



**EUROPEAN COMMISSION**

EuropeAid Co-operation Office

Quality of Operations

**Quality monitoring systems and methodologies**

## **Preparation of the Strategy on Technical Cooperation and Project Implementation Units**

# **Delegations' Voice : current practices and exploratory ideas on Technical Cooperation and Project Implementation Units**

Final Draft

7 April 2008

## Table of contents

Background and scope of the Survey.....	1
Executive Summary in 11 bullets: Main Messages from the Delegations' Survey.....	2
Results.....	3
<b>I. Current practices and trends in the provision of Technical Cooperation .....</b>	<b>3</b>
1. Supply and demand.....	3
2. Alternative forms of technical cooperation.....	4
3. Opportunity costs of TA .....	5
4. Design of TA projects and the role of QSGs .....	5
5. Type of management of TA .....	6
6. Areas for improvement in the design of TA .....	6
<b>II. Tendering and procurement .....</b>	<b>8</b>
7. Focus on the Framework Contracts .....	8
8. International Restricted Tender Procedure .....	10
9. Use of national procurement systems .....	11
10. Use of local and regional TAs.....	11
11. Areas for improvement of tendering and procurement practices.....	12
<b>III. Implementation of TA.....</b>	<b>13</b>
12. Which TA roles are most appreciated?.....	13
13. Accuracy of Terms of Reference .....	13
14. Lines of Accountability.....	13
15. Who in practice monitors TA.....	14
16. Evaluation .....	14
<b>IV. Trends and movements on the partner government side .....</b>	<b>15</b>
17. National policies and guidance on TC/TA.....	15
18. Comments on "ownership" .....	15
<b>V. Trends and movements on the donors side.....</b>	<b>17</b>
19. Donor coordination .....	17
20. Pooled funds.....	17
21. Meeting the EU target "100% of capacity building assistance is coordinated by 2010".....	18
<b>VI. Looking forward .....</b>	<b>20</b>
22. Overall future demand .....	20
23. TA financed through the national budget .....	20
24. Major areas of change .....	20
<b>VII. Results on Project Implementation Units (PIUs).....</b>	<b>22</b>
25. Integrated/Parallel PIUs .....	22
26. Domestic ownership on project implementation .....	23
27. Meeting the Paris Declaration indicator "reduce by two-thirds the stock of parallel PIUs" ..	24
<b>VIII. Regional Traits on TC/TA .....</b>	<b>26</b>
Asia .....	26
ACP.....	26
ENP .....	26
Latin America .....	27

## **Glossary of acronyms**

CD:	Capacity Development
FWC:	Framework Contract
LT:	Long Term
MT:	Medium Term
ST:	Short Term
PG:	Partner Government
PIU:	Project Implementation Unit
PPIu	Parallel Project Implementation Unit
QSG:	Quality Support Group
TA:	Technical Assistance
TC:	Technical Cooperation

## Background and Scope of the Survey

This report presents the results of a delegations survey on current practices and forward looking ideas on technical cooperation / technical assistance (TC/TA) and on project implementation units (PIUs). This survey was conducted over the period October 2007 – February 08 in the framework of the preparation of the EuropeAid strategy on Technical Cooperation and Project Implementation Units.

This survey represents one of the many steps in the preparation of the strategy, which includes a review of cases documentation, interviews with EC and Partner Government staff and review of procedures.

The 45 Delegations members of the Aid Effectiveness network have been consulted. Thirty-one delegations, including regional ones, have responded sending back 37 questionnaires (one questionnaire per country). All regions (ACP, Asia, ENP and Latin America regions) are represented.

Results of the survey are interesting: they illustrate key trends and provide a range of suggestions and comments from a number of delegations. Given the scope and nature of the survey, this report can only draw an “indicative picture” of current TC provision and of project implementation arrangements and the reported data should be “handled with care”

The questionnaires received contain interesting information and references on ongoing programmes that was not possible to include in this document. This information is being used to feed the preparation of the strategy.

All the questionnaires as well as main reports and documents related to the preparation of the strategy are posted on AIDCO intranet :

[http://www.cc.cec/dgintranet/europeaid/activities/adm/technical\\_cooperation/index\\_en.htm](http://www.cc.cec/dgintranet/europeaid/activities/adm/technical_cooperation/index_en.htm);

The survey and the data processing were ensured by unit E5 in EuropeAid. Remarks and questions are welcome and should be addressed to the functional mail box: [EuropeAid-E5-SURVEY-TC-PIU@ec.europa](mailto:EuropeAid-E5-SURVEY-TC-PIU@ec.europa) (AIDCO E5 SURVEY TC-PIU)

ACP		ASIA		ENP	LATIN AMERICA
Burkina	Mozambique	Bangladesh	Lao PDR	Jordan	Bolivia
Burundi	PNG	Bhutan	Nepal	Lebanon	Honduras
Cameroon	Somalia	Burma	Thailand	Moldova	Nicaragua
DRC	South Africa	Cambodia	Pakistan	Morocco	Peru
Ethiopia	Sudan	India	Vietnam	West Bank & Gaza Strip	
Haiti	Tanzania	Indonesia		Tunisia	
Jamaica	Zimbabwe			Ukraine	
Mauritania					

