

To the President of the House
of Representatives of the States General
Binnenhof 4
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Dear Mr President,

I am pleased to present to you the report by the Policy and Operations Evaluation Department (IOB), entitled *Evaluation of the Netherlands' Research Policy 1992-2005: Experiences with a new approach in six countries: Bolivia, Ghana, Mali, South Africa, Tanzania and Vietnam*, together with my response.

Despite some comments and slight qualifications, I am reasonably pleased with this IOB report. It improves our understanding of an important chapter in the history of development cooperation and provides food for thought and discussion. The topic is of great interest, and the report draws attention to several points that will be important in implementing our new knowledge and research policy.

Yours sincerely,

Bert Koenders
Minister for Development Cooperation of the Kingdom of the Netherlands

Response to the IOB evaluation of research policy, 1992 – 2005

This response begins with my comments on the design of the IOB report and the representativeness of the sample cases it evaluates. I then comment on the conclusions presented in chapter 10 and the main findings, treating them as a coherent whole. Next I give my views on the key issues identified by IOB for the future. Finally, I respond briefly on a specific subject. As this report was being drafted, IOB learned of the premises of the new knowledge and research policy that was developed in 2005, and commented on them at various points in the report; a brief response to these comments is in order.

Design and representativeness

This report evaluates the results of Dutch research activities in the field of development cooperation in the light of the research policy laid down in 1992. As usual the evaluation focuses on four key criteria: relevance, effectiveness, efficiency and sustainability. These four criteria are of course elaborated in specific questions about the nature of the policy under investigation.

The report consists of two parts: a reconstruction and analysis of research policy, and an evaluation of several research programmes in six countries: Bolivia, Ghana, Mali, South Africa, Tanzania and Vietnam. It concentrates on the Multi-annual Multidisciplinary Research Programmes (MMRPs), studying four of the nine MMRPs in detail. Expenditure on these four programmes amounted to about €20 million, barely more than 3% of total spending on research in the period studied (approximately €600 million, according to IOB's calculations). To put its findings in a broader context, IOB also examines other research programmes; but the proportion of total research spending considered by the report does not exceed 20%. In view of the scope of the report and the time spent on the investigation (whose preparations began in 2003), one can speak of an in-depth, partial study.

IOB defends this approach by pointing to the central role of MMRPs in research policy as it has developed since 1992. The 1992 policy document *Research and development* marked a radical break with the past and sent research policy in an entirely new direction. The MMRPs in particular embodied the new policy and the premises underpinning it. Accordingly, IOB's view is that the focus it chose gives an accurate picture of the endeavours to renew research policy. IOB believes that this gives the report an import that goes beyond the limited number of research programmes that have actually been investigated, and that the report has implications for research policy as such.

I agree with IOB's conclusion. The policy adopted in 1992 aimed at putting an end to the dominant role of Dutch researchers and institutes in deciding on research agendas and their implementation. Instead, demand from and the needs of developing countries were supposed to take centre stage. The Research Bureau of the Directorate-General for International Cooperation (DGIS) has always seen the MMRPs as the flagship of Dutch research policy and the purest expression of our policy's most important principles: local ownership and a demand-driven approach. The MMRPs therefore epitomise the ambitions of the policy adopted in 1992.

IOB may be a bit too modest, however. In my opinion, the importance of this report goes beyond research policy alone. After all, a demand-driven approach and local ownership are relevant to more issues than just research. Since the end of the 1980s, these themes have been central to the debate about the direction development cooperation should take. I view the 1992 policy document as a fairly early, principled choice for a demand-driven approach and local ownership. This was also a fairly radical choice, at least in relation to the development and direction of the MMRPs.

One of my predecessors encouraged the Research Bureau to make this radical choice. The story of how it defended the purity of the approach (as it were) by protecting the MMRPs from interference by Dutch researchers, other donors and even our own embassies makes fascinating reading. IOB uses the word 'dogmatic' in this connection. I would like to point above all to the depth of commitment that the Research Bureau showed. They were seriously attempting to create the conditions for a demand-driven approach and local ownership. This was surely an exceptional achievement in a time when the demand-driven approach and local ownership were being discussed but still hardly put in practice at all. Dutch policy was pioneering in this respect.

