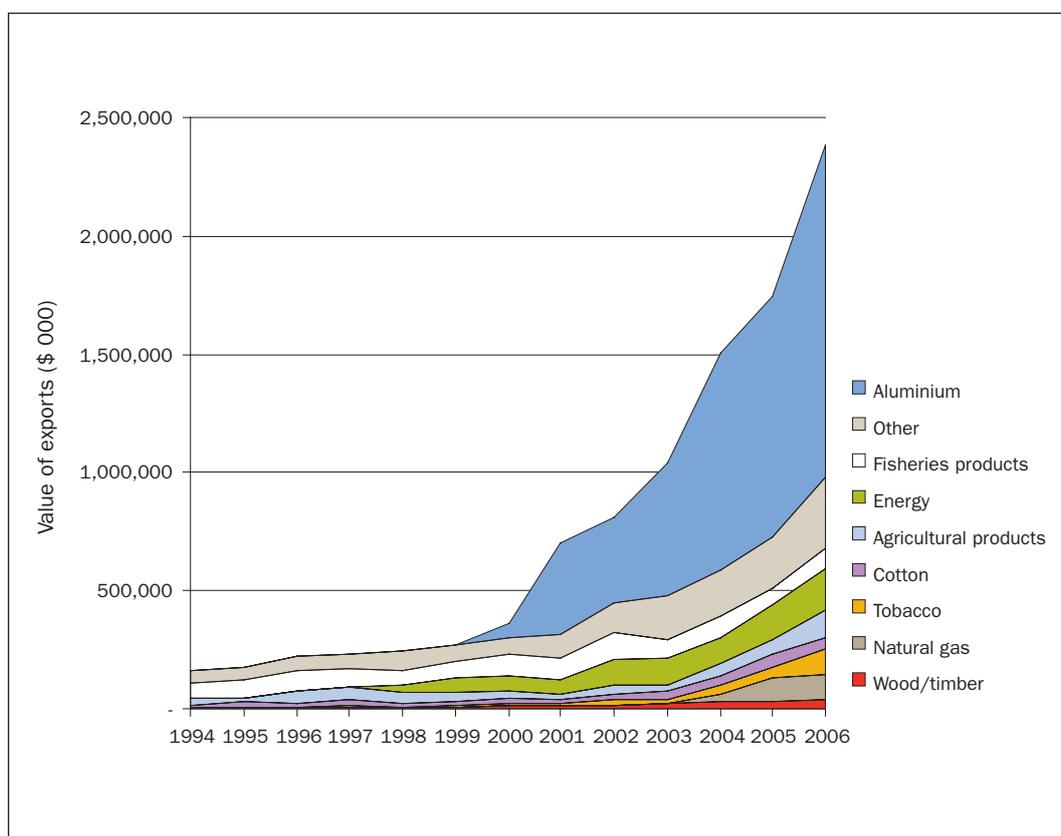
Fisheries provide an important source of employment, with an estimated 100–120,000 jobs in fishing (of which 90% are in the artisanal or small-scale sector), and four times as many in support functions (MP, 2005). Fisheries are also important for food security with fish being an important source of protein, in particular for the poorest segments of the population, providing 12% of total protein consumed (compared to only 4% for meat) (INE, 2008).

### Historical background

During the civil war in the 1980s, the fisheries sector became hugely important to the economy. It accounted for 47% of export revenue and was an important source of foreign currency. The small-scale sector also increased in importance for food supply and income for a large part of the population during this period, as people displaced by internal conflict in the hinterland migrated to the coastal region (MP, 2005).

The importance of fisheries to export revenues has declined over the years, due to the growth of other sectors of the economy (in particular, increasing exports of aluminium, energy and natural gas) (Figure 9). In 2005, 16,577 tonnes of fish and fishery products were exported, worth US\$ 97 million (84% from shrimp) (MP, 2006). This accounted for about 8% of total export volume (Republic of Mozambique, 2006), although the volume and value of fisheries exports have remained relatively steady over the period.

Figure 9: Mozambique exports by category, 1994–2006



### Government policies

Mozambique's population is around 20 million, and GDP was US\$ 7.06 billion in 2006 (GDP per capita of \$354.75) (IMF, 2007). Since 2004 the economy has been growing at a rate of 7% or more (IMF, 2008). Poverty levels are high, and the alleviation of poverty is a key government priority. The Poverty Reduction Strategy Plan (*Plano de Acção para a Redução da Pobreza Absoluta, PARPA II*) is based on the three pillars of governance, human capital and economic development (Republic of Mozambique, 2006). The fisheries sector has a key role to play in reducing poverty, which was recognised to a greater extent in PARPA II than it had been in PARPA I, in particular due to its potential to generate employment and family income through the artisanal sector.

#### **4.1.2 Development support to the fisheries sector**

The fisheries sector currently has 18 donors<sup>6</sup>, amongst them governmental agencies, NGOs, intergovernmental organisations and international financial institutions. Norway is a strategic partner, and has been the principal donor to the sector over the years, both in terms of value and duration. Other key donors are the Icelandic International Development Agency (ICEIDA), the European Union (EU), the Danish International Development Agency (DANIDA), and FAO. Other agencies provide loans to the sector, principally the International Fund for Agricultural Development (IFAD), African Development Bank (AfDB), the Islamic Development Bank (IDB) and Arab Bank for Economic Development in Africa (BADEA). The financing supports artisanal fisheries, aquaculture, sanitary and hygiene control and inspection, research, fisheries management, training and institutional support. A fisheries sector donors' group exists, to help coordinate support to the sector. Norway is currently the chair of this group.

The investment budget for the Ministry of Fisheries (*Ministério das Pescas, MP*) for 2007 was MT 586,272,550.00 (US\$ 24 million), a 15.4% increase from 2006. These funds originate from State budget, own revenues and from external partners who cooperate with the Ministry. Norway, a traditional partner in the fisheries sector contributes with 13% (75,066,490.00 MT) of the total budget. However, this is an underestimate of Norway's total contribution since a considerable portion of Norwegian funding is not included in the Economic and Social Plan (*Plano Económico Social, PES*), the main annual programming and planning instrument of the Government, and is therefore not included in these figures.

#### **History of Norwegian co-operation**

Norway has provided support to the fisheries sector in Mozambique since 1977, just after independence in 1975, with particular emphasis on fisheries research and management. Other support over the years has included small-scale fishing, trial fishing and support to the Fisheries School. Considerable effort and resources have been put into training and human resources development in the various institutions in the fisheries sector and particularly in the Fisheries Research Institute (*Instituto Nacional de Investigação Pesqueira, IIP*).

In the late 1970s and early 1980s, Norway supported the Nordic Agricultural Development programme, MONAP, which included some support to fisheries, such as the establishment of ice-making plants and rehabilitation of infrastructures. From 1988 to 1992, support was given through three independent institutional projects for IIP, the Institute for Small-Scale Fisheries Development (*Instituto Nacional de Desenvolvimento da Pesca de Pequena Escala, IDPPE*) and the State Secretariat for Fisheries / National Directorate of Fisheries (*Secretaria do Estado das Pescas, SEP / Direcção Nacional das Pescas, DNP* – after fisheries was incorporated into the Ministry of Agriculture). Additional support was provided for the Fisheries School (*Escola de Pesca, EP*), trial fishing for anchovy through IIP and trial small-scale coastal/open sea fishing through IDPPE. In 1992, this support was incorporated into a three-year framework agreement for the fisheries sector.

In late 1994 a joint Norad/SEP review of Norwegian co-operation in the fisheries sector (Anon, 1995) resulted in the phase-out of the support to some institutions, in order to focus the support on fewer areas. From 1996–2004, the support was set within the framework of institutional co-operation between Mozambican and Norwegian fisheries institutions. Support was given through the programme 'Institutional Support to the Fisheries Sector' (MOZ 088 and Addendums I–IV) to fisheries administration and management through SEP/DNP and to fisheries research through IIP. This project included institutional 'twinning' of DNP with the Directorate of Fisheries (DoF), Norway, and of IIP with IMR.

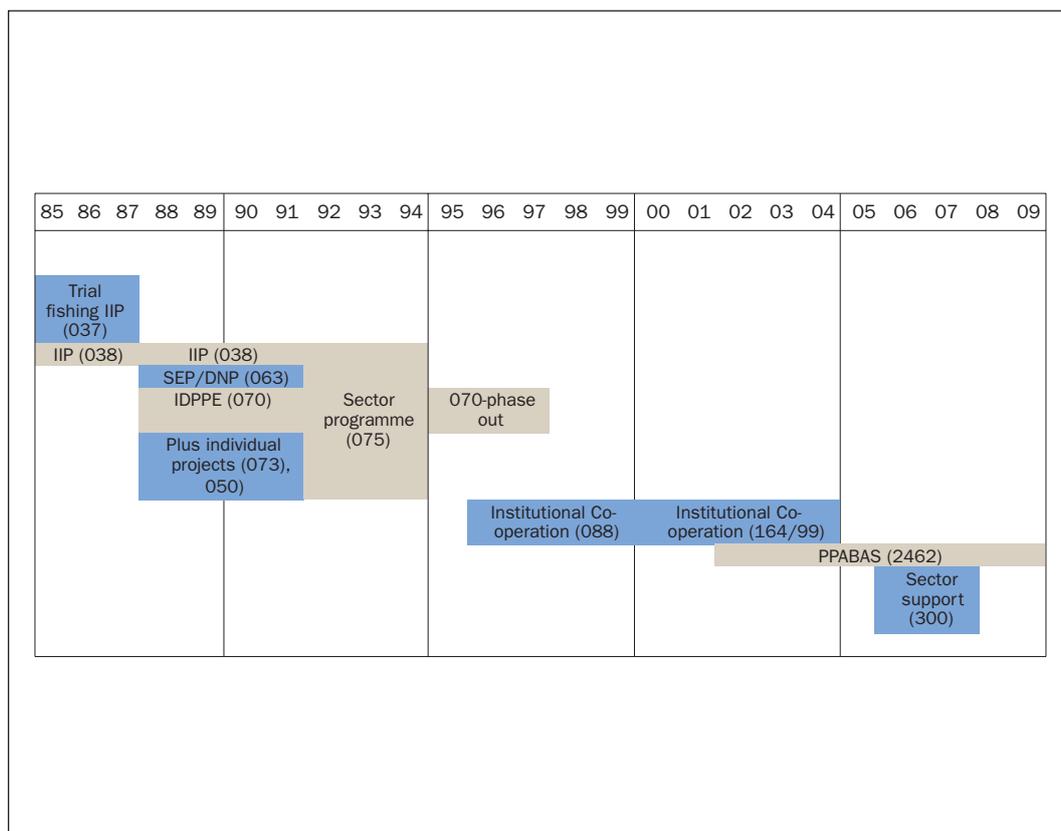
From 2005, a new sector co-operation programme was agreed (Project 2462, Agreement MOZ00/300), encompassing broad sector support (MP, 2005). This was for an initial three years (2005–2008), with a probable three-year extension. The programme is expected to contribute to overall efforts for fishery development and poverty reduction through developing capacity for research-based fisheries management.

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<sup>6</sup> Department for International Co-operation, Ministry of Fisheries.

From 2002, Norway revived its support to the small-scale sub-sector, by providing co-financing (19% of the total) to the Sofala Bank project (*Projecto da Pesca Artesanal no Banco de Sofala, PPABAS*), led by IFAD and also funded by the Belgian Survival Fund. This was initiated by a request for funding from IDPPE to the Norwegian Embassy, after the project design had been carried out by IDPPE and IFAD.

Figure 10: Timeline showing Norwegian fisheries co-operation projects in Mozambique, 1985–2009



Norwegian development co-operation has provided long-term institutional support to the sector. Generally, three-year projects have been renewed or extended, although in the 1980s some individual projects were also implemented. These extensions were often granted as a means of facilitating the implementation of new projects (Figure 10). For this particular reason it is inherently difficult to evaluate the individual impact of a specific project or programme (with the exception of a couple of projects carried out during the early phases of Norwegian development co-operation concerning experimental fishing and support to the Fisheries School).

### Development projects reviewed

Table 1 indicates the projects selected for either detailed analysis or brief comment of pertinent points. Taking into account the inter-dependent nature of many of the co-operation efforts, their implementation and impact as a whole is also considered.

Table 1: Projects selected for detailed analysis or brief comment in Mozambique

Project/programme	Period	Detailed analysis	Brief comment
<b>Support to individual institutions and projects</b>	<b>1977-1997</b>		
Support to IDPPE	1988-1997	✓	
Coastal trial fishing (IDPPE)	1988-1994		✓
Support to IIP	1985-1997	✓	
Trial anchovy fishing			
Support to Fisheries School	1992-1994	✓	
Support to SEP	1991-1996		
<b>Sector support through twinning phase</b> , comprising Support to fisheries research (IIP) and Support to fisheries administration and management (SEP/DNP/MP)	<b>1996-2004</b>	✓	
<b>Sector support to fisheries administration, management and research</b>	<b>2005-2008</b>		✓
Sofala Bank project (PPABAS)	2002-2010?	✓	

#### 4.1.3 Project and programme impact analysis

Norwegian support has been fundamental to building capacity of the fisheries sector institutions in Mozambique. Details of the impact analysis for each project are provided in Annex A. Here the main conclusions and key lessons are drawn out from the range of projects.

#### Relevance

##### *Mozambique's priorities*

Fisheries is one of five key priority areas for Mozambique's government, identified as being able to contribute to economic growth, family income, employment generation and government revenue (together with agriculture, industry, tourism and mining) (Republic of Mozambique, 2006). Prior to this, and since independence, the fisheries sector has been important to Mozambique as a means of generating foreign currency revenues through exports.

The 1994 Fisheries Master Plan (MP, 1994) sets out the main priorities for the sector as:

1. Improvement of the domestic supply of fish in order to make up for a part of the country's food deficit;
2. Increase the net foreign exchange earnings of the sector;
3. Raise the standard of living of the fishing communities.

These are reinforced by the Fisheries Sector Development Plan (*Plano de Desenvolvimento do Sector Pesqueiro, PDSP*) for 2002-2006 (MP, 2002), which outlines key objectives for six components: artisanal fishing (increase the income of artisanal fishers); semi-industrial fishing (increase the participation of the sub-sector in fisheries production); industrial fishing (increase the sub-sector's contribution to the economy); processing (improve on-land processing capacity); aquaculture (increase aquaculture's production capacity); and public administration (improve its functioning efficiency in order to stimulate the sector's development).

Overall, Norwegian development co-operation has been relevant to Mozambique's priorities and objectives. Co-operation prior to 1994 had a wider scope than later co-operation, and included support to the artisanal sector and the Fisheries School. The former aimed at identifying under-exploited resources and reducing fishing effort in heavily exploited coastal areas (as a result of the migration of people from the hinterland to the coastal regions during the civil war). Support to fisheries administration was important in maintaining the viability of the shallow-water shrimp fishery, which was important for foreign currency revenues post-independence.

From 1996, Norwegian institutional support focussed on supporting the State<sup>7</sup> in fulfilling its role, as owner and guardian of the fishery resources, of ensuring their long-term sustainability and maximising the benefits from fishing activities for fishing communities and for the country as a whole – developing capacity for research and stock assessment to provide information to be able to manage fishing activities within sustainable limits, and developing the capacity of fisheries administration to be able to fulfil the Master Plan’s objectives. The specific objectives and expected outputs of the 1996–2004 institutional co-operation projects related mainly to developing and improving monitoring and stock assessment systems and models, and fisheries administration routines. These are justifiable in relation to the strategies and activities identified for the productive and public sectors, and the need to focus research on the most important fishery resources from an economic or socio-economic point of view.

Co-operation between Mozambique and Norway (2002–2005) is included in a specific chapter in the PDSP 2002–2006, emphasising that it should be an integral part of the plan. Norway is the only donor mentioned in this way in the document, demonstrating its integration and alignment with the sector’s overall plans.

The long-term, continuous support has been flexible and responsive to Mozambique’s needs and priorities. It has been well-aligned with Mozambique’s priorities. The support has generally arisen from requests from the Mozambican institutions and has been demand-driven, within Norway’s defined priority areas for co-operation. As a result, it has been well-aligned with a part of Mozambique’s immediate priorities, but other priorities as well as opportunities for more strategic inputs may have been missed (e.g. small-scale fisheries sector).

#### *Norway’s priorities*

Norway’s key priority for development co-operation is poverty alleviation. The strategy for Norway’s co-operation with Mozambique from 1997 is stated in an agreement between the two countries as contributing ‘towards sustainable economic growth with particular benefits to the poor segments of the population’.

Project documents and reviews show that the specific objectives of the Mozambique–Norway co-operation include:

- contribute towards sound environmental management and use of natural resources;
- contribute towards increased productivity and production in rural areas;
- contribute towards good governance and decentralisation;
- contribute towards improving Mozambique’s fiscal situation and enhancing Government’s control over public expenditure.

The co-operation has mainly supported the first and last of these specific objectives. Supporting the shallow-water shrimp fishery in particular supports the last of these, at the time one of the country’s most economically important natural resources (more recently, aluminium and energy have overtaken fisheries in terms of contribution to exports). In the 1990s, Norway reviewed its development co-operation with Mozambique in general, and narrowed down its support to a limited number of sectors. Fisheries was included as one of three priority sectors. There was also the need to focus support within the fisheries sector, and a review in 1994 resulted in the phasing out of support to the small-scale sector by 1997 and immediate termination of support to the Fisheries School; support instead focused on fisheries research (IIP) and fisheries administration and management (SEP/MP). The reasons behind the cessation of support to these areas are not entirely clear. Indications from project archives are that Norway found IDPPE sometimes difficult to work with as an institution. With respect to the Fisheries School, it is believed that the lack of political will to rationalise the functioning of the two training institutions, the Fisheries School and the Nautical School, whose roles and responsibilities tended to overlap (under the management of two different Ministries) might have been the main reason for Norway to terminate its support. The overall benefits of merging the two institutions were clearly pointed out by Tenreiro *et al.* (1995) in the final report of a Norad-funded study.

The focus on the semi-industrial and industrial fisheries through fisheries administration and research was justified in terms of Norwegian expertise in these areas, a need to focus the co-

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<sup>7</sup> Development objective: ‘Institutions for fisheries research and management with improved ability to manage the fisheries to achieve maximum benefit for the country’.

operation portfolio on a smaller number of areas, and the contribution of the industrial shallow-water shrimp fishery to fiscal receipts (contributing to economic growth), although this support did not directly support the poor segments of the population (and the extent to which it indirectly supported them is not clear). However, it is the small-scale fisheries sector that provides the most direct means of supporting the poor, rural population. This rationalisation of activities on Norad's part may have reduced the potential effectiveness of the interventions with respect to poverty reduction, by removing the focus from the sector with a more direct link to poverty. More recently Norway has returned to supporting the small-scale sector through the Sofala Bank project (PPABAS) (active in 2002 although implementation only started fully in 2003), which is producing notable and positive results, particularly for poverty alleviation in coastal communities.

The support focused on research and fisheries management, in line with Norway's objectives for fisheries co-operation in Mozambique, particularly for the export-orientated shallow-water shrimp fishery. Whilst this fishery has been important for export revenues for Mozambique, it has meant that Norwegian support has not had a direct focus or impact on poverty alleviation, since the termination of support to the small-scale sector in 1997. Nevertheless, more recent support directly to the small-scale sector through the PPABAS project is having direct impacts for poor coastal populations.

#### *Other issues*

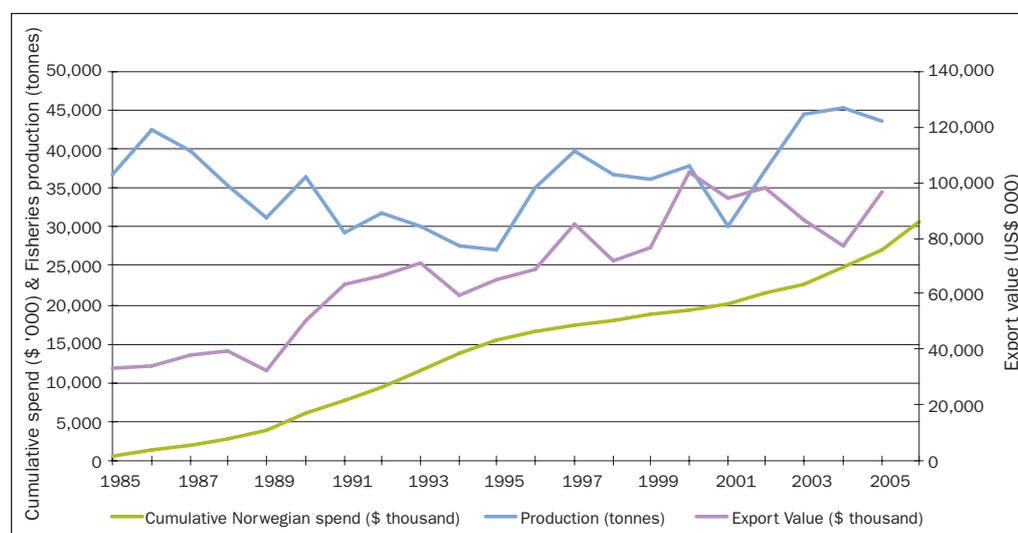
The projects and programmes have generally been in line with international agreements, conventions and commitments on, for example, biodiversity conservation, environment and fisheries management. The project documents do not usually mention such policies specifically, although the objectives of the co-operation (e.g. improved ability of institutions to manage fisheries) contribute towards their achievement.

Gender issues have not been explicitly considered in project design (although a study on the role of women in the fisheries sector was carried out with Norwegian funding). However, in practice, Norwegian co-operation has had an important impact on women's involvement in the sector. Many people from the sector institutions that have received training have been women, and now many departments, directorates and institutes in the sector are, or have been, headed up by women. However, this impact has been unintended, rather than an integral part of the design of the projects.

#### **Efficiency**

In total, NOK 242.5 million (\$ 36.8 million) was spent over the period 1985–2008, an average of NOK 10.5 million (\$ 1.6 million) per year (Figure 11).

*Figure 11: Cumulative Norwegian expenditure in Mozambique, 1985–2008, plotted with fisheries production and fisheries export revenues*



Source: Fisheries production: FAO Fishstat; Export value: FAO Fishstat; Norwegian expenditure: various project sources from the Norwegian Embassy archives.

