



**028736**

**ENEPO**

**EU Eastern Neighbourhood: Economic Potential and Future Development**

Instrument: Specific Targeted Research Project

Thematic Priority: Priority 7 – Citizens and Governance in a Knowledge-based Society

**D28' – First draft**  
**Policy paper assessing effectiveness of Technical Assistance and providing recommendations on increasing its impact**

Due date of deliverable: 30/04/2007

Actual submission date: 06/06/2007

Start date of project: 01/05/2006

Duration: 36 months

Organisation name of lead contractor for this deliverable: CASE Kyrgyzstan

Revision [Draft 1]

# Technical Assistance to CIS countries

Revised First Draft, 4 May, 2007

Prepared by Roman Mogilevsky, CASE-Kyrgyzstan

## CONTENTS

Introduction.....	1
1. Dynamics of TA flows to CIS countries.....	2
2. Problems in technical cooperation.....	4
3. Changing environment for technical cooperation.....	6
4. Political economy of technical cooperation.....	8
5. Ways to increase TA effectiveness.....	9
Bibliography.....	10

## TABLES

Table 1. Technical cooperation problems.....	5
--	---

## FIGURES

Figure 1. TC for CIS countries.....	3
Figure 2. Geographical distribution of TACIS funds.....	3
Figure 3. Distribution of TACIS funds by sector.....	4

## ABBREVIATIONS

### Introduction

1. Technical cooperation/assistance of the European Union with/to the countries of the former Soviet Union, which are now members of the Commonwealth of Independent States, is one of important links between these two groups of countries. For 15 years since 1992 the European Commission and individual countries-EU members allocated significant resources for the technical cooperation with CIS countries. On the recipients' side, the technical cooperation had influenced many government and civil society institutions and contributed to building of human capacity in these countries. Of course, EU is not the only supplier of technical assistance to CIS. International financial organizations (especially the World Bank, the Asian Development Bank, the International Monetary Fund, the European Bank for Reconstruction and Development), the United Nations Development Programme and other UN agencies as well as the governments of United States, Japan, Switzerland, UK, Canada, Sweden, Germany, Netherlands and other European countries play very important role in technical cooperation with CIS.

2. 15 years is a long period of time, and both EU and CIS had changed dramatically in terms of their political, economic, social and human development. EC expansion from 15 to 27 countries,

unprecedented economic decline in CIS countries in the first half of 1990s and their robust growth in 2000s, intermittent growth and fall of democratic and authoritarian trends in many of CIS countries are just few examples of these dramatic changes. Ideally, TC process must reflect the changes very quickly in order to be up to the current demand of donor and recipient societies for institutional and human development. In practice, however, it has not been always the case. This could be an important reason for growing dissatisfaction with the TC performance, which could be noticed among all TC stakeholders: donors, providers, and recipients.

3. CIS is not the only region in the world, where effectiveness and efficiency of the technical cooperation is commonly considered to be insufficient. During last 15-20 years global development community has been discussing problems of the technical cooperation paying much attention to the concepts of technical cooperation and capacity development as well as to the technologies of technical assistance delivery. Very often these discussions are based on experience of technical cooperation with developing countries of “the third world”. While these issues are also relevant for CIS, it seems that in the context of this region another facet of the technical cooperation—TC stakeholders’ interests and their interaction—has not received enough attention. Political economy of technical cooperation is an important determinant of TC performance in the transition countries. Effectiveness of TC seems to be greatly dependent on interests of the TC stakeholders and the incentives for recipient countries to introduce real change in their institutions in response to TC supplied. One could argue that the very opportunity to join EU in relatively short period of time, which has been perceived as an attractive one for societies and elites in almost all former socialist countries, made countries of Central and Eastern Europe<sup>1</sup> much more responsive to the models supplied in the TC framework, than CIS countries, which never had such prospects as real policy options. This example also suggests that external environment and availability of different development models are key factors influencing TC effectiveness.

4. This paper seeks to explore existing problems of technical cooperation with the CIS countries, to relate these problems to the changing environment for technical cooperation with a specific accent on analysis of the TC stakeholders’ interests, and identify some possible ways to improve effectiveness of the technical assistance. This first draft of the paper concentrates more on conceptual issues and hypotheses formulation. The next version of the paper has to supply more evidence for verification of these hypotheses and allow formulating concrete recommendations for TA donors and providers.

