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LEARNING IN DEVELOPMENT COOPERATION:
THE CASE OF ESTONIA

MASTER THESIS

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List of abbreviations

AKÜ – (Arengukoostöö Ümarlaud) Estonian Roundtable for Development Cooperation
CIDA – Canadian International Development Agency
DAC – Development Assistance Committee (Development Cooperation Directorate)
DFID – United Kingdom Department for International Development
EC – European Commission
ERBD – European Bank for Reconstruction and Development
EU – European Union
GNI – gross national income
GTZ – Gesellschaft für Technische Zusammenarbeit
ILO – International Labour Organization
IMF – International Monetary Fund
JICA – Japan International Cooperation Agency
MDG – Millennium Development Goals
MFA – Ministry of Foreign Affairs
NORAD – Norwegian Agency for Development Cooperation
ODA – Official Development Assistance
OECD – Organization for Economic Cooperation and Development
SIDA – Swedish Agency for Internal Development Cooperation
UN – United Nations
USAID – US Agency for International Development
INTRODUCTION

Since Estonia identified itself as a development cooperation donor country in 1998, significant progress has been made in transforming the country from being a recipient to a donor country. The government and non-governmental organizations (NGOs) have increased their involvement in development aid. Numerous articles and experts claim that Estonia has tremendous experience as a transition, reform and development aid recipient. (Hilmarsson 2011; Bucar and Mrak 2007, 14 cited in Lightfoot 2007). It has become a general belief that Estonia has gained knowledge from the aid recipient period and, therefore, should be qualified to deliver aid to other countries by using the lessons learned. Besides public speeches from development practitioners and articles, this understanding is stated in “Estonia´s Strategy for Development Cooperation and Humanitarian Aid 2011-2015”.

The author of this study hesitates to confirm the fact because having been born in 1985, does not contribute to the memories from the times Estonia was a development aid recipient. In addition to that, brief research about the topic from the Internet does not give enough knowledge to people born in the nineties to place them to “Estonia that has tremendous transition experience”. Thus, it is questionable whether there is a functioning learning system to claim that Estonia as a country has valuable reform experience as development aid recipient.

The study is therefore intended to provide an answer to the question whether there is a functioning learning system in Estonian development cooperation? To construct a learning system, the framework of learning in technical assistance delivery will be analyzed using different levels and modes of learning. The following questions will be asked:

- How do development practitioners in Estonia learn from their own previous experience?

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1 Andris Piebalgsi presentation “EUROOPA LIIDU ARENGUPOLIITIKA TULEVIK” 11th of November, 2010 University of Tallinn
How do development practitioners learn from other development aid organizations?  

How do development practitioners learn from the recipient period?

The horizontal question followed throughout the study is whether learning has taken place in individual, organizational or country level. Furthermore, knowledge diffusion is divided to tacit and explicit knowledge transfer.

The study is based on document analysis and interviews. Most of the empirical information is gathered from ten interviews with development aid and governmental organizations representatives, from a coordinating organization representative and an individual consultant.

The thesis is organized as follows. In the first chapter, an overview of development aid in the global context will be given. Thus, the concept of technical assistance is clarified. To understand the learning process in development cooperation, one has to know the different parties in the process – therefore the theory of the aid chain is presented. Development aid literature includes several overviews about the shortcomings in technical assistance delivery. Those shortcomings are inherent to different actors in the aid chain.

Most of the pitfalls in technical assistance supply could be avoided if the parties in the aid chain would learn from their own mistakes, or knowledge from success and failure of others could be communicated to them. Overcoming the mistakes and increasing aid effectiveness puts special emphasis on the learning process. Thus, the second chapter describes the theoretical background of learning on different levels – individual, organizational and country level. It also gives an overview on tacit and explicit knowledge sharing possibilities that will form a framework of the empirical analysis.

The third chapter determines the research method and explains the sample selection and design.

The fourth chapter is analyzing the learning system used in Estonian development cooperation. First, the overview of Estonian recipient and donor period is given. Then, the results of the interviews will be presented, divided into four parts: learning from experience, learning from other development aid organizations, learning from the recipient period and socially embedded knowledge at the country level.
The study covers various fields of research and therefore, very broad definitions are used within this study\(^3\). Through the thesis the main focus is on the technical assistance delivery when talking about the development cooperation.

\(^3\) The concepts of development aid, development cooperation, development assistance and foreign aid are used interchangeably.
1. DEVELOPMENT AID IN THE GLOBAL CONTEXT

Malmqvist (2000) defines development aid, in very general terms, as the flow of financial resources with the central focus to improve the economic, political and social climate in partner countries by supporting measures to improve legitimacy and effectiveness of the state, as well as emergence of a strong civil society. Carlsson and Wohlgemuth (2000) noted that development aid is based on the idea of transferring knowledge from the developed to the developing countries. Estonian Ministry of Foreign Affairs defines development cooperation in general terms as financial support, technical or material assistance for developing countries⁴.

Within the OECD, Development Assistance Committee (DAC) is the body that has been assigned to report on aid flows. DAC has measured the flows to developing countries since 1961⁵. Special attention has been given to the official and concessional part of this flow, defined as Official Development Assistance (ODA).

DAC defines Official Development Assistance (ODA) by three characteristics:

- it is provided by an official body;
- its main purpose is economic development and welfare in poor countries;
- it is concessional, with a grant element of at least 25 per cent. (Kharas 2007; DCD/DAC 2010).

The total amount of ODA delivered by DAC countries is slowly increasing. In 2010, the amount was 128,728 million dollars⁶. The change in the amounts of Official Development Assistance is presented in Figure 1.

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⁵ OECD DCD-DAC [www.oecd.org/dac](http://www.oecd.org/dac) (06.02.2012)
⁶ Ibid.
The systemic nature of development assistance results from establishment of the Bretton Woods institutions in the end of the Second World War. Institutional structures have remained largely unchanged ever since regardless of significant changes in the context in which they operate today (Barder et al. 2010). In general, foreign aid literature is divided between work that analyzes the impact and efficiency of foreign aid and work that explains the sources of aid and development aid donor motivation.

The first discourse examines the impact of foreign aid on recipients’ country (mostly macroeconomic policies, growth and poverty reduction) (Collier and Dollar 2002; Sachs 2008). Questions have been asked about the amount of aid given, about its content, organizations and individuals involved. It has been pointed out that well-being around the world could be increased through economic growth, and aid could be more effective in better policy environments. Easterly (2008), on the other hand, argues that there is lack of clear evidence linking different variables as growth, control or good institutions in a state directly to foreign aid and development.

A more general approach to development under the first discourse takes a closer look at the developing countries and discuss why some countries are better off than the others and what are the root causes of poverty (Clark 2007; Reinert 2008; Collier 2007; Di John 2008; Sen 1999). Different types of conflict traps that are fatal to developing countries are described. Is it argued
how policies suggested by the World Bank and United Nations that aim for peace, stability, order and public health have been creating population growth that have made the societies poor.

The other discourse of foreign aid studies is analyzing development aid as an international relation issue. The impact of politics on development aid and donor’s motivation to give aid is discussed and explanation on the aid flows searched (Alesina and Dollar 2000; Boone 1995; Dalgaard and Hansen 2001).

Countries pursue quite different goals through their aid projects. The main motives for giving development assistance are:

- moral and humanitarian motive;
- national security;
- economic motives;
- environmental considerations (Degnbol-Martinussen and Engberg-Pedersen 2003).

Boulding (2004, 4) notes that giving some amount of foreign aid has become a necessary part of developed democracies. The norm of donating foreign aid is sanctioned by the United Nations, the OECD and the World Bank through variety of mechanisms. Both the United Nations and the OECD have set target levels of development spending for their member countries. UN recommends wealthy donor countries to give 1% of the gross national product in aid and OECD has set the target level of official development assistance from each donor country of at least 0.7% of the country’s GNI7. In 2005, European Union countries committed themselves to reaching the development aid as a share of the GNI to 0.33% of target by 2015 (Barder et al. 2010).

Furthermore, all of these organizations have proclaimed world development as one of their goals and priorities. This declaration is formulated in the Millennium Development Goals (MDG), which set goals and targets for poverty alleviation in different sectors (Boulding 2004, 14-15; United Nations Development Program homepage; ECDPM/ACE Europe 2006). Estonia’s Strategy for Development Cooperation and Humanitarian Aid 2011-2015 also underlines the importance of MDG. To the contrary, Easterly (2005) questions why so much energy is spent on the MDGs campaign that does not provide positive incentives for any of the actors because it is over-promising on things the actors cannot control. He questions why the poor should have a

7 Millennium Project homepage http://www.unmillenniumproject.org/press/action7_oecd05.htm
need for more of something that has previously failed in addressing the needs of the poor (Easterly 2005, 5; Easterly 2006).

Another defining document is The Paris Declaration on Aid Effectiveness, signed in 2005. It states far-reaching actions to improve the aid delivery and management. The key areas in the Declaration are ownership, alignment, harmonization, managing for results and mutual accountability⁸.

Overall, development aid can be provided through multilateral or bilateral cooperation. In the global context, about 70% of aid is given bilaterally and 30% through multilateral channels (Barder et al. 2010). Multilateral aid is distributed through international organizations, like the European Union (EU), the European Bank for Reconstruction and Development (ERBD), the International Labour Organization (ILO), the United Nations Development Program, the World Bank and the OECD. Bilateral aid is given directly from one country to another. Bilateral aid is also given through different institutions. Bigger bilateral donor countries have created special national donor organizations, such as the US Agency for International Development (USAID), the Swedish Agency for Internal Development Cooperation (SIDA), CIDA in Canada, DFID in United Kingdom, JICA in Japan, GTZ in Germany and NORAD in Norway. Altogether, there are over 126 bilateral agencies from the Development Assistance Committee (DAC) countries providing official development assistance (ODA). In addition, outside the DAC, other countries are also giving aid (Kharas 2009, 2).

