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How Successful is Technical Cooperation?

Project results of GTZ and its partners Eighth cross-section analysis



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Eschborn, 2003

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GTZ Profile



The Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH is an international cooperation enterprise for sustainable development with worldwide operations. It provides viable, forward-looking solutions for political, economic, ecological and social development in a globalised world. Working under difficult conditions, GTZ promotes complex reforms and change processes. Its corporate objective is to improve people's living conditions on a sustainable basis.

Our clients

GTZ is a federal enterprise based in Eschborn near Frankfurt am Main. It was founded in 1975 as a company under private law. The German Federal Ministry for Economic Cooperation and Development (BMZ) is its major client. The company also operates on behalf of other German ministries, partnercountry governments and international clients, such as the European Commission, the United Nations or the World Bank, as well as on behalf of private enterprises. GTZ works on a public-benefit basis. Any surpluses generated are channelled back into its own international cooperation projects for sustainable development.

GTZ - worldwide operations

In more than 130 countries in Africa, Asia, Latin America, the eastern European countries in transition and the New Independent States (NIS), GTZ employs some 9,600 staff. Around 1,100 of these are seconded experts and approximately 8,500 national personnel. GTZ maintains its own offices in 65 countries. Some 1,000 people are employed at Head Office in Eschborn.

Preface

Successful Technical Cooperation

For more than 30 years, German development cooperation has applied a broad and comprehensive results monitoring system. This makes it one of the few areas of policy in which obligatory and systematic success monitoring has emerged. The main function of success monitoring is to review the efficiency, results and impacts of German development cooperation.

With its cross-section evaluations, the GTZ has made important contributions since 1994 to improving results monitoring in Technical Cooperation. The new cross-section analysis for the projects completed in 2001 and 2002 again demonstrates the success of German Technical Cooperation.

This success is also remarkable because the GTZ often operates in very dynamic situations. Seven out of ten projects reported major changes in their political and economic framework conditions during the monitoring period. This requires very great flexibility on the part of all involved. The project environments are not only in a state of rapid change, but also extremely complex. Well over half the projects and programmes operate in a dense network of differing social interests and values. There are no ready-made solutions to these problems – what is needed instead is the ability to learn.

This makes it all the more remarkable that the GTZ has done so well in this difficult environment, as the eighth cross-section analysis shows. The GTZ has the ability to adapt quickly to changing conditions, not only in conceptual terms but also – and specifically – in practical work in its partner countries.

I would like to thank the GTZ and its staff in Germany and abroad; their commitment, flexibility and competence have done much to give German development cooperation the excellent international reputation it enjoys today.

Erich Stather

State Secretary at the Federal Ministry for Economic Cooperation and Development (BMZ) and Chairman of the GTZ Supervisory Board



Erich Stather

Introduction



Dr. Bernd Eisenblätter

Learning from experience

The successes of Technical Cooperation should not merely be proclaimed, they must also be verified. This is why the GTZ regularly asks itself the question, "Just how successful is Technical Cooperation?", and goes on to carry out extensive results monitoring in the scope of its quality management system. As a globally-active corporation, the GTZ owes much to its main client, the BMZ, the German Federal Government generally, the German taxpayers, and its partners and target groups.

A very important element in results monitoring is the cross-section analyses which the GTZ has carried out annually since 1994, in order to examine the development policy quality and impact of its work. The eighth cross-section analysis, dealing with the years 2001 and 2002, again confirms that the GTZ's work has for the most part been good: two-thirds of the completed projects were rated "successful" or even "very successful", one quarter were "successful within limits", and only eight percent of the projects were considered unsuccessful. As every year, these results are based on differentiated self-assessment by the officers responsible for the projects, who provided feedback on 143

completed and 130 current projects. External evaluation – by appraisers commissioned by the BMZ and by independent auditors – ensures additional control. The GTZ evaluation system closely combines internal and external evaluation. This complies with international standards. We use questionnaires and project progress reports to cover projects and programmes in over 100 countries cost-effectively, using the concrete project experience of our staff. This combination of internal and external evaluation enables us to learn from practice and to credibly meet the demands for accountability vis-à-vis our clients and the public.

Development cooperation faces major challenges. This means that multisectoral approaches, a wide range of services, good institutional anchoring, diversified partner structures, close networking and cooperation, and flexibility in implementation are all essential. The eighth cross-section analysis of our portfolio shows that we are meeting these requirements:

■ Over half of the projects now operate multisectorally. This proportion has increased over the years, and will increase further in the course of the ongoing creation of overarching programmes.

■ Wherever possible, we go beyond a merely technical implementation role and use our influence as advisers at the political level. Every second project today is in a position to exert a positive influence on its political and economic framework conditions.

■ The great majority of projects succeed in integrating themselves into their institutional environment, which is a decisive condition for successful impact.

■ We are becoming increasingly sure in our choice of suitable project executing agencies. Our staff on site are able to testify to this, and to the advantages of diversified partner structures.

■ Proven strengths of the GTZ, such as the technical and conceptual quality of the projects, the appropriate use of technologies, and the participation of the affected population groups have further improved on their traditionally high level. Today, partners are firmly integrated into the decision-making process in one-third of the evaluations.

■ Structural approaches to poverty reduction are considerably more frequent in ongoing projects than in completed projects. Clearly, the increased focus in recent years on concepts for structural change has reached the practical level.

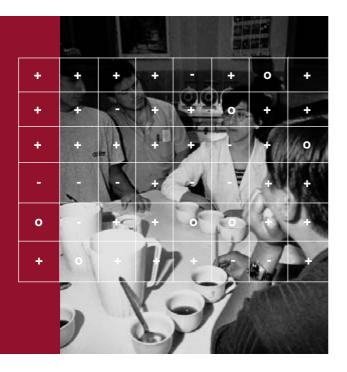
These component results and trends represent a particularly positive element in the present report, and are more important than the precise percentages in the overall evaluation.