## **1. Dynamics of TA flows to CIS countries**

5. According to OECD data, in 1992-2004 CIS countries received as much as USD14.6 billion in technical cooperation from all donors. These resources have been really large and capable of making change in all aspects of political, economic and social life of CIS countries.

6. EU made a very significant contribution to the total amount of the TC flows. Overall contribution of the European Commission and EU member countries (done on bilateral basis) in 1992-2004 was USD5.6 billion (OECD database).

7. Time trends of TC flows in three distinctive periods of CIS development<sup>2</sup> are shown on Figure 1. One can see that the peak of TC flows was in the second part of 1990s. This is understandable. In the beginning, it took some time for donors to recognize the extent of problems, which CIS countries faced in their transition, and to re-orient TC industry towards needs of these countries. In the second part of 1990s supply of TC increased as well as demand for it on CIS side. In 2000s some transition problems in CIS had been already resolved, so the need in TC is gradually

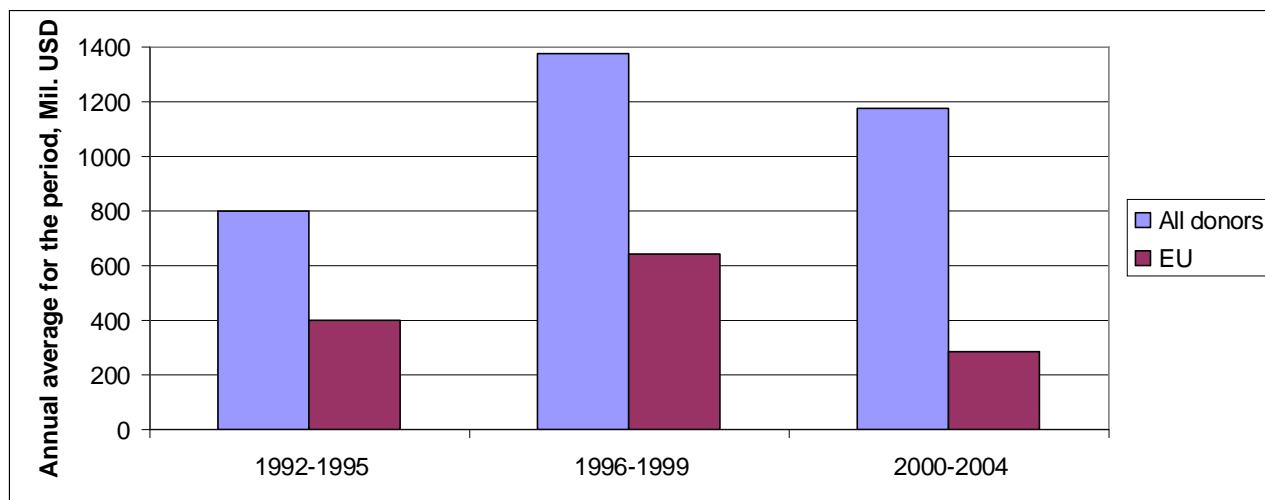
---

<sup>1</sup> Which experienced transition problems in early 1990s somewhat similar to that of CIS.

<sup>2</sup> 1992-1995 – early transition, 1996-1999 – initial recovery and financial crisis, 2000-2004 – fast recovery growth.

diminishing; on the other side, demand for TC in some CIS countries (especially Russia) is fading away by political reasons.