1.1 Technical assistance

Technical assistance is a part of development cooperation. According to Danielson et al. (2002) technical assistance is a problematic term in itself. It is known and understood under uncountable variations – as training, human resource development, capacity building, democracy aiding, technical cooperation or capacity development. Although there are various arguments as to which of these definitions qualify under another (i.e Danielson et al. 2002), within this paper, all of those definitions are used interchangeably.

Herfkens and Bains (2009) state that the biggest components of technical cooperation are study assistance and supply of foreign experts. The logic behind this type of cooperation is that

developing countries lack the capacity and expertise for development. According to DCD/DAC (2010, 15), technical cooperation can be understood as provision of know-how in the form of personnel, training, research and associated costs. The World Bank describes technical assistance as activities within foreign aid that include grants to nationals and aid recipient country receiving education or training and payments to consultants and advisors (Sobis and Vries 2009, 31-33).

For example, IMF implements technical assistance in two ways. First, it supports the efforts of members to strengthen their capacity to formulate and implement sustainable, growth-oriented and poverty-reducing macroeconomics. Secondly, IMF assists countries in development of appropriate reforms, taking into account the lessons by other countries in addressing similar economic policies (IMF 2005, 1).

1.2 The aid chain

To understand the possible learning effect of the technical assistance delivery one should first have the overview of different actors in the process and the relation between them. The relation between parties involved in technical assistance delivery is expressed as the aid chain in Figure 2.

**Figure 2 The aid chain**

![The aid chain diagram](source: Sobis and Vries 2009)

The aid chain can differ according to the situation of the technical assistance delivery but usually it includes a government (in bilateral aid) or international organization (in multilateral aid) that provides the money for technical assistance and sets the strategic goals. The second actor is a donor organization that is responsible for efficient distribution of this fund. Often, donor organizations apply for funding by handing in a project description. The donor organization in turn hires consultants and advisors to do the actual job. They can be individual consultants or advisors from small or large companies, local governments or independent actors. Furthermore, there is an organization on the recipients’ country’s side that could use this knowledge to help solve a problem (Sobis and Vries 2009, 35).
Ideally, a consultant would do the job and the problem would be solved, but in reality there are several misfits in the chain that lead to inefficiencies in providing technical assistance (Sobis and Vries 2009, 35). The relationship is characterized by a huge difference regarding the terms and conditions in which all parties collaborate with each other. Since every actor has a diverse role in an aid chain, they may emphasize the importance of aspects in a learning process differently. On the other hand, effective learning does require that both parties learn, have an opportunity to share their experiences and jointly work out an agenda of action (Carlsson and Wohlgemuth 2000).

Shortcomings in the technical assistance supply, specific to some of the actors in the aid chain or to power relations between them will be discussed below. The question is who is to blame for the poor results of the aid delivery and how should the system work to present the expected results. Furthermore, the question remains how the learning process is managed in every part of the chain and between different parts within the aid chain. A lot of problems originate from power relations in the aid chain because implementation of a development project is often not considered an activity of cooperation. Rather, there is a clear distinction between different parties (recipient or donor) and different roles for both.

1.3 Shortcomings in technical assistance delivery

Effectiveness and efficiency of technical assistance has long been questioned in development literature (Williams et al. 2003; Berg 2000; Sobis and Vries 2009; Carothers 1999; IMF 2005; Land 2007). Easterly (2005, 9) notes that foreign aid system has neither democracy, accountability to the beneficiaries, nor specialized responsibility. Nevertheless, learning from shortcomings in aid delivery projects would be one way to increase effectiveness and efficiency.

The main criticism on the global context of technical assistance supply seems to regard the following:

**Technical assistance is supply, rather than demand-driven and a top-down process** (Berg 2000; Carlsson and Wohlgemuth 2000; Carothers 1999, 260; Danielson et al. 2002, 162; IMF 2005, 39; Morgan 2002, 5; Williams et al. 2003, 6-7).

Projects that are funded, developed, managed and evaluated by donors receive little ownership, commitment and independent action by the recipient. Due to top-down management, the aid
projects lack flexibility – the donor organizations decide where the project takes place, what kind of training and to whom is provided. Furthermore, technical assistance staff is accountable to donors rather than recipients (Carothers 1999).

Projects often address low priority needs from the recipient countries’ perspective, damage local capacity, mislead local labour markets and have a negative impact on self-esteem in the aid-receiving countries (Danielson et al. 2002, 162).

**Too much money goes through western NGOs** (Sobis and Vries 2009, 118; Carothers 1999, 258; Youngs, 2010)

Researchers criticize that most of the money for development stays within the complex structure of the aid giving organization and little is actually used to provide aid. Unreasonably high expenses of the projects are induced by the use of fly-in experts who stay in recipient countries for a short while but whose flying and hotel bills raise the administration costs to up to 40% of the total project budget. Even if consultants stay for a week, the costs are extremely high (Sobis and Vries 2009, 24; Carothers 1999, 264).

Further, **aid-providing organizations are interested in running their own internal organizational affairs** rather than taking care of the recipient’s interests. They are trying to secure their position in competition with other aid-providing donor organizations. Donor organizations are afraid of any mistake or misuse of funds that could attract media attention, and for that reason they only rely on the method of sending their own experts to a recipient country to ensure that procedures are followed properly and deadlines are met, thus ensuring their employment. (Sogge 2002, 87, cited in Sobis and Vries 2009; Sobis and Vries 2009, 118; Carothers 1999, 258).

**Technical assistance projects lack sustainability** (Danielson et al. 2002, 162; ECDPM/ACE Europe 2006; Williams et al. 2003, 6-7)

Technical assistance is often used for filling the gaps rather than as an approach for building long-term capacity. As an effect, sustainability of assistance is very limited (Williams et al. 2003, 6-7).

**Technical assistance delivery is often of low quality** (Danielson et al 2002, 162; IMF 2005, 44; Morgan 2002, 6; Sobis and Vries 2009, 99, 114; Williams et al. 2003, 6-7)
Individual consultants in the aid chain are considered to be goal, rather than problem oriented, and eager to copy instead of adapting plans to the local context (Sobis and Vries 2009, 99, 114).

Moreover, advisors often lack awareness of the local situation, cultural sensitivity and, therefore, projects are very often based on the donors’ national model. Consultants are appointed not based on the knowledge on the country they are advising but rather on their experience elsewhere in the world which results in “one-size-fits-all” solutions. This, in turn, has led to encouraging countries to implement incorrect policies (Sobis and Vries 2009, 60).

Foreign experts blame this on the problematic circumstances they have to work in – no preparation, too much money with too little time to make something of the project (Sobis and Vries 2009, 99, 114). Limited time which is given to the consultant is not sufficient to carry out preliminary investigation, get to know the recipient country in detail, carry out the project and evaluate it (Carothers 1999, 260-264). Thus, aid providers rush to get programs under way, which results in having unprepared consultants in recipient country. Development literature mentions advisors who have forgot to change the name of the country in the final consultancy report when submitting it to the next developing country and experts who copy development strategy for a country directly from the experience in another country without considering the “side-effects” (Sobis and Vries 2009, 16, 25, 59; Carothers 2009; Morgan 2002, 6; Williams et al. 2003, 6-7).

However, it can be said that policy-makers in a recipient country still decide which advice to follow by themselves and if consultants do not take local conditions, culture and structure into account, their advice is likely to be ignored. Consultants recognize the problem that their advice is sometimes not implemented. Thus, technical assistance recommendations could be discussed extensively and at an early stage while benefits from following them may not seem as obvious to the local counterpart as it seems to the foreign expert. If local experts formulate recommendations together with foreign advisors, then the recipients have an opportunity to discuss and consider the alternatives (Sobis and Vries 2009, 98-99, 114; IMF 2005, 46).

Carlsson and Wohlgemuth (2000) explain recipients’ resistance to learning with the fact that people tend to avoid information that may lead them to challenge their basic assumptions. People have a need for stability and they are therefore not eager to change their knowledge structures and confuse their world view. They rather seek information that confirms what they already know.
Too much bureaucracy (Carothers 1999, 262; Sobis and Vries 2009, 24; Williams et al. 2003, 6-7)

Much of the experts’ time is spent on bureaucratic demands leaving them fewer opportunities to educate themselves in the local situation. Highly bureaucratic structure and constant work with demands from the funding institution becomes evident when looking at the number of reports recipient countries need to write to justify spending of the aid that the country received (Sobis and Vries 2009, 24; Carothers 1999, 262).

1.4 Evaluation of aid programs

It can be said that evaluation is one of the tools for overcoming mistakes and improving technical assistance delivery. Written evaluation reports or oral feedback from a development mission could be an important knowledge source for learning from the past and decreasing further pitfalls in projects. However, there are also several shortcomings in evaluation of technical cooperation projects and their results are often questionable.

Evaluations are often said to be “donor-centric” and too frequently used to advance the donor’s view on how things should be done (Carlsson and Wohlgemuth 2000, 16). According to Krugman (1994), model-building always involves ignorance and intuition with a deep sense of the complexities of reality. For this reason it can be argued that in mathematical models more is lost than gained. However, Hjertholm and White (2000, 164) note that technical assistance projects place excessive emphasis on tangible, measurable outputs because donors like to have something to show for their projects. USAID for example, introduced managing of results system which foresaw quantitative analysis – putting all the results into numbers and percentages. At the same time it is unclear and disputable how numbers should be understood and interpreted (Carothers 1999, 287-293).