Naturally, shortcomings are also examined. It is still difficult for us in many cases to secure our partners' real and active cooperation. We make considerable and frequently successful efforts to build the capacity of the project executing agencies, but these are still reported to have considerable shortcomings in the area of project steering. There is also room for improving the involvement of target groups: although their participation in project planning and implementation has become a feature of German Technical Cooperation, women still do not participate fully in the resulting benefits.

Most projects and programmes have monitoring systems which provide reliable information on activities and performance. The report shows us that many of these can also provide information on their achievements. Even so, the corporate goal of "impact orientation" requires further efforts in the areas of monitoring and evaluation in particular. For this reason, the GTZ has developed an evaluation instrument which looks specifically at impact. This has been introduced throughout the company since March 2003. From 2005, the computerised e-VAL system will replace the questionnaires previously used for the cross-section analyses. This will mean our company also has an evaluation system that equips it ideally to meet the challenges of international cooperation.

Dr. Bernd Eisenblätter Managing Director, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH

^{1.} The method



Self-evaluation

GTZ's eighth cross-section analysis evaluates 143 Technical Cooperation projects concluded in the years 2001/2002, plus a random sample of 130 projects still running in these years.

As in the past, the cross-section analysis is based on data gathered with the help of standardised questionnaires. The individual questions were generally rated on a six-point scale. The statistical analysis assessed the frequency distribution of evaluated statements. On the basis of hypotheses, data were correlated in order to provide a wider analysis. The final assessment of the completed projects was undertaken by the officer responsible for the project on-site. The questionnaires for ongoing projects were completed at the end of a project progress review or BMZ evaluation by the appraisal team, where possible in consultation with the project team or partner.

The officers responsible for the project onsite used the questionnaire to assess their own projects. The advantage of this is that the person performing the assessment has indepth knowledge of the project. He or she has to reflect on the work of the now completed project, estimating the importance of individual factors to give a differentiated assessment of the project's impacts. This should trigger learning processes.

In comparison to an external evaluation, this method also has the advantage of minimising the time and costs incurred. As budgets continue to shrink, this is a strong argument in favour of self-evaluation.

In previous years, we have seen that officers responsible for projects have taken a strict and critical approach in their self-evaluations to their own work and the success of the project. This is repeatedly confirmed by external consultants (see "External review"), who have found no major evaluation errors and confirm that the GTZ generally has a realistic view of its own performance.

External review

The BMZ has concentrated since 1998 on steering development policy. Its own evaluation activities have subsequently been focused on strategic and multi-project themes, and responsibility for evaluating the individual projects has been passed on to the implementing organisations. One condition for this handover was a more stringent external review. The GTZ met this requirement by systematically integrating independent auditors into its evaluation system.

Since mid-2000, a team of auditors from the firm PwC has been working at GTZ Head Office. Their job is to review whether the BMZ's development policy guidelines are observed in the planning and implementation of public commissions, and to assess whether the projects are achieving their goals. Every year, the audit covers a random sample of 100 projects. These are audited on the basis of project records. For ten of the projects, a local audit is also carried out.

The second audit report for the period July 2002 to July 2003 showed:

 Likelihood of achieving goals:
 67 of the 100 audited projects are likely to reach their goals.

Projects at risk:

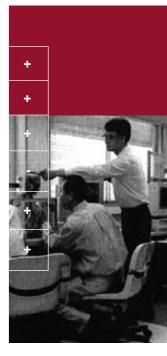
Eleven projects bave only a minimal likelibood of reaching their goals. For the most part, this is due to deterioration in the framework conditions and inadequate partner contributions.

Criticisms:

The most frequent criticism is of inadequate indicators for project goals. For onethird of all projects, these do not permit a clear assessment of whether the goals have been achieved. The project reports also give too little space to such indicators in four out of ten instances.

The PwC audit report deals in detail with the new commission framework (AURA) between the BMZ and GTZ, which was introduced in March 2003. Under this, the project goal is the focus of offers and reporting. Goals must be realistically formulated and linked to informative indicators. The PwC report also commented on the introduction of e-VAL.

Summarising, the auditors state: "GTZ has drawn appropriate conclusions from acknowledged adverse developments, although the necessary process of correction frequently takes too long."





Regional distribution

■ Of the 143 projects completed in the years 2001/2002, some 29% were located in sub-Saharan Africa, 27% in Asia, 19% in Latin America and the Caribbean, 11% in the Maghreb and Middle East, and 6% in South-Eastern Europe.

■ Compared with 2000, the proportion of completed projects in Latin America rose significantly, while the share in sub-Saharan Africa increased slightly and the share in Asia and South-Eastern Europe fell.

■ In the years 2001/2002, the share of completed projects in the Least Developed Countries (LDCs) rose from 19% to 24%.

■ 7% of the completed projects and programmes were supraregional.

Sub-Saharan Africa	29,3%
Asia	27,3%
Latin America, Caribbean	18,9%
Maghreb, Middle East	11,2%
South-Eastern Europe	6,3%
Supraregional	7,0%

Regional distribution of completed projects

Sectoral distribution

■ Of the completed projects, 41% were in the field of education, training and science, 16% more than in 2000; 36% were in the agriculture, forestry and fishing sector. The economic planning and public administration sector accounted for 22%, while the social infrastructure, material infrastructure, trade and banking and industry and mining sectors accounted for shares of between 13-15%. The health system and public utilities each accounted for less than 10%. 29% of the completed projects came under the general heading of "other sectors", which included in particular environmental protection, resource conservation and decentralisation.

■ The trend towards multisectoral projects is continuing, with 57% of completed projects and programmes active in more than one sector.

■ The most strongly represented sector was agriculture, forestry and fishing in sub-Saharan Africa, which accounted for 48% of completed projects. In Latin America the share of this sector was only 32%, compared with 50% in 2000. In Asia the emphasis was on education (47%), and this was repeated in Latin America (36%), the Maghreb and Middle East (50%), South-Eastern Europe (50%) and the supraregional projects and programmes (60%).