This is what makes the MMRPs such an interesting case history. The IOB report thus not only gives us a glimpse of an interesting chapter in the history of Dutch development cooperation, but also touches on a topic whose importance transcends research policy alone: the nature of the relationship between donor and recipient.

By now the principles of the demand-driven approach and local ownership have become commonplace in development circles. They are central to sectoral programmes and to the process of harmonising bilateral policy with the partner countries' poverty reduction strategies. We realise now, however, that they are not panaceas. Development cooperation

involves taking account of both sides' interests and responsibilities. None of this makes the IOB report less significant. It touches on a paradox that seems to be inherent to the donor-recipient relationship, a paradox that all too often remains invisible, concealed behind the jargon in which policy intentions are expressed.

Conclusions and main findings

The evaluation's first conclusion is that the 1992 research policy was closely in line with national and international developments and the thinking and decision-making processes in international forums and national institutions. The relevance of the 1992 policy is thus clearly demonstrated. The report also states that the MMRPs and other programmes investigated were set up in accordance with the principles of policy, and their relevance is also clear.

This strikes me on the whole as damning the programmes with faint praise. Not only the relevance of the 1992 research policy, and particularly the form it took in the MMRPs, are evident. I would say that they also opened up new horizons, putting in practice by trial and error what was only paid lip service to elsewhere. Research policy thus anticipated developments that would later become common practice in the field. It was experimental and innovative, which made it risky. But this does not detract from its trail-blazing character.

With regard to MMRPs' effectiveness and efficiency, the report gives a much more mixed picture. The local context clearly has a great influence on the specific design and development of research programmes, and therefore on their effectiveness and efficiency. IOB's first main finding is thus that the research programmes were set up in accordance with the newly adopted ideas about the demand-driven approach and local ownership, but with mixed results. This may not be a very surprising conclusion. Nevertheless, in view of the policy's original ambitions, it is an important one. The demand-driven approach and local ownership were expected to create the conditions for effectiveness; that was not sufficiently the case.

The IOB report is most critical, particularly of the MMRPs, with regard to sustainability. It points out that the programmes have had a very limited impact on existing local research structures. The programmes' exclusive financial dependence on DGIS is a fragile construction and their Achilles heel. This touches on another of the report's main findings, already mentioned above: that the principle of demand-driven research was applied dogmatically in drafting the MMRPs. Designing them in isolation and shielding them from outside influences came at the expense of their quality. This leads IOB to speak of the

paradox of development, described by scholars as early as 1992: the desire to have the partners in the South design and implement the programme on their own conflicts with their limited capacity and minimal infrastructure for research. In short, they lack the capacity for either the demand-driven approach or local ownership.

The question of capacity is doubtless important. In my view, however, the paradox has less to do with research capacity than with ownership. After all, it is Dutch research policy that focuses on the demand-driven approach and local ownership. There is a tacit and perhaps correct assumption that recipients also set great store by them. Nevertheless, the initiative for the policy came initially from the Netherlands.

The IOB report shows how the Research Bureau kept watch over the purity of these principles. In the final analysis, the Research Bureau held on to ownership of the definition of ownership: what it consists of and how it can be ensured. IOB calls this 'backseat driving': the characteristics laid down in the 1992 policy document were imposed on the research programmes. Clinging to the principles of policy in drafting the MMRPs transformed it into the opposite of what was intended. The stress on demand-driven research took the form of restrictions on the supply side.

This reveals an aspect of development cooperation that often goes discreetly unmentioned: there is an inherent inequality between donor and recipient that withstands the most progressive policy intentions. I consider this one of this evaluation's most interesting conclusions, though unfortunately it is only partly made explicit in the report. Notwithstanding the varying success of the different programmes, it is striking that this paradox is so visible precisely in the MMRPs, which were such radical attempts to achieve a demand-driven approach and local ownership. This insight is important for every effort to give a demand-driven approach and local ownership a role in development. A clearer view and understanding of the intrinsic limitations of the donor-recipient relationship can contribute to a more honest dialogue and more realistic expectations.