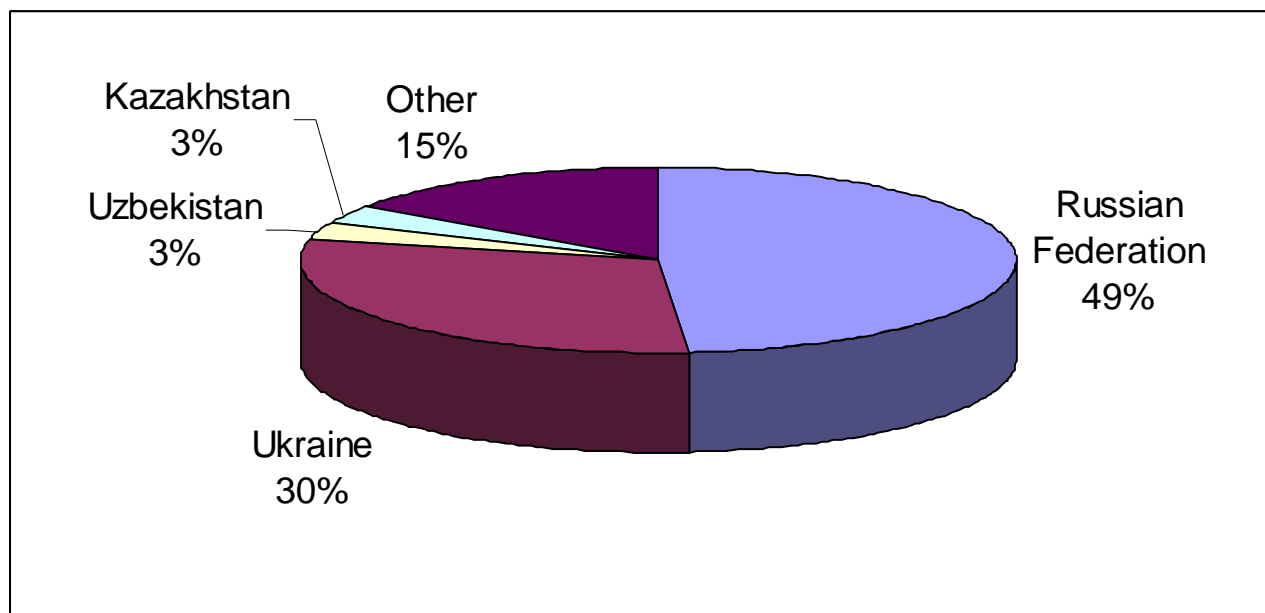
Figure 1. TC for CIS countries<sup>3</sup>



Source: OECD

8. A snapshot of TC flows structure could be received from TACIS data for 1991-2006. As follows from Figure 2, the major recipient of TC was Russia, which got 49% of all funds. Ukraine, Kazakhstan and Uzbekistan are other major TC recipients. These country shares mainly reflect size of the recipient countries in terms of their population, GDP and proximity to EU. On per capita basis, main TC recipients appear to be Ukraine and smaller CIS countries: Moldova, Armenia, Kyrgyzstan and Georgia.

Figure 2. Geographical distribution of TACIS funds in 1991-2006



Source: European Commission

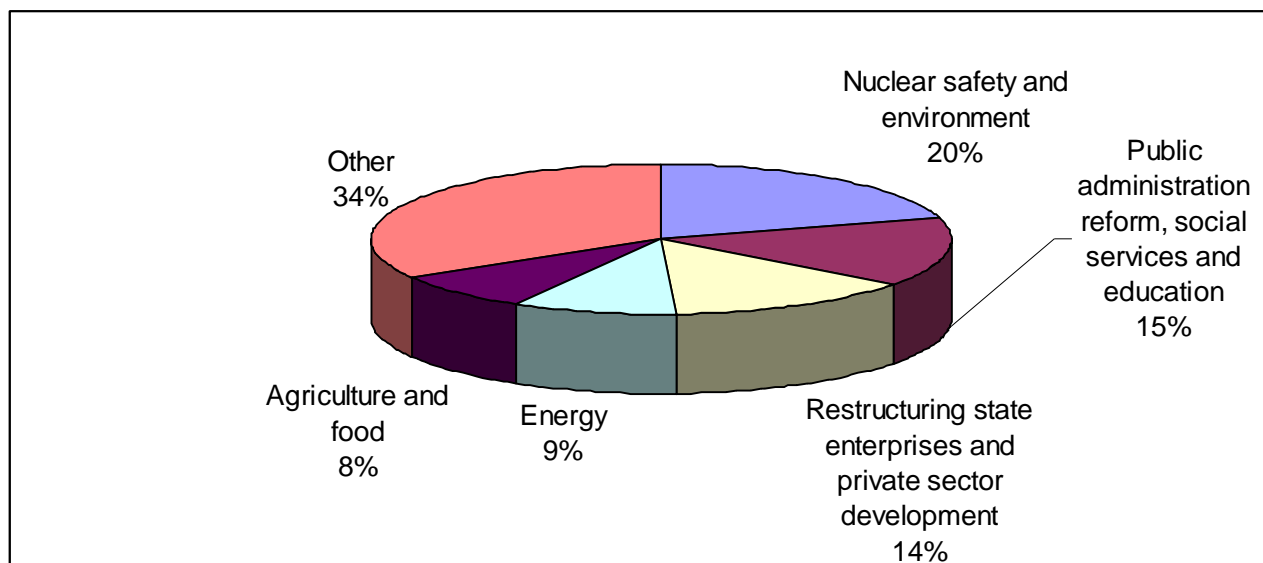
9. Key sectors receiving the largest portion of TACIS resources<sup>4</sup> were nuclear safety and environment<sup>5</sup>, public administration, social services and education, restructuring state enterprises