Easterly (2008) points out that is easier to evaluate “marginal” projects that are aimed to make a small change in an specific area than “transformational” approach that initiates overall economic growth in a recipient country. It is difficult to measure the outcomes like moral support, trust or good governance. It is not easy to distinguish whether the results derive from the democracy aid or from other changes in the society or organizational structure. For example, disasters and stagnation in a country are some factors that can explain the absence or negative relation
between economic growth and foreign aid but there could also be other reasons (Carothers 1999, 282-283; Bourguignon and Sundberg 2007; Sobis and Vries 2009, 21). The overall aim of transformational projects is too extensive, making it difficult to learn from those efforts. It is almost impossible to make sure what, when and why went wrong (Easterly 2008).

Moreover, a recipient country representative often brings evaluators and interviewees together. On one hand, an evaluator makes his formal nature of inquiry clear, on the other, a recipient wants to present only positive information not to endanger the possibility of continued aid. The project manager in a donor organization is also interested in good evaluation for his job. And often the personnel are requested to produce those measurable outputs. All this together makes evaluation results debatable (Hjertholm and White 2000, 164; Carothers 1999, 286-287).

Furthermore, evaluations rarely provide information about impact and aid effectiveness, are often methodologically weak and can seldom fulfill basic scientific criteria (Carlsson and Wohlgemuth 2000, 16). According to the research by Sorbis and Vries (2009), politicians in a donor country are not interested in evaluations or effectiveness of the projects. For example, for Swedish politicians, the most important outcome of providing tied aid within a specific project was whether Swedish economy could profit from it (Sorbis and Vries 2009, 174).

There is also a problem of sharing the results of evaluation, also being highly important in the view of the learning process. Due to competitive nature of aid business, donors are often not motivated to share their knowledge with others and reports produced for external readers are usually more of a “public relation efforts” (Carothers, 1999, 9; Carlsson and Wohlgemuth 2000, 16). Evaluations are often regarded as confidential and local diffusion is also restricted. A copy of an evaluation may go to the government agency directly involved and perhaps to the core economic agencies, but these are rarely distributed to beneficiaries, press, research institutes or universities (Berg 2000; Carlsson and Wohlgemuth 2000, 16).
2. MODES AND LEVELS OF KNOWLEDGE SHARING AND LEARNING

Most of the pitfalls in technical assistance supply could be overcome if the parties in the aid chain would learn from their mistakes or receive knowledge on success and failure of others. Overcoming the mistakes and increasing aid effectiveness puts the learning process in the middle of inquiry. Further, a lot of mistakes in aid delivery are related to a specific party in the aid chain or with a relation between them and thus the learning process has to be examined on different levels.

Matthews and Candy (1999) support this by claiming that the emphasis on psychological investigations of learning is focused on an individual within a social context. Bound and Garrick (1999) also divide between individualistic, organization-focused and socially focused learning. The same allocation is used in this study to analyze learning process in aid chain. The core focus of this study is the learning system of Estonia and therefore knowledge flows from and to recipient country will not be analyzed. Within this study, the learning levels and parties in the aid chain are used in parallel as presented on Figure 3.

Figure 3 Aid chain and learning levels

To understand the process of learning on different levels of the aid chain, one has to understand the rules of knowledge creation and knowledge sharing.
Krogh et al. (2000) state that knowledge is a justified true belief. Nonaka et al. (2002) characterize knowledge as:

- dynamic – created in social interactions;
- context specific – depends on particular time and space (without the context it is information and not knowledge);
- humanistic – related to human actions.

It is argued that knowledge is not simply information. Information becomes knowledge when it is interpreted by individuals, given a context and anchored in believes and commitments of individuals (Nonaka et al. 2002, 42-43; Krogh et al. 2000). Marsick and Watkins (1999, 207) argue that knowledge creation contains increasingly complex levels of integrating data, information, knowledge and wisdom and note that learning of individuals and systems is the process that makes creation and use of knowledge meaningful.

There are two types of knowledge: explicit and tacit knowledge. Explicit knowledge can be expressed in a formal language and shared in the form of data, manuals and specifications. It can be processed, stored and transmitted easily (Nonaka and Takeuchi 1995; Nonaka et al. 2002, 43; Takeuchi 2001). Explicit knowledge can be stored in written evaluation reports, country overviews, mission evaluation databases and other formal papers. Tacit knowledge, on the other hand, is personal and hard to formalize, it is rooted in actions, procedures, routines, commitments, ideas, values and emotions. It is difficult to communicate tacit knowledge to others (Nonaka and Takeuchi 1995; Nonaka et al. 2002, 43; Takeuchi 2001).

However, it is clear that an expert providing technical assistance gains a lot of tacit knowledge about the culture, the way recipient officials learn or how they implement the advice from the consultant. Thus, transformation of tacit knowledge to explicit one is an important component of learning. One way to make knowledge explicit is to write it down. Often knowledge can be written down only partially, because in order to understand messages about the world you need to have some prior knowledge about it (Jensen et al. 2007, 681). Due to this fact, it is also argued that knowledge is created through interaction between tacit and explicit knowledge. This means that codified and tacit knowledge are complementary and co-exist in time (Lundvall and Borras 1997; Nonaka and Takeuchi 1995; Nonaka et al. 2002, 43; Takeuchi 2001). Furthermore, this means that passing on tacit knowledge from a technical assistance project should always involve some part of networking among people, in addition to written information.
2.1 Learning on individual and organizational level

Going further, it is important to distinguish whether to analyze explicit and tacit knowledge interaction on the organization or individual level. Nonaka and Takeuchi (1995, 13) noted that organizational knowledge creation is a process that organizationally amplifies the knowledge created by individuals and crystallizes it as part of the knowledge network of an organization. On the other hand, Garvey and Williamson (2002, 138) argue that learning is only inherent to human beings and takes place inside an individual human mind. According to them, organizations do not learn because they don’t have minds and for this reason one can only talk about learning on the individual level. Third opinion comes from Kulkki and Kosonen (2001, 248), who claim that individual is an intermediate, creative and constructive link between an organization and the environment. The environment “flows into” an organization through the individual mind. Takeuchi (2001, 322) supports this conviction and adds that knowledge creation is a social process between individuals, and individuals and organizations, but knowledge is created only by individuals. Berg (2000) also argues that learning organization absorbs and adapts new knowledge or insights that are present in individual heads and changes its behavior accordingly. New knowledge is generated within the organization as its staff and management draw lessons from their activities. Organizations can be said to learn if knowledge based on the past experience is incorporated in organizational skills, procedures and cultures (Berg 2000; Carlsson and Wohlgemuth 2000).

However, organizations can support creative individuals or provide context for them to create knowledge. Therefore, it can be agreed that human being is in the center of knowledge creation and the managing process – without a human, there can also be no learning in human mind or on organizational level. Thus, it is fair to say that a consultant as an individual is the most important part of the aid chain in technical assistance delivery process.

2.2 Knowledge management in organization

There is a growing interest in knowledge management within development aid agencies as they increasingly see themselves as organizations whose value is not administration but knowledge. (Barder et al. 2010; King, McGarth)
Takeuchi (2001) emphasizes that organizational knowledge can be created when tacit knowledge is converted into words or numbers that everybody can understand. In addition to individuals learning within the organization, organizational learning represents systems, histories and norms within the organization, that are transmitted to new organizational members (Yeung et al. 1999, 9). Dedicated techniques must be used consciously to ensure implementation of knowledge management (Kluge et al. 2001, 11). Furthermore, knowledge management is said to work only in the right cultural context that would create and encourage mutual trust, openness and cooperation. Social, cultural and historical contexts provide basis for interpreting information to create meanings (Kluge et al. 2001, 25; Nonaka et al. 2002, 49).

Knowledge management systems assume that it is possible to capture the knowledge lying in experience and networks. On one hand, owning accumulated knowledge of employees past and present would be a massive resource for any agency and a valuable instrument to improve the development aid projects outcome. On the other hand, there is a strong concern that most of what can be learned cannot be learned by codified knowledge because it is likely to result in oversimplification that is misrepresenting. Furthermore, it is also difficult to capture real knowledge – the truth (King, McGarth; Skyrme and Amidon 2002, 269).

2.3 Knowledge sharing on a country level

Inherently, we have made clear that human being is in the center of the learning process and an effectively organized knowledge management system is a massive resource for any development organization. As a result, the motivation to learn on an individual and organizational level is clear – the question remains whether learning also takes place between different actors in the field of development cooperation and is it thus justified to say that there is knowledge sharing taking place on a country level.

King (2001, 2) noted that large number of bilateral, multilateral and non-governmental development organizations have made efforts to become learning organizations and adopt knowledge management systems. To make the system of learning available on a country level, small knowledge management systems (organizations) should network or share their experiences with others through explicit channels. Still, ECDPM/ACE Europe (2006, 60) writes that many international development organizations see knowledge as a good which needs to be available within the organization but much less as a public good to be shared among networks of
knowledge actors. Carothers (1999, 8-9) reaches the same conclusion and notes that democracy assistance is a competitive business and organizations are not motivated to share their knowledge with others. Coordination within different technical assistance providers is also insufficient. There is a lack of systematic information sharing, guidance is vague and the role a donor organization plays in relation to that of the others is ambiguous (IMF 2005, 47).

Furthermore, it is obvious that some experienced people in the field of development cooperation are gaining considerable expertise but their knowledge is often not extracted in a written formal form, or is used only internally. In IMF, for example, dissemination of wider results of technical assistance results is limited because these reports are confidential (IMF 2005, 47).