## Executive Summary in 11 bullets: Main Messages from the Delegations' Survey

1. *Insufficient partner government's ownership and guidance of technical cooperation and technical assistance* - In only 20% of the reporting countries, partner governments have defined policies and strategic approaches on TC and TA or show efforts to coordinate TC/TA interventions.
2. *Insufficient PG involvement in project design and TA matters* – Terms of reference for TA are seldom drafted by the beneficiary alone (only 6% of the cases); 34% of the cases the task is shared with the delegation. Close to 60% of respondents answered that the drafting is carried out by the delegation and consultants.
3. *Mixed relevance of TC against aid effectiveness agenda and development partner's capacity building objectives* - Close to 50% of TAs mapped in the survey are used for project/programme technical and financial implementation, gap-filling and supporting the delegation.
4. *Who really "wants" TA?* Close to 40% of the respondents indicate that TA is "wanted" by delegations alone; another 40% answered that demand comes jointly by PG and delegation. Only 10% of delegations stated that demand comes from PG.
5. *Unclear line of accountability of TA* – In nearly 50% of TA programmes mapped in the survey, there exists a dual reporting line to the PG and the Delegation. Only in 26% of cases a clear reporting line to the PG exists, while nearly 20% of the described TAs report exclusively to the delegation.
6. *Quality of FWC expertise* – only 8% surveyed are satisfied with the quality of TA provided; 31% of respondents expressed mixed experience, the remaining expressed a moderate (19%) or limited (42%) degree of satisfaction.
7. *Cost effectiveness of FWC* – 50 % of delegations consider that cost effectiveness of FWC is negative, and 47% have mixed views.
8. *Alternative forms of TA under-used* – TC is focused on classical expert provision. Only 27% of respondents have had significant experience with Twinning and peer assistance; nearly 70% of these respondents are fully satisfied by its quality/effectiveness.
9. *Delegations management issues* – A number of delegations recommend to link TC/TA reform with internal management issues and overall EC human resources policy, highlighting challenges and capacity gaps related to scaling up of budget support and programmatic aid.
10. *Increased donor coordination activity* – Processes of donor coordination are gradually being put in place in 60% of the surveyed countries, and an increasing number of joint actions, common positions and shared practices are reported.
11. *Major areas for the future strategy on TC/PIUs* – Delegations suggest that the future strategy should focus on the following areas: support to country/sector dialogue with PG, promotion of coordination with MS/other donors and development of policy and guidance material.

## Results

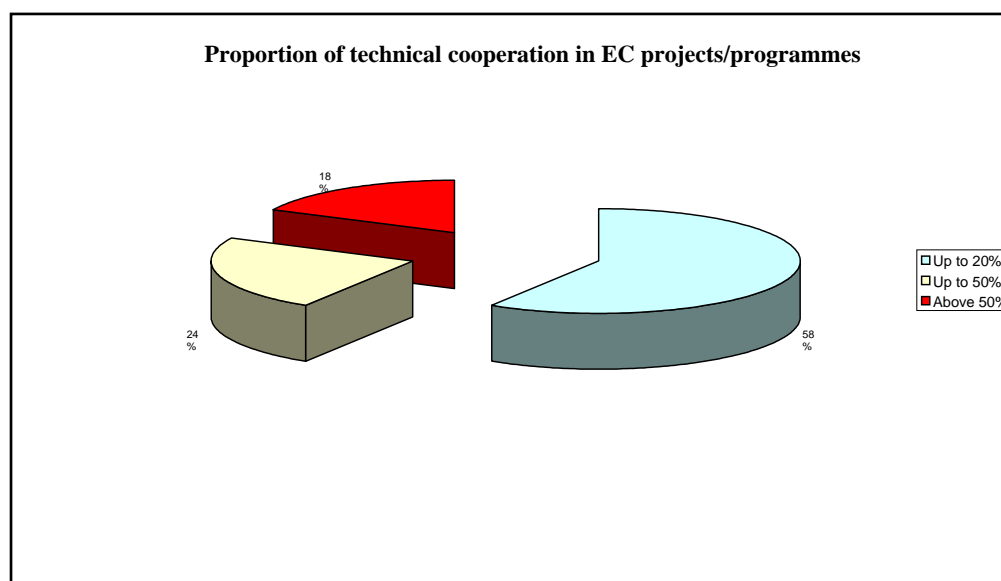
### I. Current practices and trends in the provision of Technical Cooperation

The survey allowed drawing together a set of current practices and trends in the provision of TC. It focussed in particular on the supply of TC in EC assistance, the different forms of supporting Capacity Development (CD), the opportunity cost for PG of using TA and the responsibility of the design of TA interventions and level of discussions on its potential contribution to CD. To conclude, delegations made a series of suggestions to improve current ways of working.