<sup>3</sup> For EU the data show summary contribution of the EC and EU member countries.

<sup>4</sup> Based on 1991-1999 data.

and private sector development, energy, and agriculture and food (Figure 3). This list basically encompasses all key social-economic sectors in the countries of CIS.

Figure 3. Distribution of TACIS funds by sector



Source: TACIS

10. Of course, TACIS data could not be fully representative for all donors. For example, Asian Development Bank and Japan contributed largest part of their resources to technical cooperation with the countries of Central Asia, and Swiss government focused more on smaller mountainous countries; donors other than EU are less concerned with nuclear safety. Yet, data on Figures 2 and 3 show general TC pattern, which could be summarized as an attempt of donors to cover all countries<sup>6</sup> and all possible sectors with different TC programs.

11. Measuring the overall impact of TC on CIS development is a difficult task. Apart from other things, the TC flows (regardless of how massive they are) were not the only and were not the most important factor affecting development of the CIS countries during their period of transition. Nevertheless, one could expect to see a visible positive impact of TC on the political, economic, and social performance of recipient countries. However, according to the World Bank's World Development Indicators, only 6 of 12 countries have better values of life expectancy in 2004 than in 1987/8. According to the World Bank's data on governance indicators, median of aggregate governance score for the country group has not improved in 2005 in comparison to 1996. These are just two examples demonstrating that performance of CIS countries in the transition period could be seen as a mixed success at best.

12. Thus, large donors' resource allocations for TC with CIS have not produced comparable results in the recipient countries' development. This statement does not mean at all that TC with CIS is a complete failure. There are numerous examples of a successful support to human capacity and institution building, introduction of timely and quality legislation, creation of centers of excellence in different segments of governments and civil societies of these countries. These successes, however, do not abolish the fact that there is even more evidence of different types of problems and imperfections in TC design, implementation and outcomes.

## 2. Problems in technical cooperation

<sup>5</sup> First place taken by this sector may reflect concerns of EU countries with the consequences of Chernobyl catastrophe.

<sup>6</sup> In different periods of time Belarus, Tajikistan and Turkmenistan received less TA than other countries by obvious political reasons.

13. Key TC problems, which could explain insufficient effectiveness and efficiency of technical cooperation with CIS countries, could be combined into four groups related to: (i) relevance of TC interventions, (ii) quality of TA supplied, (iii) sustainability of the TC results, and (iv) selection of domestic partners in TC implementation (see Table 1).