However, much of the workplace knowledge is collective and collective knowledge is said to be embedded in social activities in the ways that are relatively invisible to the social actors involved (Spender 1994, 396, cited in Matthews and Candy 1999, 54). Likewise, Lundvall (2003) argues that country level learning process is frequently affected by the social context – presence and form of social capital in society. Formation of social capital is crucial for development of networking, but the role of government policy within this is complex and diffuse. It is complex because tacit – or going further, socially embedded knowledge – involves high level of vagueness. It is hard to put this kind of knowledge into written forms. Brown and Duguid (2002, 29) support this by saying that trying to move the knowledge without the practice involves moving the know-what without the know-how. They assume that socially embedded knowledge “sticks”, because it is deeply rooted in practice. Garvey and Williamson (2002, 126) refer that peoples’ willingness to learn is shaped by their previous educational experience, position in society and the actual opportunities open to them. It is the interaction of supply and demand that shape the form, content and pattern of learning opportunities in any society.

Another fact that makes it important to analyze tacit knowledge diffusion within the society is the characteristics of the current paradigm, namely the high rate of change. Codification loses its effect on the transferability of knowledge because the content of knowledge is changing rapidly and only those who take part in its creation can get access to it. This means that specialized knowledge becomes a passing resource and the performance is defined by the capability to learn and adapt to new conditions. (Lundvall and Borras 1997, 31-33)

For effective results of country level knowledge sharing there should be systematic information sharing, knowledge codification and guidance for different actors to make the knowledge
socially embedded. This, in turn, requires the presence of relevant institutions and processes to ensure knowledge sharing. If parties are not willing to share information or there is no formal requirement and/or guidance, the network does not start working.
3. RESEARCH METHOD

There is rather limited amount of information about development cooperation projects and organizational characteristics publicly available. Moreover, there are only few organizations in Estonia that could be viewed as running development aid projects continuously. In addition to that, the topic of the thesis is very discrete and related to opinions, feelings and cognition. Thus, the most appropriate research method would be qualitative research to understand and analyze learning system in development cooperation in Estonia.

The purpose of the qualitative research is to evaluate subjective data that is produced by the minds of the interviewees and establish a socially constructed nature of reality. The research aims to acquire an insider view by talking to respondents (Welman et al. 2005, 8-9).

The study is based on document analysis and interviews. As to document analysis, information about explicit knowledge sharing in development aid organizations in Estonia was gathered through databases and web searchers. Official public documents on development aid, reports from ministries and NGOs, yearbooks and information available at donor organization homepages was examined.

Semi-structured in-depth interviews were used to collect empirical knowledge about the learning process in development cooperation in Estonia and to assess learning type and knowledge sharing on different levels. Because of vague knowledge about inter-organizational issues, a lot of open-ended questions were asked. It was considered that interviewee and interviewer could understand the question differently and thus several questions were asked about the same topic from different angles. Some of the questions were added when there was need to specify the answer.

Respondents have been asked to present their personal reflections and ideas about how they perceive learning from past experience, from other development organizations and from the development aid recipient period.
The interviewees were chosen according to their expertise in the development cooperation field. There are rather limited number of organizations that run development aid projects continuously. Thus, sample was conducted considering the following characteristics:

- organization has received Ministry of Foreign Affairs development aid support at least 3 times;
- organization has information in the homepage in which they are stating that they run development aid projects.

The biggest group of respondents is the people representing development aid organizations because they represent the individual and organizational level at the same time. They were expected to give more information about the learning systems in the country level than individual consultants because it is assumed that a functioning learning system on a country level is based on working organizational systems. Nevertheless, an interview with an individual consultant (does not work for any Estonian development aid organization) was also conducted to compare the information flows between individual consultants and country level information. It also proved necessary to interview some persons in governmental and coordinating organization to get another perspective on country level learning and gather some background knowledge. Some respondents were added to the sample based on the suggestions of other interviewees.

Altogether, eighteen connections were taken to schedule an interview. Eight of them claimed not to fit to the sample because they have actually no insight to development cooperation projects. Most of them recommended addressing the inquiry to the Ministry of Foreign Affairs that coordinates this issue.

Consequently, ten interviews were carried out with:

- development aid organizations representatives – six interviews;
- governmental organizations representatives – two interviews;
- coordinating organization representative – one interview;
- individual consultant, expert – one interview.

There are five male and five female respondents in the sample.

Interviews were carried out in the periods of October-November 2011 and January-March 2012. Appointments were scheduled by e-mail. Duration of the interviews varied from 30 to 90
minutes. All of the interviews were carried out by personal conversation and were digitally recorded. Conversations were held in Estonian and quotations presented in the thesis are translated to English by the author of the thesis.

Respondents’ name, organization they represent and their professional positions will not be revealed. These details are seen as less important for the study, the objective is to assess how the learning system is perceived and experienced by the respondents.

Interviews are presented in the thesis with a number according to the order of their appearance. Interviews were codified by letters D, G, C or I that mark the category of the interviewee as follows:

D – development aid organization representative;
G – governmental organization representative;
C – coordinating organization representative;
I – individual consultant, expert.

The analysis of the interviews will be presented in the next chapter, illustrated with quotations from the interviews.
4. LEARNING IN ESTONIAN DEVELOPMENT COOPERATION

This chapter will first describe the background of Estonian development aid donor and recipient period. The role of Estonia in the field of development cooperation has shifted from an aid recipient to donor country in the near past. Until 2004, Estonia was officially recipient of development aid and included in the DAC list. (Kuusik 2006) Since 1998, Estonia has identified itself as a donor country. Thus, many practitioners on the field suggest that Estonia should share the reform and transition knowledge.

Hence, the rest of the chapters will analyze thoughts of the interviewed development organization representatives about learning from their own past experiences, from other development organizations and from the recipient period. The last chapter will clarify the phenomenon of socially embedded knowledge in Estonian development cooperation.

4.1 The background of Estonian development aid donor and recipient period

After the re-independence of the Baltic States in 1990-1991, many aid programs were channeled to Estonia to support the development of a newly democratic country. Support for transition from centrally planned economies to market economies has been a large field of cooperation. Since 1996, the main focus of cooperation was adjusted to support EU integration (Eduards 2004).

In 1991, the Commission of Foreign Aid⁹ was created by the Ministry of Finance to administrate development aid reception. The most important function of the Commission was to evaluate the projects that different donors were willing to run in Estonia. The Commission had to organize a call for proposals and select organizations that could profit the most from the donor project. In the beginning of a recipient period, a new call for proposals was announced for every single donor. In time, the Commission started to evaluate Estonian

⁹ välisabi komisjon
needs more systematically and this information was reflected back to the donors. Systematic needs evaluation made it possible to run calls for proposals not according to the donor state but based on the area the money was provided for. If the donors came to missions they also had a meeting with the Commission and discussion was held about the topics in which Estonia would need counseling (an interview with a Ministry of Finance representative, 2012). This assessment is supported by Eduards (2004, 18) who claims that over time, competition between donors disappears when the administrative capacity on the recipient side becomes stronger.

In 1993, functions of the Commission of Foreign Aid were divided between the Ministry of Finance and the Ministry of Foreign Affairs (an interview with a Ministry of Finance representative, 2012).

During the recipient period from 1992 to 2002\(^1\), Estonia received 13,018.1 million EEK in official development aid. Altogether, the OECD countries contributed with 7,322.7 million EEK (56.2\%) and the European Union (Phare, ISPA, SAPRAD programs) with 5,695.4 million EEK (42.8\%) to non-repayable foreign aid to Estonia. Most of the bilateral aid came from Denmark (14.6\%), Sweden (12.9\%) and Finland (9\%)\(^1\). The official development aid flows are presented in Figure 4.

![Figure 4: Official development aid to Estonia 1992-2002](https://www.riigikogu.ee/doc.php?46336)


\(^1\) Development aid flows to Estonia are presented until the year 2002 because the availability of data after this year is not sufficient.

Official development aid flows to Estonia were administrated by the Ministry of Finance. It also compiled an annual report on development aid flows to Estonia.

Kuusik (2006) stated that a shift from an aid recipient to an aid provider has been presented as a moral responsibility of any democratic state. She also notes that in order to be an equal partner in the EU, Estonia should share the knowledge of reforming the society.

1998 was the year Estonia identified itself as a donor country and started to support the activities of the global humanitarian aid system as a donor. First voluntary donations were provided to UNICEF and the International Committee of the Red Cross. (Turk 2010, 84; Kuusik 2006, 51). Since then, both the government and non-governmental organizations (NGOs) have increased their involvement in development cooperation12 (Kool 2007).

In the period from 1998 to 2003, the donor budget for development and humanitarian aid was 0.44 million euro. In 2004-2010, the budget increased rapidly13 because Estonia joined the EU in 2004 and thus new foreign aid target levels had to be followed. Estonian official development assistance in 1998-2010 is presented in Figure 5.

Figure 5: Estonian Official development assistance (ODA) 1998-2010 (mln euro)

Source: Ministry of Foreign Affairs http://www.vm.ee/?q=taxonomy/term/90

Estonian development and humanitarian aid budget that includes contribution from other ministries was 14.1 million euro in 2010. That makes 0.1% of the GNI\textsuperscript{14}.

Estonian government puts much faith in multilateral agencies and most of the ODA is disbursed multilaterally. Since 2004, allocations from Estonia will contribute to the European Union development cooperation budget. 59% of the Official Development Assistance (ODA) was channeled through EU in 2010\textsuperscript{15}. Allocation of Estonian development and humanitarian aid budget in 2010 is presented in Figure 6.

Source: Estonian Ministry of Foreign Affairs [http://www.vm.ee/?q=taxonomy/term/90](http://www.vm.ee/?q=taxonomy/term/90)

During the late 1990s, development aid was rarely channeled through NGOs. Since then the share of NGOs has gradually risen and today most of the MFA funded bilateral development cooperation projects are implemented by NGOs (Kool 2007, 7).