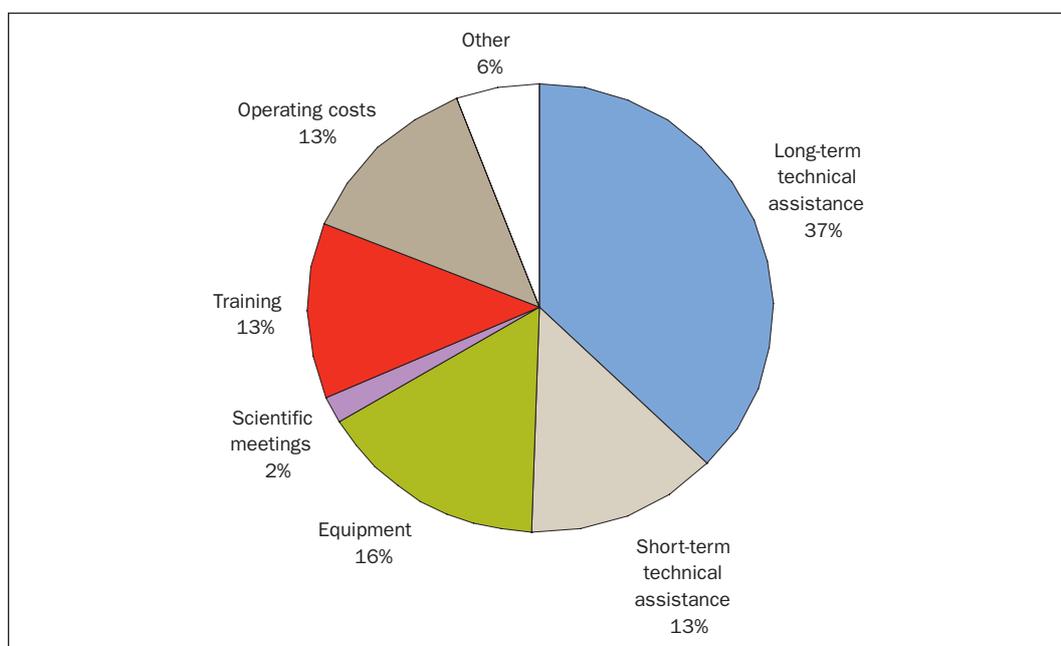
Efficiency of the projects has been satisfactory. There have been delays during project initiation, but subsequently projects have been implemented and funds spent adequately. Recent information available on implementation rate indicates expenditure was 84% of that planned up to 2005 (MP, 2006). Norwegian support is characterised as being relatively small (in comparison to some donor projects) yet consistent over the years. This has enabled increased efficiency and effectiveness due to the long-term co-operation and long time horizon.

Long-term technical assistance has made up the largest proportion of overall costs. Equipment (e.g. upgrading IT infrastructure, office equipment, vehicles) and training (for which overseas university courses accounted for a large proportion) have also been significant components (Figure 12). In earlier years, certain operating costs were also permitted. Apart from some of the earlier projects which spent a large proportion of their budget on technical equipment for promoting fishing activities and which were not successful, overall Norwegian support has been efficient and there were unlikely to have been cheaper ways of achieving the same outcomes.

Whilst the effectiveness of long-term technical assistance can be variable depending on the individual expert and the internal institutional dynamics, most people interviewed believed that the long-term advisers had been important in developing internal institutional capacity, in particular for training Mozambican counterparts during the post-civil war years (1992 onwards). This is also supported by findings of the 2002 review (IFM & University of Tromsø, 2002).

Training costs accounted for 13% of expenditure. Training costs were high due to the use of overseas university training (predominantly undertaken in the UK and Norway). However, at the time in the 1990s there were no alternative options within Mozambique and therefore there are unlikely to have been cheaper ways of achieving the objectives. There has been a good retention rate and those people trained now provide an important proportion of human resources capacity within the sector institutions, heading up Departments, Directorates and Institutes as well as fulfilling roles of Ministerial advisers. However, people receiving Norad-funded training and subsequently leaving the sector is known to occur, especially people with IT qualifications. Despite being a direct loss to the sector, the overall impact of training is still positive as these people will contribute their skills to the wider economy in other sectors.

Figure 12: Indicative Norwegian expenditure in Mozambique by category (indicative), 1988–2004.



Notes: These are indicative estimates since detailed financial information by category was not available for all years and classification of expenditures has changed over time. The expenditure on the 088 and 164 projects (from 1996–2004) were categorised by project objective, not expenditure category, therefore they were re-categorised for this analysis according to the best-available information but may not provide a true reflection of actual expenditure.

Source: Project Main Summary statements from 075 components, FFP audits for 075, 088 and 99/164 (Norwegian Embassy archives, Maputo).

The coordination of Norwegian support — in terms of administrative relations between the MFA, Norad, the Embassy and MP — has varied over these years but overall has been good. Currently two meetings a year are held between MP and the Embassy, and it is felt that a transparent dialogue is achieved. However, there have been problems with the implementation procedures of the current sector support programme, which appear to be due to unclear roles and procedures between the MFA, MP, Embassy and the Centre for Development and Co-operation in Fisheries (CDCF), the Norwegian institution nominated to coordinate the supply of technical support to the programme. There is dissatisfaction within MP of the current arrangement, which has caused confusion over budgeting and procurement, particularly with respect to the design and commissioning of a patrol boat, and is felt has not lived up to expectations.

The implementation efficiency of the projects has been satisfactory, although actual expenditure has often been below planned expenditure. However, the total budget has usually been spent by the end of the projects, or through a short extension. The overall cost-effectiveness of co-operation has also been satisfactory, achieving notable results with a relatively low level of financial support (averaging US\$ 1.6 million per year over the period 1985–2008). There are unlikely to have been cheaper ways of achieving the same outputs. The exception is the technical fishing-oriented projects which were neither efficient nor effective.

### **Effectiveness**

Effectiveness of support has varied across projects. Some of the earlier technical projects (e.g. trial coastal fishing and trial anchovy fishing) were not successful and did not achieve their objectives. However, overall Norwegian support has been effective, delivering the outputs planned, with some exceptions of poorly designed projects, or some project components which were not fulfilled. Support to the Fisheries School also underperformed due to the early termination of support.

The later support focussed on institutional strengthening has been successful in increasing capacity for fisheries research, administration and management. Since the creation of MP in 2000, it has developed capacity to fulfil its duties. IIP has also developed important stock assessment and research capacity, and performs well within the paradigm of a classical fisheries research institute and with the limited resources available (Dengbol *et al.*, 2002). These are considerable achievements, to which Norwegian support has contributed substantially<sup>8</sup>. Most impacts have been felt at central (national) level, where the majority of the support was channelled through the main sector institutions. Impacts at provincial and local level have been less evident, although the PPABAS project more recently is reversing this trend. There are still further improvements to be made and new challenges to address in the fisheries sector, most notably in supporting increasing decentralisation and capacity building in provincial agencies, training of personnel in specialist areas, and in tackling emerging issues such as illegal fishing through improved MCS.

### **Institutional strengthening**

Institutional strengthening has been a focus of Norwegian support over the years. This has taken the form of on-the-job training through long-term technical assistance (*cooperantes*) in the 1980s and 1990s, training and education (university courses), institutional ‘twinning’ and support to development of policy and fisheries management and administration.

The *cooperantes* were placed in IIP, IDPPE and SEP/DNP and were important in building the capability of Mozambicans to fulfil their roles in the newly-independent country. When the support through *cooperantes* declined in the late 1990s, their Mozambican counterparts had increased their ability to continue independently, although there was inevitably a short-term loss of capacity. This was particularly true at IIP, as indicated by its researchers. It is a fact that a great deal of capacity is lost after the departure of the person providing the technical assistance (either because that person has not been totally efficient in conveying the training or simply because of the lack of specific technical know-how by IIP’s staff). For example, some of the tools used for stock assessment work which are quite complex, may not be used

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<sup>8</sup> All interviewees agreed that without the support Norway had provided to the sector over the years, the situation would be very bad indeed, indicating substantial additionality from Norwegian support. However, this does not preclude the possible situation that other donors may have stepped in, in Norway’s absence (ICEIDA and DANIDA both provide substantial support to the sector).

to their full potential after the departure of the *cooperante*, even after training designated members of staff. In light of this, a more robust system should be put into practice to ensure the continued development of all the work initiated at IIP by foreign assistance. IIP's researchers and technicians should therefore be better prepared not only to follow up the work initiated by foreign experts but also be able to further develop its potential use.

Norway has taken a long-term view of the importance of human resources development and has supported training more than any other donor (Tembe, *pers. comm*). Training through overseas university courses (B.Sc., M.Sc. and some PhDs) have been financed. Many people whose training was funded by Norwegian support remain working in the sector and now head up departments, directorates and institutions in the sector (Ministry, IIP, IDPPE etc). The option to use overseas training may have delayed the development of local training institutions. However, in more recent years, now that Mozambican higher education institutes have increased their capacity to deliver training, more courses are undertaken locally than were in the past. However, the development of local institutional capacity of fisheries training institutions has been incidental to, rather than a result of, Norwegian development co-operation in the fisheries sector.

The institutional twinning of SEP/DNP with DoF, Norway, and of IIP with IMR, provided long-term support to the Mozambican institutions and enabled a working relationship to be established between technical staff members at the respective agencies. This allowed the agencies involved to build up a shared understanding of the situation and development needs, so that decisions could be taken without extensive preliminary discussions, and provided continuity and flexibility in implementation. However, the Norwegian institutions were not always able to respond with the necessary expertise within a realistic time-frame which contributed to restricting the pool of available expertise from which support could be drawn. The arrangement under the current sector programme has been affected by other problems, namely weak communication and coordination between the CDCF and the various other institutions involved (MP, Norad and the Norwegian Embassy in Maputo). Overall, training and long-term technical assistance have contributed more to institutional development than did the institutional twinning.

Norwegian support has, nonetheless, been fundamental to the strengthening of fisheries sector institutions through human resources development and training. The development of the capacity of the fisheries institutions and in particular of the recently-created Ministry of Fisheries is reflected in the greater visibility that the fisheries sector has in PARPA II (Republic of Mozambique, 2006) than it had in PARPA I (Republic of Mozambique, 2001), demonstrating the ability of the sector institutions to make their voice heard at the national level. They also have an increased capacity to carry out research and stock assessments, and manage the fisheries, although there are still improvements to be made. The long-term support and long-term vision of providing training to Mozambican staff through university courses is paying off, with many of these people fulfilling high-ranking roles in the sector institutions.

### **Sustainability**

The inputs provided through Norwegian co-operation to the fisheries sector in Mozambique have contributed towards promoting biological sustainability — sustainability of the resource basis of the fisheries, particularly the shallow-water shrimp fishery — by increasing the capacity of IIP to carry out stock assessment in order to provide scientific advice to fisheries managers. IIP now has the internal capacity to carry out stock assessments of the shrimp fishery independently, and an external consultant is brought in only for the peer-review process. IIP has also increased its capacity to monitor and assess stocks that are important to the artisanal sector and other fisheries such as the line-fish fishery.

The shallow water shrimp fishery provides an economic rent for the sector through licence fees and taxes. Yet in recent years, catches have shown a declining trend, possibly as a result of the fleet's substantial over-capacity. Indeed the decline in catches has resulted in an overall reduction in effort, most likely due to increasing fuel costs which have rendered fishing operations barely profitable (Kusi Lda, 2008). Management approaches have been unable to control the increase in effort and decline in catch, and its sustainability may be more a result of a resilient stock and successful recruitment than due to the management decisions of the Ministry *per se*. This indicates that while the co-operation has been effective at increasing

capacity, the outcomes and impacts (i.e. results) in terms of stock sustainability are not yet evident. However, there are signs that the Ministry is starting to address this and recently placed a six-month ban on shallow and deep water shrimp and crustacean fishing for all fleet segments to allow stocks to recover<sup>9</sup>. The long-term capacity building to which Norwegian support has contributed has helped equip the Mozambican institutions with the necessary abilities to manage this issue.

There are encouraging indications of technical sustainability, as many of the people trained through Norwegian co-operation remain in the sector. The focus on long-term training has paid dividends and many of the people who undertook B.Sc., M.Sc. and Ph.D. courses are now in high-ranking positions in all of the sector institutions. IIP has developed and maintained the ability to carry out stock assessments and the Ministry has increased its competence in fisheries management and policy making. The long-term technical assistance placed within sector institutions supported capacity building, but there was inevitably some loss of capacity when that person left. This is probably most pronounced for technical inputs such as databases and software for stock assessment; the knowledge for their basic operation may remain within the institute, but more advanced technical knowledge to adapt and modify the systems may not have been adequately transferred. The ability of long-term technical assistance to transfer their expertise and ensure ownership by the host institution also depends on the character of the individual and their relationship with members of staff in the institution in which they are placed.

Financial sustainability is not ensured and despite the sector being financially self-sufficient in terms of its recurrent budget (salaries and bills), financing for implementation of most activities relies on donor funding. The need for a phasing-out of co-operation to ensure long-term sustainability was being discussed in 2002, although subsequently, the need for a new co-operation programme was identified and the support has continued until the present day. Although the co-operation with Mozambique has been running for 30 years, the starting point for co-operation was almost zero in the post-independence days, so there should not be a rushed exit strategy, purely on the basis of the length of time of co-operation.

The objective set out in the Master Plan was for the sector to be self-financing for its 'global recurrent expenses' by 1996, through income from licences and taxes from fishing activities and services rendered. Whilst the operating budget of the MP and associated institutions (payment of salaries and running costs) is provided by the State Budget, a significant proportion of activities are financed through donor grants and loans. Although these are considered as 'investment' for one-off activities, rather than funding for recurrent activities, the fact remains that if the external financial support did not exist, there would be a dramatic reduction in the ability of the sector institutions to carry out their work effectively. This is not unique to fisheries but is a concern of the public sector as a whole; 49% of the government budget is financed from external funds (Republic of Mozambique, 2006). The actual amount may be more than this, taking into account the fact that not all donor funds are reflected in the PES.

### **Implementation and administration procedures**

The fishery sector is often mentioned in the media as particularly prone to corruption through the issuing of licences, sale of joint venture shares and private interests of politicians. Norway's funds are administered through FFP and annual audits must be undertaken. Whilst previous audits have raised some concerns about FFP procedures, the lack of written documentation of procedures and lack of justification of some expenses, more recently their systems have been found to be satisfactory, indicating improvements (Norwegian Embassy, Maputo, 2005).

Mozambique has brought in a central accounts system, SISTAFE, and Norway's funding has been channelled through this since January 2008, directly to the Ministry of Fisheries. Also, a new law has recently revised procurement procedures, bringing them into line with international standards.

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<sup>9</sup> Agence de Presse Africaine, 'Mozambique slaps ban on shrimp and crustacean fishing' 18.09.2008. Available at <http://www.apanews.net/apa.php?article75664>.

The main challenges for the sector are (MP, 2005):

- limited knowledge of the fish resources exploited by the industrial fleet with the exception of gamba and shallow water shrimp;
- limited knowledge of the resources exploited by artisanal fisheries (although data collection and handling has improved);
- economic sustainability of the research and management institutions, which is not ensured — both IIP and MP still rely on external assistance, even though the Master Plan states that from 1996, revenue from the sales of fishing licences and collected fees should cover the global recurrent expenses of the fisheries public administration bodies;
- institutions are weak in terms of manpower, in particular a lack of personnel with middle-level qualifications.

The transfer of development co-operation from Norad to MFA has not affected the day-to-day implementation in Mozambique much, because the Project Manager's main contact has always been with the Embassy in Maputo, which remains unchanged. The administrative set-up of the co-operation, implemented from within the sector institution, with annual coordination meetings, is working well, although it creates a substantial work-load for the coordinator within the Ministry if he or she has another 'normal' job to fulfil.

The project documents for Mozambique generally have not included the definition of indicators. This was mentioned as a problem in relation to the co-operation with IDPPE – the lack of clarity of project objectives and indicators contributed to the implementation problems which led to the eventual cessation of Norwegian support. However, this appears to have been partly remedied more recently; the current sector co-operation programme includes clear objectives and expected outputs (which can be interpreted as progress/output indicators). What is still lacking however, is the definition, from the outset, of longer-term impact indicators. PPABAS does have a well-established monitoring and evaluation system, with output and impact indicators and a baseline. However, this project was not designed through Norwegian co-operation channels, but by IFAD.

## Conclusions

Norwegian support has been fundamental to building capacity of the fisheries sector institutions in Mozambique. The long-term, continuous support has been flexible and responsive, although the overall goal of poverty reduction has not always been the key priority in establishing co-operation objectives. Efficiency and effectiveness have varied depending on the type of intervention, the most successful ones being institutional support, training and capacity-building, which have contributed to long-term institutional and human resources development of the sector.

## 4.2 Nicaragua

### 4.2.1 Context

With a coastline of about 940 km, and a large marine area, the fishery sector is of great socio-economic importance to Nicaragua. The fishing fleet consists of 3,826 fishing vessels, mainly small artisanal boats fishing from 107 fishing villages (CDCF, 2005). Fishing has become one of the main contributors to export earnings, increasing from 3 % in 1990 to 16 % in 2002 (CDCF, 2005). The contribution of fisheries to GDP is close to 2 %, while fisheries account for about 6 % of the country's primary economic activities. Frozen lobster constitutes almost half of fishery export value, while the combination of farmed and wild-caught shrimp accounts for about one-third of export value. The fishing industry is also a major provider of employment, both through harvesting activities (24,000 jobs in 2002), as well as in processing and support services (7,000 jobs in 2002). Women constitute close to 60% of employees in the fishing industry<sup>10</sup> (CDCF, 2005).

### Historical background

The Nicaraguan fisheries sector began with an artisanal focus until the 1950s when the industrial fisheries took off. By the end of the 1970s earnings from shrimp and lobster exports to the United States were a major foreign exchange earner. Most of the fleet was Nicaraguan-owned and almost the entire production of the industrial fleet was exported as frozen products

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<sup>10</sup> The team was unable to obtain data on female employment in the support services.

and only a small quantity of seafood was exported fresh. By the 1980s fishing effort had decreased substantially, mainly due to a lack of fishing vessels available during the civil war, which led to reduced landings. However, one of the few positive results of the war was that the stocks of the target capture fisheries species recovered (CDCF, 2005).

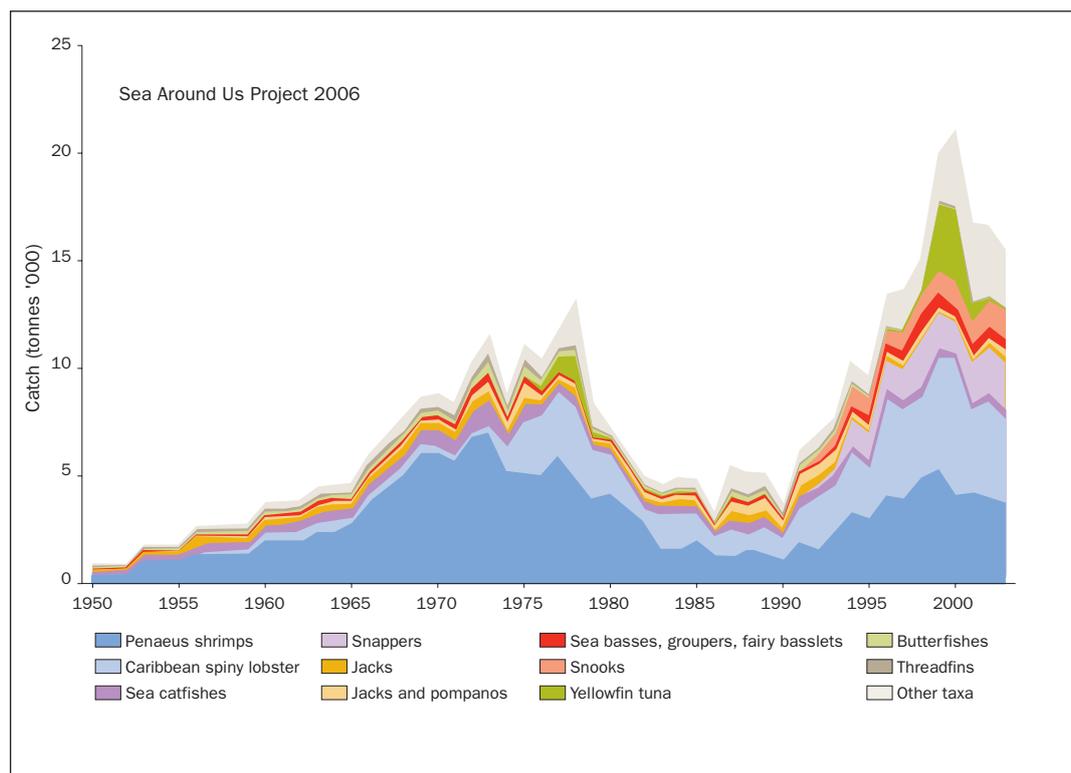
Since then, the increase in production and catching capacity has led to over-exploitation of several marine resources. Since the late 1990s there has been a sharp decrease in catches (Figure 13). However, due to increased commodity prices, income has been stable despite the decrease in landings. The increase in shrimp farming in estuaries on the Pacific coast during the period has also helped contribute to this.

#### Nicaragua's economy

In 2007, Nicaragua had a population of 5.6 million, and an annual population growth rate of approximately 1.3 %. GDP was US\$ 5.7 billion, and the annual growth rate from 2000–2007 was about 4 %. Nicaragua is the second poorest country in Central America. According to the United Nations, 28% of the population in Nicaragua live in poverty (2006 estimate), unemployment is 3.1%, and another 46.5% are underemployed (2007 estimate).