Table 1. Technical cooperation problems

Problem	Examples
<b>Relevance</b>	
Premature or late provision of specific types of technical assistance, inappropriate sequencing of TC projects	<ol style="list-style-type: none"> <li>1. Support to security market development in some CIS countries has been delivered too early in comparison to preparedness of majority enterprises to become transparent enough to be listed on stock exchange</li> <li>2. Support to public investment project assessment went well after the beginning of massive inflow of loans for infrastructure projects</li> </ol>
Inappropriate prioritization of TC interventions	Too large resources are allocated to support tertiary education in some of CIS countries, while secondary and even primary education systems face a real danger of irreversible deterioration
Too big emphasis on legislation development and insufficient attention to law implementation	In several CIS countries tax codes drafted with support of TA projects were “ideal” as pieces of legislation; however, tax administration practice often consistently deviated from the written law
Oversupply of TA	In the second part of 1990s in some smaller CIS countries several TA projects were implemented in the same government department simultaneously; these departments had no capacity to absorb all this technical assistance
Undersupply of TA in some sensitive development areas	Poorer CIS countries lack technical expertise and do not receive enough support in building domestic capacity in such important development areas as engineering, agriculture, environment protection
<b>Quality</b>	
Mechanical imports of developed countries’ institutions without considering specific circumstances of recipient countries	Recommendations to introduce sophisticated and/or expensive social protection mechanisms in poor countries with low tax capacity, missing financial markets and inadequate administrative capacities
Selection of inappropriate TC forms	<ol style="list-style-type: none"> <li>1. Use of too technical language in TA documents addressed to people, who did not receive standard Western education</li> <li>2. Formal delivery of training in very technical issues to beneficiary organization employees lacking basic knowledge of the subject</li> <li>3. Poor quality of interpretation/translation into recipient’s language</li> </ol>
Insufficient technical skills of international experts in TA projects	Oversupply of TC and limited number of experts in some topics (especially if there are some formal limitations, e.g., citizenship of an expert) sometimes push TA providers to hire inadequate personnel for international expert positions; this was especially visible during first years of technical cooperation with CIS
Contradictory signals from different TA projects	In the conditions of insufficient donor coordination and ambiguity of development model chosen by the recipient government different TA projects provided inconsistent advice regarding key reforms (e.g., promoting individual farming vs. cooperatives in post-reform agriculture, lump sum vs. turnover taxes for SMEs)
Some TA activities just imitate capacity building	Sending senior officials of beneficiary organizations to expensive study tours to Europe or other attractive destinations often has no real

Problem	Examples
and serve other purposes	learning component, but is an indirect way of paying to these officials for collaboration with TA project
<b>Sustainability</b>	
Human capacity built in organizations benefiting from TA dissipates with time	High turnover of personnel in beneficiary organizations (especially in the governments with low salaries for civil servants) leads to leakage of people trained by TC projects to the positions in the government or private sector, where the training received is not needed
Institutions established in the framework of TC projects disappear after completion of the projects	Some artificial government structures or NGOs built in the framework of TC projects implementation and funded exclusively by donors' money disappear immediately after the funding expired
Insufficient consistency in capacity building efforts	Building some types of expertise in beneficiary organizations requires accumulation of a critical mass of trained people in the organization, which is possible only with prolonged and consistent efforts of TC provider; without such consistency the critical mass would not be created
Insufficient diversification of TA	Concentration of some types of expertise in limited number of organizations or experts makes domestic supply of this expertise vulnerable to shocks affecting these organizations/people
<b>Selection of partners for TA delivery</b>	
Too much concentration of TC on government agencies	Concentration of some specific types of technical expertise in the government puts civil society lacking this expertise into weak position in domestic policy discussions
Too little involvement of local experts into TA delivery <sup>7</sup>	Many TA projects did not use already available local expertise, which is a cost-effective and domestic-capacity-strengthening way of technical cooperation

14. It should be noted that the problems described in Table 1 may originate not only because of deficiencies of TC activities on donors and TC providers side, but also because of inappropriate attitude of TC beneficiaries. Beneficiary commitment to effective implementation of TC project is, of course, a pre-requisite for the project's success, and lack of this commitment would significantly reduce positive impact of the project whatever good its design and implementation modalities are. However, this commitment is, at least partially, dependent on the project design and implementation by donors and TC providers, some degree of commitment could be induced by proper approach of donors; so, they always could play an active role in solving these and other problems of technical cooperation.

### **3. Changing environment for technical cooperation**

15. Some of the problems discussed above may be caused by inertia in TC delivery, insufficient attention to the important changes, which are taking place in the CIS countries. These changes affect seriously beneficiaries' absorbing capacity, demand for and attitude towards TC.