The principles of Estonian Development cooperation as a donor country are based on two documents – “Principles of Estonian Development Cooperation“ and „Estonia’s Strategy for Development Cooperation and Humanitarian Aid 2011-2015”.\textsuperscript{16} Development cooperation is also guided by international development-related agreements and goals, like the UN Millennium Development Goals and the EU development related decisions.

In bilateral aid, Estonian government has made a commitment to focus on areas where it can provide significant added value. Estonian government emphasizes transferring know-how to the

\textsuperscript{14} Estonian Ministry of Foreign Affairs [http://www.vm.ee/?q=taxonomy/term/90](http://www.vm.ee/?q=taxonomy/term/90) (2010-2012)

\textsuperscript{15} Estonian Ministry of Foreign Affairs [http://www.vm.ee/?q=taxonomy/term/90](http://www.vm.ee/?q=taxonomy/term/90) (2010-2012)

regions and countries that are going through reforms similar to those that were undertaken by Estonia\textsuperscript{17}. Likewise, Bucar and Mrak (2007, 14 cited in Lightfoot 2007) note that comparative advantage of new European Member States exists in the areas of transition expertise, as well as EU accession expertise. Thus, Estonian government channels bilateral aid to east-partnership countries – Armenia, Azerbaijan, Georgia, Moldova, Ukraine and Belarus. Bilateral development cooperation projects are often carried out by NGOs who also contribute to the policy design and information diffusion in cooperation with the Ministry of Foreign Affairs\textsuperscript{18}.

To add, Estonian government gives large amount of the foreign aid as technical assistance (mostly training seminars for partner countries’ officials). (Arengukoostöö Æmarlaud 2009, 16) Because of focusing on the technical assistance delivery in the bilateral cooperation, learning within the development consultants circle would be inevitable for effective aid delivery.

The general aim of Estonian development cooperation is to reduce poverty and contribute in achieving the Millennium Development Goals\textsuperscript{19}.

The priority sectors for Estonian development cooperation are:

- Human development;
- Peace and human rights;
- Economic development;
- Support to International development organizations;
- Increasing cooperation between public, private and third sector.

Horizontal priority is information and communication technology development\textsuperscript{20}.

4.2 Learning from past experience

To fulfill the aims Estonian government has set for the development cooperation and successfully allocate quarter of Estonian development aid budget (for bilateral development and humanitarian aid) continuous learning should be in place to create opportunities for effective technical assistance delivery.

\textsuperscript{17} Eesti arengukoostöö ja humanitaarabi arengukava 2011-2015; Ministry of Foreign Affairs homepage 2012
\textsuperscript{18} Ministry of Foreign Affairs homepage 2012
\textsuperscript{19} Estonian Ministry of Foreign Affairs \url{http://www.vm.ee/?q=taxonomy/term/90} (2010-2012)
\textsuperscript{20} Ibid.
4.2.1 Individual preparation for advising a recipient country

Many authors (Sobis and Vries 2009; Carothers 2009; Danielson et al. 2002; Williams et al. 2003, 6-7) demonstrate that in order to maximize the impact of development aid, a consultant should know the recipient country in detail – he ought to be aware of the historical, cultural, political and religious background as well as his consultancy area in the context of the specific country. Consultants experience new routines, values and emotions in their work - they perceive different cultures and learn from the trainees reactions. However, the interviewed development organizations do not train their consultants systematically in those issues. Learning a particular recipient country in detail is not required or encouraged by the development organization, it is indeed neglected. Consultants usually have some individually gained prior knowledge before they are chosen for the project. Interviewees perceive that the most important factor in consultancy work is the specific knowledge – whether it is building up an institution, adopting a law or applying the EU regulations, and knowledge about the culture, history and politics of a specific country is secondary or not important at all.

D3: The experts we use are professionals in their specific area and if they go to work in another country they should read and get to know the background on their own. There is no systematic preparation for the experts.

II: The sending organization makes sure I am an expert on the topic I am going to talk about but nobody will ask if I have some knowledge about the country specifics.

D5: I did not have any preparation or knowledge about development cooperation before I started with this job. I only had good knowledge about the area we are focused on.

Respondents mentioned that there is only one entirely non-profit development organization in Estonia, all the others run development aid projects as an addition to their everyday work.

D4: There is only one entirely non-profit development organization in Estonia but majority of the organizations that run development cooperation projects in Estonia do it as only one of their activities.

Thus, the phenomenon of small state multifunctional profession seems to have an effect on specialization of the interviewed development aid organizations. It is common that an organization carries out activities for Estonian target group and because of the availability of
funding for development cooperation they apply for it to diversify the funding sources. Because of the lack of financial and human resources, in addition to specifics of development assistance field, organizations might not consider increasing aid effectiveness their priority. Hence, organizations set the expert knowledge first and do not educate their consultants on development aid and country specifics related issues – good outcomes of development projects are not the main goal of the organizations.

Further, it can be said that respondents have often worked in a position that requires dealing with international relations, or have been working, studying or doing voluntary work abroad in their past.

D4: All our people have been involved with the development aid and international relations area in their job or as a volunteer, so we all have some knowledge and contacts.

D2: All our employees have some kind of experience in working abroad.

Yet, the experience is often too general and not related to the country they are advising or not even to the field in which they are consultants. In principle, language skills and any traveling experience are considered sufficient preparation for a development consultant. In reality, some authors in the field (Sobis and Vries 2009, Carothers 1999) suggest to introduce more bottom up assistance, look for peoples need and adapt to the environment of the country in question.

Respondents stated that they could not remember any case in which someone with no international experience was sent abroad.

D4: I do not think there could be developing consultants without any international relation experience. Estonians are reserved and not willing to go if they do not have any previous experience.

I1: I was the only one in the organization who was ready to go abroad because I had done some international communication in the past. Also, I could speak English that most of my colleagues could not at this time.

However, this is not thanks to the excellent choice from the development organization’s side, but due to the fact that Estonians are scared of going abroad as consultants if they do not have any
prior experience or if they do not speak the language. This might refer to the pattern indicating that the organizations do not hesitate sending consultants abroad with no preparation.

Development cooperation organizations’ representatives justify the lack of preparation on recipient countries with the difficulty of communicating culturally sensitive information and experiences connected to understanding what works in other cultures and what does not. Thus, culturally sensitive information is generally not transcribed to explicit knowledge.

D1: I don’t think cultural knowledge can be taught theoretically – one has to be in the country to experience it.

D2: Especially new volunteers or consultants in development cooperation would need some cultural sensitive preparation. But it is hard to communicate this kind of information to others.

Some knowledge sharing about country specific issues takes place through a coordinating organization. Still, there is no regulation on it and no written reports will be compiled, which means that only those involved will receive the knowledge.

C1: There is no regulation on how experts should get the information needed about the country specifics. We organize meetings in which people speak about their experiences in a specific country. Of course, the most important aspect is the personal contact between people of different countries.

Respondents emphasize that sometimes a personal contact with the recipient country specialists is the most important source for learning.

D6: I learn so much with every project abroad. Of course, I will give a lecture but I get to meet the best specialists in the field who give me useful information about systems in their country.

Respondents mentioned that people in recipient countries are often very knowledgeable and give useful information to Estonian experts that could be used in their following projects. Taking this into account it can be said that prior knowledge on the country’s history and culture might not be primary. Instead, the local problems and specific aspects are easier to learn through communication with local people. Culture specific knowledge is also easier to learn through
personal contact. In this case, however, Carothers (1999) claims that a preparatory time should be provided to a consultant from the overall duration of the project, before the actual consulting part of the project starts.

To conclude, it can be said that the level of preparation of individual consultants varies a lot and the quality depends only on the consultant. According to Marsick and Watkins (1999, 207), knowledge creation contains complex levels of integrating data, information and wisdom. It seems that individual preparation that is only a matter of one’s own conscience might hold only that person’s experience in developing a certain system in Estonia, but knowledge of alternative opportunities for policy creation could be lacking. Thus, it is likely that some of the consultants are not qualified enough to give suggestions to the recipient country, based on sufficient background information.

4.2.2 Learning in Estonian development aid organizations

As argued above, consultants learn about specific country background and sensitive issues in consultancy mostly from their past experience. Development aid organizations hiring the experts do not do a lot to preserve the knowledge or foster knowledge diffusion between different consultants and different projects.

Furthermore, it is fair to claim that the interviewed organizations in the field of development cooperation in Estonia work on project bases. They have few project managers who are in contact with the recipient and reflect back on the donor organization that provides the money. Most of the experts who are sent to the field are not permanent employees. Organizations do not have resources to pay attention to internal communication, create learning systems for new employees or work with people in the organization.

D4: Most of the NGOs today are working on project bases and this creates problems because organizations do not have resources for everyday functioning and developing of the organization.

On the other hand, project based job is inevitable from a consultant’s point of view because of the small size of Estonia and Estonian development aid business. It might be the only way to include good experts to development assistance delivery since there are not enough full-time jobs in this business.
It can be also said that the interviewed development organization representatives put the project results first and do not consider organizational development and knowledge sustainability important. Respondents confessed that they do not use any formal method to pass explicit or tacit knowledge to others in their organization, neither do they try to codify tacit knowledge to explicit. Nevertheless, most of the respondents claimed that important topics, failures and also sensitive information will be discussed informally.

D4: Every project has its own project manager, but we have regular information meetings to brief each other and discuss the problems. Some topics are discussed by sending e-mails but sharing know-how and experience it is better done face to face.

Most of the interviewed development aid organizations have up to ten employees, making them small organizations. Respondents admitted that their offices are small and all the necessary information will flow informally.

D6: We consult each other and share good working solutions verbally within the company.