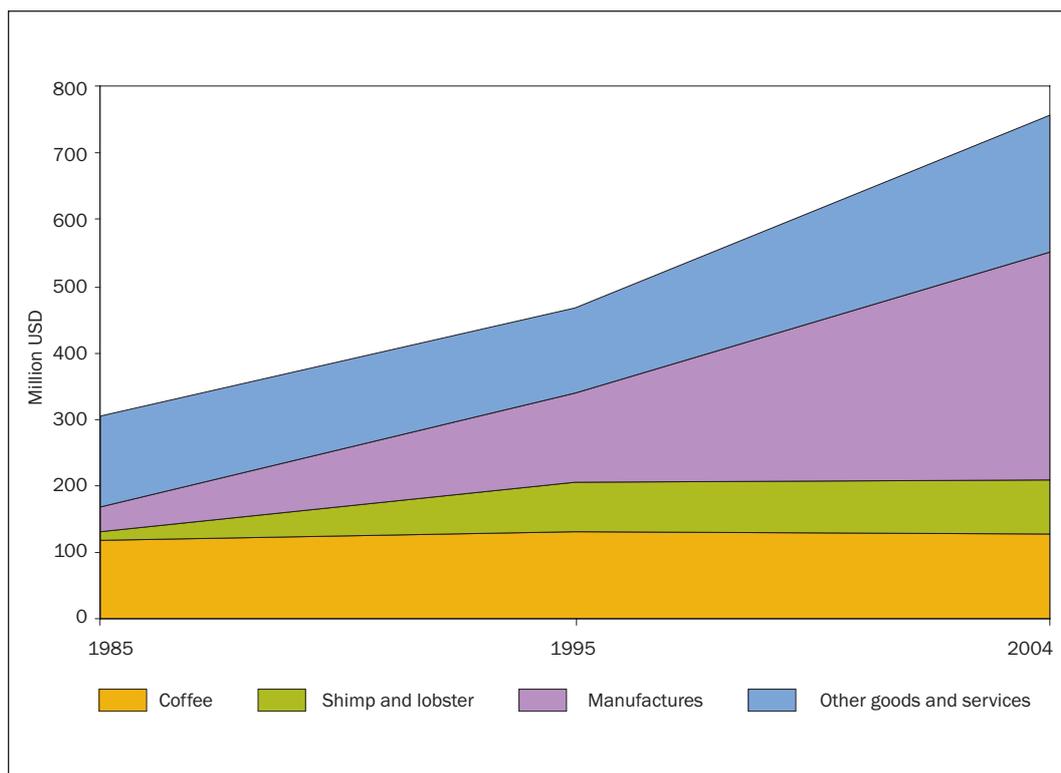
Nicaragua's agrarian economy has historically been based on the export of cash crops such as coffee, sugar, beef and tobacco. At present coffee, seafood and manufactured goods are the main export articles from Nicaragua. Total exports reached about US\$ 700 million in 2005 (Figure 14).

Figure 13: Trends in catches of marine resources in Nicaragua 1950-2004



Source: Ryan, 2004.

Figure 14 Nicaragua's exports, 2000–2008 (US\$ million)



Source: World Bank 2008

#### Government policies

Nicaragua has had a turbulent political history. The US-initiated and supported Somoza dynasty stayed in power from 1936 to 1979. Despite political instability and growing opposition, the country experienced strong economic growth under the dictatorship, and was considered one of the economic stars in Central America. However, after a very damaging earthquake in 1972, the regime refused to rebuild the capital Managua. Heavy corruption and mishandling of relief money after the earthquake led to the regime losing the support of the population as a whole, making way for the Sandinista revolution in 1979. A civil war ensued between the socialist government and rebels ('contras'), supported by anti-socialists and large parts of the indigenous population, which continued until peace talks in 1988. Multi-party democratic elections were held in 1990 when the Sandinistas were defeated by a coalition from both the left and the right of the political spectrum.

The civil war left the economy in ruins. Per capita income was reduced by 80 % during the 1980s and the country had a huge government debt. In 1996, Arnaldo Alemán from the Constitutional Liberal Party (CLP) was elected president. This party regained power in 2001, with Enrique Boloños as president. However, after bringing former president Alemán to justice for corruption and money laundering, the president lost support in his own party. In 2002, a coalition was formed between the Sandinistas and parts of the CLP. Legislative and presidential elections were held in 2006 and Daniel Ortega (the former Sandinista leader) returned to the presidency in a coalition with the CLP.

#### 4.2.2 Development support to the fisheries sector

Over the years there have been four main donors supporting the fishery sector in Nicaragua: Denmark, Norway, Japan and Spain. Danish aid has concentrated on supporting the development of laws and regulation, as well as strengthening monitoring and enforcement capacity and supporting the decentralisation process with municipal authorities. Japan's co-operation concentrated on developing infrastructure for improved production, while Spain has supported programmes to improve monitoring and surveillance systems and the conditions of artisanal fishermen in Lake Nicaragua. By 2006 only Denmark and Norway remained as donors. However, due to differences in policies regarding the importance of transparency and good governance, Denmark withdrew their support to the National Fisheries



## Development projects reviewed

Table 3 indicates the projects selected for review in Nicaragua.

Table 3: Projects selected for detailed analysis in Nicaragua

Project/programme	Period	Detailed analysis	Taken into account
<b>Increasing the capacity for production and processing</b>	<b>1987-1992</b>		
Atlantic Coast Project (NIC 014)		✓	
PROMAR Plant		✓	
Bluefields Programme (NIC 008)		✓	
<b>Strengthening research and institutional capacity</b>			
Regional programme to strengthen research capacity for stock assessment and fisheries management	1987-1995		✓
Aid by Norway to the development of the fisheries sector in Nicaragua	2005-	✓	

### 4.2.3 Project and programme impact analysis

Norwegian support has been varied but on balance contributed to improved governance of the fisheries sector in Nicaragua, probably mitigating the tendency for overfishing, and as a result enhancing the prospects for a sustainable fisheries sector. Details of the impact analysis of each project are provided in Annex B.

Since the different projects have taken place in different time periods, and because the context of the support differs widely, the two periods are analysed separately. Due to a reorientation of programme implementation caused by the recent change in government, which has caused considerable delays in implementation, it is difficult to identify concrete results for the ongoing programme at this time.

### Relevance

The different projects have been relevant responses to development challenges in Nicaragua and are aligned with Government policies. However, policy shifts have had disruptive effects on project implementation.

#### *Nicaragua's priorities*

The fisheries sector in Nicaragua is a major contributor to export earnings and national employment and as such has been a priority of consecutive governments. With the new Government there has been a shift in emphasis in fisheries policy towards the artisanal sector, yet fisheries remains a priority area. The current objectives of Norwegian co-operation are firmly anchored in national plans such as the national Poverty Reduction Strategy Plan (PRSP), entitled 'Strengthened Growth and Poverty Reduction Strategy' (SGPRS) (Government of Nicaragua, 2001).

Norwegian support to the fisheries sector in Nicaragua in 1988–1992 was initiated in response to a request to Norway from the government of Nicaragua, and the programme document in Norad indicates a high degree of ownership of the programme in Nicaragua. However, government commitment was considerably reduced with the change of government in 1990.

With regard to poverty reduction and income generation for Nicaragua, the fisheries sector has been important for the population on the Atlantic Coast. General mismanagement, the civil war, and Hurricane Joan all contributed to the decline in the sector. Norwegian assistance at the time focussed mainly on physical rehabilitation of infrastructure. This was badly needed and a high priority for the Government in the late 1980s.

### *Norway's priorities*

Norway has provided bilateral development assistance to Nicaragua since 1987<sup>11</sup>. Historically, Norwegian development assistance has been concentrated on social sectors such as health and education, in addition to fisheries. The current Norwegian support is channelled towards sustainable development and democracy building. Norway is currently one of the few countries that provide budgetary support to Nicaragua.

The support provided to the fisheries sector is relevant to Norway's aims of assisting Nicaragua in good governance and sustainable development. With regard to relevance to Norwegian policy, the ongoing support has a clear link to the 'Norwegian action plan for environment in development co-operation' (MFA, 2006), with its focus on sustainable management of resources.

### *Other issues*

The ongoing programme emphasises support for women and the indigenous populations, in line with the Action Plan for Women's Rights and Gender Equality in Development Co-operation (MFA, 2007) and Norway's emphasis on securing the rights of indigenous peoples (State budget for the MFA 2007–2008<sup>12</sup>). However, the actual emphasis on women in the programme is limited, and total expenditure on gender-related issues was US\$ 9000 in 2006, or 2.7 % of total expenditure. With regard to indigenous people, very limited amounts have been channelled to this issue, mostly on workshops. Furthermore, only the Miskito people have benefited, even though there are other indigenous people who are involved in fisheries, such as the Rama and Sutiaba.

### **Efficiency**

Political instability has negatively affected efficiency of project implementation. Project efficiency is also hampered by weaknesses in financial management. In the ongoing programme, few activities have been implemented since it started in 2005. With the shift in government in 2006, the content of the programme was altered in 2008 and the implementation of new activities has only recently started. Interviews with staff in INPESCA revealed that little time and few resources were set aside to develop the Annual Operative Plan (POA) for 2008, in which the new programme is anchored. Furthermore, the POA has unclear goals which make it difficult to measure progress and results and the indicators for measuring the efficiency and effectiveness of implementation are inadequate. The lack of clear and measurable goals makes it difficult to measure any concrete outcome of Norwegian support besides increased capacity.

Due to the long time span that has elapsed since the projects to increase production capacity finished in 1992, it has not been possible to make robust assessments of whether interventions could have been executed at a lower cost. The rate of disbursement was negatively affected by the change in government in 1990, with only NOK 1.8 million of the allocated NOK 9.3 million for the Bluefields programme spent.

Interviews with INPESCA and CDCF show that the commitment of INPESCA's leadership to good governance and transparency is questionable. Although it cannot be proven, the team received information indicating that rules and regulations for financial disbursements have been violated. This demonstrates a weakness in the financial monitoring systems and changes to these systems are needed.

The project preparation documents from Norad and the Embassy underestimated the risks in the project. Notably, the risk of shifts in projects in relation to a shift in government and fishery policies was perceived as low in these documents, while in practice the shift in government resulted in considerably reduced efficiency as priorities were realigned. A better appreciation and mitigation of risks would have made it easier to ensure project progress through changes in government.

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11. Even prior to bilateral co-operation, several Norwegian NGOs were active in the country, including Norwegian People's Aid and Norwegian Church Aid.

12. Stortingsproposisjon nr. 1 (2008-2009). Utgiftskapitlet 100-170. Tilråding fra Utenriksdepartementet. Available at: <http://www.regjeringen.no/nb/dep/ud/dok/regpubl/stprp/2007-2008/Stprp-nr-1-2007-2008.html?id=484382>

CDCF is now assisting in the selection of experts on a consultancy basis for INPESCA. INPESCA believes there are limited benefits with this arrangement. However, they would like to keep the arrangement since it allows them to hire consultants without having to deal with complicated and bureaucratic rules and laws in Nicaragua. We consider this arrangement to partly contravene Norwegian support on good governance in Nicaragua. Instead of addressing the real problem, which in fact is red tape and the inflexible rules and regulations for the public acquisition process, this arrangement bypasses the regulations to some extent, although it is recognised that such arrangements can be expedient for project implementation.

#### *Coherence and complementarity*

With regard to research and capacity building, Norway and Denmark were the only donors, until Danida withdrew its support. The support by Norad has never duplicated or overlapped support provided by other donors.

#### **Effectiveness**

Seen from a long-term perspective, effectiveness of Norwegian support to the fishery sector in Nicaragua is satisfactory, with some important caveats. Overall, the programme had unclear goals which makes it difficult to measure progress and results. Specifically, while information on effectiveness of the programme to increase production capacity in the 1980s and 1990s is thin and no formal baseline exists, consultations indicate that projects made a very useful contribution to reduce poverty by increasing catching and processing capacity. Norad project documents from that time indicate that the rehabilitation of the vessels, plants, etc. was badly needed. The towns and villages which benefited from the rehabilitation had been virtually flattened by hurricanes, and very few employment opportunities existed. As Figure 13 shows, catches increased sharply after Norwegian support was given.

This sharp increase could also partly be explained by other factors such as the termination of the civil war, other donor contributions and foreign direct investment to the industry. However, it is reasonable to assume that increased capacity at least in part can be attributed to the Norwegian support. The lasting impact is more difficult to assess. Based on a counterfactual scenario (what would have happened if Norway had not provided the support), it is difficult to prove a causal link between the programme for increased capacity in the early 1990s and the ongoing over-exploitation of marine resources.

Support provided to fishery research through the previous regional programme contributed to improving the quality of fishery research and management. Today Nicaragua is considered to have the best fishery stock assessment capabilities in Central America<sup>13</sup>. Although over-exploitation of marine resources occurs, it is likely to be mitigated by current management including INPESCA's influence on quotas and overall national policy. As a result, the project has arguably contributed to securing sustainable incomes in the fishing and processing industries, and positively impacted on food security.

The total size of the ongoing Norwegian support is limited compared to other donor support and the resources that the Government uses to manage and develop the country. Furthermore, the current programme in reality has only been in place for about a year. The impact of the programme on individual, local sector, national and regional levels and for overall human development is therefore limited. However, seen in a long-term perspective, Norwegian support has been important in developing fishery management in Nicaragua.

#### **Institutional strengthening**

The projects that aimed to increase production capacity in the 1980s and 1990s did not target institutional strengthening except in relation to the water committee on Corn Island and relation to the privatisation process.

Nicaragua was one of the main recipients of the regional programme to Central America for institutional support to strengthen research capacity for stock assessment and fisheries

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<sup>13</sup> Interviews show that several respondents consider Nicaragua to have the best fishery management in Central America. The leadership in INPESCA, former director of MIFIC and international consultants such as Joe Ryan are among those. However, FAO's fishery expert in the region, Dr Bisessar Chakalall does not support this view. According to him, Nicaragua has good routines and procedures for stock assessment, but fails to reduce over exploitation to some extent. Also, declaring 'the best' requires an in-depth and comparative study.

management. Stock assessments were performed and routines and procedures for fisheries resource management were established and carried out under the supervision of international experts. Through the regional programme, key people in the fisheries administration were offered training in universities and research centres. Since Nicaragua was one of many recipients, it is difficult to estimate the amount going to Nicaragua through the programme. The main deliverables of the project were:

- Establishment of a sampling system for the shallow water shrimp fisheries;
- Data and fishery statistics;
- A scientific cruise carried out by the R/V Dr. Fridtjof Nansen in 1987 on the Pacific coast, followed by annual cruises where local commercial fishing vessels were chartered for monitoring and data collection programs;
- Fishery resource management, using international experts.

Nicaragua is considered by international experts and the FAO to have the best fishery stock assessment in Central America. Interviews with a number of stakeholders indicate that INPESCA is perceived to have very good research on marine resources and their advice on quotas and overall fishery policy and management is respected by the government. In this regard, the presence of competent technical staff at INPESCA is crucial for being able to absorb new knowledge that will improve the country's fishery management. Since data on landings show a possible over-exploitation of marine resources, their role in informing fisheries management policy is a fundamental condition for the sustainable management of the sector.

The high quality and capacity of fishery management is a result of the high competence of several key people at INPESCA. The team believes this can be explained partly by previous Norwegian support for institutional development. In the regional programme Norway put emphasis on research capacity and institutional development, and extensive training was given. Fisheries management training at INPESCA was partly financed by donors such as Norway and Denmark.

Untying Norwegian development assistance has been an important goal for several years. Norway has emphasised ownership, and in this regard partner countries have been empowered to run the project and select partners/consultants with limited intervention from Norad or Norwegian embassies. Interviews with INPESCA indicated a perceived expectation that technical consultants should be sourced from CDCF, despite no such formal requirement existing. Whether INPESCA is actually limited by this perceived expectation is questionable. Lately INPESCA has increasingly used consultants from Central America, and used only a few consultants from CDCF.

## **Sustainability**

### *Financial sustainability*

Some of the production facilities developed in the programmes to increase production capacity are still in operation (processing plant and shipyard in Bluefields, processing plant and water supply on Corn Island). Exact information is not available, but some of the vessels that were rehabilitated still seem to operate. The outcome of the pre-1992 programme has been good in relation to financial sustainability. However, the change in government and shift to a market-oriented economy is likely to have played a greater role in ensuring this sustainability than Norway's intervention, which planned the management of the plants as state-owned enterprises.

In relation to more recent support, INPESCA has received substantial support from donors for many years. Norwegian support constitutes close to 40 % of INPESCA's total budget. If donor support were to be withdrawn, research and fishery management activities at INPESCA would be reduced. Although the team believes INPESCA will still have operations without donor support, the financial sustainability of the programme is unsatisfactory. There is no evidence that either the Embassy or Norad have emphasised a long-term plan for improved financial sustainability. CDCF on the other hand has raised this issue with INPESCA.

### *Environmental sustainability*

There are concerns about over-fishing, and catch statistics show a drop in catches over the last eight years. There is some concern that existing fishing practices that are unsustainable (e.g. shrimp trawling within the 3-mile limit, lobster diving, poor enforcement and management, an inequitable distribution of the value generated from the sector and perverse incentives) may actually prevent the country from ever reaching its full fishery development potential (Ryan, 2004; Mora Portuquez *et al.*, 2007).

It is not clear whether Norwegian support has contributed to over-exploitation of fishery resources as it is difficult to make a causal link between the previous Norwegian support to increase production and processing capacity and the ongoing over exploitation of marine resources in Nicaragua.

### **Conclusions**

Seen from a 20-year perspective, Norwegian support to the fishery sector in Nicaragua is a moderate success. Nicaragua is considered to have the best fishery stock assessment in Central America, and the quality of this can partly be linked to Norwegian support. Furthermore, assistance given to increase production capacity can partly be linked to increased harvesting and processing in the 1990s, which was a fundamental source of income to the Nicaraguan economy after the civil war. However, there are major implementation problems with the ongoing support to the fishery sector in Nicaragua. It is crucial that these problems are dealt with in order to increase efficiency and effectiveness of the current programme.

## **4.3 Vietnam**

### **4.3.1 Context**

The Vietnamese fisheries sector may be considered to be a success story. Over the last decade it has grown rapidly over the last decade and is now a major contributor to the national wealth. The fisheries sector is a significant component of the economy, contributing 4 % of GDP, whilst accounting for 8 % of exports and 9 % of employment (Akester, 2007).

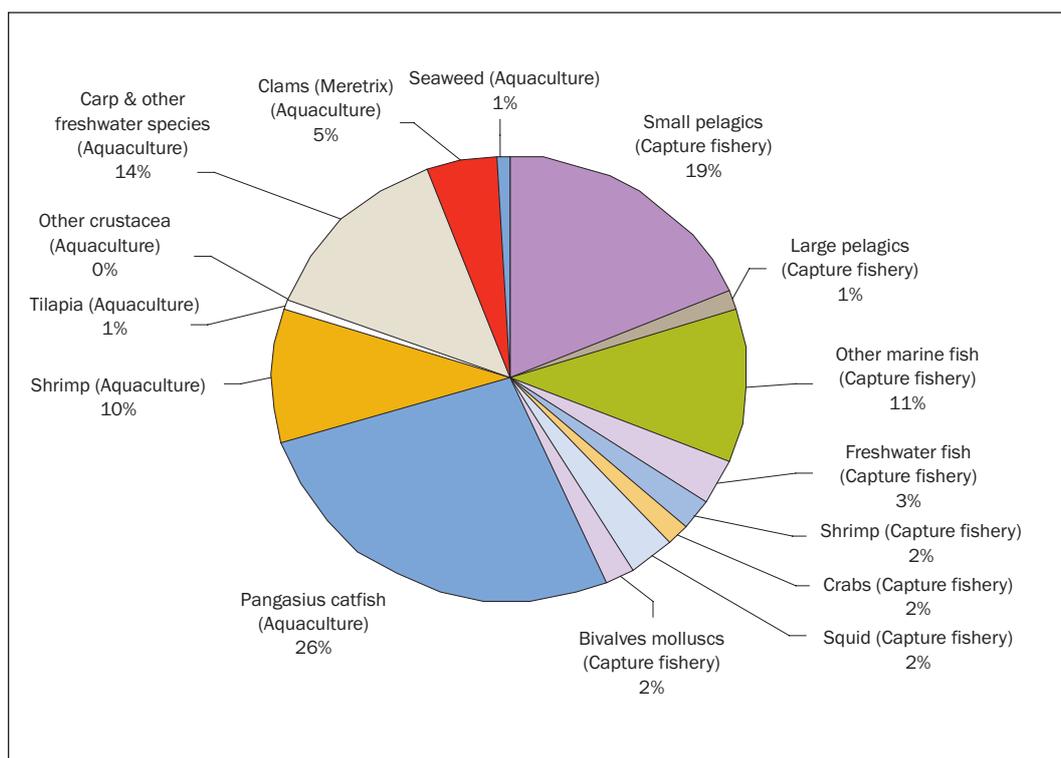
Production in 2007 was in excess of 3.5 million tonnes, up from under 1 million tonnes in 1990. Capture fishery landings have ranged between 1.5 and 1.8 million tonnes in recent years, mainly composed of small pelagics and other marine fish. However, production is unlikely to rise and could decline; most stocks are already fully exploited, reflecting the global trends in this regard. Vietnamese aquaculture has been very successful, especially that of *pangasius* catfish. The output of all aquaculture species including seaweed is now around 2.1 million tonnes annually.

### **Historical background**

Vietnam has a long tradition in fishing and aquaculture. It is estimated that about 4 million people obtain a full or partial income from the sector or related activities (FAO & World Bank, 2005). The fisheries sector accounts for approximately 4% of the Vietnamese GDP, whilst accounting for 8% of exports and 9% of employment. As such it is a significant component of the economy.

Seafood export revenues were US\$ 3.36 billion in 2006 and about US\$ 3.70 billion in 2007, positioning seafood as the fourth major export after oil and garments/footwear. Growth has been impressive with exports increasing in value terms by 10% to 20% annually over past years (averaging 18% per year over the last decade). To put this in context, in 1990 exports were valued at just under US\$ 200 million dollars.

Figure 16 Capture fishery and aquaculture production in Vietnam, 2007



Source: various

### Government policies

Development of the fisheries sector figures strongly amongst the Government of Vietnam's (GoV) priorities. This is in view of the sector's importance in terms of poverty alleviation and export potential. Some of the government policies include development of the aquaculture sector (*pangasius* and shrimp being the leading sub-sectors), and development of marine fisheries. As for the latter, this translates into increasing the capacity of long distance, off-shore fishing, whilst capping or decreasing the capacity of the small-scale, in-shore fleet. This needs to be seen in light of overexploitation of stocks in inshore areas. Traditionally, the Vietnamese fishing fleet mainly consists of small vessels with an engine power of less than 100hp.

Two key goals of the Master Plan for the Development of the Fisheries Sector to 2010, are to achieve an average production growth rate of 3.8% per annum and an average annual growth in export value of 10.63% per year (USDA, 2007). The goal for production output is set at 3.5–4 million metric tonnes per annum (of which aquaculture production should be about 2 million metric tonnes) and export earnings are expected to be of the order of US\$4.0–4.5 billion.

#### 4.3.2 Development support to the fisheries sector

Norway is one of several donors that provide technical and financial support to the Vietnamese fisheries sector. Amongst others, FAO and DANIDA are important donors, the latter in particular through its Fisheries Sector Programme Support (currently FSPS II).

