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DEVELOPMENT ASSISTANCE COMMITTEE

PRINCIPLES FOR NEW ORIENTATIONS IN TECHNICAL CO-OPERATION

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT
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I. The Need for Change

1. Technical Co-operation (TC) encompasses the whole range of assistance activities designed to develop human resources through improvement in the level of skills, knowledge, technical know-how and productive aptitudes of the population in a developing country. A particularly important objective of Technical Co-operation is institutional development based on human resources development, i.e. to contribute to the strengthening and improved functioning of the many institutions essential for sustainable development through the effective management and operation of an economy and of society more generally, from government ministries, local administrative structures, over hospitals and schools to private enterprises. Human resources development is a prerequisite for institution-building. Capacity building for improved policy analysis and development management by the core government institutions is of special importance.

2. The main instruments of Technical Co-operation are: providing access to training, the provision of expatriate and national experts, policy and technical advice, assistance in the preparation of surveys and studies, and contributions to science, research and technological development.

For practical reasons, statistical information available on Technical Co-operation is limited to freestanding activities. DAC Members reported bilateral TC expenditures to developing countries of some $10 billion in 1989, i.e., about 25 per cent of total bilateral ODA. This financed some 80 000 experts and volunteers, over 125 000 students and trainees, feasibility studies, surveys and research. In addition, the United Nations system contributed an estimated $2 billion. Adding TC by the World Bank (over $1.5 billion) and the IMF, it is likely that the total outlay on Technical Co-operation, as defined above, is of the order of $15 billion.

The value of Technical Co-operation activities which are integrated into investment projects is included indistinguishably in the total amount reported for project assistance. This type of integrated Technical Co-operation has sometimes been referred to as Technical Assistance (TA), but to avoid confusion, it is now referred to as "investment-related Technical Co-operation".
3. The mechanism of Technical Co-operation has been employed for more than thirty years as one of the key tools of official development assistance. It has had major beneficial impacts, such as the training of large numbers of recipient country nationals and the strengthening of many institutions throughout the developing world. The cross-cultural exchanges resulting from TC activities have increased understanding of different viewpoints while enriching the societies involved.

4. At the same time, however, the tool so long used as the solution to many problems has tended to become a problem in itself. Some of the failures are due to the extremely difficult conditions in which Technical Co-operation takes place. Technical Co-operation can only be as effective as the policies and receiving structures of the recipient, and it is the very function of Technical Co-operation to strengthen them. Beyond these intrinsic difficulties, there are still too many cases of inadequate planning and management, lack of careful and realistic definitions of objectives, over-emphasis on project implementation requirements, over-reliance on expatriate experts and under-use of local expertise, and duplication and competition among donors.

5. Furthermore, the scale of expenditures and the number of expatriates involved puts serious pressures on the economic and social systems of a number of recipient countries. In several African countries, the total salaries paid to expatriates by assistance agencies exceed the budgets for the national civil service. This heavy emphasis on the use of expatriates has also created a development "industry" with vested interests. The result is Technical Co-operation which has become increasingly supply-driven with the recipient countries often playing a passive role.

6. Nevertheless, the needs for Technical Co-operation remain very large in many developing countries where there is still a serious lack of competent human resources and effective institutions. Development Co-operation Ministers and Heads of Aid Agencies recognised the problems associated with present-day Technical Co-operation in the Policy Statement on Development Co-operation in the 1990s by stating that: "the nature and quality of technical assistance will often have to be significantly rethought and upgraded to contribute better to longer-run institution-building requirements."

7. The Principles set out below seek to chart out new directions for donors in order to find more effective ways of assisting recipient countries to develop their own long-term solutions to development problems. These Principles

-- set as strategic objectives of Technical Co-operation long-term capacity building in developing countries rather than immediate short-term performance improvement;
-- put great emphasis on the central role of developing countries in the planning, design and management of Technical Co-operation;
-- stress the essential importance for effective Technical Co-operation of improved planning in the context of co-ordinated support for sectoral objectives and policies and, in particular, use of a programme rather than a project-by-project approach;
-- encourage "ownership" i.e. responsibility and control of Technical Co-operation programmes and projects at all stages by the intended beneficiaries through participatory approaches, including local NGO participation;

-- emphasize the key importance for sustainable development and self-reliance of long-term institution-building, especially in the areas of policy analysis and development management;

-- take into account the new recognition of private sector needs for Technical Co-operation;

-- encourage greater use of local expertise and existing structures;

-- define objectives in terms of outcomes to be achieved rather than inputs to be provided;

-- stress the need to pay greater attention to the costs and cost effectiveness of Technical Co-operation activities.