16. The most important change in the CIS is, perhaps, the end of transition from the Soviet system. In all 12 countries new governments and societies emerged, which differ very significantly from what they were in 1991. This does not mean that the process of change ended (this is just impossible), but the scale of change is now much less radical, and the direction of change is much more diverse, than in the beginning of transition. Virtually all CIS countries started transition explicitly declaring the intention to build democracies and market economies. In 2007, this course

<sup>7</sup> It should be noted that since recent times, with ongoing changes in TC practices, this problem becomes less typical.

of transition is on the agenda of just few CIS countries. Many countries have deliberately chosen (semi)authoritarian political systems and semi-market economies with a very big interventionist role of their governments, which could be called “state” capitalism. This has important implications for the process of technical cooperation. Initially the TC was built on an underlying assumption that basic development values of donors and recipients are the same: democracy, human rights, market economy. This assumption implied that direction of transition is a goal shared by donors and beneficiaries and what is needed is just technical support to CIS countries to move faster in this direction. This assumption is not 100% valid anymore. Of course, development values of the Western countries and countries of the CIS are not necessarily contradictory, but they quite could be different. This difference in values could not be overcome by means of technical cooperation, and the efforts to use TC for this purpose could be an important source of TC problems.

17. The development agenda of CIS countries has changed not only because of the shift in values, but simply because of some development problems have been successfully resolved and new problems emerged. For example, the problem of responsible macroeconomic management and credible monetary policy, which was a very hot issue in the 1990s, had become much less urgent, when proper institutions and policies had been introduced and sustained. On the other side, the new problem of labor migration from poorer to wealthier CIS countries is now acute. This change in development agenda is accompanied by change in TC with some, sometimes large, time lag; this reduces TC relevance.

18. Another important change in the environment for technical cooperation is accumulation of experience and human capital in CIS countries during last 15 years. The capacity to critically reflect on the TC supply is much higher in many CIS countries now in comparison to the situation of early transition. This creates a challenge for TC quality, which is not always met.

19. The latest period of development of CIS countries is characterized by increase in their economic strength. Recovery growth on the basis of already renewed economic structure accompanied by an extremely positive change in terms of international trade for many CIS countries largely improved situation with public finances in these countries. Therefore, the significance of TC resources has relatively reduced for many of CIS governments, and TC programmes lost a part of their leverage on policy making, which they used to have. This fact should be acknowledged and reflected in changing TC design. This also creates some new opportunities for increase in TC sustainability making real a situation, when TC resources are partially substituted or accompanied by government budget funds.

20. Apart of increased domestic revenues, additional resources for development of some CIS countries are also provided by new donors, especially China and Russia. These donors have different development perspective than “traditional” donors and often send different signals to the recipient countries. While these “new donors” did not establish their own development industry yet, which could be compared to that of OECD, these countries are in many ways closer economically and culturally to many smaller CIS countries, than OECD countries; often they influence policy making and institution building in other countries just providing an example (attractive for many elites) of their own experience. This creates a situation of competition for the development models supplied by TC originating from OECD countries. This needs to be recognized and calls for radical improvement in the TC relevance, quality and selection of target audience.

21. The changes in environment for TC discussed above relate mainly to the situation in CIS. However, important changes are also taking place in the TC supplier countries. One of the most important changes relevant for CIS is EU accession of many Central and East European countries, which used to be a part of socialist system. Many of these countries are now emerging donors. While they do not have yet financial resources and TC management and delivery capacity comparable to that of “old” donors, they have a very important asset – an experience of successful transition to democracy and market economy. This transition experience could comprise a core of their contribution to the TC supply. Concentrating their efforts on TC to CIS and other former



socialist countries could be much better use of their resources than attempts to duplicate development agenda of EU-15 countries.

#### **4. Political economy of technical cooperation**

22. It follows from the previous discussion that accounting for interests of different parties involved in the technical cooperation process is a key for understanding many of the problems of TC. Therefore, main stakeholders and their interests need to be clearly identified and the interaction of these interests has to be considered.

23. One could see development aid (including technical cooperation) as interaction of two principal stakeholders and three their agents. The principals are societies of donor and recipient countries, and the agents are (i) government of the donor country, (ii) government of the recipient country, and (iii) TC provider, which is usually private company/NGO from the donor country or group of countries.