#### History of Norwegian co-operation

Norwegian assistance to Vietnam was virtually non-existent in late 1980s and early 1990s. This was a political decision, motivated by Vietnam's involvement in Cambodia. The President of Vietnam visited Norway in 1994. This visit resulted in a modest increase of support. This support was used for scoping and identification. Further political stimulus to Norwegian support to Vietnam was given when the Norwegian Prime Minister visited Vietnam in 1996. Since that time, Norway has provided a consistent stream of support to the Vietnamese fisheries sector.

Between 1988 and 2006, Norway provided direct financial support to the value of NOK 80.2 million (US\$ 10.5 million). 15% of this was spent in the eight years, 1988–1996 and 85% in the ten years, 1996–2006. Once the decision to support the fisheries sector in Vietnam had been made, two general areas of bilateral support were identified. These were:

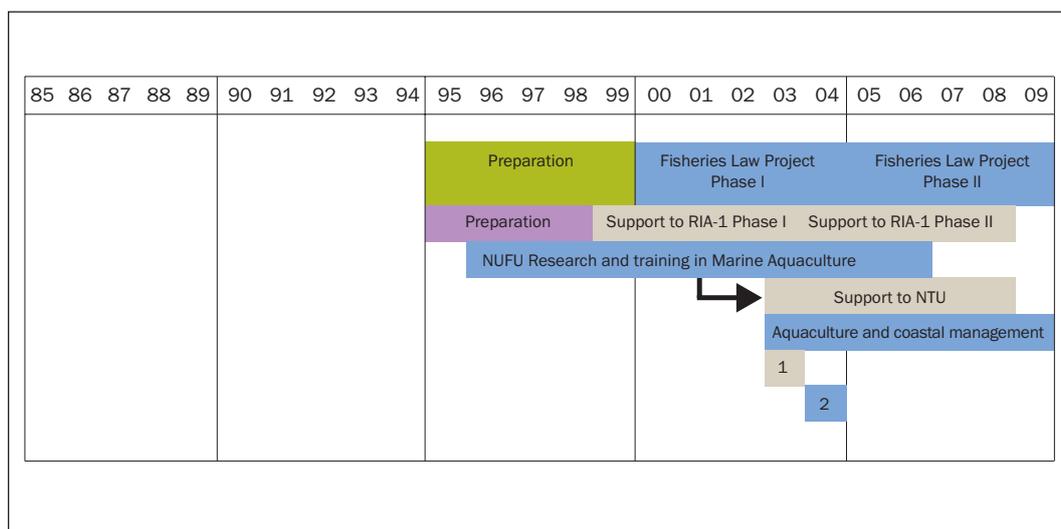
- Support to building enabling institutions for the development of the sector. The projects that evolved from this were Establishment of Fisheries Laws and regulations, Phase 1 and 2.
- Support for building research capacity and technology to support development of the sector. The projects that evolved from this were Building Advanced Research and Education Capacity in Research Institute for Aquaculture (RIA) 1, Phases 1 & 2 and Improving Research and Education Capacity at the University of Nha Trang.

Between 1999 and 2006, Norwegian expenditure on fisheries support in Vietnam was approximately NOK 65 million and was apportioned as follows:

- Support to bilateral projects: 85%;
- Support to NUFU projects: 14%;
- Support to private sector development projects: 1%.

The project timeline is shown in Figure 17.

Figure 17: Timeline showing Norwegian fisheries co-operation projects in Vietnam, 1985–2009



1 = Cobia feasibility study, Marine Farms

2 = Tilapia feasibility study, Genomar

## Development projects reviewed

Table 4 presents a summary of the projects reviewed in this evaluation.

Table 4: Projects reviewed in Vietnam

Date & Ref.	Project/programme	Implementing Organisation	Funding source	Provision (NOK'000)
1998 SRV0033	Building Advanced Research and Education Capacity for RIA Nr 1	Research Institute for Aquaculture Nr 1	Bilateral	12,600
2002 SRV0033	Building Advanced Research and Education Capacity for RIA Nr 1 (Phase II)	Research Institute for Aquaculture Nr 1	Bilateral	14,025
1999 / SRV0018	Establishment of Vietnamese Fisheries Law and regulations	Ministry of Fisheries (now Ministry of Agriculture and Rural Development)	Bilateral	10,000
2004 / SRV0018	Establishment of Vietnamese Fisheries Law and regulations (Phase II) – Bringing Law to Life	Ministry of Fisheries (now Ministry of Agriculture and Rural Development)	Bilateral	24,000
2003 SRV2701	Improving Training and Research Capacity of the University of Fisheries	Fisheries University, Nha Trang (Now Nha Trang University)	Bilateral	17,000
<b>TOTAL</b>				<b>77,625</b>

NB: The projects indicated in Table 4 are the projects which were suggested by the Royal Norwegian Embassy in Vietnam for evaluation. As part of the comments on the Draft Final Report, Norad subsequently drew attention to project 'Rural Development in Coastal Areas of Trieu Phong District, Quang Tri Province'. The final evaluation of this integrated rural development project states that the aquaculture component in the project that was based on local varieties of fish was most successful, whilst the introduction of high yielding varieties in aquaculture and capital intensive add-ons such as the shrimp hatchery were neither relevant nor successful (Source: Final evaluation of SRV 0038).

Vietnam has also benefited from projects financed by NUFU. Funds are accessed by application to NUFU. Application is generally made jointly by the recipient research institute and the Northern partner institute. Both RIA III and Nha Trang University have received support through NUFU. While it is noted that NUFU projects are not being evaluated, they are referred to in the evaluation, as they were precursors to bilateral funding. Projects include:

- Aquaculture and coastal management in Vietnam – environmental capacity, biodiversity and fish health in culturing systems, which is implemented by University of Bergen, Nha Trang University and Research Institute of Aquaculture no 3 is established.
- Marine Aquaculture in Vietnam, which is implemented by Nha Trang University, the Norwegian University of Science and Technology and the Universidade de Algarve, Portugal.

Norway has also supported private sector development through Norfund, although only to a very limited extent. Support was given to:

- Support to the undertaking of a feasibility study for marine aquaculture (Marine Farms AS);
- Pre-feasibility study on the establishment of a Tilapia Farm (Genomar).

### 4.3.3 Project and programme impact analysis

Results of the evaluation of the impact of individual projects are provided in Annex C.

#### Relevance

The process leading to the identification and design of the Norad supported projects has been highly demand-driven. The need was identified by the recipient, indicating the relevance of the project contents with Vietnamese development priorities. However, in some cases, initiatives and documentation were developed by Norwegian partners and then directed through the correct channels for requesting assistance. However, this approach helps strengthen the collaborative nature of the co-operation. At the same time, the projects also reflect Norwegian development priorities such as poverty alleviation, institutional

strengthening, and environmental issues. For example, in the context of the Five Year Socio-economic Development Plan, 2006 to 2011, Norad projects in Vietnam are highly relevant. This is exemplified by the RIA 1 project which addresses:

- Increased productivity in the aquaculture sector through developing new strains and also through addressing disease problems;
- Risk, through diversifying Vietnam’s aquaculture base and by developing new species for commercial farming;
- Poverty, through developing species that lend themselves to economically viable farming by smaller operators.

The law project has a direct impact on governance of the sector, thus creating an environment for growth. It is recognised that simply adopting a law does not mean that it is followed. However, the second phase targets this. There were indications from the focus groups that the law was having a direct impact on livelihoods of poorer people (e.g. marine aquaculture leaseholds implemented in the pilot project component are expected to increase small-scale producers’ access to bank credit). Also, the legislative aspects relating to post-harvest has enabled the development of the export sector, which in turn creates employment.

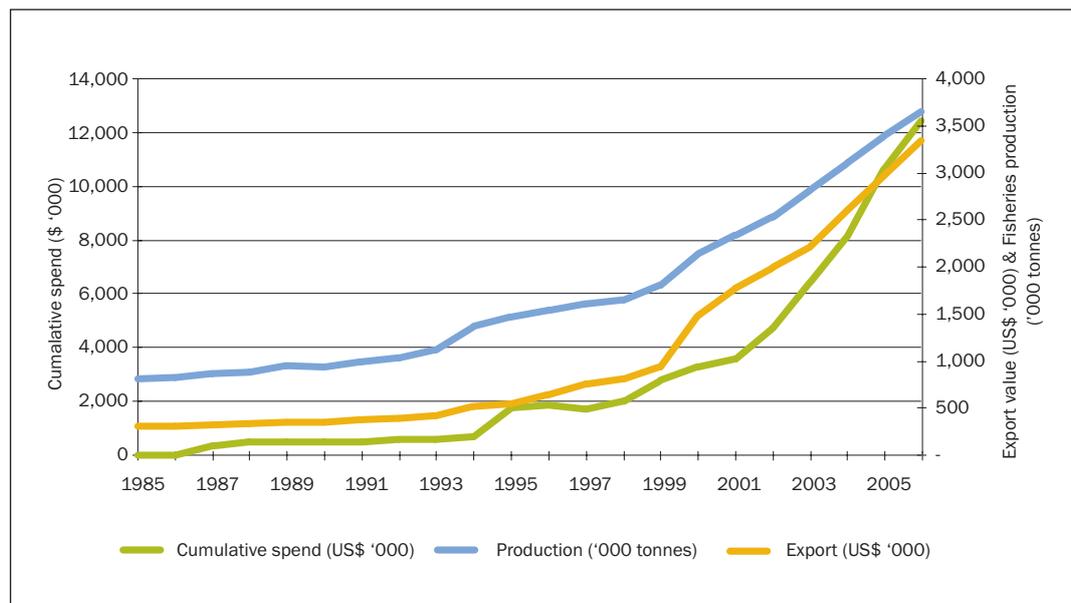
The project supporting Nha Trang University has an indirect impact on poverty, in that for example better aquaculture practice is being supported, and small-scale aquaculture farmers are given advice as well as demonstrations. The university also contributes to national capacity to understand the economic implications of strategies and interventions, for example Nha Trang University staff organised workshops for local fishermen on the implications of the fisheries law.

The relationship between the recipient, the Embassy and Norad appeared to be strong and the approach was focussed on achieving objectives, rather than identifying constraints. Projects fitted in to national and sectoral plans and strategies. That is to say, projects were not stand-alone activities with limited life-spans, but rather, became recurrent activities of the implementing partner. This contributed to ensuring sustainability.

### Efficiency

Figure 18 shows cumulative Norwegian expenditure on fisheries support in Vietnam, and also shows the trends during that time in fisheries and aquaculture production and seafood exports.

Figure 18: Cumulative support to the fisheries sector from Norway to Vietnam, 1985 – 2006, with annual fisheries production and fisheries exports



Source: Various sources including Norad project documents, Ministry of Fisheries / Ministry of Agriculture and Rural Development, Vietnam Association of Seafood Exporters and Producers.

Export value has increased by at least US\$ 3 billion between 1996 and today. This level of growth would have been difficult in the absence of an enabling legislative environment, and

in the absence of the technical capacity to support the expansion of the aquaculture sector. Norwegian support to the fisheries sector has contributed to these aspects.

In detail, the efficiency of Norad support projects can be assessed as follows:

- Fisheries Law projects
  - Phase 1: Very efficient. Counterfactual evidence indicates considerable additionality. The law was drafted and adopted within three years. A similar project which has been addressing construction law has been five years in drafting and is still not adopted.
  - Phase 2: This phase is half way through implementation. Indications are that by and large implementation is proceeding as planned. The evaluation draws on the mid-term review of the project (phase II), which was carried out in 2007.
- Support to RIA 1
  - Previous evaluations of both projects were positive on efficiency. This evaluation mission concurred.
- Support to Nha Trang University
  - Previous evaluations of both projects were positive on efficiency. This evaluation mission concurred.

Overall, Norad projects in Vietnam have been efficiently implemented. They have clear management structures, with those involved having a very clear understanding of their roles and responsibilities. The challenge lies in ensuring that Norad-funded projects coordinate with other projects. The need for this was recognised in the design document for the Fish Law Phase II project. Although Norwegian organisations often play a role in providing assistance, it is quite obvious that the Vietnamese organisations have the freedom to work with whom they want, subject to transparent procurement procedures.

One cannot escape the fact that the efficient implementation has much to do with individuals. The fact is that project staff and external advisers know and respect each other and work well together as a team. Norad and the Norwegian Embassy also perform their role as problem solvers, rather than policemen. This is helped by the fact that systems are transparent, but not onerous.

### **Effectiveness**

The information gathered in Vietnam about project effectiveness and related impacts is based on both on-going and completed projects (or their first phase).

Norad funded projects have had and are having positive economic impacts. For example, the RIA-1 projects are helping to increase rural incomes due to the expansion of aquaculture production and the creation of new jobs. Both freshwater and marine aquaculture production are contributing to livelihoods diversification in rural and coastal areas. RIA-1 has played a catalyst role in the expansion of tilapia — due to project exposure fish farmers acquired better knowledge of tilapia production and were prepared to invest in pond construction.

Although less straightforward to assess, the Fisheries Law projects also indicate positive economic effects. For example, stakeholders involved in the pilot model component dealing with leaseholds for aquaculture producers, described how the scheme gives them better planning security and including access to bank loans. Another pilot model suggests that shrimp seed hatcheries which follow Good Aquaculture Practices (GAP) methods are likely to fetch considerably higher prices for their post-larvae output. In turn, better quality shrimp seed can be expected to lead to higher incomes for aquaculture producers. Also, more at macro-level, a pilot model dealing with port management suggests that the recommended measures are leading to increased port management fees.

Norad support has also had positive social impacts, particularly through support to aquaculture projects. Women find it easier to work in aquaculture fisheries than in capture fisheries, the latter of which are less stable and can involve social problems (e.g. gambling, alcohol, AIDS). Diversification of rural livelihoods is a necessity in a country with a growing labour force, and aquaculture contributes to that. However, in Vietnamese law, women are not eligible for aquaculture leaseholds, constraining them to be only workers on areas managed by others. This is an example of gender issues not being adequately taken into account in a

project, and also of the wide range of poverty related issues not being given high enough priority by the government.

Another type of social impact is related to conflict resolution and the fact that aquaculture producers and fishers are better informed about their rights and duties as a result of the Fisheries Law project and related education efforts. Safety and security in fishing and trading communities are being improved as a result of better port management and boat crews are better organised and equipped with communication tools in case of bad weather.

Norad-supported projects in Vietnam have either made neutral or positive contributions to the environment. That is, for some projects it is difficult to see a direct environmental impact (e.g. Nha Trang University), whilst the indirect effects are most likely of a positive nature. This is due to graduates having a better understanding of environmental issues. Also, staff of Nha Trang University have reportedly organised consultancy workshops on fisheries management.

The Fisheries Law project is expected to mitigate some of the potentially negative effects of aquaculture in that GAP procedures are being piloted that should ultimately result in better resource management (e.g. disease-free shrimp seed). Implementing the results from the pilot phase throughout the country is likely to pose a challenge. Although in some provincial Departments of Agriculture and Rural Development (DARD) there have been complaints that the recent merger between Ministry of Fisheries and Ministry of Agriculture and Rural Development has led to a shortage of fisheries staff at field level, it can be expected that these constraints are only of short-term nature.

The fact that marine catches in some areas have been declining in recent years (i.e. in particular in inshore areas) cannot be attributed to the Norad project. To some extent, this reflects government priorities (e.g. putting employment and short-term food security first) and difficulties in monitoring and controlling catches. This is a common feature in many developing countries.

### **Institutional strengthening**

The approach to implementation taken by the Government of Vietnam (GoV) and Norad has contributed to RIA-1's institutional capacity. It has achieved this through giving Vietnamese staff at RIA-1 the responsibility for implementation, while supporting the process with short term inputs from Northern technical assistants. The training activities associated with component 4 have also contributed to building RIA-1's institutional capacity. This is best measured by the fact that when the project started, there were 100 employees and today there are 400.

It must be noted though that this growth has not simply been as a result of Norwegian assistance. Rather, Norwegian assistance has been one of the elements that has supported and empowered a dynamic, visionary and entrepreneurial management team. For example, although the tilapia extension component of the project is completed, RIA-1 staff still visit the aquaculture communities, and fish farmers are in contact with RIA-1 staff by telephone if they encounter production problems (e.g. diseases). Also, as for the marine finfish component, there appear to be no institutional problems once the project has completely stopped; in fact the GoV has started to fund another project to continue work on the adaptation of marine cages which is based on the capacity developed by the Norad supported project.

As for the new fisheries law, this has simplified procedures at different levels. Dissemination of the contents of the law has resulted in better awareness of stakeholders' duties and rights. For example, it is now easier for authorities and fishermen to understand vessel registration and inspection procedures (e.g. fewer steps are required). As a result, there is a better understanding between the different parties.

Norad support to Nha Trang University has a strong component on institutional capacity strengthening. In particular, this deals with administrative issues such as project management, research administration, and information management.

## **Sustainability**

One of the features of the RIA-1 project is the remarkable ability of the project team to bring research into use and to commercialise it. For example, it is understood that some project components are being established as joint ventures between RIA-1 and a private company.

More generally, and with regard to capacity building, sustainability has been good. People who have been trained through this project, both formally and through mentoring, are highly likely to remain with RIA-1 once the project comes to an end. This is in large part due to the policy of Norwegian Aid not being used to pay local salaries. Therefore, there is not a project mentality, and nor is there an elite project implementation unit, being paid (often) higher salaries than others. This is a major strength of the Norwegian approach and is much appreciated by the beneficiaries. However, the fisheries law project suffered criticism that the project office was not placed within the Legal Department of the Ministry of Agriculture and Rural Development, suggesting the correct department is not always identified for project implementation (Ministry of Agriculture and Rural Development & Royal Norwegian Embassy, 2007)

Similarly to RIA-1, other Norad-funded projects in Vietnam demonstrate a high degree of sustainability. This is the result of the GoV requesting Norad support and projects being implemented within established Government structures.

There are examples in Vietnam of other projects, where individuals are seconded to donor projects at inflated salaries. When these projects come to an end, these individuals more often than not take up positions with NGOs or other aid organisations, rather than resuming their old job and (more pertinently) their old salaries.

As for aquaculture development, the environmental impact depends on the species produced and related aspects such as feed requirements and pollution. Tilapia is relatively easy to feed including with plant material such as grains and beans which farmers can mix themselves. Environmental problems can occur with intensive tilapia production if pond deposits are built up or if untreated waste water becomes a problem. Use of hormones and antibiotics can also cause harm to the environment and human health and need to be carefully controlled. Normally, pollution is not a serious problem in marine aquaculture, but may occur if there is a high density of fish farms and cages. Fish feed for carnivorous fish species can be of an issue, if they require high amounts of protein (e.g. trash fish or fingerlings).

## **Implementation and administration procedures**

The process set out for project identification and approval has been followed in Vietnam (see Annex C). In general Norwegian support has been demand-driven, with the Vietnamese government identifying support needs and approaching Norway for support.

Responsibility for implementation and management is delegated to the implementing organisation. The conditionality and rules of engagement are set out in the Project Agreement and the Norwegian Embassy ensures that these are adhered to. Technical support is provided by institutions or persons contracted by Vietnamese institutions as part of the projects. Further oversight is provided through annual audits of accounts, periodic project reports and mid-term and final external evaluations.

The agreements for the five projects evaluated<sup>14</sup> were all very specific, practical and clear. They laid down very clearly the roles and responsibilities of the various partners. The agreements specified who the Northern implementing partners should be. This is different from the procedures adopted by other aid organisations which often tend to identify implementing partners through a competitive tendering process. However, the evaluation team did not see any evidence that quality of implementation in Vietnam was compromised because of this.

## **Conclusions**

Overall, the Norad-supported projects in Vietnam were judged as being very relevant, effective, efficient and successful. There are a number of success factors that require

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<sup>14</sup> Fisheries Law Phase 1 & 2, Support to RIA 1 Phase 1 & 2 and support to The Fisheries University

highlighting: strong commitment by the central and local government institutions to contribute to the project, which may involve planning during the early stages as well as extension activities during the latter stages; participation of the private sector in project activities and production of outputs with a sales objective (e.g. fingerlings); and institutional continuity when projects have come to an end. For example, local government, extension or research staff continue to work with the private sector stakeholders. As for efficiency, the project mid-term evaluations sometimes stated that activities were slightly behind schedule or certain project budget lines were under-spent. Nevertheless, the majority of activities seem to have finished on time, or are expected to be completed on time.

#### **4.4 Conclusions from country analysis**

Support has been relevant to both partner country and Norwegian policy, although the overall goal of poverty reduction has not always been the key priority in establishing co-operation objectives. It should be noted that while poverty reduction may be a priority for Norwegian co-operation it also depends on the extent to which poverty reduction and associated policy measures are implemented in partner countries. In some cases, areas of Norwegian expertise (e.g. the fisheries sector in general, and more specifically fisheries research, stock assessment and management for the industrial and/or semi-industrial sectors) have taken priority over other areas that could be more directly relevant for poverty reduction (e.g. the small-scale sector). The projects have been demand-driven, within the framework of support areas established by Norway.

Effectiveness and efficiency of projects has varied across countries and programmes, depending on the type of intervention (e.g. earlier technical interventions in Mozambique did not result in the sustainable uptake of fishing technologies) and on changes in wider government policies (e.g. regime change in Nicaragua and resulting reorientation of the co-operation programme has affected efficiency).

Norwegian support has contributed substantially to institutional development in all countries studied, principally through the policies of implementing projects and programmes from within sector institutions, rather than establishing projects independent of the institutional structures in-country, and due to the long-term approach taken on human resources development and training. This has contributed to capacity-building of staff, and ensured sustainability of the project components after the support ends, since activities are already embedded in the country's institutional structures and routines.

Nevertheless, financial sustainability is a concern for the majority of projects, as the ending of donor funding would inevitably result in the reduction of activities that the institutions are able to implement, since government revenues and funding in most developing countries are not sufficient to maintain the implementation of activities. The transfer of responsibility from Norad to MFA did not substantially affect the management or the quality of the co-operation on fisheries. Projects and programmes generally have unclear goals or insufficiently defined progress and impact indicators, which makes it difficult to measure progress and results.

## 5 Evaluation of Norwegian Support by Thematic Area

### 5.1 Policy Development

#### **5.1.1 Strategy and projects**

Most of the programmes and projects supported by Norwegian aid contain a strategy and objectives. These are found in the project documents that were reviewed as well as in the country support and project evaluations provided by Norad. Norwegian experience in policy development in the areas of fisheries and marine resource management provide a useful basis for support on fisheries projects in many of the partner countries. Norwegian support to the fisheries sector is demand driven and there is an issue of whether the partner country has a clear strategy for the fisheries sector, including the sustainable management of fisheries and poverty alleviation, both themes are emphasised under Norwegian policy to developing countries.