8. These Principles apply to Technical Co-operation in all developing countries, but especially to those which rely heavily on external assistance and continue to have major requirements for institution-building based on human resources development. It is recognised that in institutionally more advanced developing countries there also remain important needs for human resources development and for transferring skills and technical capacities in special areas.

II. Technical Co-operation Principles

1. The central role of the recipient country and the partnership concept

9. Recipient countries must be involved throughout the Technical Co-operation process. They must determine their needs and articulate their requests, rather than simply respond to offers from donors, even though they might wish to seek outside help in formulating their needs. The full and active involvement in TC projects by recipient countries and beneficiary groups and institutions is basic to promoting sustainability and self-reliance and should be encouraged by donors.

10. Technical Co-operation should follow the "least intervention principle", i.e. recourse to foreign expertise only after local alternatives have been thoroughly explored.

11. Every effort should be made, at both the institutional and inter-personal levels, to eliminate any relation of inferiority which the traditional TC approach may engender and achieve a true partnership. The distinction between "donors" and "recipients" needs to be attenuated in favour of a collaborative exercise in which all parties concerned contribute to the expertise, management and financing according to their potential. This is
particularly true of those countries which have an ample supply of trained and skilled talent.

12. Technical Co-operation must be based on a thorough understanding of the specific environment of the developing country in which it is to take place. TC designers should thus assess the relevant socio-cultural, economic, political and institutional environments. The selection of competent and sensitive experts and appropriate technology is critical for TC effectiveness. More research is needed to identify appropriate methodologies for assessing political, cultural and social environments.

2. Participatory development

13. Participation of beneficiaries in the identification, planning, implementation and evaluation of all kinds of development assistance projects, in particular Technical Co-operation, is essential to ensure that they take on the full control and responsibility of activities and pursue them after the donor’s departure, a key element of sustainability.

14. Those designing TC projects must foster as wide participation as possible. This is essential both for the effectiveness and for equitable access to benefits. Donor agencies should encourage management styles which are conducive to this. Wherever possible and relevant, specific provisions should be made in the planning of TC programmes for consultation with user and beneficiary groups.

15. Technical Co-operation should be carefully adapted, in full co-operation with local governments, to support democratisation processes in developing countries. Efforts to promote good, open and accountable government, strengthen the judiciary and legal systems, combat corruption through strengthening institutions exercising financial accountability and enforce the rule of law will rely largely on expanded counselling and training, partly outside conventional fields of TC expertise. Human rights organisations, pillars of a democratic society, should be fostered. TC programmes and personnel should not be involved in activities inconsistent with human rights.

16. The full involvement of women as planners, implementers and beneficiaries of TC activities is critical to achieve sustainable participatory development and must be taken into account at all stages.

17. High priority must be given to TC activities which are likely to have broad-based impacts, especially on the poor, improving their access to basic services such as education and training, primary health care and, for small farmers and entrepreneurs, credit and advice. Greater participation in cost-sharing for instance through users’ fees will enhance the involvement of the beneficiaries and facilitate sustainability.

18. Moves towards greater decentralisation will imply a renewed role for Technical Co-operation to assist in the strengthening of local governments, municipalities and private institutions such as local development banks, professional associations and trade unions.
3. Institutional development

19. Progress towards sustained, more equitable and self-reliant development depends critically on the strength and quality of a country’s institutional and organizational capacity. Contributing to this objective must therefore be an essential purpose of development co-operation in general and Technical Co-operation in particular. Human resources development is a prerequisite for institution-building. An aid activity cannot be regarded as successful unless it has contributed to strengthening on a permanent basis the local institutions through which and for which it works.

20. Effective institution-building requires long-term commitments by both donors and recipients. It should be planned in a sectoral context related to sector objectives and requirements. Preference should be given to building up national capacities over the long term rather than to mere filling of gaps of competence, often leading to the self-perpetuation of the same TC activities.