24. The ultimate goal of development aid is to increase welfare and support human development of the recipient country's population in a sustainable way. Both principals share this goal, while their vision of the way to achieve it, i.e., development values, may be different (see above paragraph 16). Despite of these differences<sup>8</sup>, the interests of societies of donor and recipient countries usually overlap/coincide enough to make effective aid and technical cooperation possible.

25. Importantly, these societies usually interact not directly, but via their agents, which have their own interests not necessarily identical to the interests of principals. It is also important that the effectiveness of technical cooperation is difficult to measure, which creates information asymmetry between the principal and the agent. Thus, the process of technical cooperation could be seen as an example of "principal-agent" problem.

26. There are several "principal-agent" relationships in the process of TC. First, this is a relationship between donor society and donor government. Due to existing democratic accountability mechanisms in donor countries this is, perhaps, the smallest problem, at least in the long-run. In the short-run, however, this problem could exist; one revelation of the problem is, for example, the widely used TC delivery (i.e., amount spent on TC programmes) as an indicator of TC effectiveness. Use of such indicator (together with typical bureaucratic logic) provokes government bodies responsible for TC to increase TC resources as much as possible well beyond of rational size of TC, to refrain from cancelling even such TC projects, which are obviously ineffective from an early stage of their implementation, etc.

27. As it was mentioned earlier, in the CIS context democratic accountability institutions in recipient countries are rather weak. Therefore, governments/elites in these countries may have interests, which significantly differ from long-term interests of their population. The usual assumption that government of a recipient country well represents development needs of its society should not be taken for granted, and it is a responsibility of donors to make sure that position of the recipient government corresponds to long-term interest of its country. From this perspective, the generally legitimate trend on increase of the recipient government role in the TC coordination (strongly reflected in the Paris Declaration on Aid Effectiveness) should not be oversimplified; donors still have to have their own judgment on what kind of TC could positively contribute to the beneficiary country development. For example, the attempts of governments of Kyrgyzstan or Tajikistan to use TC mechanisms in order to introduce fully funded pension systems (and by these means to establish government-managed investment funds) in the conditions of missing financial markets need to be re-assessed by donors before they support such initiatives.

---

<sup>8</sup> Detailed analysis of these differences is out of the scope of this paper.

28. TC providers have an especial place in these “principal-agent” relationships as they are the only type of TC stakeholder, which has explicit commercial interest in the process. Therefore, in the conditions of possible mismatch of interests of the TC donor and recipient and lack of clear performance assessment criteria, the TC providers have incentives and possibilities to minimize their costs by supplying simple solutions (like copy-paste reform proposals) and receiving support of their counterparts from the recipient government by meeting their personal vested interests.

29. Combination of these interests may lead to a low-level equilibrium, when three stakeholders-agents maximize their utility (donor government’s TC delivery rates are high, vested interests of recipient government officials are satisfied, TC provider’s profit is high) at the expense of stakeholders-principals, who bear costs of that equilibrium directly (in the case of donor society) or indirectly, in the form of under-development (in the case of recipient society).

## **5. Ways to increase TA effectiveness**

30. The general solution for “principal-agent” problem, which minimizes welfare losses, consists in reducing information asymmetry between stakeholders and establishing proper incentive structure for agents. Below are provided some proposals, how these issues could be tackled in the context of TC.

31. First of all, stakeholders’ interests should be explicitly accounted for in the TC programme design. On the donor’s side this is usually done (at least, partially) as donors have to follow development strategies approved by their principals (e.g., upper government bodies or parliaments). However, this approach also requires donors to make political economy analysis on the recipient side, which is rarely the case. This is associated with a risk of intervening into domestic politics, which may be undesirable activity for some donors and prohibited activity for others (e.g., majority of multilateral donors are not allowed of doing so by their statutes). Still, this risk needs to be taken and controlled by, for example, outsourcing the stakeholder analysis to independent research organizations. Moreover, such analysis is anyway usually performed informally by donors/TC providers; so, it is rather a matter of making it truly impartial, of acceptable quality and accessible for all interested parties.