■ Multiple responses were possible. As a result, the economic planning and public administration sector had a share of 50% in both the Maghreb and Middle East and South-Eastern Europe.

17%	1998/99
16%	2000
22%	2001/02

Economic planning, public administration

	8%	1998/99
	11%	2000
	6%	2001/02
Public utilities		

14%	1998/99
16%	2000
19%	2001/02

	52%	1998/99
	33%	2000
	36%	2001/02

1998/99

1998/99

2000 2001/02

2000 2001/02

Agriculture, forestry, fishing

	15 %
	13%
	8%
Industry, mining, construc	tion

13%	1998/99
13%	2000
14%	2001/02

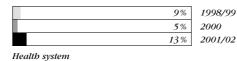
Trade, banking, tourism

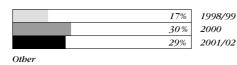
41%
26%
41%

	1000 000
13 %	1998/99
10%	2000
14%	2001/02



Education, training, science





Sectoral distribution of completed projects in 1998/99, 2000, 2001/02



Cooperation

■ Process-oriented cooperation is playing an increasingly important role. It already covers one-third of completed projects.

Promotional volume

■ For the projects completed in 2001/2002, German promotional funding totalling EUR 643 million was committed. The total volume has been at this level for several years.

■ Average promotional volume for the projects completed in 2001/2002 was EUR 4.5 million. Funding for the smallest projects was around EUR 200,000, while for the largest it was EUR 43 million.

Term

■ The average term of the projects and programmes was nine years. 37% of projects were prolonged, 22% were terminated prematurely, and 4% were suspended.

Project integration

30% of the completed projects were integrated into a superordinate programme.
 Cooperation between individual projects has become almost a matter of course: 91% of the completed projects had worked with other projects.



Overall evaluation

■ The evaluation of the 143 projects completed in the years 2001/2002 was generally favourable. Some 66%, or two-thirds of all projects, were rated "successful" or "very successful". A further 25% were "successful within limits". Only 8% of the projects were deemed "not successful".

8

Overall evaluation (%, rounded)

66

■ 79% of completed projects (6% fewer than in 2000) cooperated with a public-sector partner organisation, 16% with non-government organisations and 5% with private sector organisations. The share of projects with a diversified partner structure rose significantly to 27%.

■ As in past years, the German project contributions were rated noticeably more favourably than the overall projects. In 76% of completed projects, the German contribution was rated "successful" or "very successful", in a further 18% as "successful within limits", and only in 6% as "not successful".

Key: successful successful within limits not successful ■ Partner contributions were less favourably rated: only 44% of partner contributions were rated "successful" or "very successful", while 18% showed to a greater or lesser extent "successful within limits". However, there was a significant decline in the share of unsatisfactory partner contributions, from 26% to 18%.

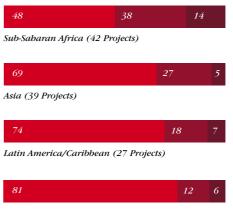
Regions

■ Of all the development regions (i.e. excluding supraregional programmes), Asia has the lowest share (5%) of "not successful" completed projects. This is all the more surprising, given that Asia had the highest share (32%) of "not successful" projects in 2000. The proportion of "successful" to "very successful" completed projects in Asia was 69%.

■ The results from sub-Saharan Africa were markedly below the average. Only 48% of projects there were "successful", with 38% "successful within limits" and 14% "not successful".

■ In the Maghreb and Middle East, 81% of projects were rated "successful", while the shares in South-Eastern Europe and Latin America were 78% and 74% respectively.

■ The share of "successful" projects was 53% in the poorest LDC states, 19% lower than in the other countries. At the same time, 15% of the projects in LDC states were "not successful", compared with 7% in the other countries.



Maghreb/Middle East (16 Projects)



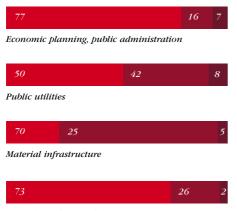
Sectors

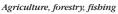
(%, rounded)

■ Of the individual sectors, industry, mining and construction (86% of the projects), education, training and science (80%), trade, banking and tourism (78%) and economic planning and public administration (77%) were rated as particularly "successful".

■ The lowest share of "successful" projects (38%) and by far the highest share of "not successful" projects (31%) were in the health sector.

■ Projects in the public utility sector were rated as being less "successful" than average.







Overall evaluation by sector (%, rounded)

Type of Project

■ Of the process-oriented projects, 70% were favourably rated, rising to three-quarters for implementation-oriented projects.

Achievement of goals

■ Just under half of the projects completed in 2001/2002 achieved 80-100% of their goals. A further third achieved 60-80% of their project goals.

■ In Latin America and the Maghreb and Middle East, 63% of the projects achieved 80-100% of their goals, dropping to only 33% for projects and programmes in sub-Saharan Africa.





Assessment



Assessment of individual factors

Alongside the overall evaluation of the projects concluded in 2001/2002, individual factors provide important information about the success or failure of Technical Cooperation.

Economic efficiency

The projects were credited with a high level of economic efficiency generally.
The cost-benefit ratio of the projects gener-

ally was rated "good" to "very good" in 68% of cases, with minor qualifications in 24%.

■ The cost-benefit ratio of the German contributions received a similar evaluation, with 69% rated "good" to "very good" and 21% as having some shortcomings.

■ The German partner assumed 60-100% of total costs for 63% of the completed projects. Only 13% of projects were funded primarily by the partners.

Project design and project purpose

■ Most of the projects were realistically planned: 55% compared with 42% of projects completed in 2000 were considered to have realistic objectives.

Nevertheless, project concepts and objectives had to be modified frequently during their sometimes long term. A redefinition of objectives was required in 16% of completed projects, and 38% required far-reaching modification to the overall concept which affected the approach and intervention strategy.

Shortcomings

■ According to the assessment of the officers responsible for the projects, 30% of those completed in 2001/2002 were seen to have shortcomings.