21. Technical Co-operation should build on existing institutions and capacity, public as well as private, and avoid the promotion of parallel structures established for the operation of aid-supported activities.

22. The choice of institutions to be strengthened through Technical Co-operation has to be determined on a sector basis according to the diverse needs and priorities of the country concerned. The whole range of institutions have to be considered: public sector agencies, financial institutions, legal and educational systems, business, local communities and voluntary institutions. They all form part of the social fabric through which ideas, skills and new technologies, as well as individual energies, are deployed. Enhancing the policy-making and resource management capacities at central, local and sectoral levels should be given primary emphasis. The effective design and implementation of structural adjustment programmes will often depend on effective institutions. They will therefore also often call for an important TC component. Regional institutions should also be strengthened where they present a comparative advantage in achieving the above goals.

4. Improved functioning of governments and civil services

23. Competent civil services and public management are essential for development. They constitute central institution-building, planning and training tasks for Technical Co-operation.

24. Insufficient remuneration for qualified national personnel is a key problem contributing to civil service inefficiency in developing countries. Rather than topping-up salaries, donors should encourage recipient governments to articulate a strategy to address civil service reform. Donor assistance can only be effective when governments themselves are seriously committed.

25. Civil service reform and remuneration issues have been made more difficult by the need for developing countries to drastically restrain public expenditure as part of indispensable stabilisation and structural adjustment efforts. These strengthen the need for careful priority setting in public service reform. In supporting structural adjustment programmes donors should take these problems into account. There is, in any case, a general
desirability to replace individual donor action by co-ordinated multi-donor approaches based on effective developing country strategies, policies and programmes.

26. As a matter of principle, the practice of salary supplements should be avoided. It exacerbates wage distortions and intensifies donor competition for scarce recipient administrative skills. In exceptional cases where the recipient government and donors explicitly agree that they are essential, salary supplements or fringe benefits provided for similar purposes should only be considered, provided that they are clearly time-bound, that they follow explicit rules, are fully transparent, and that donor practices are harmonised, possibly through a comprehensive and centrally administered mechanism to which both the government and the donor community agree. Reform measures should be made part of mutual commitments that could be monitored regularly. Exceptions should be seen as temporary measures pending completion of a civil service reform process.

5. Comprehensive programme approaches

27. Increased emphasis should be given in the planning, selection and design of TC activities to a programme rather than a project-by-project approach. The programme approach should be based on thematic, sector-wide, multi-disciplinary and often multi-donor actions. In programming Technical Co-operation, close attention should also be paid to regional needs.

28. In their Policy Statement on Development Co-operation in the 1990s DAC Aid Ministers and Heads of Aid Agencies adopted the important principles that they "will plan and manage our aid increasingly in the context of co-ordinated support for larger sectoral programmes, objectives and policies." This principle should apply with particular force to Technical Co-operation. The effectiveness of Technical Co-operation has suffered from a piece-meal approach.

29. TC needs should be closely related to macro-level, sectoral and sub-sectoral strategies and programmes of developing countries. They should be included in recipients’ plans and budgets in order to maximise efficiency, avoid isolated supply-driven Technical Co-operation and make appropriate allowance for local costs.

30. Donors and international agencies should exercise restraint in offering their own isolated TC proposals. They should apply to Technical Co-operation the principle accepted for investment projects of financing only those activities which are part of the recipient’s national investment programme.

31. Working from national sector and sub-sector strategies and programmes, donors and recipients should specify TC objectives which can be used as a basis for effective appraisal, implementation, monitoring and evaluation of specific individual activities. Objectives should be clearly defined and articulated in terms of institutional capacities to be developed and what would constitute successful project completion rather than in terms of inputs to be provided.

32. Processes such as the NaTCAPs (National Technical Co-operation Assessments and Programmes) not only provide a methodology for systematically
assessing the effectiveness of Technical Co-operation from all sources and for programming priority TC needs but also facilitate the "ownership" of TC programmes by recipient countries. They should therefore be reinforced and supported. While UNDP’s role was that of a catalyst in introducing a methodology, this is intended to be a framework for a government to systematically analyse and define its needs and objectives for Technical Co-operation, and to consult with donors, so as to reach consensus. The establishment of central information systems in all Technical Co-operation and indeed all aid activities generally by recipient authorities can contribute to this objective. All donors should thus respond to government request to participate in the process of formulation of the policy framework, and to abide by the principles contained therein once the framework is adopted. Efforts should also be made however to enable local governments to take on this task themselves.