32. One way to reveal real interests of the stakeholders on recipient side is to encourage their co-financing of TC activities. Preparedness of the recipient government (or other TC beneficiary) to contribute some resources with non-zero opportunity costs to TC implementation could be seen as a clear signal of its true ownership of TC programme or project, and, vice versa, refuse from co-financing is an indicator of low real interest in the TC results.

33. To establish healthier incentive structures of stakeholders it is useful to maintain competitive environment in all segments of the TC market. This is already mainly the case with regards to TC supplier selection, while oligopoly-type market structures are often present on this market, which may lead to different types of inefficiencies. But it is also worth to care about creation of some competition on recipient side, which could be done by diversification of TC delivery channels, support to not only central, but also local governments, involvement of civil society/private sector representatives into capacity building programs and so on.

34. In order to reduce information asymmetry, TC monitoring system must be substantially strengthened. It should move away from using input/output type of indicators for performance assessment, because these indicators provoke ineffective use or misuse of TC resources. But using ultimate impact criteria (e.g., reduction of poverty rates in beneficiary country) also does not help much as these indicators are usually dependent on many factors with TC often being relatively minor among these factors; so, strictly speaking, any change in the impact indicator could not be attributed as a direct result of technical cooperation. What is needed is introduction of outcome indicators specific for every TC intervention. For example, in the case of TC in the area of social

protection such indicators could be inclusion/exclusion error rates<sup>9</sup> for monetary benefit schemes or social integration indicators<sup>10</sup> for vulnerable group support programs. This type of performance indicators would radically improve measuring of quality, relevance and sustainability of TC outputs. Currently, similar methodology is used for evaluation of development impact of major aid programmes; this approach should be extended to the area of technical cooperation, while proper selection of outcome indicators for TC is a challenging (but solvable) task. Of course, TC outcomes often become observable only with some time lag; however, this does not seem to be a very big impediment. The TC projects are mainly implemented by companies or organizations, which stay long time on the development market. So, post-evaluation of results of their previous TC projects would positively/negatively affect their reputation and influence their strategies in the new TC projects.

35. Thus, it seems that the general way to improve effectiveness of technical cooperation is in good understanding, recognition and coordination of interests of all TC stakeholders and in reducing information gap between different participants of the technical cooperation process.

## **Bibliography**

Browne, S. (2002) *Developing Capacity through Technical Cooperation. Country Experiences.* Earthscan Publications Ltd., UNDP.

Commission of the European Communities (2006) *Annual Report 2006 on the European Community's Development Policy and the Implementation of External Assistance in 2005.*

Europeaid, [http://ec.europa.eu/comm/external\\_relations/ceeca/tacis/publications.htm](http://ec.europa.eu/comm/external_relations/ceeca/tacis/publications.htm)

Montes, C., Migliorisi, S. (2004) *EU Donor Atlas. Mapping Official Development Assistance.*

Morgan, P. (2002) *Technical Assistance: Correcting the Precedents.* *Development Policy Journal*, Vol. 2.

OECD (2007) *2006 Development Co-operation Report. Volume 8, No. 1.*

OECD.Stat database, <http://stats.oecd.org/WBOS/Default.aspx?DatasetCode=CRSNEW>.

*Paris Declaration on Aid Effectiveness. Ownership, Harmonisation, Alignment, Results and Mutual Accountability.* High Level Forum. Paris, February 28 – March 2, 2005.

Singh, S. (2002) *Technical Cooperation and Stakeholder Ownership.* *Development Policy Journal*, Vol. 2.

Wignaraja, K., Gercheva D. (2006) *Capacity Development during Periods of Transition. A UNDP Capacity Development Resource & a UNDP Practice Note.*

Williams, G., Jones, S., Imber, V., and Cox A. (2003) *A Vision for the Future of Technical Assistance in the International Development System.*

---

<sup>9</sup> Inclusion error rate shows the percentage of benefit recipients, who are not really poor, but are formally eligible for the benefit, because of the benefit design imperfections. Exclusion error rate shows the percentage of poor people, who belong to the target group of the benefit scheme, but are not formally eligible for the benefit, because of the benefit design imperfections.

<sup>10</sup> For example, for support programs for people with disabilities these indicators could be school enrollment rate for children or employment rate for adults.