■ Often, insufficient attention was paid to the framework conditions, and in many cases the project goals in question were not fully realistic.

■ There has clearly been an improvement in the choice of partner organisations to act as project executing agencies. These were regarded as unsatisfactory in only 16% of cases.

■ Nevertheless, project executing agencies were held largely responsible (76%) for shortcomings in project management.

Target groups

A Technical Cooperation project would fail in its actual purpose if it ran counter to the needs, interests and potentials of its target groups.

■ As in earlier years, the target group orientation of the projects completed in 2001/2002 was rated "good" to "very good" in 73% of cases. It was rated "unsatisfactory" in only 7% of the projects.

■ Again, 73% of the projects showed a high degree of target group identification with the project in question. Compared to the last study, the share of cases in which the affected population identified little or not at all with the project fell from 10% to 5%.

■ In 80% of the completed projects it was necessary to differentiate benefits according to the needs of heterogeneous target groups. This failed completely in only 7% of the projects.

Gender differentiation

German development policy stresses gender differentiation, poverty reduction and environmental protection and resource conservation. These cross-cutting tasks are of outstanding importance in many projects.

Women formed one of the target groups in 87% of the completed projects. Whereas in 2000 38% of the projects still regarded needs-related gender differentiation as irrelevant, this proportion fell to 24% in 2001/2002.
 43% of the completed projects succeeded in giving special attention to women's needs. In 60% of the projects, women represented around half of the beneficiaries; in 34% of the projects they accounted for fewer than 40%. Disproportionately high participation in

Poverty reduction

■ In 63% of the completed projects, poor population groups were a target group, rising to 76% in the Least Developed Countries (LDCs).

benefits occurred in only 6% of the projects.

■ In all, 34% of the projects (compared to 11% in 2000) were rated as having a high element of poverty reduction. 35% rated their success in this area as "satisfactory".

■ 57% of the projects were directly concerned with combating poverty, 9% more than in 2000. 43% of these projects rated their poverty reduction impact as "positive", 24% as "satisfactory" and 33% as "unsatisfactory". In 2000, half the projects still received a negative rating.

Environmental protection and conservation of natural resources

44% of the projects completed in
 2001/2002 sought to have positive impacts
 on environmental protection and resource
 conservation. Of these, 37% rated their results
 as highly positive, and 27% as "satisfactory".
 Institution building and sustainable use of
 natural resources are the most important
 environmental fields for Technical
 Cooperation projects. These two areas also
 showed the most favourable impacts.

Sustainability

Technical Cooperation projects are expected to be sustainable. They achieve this if their success continues after promotion has been concluded.

For 63% of the projects completed in 2001/2002, the likelihood that the partners will continue the activities with their own resources and autonomously is rated "high" to "very high". 27% of the officers responsible for projects stated that a sustainable impact was possible. However, follow-on measures are regarded as necessary for 56% of the projects, in order to ensure sustainability.
 It was assumed that the partner could bear the follow-on costs in 55% of the projects. In 2000 the comparable figure was only 40%,



4. Criteria for success



Over the years, a number of factors for success have proved constant.

Major factors in success and failure

Resources

■ In 68% of the projects concluded in 2001/2002, the balance between available resources and the project goal was regarded as realistic. In 2000, only 50% of the officers responsible for projects shared this view, while one in four felt that the available resources were entirely unrealistic. Only 13% of the projects in the latest self-assessment were rated this negatively.

■ The main problem is still that many partners fail to provide adequate local personnel.

Technical and conceptual quality

One important factor for success is the technical and conceptual quality of a project. In addition to the appropriate utilisation of know-how and technology, this covers expedient and effective methods and working patterns. Technical skills can only lead to development policy successes if they are applied in conjunction with political circumspection, cultural awareness and excellent communication skills.

■ In 77% of the concluded projects, the technical and conceptual quality was rated "very high" or "high"; in the remaining 23% it was described as "satisfactory" or "low". This shows that the technical-conceptual quality of the projects is a characteristic strength of the GTZ.

Counterpart training

Technical Cooperation projects work with at least one counterpart organisation. Upgrading counterpart organisations is an integral part of the German project contribution. The enhanced performance capacity of counterpart organisations is intended to benefit the target groups.

■ 79% of the completed projects attached high priority to training and upgrading for specialists from the partner side.Almost three-quarters of projects provided technical training, either primarily or exclusively. Nearly two-thirds were successful in upgrading the counterpart organisations. Only 6% of projects were unsuccessful in this respect.

Promotion of project executing agencies

There is a clear trend towards diversification among project executing agencies. This mix of different implementing organisations increases a project's prospects of success.
 Only 55% of the projects completed in 2001/2002 worked with only one public-sector implementing organisation, compare with 27% which had a diversified partner structure.

Framework conditions

■ The political, economic, socio-cultural and ecological framework conditions prevailing in the partner countries were overwhelmingly rated neutral to positive at the start of the projects completed in 2001/2002. Only one project in five rated them as hindering development. ■ The political and economic framework conditions are still highly dynamic. Some twothirds of the projects reported major changes, but most of these had no adverse implications for project success. While economic change had a negative effect on projects on balance, the opposite was true of political changes.

■ 80% of the completed projects in LDCs (compared with 65% in the other countries) faced changes in the political framework conditions, which had adverse effects in 26% of cases. The economic framework conditions also changed more sharply in the LDCs, with an adverse impact on project success in almost half the projects.

■ A crucial factor in success is the influence exerted on the framework conditions during the term of the project. This was possible in 73% of projects and was necessary in 56%. Somewhat over half succeeded in influencing the framework conditions in favour of the project. The tendency to utilise this success factor has increased in recent years, and seems to be settling at around 50%.

Integration

The isolation or integration of the project in its environment plays a major role in its success.

■ In 71% of the completed projects (compared with 60% in 2000), local integration was rated "good" or "very good", with a further 23% rated "satisfactory". Integration was unsuccessful in only 6% of projects.