In any event, as the IOB report clearly shows, none of this detracts from the significance of local ownership. Those programmes that managed to develop strong, independent management structures and wrest more freedom from the reluctant Research Bureau have been among the most successful. Among the programmes IOB investigated, this is true in particular of the Bolivian Programa de Investigación Estratégica and the Tanzanian programme Research on Poverty Alleviation. The Vietnamese-Netherlands Research Programme, by contrast, which was equally characterised by strong local ownership,

nonetheless failed to develop into a successful programme. This was due to lack of local capacity to actually carry out demand-driven, participatory research.

This shows that IOB is right to point to a paradox when it comes to capacity. Paying insufficient attention to capacity building under the pretext of respecting local ownership led sometimes in practice to undeniably weak programmes. The Programme Delta du Niger is the clearest example.

It is therefore not surprising that another important finding of the IOB report is that developing and strengthening research capacity was a factor in the success of those programmes that did succeed. This observation applies not only to the MMRPs but also to other research programmes examined as part of a broader comparative study, in particular the South African-Netherlands Research Programme on Alternatives in Development. Dutch and South African researchers worked together in this programme without jeopardising the demand-driven approach or local ownership. Their explicit attention to capacity building made the programme a success, showing that strengthening capacity is as crucial as ever for knowledge and research policy. That is an important conclusion, one that should have implications for how the new policy framework adopted in 2005 is implemented.

This is where the 1992 policy, at least as it took shape in the MMRPs, may have gone too far. Some countries simply do not have sufficient capacity to identify and formulate research questions, plan research and develop research methods all on their own. In such cases outside support is desirable, and an exclusive focus on a demand-driven approach can be ineffective. Resistance to interference by Dutch research institutions, however understandable as a reaction to their dominant role in the 1970s and '80s, led in some cases to self-defeating policy.

Another main finding concerns the way the Ministry is organised to deal with research policy. In IOB's view, the Ministry's internal organisation did not function adequately. IOB refers for example to the disproportionate attention that the Research Bureau paid to the MMRPs and the rigid way in which they were managed. However, this seems to be due less to the Ministry's organisation than to the policy decisions that were made.

From 1996, after the foreign policy review and the decentralisation of responsibilities to the missions, the Research Bureau lost its advisory function, and in a sense became isolated. IOB rightly observes that through the review the Research Bureau lost control of Dutch-financed research. Research had little visibility at the embassies, in part because not all

research activities were delegated to them. The MMRPs for example continued to be within the Research Bureau's remit.

It is remarkable that no one noticed earlier how unfortunate this structure was. On the one hand, delegation to the missions and the establishment of sectoral programmes were meant to ensure a demand-driven approach and local ownership. On the other hand, the country-specific research programmes in which a demand-driven approach and local ownership were considered of paramount importance continued to be financed and managed at central level. The MMRPs were no exception, as the IOB evaluation shows, to the specific shortcomings of project aid – fragmentation, insufficient embedding in local institutions, poor sustainability – that the sector-wide approach was meant to address. This situation highlights the ownership paradox outlined above even more clearly. Placing responsibility for the MMRPs inside the Ministry had become an anomaly in the new Dutch aid architecture. In this context it is hardly surprising that the Ministry's senior civil servants intervened in 2004 and insisted on a review of both the principles and the structure of research policy.

One of IOB's last main findings, which was referred to in passing above, is that 'DGIS largely excluded the Dutch academic sector'. IOB's conclusion here is far more definite than the facts actually warrant. IOB itself rightly points out that most of the research programmes in progress before 1992 – programmes in which Dutch scholars and institutions played a major role – were maintained under the new policy. Later in the 1990s and into the 21st century as well, there have always been programmes with substantial Dutch participation. Undeniably, however, the debate sometimes had a rather polemical tone in 1992 as the new research policy was being developed. Dutch researchers received sharply-worded warnings and these warnings were reflected in the way the MMRPs were designed.