D1: We do not have any formal feedback round after the project is finished. The findings will be discussed informally in the office. As the office is small, everyone is receiving information continuously.

D5: Our project team is very small and we do not have many formal meetings, we rather have operative discussions.

D2: We haven’t turned much attention to evaluation or organized information sharing after the project. But we are a small organization and we cannot complain about the information flow.

Small organizations often lack human resources and thus also the capability to institutionalize knowledge of development assistance besides several basic activities for keeping the organization alive. However, according to Yeung et al. (1999, 9), histories and norms within the organization transmitted to new organizational members should be in place to talk about organizational learning. Informal discussion represents individuals learning within the organization, not organizational learning, and this in fact seems to be the case of learning in Estonian development aid.
Tacit knowledge sharing might be useful to learn on the individual level, but Takeuchi (2001) notes that for creating a learning system in an organization and/or on a country level, knowledge should be institutionalized – converted into words that everybody can understand. There are, however, some examples of explicit information in Estonian development organizations that will be available for further learning. One of the interviewees mentioned that it is possible to follow up previous experience from old e-mails sent between the donor and recipient organization.

D2: It is possible to get some information from the correspondence with our partners in the recipient country. Long e-mails are often about finding a solution for a problem. Those e-mails are shared with all the people who work on the projects of the same country.

To add, there are two respondents who stated that they write memos about their work abroad, about the project meetings, and also write down sensitive information about the recipient country. Those memos are not available in their homepage but will be shared with the Ministry of Foreign Affairs and/or Estonian Embassy in their recipient country and/or with high level statesman and different officials in the ministries.

D5: We have memos from all meetings regarding development cooperation projects. We also write down more sensitive information. Those memos are good for getting background information about the country. We also share this information with the Ministry of Foreign Affairs and the Estonian Embassy. But this memo sharing is not regulated, it is not a compulsory part of project documents, we do it because we believe this might be helpful for them.

D6: I write memos from my work abroad and I often send it to people outside our organization to whom it might be useful.

One of the respondents added that they have informal written reports on the projects available, but they are not as institutionalized as they could be.

D6: Most of our work ends with a written report where an assessment of the situation and recommendations are presented. There are also some assistance materials, but sharing this is not regulated – we do not add it to our server. Everyone has their own materials in their computer, but if somebody needs it, we share it on request.
Thus, it seems that even if organizations own some amount of explicit knowledge, it is not systematized and not even gathered and stored consciously.

It is in the interest of the recipient that an aid providing organization itself develops and uses new methods and up-to-date examples in their consultancy work. However, some interviewed people seem to take advantage of the stereotype of Estonia “that has tremendous transition experience”. They consider working in a governmental organization at the time of joining the EU by default as sufficient knowledge for foreign consultant competence. In fact, it could be argued that is not sufficient and continuously benefiting to knowledge diffusion and organizational development would be useful for an organization in the long run. One of the governmental organization representatives supported this conviction and mentioned that not every organization learns from their conducted projects – some are more willing to develop and change and others continue the same way they are used to.

G2: There are organizations that develop and grow their capabilities, but not every organization learns from its mistakes.

It can be concluded that learning from past experience is done on the individual and somewhat on the organizational level. Organizational level learning is mostly tacit knowledge sharing and with a few examples, there will usually be no explicit knowledge for the new employees or next generation. However, accumulated knowledge on consultants’ experiences would be a substantial resource and a valuable instrument to improve the outcome of development aid projects. Unfortunately, there is no learning system for learning from past experience – it is done informally.

4.3 Learning from other development aid organizations

Learning from other development aid organizations in Estonia and abroad is the second common type of learning. This type of knowledge is often in the form of written information (reports or success stories in the media or homepages of development aid organizations), but tacit knowledge is also passed on by networking with area experts and other development organizations. According to many authors (Lundvall and Borras 1997; Nonaka and Takeuchi 1995; Nonaka et al. 2002, 43; Takeuchi 2001), coexistence of codified and tacit knowledge
would be the most beneficial. Again, informal discussions with the circle of consultants who have some experience in building up institutions characterize the Estonian situation.

### 4.3.1 Explicit knowledge sharing on the country level

For the effective system of learning on the country level, organizations have to accept knowledge as a public good to be shared among networks of knowledge actors. This is not entirely the case in Estonia, although there are some written documents about development cooperation. For example, there is a short general overview about the main achievements in the period of 2006-2010 in the Estonia’s Strategy for Development Cooperation and Humanitarian Aid 2011-2015. Estonian Roundtable for Development Cooperation has issued two policy analyses about evaluation of Estonia’s development cooperation of civic society in 2007 and 2008-2009. However, there is no formal dynamic system for learning from other development organizations’ work on the country level and information about project evaluation is not available for the public. It is evident from the interviews and document analysis that evaluation results and knowledge from conducting the project is often not posted on the Internet or shared with universities, think tanks and the media. Most of the organizations have basic overview about their development projects in their homepages and there is short description about project content available in the homepage of the Ministry of Foreign Affairs. Further, the commission that evaluates the projects for funding point out shortcomings in the projects but do not communicate failures of a project to other organizations.

G2: Many of the organizations are our long term partners and we do give them feedback if something needs to be changed in their continuing project. But we do not communicate failures of a project to other organizations.

Thus, it can be said that even if there will be some written reports or memos, they would be for internal use. The field of development cooperation is a competitive business and organizations are only willing to share the list of the conducted projects which might be useful to demonstrate their activity in the sector. But the mistakes and shortcomings from the projects, that could be the most beneficial way of learning for others, are not disclosed.

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21 Arengukoostöö Ümarlaud 2009; Arengukoostöö Ümarlaud 2010
As to knowledge transfer from technical assistance, some authors (Lundvall and Borras 1997, Nonaka and Takeuchi 1995) suggest it should involve some part of networking between people in addition to written information. Thus, availability of written evaluations might not be the most important factor for learning. Face to face communication and networking with each other is substantial in complementing learning from the project information available or substituting the absence of written information sharing between development organizations.

4.3.2 Cooperation with other development aid organizations

Many of the interviewed development organizations in Estonia communicate with each other and many are evolved in global development aid networks. Respondents mentioned that Estonia is so small and it is easy to get the information needed from the others. However, there is no formal procedure for handling the knowledge that should be the basis for knowledge system creation.

C1: The circle of organizations that work with development cooperation in Estonia is pretty limited and information about other organization could be received just with one phone call. There is even no need for any events or organized meetings because Estonia is so small and most of the experts in the development cooperation area already know each other.

Some of the respondents mentioned that information between organizations who are interested in cooperation is available and communication is managed through a coordinating NGO. Others claim that they do not have any connection to other development organizations or to the coordinating NGO.

D1: The information is circling in e-mail lists. We can get the information about the topics other organizations are working with from the list news.

D6: We do not have much cooperation with other development aid organizations. They work on ad hoc bases in their special area. We do not have much in common, we only get some of the funding from the same sources.

One of the individual consultants confessed that he is not in contact with any Estonian development cooperation organizations.
I1: I do not have connection to development cooperation organizations in Estonia or other consultants.

For this reason it seems there is also no system in information sharing between the interviewed development organizations in Estonia – each organization does it their way.

Further, respondents stated that there is not much to talk about with other development organizations or experts because everybody has their own niche - their own professional knowledge.

D1: We do not discuss the specific topics or our concerns with other organizations. All of the organizations have their own niche – environment, municipalities or Africa. There are no similarities in our projects to discuss.

D5: All of the organizations are working in their special area and the goals of the projects vary a lot.

I1: Professionally, there is nothing I could share with the other experts or development organizations in Estonia.

This becomes evident if we argue that development organizations value area specific knowledge as the most important factor in consultancy work. As general development cooperation related issues are not that important, they do not perceive communication with other development organizations important since they do not have issues to discuss. This attitude might also confirm the conviction by Sogge (2002, 87, cited in Sobis and Vries 2009) and Carothers (1999, 258) that aid-providing organizations are interested in running their own internal organizational affairs and not willing to share the results with others. It is intelligible that organizations do not want to discuss their shortcomings and try to ensure self-employment through doing so because of the competitive nature of the aid business.

As argued before, organizations of the respondents are small and very much concentrated on running the official projects. They do not have time for internal development of the organization nor do they take time to learn from others.
D2: It would be useful to know more details about other cooperation organization projects but it would mean extra work and I do not think organizations could find the time for that.

Respondents claim that competition for funding does not have negative influence on cooperation with other development organizations. Most of the respondents mentioned that they perceive other organizations as colleagues. Still, in the situation of shortage of money for cooperation projects and taking into account that the number of development aid NGOs is increasing, the competition is also showing the same trend.

D1: At the moment we are more like colleagues. But since there will always be more development aid organizations in Estonia, we are moving towards being competitors.

As already mentioned, informal discussion is highly important in knowledge sharing, but it seems to be the only way learning is fostered in the interviewed Estonian development cooperation organizations. The consultants who are already in the system do not complain about information flow or shortage of knowledge. But for the new members who are willing to enter the technical assistance field, it is very difficult to obtain inside knowledge. It can be disputed that experienced experts might protect their status and well-paying jobs by not institutionalizing the knowledge. They may also want to hide their incompetence in doing so.

4.3.3 Networking with the area experts

Most of the interviewed aid organizations are small and employ few project managers. Those organizations hire experts used in training seminars or field work according to the project. Development organizations claim that they already know the experienced people in different areas and there is no need to run formal procurements.

D3: We use practitioners who have experience in the specific area. We are using the already existing network of contacts.

D2: We choose our experts from the ones who have already been involved in some missions. Estonia is small, so most of the experts in the area are known to us. There is no public competition for selecting the experts.
D1: I have been working in this area for a long time and already know all the potential experts.