Participation

The target groups must participate actively in the project and be able to influence its course. Then they will be more likely to identify with and work for the project.

■ There has been a significant increase in participation by the affected population groups. Whereas they were still mainly informed and consulted in 2000, they were frequently able to share in decision-making or even make decisions themselves in the projects completed in 2001/2002. In identifying projects, target groups shared in decisions in 21% of the cases, deciding themselves in 7% of cases; in the planning and implementation, they shared in decisions in over half the projects, deciding themselves in 4% of the cases.

Monitoring

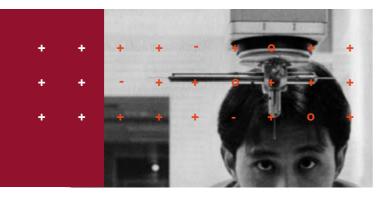
Compared to earlier years – and particularly the period 1994-1997 – there has been a sharp improvement in project monitoring, but it still shows some weaknesses. ■ 80% of the completed projects had a monitoring system. Project activities and results in particular were systematically observed and evaluated.

■ Specifically, there has been a significant improvement in monitoring project impacts. Impacts were evaluated in 64% of the projects (2000 = 38%, 1998/1999 = 44%, 1994-1997 = 34%).

■ Compared to earlier years, there was an improvement in the collection and analysis of gender-specific data. Nevertheless, no more than 17% of the projects had precise and meaningful gender-specific information.



^{5.} Project examples



The Technical Cooperation project was completed on 31 December 2001 after 20 years, and fully reached its project goal. It is now self-supporting, and ranks as a "demonstration project".

Not successful:

Vocational training in Somalia

Very successful: Training in Singapore

The German-Singapore Institute (GSI) was founded back in 1982. Equipped with the latest technology, the institute trains students as technicians and engineers.

During the three-year diploma course, students work on commissions from industry together with their teachers, or try out new applications in Applied Technology Centres. Such projects give students professional experience, and the institute not only earns money but is also constantly learning. The GSI pursues the autonomously developed concept of a "teaching factory", a self-learning teaching organisation. As such, the institute has model character for the whole of South East Asia.

Singapore's rapid development is due not least to its strategic investment in training and upgrading its own experts and managers. The prosperous city state, advised by the GTZ, can now train numerous managers and teachers for polytechnic centres in developing countries. For 17 extremely difficult years, a Technical Cooperation project promoted the Industrial Vocational Training Centre in Somalia's capital, Mogadishu. The centre trains skilled labourers in metal engineering, electrical engineering and automotive

engineering for companies sbowing interest in employing the centre's graduates.

Hardly any country has such adverse general framework conditions for purposeful development work. The civil war, ongoing since 1991, has destroyed the state and fragmented its territory into a number of regions which are under the influence of rival tribes and clans. There is no longer any functioning political system. Under these conditions, it is close to miraculous that the project continued its work with a rump labour force. Despite war-related damage and the constant threat of plundering by marauding bands, who are kept at reach by armed employees of the centre, the centre continues to train students, and actually even runs occasional training courses for paying clients. Right to

the end, the technical quality of the project remained at a high level.

The identification of the Somali partner with the project was so great that it remained committed to preserving the centre even when state salaries went unpaid. From the German side, a minimal level of financing provided for just the bare essentials. The centre also offered repair services on a barter basis.

The civil war has destroyed the chances of the project's success. As the centre cannot meet the follow-on costs when the German contribution is phased out, it is sadly unlikely to have any future without outside help.



Very successful:

Combating desertification in Argentina

Some three-quarters of Argentina's territory consists of arid areas whose thin plant cover is threatened by clearing and overgrazing. Advancing desertification is exacerbating the poverty of the rural population, who are gradually migrating to the cities. To prevent advancing steppe formation in Patagonia, the GTZ advised national and regional environmental and agricultural agencies for over 12 years.

The project area covered 1.6 million sq. km with a total of 10 million inhabitants. The target groups were the families of agricultural producers, mostly on small and medium-sized farms. Using modern management methods in which employees were trained by a number of cooperating institutions, the project disseminated a wide range of know-how on production techniques which make possible environmentally sound and sustainable farming of the land.

The project was very successful despite adverse ecological and economic conditions. Although promotion was phased out at end-2002, the alternative production methods are profitable for the farmers and will continue to be used in future.



Gaining worldwide acclaim: The GTZ's work on the Loya Jirga in Afghanistan

The Loya Jirga, the traditional Grand Council of Afghanistan, was held in Kabul from 11-19 June 2002. Some 1,685 delegates from all the provinces elected a new president, Hamid Karzai, on 17 June, opening up the path for a peaceful and democratic future after 23 years of civil war.

In mid-March 2002, GTZ was commissioned to prepare for and implement the Loya Jirga. The client – the United Nations Development Programme (UNDP) – gave the GTZ responsibility for the extensive and varied construction, logistic and organisational measures and for the smooth running of the conference.

In a politically unstable environment ravaged by war, the GTZ project team worked under very difficult conditions right from the start, particularly since the security situation remained precarious and could have turned into a serious crisis at any time. The timeframe was extremely tight. There were only two months available to create the necessary infrastructure for housing, supplying, protecting and accrediting some 3,000 people. A further complication was that the needs and guidelines changed repeatedly, and in some cases abruptly. For example, over 1,000 more people than originally planned had to be looked after at 36 hours notice. With its flexible management, the GTZ was nevertheless able to successfully master such challenges.

An important factor for success was the use made of local resources and personnel. The GTZ here benefited from its decades of regional and socio-cultural expertise. Cooperation with a number of responsible institutions and commissions was complicated, but ultimately effective. The GTZ succeeded in shortening the communication pathways and streamlining procedures. Equipping the Loya Jirga with modern conference technology, providing conference management and training the necessary personnel all posed high technical demands.

After the formal closing ceremony on 19 June, everyone – and particularly the GTZ's partners – agreed that the Loya Jirga had been a complete success, attracting worldwide respect and praise. This project showed that the GTZ is able to bundle its competencies optimally in response to the challenges of modern development cooperation.