#### **5.1.2 Impact analysis**

Norwegian aid to the fisheries sector has on balance been relevant to the needs of partner countries and has contributed to Norwegian and partner country objectives for poverty alleviation. This comment is subject to the provisos contained in this report. In some cases the relevance for international policies, laws and conventions with respect to fisheries could have been more explicitly referenced in project documentation, although co-operation has generally been in line with them. The efficiency of the projects varied considerably. It would be easier to judge project efficiency if there was a regular benchmarking against the costs and returns of other similar projects. While Norwegian technical staff may be effective, they are expensive and for them to be most effective they need extensive experience in fisheries development in developing countries.

The effectiveness of programmes and projects also varied. Effectiveness is related to the impacts on fisheries management and poverty alleviation amongst other issues and it would be useful if Norad had a consistent set of impact indicators which could be applied to measure effectiveness and other aspects of project success, together with specific indicators developed for individual projects. The issue of indicators is discussed further in section 6.3. Institutional strengthening has been a feature of many projects, although in the case of Mozambique, strengthening in the form of training was mainly at the individual rather than at the institutional level. It is clearly important that there is close collaboration between the project and other institutions engaged in fisheries development and management. Finally sustainability includes financial, human resources sustainability at the programme and project levels as well as broader issues of biological and resource sustainability. Norwegian-supported projects need to ensure that training is sufficiently spread that in the event of a trained person leaving the project or sector, others can take over. It is important that fisheries programmes and projects also assess the state of stocks and the degree to which a programme or project will contribute to the sustainable management of stocks.

#### **5.1.3 Conclusion**

Norwegian support to the fisheries sector has contributed to policy development in the fisheries sector of partner countries. This includes the emphasis on capacity building within fisheries administrations, research and training institutions and support to the development of appropriate legal frameworks for the sustainable management of fisheries. For example, Norwegian support has contributed to policy development in Mozambique by supporting the Ministry over a number of years; in Vietnam, Norwegian support centered on the accelerated development of fisheries law; and in Namibia, support was provided for training in policy and fisheries law.

The degree to which projects and programmes have contributed to policy development vary. There is a need for future projects at the design stage to ensure that they will contribute to policy development in the partner countries, while at the same time being compatible with Norwegian policy initiatives for development and fisheries. In this respect, Norwegian support may be able to influence policy development in the partner country to ensure policy coherence. Design and implementation of future projects must also be coherent. This includes a number of issues such as whether the policies towards the industrial and small-scale fishing sectors are mutually supportive, and whether other sectoral and cross-sectoral policies support the overall goal of poverty alleviation. Finally, an emphasis on the implementation of policy at the regional and local levels is an important next step for Norwegian co-operation, to ensure that the policy improvements that have been made are translated into improved results on the ground.

## 5.2 Training, Research and Education

### 5.2.1 Strategy and projects

Norway has provided significant support in training, education and research in three main areas:

- training and education of fisheries sector personnel;
- developing capacity for fisheries research in developing countries;
- development of fisheries training institutions.

Training and education of fisheries sector personnel has been carried out through long-term higher education courses (e.g. BSc and MSc courses in fisheries management, economics etc.), specific short courses for professional development (e.g. hygiene and sanitary control) and on-the-job training through long-term technical co-operation placed within sector institutions.

Support has also been provided to building up sector institutions, particularly for research and stock assessment capacity. There are also some examples (although they are fewer in number) where Norwegian co-operation has supported the development of fisheries training institutions in partner countries.

Examples of support to training and education of sector personnel, research capacity and developing training institutions follow.

#### Support to training and education of sector personnel:

- In **Mozambique**, many people in the fisheries sector benefited from training provided by Norwegian co-operation, by obtaining their BSc, MSc and PhD degrees. These were often carried out overseas (predominantly in UK and Norway) in the 1980s and 1990s, although in recent years, a larger proportion of students are receiving their training in Mozambican or regional higher education institutions.
- Norway was an important donor to the training of sector personnel in **Nicaragua**, mainly through the regional programme for institutional support to strengthen research capacity for stock assessment and fisheries management. As with Mozambique, this training mainly took place in European universities and research centres.
- In **Vietnam**, the RIA-1 project included a training programme for sector personnel and study and workshop visits to other countries such as Belgium, Norway, Australia, Malaysia, Denmark and China. The Fisheries Law project also provided short courses on fisheries law for DARD staff and private sector stakeholders. Support to Nha Trang University (previously Fisheries University) included capacity building of teaching staff.
- In **Kenya**, training was provided through the Lake Turkana project. However this created some problems as training was provided only for cooperative staff and not for members.
- Short courses on boat building, engine repair and processing techniques for coastal and inland fisheries were run through the MFDC in **Tanzania**.
- Postgraduate training was also an important component of the support to **Namibia**, notably through collaboration with the University of Namibia.

#### Support to development of research capacity:

- Norwegian support was instrumental in building research and stock assessment capacity at the Fisheries Research Institute (IIP) in **Mozambique**, through long-term institutional

support. This was implemented with long-term experts placed in the institution who provided technical inputs, mentoring and support, short-term expert inputs, and the training of personnel referred to above.

- Norad is one of the few donors to have supported fisheries research and capacity building in **Nicaragua**. This was done through its regional programme for institutional support to strengthen research capacity for stock assessment and fisheries management in Central America. This contributed to improving the quality of fishery research and management; today fisheries stock assessment capacity in Nicaragua is considered to be amongst the best in the region.
- In **Vietnam**, in addition to improving fisheries-related research capacity of Nha Trang University, support was provided to developing research capacity in aquaculture through the RIA-1 project.

#### **Developing training institutions in partner countries:**

- Norwegian co-operation provided support to the Fisheries School in **Mozambique**. However, this support was terminated early and little impact on the development of training institutions in the fisheries sector was achieved.
- Support to RIA-1 in **Vietnam** (Building advanced research and education capacity in RIA-1) included the strengthening of existing MSc and PhD educational programmes. Support was also provided to Nha Trang University for improving research and education capacity. These projects have strengthened Vietnam's training institutions in fisheries.
- Support was provided to the Mbegani Fisheries Development Centre in **Tanzania**, which was concerned with training and institutional development. It was considered effective but with improvements and modifications needed, training in boat building, basic engineering, and a need to collaborate more with other institutions such as Kunduchi Fisheries Institute.

In the 1990s, institutional twinning played a role in the development of fisheries research capacity in developing countries. Norway has good stock assessment expertise and the institutional twinning between developing country research institutes and IMR provided on-going support for this. In some countries, long-term technical assistance placed within sector institutions also contributed to the development of institutional capacity and training of individuals through mentoring. This approach helped increase ownership and institutional understanding of research procedures.

### **5.2.2 Impact analysis**

#### **Relevance**

Relevance of support to fisheries research, training and education has been satisfactory. The support helps the sector to fulfil its role. Although it is not directly relevant to the Norwegian priority of poverty alleviation, indirect impacts on poverty could be achieved through the ability of sector personnel to implement effective interventions in the sector to ensure resource sustainability and environmental management, support poorer segments of the population and ensure benefits from the sector are distributed equitably throughout society. The support has been relevant to partner countries' needs and priorities.

#### **Efficiency**

Efficiency is difficult to evaluate, particularly when support to training and education has been as part of a wider support programme. Higher education courses in Europe are expensive, but in many cases cheaper options in-country did not exist at the time, and therefore it is believed that more cost-effective options were not available. Now, education establishments in-country or at the regional level have increased capabilities and more specialised courses at BSc and MSc level, therefore there is less need now for European-based long-term courses. Courses in the region can be used (e.g. in South Africa for southern Africa countries) or specialist short courses in Europe where needed.

Support to development of research capacity sometimes involved the placement of long-term technical advisors within sector institutes. Whilst this is an expensive means of support, it has been effective at transferring skills and knowledge and maximising their retention within the institutes, and for this reason is considered efficient and effective.

### **Effectiveness**

The Norwegian long-term commitment to the education and training of fisheries sector personnel has been very effective in developing the human resources capacity of the sector in developing countries. Many of the people who benefited from Norwegian funding for their higher education courses now hold senior positions in the sector institutions. Support provided to fisheries research has also been instrumental in developing stock assessment capacity in fisheries institutes. The capacity for fishery research and management is a result of the capacity of sector personnel. In a number of countries Norwegian co-operation appears to have played a significant role in developing this capacity.

### **Institutional development**

The Norwegian focus on human resources development, together with the practice of working through and with sector institutions, has contributed to development of institutional capacity of fisheries sector institutions in developing countries. Several of the institutes which Norway has supported (e.g. IIP in Mozambique, INPESCA in Nicaragua) are respected institutions in their regions, considered to have good fisheries management or research capabilities. Although it is not always possible to show a direct link between the Norwegian support and the quality of research or management, Norwegian support has played an important role through training and education and support to developing research capacity.

In general, there has been high individual capacity development through training, but low institutional development of fisheries sector training institutions. There are some exceptions though, such as the support to the university and research institute in Vietnam which contributed to institutional development for training.

The specialist training needed for certain fisheries disciplines is not yet able to be fulfilled in many developing countries. However, short courses or in-service training on specialist subjects could be developed as options, as well as regional training programmes. It should be noted (and welcomed) that people currently undergoing training with Norwegian support are increasingly using in-country or regional training institutions for Bachelors, Masters and PhD courses.

### **Sustainability**

Support provided to training and education has shown good sustainability as many people remain within sector institutions, although there is sometimes a problem of trained people being moved to less relevant institutions, or leaving the sector. IT training has been less sustainable as many people leave for more highly-paid jobs in private companies. This is more of a concern for IT specialists, as their skills may be applicable to many other sectors of the economy which are able to pay higher than fisheries.

People who are trained through projects and on long-term higher education courses, have tended to remain in sector institutions once the project comes to an end. This is in large part due to the policy of implementing projects from within sector institutions and not paying local salaries. This is a major strength of the Norwegian approach and is much appreciated by the beneficiaries.

Training, education and research has contributed to environmental sustainability by developing the ability to carry out research and provide advice on fisheries management to minimise impacts on the environment and to ensure stock sustainability. However, it should be noted that the translation of research advice into management actions relies on political will and other external factors. Nevertheless, the fact that people trained with Norwegian funding are likely to work their way to more senior positions in the sector institutions increases the probability that management decisions will take research advice into account.

If people trained remain in the sector, this component can show good financial sustainability as further resources are not required. However, for activities which require on-going implementation, such as fisheries research (e.g. data collection for stock assessment, which requires payment of data collectors' salaries, data entry staff and analysis etc), financial sustainability is more problematic since government institutes often do not have enough basic funding to maintain their core activities.

### 5.2.3 Conclusion

Training, research and education have been a primary focus of much of Norway's development co-operation in the fisheries sector. The approach taken, with a long-term vision, particularly with respect to fisheries research and stock assessment, has been effective in developing human resource capacity in the sector and institutional capacity for research and stock assessment, and has shown good sustainability as many people remain within sector institutions. Although it has not been directly relevant to poverty alleviation, it has been important in equipping the sector institutions with the necessary capabilities to manage their country's fisheries to provide benefits to society as a whole. However, the emphasis now needs to be on using the capacity built up to ensure implementation of policy and management measures for the realisation of positive results in terms of stock sustainability. There has been less impact on the development of fisheries training institutions in partner countries, as less emphasis has been placed on this area.

## 5.3 Private Sector Development

This section reviews the impacts of Norfund's and Norad's support for private sector development within the fisheries sector<sup>15</sup>. The support and investment schemes reviewed here are mainly channeled through enterprises. The main goal of the support is the creation of values, export earnings, sustainable jobs and technology transfer in developing countries. Achieving these goals should not be at the expense of internationally-accepted labour rights and sustainable environmental development. Long-term value creation, financial sustainability and job creation are emphasised as the most important outcomes of Norfund's and Norad's private sector development support.

In this section the different schemes in Norad and Norfund for private sector development are presented, followed by evaluation results. Since institutional development is not an aim for the kind of private sector support reviewed here, this criterion is not included in the evaluation. Considerations and results with regard to coherence with international corporate social responsibility (CSR) rules and regulations are presented under the category of sustainability.

### 5.3.1 Norad's strategy and projects

One of Norad's responsibilities is to encourage Norwegian companies to engage in commercial activities in developing countries. Assistance to promote the transfer of technology and capital in order to support the development of commercial activities is also important. Furthermore, assistance is provided for measures that strengthen developing countries' export opportunities. The projects that receive support must meet CSR and environmental requirements of both recipient countries and the international community. They must also help to promote fundamental trade union rights in accordance with international conventions and labour standards.

In order to support private sector development in developing countries, Norad has three different support schemes:

- **Pre-investment studies:** This support scheme helps Norwegian enterprises to carry out analyses on markets, profitability, risk and possibly to help identify local partners.
- **Training grants:** Norad supports training for employees in order to handle new technology, meet requirements of markets and international treaties for trade.
- **CSR, environment and HIV/AIDS:** Norad can support efforts to increase standards (e.g. to meet important requirements regarding sanitary and phytosanitary (SPS) and technical barriers to trade (TBT)) and to stop the spread of HIV/AIDS.

Pre-investment studies are often supported for enterprises seeking to establish themselves in developing countries, while the training as well as CSR, environment and HIV/AIDS grants are given to enterprises that have entered an alliance with an already-established company. The potential positive outcome of the support is the creation of new or the enlargement of existing production facilities. If this is the case one would expect:

- investments in production facilities which in turn can create temporary labour-effects;
- job creation and job security;

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<sup>15</sup> In this part of the evaluation institutional building for private sector development, which is financed by Norad's private sector funds, was not considered. The content and the character of this support is similar to bilateral development assistance. For example, institutional support for Nicaragua on fisheries is financed through Norad's fund for institutional development. Evaluations of these projects can be found in section 4.2 and Annexes A, B and C.

- transfer of know-how and production technology;
- value creation which in turn can lead to increased tax revenue, possible increase in trade etc.

Problems with Norad's data and statistics make it difficult to say with certainty how many projects Norad has supported within private sector development in fisheries in the period between 1985 and 2007 (Chapter 2). However, based on the statistics available, interviews were conducted for 57 supported projects. However, only three of these projects were concerned with support to CSR, environmental support and HIV/AIDS, making general conclusions difficult to draw for this category.

In Table 5 and Table 6 the results from Norad's support to private sector development in fisheries are presented. Pre-investment studies have led to the creation of new jobs, whereas the training support has supported job securement — through the training provided to staff, jobs have been secured, by making them more competent at their roles, enabling exports to the European and other markets, and ensuring the companies are able to compete.

*Table 5: Results from pre-investment studies*

Category	Total number of projects	Total disbursements (NOK '000)	Number of establishments	Jobs created
Pre-investment studies	41	11,300	15	535

Source: Interviews

*Table 6: Results from training support*

Category	Total number of projects	Total disbursements (NOK '000)	Number of projects still operational	Jobs secured
Training support	12	6,600	8	1,350

Source: Interviews

### **5.3.2 Norfund's strategy and projects**

Through offering investment capital, loans and guarantees, Norfund contributes to the development of profitable and sustainable business activities in developing countries. Norfund may invest directly in individual businesses or in funds or other financial institutions participating in the financing of businesses. Contrary to many similar institutions in other countries, Norfund's investments do not have to have a Norwegian partner or other Norwegian 'interest'. Norfund can invest in all low and middle income countries and does not have an explicit target for profitability. From Norfund's mandate, one can derive that to fulfil its objective (the establishment of profitable and sustainable businesses), Norfund should ensure growth in its capital and that the investments are profitable.

Norfund has made five fishery-related investments, for which the returns on investment have been substantially negative, with a total loss close to NOK 60 million. Due to poor financial results, lack of new interesting projects in fisheries, and as part of a strategy for geographical concentration, Norfund has reduced their involvement in fisheries. Out of the five original companies, they have only maintained their investment in Nicafish.

### **5.3.3 Impact analysis**

#### **Relevance**

Private sector development is clearly anchored in Norwegian policy, and Norfund and Norad are the main channels for private sector development support. Private sector development and foreign direct investment are important aims for most developing countries, often emphasised in their development plans. Norwegian support is therefore relevant to partner countries' policy goals for poverty alleviation and to overall Norwegian development policy.

A number of studies, summed up in the OECD report 'Review of the role of Foreign Direct Investment in Development' (OECD, 2002), indicate that private sector development is a useful tool to foster economic growth, which in turn can have a positive effect on poverty reduction. The OECD has shown that investment in general improves a country's economic performance. Foreign direct investment (FDI) can have additional positive effects because it

does not compete with scarce domestic savings and inadequate credit intermediation. In addition to this and job creation, FDI has the following positive side-effects compared to domestic investment:

- *Linkage between FDI and international trade:* The presence of foreign-owned enterprises helps integrate developing economies more closely into international trade. Access to trade is widely recognised to be one of the main sources of economic development.
- *Direct effect on the performance of the host country business sector:* The entry of foreign enterprises generally leads to productivity growth and enterprise development. This can lead in turn to enhanced competition, particularly in previously shielded market segments.
- *Spillovers from foreign-owned to domestic enterprises:* The presence of foreign owned enterprises may lead to important spillovers in technology, human capital and other competences to the domestic enterprises sector. However, this effect may depend on whether the business sector of the host country has reached a certain ‘threshold level’ of competence and the host country authorities have a responsibility to ensure that this is the case.
- *Environment and employment conditions:* The OECD report cites evidence that foreign-owned enterprises in developing countries generally have higher standards in environmental protection and labour law than the legal standards in the partner country. Technology transfer may eventually lead to higher environmental standards and a better work environment.

Private sector development is clearly anchored in Norwegian policy, and Norfund and Norad are the main channels for private sector development support. Private sector development and receiving FDI are important for most developing countries. The support, including support to fisheries, is therefore relevant to partner countries’ policy goals for poverty alleviation and to overall Norwegian development policy.

### **Efficiency and effectiveness**

Since the support schemes and also the results differ between Norad’s and Norfund’s support, efficiency and effectiveness will be reviewed separately for the different organisations.

#### *Norad support*

Of the projects receiving Norad pre-investment support, 37.5% were established as business projects. According to interviews this is above the expectations of Norad’s staff on private sector development and better than the average success rate for greenfield investments<sup>16</sup> in developing countries. According to data received from Norfund and its European collaborating partners, the success rate for greenfield investments among European venture funds is between 25 % and 30 %.

With regards to job-creation, Table 5 shows that over 500 jobs can be linked to the pre-investment studies. In addition to this, several of the companies have invested heavily in their projects, and total investments in conjunction with the projects established after pre-investment studies that have taken place is more than US\$ 10 million<sup>17</sup>.

Norad’s overall support to private sector development has not been evaluated specifically. Furthermore the support differs from support schemes available in other OECD countries. It is therefore difficult to compare Norwegian results with results from other evaluations. While several countries are supporting ‘matchmaking’, where the aim is to match enterprises from developed and developing countries in order to foster trade and business co-operation and a number of these programmes have been evaluated, the methods and levels of accuracy in many of the studies do not meet a standard that would make it possible to use them as benchmarks.

The evaluations of the Danish matchmaking programmes (Danida & Danish Ministry of Foreign Affairs, 2001) are however of good quality, and can serve as a comparison for Norad’s results. The Danish evaluations show that programmes had a good effect on trade and

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<sup>16</sup> A form of foreign direct investment where a parent company starts a new venture in a foreign country by constructing new operational facilities from the ground up. In addition to building new facilities, most parent companies also create new long-term jobs in the foreign country by hiring new employees.

<sup>17</sup> Only a few of the companies interviewed were able and willing to give information on investments made in the project. Our findings are therefore based on feedback from only a few companies, and the actual number with regard to investments are therefore perceived to be higher.

technology transfer, but found little supporting evidence for direct job creation, despite substantial funds being used for this purpose. In contrast, findings from Norad's support show that 535 jobs were created in conjunction with the pre-investment studies at a lower cost than the Danish programmes. Based on these results, Norad's support for private sector development in fisheries has been an efficient and effective tool for combating poverty<sup>18</sup>.

#### *Norfund's investments*

Norfund has incurred losses on all its five investments except Nicafish. However, all companies are still operating. Even though Norfund lost on their investments, the investments are not failures when judged by the main objective for Norfund's operations.

The economic results for Norfund have been poor (major financial losses in four out of five projects). About half of the NOK 111 million invested was lost. In addition, the return on the capital in alternative use and the management costs incurred by Norfund should also be included. Measured in US\$, the loss makes up 39 % of the invested amount. However, despite this, the development impact may still be very substantial as only one of the projects actually closed down (Pan Marine Qingdao).

Normally, there will be a tendency that Norfund's financial results are strongly correlated with the development impact of the projects; if a project fails financially, it will normally not yield any positive lasting developmental impact. However, if Norfund exits, and the new/remaining owners manage to turn the venture around, there could be a lasting positive development in spite of Norfund having suffered a loss. At least in theory, there may be cases where the company and Norfund make a profit, but with very little positive impact on the host country. The guidelines for investment decisions are designed to avoid the latter cases.

Previous work by Econ Pöyry (2008) provides references to results in Norfund's 'sister fund' in the Nordic countries. Over time, Swedfund, Finnfund and the Industrialisation Fund for Developing Countries (IFU), a Danish fund, suffered moderate losses. In the later years, they have all had a surplus. In the report, data from IFU's sister Fund, IØ (the Investment Fund for Central and Eastern Europe) are also referred to, showing that approximately half of the fund's projects have had a positive internal rate of return (IRR), less than 20 % have had a negative IRR, while more than 30 % have no calculated IRR. In the latter group, probably most have yielded very poor or no return.

Using the other Nordic funds as benchmarks, the results of Norfund's fishing sector investments have been unsatisfactory. It should be possible to break-even, even after management costs have been covered, and half of the projects should achieve a positive internal rate of return (IRR). Norfund's investments show a positive IRR in only 25–33% of cases — if one considers Norfund's investments in Chinese fisheries together, only one of Norfund's investment (Nicafish) has shown a positive IRR, while the remaining four have a negative IRR<sup>19</sup>.

When questioned on whether they see the risk profile of investments in the fisheries sector as different from other sectors, Norfund indicated they do see the fisheries sector as a relatively high risk sector. All Norfund's losses in fisheries investments have been in fish farming, where disease is an important risk factor not found in most other types of businesses. In Norway, profitability in fish farming has varied strongly due to changes in the market balance. This has also had an impact on some of Norfund's projects as Norfund has experienced that long-term Norwegian partners that were presumed to be reliable have pulled out of international projects having suffered poor results in Norway, and have wanted to concentrate on their Norwegian operations. The biological risk and the implicit risk related to variations in the partners' profitability, makes the choice of partner even more important and demanding in fisheries projects than in other projects.