Although this caused shock waves at the time, we now need to see it in context. In 1992, large-scale project aid was still typical of Dutch development cooperation. It involved not only researchers but also countless other Dutch experts. Since then we have been making a gradual – still not entirely complete – transition from project aid to a sector-wide approach, accompanied by a smaller role for Dutch technical assistance. In 1992 this was all still to come. In a sense research policy was ahead of its time in the way it viewed the deployment of Dutch experts. In this respect too it opened up new horizons.

The debate has become less caustic in the intervening years. Dutch research institutions have found their own ways of entering into international partnerships, which often do not require any ODA resources. At the same time there is an ongoing process of

internationalisation under way in higher education and academic research. As a result, arrangements are taking shape in which distinctions between supply and demand, donors and recipients, are no longer meaningful. Researchers in the South are also looking for ways to take an active part in the global knowledge infrastructure; they are definitely not just passive recipients of outside capacity. In this changed context, past conflicts have lost much of their significance.

Key issues for the future

This brings me to IOB's key issues for the future, beginning with the first one, the demand-driven approach. IOB says that a new discussion is needed on the meaning of this key concept and of the key concept of developing country ownership in a globalising world. I agree completely. Although the ideological conflicts of the past have lost much of their significance, the underlying premises are as important as ever. The ownership paradox described above is still perceptible in the current international aid architecture with its emphasis on donor harmonisation. There are often tensions between ownership by the recipient government and donors' wishes for a better quality of governance.

The demand-driven approach is liable to suffer from these tensions. IOB cites an interesting example in this connection in the field of research. Its report points out that substantially less attention was paid to agricultural research after the sector-wide approach was introduced. This was not necessarily because there was less demand for it, but perhaps because the sector-wide approach was harder to implement in the area of agriculture and rural development. One might say that donor priorities constrict the range of research in which the demand-driven approach can play a role.

As a second key issue for the future, IOB calls for continued and closer attention for capacity building. This is based on its finding, mentioned above, that capacity building is an important factor in research programmes' success. It notes that capacity building is now an implicit feature of the new knowledge and research policy. It has been encapsulated in the 'principles of the system approach' and subsumed in 'innovation systems' and hence lost from view. IOB has a point here. Although the new policy does pay some attention to capacity building, it gives it a less central place than the old one did. The report's findings will lead us to adapt the new policy in this respect.

IOB urges investing in institutions' capacity to train researchers and conduct research and in setting up national knowledge systems, allowing new knowledge to be communicated and

stimulating its application. To address these key issues, I will make sure that the bilateral programmes and higher education programmes pay attention to the need to strengthen national, sector-wide knowledge infrastructure, research capacity and the research culture.

IOB also urges different approaches to research policy in different countries. Development cooperation should take the local context into account and allow for different kinds of knowledge and varying forms of research. I very much welcome this recommendation since it provides additional arguments for a strategy that is included in the new knowledge and research policy. The decentralised development of research policy advocated in the new policy makes alignment with local conditions and needs possible and leads to differentiation.

In its two last key issues for the future, IOB addresses the question of collaboration on research between developing countries and the Netherlands. It calls for partnerships in which local partners can benefit from the strengths of the North and which prioritise cooperation with Dutch scholars and scientists to ensure knowledge transfer and capacity building. It indicates that partners' aspirations in developing countries to do their own independent research should be supported. IOB adds that governments in developing countries should be more proactive in making research a priority. It is in fact arguing for a better balance between supply and demand. This means that Dutch researchers need incentives – beyond pure academic recognition – to engage in partnerships in which capacity building is the priority. IOB suggests that DGIS or the Ministry of Education, Culture and Science could make funds available for this purpose.

A few comments are in order here. Although IOB is not arguing for a return to supply-driven research, it is nonetheless focusing its attention on Dutch institutions' potential role in capacity building. There is a danger here of continuing to think in terms of the dichotomy of supply and demand that was so central to the debate in the 1990s: the developing countries demand, the Netherlands supplies. In the new aid architecture, this can no longer be taken as read. As donor harmonisation increases, developing countries' needs for support in capacity building will be met on the basis of quality rather than nationality. Useful expertise is available from other countries besides the Netherlands.