Project examples

Successful within limits: Health services in Malawi

When the southern African nation of Malawi gained independence in 1964, it introduced free bealth care for all. However, this did not work, as the state bad neither the financial means required to combat the widespread infectious diseases, nor enough qualified personnel. Outside the major cities, state bealth services are nonexistent or very poorly equipped. Even so, most Malawis insist that the bealth service must remain a state responsibility.

In the Machinga and Zomba districts, the GTZ has been advising the health administration since 1997 on the government's adopted strategy to decentralise the health sector. The project goals were to improve the performance capability of the medical services, to strengthen communal participation, and to promote self-organisation by the rural population.

The project succeeded in solving these problems only to a very limited extent. Its concept was flawed from the start, as it neglected the difficult socio-economic and sociocultural environment and did not seek to influence them. In addition, the resources available – particularly to the partner – bore no realistic relationship to the project goal. The target groups identified too little with the project, which only responded to their needs to a limited extent. It was accordingly



impossible to achieve the desired results, let alone any significant broad-scale impact.

The projects in Machinga and Zomba were terminated in May 2001 and combined to form a new project. This was supplemented by a further component with stronger orientation towards the communes' expectations and potential.

Very successful: Credit cooperatives in Indonesia

The East Nusa Tenggara (Lesser Sunda) islands (Lombok, Sumbawa, Sumba, Flores and Alor) to the east of Bali are some of the most densely settled and poorest regions of Indonesia.

A broad-based Indonesian-German project focusing on poverty reduction and food security bas been working committedly there since 1988.

Project examples

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The project cooperated with hundreds of self-help groups. These were formed with project support and are democratically organised. To generate income from employment, small loans are typically needed to finance seed or materials. After initial mistrust, more and more credit cooperatives came into being.

The necessary capital was generated by "food for work" initiatives created by the self-help organisations. Some of the rice which the workers received as wages was withheld and subsequently sold. The income provided the basic funding for the credit cooperative. Autonomous, transparent and proper management of the money was assured by training measures offered by the project. The loans made innovations possible which led the way out of poverty. The target groups identified to a high degree with the project, which took special account of the needs of poor women.

The project promotion phase was concluded in March 2001 after a 12-year term. The project was very successful, had positive poverty-reduction impacts and will very probably be sustainable and continue to operate after German assistance ends.



⁶. Conclusions

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In the eighth GTZ cross-section analysis, the overall rating of the projects completed in 2001/2002 followed the previous years in its positive tone, with

66% rated "successful" or even "very successful".

However, it was also noted that around one project in four (25%) was deemed "successful within limits", and one in twelve (8%) was not successful.

Overall, the results attest to the high performance capability of the company.

■ Particularly favourable ratings went to the technical and conceptual quality of the projects, their realistic allocation of resources, and the value of the German contribution compared to its cost.

■ Other highly-rated factors were the integration of projects into their environment, their orientation towards the needs of the affected target groups, and the identification of the latter with the intended impacts. ■ An encouraging aspect is the significant increase in the likelihood that the partners will be able to bear the follow-on costs of the completed projects themselves.

■ The discrepancies shown in previous studies between the ratings of the German project contribution and the partner contribution provide continuing food for thought. The German contribution was rated "not successful" in only 6% of the projects, compared with 18% of the projects for the partner contribution. However, this value has itself improved by 8% since 2000, possibly due to the growing diversification of the partner structures.

■ Generally, we can say that the success of the GTZ's work is not determined by where it works or how difficult the conditions are, but by how the GTZ works. The most successful projects are well-integrated, multisectoral, networked, cooperative, flexible and cooperate with a diversified partner structure.

The GTZ is clearly well equipped to meet the current high demands made on development cooperation.

Assessment of ongoing projects

In addition to the 143 projects completed in 2001/2002, 130 projects still running in these years were also evaluated. They were chosen as a random sample, based on project progress reviews and BMZ evaluations carried out by an external appraiser team onsite in 2001/2002. For the GTZ, the evaluation of current projects and programmes is important, because it can be used to derive general trends, which in turn may modify the department portfolios and corporate strategies.

Regional distribution

As far as the regional distribution of current projects is concerned, it is notable that the share of South-Eastern Europe has risen from 1% to 8%. With around 38%, sub-Saharan Africa has the lion's share, followed by Asia (25%) and Latin America (18%). The Maghreb and Middle East account for around 12% of the projects. One project has a supraregional design. 26% of the current projects studied were in LDCs. A comparison of the distribution of current and completed projects shows a slight shift in the focus of Technical Cooperation from the South to the East.

Key: successful successful within limits not successful

Sectoral distribution

In contrast to the completed projects, the share of current projects focusing on economic planning rose from 8% to 30%. The material infrastructure sector shows a slightly rising trend with 16%, while the share of industry and mining, as well as trade and banking, are 2-3% lower than the figures for completed projects and programmes. 58% of current projects are multisectoral.

Programme building

Among the current measures studied, the share of programmes rose from 18% to 25%. Programme building is most advanced in Latin America, accounting for 34% of all measures.

Overall evaluation

In the overall evaluation of current projects, 64% were described as "successful" or "very successful", a further 30% were rated as "successful within limits", and only 5% were rated for the present as "not successful". The failure rate is thus very low.

However, in 30% of current projects, severe internal shortcomings were identified which threaten their success. In the overwhelming

30

Overall rating of current projects (%, rounded)

majority of cases, the partner was held responsible for these defects. As in the projects completed in 2001/2002, the evaluation of the current projects also reveals a difference in terms of the overall project rating and the rating of the German contribution. On average, the latter's evaluation was 12% higher. However, no major differences were noted with regard to failures (4%).