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<sup>18</sup> In some instances a pre-investment study would show that business establishment would be difficult. In this case, the enterprise may decide not to establish. Seen from a socio-economic perspective this is not necessarily a failure, since establishment of unsuccessful businesses takes up resources that otherwise could have been used for more productive purposes. Non-establishment is therefore not necessarily seen as failure in support for pre-investment studies, as it is seen in investments. However, Norad's expertise in this area should be able to give clear advice on whether or not to perform a pre-investment study if establishment seems difficult in advance.

<sup>19</sup> If the investments in China is seen as two (Shanghai and Qingdao), two out six investments has positive IRR.

The poor financial results in Norfund's fishery portfolio indicate a low degree of efficiency in the investments. Norfund's overall results are far better than their results in fisheries. It may be concluded that efficiency in Norfund's fishery portfolio is unsatisfactory, but on the contrary, effectiveness, measured in development effect, has been satisfactory. However, due to the large financial losses, we believe the development effect could have been better if the money was invested in other projects. Despite this, we recommend that Norfund continues looking for good investments also in the fishery and aquaculture sectors. Norad's results in these sectors indicate that there is potential for successful business establishment by Norwegian enterprises. Therefore the potential for future good returns on investments exists.

There are several professional and international enterprises operating in the fisheries sector. These might need assistance from Norfund in establishing themselves in developing countries. Furthermore Norfund's poor financial results may be explained by the fact that Norfund has, from a financial perspective, chosen to sell its assets and equity too early. The fact that almost all of the facilities still operate today and have a positive financial return on their initial investment is an indication of this.

### **Additionality**

Investments and pre-investment studies in the private sector in most cases probably would have taken place without Norad and Norfund support. However, the support from the institutions is considered valuable to the companies interviewed for a number of reasons: having a link to an OECD country government is considered beneficial when establishing in a developing country; helping explore potential investments in countries where they would not otherwise have invested; and attracting other investors and reducing risk.

#### *Norad support*

In the interviews, enterprises were asked if they would have performed a pre-investment study if Norad had not supported it. The responses varied. However, it seems that the large enterprises, such as Genomar and Marine Harvest, would have performed the pre-investment studies without support from Norad. Despite this, interviews underlined that the pre-investment studies are important tools when trying to establish an enterprise in a developing country for the following reasons:

- When establishing in developing countries, it is often important to have an alliance with a government institution. Being financed by Norad or Norfund opens some doors, and gives better access to important services given by the embassies.
- In some cases support for pre-investment studies has helped enterprises investigate opportunities in countries that they otherwise would not have considered.

Therefore the additionality of Norad private sector support has been in helping direct investments towards countries or regions where companies would not necessarily have invested otherwise, due to a lack of awareness of the potential, or a lack of contacts to facilitate implementation. This may have enabled greater impacts on poverty reduction, by directing investments towards countries where there are higher levels of poverty.

#### *Norfund support*

As the description of each project in Annex D shows, in most cases, investments probably would have taken place even if Norfund had not invested, as with Norad support. However, with regard to the investments in Nicafish and Norfish Blagai, attracting capital probably would have been difficult without Norfund. Access to funding is limited in Nicaragua and Bosnia Herzegovina.

Capital from Norfund contributed to reducing the risk for other investors in Genomar, and the investment could therefore have had a catalytic effect. With regard to investments in China and Turkey, finding alternative funding could have been feasible. Therefore additionality has been related to attracting additional investment capital and reducing investment risk.

### **Sustainability**

#### *Financial sustainability*

With regard to Norad, interviews, financial analysis of selected projects and field visits show that financial sustainability of the supported enterprises varied quite a lot. While some

enterprises have a good return on investments, others have already or will soon have to close down. Overall, the conclusion is that financial sustainability is satisfactory for Norad.

With regard to Norfund, the return on investment is an indication of poor financial sustainability. However, return on investment improved after Norfund sold its shares in companies such as Genomar, Pan Fish and Fjord Marine Turkey. The overall conclusion is that financial sustainability has been poor in Norfund's fishery portfolio.

#### *Environmental sustainability*

With regard to Norad's support, none of the enterprises interviewed reported that their production or processing could harm the environment. This reporting was followed up and controlled by visits to projects in Nicaragua and Vietnam. Although the field visits did not identify environmental problems, aquaculture operations raise concerns particularly in relation to effluent discharge, introduction of hormones and antibiotics into the ecosystem, and the source of feed and juveniles, which should be closely monitored.

Of those enterprises that were visited, the only company identified to potentially have a negative impact on the environment is the Norad-supported Nicanor project in Nicaragua. The company carries out fish farming in Lake Nicaragua. As with many fish farming operations, there is a possibility that the tilapia could escape from the cages. If this occurs, there is a danger that the tilapia, which is a non-native species, could cause the extinction of some of the native fish populations. Although there are tilapia in the lake already, they are a different species from the tilapia that Nicanor is farming.

With regard to Norfund, we found no evidence for environmentally-damaging production methods.

#### *Labour right issues*

No enterprises interviewed, either in Norfund's or Norad's portfolio, reported that they are violating rules and regulations with regard to labour rights. Self-reporting is not a good tool for uncovering violations, but the field visits also did not uncover any labour rights violations.

### **5.3.4 Conclusion**

Norwegian support to private sector projects has been effective, although the results differ between Norad and Norfund projects. Norad-supported projects have yielded good results with respect to project establishment and job creation. Norfund has, in many cases, had a negative return on its investments. However, most of the private sector projects which Norfund supported are still in operation after Norfund sold its shares. Therefore, the wider development impacts including technology transfer, job creation, technical assistance and training have nevertheless been positive.

Whilst many of the investments would have gone ahead in the absence of Norwegian funding, the additionality from Norad and Norfund private sector support is that it has helped direct investments towards regions and countries which otherwise might not have benefited from private sector investment in their absence. These investments therefore have had direct and indirect impacts of poverty reduction. Norwegian support to the private sector helped with risk-sharing in the initial stages of project development, and for companies, the association with an OECD country government was reported to facilitate business in developing country environments.

## 6 Conclusions and Recommendations

The programme and project evaluation demonstrates the positive and negative aspects of Norwegian support on a variety of projects, including impacts on the key objectives of poverty reduction and alleviation. There are a number of reasons why programmes and projects may be successful or unsuccessful, including: international economic trends; national macroeconomic policy; national policies for fisheries resource management and conservation; the level of governance; commitment by stakeholders to the programme/project; the commitment of governments to maintain project financial sustainability beyond the life of the project; and the impacts of other projects and initiatives.

It is inevitably difficult to demonstrate direct causal relationships between the projects and programmes and long-term impacts. However, the analysis has identified as far as possible the direct and indirect impacts which may be ascribed to Norad and Norfund funding. The overall impression from this evaluation is that Norwegian development co-operation in the fisheries sector has played a positive role in supporting fisheries development in developing and transitional economies. There is now an opportunity to reassess Norwegian support to the fisheries sector in the light of this evaluation and other contributions.

### 6.1 Conclusions against Evaluation Criteria

Overall conclusions against the five evaluation criteria are presented below, based on the review of previous evaluations, case study countries and private sector analysis. A full summary of the findings of the evaluation of support to each case study country for development and private sector projects is provided in Annex II.

#### 6.1.1 Relevance

Norwegian support has in general been relevant both to Norway's priorities for the fisheries sector and for partner countries' priorities. Projects have tended to be demand-driven, initiated by a request from the partner country government for support. However, in some instances projects are suggested by northern partners and the partner country government subsequently requests Norway's support. Even if demand-driven, the support would have to fall within Norway's priority areas for development co-operation and for fisheries in particular. This has resulted in projects not always being primarily focused on poverty reduction, and instead being focused on areas where Norway has substantial experience and expertise.

The transfer of responsibility for development co-operation from Norad to MFA does not seem to have affected the day-to-day implementation in partner countries, as the immediate lines of communication remain the same. However, experiences from other countries indicate that it could raise concerns regarding the driving influences behind development co-operation, which may be influenced more by diplomatic and political concerns rather than by developing country needs and poverty reduction.

#### 6.1.2 Efficiency

Efficiency of projects has varied across countries and depending on the type of project. For example, some technical support projects to develop and promote fishing technologies have had high equipment costs and have not achieved the desired results. For projects that finished some time ago, it is difficult to identify if there were cheaper means of implementing projects at the time, and past reviews have not always considered cost-effectiveness of implementation.

In terms of implementation procedures, there has not always been a competitive tender process for the award of technical support contracts for projects. This is unusual for development projects. It raises the question of whether the best institutions are involved in the

implementation of such contracts, and whether the most competitive rates are being ensured for cost-effectiveness of co-operation. There were mixed views from stakeholders on whether the approach is appropriate or not — on the positive side, it allowed long-term relationships to be developed between the staff in the institutions, but on the other hand, the Norwegian institutions were not always able to respond in a timely manner to requests for assistance. This policy, in the 1990s, also seems to have been partly responsible for the lack of focus on poverty reduction in the fisheries sector, as projects were focused on those areas where the Norwegian institutions had expertise (research, stock assessment and industrial fisheries). It also has implications for cost-effectiveness, as the level of fees charged for technical inputs and support are not subject to competition and tendering.

There is no clear policy on information management, which affects the efficiency of project management. Archives in Norad-Oslo as well as in the in-country embassies were difficult to extract relevant information from. This has two main implications:

- there is a risk that lessons learned on one project cannot be easily applied in the development of another;
- there is a risk that the impact and effectiveness of Norwegian support to fisheries development is not clearly understood.

### **6.1.3 Effectiveness**

Norwegian support to the fisheries sector has been effective at achieving its objectives, although project effectiveness has varied across projects and countries. In particular, co-operation has been effective at building fisheries research and management capacity in partner countries, and supporting institutional and human resources development. Impacts on poverty reduction in general have been indirect, for example through the increased ability of sector institutions to manage the fisheries resources sustainably and for the benefit of the population, or through the creation of jobs in the private sector. Effectiveness has been influenced in some instances by changes in governing regime and government policy. Projects and programmes have tended to focus on support to national institutions, and therefore most impacts have been observed at national level, with limited impacts at regional or local level.

### **6.1.4 Institutional strengthening**

While Norwegian support to the fisheries sector is essentially driven by demand in the partner countries, effective demand depends also on the strengths and competence of partner country institutions (government and research departments dealing with fisheries, the marine environment and the protection and conservation of marine and freshwater resources). Institutional strengthening has been a focus of much of Norwegian development assistance in the fisheries sector, through projects supporting the development of fisheries policy and law, training and fisheries research. In many cases, Norwegian support has been a significant factor in the development of institutional capacity and capability for fisheries research and management in developing countries.

### **6.1.5 Sustainability**

The implementation of projects and programmes from within existing sector institutions has resulted in good technical sustainability, as people trained tend to stay with the institution after the project finishes, and activities and procedures are more likely to become embedded in institutional routines. The co-operation has also contributed to ensuring biological sustainability since much investment has been made into developing research capacity in stock assessment. However, this does not guarantee that research recommendations feed into management decisions. In many cases financial sustainability is not ensured in support given to partner country governments, as their national budgets are often insufficient to maintain the same level of expenditures after projects finish, although some activities may continue. However, financial sustainability of private sector support has been good, particularly the companies that received seed funding from Norad.

Norwegian support to Vietnam has been sustainable to the extent that the support has been taken up and developed by the private sector. With respect to the legal framework, the training of local legal staff in fisheries law and the international aspects of fisheries law has been instrumental in strengthening the capability of the fisheries ministry and other institutions. On other projects in Mozambique, Nicaragua, Tanzania, Kenya and Namibia there has been

capacity building which has contributed to the sustainability of local project management and fisheries research and management more widely. The development of sustainable fisheries, although a priority for Norwegian policy makers, depends largely on the extent to which partner countries are committed to the implementation of research advice and fisheries management plans, stock assessment and the control of illegal, unreported and unregulated (IUU) fishing.

#### **6.1.6 Additionality**

Additionality is difficult to assess for development co-operation. However, particularly in those countries where Norway is a significant donor to the fisheries sector, it appears to have been important. With regard to private sector development, additionality of the support appears to be linked with directing investments towards potentially more risky developing country environments, where they would have had greater impacts on poverty reduction than in other safer investment climates where the companies would have invested otherwise.

### **6.2 Theme-specific Conclusions**

#### **6.2.1 Support to policy development**

Norwegian support to policy development in the partner countries has varied. In several cases, capacity building through training programmes in aspects of fisheries management and fisheries law with senior government policy makers has made a valuable contribution to policy development at central levels. The concern is the extent to which policy recommendations are implemented and transmitted down through the regional and local levels.

#### **6.2.2 Support to research, training and capacity building**

Training, research and education have been a primary focus of much of Norway's development co-operation in the fisheries sector. The approach taken, with a long-term vision, particularly with respect to fisheries research and stock assessment, has been effective in developing human resource capacity in the sector and has shown good sustainability as many people remain within sector institutions. Although it has not been directly relevant to poverty alleviation, it has been important in equipping the sector institutions with the necessary capabilities to manage their country's fisheries to provide benefits to society as a whole. Development of fisheries training institutions in partner countries has varied across countries. On balance the experience of Namibia, Tanzania and Vietnam demonstrate an impact on the institutional development of training institutions, but in the case of Mozambique, impacts were more at the individual level.

#### **6.2.3 Support to the private sector**

Norad's support for private sector development in fisheries has been successful with regard to establishment of enterprises. As a result, considering the moderate degree of support, there is a high degree of establishment and subsequently also value-creation, job creation and technology transfer.

Norfund's investments have financially not been a success. However, the development effect is satisfactory, since all but one of the production facilities are still operational after Norfund has sold their shares. Based on the good results of Norad's support for private sector development in fisheries, there is a potential future for Norfund's investment in fisheries.

### **6.3 Operational Aspects**

#### **6.3.1 Financial and management information systems**

The evaluation team encountered several issues with regard to financial and project information management systems. The Norad statistical unit, although very helpful, was unable to present an overview of support given to fisheries prior to 1999. Due to statistical coding of projects, statistics received on support prior to 1999 also contained support to agriculture and forestry. On this background it was not possible to make a complete overview of support given to fisheries in the period from 1985–2006. However, based on interviews with desk officers and document analysis, a reasonable overview was established, although not perfect.

Whilst desk officers in Norad and the embassies may not have an overview of historically-supported programmes, the archives do not enable such information to be easily accessed should it be required. Norfund on the other hand has a good overview both with regard to projects, amount spent and results. The lack of overview in Norad, the MFA and embassies hinders organisational learning and the possibility for strategic allocations of resources to areas which have shown good results. In this regard we find it striking that Norad had the impression that its private sector support on fisheries had average results, while our evaluation in fact has shown that the results are well above average.

There is also a problem in overall coordination of project information systems. In some cases the embassies hold files that are not held or available at Norad headquarters in Oslo. Project documents and correspondence are not arranged for easy access. In the absence of better organised project financial and management information systems, Norad will have data but not readily accessible information.

### **6.3.2 Human resources**

There are essentially only two full time persons providing technical assistance and support to the fisheries sector in Norad and one senior member of staff has already left for a position in the Norwegian Embassy in Rome. Staffing is therefore very thin given the current portfolio and potential demand for Norad support in the fisheries sector. In general it is understood that neither the MFA nor the embassies have fishery specialists. Norwegian co-operation will therefore continue to rely on external support from DoF, IMR and Norwegian universities. However, Norad and other development agencies in Norway do benefit from working with other European and international institutions including FAO and international universities and research centres.

### **6.3.3 Programme and project indicators**

Project documentation revealed a lack of consistency in the identification of indicators for both outputs and particularly for impacts. This makes the evaluation process more difficult as there is no well-defined baseline or monitoring strategy to assess the success or otherwise of projects. Although some recent projects have started to identify specific expected outputs, there is still a lack of project-specific longer-term impact indicators, and consistent indicators across the Norwegian interventions to be able to assess overall performance at the level of MFA and Norad.

## **6.4 Recommendations**

### **6.4.1 General recommendations**

It is recommended that Norwegian support to the fisheries sector continues, building on the successes of previous co-operation. In this respect, the long-term vision in providing support, and flexibility and responsiveness in implementation, should be maintained.

The current and past focus on policy development and training and capacity building should be continued. Support to private sector development has also been successful and it is recommended that Norad continues its valuable efforts in private sector support, and that Norfund continues to look for good investment opportunities in fisheries.

Norway should continue to support training and human resources development in developing countries, but focus on developing local capacity for delivering courses, rather than using higher education institutions in Europe. With respect to training it is recommended that short course and BSc training be carried out where feasible in the partner country. Where more specialised courses are not available in the partner country, then training could be carried out at regional institutions, for example in South Africa (Southern Africa), Tanzania, Kenya and Mauritius (East Africa), Thailand (SE Asia) or the United States (Central America). Other short course training on specific subjects to supplement and update sector staff's skills and knowledge (such as MCS, IUU, fisheries trade issues, sanitary and phytosanitary regulations, negotiations on fisheries subsidies etc.) could be provided by European and other overseas institutions, where personnel have suitable developing country experience.

There is a need for fisheries programmes and projects to be sustainable and where Norway has had a long history of engagement, there is a need for appropriately timed exit strategies which

take into account the human and financial capacity of the partner country. While Norway has extensive expertise in aquaculture, notably of salmon but increasingly of other species.

#### **6.4.2 Aspects for discussion**

While Norwegian bilateral aid to the fisheries sector accounts for less than 1% of total bilateral assistance, it has provided important contributions to better fisheries management and to poverty reduction. Nevertheless, policy towards the sector needs to be clear. The conclusions indicate that there are a number of areas where priorities and implementation modes need to be reassessed, and a decision taken by MFA and Norad regarding the most appropriate way forward. With respect to these aspects, the evaluation team discuss some of the options and their implications, for future consideration.

#### **Focus on areas of Norwegian expertise or focus on poverty reduction?**

Norwegian support to the fisheries sector could either focus on countries with fisheries that are similar to Norwegian ones, where Norway has significant experience and expertise (i.e. large-scale industrial fisheries and their stock assessment), where lessons from other successful co-operation programmes (e.g. Namibia) can be transferred. However, this approach will not target poverty reduction specifically, unless the government of the co-operating country has a clear strategy for the redistribution of the benefits from the fisheries sector, to benefit the poorer segments of society.

Alternatively, support could be widened to focus on support to the fisheries sector contributing more directly to poverty reduction, which implies refocusing support to the small-scale sector. The need for such support to be integrated and cross-sectoral will require inputs from experts with a wide range of skills and experience, where Norway lacks capacity. In this scenario, either Norwegian expertise could be developed (although this would have to part of a longer-term strategy), or experts could be sourced more widely. The latter is preferable as it is more cost-effective and can be implemented more immediately, but it has implications for the longer-term continuity of support and of individual's long-term involvement in the sector, understanding of the issues and relationships between experts and in-country fisheries personnel. There is also the question of which countries Norway should support in fisheries. Support should be provided where it can have the greatest impact on poverty reduction (directly or indirectly), this would include consideration of areas where fisheries are particularly important and supportive government policies exist. Norwegian co-operation in the fisheries sector could concentrate on: the poorest countries; those countries with the largest fishing sector in terms of its contribution to employment, food security and gross domestic product/value added; or, those countries in which improvements to management of the fisheries sector could have the greatest positive impact.

#### **Source experts predominantly from Norwegian institutions or more widely?**

As discussed above, the type of strategy that MFA and Norad adopt will affect whether experts can continue to be sourced predominantly from Norway (predominantly from public institutions such as the Directorate of Fisheries, Universities and IMR, or if they should be sourced more widely. In the case of the latter, an open tendering process could be implemented for the recruitment of services for co-ordinating technical inputs to fisheries development projects, as is common with some of the larger development projects from other donors. This may have benefits in terms of cost-effectiveness, by securing technical inputs at competitive rates. However, it also has implications for continuity of support, institutional memory and individual relationships and there may be transaction costs in conducting the tendering process.

Experts from third countries (i.e. additional to Norway and the co-operating country) should be used where appropriate. In particular, sourcing experts from other developing countries, with relevant expertise in relation to small-scale fisheries or small-scale tropical aquaculture development, could be beneficial and may be more cost-effective.

#### **Allow projects to be purely demand-driven or try to influence the agenda?**

Although projects should be demand-driven, partner governments' policies both within and outside the fisheries sector can have an effect on the impact of development co-operation and the reduction of poverty. If projects are completely demand-driven, and also if other

government policies are not coherent with poverty reduction, interventions may be identified that will not necessarily have as much of an impact on poverty as they could.

However, Norwegian co-operation has the potential to influence the agenda, by ensuring that projects are focused on poverty reduction — either directly or indirectly — and that other government policies do not undermine this objective. This requires a coherence of policies within the partner country, as well as coherent actions on the part of Norwegian co-operation. If the links to poverty reduction are indirect, the way and means by which poverty reduction is expected should be clear from the outset, and monitoring and evaluation should follow this up.

### **6.4.3 Operational aspects**

One of the key areas which requires reorganisation in Norad and MFA is the collection, management and dissemination of project information.

**Financial information systems:** in order to facilitate evaluation and learning from projects and improve results, more resources should be set aside to keep a record on results from previous projects. This includes harmonisation of the pre- and post-1999 financial records of projects.

**Project information systems:** Key project documents such as project identifications, mid-term reviews and evaluations should be held together and not mixed with background and implementation administration and correspondence. Programme and project information should be managed in clearly defined area such as:

- Final documents relating to project planning and approval;
- Final external evaluation documents;
- Project quarterly and annual reports;
- Project documents relating to tenders and contracts;
- Background project correspondence and administration.

**Human resources:** There is a need to strengthen the fisheries development team in Norad, to enable Norad to provide effective technical support to MFA, the embassies and projects, and would include specialists on fisheries management, marine biology, economics and other social sciences.

**Indicators:** There is a need for better-defined project and programme indicators at the process, output, outcome and impact levels. The clear definition of objectives, their associated indicators and means of their verification, during project identification and preparation, would make the evaluation of Norwegian support to the fisheries sector more readily linked to the original objectives of the support, as seen in the historical context of the project design. Various levels of programme and project indicators are available. They may be summarised as *ex-ante* indicators, which will help in project design and approval, and *ex-post* indicators, which help in evaluating whether programmes and projects are meeting or have met their original objectives.

Ex-post evaluations are carried out at regular intervals after the programme or project has started. Ex-post indicators will contribute to the monitoring and evaluation process by MFA, Norad and the Norwegian embassies. They will also assist programme and project managers in evaluating the programme/project impacts on a regular basis. Examples of ex-ante and ex-post indicators for the fisheries sector are given in Annex IV. A more comprehensive list of indicators which Norwegian aid agencies could use with respect to the fisheries sector is given in the proformas in Annex E.