33. Because institutional and organizational development takes many years, it must be based on comprehensive and well defined visions of the future, with long-term objectives taking priority over short-term project goals. Donors should be prepared to stay involved until objectives are achieved. Such comprehensive visions will require integrated planning of Technical Co-operation and capital assistance.

34. Effectiveness and sustainability of Technical Co-operation will be improved if the provision of necessary equipment and spare parts, back-up services and logistical arrangements are fully integrated into the planning.

6. Greater attention to costs and cost effectiveness

35. Donors and recipients need to be fully aware of the costs of all possible options in order to use available resources in the most cost-effective and efficient manner. Full transparency of costs is essential to this process.

36. Although Technical Co-operation is usually extended in grant form, it is not "free". In fact, the costs may be substantial, including immediate associated local services as well as the follow-up costs to support an activity. The sustainability of any development activity is virtually doomed unless the initial planning is accompanied by an assessment of the capacity of the recipient to meet recurrent costs, followed by clear agreements on respective recipient/donor obligations and the inclusion of associated costs in the recipient’s budgets. Financial authorities must also be specifically aware of on-going cost implications, including those for operations and maintenance, and agree that these will be given priority in future budgets.

37. Co-ordinated approaches are required to ensure that the costs attributable to a given recipient country from all planned and committed TC projects fall within the capacity of the national budget to absorb, as well as within the budgets of the institutions involved. Ideally all TC activities, as indeed all aid activities, should be included in the budget of recipient countries with respect to both receipts and expenditures.

38. Greater attention needs to be given to cost effectiveness. It is difficult to establish quantitative cost-benefit ratios for Technical Co-operation. They can be very high. But in many cases, Technical
Co-operation, especially heavy use of expensive expatriates at grassroots level, is very high in relation to numbers of beneficiaries.

39. The DAC Principles for Project Appraisal contain recommendations on cost effectiveness analysis which are useful for Technical Co-operation. These Principles stipulate that for activities for which it is not possible to calculate a meaningful rate of economic return, it is necessary to ensure that all relevant factors on the cost and benefit side are taken into account through a systematic analysis, even if particular benefits cannot be expressed in monetary terms. It is important to ensure a reasonable relationship between expected benefits and costs in order to be sure that the scarce resources available to the recipient country are used in the most beneficial way also for these kinds of project. In assessing the costs and benefits, important tests are: the number of people reached by the activity ensuring a reasonable spread of resources, the comparative cost per beneficiary; the unit costs of the services rendered; as well as the standard and quality of the services and benefits rendered.

7. Recognition of private sector needs

40. There is a new awareness of the central importance of a dynamic private sector for more satisfactory economic growth and broad-based economic and social development. This change in basic attitudes must be given greater recognition in the priority setting and planning of Technical Co-operation. Some re-orientation may be required to end public/private sector imbalances in TC allocations, keeping in mind, however, that the private sector cannot be fully effective without an efficient public service. Support to the public sector should also take into account relevance for private sector needs. Education and training play a crucial role for the development of the private sector.

41. TC activities aimed at strengthening private sector enterprises encompass, inter alia, institutional development and policy advice for economic policy reforms, both at the macro and sectoral levels, including deregulation of the financial sector and of foreign trade, advice for rehabilitation of public enterprises including privatisation, training of managers and accountants as well as of engineers and technicians, and vocational training. In addition, consideration should be given to transmitting the experience of the private sectors of donor countries in establishing corporate structures (such as Chambers of Commerce) as mechanisms for fruitful dialogue between the private sector and the government. Priority should also be given to establishing adequate credit services and the legal framework required to support them. Direct linkages between donor country private sector entities and their developing country counterparts can serve to strengthen the private sector. Such linkages may include visits by private sector experts and joint ventures.