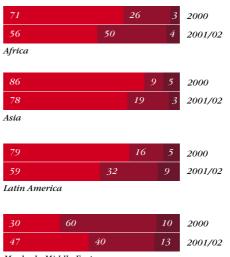
Evaluation by region

Sub-Saharan Africa returned 15% fewer "successful" current projects than in the last cross-section analysis. However, this is still 8% higher than the figure for projects completed in 2001/2002. This means that the trend in rating more recent projects is moving back in the direction of "successful".

In Asia, 78% of current projects were deemed "successful", considerably better than the 69% rating returned by completed projects. Current projects in Latin America are achieving significantly poorer ratings than in 2000 (20% drop in the "successful" category). The number of projects considered "successful within limits" has doubled, and there is a small increase of 4% in the "not successful" category. In Latin America, the current projects are doing significantly worse overall than the completed ones.

A notable feature of the Maghreb-Middle East region is that the number of current projects deemed "successful within limits" dropped by around a third from 60% to 40% compared with 2000.At the same time the number of projects rated "successful" rose from 30% to 47%.

Given the small numbers, there is little point in drawing comparisons for South-Eastern Europe and supraregional projects.



Magbreb, Middle East

Assessment of current projects by region (%, rounded)

Project design and project purpose

In terms of the realism of the original project objectives, the ongoing projects studied are performing better than the completed ones, with 59% of project goals deemed realistic. The match between project design and the capability of the target groups was rated "good" in 72% of current projects.

Poverty reduction

Poverty reduction is more relevant for current projects than for completed ones. This applies particularly to structural and indirect poverty reduction, at 69% and 73% respectively. Their impacts also achieve a higher rating.



Annex

e-VAL – a new instrument for impact monitoring

e-VAL supplements rather than replaces any on-site evaluation instrument. It thus expands the possibilities for impact monitoring. In 2000, GTZ began developing a new electronic interview and analysis procedure in cooperation with the Bremen-based management consulting firm nextpractice. From 2003 onwards, this procedure is intended to replace the questionnaire-based survey method for impact monitoring.

The result is e-VAL. The procedure was introduced in 200 projects and programmes in 2003. If it meets the high expectations, it will be used in all projects carried out by the GTZ.

GTZ's evaluation instruments have to satisfy three requirements. They must:

■ deliver credible results which support the public accountability of GTZ's work,

■ be useful for managing Technical

Cooperation projects and programmes, ■ match the decentralised structure of responsibility.

In the spirit of GTZ's decentralisation efforts, e-VAL follows the same principle which has always been the basis for observing project impacts, namely relying on the knowledge, experience and judgement of the individuals with the greatest expertise. e-VAL gains in credibility by juxtaposing the different views of the officers responsible for projects (corporate view), participants (partner view) and those affected (target group view). All respondents form their own concrete standards for rating a project. Rather than reaching a global judgement, they take into account a number of qualitative individual ratings.A translation program supplied with the package makes it possible to conduct the interviews in any language, and even without a computer, which considerably simplifies the interviewing of local partners and target groups. Using established statistical methods (principal component analysis), e-VAL can aggregate subjective individual evaluations into group evaluations. In this way, qualitative ratings are turned into quantitative results with considerable informational value and reliability. At the same time, coefficients can be calculated for arbitrarily large samples. In e-VAL the list of elements to be evaluated in a project and the list of issues to be addressed are open and flexible. They can be modified as needed, they are updated annually, and they reflect the corporate identity of our company.

As a modern electronic process, e-VAL has a number of technical advantages over conventional processes:

■ data can be entered from any computer, and analysis can be automated on a central server.

■ as data transmission between client and server is by simple e-mail attachment, no permanent online connection (which is not available in many developing countries) is required.

■ current overview information is available on any desired GTZ portfolio segment.

■ general evaluation results through to project level can be called up company-wide. Confidential access codes prevent access to individual interviews, which only the officers responsible for the commission can call up and forward at their own discretion.

List of projects concluded in 2001/2002

Africa	Combating locusts
supraregional	 Grass-roots participation in the political opinion-forming process
	Implementation of the desertification convention
	Fababohne research network
	Promoting OU competence to backstop reform processes
	Eco-friendly disposal of unusable agricultural chemicals
Albania	Support to the University of Agriculture, Tirana
	Promotion of vocational training in Albania
America supraregional	TRAINMAR training network
Argentina	Rheinhessen Chamber of Industry and Commerce, UCIP
	Combating desertification in Patagonia
Asia	Advisers for fertiliser marketing
supraregional	Asian Institute of Technology
	 Industrial consultancy on export promotion (EXCAP-ITEDC)
Bangladesh	Cooperative project: upgrading for technicians and management to improve the
	use and maintenance of mainline locomotives
	Integrated health project in Rajshahi Division, Bogra District, Phase III
	Rural infrastructure and community development
Benin	 Village development fund, Atakora
	Promoting grasscutter farming
	Promoting animal production in the Département of Atakora
	 Environmental planner in the Ministry for the Environment, Housing and Urban Development (MEHU)
Bolivia	Urban waste management
	Sustainable management of natural resources in the Department of Santa Cruz
Brazil	Promoting environmental protection in Pernambuco (CPRH)
Burkina Faso	CNCA - linking commercial banks and self-help groups
	Fisheries management in the South-west
Chile	Promoting SMEs
China PR	Assisting the upgrading facility of the Chinese general accounting office
	Regional institute for vocational training, Liaoning
	Reorganisation of the industrial and transport statistics
	Substitution for CFCs in refrigeration
	Technical standards for underground and urban railways
	Quality control for plant protection agents



China PR

PR food laboratory, Nanchang

List of projects concluded (continued)