This does not mean that Dutch institutions no longer have a role to play in capacity building or that there are no legitimate Dutch interests at stake here. However, Dutch institutions should play a role based on the clear added value of their help, and Dutch interests can only be served if the institutions develop specific, above average expertise that meets partner countries' specific needs. I see opportunities for using Dutch academic infrastructure, above

all to the benefit of those countries whose limited capacity virtually rules out any autonomous demand from their side, but preferably in collaboration with other donors. Apart from that, I agree with IOB that capacity building requires equal partnerships based on mutual commitment.

The key issues about partnership and cooperation raised by IOB are too limited in another respect as well, however. I referred above to the internationalisation of higher education and research, which has robbed the distinction between supply and demand of much of its significance. So far this applies mainly to cooperation with those non-Western countries whose economies are expanding rapidly; but it can extend beyond them. There are also poorer countries whose economies are growing quickly but that nonetheless still have areas – in some cases large areas – characterised by extreme poverty and underdevelopment. With these countries, we can try to combine capacity building and cooperation on the basis of mutual interests. We might also consider research schemes in which we can cooperate on capacity building, innovation and exchanges of knowledge and experience in triangular relationships between countries in different categories.

All this highlights the need for a perspective on the role of Dutch research on a global scale and in relation to an integrated foreign policy. I will consult the Ministers of Foreign Affairs and Education, urging them to join in developing such a perspective and in challenging Dutch research institutions to reflect with us on these questions.

The new knowledge and research policy

In conclusion, I would like to respond to IOB's comments on the new knowledge and research policy. At several points the report suggests that support for research in developing countries and the demand from those countries occupy a less prominent place in the new policy. Instead, it suggests, the new policy focuses on the use of knowledge within the framework of Dutch development policy. A slight qualification is in order here: the contradiction suggested is only an apparent one. After all, Dutch development policy is based on the internationally agreed Millennium Development Goals, and bilateral programmes are aligned with national poverty reduction strategies. Developing countries' needs thus definitely still occupy a central place in Dutch policy. The 2005 policy document *Research for development* may be somewhat less explicit in this regard than the 1992 policy document *Research and development*, but only because aid is now structured in a completely different way.

Decentralised implementation and integration of research into development policy and programmes – principles at the heart of the new policy – imply dovetailing with our partner countries' demand and needs. Therefore it is a misconception that this policy aims mainly at meeting Dutch policymakers' need for information. Admittedly, there is a certain risk that the research agenda will be restricted to the priority sectors of the bilateral programmes. The growing role of general budget support in the bilateral programmes, however, means a greater focus on broad political and economic issues, good governance and policy coherence. The donor harmonisation I am working to achieve is also more likely to widen the research agenda than to narrow it. Finally, I would like to point out that the new policy framework explicitly allows research that leads to new, unorthodox insights. There is thus really no reason to be apprehensive about restrictions on research in the interests of Dutch policy implementation. The policy rule published in the Government Gazette laying down the criteria for research grants says explicitly that research should be demand-driven, application-oriented and embedded in society.

It must be noted, however, that IOB has a blind spot in its report for a significant side-effect of the 1992 research policy. The strong focus on demand-driven research and local ownership in the South gradually but completely diverted attention from the role of research in supporting and renewing Dutch policy. As a result, Dutch policy benefited less and less from research over the years, and research was less and less inspired by Dutch policy issues. This created a chasm between research and policy. One of the explicit goals of the new knowledge and research policy adopted in 2005 is to bridge this chasm.

In a global society that is more and more knowledge-intensive, there is every reason to make optimal use in Dutch policy of research that produces useful insights into development processes, global problems and international cooperation. IOB's blind spot mentioned above may account for its lack of appreciation of this aspect of the new policy. Creating more opportunities for research and knowledge in the interests of revitalising Dutch policy, including research policy itself, meets an important need and brings dynamism back to policymaking. A new policy era has thus been ushered in, characterised by a more dynamic, more pragmatic approach to demand-driven research and local ownership in the South.