42. Where substantial Technical Co-operation is given directly to private enterprises, care should be taken to avoid competitive distortions. The DAC Principles for Project Appraisal provide guidance on appropriate terms (see paragraph 25).
8. Improved co-ordination

43. In Development Co-operation in the 1990s, DAC Members reconfirmed their support for improved aid co-ordination, with particular emphasis on the role of operational staffs in local aid co-ordination, on support for larger sectoral programmes, objectives and policies, and on assisting recipient countries to strengthen their own capacities in this area.

44. Recipient governments should be encouraged to empower a central ministry or unit with sufficient authority to establish the policies and procedures for Technical Co-operation. The national policies and sectoral programmes of individual developing countries should be the basis of co-ordination. Local co-ordination efforts should be led by relevant ministries or, at the very least, benefit from the regular participation of those authorities. Encouraging developing countries to take on this role and assisting them to do so must be a priority.

45. Co-ordination should involve more than bilateral donors. Ways should be sought to encourage non-governmental organisations (NGOs) and private sector representatives to become associated with efforts to co-ordinate Technical Co-operation.

46. UNDP and the World Bank, making full use of the experience of the other donors with major TC programmes in the country, have a special role to play in ensuring co-ordination and harmonisation of donor TC practices at the field level. The World Bank Consultative Group and UNDP Round Table meetings should include issues related to Technical Co-operation as a normal part of their agendas.

47. TC commitments by donors should be based on full information about what other donors are providing and about available national expertise shared. Donors and recipients should share information on TC policies and procedures as well as on TC programmes and projects. Inventories of available local expertise should be established and kept readily accessible. Improved inter-donor co-ordination may also include sharing evaluation and other reports at both headquarters and local levels, and undertaking joint programming, design, evaluation and feedback.

48. Donors should give special attention to the difficulties faced by recipient countries in co-ordinating the growing flow of missions and advice from external agencies and institutions. Donors should consult amongst themselves in order to limit the number of missions and explore the possibilities for more joint undertakings. Improved co-ordination will contribute to enhance donors’ discipline and reduce supply-driven Technical Co-operation.

III. Technical Co-operation Instruments and Modalities

1. Priority for improved training

49. Training is the key to the development of human resources and
institutional development. It must be given more priority in resource allocation.

50. There is a need for education and training at all levels. Primary focus and resource allocation should be given to basic education and vocational upgrading. Training should focus on improving the educational system, policy analysis, economic management, and development of the private sector. The private sector can itself meet special training needs.

51. Donors should support the development of national training strategies and programmes under which training and education activities are closely related to sectoral needs and economic realities. Government, the private sector and non-governmental agencies should work together to set explicit and reachable national human resources goals. Existing training facilities and their capacities in donor and recipient countries at various levels must be carefully assessed in relation to these needs.

52. Human resources development is a broad objective and should not be defined too narrowly and technocratically. However, in determining priorities and strategies for training priority must be given to the needs of the developing country as a whole rather than to the interests of individuals. Every effort should be made to ensure that individuals who have benefitted from training utilize this experience when returning home, and remain in the field for which they were trained during a reasonable time.

53. From the point of view of sustainability, self-reliance and cost effectiveness, Technical Cooperation should, whenever possible, give priority to the development of the training capacity of developing countries and to the training of trainers rather than to direct training. Strengthening existing recipient country institutions should be given priority over the creation of new ones. The quality of the learning can often be improved through the provision of qualified instructors and didactic materials. Institutions should be encouraged to design long-term financial plans with clearly defined budgets for meeting local and recurrent costs on an agreed upon basis.

54. Recipients and donors should give special emphasis to local and regional training. Training in developing countries is often more relevant to local needs and less costly than in donor countries. Furthermore it does not encourage the emigration of qualified personnel. For local or regional training to be an acceptable alternative to programmes in developed countries, the institutions chosen must have credibility in terms of performance and cost effectiveness.

55. There are cases, however, when training in donor institutions will be necessary and can be the most effective way for meeting specific training needs such as highly specialised technical skills and special training at university graduate levels not available in local or regional institutions to strengthen the technological capacity of the recipient. Furthermore, training abroad can contribute to enhancing international understanding and co-operation and exposes decision-makers and potential leaders to different development perspectives. Creation of alumni networks or associations can help sustain and even increase the effect of training.