Colombia	Integrated health programmeICIPC plastic technology
	ICIPC plastic technology
Ecuador	User-oriented strategies for agricultural research (INIAP)
El Salvador	Promotion of the vocational training system
	Promoting integration of agricultural and agroindustrial production
Guatemala	Economic and export promotion
	Rural regional development, El Quiché
	Basis for the national land register
Guinea	Promoting communal and private forestry
India	Cooperative project: project study for project executing agency qualification for
	a mass transport system in Mumbai (Bombay)
	Regional Research Laboratory (RRL), Bhubaneshwar
	Advising on industrial environmental protection on the
	National Productivity Council (NPC)
	Promoting the Anna University Environmental Institute
Indonesia	Linking banks and self-help groups
	Further development of small farming systems in rainfed cultivation areas of Kalimantan
Jordan	Support in implementing and further developing the NEAP
	Impact monitoring and analysis for the agricultural structural adaptation programme
	Advising the Ministry of Agriculture
	Upgrading agricultural engineers
	Promoting energy efficiency
	Promoting women's equality through organisational consultancy
	Promoting the National Information System (NIS)
Kazakhstan	Promoting vocational training in Kazakhstan
Kenya	Promoting a training centre for doctors in the public health system
	Integrated small-animal farming
	Practical subjects in primary schools
	Samburu District development programme
	Marsabit development programme
Lebanon	Promoting the Johann-Ludwig-Schneller School in Khirbet Kanafar
Lithuania	Integrated consulting services for the private sector (IBD), Lithuania
	Teaching unit for bitumen road maintenance
Macedonia	 Dam repair and completion Rehabilitating communal facilities in the Likovo and Kocani Communes
Malawi	Cooperative project: support to the Chitipa District Health Service
	Cooperative project: Machinga District Health Service
	Zomba District Health Service

	Biological pest control and post-harvest protection	
	Promoting micro, small and medium-sized enterprises	
Mali	Irrigation perimeter, Selingue Aval	Tist of two is sto
	Village organisation development, Quelessebougou	List of projects
Moldavia	Advisory services on business law reform	concluded
		(continued)
Mongolia	Extension work with farms (family farms)	
	Fire prevention	
Могоссо	Special energy programme	
	In-service upgrading	
	Casablanca multicompany training centre	
	Phytosanitary control	
	Environmental management Morocco	
Mozambique	Supporting development of the road transport sector in Mozambique	
mozanibique	= supporting development of the road transport sector in Mozamorque	
Nepal	Rural regional development in the Dhading District	
Oceania	Energy consulting in the South Pacific	
supraregional	Regional project "Biological pest control in the South Pacific"	
Pakistan	Urban-industrial environmental protection in the North West Frontier Province	
	Integrated rural development in Mardan	
	Consulting on instructor training and upgrading and the examination system in Baluchistan	
	Job placement for women in Lahore	
	Basic education for Afghan refugees	
Paraguay	Developing and disseminating soil-conserving land use systems	
Peru	Promoting the Peruvian savings bank system	
	Consultancy to SUNASS (Superintendencia Nacional de Servicios de Saneaminiento)	
	Trainer training and upgrading for vocational training	
	Technical hospital maintenance	
	Rural development of the Colca Valley	
	Cooperative project small-scale irrigation in the southern Andes plateau (Plan MERISS Apurimac)	
	Improving family health in Puno	
	Cooperative project drinking water and sanitary programme, Avacucho and Tumbes	
	Training doctors and nurses for primary health care	
Philippines	SME promotion, Davao	
**	Training for SMEs	
	Maintenance in the public health service	
	Protection of water catchment areas in South Palavan	
Rwanda	Support to orphans and single women	
rwanua	Upgrading for journalists and engineers, Radio Rwanda	
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• Annex

List of projects concluded (continued)

SADC	Research and training centre for promoting sorghum and millet cultivation
Singapore	German-Singapore Institute (GSI)
Somalia	Promoting the Industrial Vocational Training Centre (IVTC), Mogadishu
South Africa	NGO network for small craft trade promotion
Syria	Supporting the plant quarantine service
Tanzania	Promoting vegetable production in the catchment area for urban centresTropical forest programme, forest management, North Pare Mountains
Thailand	 Integrated rural development project in Chakkarat District Promotion of the patent system Combating drug abuse Introducing dual vocational training system Advising DEDP on rational energy use Decentralising town and regional planning
Tunisia	Waste industry, Medjerda ValleyPromoting dual vocational training system
Turkey	 Promoting OECD-TICA upgrading institute in Istanbul Training centre for mechanising irrigation farming in Adana Small-scale measures in Siirt Region
Uruguay	Developing and consolidating a demand-oriented vocational training system in Uruguay
World supraregional	 Qualifying indigenous sociologists in Africa for DC projects Promoting anaerobic technology Research orientation towards alternative development in drug cultivation areas Health protection through adapted veterinary laboratory diagnosis Integration of tree cultures into farming systems Establishing cooperative relationships with NGO partners Action programme 2015: PRSP Conference, Berlin 2002 ISAT information and consulting service for adapting and disseminating technologies Sustainability of diesel-generated electrical supplies in developing countries
Zimbabwe	 Self-help promotion, Zimbabwe Promoting small and micro craft trades Zimbabwe energy programme Reforming the water sector Social forest management (SOFO) Community-oriented resource management (IRMA) Network to support the informal sector Promoting the departments of mining engineering and metallurgical engineering at the University of Zimbabwe

Annual Report 2002

56 pages, DIN A4 (German, English, French, Spanish)

The annual report provides information on the regional and sectoral focus of our activities, with facts and figures for the past financial year, project examples from the partner countries, and a list of addresses with contact data for all GTZ Offices.

2002 Umweltbilanz (environmental balance sheet, German only)

4 pages, DIN A4 (German)

The key data on energy, water and paper consumption and waste and occupational transport generated by the GTZ in 2002 at a glance. The full version of the GTZ 2002 environmental balance sheets is available on the Internet as a downloadable PDF file at http://www.gtz.de/umweltbilanz/.

Akzente / Akzente special editions

56 pages, DIN A4 (German, with partial translations)

The company magazine "Akzente" is published quarterly. Journalists report on GTZ project work, and present the content and results of selected projects in text and photos. Additional special issues on sectoral priority areas appear at irregular intervals. Some of these issues are also available in translation.

To obtain any of the materials shown here and further information, please contact:

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