On the other hand, it might indicate unwillingness to introduce new members to the development business. Working with the same people from time to time might also mean that they rely on the methods that have worked in the past, but are not willing to try out new solutions and develop in their work.

Unwillingness to organize public procurements might refer to reluctance of letting new members into the inner circle of development aid practitioners. But circulation of knowledgeable aid practitioners between development aid organizations could possibly facilitate learning in an organization by recombining knowledge and imitating best practices. Still, aid organizations do not use these possible learning opportunities. Many respondents claimed that the experts they use are also working for other development aid organizations and have their main work position in a ministry or university. But development aid organizations do not have any overview of the experience their experts got from the development cooperation projects. Furthermore, no feedback will be given to development aid organizations about the pitfalls or successes of the projects the experts experienced while working together with other organizations, even though it might be an enormous resource for learning.

D3: The experts also know each other and we use the same experts for different projects, so there is an informal exchange of know-how.

C1: Sometimes one person is active in several organizations.

In the rapidly changing world reconsideration of consulting methods and networking with new experts should be inevitable. However, it seems that some interviewed development aid organizations in Estonia are trapped in their comfort-zone and rather use the same experts and share the same story year by year.

4.4 Learning from the recipient period

It is difficult to distinguish whether learning from the recipient period has taken place in the organization or only on the individual level. Often it is one or several people in the organization who have valuable experience. Different know-how is put together when designing a new project
or preparing a continuous one, therefore it seems to be organizational knowledge because, as Berg (2000) emphasizes, knowledge based on past experience is incorporated into organizational skills and procedures. On the other hand, the know-how will be stated, discussed and some of it used to design the project, but no information will be codified for the new employees.

4.4.1 Lessons learned from the recipient period on individual and organizational level

The most important factor in obtaining recipient period knowledge seems to be the place in which people were working at the time Estonia was a development aid recipient. Many of the respondents were working in the same area and had personal contacts with consultants coming to Estonia.

I1: Yes, I worked in the same area in which I am foreign consultant now also in the nineties. I was head of the department at that time and was directly involved in building up the systems for Estonia.

D3: I worked in the nineties in the same area as I do now, I don’t feel that I would need more information about this period.

It means that they have been in the system from the beginning and have all the necessary information to claim that they represent the “Estonia that has valuable reform experience”. As mentioned before, development aid is a competitive business and it is not in the interest of development organizations to share the knowledge that pays them well.

Development aid practitioners who had direct contact with some of the consultants are very critical towards foreign consultants who came to Estonia and listed several shortcomings in technical assistance provision. Respondents claim that most of the policy recommendations and strategic papers prepared by foreign consultants were never adopted because the consultants did not know the actual needs, legal system or the situation in Estonia.

D4: I remember our organization had a consultant to compile a strategic paper. But she did not know anything about our legal system or chain of command, so the paper was never adopted. Still, the content of the paper was good and I got some new knowledge to build my work upon. The actual aim of this mission was not accomplished – the paper did not become official, but for some officials, including me, it was useful.
D6: For example in Phare program there were 3 reports with similar suggestions but none of them was applied in Estonia.

D1: Experts who were sent to Estonia came with their ideas on what should work here and tried to implement the steps to develop Estonia. In reality, our actual needs were not considered, the advice and 100 page report about their mission carried no advantages for us. We had the feeling that it is all done to enable them earn money.

I1: It is always the same problem – foreign experts write a legislation that doesn’t really fit into our legal system and is not compatible with the other laws we have.

One of the interviewees mentioned that the biggest shortcoming in technical assistance delivery is that organizations provide the type of aid that is not needed, or there is no more need for the advice once the report is finished.

D6: Often, consultancy documents are ready when there is no more need for them. In this respect, SIGMA consultants were different – they were intelligent and flexible. They came with a 2 weeks’ notice and adapted to the situation quickly.

Two of the pitfalls in development cooperation that Berg (2000), Carothers (1999) and Morgan (2002, 5) mention are the top-down process of technical assistance delivery and the excessive amount of money that goes through western NGOs. Interviewed development organization leaders in Estonia, on the other hand, claimed that they try to engage the recipient as much as possible to the project. They outlined that it is very important to choose trustworthy partners in the recipient country and to develop the project together with the recipient organization. They also try to hire local consultants as often as possible.

D4: The most important thing is to have a good partner organization in the recipient country.

D1: We always choose our partner organizations very carefully. You have to know the organization in detail before starting the cooperation.

D5: We have very good partner organizations in the recipient country - they carry out the training seminars there.
Naturally, this is viewed from the donor organization perspective. However, in order to state that Estonian development organizations really consider recipient needs as much as necessary, the opinion from other parties in the aid chain (recipient and government) should be asked as well (which, however, is beyond the focus of this study).

Respondents also emphasize that **lack of sustainability in development aid projects** is not an issue in Estonia. In order to learn from their mistakes, some development organizations have designed their current working methods differently. Respondents stated that they try to avoid one time projects and rather develop one project out of another which guarantees long-term capacity and sustainability of the projects.

D4: We have tried to avoid one time projects and develop the ongoing projects further. The purpose is to develop one community and create sustainability.

D5: Our projects are always follow-up to the last project. One project grows from the other – we detect new development needs with every project.

On the other hand, learning from long-term projects is more complicated and if a certain part of a project involves some kind of a failure, these failures are difficult to address.

Another shortcoming of technical assistance supply, namely **the low quality of technical assistance** is somewhat true in the interviewed development organizations but they have also been partially able to improve the assistance supply. Representatives of Estonian development organizations claim to consider the uniqueness of every project and avoid adapting copy-paste solutions in recipient countries. They try to avoid communicating know-how using the usual teaching model – pointing out to a recipient how things should be done. They claim that the consultancy method that works better is to pass on the knowledge on how systems where built in Estonia and let the recipient decide on how they want to apply it.

D4: Consultants should avoid the word “teach”. What works is to explain what we have done and let them decide for themselves on how to use this knowledge.

D5: It is very difficult to communicate knowledge to a recipient if the standpoint is that we go there to tell you what you have to do; we rather have to say that we’ll explain how the institutions were built up in Estonia and let you decide what to do with that knowledge.
D1: We have tried to avoid the usual model of development cooperation project – that our experts go to the other country to teach them. Our partners are very educated themselves and know the local system and problem solving opportunities much better than we do. We have tried to hire recipient country consultants to do the actual work on the field and our project manager will be there to make sure that all the tasks are fulfilled as agreed.

D2: Organizations that have been working in the development cooperation longer have realized that aid providers might not always be the smartest. We support more local initiative and encourage local recipients to take the responsibility.

That, in turn, precisely shows the weakness of consultants if they could only pass on the Estonian know-how. Estonian knowledge is very specific and could be applied elsewhere only with numerous reservations. Authors in this field (Sobis and Vries 2009; Carothers 2009) suggest for a consultant to have a very broad knowledge of different countries and good cooperation with recipient to take their specific problems into account and suggest a solution that suits the recipient country the best.

Respondents mentioned that Estonian consultants try to consider local conditions, culture and society structures. Indeed, they consider their own past (the memory of the Soviet system) to be an important factor in consulting.

D3: I find that I understand the local conditions better than colleagues from Sweden who have grown up in a welfare state, and it is easier for me to communicate the knowledge to eastern countries.

G2: We do have better cognition about the situation in which our recipient states are in, compared to older donor states. At least we know where they started from.

G2: In general, development organizations have good knowledge of the country in which they run their projects. We evaluate knowledge about the local issues when a project is submitted. It is visible from the project whether the applicant has been in the recipient country and can fully understand the local problems.

It can be said that sometimes the environment in which the today’s experts have grown up is a matter of great importance for assistance delivery. On the other hand, if consultants consider Soviet Estonia’s system knowledge sufficient to make suggestions based on that, the
shortcomings pointed out as low quality of technical assistance is also true in the Estonian context. Sobis and Vries (2009, 60) note that lack of awareness of local situations and cultural sensitivity result on projects that are based only on the donors’ national model, and this in turn could lead to encouraging countries to follow the wrong policies.

In addition, several respondents mentioned that one of the reasons Estonia should share the experience to former Soviet Union countries is the fact that Estonians could have the personal contact with them in the same language.

D1: Language issue is very important. When Danes or Swedes came here they were talking in English and it was translated to Estonian. First of all, this was very expensive and second, we never had any personal contact with those consultants. Many topics were not discussed because everything had to be said via a translator. We are in a better situation because we know the local language (Russian).

I1: The project language is of course English but if I talk directly to the recipient people we use Russian – it is more convenient to them.

Interviewees find that they have made conclusions from the mistakes they experienced while working with consultants in Estonia and are now able to avoid the most obvious shortcomings in technical assistance supply. However, they turn a lot of attention to their 15-year-old experience and rely on their own assessment of their work results.

4.4.2 Institutionalization of the information from the Estonian development aid recipient period

Donors are said to be interested in Estonia's case because it contains recent experience as a transitional society, as well as the EU accession experience. Compared to the old EU member states, Estonia still has the opportunity to use the same people who were responsible for building up the systems after the collapse of the Soviet Union and adopting the EU standards.

I1: I think that Italian companies use me as one of their experts in Georgia because I can still remember the times in Estonia that were similar to those these countries are going through now. I can talk about my own experiences in building up the system – Italians could only talk about how the systems are today.
D3: Usefulness of technical assistance is also depending on the person who is providing it. When we were the recipient of development cooperation, information from the Spanish professors didn’t seem as interesting and useful as the advice from the Swedes or Finns who had at that time just recently joined the EU. I also feel that our advice to Georgians is more useful because we have recently gone through the state modernization process ourselves.