56. Attention should be given to encouraging greater participation by women
in all kinds of training programmes, including the development of professional and entrepreneurial skills. Donors should identify barriers to women’s participation, and develop strategies to overcome them. Given the long-term goal of equal access and participation, women should be given equal access to training awards.

57. Non-formal training approaches such as the use of local professional associations, consulting firms, industrial and commercial enterprises, distance training through correspondence courses, and on-the-job training offer considerable potential. Interactive radio, television and computer programmes may also be useful vehicles for distance teaching to reach the target group. In-service training should be expanded in order to ensure the maintenance and upgrading of skills of existing personnel and to enable them to keep abreast of new developments.

58. Scholarships and fellowships should be more carefully targeted to meeting development needs. Studies in the home country or another developing country should be encouraged when appropriate training facilities are available. There should be a special justification for low-level training abroad.

2. The role of expatriate personnel and a new counterpart/expert relationship

59. The provision of expatriate personnel (experts, consultants and volunteers) is an essential instrument of Technical Co-operation. The success of Technical Co-operation depends largely on the expert’s competence and ability to transmit knowledge and experience and help create effective institutions. However, massive and protracted use of expatriate experts, especially with involvement in operational tasks and at grassroots level, works against the objective of achieving self-reliance and entails risks of aid intrusiveness and distortions of consumption styles.

60. Re-examination of the "counterpart/expert" arrangement should aim at establishing a true partnership, where partners are considered to be equal and where each has clearly defined functions and responsibilities. True partnership between advisers and host country counterparts should provide mutual training opportunities, whereby expatriate advisers share technical knowledge and at the same time learn from their counterparts about the cultural, political and social context of their work. The role, tasks and length of assignment of expatriate experts should be adjusted to the needs of the recipient country as defined by its authorities. Training of counterparts should be given necessary emphasis so that they may take over full responsibility within the shortest possible time span.

61. Given the TC objective of indigenous institution-building, the use of expatriate professionals solely for project construction and operations should be exceptional. Such use, but for a limited period of time only before local personnel is ready to take over, may be justified and is in the interest of developing countries themselves if this is indispensable for the effective operation and maintenance of expensive and complex installations.

62. Although experts on long-term assignments in advisory rather than operational roles may be needed and thus still requested by recipients, more
emphasis should be given to short-term experts including more frequent follow-up visits. The advantage of this practice is that “ownership” of a particular programme rests with local staff, with expatriates providing technical support. This approach also solves many of the logistical problems faced by long-term expatriates and their families.

63. The performance of TC experts can be improved through more careful recruitment, better briefing on the socio-cultural, economic, political and institutional environment of the recipient country, stronger technical back-stopping and, above all, clearer terms of reference. Donors should select experts not only for their professional competence but also for their ability to exchange and transfer experience. The desire for quick results in material terms must no longer be allowed to squeeze out the process of skills development.

64. In certain cases, there may be an opportunity to consider joint in-country training for donor experts and personnel. Such selected joint training programmes to which counterparts could be associated could also improve the harmonisation of aid procedures and aid co-ordination.

65. Formulated jointly with recipient authorities, terms of reference should specify the objectives, roles and responsibilities of collaborating parties and establish a timetable for implementation. In the case of long-term assignments, donors and recipients should review the terms of reference periodically. Problems related to the re-integration of expatriates at the end of their contract must be given careful consideration by contracting agencies.

66. It is important that donors make a concerted effort to recruit more women TC personnel. In spite of the large pool of qualified women in the various fields of Technical Co-operation, they remain largely under-represented. Increased assignments of women experts can be critical in fostering the participation of women and women’s groups in project activities.

67. Reservations have been expressed about the “large team” approach still widely used by some DAC Members. Unless carefully planned, large teams (10-20 experts) may substitute for, rather than encourage, the urgent development of local expertise.

3. Use of national and third country expertise

68. Donors are invited to consider, where appropriate and feasible, further use of national experts, institutions and consultants especially when a deep understanding of national and local environments is required. Their costs are generally much lower than those of expatriate experts. Larger use of national experts could be fostered by improved information on available local expertise, flexibility in recruitment of experts, increased donor untying of TC services and donor decentralisation of authority to field staff. Fuller use of national experts may also require more flexible donor attitudes to local cost financing or other appropriate support.