It is recommended that a set of basic, consistent indicators is identified for all Norwegian fisheries development co-operation projects. These would facilitate overall assessment of the Norwegian portfolio of fisheries projects. However, they should be complemented by the identification of project-specific indicators, which should be identified in a participatory and bottom-up manner.

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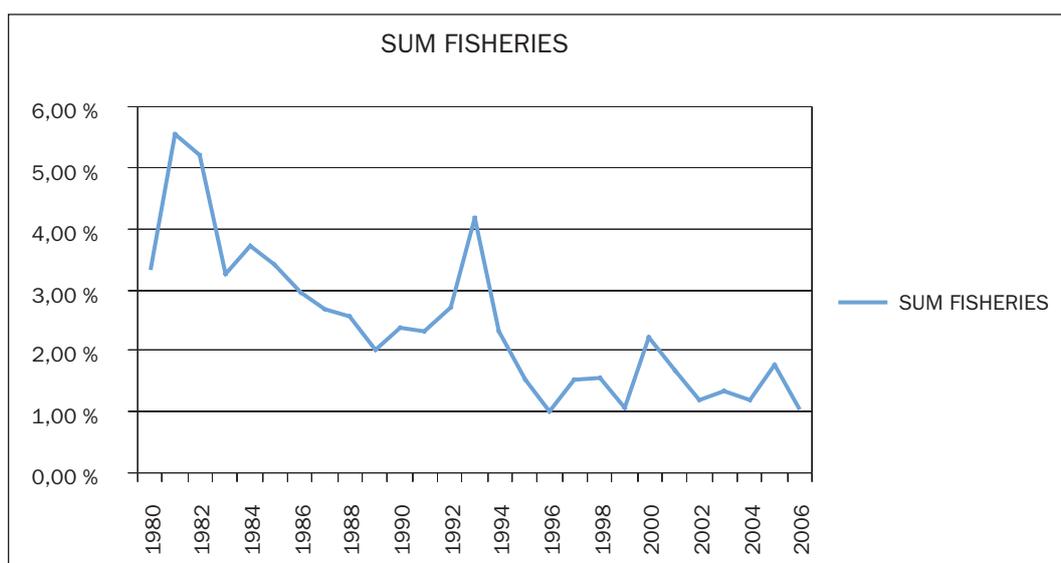
# Annex I – Terms of Reference

## 1 Background

Norway has been providing assistance to the fisheries sector including aquaculture to a number of countries and regional organisations in Asia, Africa and Central America. According to a recent study<sup>20</sup>, during the period 1973- 2002, Norway has contributed around US \$ 610 million spread across 387 projects in developing countries. Both in terms of amount and number of projects, Norway is the fourth largest bilateral donor of the global development assistance to the fisheries sector.

Importance of fisheries sector engagements in the total Norwegian development assistance has varied from year to year, however as shown in figure 1, since 1980, these fluctuations have occurred around a negative trend; a development which is quite in line with the global trends in development assistance to the fisheries sector.

Figure 1: Trend in fisheries development assistance in Norway as a percentage of the total value (1980-2006)

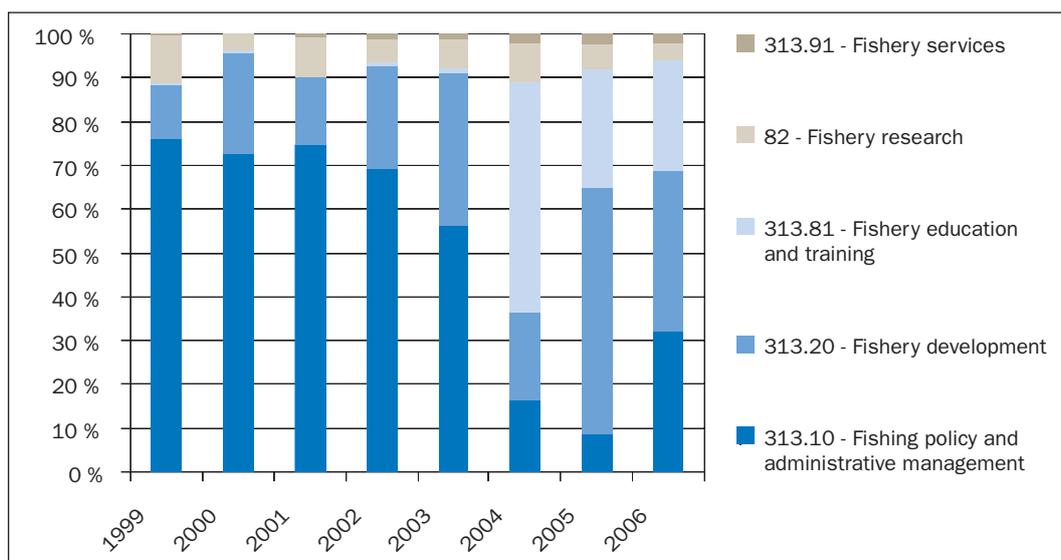


Programs and projects supported by Norway, so far have been targeted towards marine offshore fisheries, small-scale coastal fisheries, inland fisheries, and aquaculture. The marine fisheries however have been the main focus in most of the projects.

Projects and programs have consisted of a mix of *activities*. Activities of importance include, technical assistance for fisheries policy formation and legislation, resource management, fisheries research, training of personnel, and fisheries-based private sector development. Institutional development and capacity building have been an integral part of most of the projects and programs. Figure 2 give an overview of the composition of Norwegian fisheries assistance since 1999

<sup>20</sup> Kelleher, K. (2007). Trends and impacts in fisheries development assistance (preliminary results), Presentation at the PROFISH Forum, Rome, 9 March

Figure 2: Composition of Norwegian fisheries development assistance



Note: Codes refer to the last two digits in the 5 digit code for fisheries sector 313XX reported in DAC Creditor Reporting System (CRS) statistics<sup>21</sup>. It is important to emphasise that the distribution across activities is subject to the accuracy of the coding used in the primary data.

Data prior to 1999 is classified into two sub-groups, and it is not strictly comparable with the DAC CRS classification used in figure 2. However a preliminary analysis of the programs initiated since the end of 1980s' reveals that activities directed towards general capacity development in partner countries have been the main focus of cooperation.

In the context of the recent Paris Declaration criteria of alignment and donor harmonisation, Norwegian fisheries cooperation have covered a spectrum of activities, ranging from more production related donor-driven interventions during the earlier years, to the demand-driven capacity building programs with national ownership during the last 15-20 years. *Aid modalities* have also varied involving both direct project support, to more sector-support initiatives with joint financing with other donors. Since the late 1980s, the programs have also covered *regional initiatives* such as in the Southern African region.<sup>22</sup>

## 2 Purpose

The main purpose of this evaluation is to:

- Provide information about the results of Norwegian fisheries sector assistance both at the *activity level* and at the *program level*
- Outline *lessons* that can be used in design and implementation of future result-oriented programs and projects in partner countries.

The main users of the findings of the evaluations will be Ministry of Foreign Affairs (MFA), other stakeholders who have direct or indirect interest in the fisheries interventions and beneficiaries in the partner countries. In this context, *Ministry of Foreign MFA* refers to its political leadership, its officials, the Norwegian Embassies and the Norwegian Agency for

21 CODES

DAC 5	CRS	DESCRIPTION	Clarifications / Additional notes on coverage
313		FISHING	
	31310	Fishing policy and administrative management	Fishing sector policy, planning and programs; institution capacity building and advice; ocean and coastal fishing; marine and freshwater fish surveys and prospecting; fishing boats/equipment; unspecified fishing activities.
	31320	Fishery development	Exploitation and utilisation of fisheries; fish stock protection; aquaculture; integrated fishery projects.
	31381	Fishery education/training	
	31382	Fishery research	Pilot fish culture; marine/freshwater biological research.
	31391	Fishery services	Fishing harbours; fish markets; fishery transport and cold storage.

22 For an overview see Hersoug B. (2004) "To be a Norwegian means you are an expert – Norwegian development assistance in fisheries 1952-2002", in Hersoug B., S. Jentoft and P. Degnbol (2004) "Fisheries development: The institutional challenge", Eburon, Delft. pp. 163-184.

Development Cooperation Norad. The *stakeholders* include fisheries sector consultants, firms, non-governmental organisations NGOs, governmental twinning partners, educational and research institutions in Norway, and their counterparts in the South. *Beneficiaries* include individuals, households, communities, and relevant local and national institutions and policy makers that benefit directly or indirectly from the interventions.

### 3 Objective and Scope

The main objective of the analysis is to evaluate the outcomes and impacts- direct or indirect, positive or negative, intended or unintended, of the Norwegian assistance to the fisheries sector on the individuals, communities, private sector development, institutions and fisheries resources in the partner countries. The evaluation will use all information documented in the earlier reports and evaluations, together with data collected in this evaluation to measure the outcomes and impacts.

Norwegian assistance has been in the form of *projects* and *programs* that package a set of *activities* which have been delivered through both bilateral and multilateral *channels*. Results of the projects and programs are determined by the performance of the individual activities, and the synergies between the activities embedded in the projects and programs. Of particular importance is also the performance of the *actors* responsible for design and implementation of the interventions, and the coordination between them. This evaluation will focus on evaluating the outcomes and impacts of three components of the activity mix:

- Technical assistance to support fisheries management policy formation
- Support to fisheries research, education and training of personnel, and
- Activities directed towards fisheries-based private sector development (PSD)

The evaluation shall be limited to activities financed under the Norwegian bilateral assistance. The PSD activities assessed in this evaluation shall cover both the support provided directly by MFA as defined above, and also the fisheries sector involvement of The Norwegian Investment Fund for Developing Countries (NORFUND). Assistance delivered through the multilateral channels shall be outside the scope of this evaluation. The time period for the analysis will be from 1985 to the present. Evaluation shall be conducted in accordance with the prevailing DAC Evaluation Quality Standards.

### 4 Evaluation Criteria

More specifically, the evaluation will *document the degree and the manner in which Norwegian assistance to the fisheries sector cooperation has been:*

- **Relevant** in relation to:
  - Norwegian and partner country policy goals concerning poverty alleviation. Poverty orientation of the interventions may be direct, for example when the assistance is directly delivered to the poor, or indirect where substantial trickle-down effects can be identified.
  - Partner country's needs as expressed in national fisheries policies and strategies
  - International conventions, agreements, codes and guidelines related to international fisheries policies and strategies.
  - Cross-cutting issues related to environmental sustainability, gender, and governance as stated in Norwegian policies. All of these issues may not have been mainstreamed at the time when some of the programs were initiated, however in order to draw lessons for future practice it is important to focus on the contemporary context.
- **Efficient** compared to alternative ways of delivering assistance in the identified activities. Were there any lower-cost options that could have achieved similar results? Addressing these issues requires assessment of the process, organisation, management, monitoring systems employed, as well as the performance of MFA, Norad, Norfund, and partner country authorities. Of importance in this context is also to examine the *coherence and complementarity* between different projects and programs, and also coherence with other Norwegian or international development assistance programs in the partner countries. Where possible, additionality of the Norwegian support shall be examined.
- **Effective and resulting in desirable outcomes and impacts** at individual, local, sector, national and regional levels, for overall human development, public management, private sector development, and resource management in the partner countries. The issues that may

be addressed here include impacts on income levels, food security, health and welfare of the workforce in the sector, development of human and social capital, fisheries-based private sector development, and impacts on biodiversity and biomass of fisheries resources.

- **Resulting in development of institutions** in the South that are de-facto equipped to assist the partner countries in the management of their fisheries resources. Included herein are issues such as regulatory independence, technical competence, governance, corruption if in the implementation of regulation, at these institutions.<sup>23</sup>
- **Resulting in impacts that are sustainable** such that net benefits are likely to continue after the completion of the assistance. For example sustainability of the ecological systems may be assessed in terms of levels of spawning biomass, and the level of resource stocks in relation to the developments in the fishing gear, vessel fleet and fishing effort. Sustainability of the institutions may be examined in terms of their absorption and retention capacity of the expertise developed under the programs.

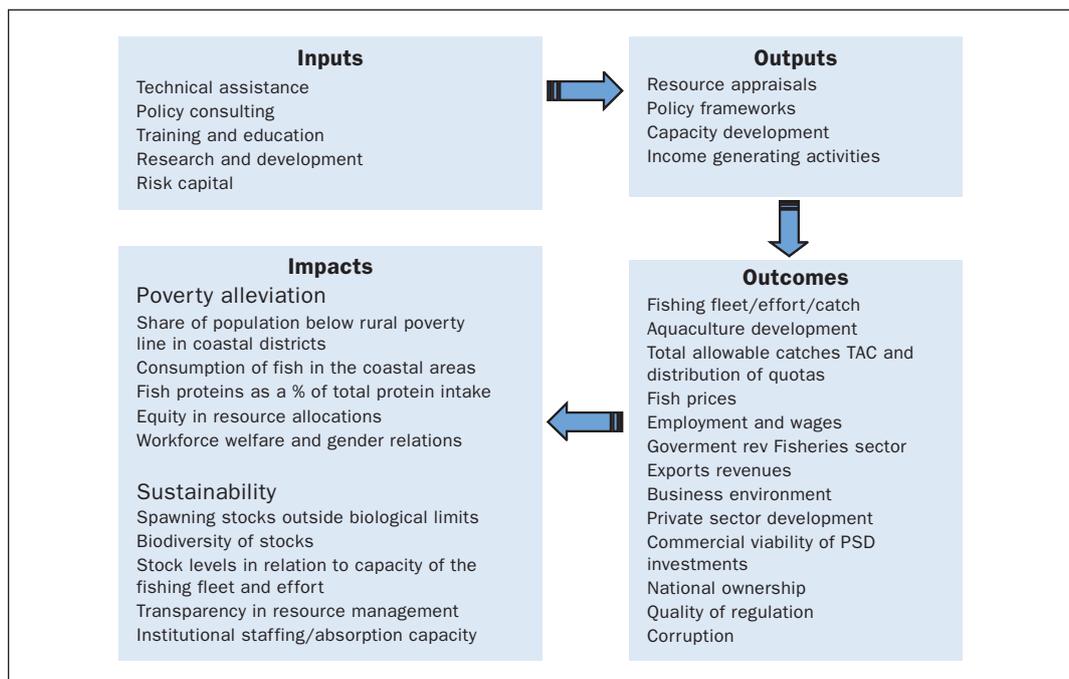
It is expected, that the evaluation will analyse the *political, social and institutional contexts* in which the programs operated. In particular, the evaluation will document the *performance of the MFA and the partner country*, where it is considered a decisive factor in determination of the outcomes and impacts identified in this study.

For the programs-in-progress, the evaluation will answer the above questions on the basis of assessment of the design, features, and implementation of the current programs, and the likelihood of the outcomes and impacts in the foreseeable future. The analysis will outline *lessons* that are useful for designing future result-oriented programs and projects in partner countries.

## 5 Methodological Comments

Norwegian fisheries sector cooperation programs have been a subject of evaluation in a number of earlier reports and studies. The evaluation will avoid duplication of work, and the discussion of the previous evaluations will be limited to a brief comparative overview of the main finding of the earlier studies. This evaluation is expected to complement the previous work and will focus on *outcomes and developmental impacts* of the cooperation programs. The consultant will reconstruct the *intervention logic* for the Norwegian fisheries assistance in consultations with the MFA officials and the stakeholders.

Figure 3: Intervention logic- A Prototype



23 For a recent discussion see "Corruption and renewable natural resources", Working Paper 1/2007, Transparency International available on [http://www.transparency.org/publications/publications/wp1\\_2007\\_corruption\\_renewable\\_resources](http://www.transparency.org/publications/publications/wp1_2007_corruption_renewable_resources).

Flow diagram figure 3 is an example of a framework for understanding the intervention logic of the assistance which is the subject matter of this evaluation. Needless to say, the results-chain will be influenced by, and influence the context in which the programs have functioned.

An important methodological decision is related to the choice of metric – What is measured? There is no single indicator for measuring impacts of the fisheries assistance programs. The consultant will define suitable *impact indicators* using standard methodologies common to evaluate poverty, ecological and governance impacts in general, and as applied to fisheries sector in particular. Where composite indices are developed to give a “big-picture”, it is important that the indicators are justified keeping in view the important dimensions of the interventions.<sup>24</sup>

The other important methodological decision is related the type of *inference* that needs to be drawn from empirical observations- How confident one needs to be that observed changes are in fact due to the evaluated program? In this context, one may distinguish between adequacy, plausibility or probability assessments. *Adequacy* assessment is mainly concerned with identification of an actual change in an indicator. The assessment can be made with reference to a predefined standard, or it may be cross-sectional or across time. The value of an adequacy assessment is that it reflects on whether or not the objectives are being realised. No attempt is made to establish a causal link between program activities to observed changes. To establish causal links adequacy statements need to be combined with plausibility, or probability assessments, both of which require construction of counterfactual situations. *Plausibility* assessments may make use of historical or external control groups accompanied by an attempt to control for external influences, while *probability* assessments entails random assignment of “objects” as project beneficiaries or as a member of the control group.

This evaluation will at the minimum provide adequacy assessments of the impacts, and attempt to establish a data set that is suitable for making a plausible assessment with respect to poverty alleviation and ecological impacts in one of the case countries.

***No preferred methodology is specified for this evaluation.*** The evaluation team will outline a well formed research strategy and propose an appropriate methodology to ensure an objective, transparent and impartial assessment of the issues to be analysed in this evaluation. The evaluation team will make use of empirical methods such as questionnaire surveys, interviews, focus groups, case studies, and data/literature surveys to collect data, which will be analysed using well specified judgement criteria and suitably defined qualitative and quantitative indicators.

*Field-studies* to two countries where Norway has been engaged in fisheries sector assistance are envisaged in this evaluation. Choice of the case countries will be made in consultation with the client during the inception phase of the evaluation.

## 6 Evaluation team

All members of the evaluation team are expected to have relevant academic qualifications and evaluation experience. In addition, the evaluation team shall cover the following competencies

Competence	Team Leader	At least one member
Academic	Higher relevant degree.	
Discipline	Relevant disciplines	Economics, Marine biology, Applied econometric / numerical analysis
Evaluation	Leading multi disciplinary evaluations	
Sector	Fisheries management	Fisheries research, Private sector finance
Development Cooperation	Yes	Yes
Country/region	Developing countries	Southern Africa, South-East Asia
Other		

24 For an overview of the important issues see Nardo M., M. Saiasana, A. Saltelli, S. Tarantola, A. Hoffman, and E. Giovannini, (2005) , “Handbook on constructing composite indicators: Methodology and user Guide”, OECD Statistics Working Paper, STD/DOC(2005)3 available on [http://www.oilis.oecd.org/oilis/2005doc.nsf/LinkTo/std-doc\(2005\)3](http://www.oilis.oecd.org/oilis/2005doc.nsf/LinkTo/std-doc(2005)3)

Competence	Team Leader	At least one member
Language fluency		
English	Written, Reading, Spoken	
Norwegian		Reading, Spoken
Portuguese		Reading, Spoken
Others		

The composition of the evaluation team should as far as possible, reflect a balance between international and local consultants from the South.

## 7 Budget and deliverables

The project is **budgeted** with a maximum input of **50 person weeks**. The **Deliverables** in the consultancy consist of following outputs:

- Work-in-progress reporting **workshops** (maximum 2) in Oslo, arranged by the EVAL on need basis.
- **Inception Report** not exceeding 30 pages shall be prepared in accordance with EVAL's guidelines given in *Annex A-3 Guidelines for Reports* of this document. It will be discussed with the team and the project reference group before approval by EVAL.
- **Draft Final Report** for feedback from the reference group, stakeholders and EVAL. The feedback will include comments on structure, facts, content, and conclusions.
- **Final Evaluation Report** prepared in accordance with EVAL's guidelines given in *Annex A-3 Guidelines for Report* of this document.
- **Seminar for dissemination** of the final report in Oslo or in the case countries, to be arranged by EVAL. Direct travel-cost related to dissemination in the case countries will be covered separately by EVAL on need basis, and are not to be included in the budget.

All presentations and reports are to be submitted in electronic form in accordance with the deadlines set in the time-schedule specified under *Section 2 Administrative Conditions in Part 1 Tender specification* of this document. EVAL retains the sole rights with respect to all **distribution, dissemination and publication** of the deliverables.