This in turn shows that knowledge from recipient experience has remained on individual level and has not been transmitted to organizational or country level. In addition, it shows that the work some people did 15 years ago (often without any analytical support) is considered important and only those who were involved then are considered “experts on transition and EU accession”. Thus, it is incorrect to declare that “Estonia has competitive advantage in giving development aid because of its recent experience as development aid recipient” while the experience is available only on the individual level.

Many respondents confessed that the experience they have from the recipient period is not shared, written down, analyzed or institutionalized. The information is sometimes shared during work or if a colleague is asking for advice.

D3: No, information from the recipient period is not analyzed or written down.

D4: I do not think there is any system on how to pass on the knowledge from the recipient times to the people who were not active in those areas then.

C1: People who were active at these times have the knowledge about the recipient period and maybe also some organizations, but as far as I know, the knowledge is not accumulated or institutionalized.

But non-institutionalization of the knowledge will limit the experts’ circle and those who are already inside might become too convenient to keep their knowledge updated. Thus, it might not be in the experts’ best interest to make their unique knowledge public and open the opportunities for more competitors.

Still, one of the interviewees confessed that their organization has a written memo about the recipient times and they use it for their work today. And this explicit knowledge in their
organization is complemented with personal memories of the CEO (who was also in charge then).

D5: Our organization is created with the help of Swedish consultants and we have one in-house memo about this period. We have used this as a tool to explain Estonian know-how in the recipient country. Our manager was working together with those organizations then and he shares the knowledge with us.

However, this is only one example and there is no system to institutionalize those kinds of memories. Despite the few examples in which knowledge acquisition from the recipient times is written down, it is mostly tacit knowledge and maintained on the individual level, being sometimes shared in an organization during discussions. If individuals are playing a significant role in obtaining transition knowledge, it could be useful to have an overview on who are those people and what is their area of expertise. The governmental organization representative interviewed confirmed that the expertise of Estonian specialists is not systemized but nevertheless, is available as tacit knowledge.

G2: We do not have comprehensive overview on the consultants who work for international development companies, but we do know many of them who have the expertise. But this is not written down.

Several institutions (the UNDP, the OECD, the EC) have tried to create databases on the experts. One of them is the European Transition Compendium22 that contains information on transition management and points out the expertise different countries have in their organizations, or the most qualified person in this area. However, there are a lot of overlaps and the system is not dynamic enough to give updated information about recent experts.

G2: The European Commission wrote down the expertise of all 12 new Member States that joined the EU in 2004. This mapping is 3 years old and is thus outdated, but it gives a certain overview on expertise in these countries. We are currently working on updating our data.

Another fact that demonstrates the absence of country level learning system from recipient period is the fact that most of the respondents did not know where to find the information about

22 Homepage of European Commission http://ec.europa.eu/europeaid/who/partners/eu-12-member-states/index_en.htm (10.02.2012)
the Estonian development aid recipient period. Nevertheless, they could name some people who coordinated the development cooperation at this time, underlining the relevance of tacit information and networking.

D3: I am sure there is some information. I cannot name any official database at the moment but I may think of some people who coordinated the development cooperation at that time.

C1: I doubt that there was some organization that gathered information about different projects in the recipient period. It was too much information.

I1: I do not think there is any information about the projects. The experts who came here reported back to the European Union institutions. The information might be in the format of correspondence.

Furthermore, the respondents do not feel the need for institutionalized knowledge on the recipient period. They claim that everyone has enough knowledge or knows someone to ask for advice. The answers confirm again that the knowledge respondents have from recipient times is tacit and mostly available on the individual level. It is obvious that those who already have the information do not feel the need for institutionalization. On the other hand, for the new generation of consultants, it is inevitable to educate themselves with the knowledge of the recipient period to compete in Estonian development aid business.

D4: I do not think there is any interest in having knowledge from the recipient times because all people active in development aid know what they are doing.

D1: There is no lack of information in Estonia about the reform experience. You just have to know where to ask.

D2: In our area of specialization, knowledge from recent development aid donor period is important, and not so much the experience Estonia might have from the recipient times.

Institutionalization of the recipient times knowledge would give an opportunity for younger consultants who might have good analytical background and knowledge of other countries reform experience. People who have not been directly evolved with building up the institutions in the nineties might be more critical towards using just one national model. However, today the
stereotypic image of “Estonia that has enormous transition experience” and goals from the Estonian development aid financing documents place the recipient time knowledge (that only a limited number of experts have) as the most valued characteristic for a consultant.

4.5 Socially embedded knowledge on country level

Lundvall and Borras (1997, 31-33) have argued that the ability to learn in the society is defined by the capability to learn and adapt to new conditions. Taking into account the past 20 years of change in Estonia, it is obvious that the rate of change is relatively high. If codification loses its effect in the current paradigm, the country level system of learning would decrease its value and only those individuals and organizations who take part in knowledge creation can get access to it. Taking this into account, absence of a country level learning system might not have negative influence to the learning system in general. To add, a governmental organization representative also confirmed the need to be dynamic in knowledge transfer.

G2: Sharing transition knowledge has to be very dynamic because institutions change – EU is not the same as it was when Estonia joined and our experts have to change their advice accordingly. Estonia is a small country and it has made us dynamic and successful in working out some new systems.

Having this in mind, in the rapidly changing world, personal knowledge about the recipient times also loses its effect and there is a constant need for updating the knowledge. Personal transformation knowledge is important, but the same knowledge might not help the countries which are currently going through transition. Knowledge about development and institutions has gone through enormous change since the nineties.

Nevertheless, Estonian development organization representatives claim to have managed to avoid some of the pitfalls inherent to technical assistance delivery in the global context. This learning has taken place mostly on the individual level and somewhat also on the organizational level as tacit knowledge transformation. The empirical study has shown that there is no systematic learning on the country level in any of the learning modes (from previous projects, from other organizations, from the recipient period), but knowledge for the ones in development aid business is there. Therefore, it can be said that some of the knowledge from the technical assistance delivery and recipient period is socially embedded in Estonian society. And if
Estonian development organizations use their knowledge from institution building and manage to have an overview of the rapidly changing development cooperation business to imitate the best examples, the knowledge could turn out to be socially embedded in the methods they use. In the future, new experts might not have the experience from the recipient times nor will it have been transferred to them systematically, but they will have working examples to follow. It becomes evident, as Brown and Duguid (2002, 29) claim, that lessons learned are socially embedded and “stick” because they are deeply rooted in practice.
CONCLUSIONS

The study is intended to provide an answer to the question whether there is a functioning learning system in Estonian development cooperation. To address the research question, interdisciplinary study including two wide and diverse areas – development cooperation and learning, is carried out. The thesis puts special emphasis on knowledge sharing modes (from previous experience, from other aid donors and from the recipient period), levels (individual, organizational and country level) and learning types (tacit and explicit knowledge transfer). Theoretical part of the study is divided into two parts. First part gives an overview about development aid in global context. The concept of the aid chain and shortcomings of technical assistance delivery are introduced. Second part designs a basis for the analysis according to different levels and types of knowledge sharing and learning. Empirical study is based on document analysis and interviews. Ten interviews were carried out with development aid and governmental organization representatives, a coordinating institution representative and an individual consultant.

The analysis comes to the conclusion that there is no formal system of learning in Estonian development cooperation. However, intensive tacit knowledge sharing in addition to dynamic individual level learning benefit the overall information flow and social embeddedness to construct an informal system of learning.

The main problem in regard to the informal system is the fact that it is not encouraging new experts to enter the development area and might give too much credit to experts with very limited knowledge (that is the building of one institution). It is disputed in the thesis that consultants might not want to share their knowledge or poor results, or organize formal competitions for projects, in order to ensure their employment in the development business. The interviewed consultants find several justifications to why not create formal learning systems. Among other things, they claim the following:

- Estonia is small and it is easy to get information needed from others;
- everyone has enough knowledge about the recipient period;
- there is no need to organize a formal competition if all the active experts are known to us;
- there is not much to talk about with other development organizations or experts because everyone has their own professional knowledge area;
- small organizations do not have time for internal development of an organization.

Inherently, aid practitioners do not use formal methods to pass on explicit or tacit knowledge to others in their organizations, neither do they try to codify tacit knowledge to explicit. Yet, authors on organizational learning emphasize that knowledge management in an organization requires consistent use of dedicated techniques to pass on the knowledge.

Authors on the field also name several shortcomings inherent to technical assistance projects – lack of sustainability, low quality, too much money that goes through western NGOs and a top-down process of the assistance projects. Development experts, on the other hand, claim to have overcome most of the pitfalls in technical assistance delivery. Still, they put a lot of attention to their 15 years old experiences and rely on their own assessment on their work results. To give a true judgment whether Estonian development organizations avoid most of the shortcomings evident from the development literature in the global context, evaluation of a recipient would be very important. Thus, a topic for further research would be to assess how the recipients of Estonian development assistance perceive the consultants.

As to learning from the recipient period, it is mostly tacit knowledge and maintained on the individual level, rarely shared in the organization during discussion and hardly ever transmitted to the country level. Thus, it is incorrect to declare that “Estonia has competitive advantage in giving development aid because of its recent experience as development aid recipient” while the experience is available only on the individual level.

However, the study states that an individual is in the center of the learning process and the empirical study confirmed that learning is constantly first revealed on the individual level. Thus, it is fair to claim that a consultant as an individual is the most important part of the aid chain in technical assistance delivery process. In addition, individuals in the area are satisfied with the highly informal system of learning in Estonian development cooperation business. The high rate of change and embeddedness of the knowledge also support to maintain the existing setup. However, coexistence of codified and tacit knowledge sharing in a somewhat more formal way would contribute to the sustainability of Estonian development cooperation.
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