69. The use of developing country consultants by donor consulting firms, including joint-ventures, should be encouraged and efforts made to enable developing country consulting firms to compete with donor country firms.
Donors could: i) support training programmes for recipient country consultants; ii) encourage twinning arrangements between donor and recipient country consulting firms; iii) help recipient governments assemble information on local expertise; and iv) assist newly established recipient country firms to become known to the international market.

70. Donors should be ready to recruit nationals from other developing countries for Technical Co-operation and may consider extending financing to recipients for this purpose. Technical co-operation among developing countries (TCDC) should be encouraged provided it does not foster brain-drain. This danger could be minimised by having enhanced regional co-operation.

71. Donors should also join with recipients in endeavouring to attract the return of their qualified nationals from abroad, and help developing countries in creating an enabling working environment including respect of basic human rights.

4. Twinning of organisations

72. Twinning arrangements have proved useful for institutional development and for skill transfer. Donors and recipients must consider developing such arrangements among national and municipal bodies, commercial and non-governmental organisations and institutions. Their effectiveness depends upon an appropriate match of goals and tasks, mutual trust, realistic programming and timing of operations, shared long-term commitments, a willingness by donor country institutions to adjust to recipient country circumstances, and availability of personnel and funding. Proper attention should be given to monitoring these arrangements.

5. Non-governmental organisations and volunteer programmes

73. Non-governmental organisations (NGOs) have proved to be effective at the grassroots level where they have special experience working with the poor and constitute a channel for local initiative and participatory development.

74. Recipient governments should be encouraged to collaborate with local NGOs in project identification, preparation and implementation. Donors can respond positively to requests for institutional strengthening and improved management of these groups not only by encouraging their use but also by helping to enhance their professional skills and training. Donors can also facilitate mutual understanding between NGOs and host governments and provide support to consultative in-country structures and international networks.

75. Bilateral volunteer programmes and the United Nations volunteers have an important role to play in development. As for all other TC personnel, adequate arrangements should be in place to ensure recruitment of qualified persons. Today’s volunteers are usually experienced and motivated professionals. They have proved particularly useful in working directly with the recipients. On their return home, they contribute to better North-South understanding.

76. Volunteers should never be substituted for competent nationals. Individual post descriptions should specify functions which respond to real
local needs and to the particular competence and profile of volunteers
including the dialogue with co-workers, promotion of local initiative and
self-reliance, and adaptation or transfer of skills. Donors and recipients
will find it to their mutual advantage to strengthen the programming and
utilisation of volunteers in response to TC requirements of national plans.

77. Programmes which assign senior experts, whether retired or not, for
voluntary TC tasks at modest cost should be further developed, especially in
the private sector.

IV. Monitoring and Evaluation

78. Technical Co-operation requires systematic monitoring and evaluation to
give managers and policy-makers full information for decision-making, effective
implementation and public accountability. Developing countries themselves must
play the central role in monitoring and evaluation. Donors should provide the
necessary support to strengthen their institutional capacity in this respect.
Further efforts must be made to improve TC data, to design an appropriate
evaluation methodology and to build a monitoring mechanism into all
TC activities. The costs to recipients must be carefully calculated.

79. DAC Members have developed Principles for Evaluation of Development
Assistance which also apply to Technical Co-operation. DAC Members and
international aid agencies are working to complement these general Principles
with an appropriate evaluation methodology for Technical Co-operation. They
have agreed to test a practical set of questions for judging the effectiveness
of Technical Co-operation including an assessment on whether the appropriate
skills have been transferred in accordance with the individual needs in
developing countries, the extent to which transferred skills have been
disseminated and taken root, and the sustainability of TC results in
institution-building based on human resources development. They are also
looking for a method to calculate the cost-effectiveness of Technical
Co-operation in general and institution-building projects in particular. The
best measure of success in Technical Co-operation, for the moment, may be the
extent to which effective institutional arrangements and legal frameworks can
be developed and dependence on expatriate assistance eventually reduced.

V. Application of the Principles and Follow-up

80. DAC Members agree to:

-- review their TC policies and procedures against the above principles
and to adjust them where necessary;

-- review TC policies and procedures as part of the DAC aid reviews and
other relevant DAC work;

-- draw the principles to the attention of their developing country
partners as a code of good TC practice to be followed whenever
possible.