## Annex II – Breakdown of Norwegian Fisheries Development Assistance

Norwegian Support to the Fisheries Sector in Africa, Asia, Europe and Latin America & Caribbean — Bilateral, Multilateral Assistance and Private Sector Development, 1999 – 2006 (NOK '000)

Category	YEAR										Sub-total	% of total	of which		
	1999	2000	2001	2002	2003	2004	2005	2006	Multi	Bi			PSD		
<b>Global</b>	<b>6,954</b>	<b>8,764</b>	<b>17,659</b>	<b>7,317</b>	<b>4,482</b>	<b>11,454</b>	<b>6,624</b>	<b>47,582</b>	<b>110,837</b>	<b>10%</b>	<b>38,947</b>	<b>71,257</b>	<b>133</b>		
<b>Africa</b>															
Africa Unspecified	-	600	1,400			52,900	50,899		105,799	18%		105,799			
Angola	132			55	229		900	3,071	4,387	1%		1,260	3,126		
Ghana	183	108	180		208				679	0%		471	208		
Madagascar						800	114		914	0%		114	800		
Morocco						336	84		420	0%		84	336		
Mozambique	7,321	3,000	7,714	12,999	4,508	17,558	14,000	23,500	90,599	15%	36,071	54,334	193		
Namibia	11,096	34,634	14,819	7,445	11,200	3,027	937	550	83,709	14%		80,882	2,827		
Nigeria							450	50	500	0%	500				
Somalia							3,000		3,000	0%	3,000				
South Africa	640	1,960	4,040	4,018	2,508	4,100	4,707	6,940	28,913	5%		28,515	397		
SSA Unallocated	41,833	52,149	59,836	52,000	51,953	1,737	1,425	14,720	275,654	46%	6,500	226,317	42,836		
Tanzania	64				34			460	558	0%		558			
Uganda			168			185	754	150	1,255	0%		697	559		
Zambia					134	1,234	405	150	1,924	0%		1,712	212		
Zimbabwe	1,572	908		411					2,890	0%		2,890			
<b>Total Africa</b>	<b>62,841</b>	<b>93,357</b>	<b>88,157</b>	<b>76,927</b>	<b>70,773</b>	<b>81,878</b>	<b>77,675</b>	<b>49,590</b>	<b>601,199</b>	<b>56%</b>	<b>46,071</b>	<b>503,633</b>	<b>51,495</b>		

Norwegian Support to the Fisheries Sector in Africa, Asia, Europe and Latin America & Caribbean — Bilateral, Multilateral Assistance and Private Sector Development, 1999 – 2006 (NOK '000)

Category	YEAR										Sub-total	% of total	of which				
	1999	2000	2001	2002	2003	2004	2005	2006	Multi	Bi			PSD				
<b>Asia</b>																	
Asia Unspecified	39							88	319			446	0%		446		
Azerbaijan			800								800	0%		800			
Bangladesh	1,697	1,409	967			361	678				5,113	3%		4,541	572		
China			236	1,316	3,452	1,121	3,596	505			10,226	5%		2,217	8,009		
India	17	199	671	332			87	87			1,359	1%		1,252	106		
Indonesia				121				1,010	7,497		8,628	4%	6,500	1,783	345		
Laos	45										45	0%		45			
Nepal								1,000			1,000	0%			1,000		
Philippines		20,000		54	217	361	1,333	2,153			24,119	12%		2,418	21,701		
Sri Lanka	339	1,364	1,131	340	614	772	74,492	4,139			83,190	41%	19,000	58,027	6,162		
Thailand	2,250	5					5,500				3,255	2%		2,750	505		
Vietnam	6,565	7,350	3,285	5,436	7,980	9,176	13,853	11,421			65,066	32%		64,247	820		
<b>Total Asia</b>	<b>6,418</b>	<b>30,327</b>	<b>7,091</b>	<b>7,599</b>	<b>12,263</b>	<b>11,791</b>	<b>107,354</b>	<b>20,404</b>			<b>203,247</b>	<b>19%</b>	<b>25,583</b>	<b>138,443</b>	<b>39,221</b>		
<b>Europe/ME</b>																	
Bosnia & Herzegovina	-	9,075	2,465	724	1,000	5,249	3,628	-			22,141	27%	-	406	21,735		
Croatia			9,000	1,689		45					10,735	13%		9,045	1,689		
Europe Unallocated				3,824			1,225	13			5,036	6%	3,824	1,212			
Fed. Rep. Yugoslavia		1,200	860		1,720	1,244	1,299				6,323	8%		6,323			
Macedonia								557			557	1%	28	529			
Ex Yugoslavia Unidentified		-	-	850	-	-	-	-			850	1%	-	850	-		
Turkey					25,000			7,040	2,960		35,000	43%			35,000		
<b>Total Europe/ME</b>		<b>10,275</b>	<b>12,325</b>	<b>7,087</b>	<b>27,720</b>	<b>6,539</b>	<b>9,113</b>	<b>7,584</b>			<b>80,643</b>	<b>8%</b>	<b>3,852</b>	<b>18,366</b>	<b>58,424</b>		

Norwegian Support to the Fisheries Sector in Africa, Asia, Europe and Latin America & Caribbean — Bilateral, Multilateral Assistance and Private Sector Development, 1999 – 2006 (NOK '000)

Category	YEAR										Sub-total	% of total	of which				
	1999	2000	2001	2002	2003	2004	2005	2006	Multi	Bi			PSD				
<b>Latin America / Caribbean</b>																	
Belize						281						281	0%				281
Chile	356	722	1,556	717	540		473	241			4,606	6%			3,892		714
Cuba		95		269	481	1,377	874	269			3,364	5%			2,731		633
Ecuador	678	607	1,283	360	360						3,289	5%			3,289		
El Salvador				291							291	0%					291
Nicaragua	1,073	25,899	2,724		12,438	1,250	8,940	8,465			60,788	84%			4,707		56,081
<b>Total L.A. / Caribbean</b>	<b>2,107</b>	<b>27,324</b>	<b>5,564</b>	<b>1,637</b>	<b>13,818</b>	<b>2,908</b>	<b>10,286</b>	<b>8,974</b>			<b>72,619</b>	<b>7%</b>			<b>14,619</b>		<b>58,000</b>
<b>Grand Total, All Countries</b>	<b>78,320</b>	<b>170,047</b>	<b>130,796</b>	<b>100,568</b>	<b>129,057</b>	<b>114,571</b>	<b>211,051</b>	<b>134,135</b>			<b>1,068,544</b>	<b>100%</b>	<b>114,453</b>	<b>746,317</b>	<b>207,274</b>		<b>207,274</b>

Source: Norad records.

## Annex III – Synthesis of Findings of the Norad Fisheries Evaluation

### Development Projects

Evaluation Criteria	Mozambique Case Study	Nicaragua Case Study	Vietnam Case Study
<b>Macroeconomic Indicators</b>			
World Bank classification	Low income country	Lower middle income country	Low income country
Population (2006)	20 million	5 million	84 million
PPP Gross National Income (USD)	1,220	4,010	3,300
Population below poverty line	1996/97 (69.4%)	1993 (50.3%)	1998 (37.4%)
Official per capita development aid (2005) USD	65	144	23
National Importance of Fisheries	High – artisanal fishery: food security and employment; industrial (shrimp) fishery: contribution to GDP and export revenues (shrimp).	High – contribution to GDP and export earnings (shrimp)	Marine fisheries and aquaculture play a major role in the national economy; fisheries make a significant contribution to export earnings (shrimp, pangasius)
Programme/Project Components	Institutional support, focussed on research and fisheries management/administration. Recent support to artisanal fisheries, more poverty-focussed.	Institutional support, focused on research and fisheries management.	Preparing and bringing in to life the Fisheries Law; Building Advanced Research and Education Capacity in the Research Institute for Aquaculture #1, Phase 1 & 2; Improving Training and Research Capacity in the University of Fisheries.
<b>Relevance</b>			
Norwegian policy goals – poverty alleviation	<b>Medium:</b> Relevant to Norwegian goals, fisheries one of priority areas for co-operation, but mostly only indirect impact on poverty.	<b>Medium:</b> Relevant to Norwegian priorities of private sector development and poverty alleviation.	<b>High:</b> Relevant to Norwegian goals, fisheries one of priority areas for co-operation; Impact on sustainable economic growth rather than poverty.
Partner country needs	<b>High:</b> Relevant to Mozambique since programmes mostly defined by partner country.	<b>High</b> relevance. Program anchored in development strategies.	<b>High:</b> Relevant to Vietnam, since programmes mostly defined by partner country. Development of aquaculture and exports.
International conventions agreements, codes	Generally in line with these, although limited mention in project documentation.	No mention in the documentation.	In line, particularly Fisheries Law Project.

## Development Projects

Evaluation Criteria	Mozambique Case Study	Nicaragua Case Study	Vietnam Case Study
<b>Cross cutting issues</b>			
Environmental sustainability	<b>High</b> – projects aimed at sustainable resource management.	<b>Medium.</b> Support to INPESCA aimed at sustainable resource management. However, previous support might have contributed to over-exploitation of marine resources.	<b>High:</b> All projects have underlying theme of sustainable growth. However there may be issues associated with the impacts of intensive aquaculture in Vietnam such as the environmental impacts of effluents.
Gender	<b>Medium</b> – Not specifically included, but women have been amongst the beneficiaries, particularly from education, also benefiting from processing, schools, health centres.	<b>Medium/low:</b> Support to INPESCA aims at improving gender equality. However, actual allocation to this are is very limited.	<b>Medium:</b> Women involved both as beneficiaries of capacity building and of project outcomes, although women not eligible for aquaculture leaseholds.
Governance	<b>Medium</b> – projects aim to improve governance in the fisheries sector.	<b>Medium</b> – projects aim to improve governance in the fisheries sector.	<b>High:</b> Particularly Fisheries Law Project
<b>Efficiency</b>			
Cost effective	<b>Medium</b> – Some projects have done more than foreseen, others less. Overall, unlikely to have been cheaper ways of doing things.	<b>Low</b> – Very few measurable results despite having used 30 % of the budget..	<b>High</b> – projects efficiently implemented.
Process, management, M + E	<b>Medium</b> – generally good, although M&E targets not always clearly defined in project design.	<b>Low</b> – generally satisfactory. However M&E targets are unclear.	<b>High</b> – projects efficiently managed.
Coherence and complementarity between projects and programmes	<b>High</b> – good complementarity between donors in fisheries sector.	<b>Medium</b> – programme is not coherent with Norwegian programme on good governance due to purchasing routines.	<b>High to Medium</b> – good complementarity between activities within Vietnamese sector. Less so between donor projects.
Additionality	<b>High</b> – Norwegian support has been fundamental to building capacity in the fisheries sector.	<b>High</b> – Norwegian support has been fundamental to building capacity in the fisheries sector.	<b>High</b> – Norwegian support has been important in developing the fisheries and aquaculture sectors.
<b>Effectiveness</b>			
National level	<b>High</b> – Most inputs have focussed on central level (Ministry and associated institutions).	<b>High/Low</b> – high from a 20 year perspective, low in the current support. Most inputs focussed at central level.	<b>High</b>
Regional level	<b>Medium</b> – Provincial level supported to more limited extent. However, PPABAS is now supporting provincial level more than national level.	<b>Low</b> – few results at regional level.	Not applicable
Local/individual level	<b>Medium</b> – Inputs previously have had limited impact at local level. However PPABAS is having greatest impact at local level.	Not applicable.	<b>High</b>

Evaluation Criteria	Mozambique Case Study	Nicaragua Case Study	Vietnam Case Study
Private sector development (fisheries and other sectors)	<b>Medium</b> – limited support provided to private sector development, although PPABAS project now having positive impact on artisanal fishing communities through micro-credit and savings.	<b>Medium:</b> support to increase production capacity has increased private sector processing and catching.	<b>Medium:</b> Limited support. However, the project that was supported has come to fruition and is operational.
Income levels	<b>Medium</b> – some impact on income levels.	<b>Medium</b> – some impact on income levels.	<b>High:</b> Significant impact on income levels in certain instances.
Food security	<b>Med</b> – focus on stock assessment and management to support sustainable exploitation, but mainly for export fishery.	<b>High</b> – focus on stock assessment and management to support sustainable exploitation and maintain food security.	<b>High:</b> Focus on sustainable production (fisheries law) and improved productivity (RIA 1 and FTU).
Health and welfare	<b>Low</b> – support to fisheries sector has had only an indirect impact, if any.	<b>Low</b> – support to fisheries sector has had only an indirect impact, if any.	<b>Low:</b> Indirect impact.
Development of human and social capital	<b>Medium</b> – support for education and human resources development in fisheries sector (institutions).	<b>Medium/low:</b> contributed to capacity building in INPESCA, limited or no impact outside the organisation.	<b>High:</b> Capacity building has been a main priority and has had impact.
Biodiversity and Biomass	<b>Medium</b> – development of stock assessment expertise, but concerns remain about over-fishing.	<b>Medium:</b> support to INPESCA addresses sustainable utilisation, but previous support might have contributed to over-exploitation of marine resources.	<b>Medium:</b> Fisheries Law project addresses sustainable utilisation.
<b>Institutional Development</b>			
Technical competence	<b>High</b> – support to research, fisheries management and training have increased technical competence of fisheries sector institutions.	<b>High</b> – support to research, fisheries management and training have increased technical competence of fisheries sector institutions.	<b>High:</b> All projects have resulted in demonstrably improved technical competence.
Governance and corruption	<b>Medium</b> – financial management of projects adequate, difficult to assess.	<b>Low</b> – INPESCA is according to our interviews violation the procedures for financial management.	<b>High:</b> Fisheries Law Project addresses governance.
<b>Sustainability</b>			
Biological	<b>High</b> – support has focussed on ensuring sustainability of fisheries resources, although there is over-capacity in the shrimp fishery, which must be addressed.	<b>High</b> – support has focused on ensuring sustainability. However, there is now over-fishing.	<b>Medium:</b> development of aquaculture sector diverts pressure from capture fishery, but over-fishing still remains a risk.
Economic/financial	<b>Medium/Low</b> – sector is heavily dependent on donor funding. Values are large compared to state budget and activities cannot be maintained with state funds.	<b>Low</b> – INPESCA is heavily dependent on Norwegian support.	<b>Medium/high:</b> Economically viable fishery combined with increasingly entrepreneurial public sector.

Evaluation Criteria	Mozambique Case Study	Nicaragua Case Study	Vietnam Case Study
Institutional	<b>High</b> – long-term vision and emphasis on human resources development/ training has increased institutional capacity and many people remain working within the sector.	<b>High</b> – long-term vision and emphasis on human resources development/ training has increased institutional capacity and many people remain working within the sector.	<b>High:</b> As for Mozambique.

## Annex IV – Private Sector Development Projects

Evaluation Criteria	General - Norad	General - Norfund	Mozambique (Seaweed farming)	Vietnam (Marine Farms, Cobia farming)
<b>Efficiency</b>				
Cost effective	<b>High</b> – small initial support has made a large impact	<b>Medium/low</b> – Norfund has lost substantial amount of money on their investments	<b>High</b> – small initial investment has resulted in an effective private sector initiative.	<b>High</b> – Norwegian State investment of approx US\$ 6K has resulted in an enterprise with investment of approx \$10 million.
Process, management, M&E	<b>Medium</b>	<b>Medium</b>		Not applicable Feasibility study only
Coherence and complementarity between projects and programmes	<b>High</b>	<b>Medium</b>		<b>High</b> – Good complementarity between the project and RIA 1.
Additionality	<b>Medium</b> – several of the investments would have taken place without support from Norad	<b>Medium</b>	<b>Low</b> – the site earmarked for Norwegian support is not operational.	<b>Med</b> – Investment would have gone ahead anyway, but possibly not as quickly, funding may have facilitated government contacts and investment.
<b>Effectiveness</b>				
National level	<b>Low</b> – investments are spread to a number of developing countries - investments in each country are too small to have an influence on national level	<b>Low</b> – investments are spread to a number of developing countries - investments in each country are too small to have an influence on national level	<b>Low</b> – overall production low in national context.	<b>Low</b> – overall production low in national context. However, if successful, could be rolled out in to a major national industry.
Regional level	<b>Low</b> – investments tend to be small and localised, limited impacts observed at regional level.	<b>Low</b> – investments tend to be small and localised, limited impacts observed at regional level.	<b>Low</b> – limited impact at regional level.	<b>Low</b> – limited impact at regional level.
Local/individual level	<b>High</b> – for those who have benefited	<b>High</b> – for those who have benefited	<b>High</b> – approx. 60 families benefit from additional income from seaweed farming.	<b>Medium</b> - Approx 50 people will have full time employment.
Private sector development (fisheries and other sectors)			<b>Medium</b> – has supported small-scale private sector enterprise, but only a small number of families benefiting.	<b>Medium</b> (low at current levels of production), some spin-off businesses.

Evaluation Criteria	General - Norad	General - Norfund	Mozambique (Seaweed farming)	Vietnam (Marine Farms, Cobia farming)
Income levels	<b>Med</b> – high for those who have benefited, but they are relatively few in number, also some trickle-down effects	<b>Med</b> – high for those who have benefited, but they are relatively few in number, also some trickle-down effects	<b>Medium</b> – incomes increasing, but not yet at target levels.	<b>Low</b> – Main benefit through direct employment.
Food security	Not relevant	Not relevant	<b>Medium</b> – income from seaweed farming reduces vulnerability.	<b>Low</b> – Product aimed at export
Health and welfare	Not relevant	Not relevant	<b>Low</b> – no specific inputs.	Not applicable.
Development of human and social capital	<b>High</b> – due to technology transfer	<b>High</b> – due to technology transfer	<b>Medium</b> – seaweed farmers trained.	<b>High</b> – Employees will receive high level of training in the business of aquaculture.
Biodiversity and Biomass	Medium	<b>Medium</b>	Medium – provides alternative income so may reduce pressure on fish stocks.	Medium Provides alternative to fishing
<b>Institutional Development</b>				
Regulatory independence	<b>Medium</b>	<b>Medium</b>	Not applicable.	Not applicable.
Technical competence	<b>Medium</b>	<b>Medium</b>		Not applicable.
Governance and corruption	<b>Low</b> – little impact on improving governance and reducing corruption	<b>Low</b> – little impact on improving governance and reducing corruption		Not applicable.
<b>Sustainability</b>				
Biological	Uncertain	Uncertain	Uncertain	<b>Medium</b> – Technique has been developed elsewhere
Economic/financial	<b>Medium</b> – for local investors.	<b>Medium</b> – for local investors.	<b>High</b> – commitment from FMC Biopolymer to purchase 3000 tonnes of dried seaweed has been fundamental to the success and sustainability of the project.	<b>High</b> - Business plan has a pay-back period of five years. Some risk exists in the context of market saturation, but company has highly developed risk management strategies
Institutional	<b>Medium</b> – for local investors.	<b>Medium</b> – for local investors.		<b>Medium</b> – Anecdotal evidence suggests that trained staff are not easy to find.

## Annex V – Examples of Ex-ante and Ex-post Project and Programme Indicators for the Fisheries Sector

Proposed initial programme and project indicators (ex-ante) for Norad and Norfund (indicative)

Support Area	Indicator	Type of indicator
Country compatibility with MFA, Norad aid objectives	Country commitment to governance and democracy	Qualitative
<b>Fisheries sector in potential client country</b>		
Importance of the fisheries sector	Contribution to national GDP/GNI Contribution to employment Contribution to food security Contribution to government budget (taxes, export earnings)	Quantitative Quantitative Quantitative Quantitative
Existence in the country of baseline data and strategies for the fisheries sector	Stock assessments/Biomass assessments Fisheries development strategy	Quantitative  Qualitative but contains quantitative targets
Coherence and compatibility with other national projects	Evidence that the programme/project will be compatible with existing programmes/projects	Qualitative
International laws, conventions, codes of conduct	Recognition, ratification and compliance with international conventions on marine and aquatic resources, environmental laws (UNCLOS, Port State conventions; biodiversity directives etc)	Qualitative
Compatibility of national fisheries strategies with regional fisheries strategies (coherence)	In Africa (NEPAD, COMESA, SADC etc); In Asia (ASEAN, ACP) in Central and South America (regional fisheries strategies)	Qualitative
<b>Cross cutting issues</b>		
Governance	See above	
Environmental sustainability	Is the project compatible with stock assessments?	Quantitative and Qualitative
Gender	Importance of women in the fisheries sector (employment, income generation)	Quantitative and Qualitative

Project outcome/impact indicators (ex-post) for fisheries projects (indicative)

Support Area	Indicator	Type of indicator
<b>Fisheries Development</b>		
State of fish stocks in relation to fishing effort	Measures of fish stocks and biomass	Quantitative
Fish production	Production in tonnes associated with the project	Quantitative
Fish prices	Fish prices on domestic and international market	Quantitative
Direct and Indirect Employment Generation	Direct and indirect employee numbers generated by the programme/project	Quantitative

<b>Support Area</b>	<b>Indicator</b>	<b>Type of indicator</b>
Income impacts linked to the project	Increase in incomes	Quantitative
Food security and health indicators	Availability of incremental fish protein as a result of the project; Health indicators	Quantitative Quantitative
Skills acquisition and retention	Incremental number of skilled operators, managers trained as a result of the project	Quantitative and Qualitative







## EVALUATION REPORTS

- 4.95 Rural Development and Local Government in Tanzania
- 5.95 Integration of Environmental Concerns into Norwegian Bilateral Development Assistance: Policies and Performance
- 1.96 NORAD's Support of the Remote Area Development Programme (RADP) in Botswana
- 2.96 Norwegian Development Aid Experiences. A Review of Evaluation Studies 1986-92
- 3.96 The Norwegian People's Aid Mine Clearance Project in Cambodia
- 4.96 Democratic Global Civil Governance Report of the 1995 Benchmark Survey of NGOs
- 5.96 Evaluation of the Yearbook "Human Rights in Developing Countries"
- 1.97 Evaluation of Norwegian Assistance to Prevent and Control HIV/AIDS
- 2.97 «Kultursjokk og Korrektiv» – Evaluering av UD/NORADs Studiereiser for Lærere
- 3.97 Evaluation of Decentralisation and Development
- 4.97 Evaluation of Norwegian Assistance to Peace, Reconciliation and Rehabilitation in Mozambique
- 5.97 Aid to Basic Education in Africa – Opportunities and Constraints
- 6.97 Norwegian Church Aid's Humanitarian and Peace-Making Work in Mali
- 7.97 Aid as a Tool for Promotion of Human Rights and Democracy: What can Norway do?
- 8.97 Evaluation of the Nordic Africa Institute, Uppsala
- 9.97 Evaluation of Norwegian Assistance to Worldview International Foundation
- 10.97 Review of Norwegian Assistance to IPS
- 11.97 Evaluation of Norwegian Humanitarian Assistance to the Sudan
- 12.97 Cooperation for Health Development WHO's Support to Programmes at Country Level
- 1.98 "Twining for Development". Institutional Cooperation between Public Institutions in Norway and the South
- 2.98 Institutional Cooperation between Sokoine and Norwegian Agricultural Universities
- 3.98 Development through Institutions? Institutional Development Promoted by Norwegian Private Companies and Consulting Firms
- 4.98 Development through Institutions? Institutional Development Promoted by Norwegian Non-Governmental Organisations
- 5.98 Development through Institutions? Institutional Development in Norwegian Bilateral Assistance. Synthesis Report
- 6.98 Managing Good Fortune – Macroeconomic Management and the Role of Aid in Botswana
- 7.98 The World Bank and Poverty in Africa
- 8.98 Evaluation of the Norwegian Program for Indigenous Peoples
- 9.98 Evaluering av Informasjons støtten til RORGene
- 10.98 Strategy for Assistance to Children in Norwegian Development Cooperation
- 11.98 Norwegian Assistance to Countries in Conflict
- 12.98 Evaluation of the Development Cooperation between Norway and Nicaragua
- 13.98 UNICEF-komiteen i Norge
- 14.98 Relief Work in Complex Emergencies
- 1.99 WID/Gender Units and the Experience of Gender Mainstreaming in Multilateral Organisations
- 2.99 International Planned Parenthood Federation – Policy and Effectiveness at Country and Regional Levels
- 3.99 Evaluation of Norwegian Support to Psycho-Social Projects in Bosnia-Herzegovina and the Caucasus
- 4.99 Evaluation of the Tanzania-Norway Development Cooperation 1994-1997
- 5.99 Building African Consulting Capacity
- 6.99 Aid and Conditionality
- 7.99 Policies and Strategies for Poverty Reduction in Norwegian Development Aid
- 8.99 Aid Coordination and Aid Effectiveness
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