#### 1. Supply and demand

In order to have a sense of the magnitude of TC in current portfolios, delegations were asked to estimate the average proportion of TC in each project/programme budget. **The majority of respondents (58%) reported that the average share of TC was up to, and not above, 20% of the average project budget.** 18% of respondents reported that it constituted up to 50% of the average project budget and 24 % of respondents indicated that this percentage was “50% or more”.

Delegations that reported " 50% or more" are mainly from the Asia<sup>1</sup> region. In the ENP region 14% of delegations answered that TC share represents “more than 50%” and 43% of delegations answered that this proportion is “up to 50%”. For ACP and LA countries, for the large majority of delegations (100% in LA & 79% in ACP), TC provided represents less than 20% of the average project budget.

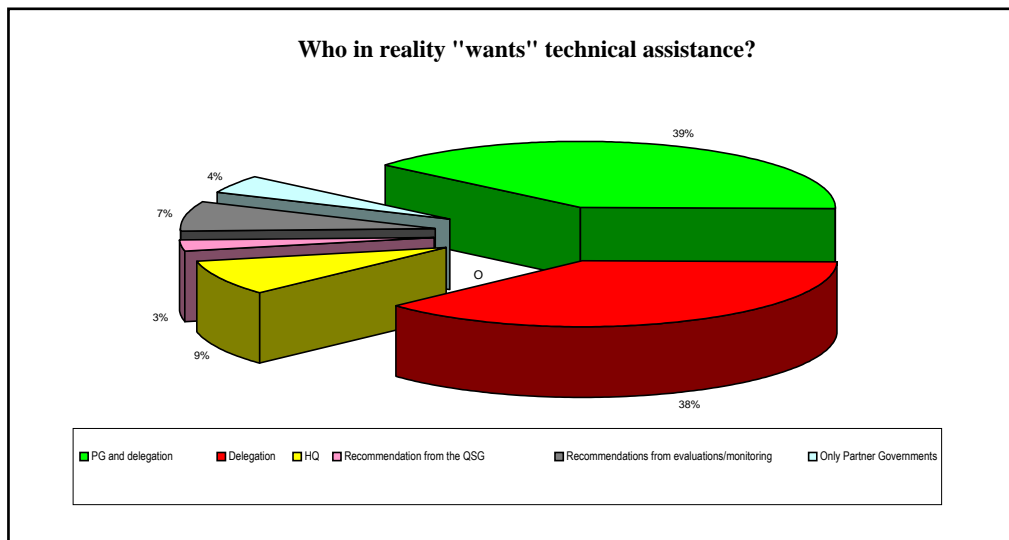


Delegations were asked to judge if the current supply of long-term and short-term TA in their respective countries was “correct”. Close to two thirds of the 37 respondents reported that TA was “correctly supplied” and nearly a third reported that it was “undersupplied”. Only 9% of the reporting delegations qualified their supply of TA as too great. This indicates that overall the majority of delegations are of the feeling that TA is provided at the correct level, while a smaller number considers that TA is undersupplied.

<sup>1</sup> Burma, Cambodia, Lao PDR, Thailand, Pakistan, Vietnam

In answer to the question on “who really wants or demands TA”, 38% of responses report that the demand for TA comes from the delegation alone. For 39% of the delegations, demand comes from the “PG and the delegation” Only 4% of the delegations reported that the demand comes from PG<sup>2</sup>.

A regional analysis of these data shows that 50% of the ACP respondents consider that the demand of TA comes from the delegation, this percentage is 42% in ENP region, 33% in LA countries and 29% in Asia.



## 2. Alternative forms of technical cooperation<sup>3</sup>

The questionnaire sought for information on delegations’ experience with alternative forms of TC. **27% of delegations responded that they had had experience with Twinning<sup>4</sup>** or similar modalities of peer support<sup>5</sup>, and the majority of these delegations considered the experience as “highly relevant”.

Slightly more than half of the respondents have experience with other forms of technical assistance as training, workshops, research; 40% of delegations score this experience as highly relevant. The Twinning instrument was only recently made available in ENP countries, and while it is too early to fairly assess its impact, the initial impression is satisfactory and delegations expect a high ratio quality/efficiency. The demand by partner governments for Twinning projects is high. The TAIEX programme (Technical Assistance Information Exchange), also available to ENP countries is appreciated for its availability of good quality experts in highly specialised fields.

<sup>2</sup> Peru, Bhutan, India, Pakistan, Vietnam, Jamaica

<sup>3</sup> “Alternative forms of TC” are activities other than technical assistance; these may include activities such as training, research, twinning, peer support, etc.

<sup>4</sup> Jordan, Lebanon, Moldova, Morocco, Tunisia, Ukraine, Thailand, Ethiopia, Zimbabwe.

<sup>5</sup> Use of modalities of peer support other than “Twinning”:

Haiti –the programme PRIMDA supporting the private sector constitutes a particular type of technical cooperation. Structured as a PIU, the TA defines and manages the entire programme of support to the local organizations and improvement of the productivity of private enterprises. TA act with total autonomy under the control of a steering committee. The Ministry of trade and industry has not been inclined to integrate this structure within its own organization because it mainly services the private sector.

Tunisia – TAIEX

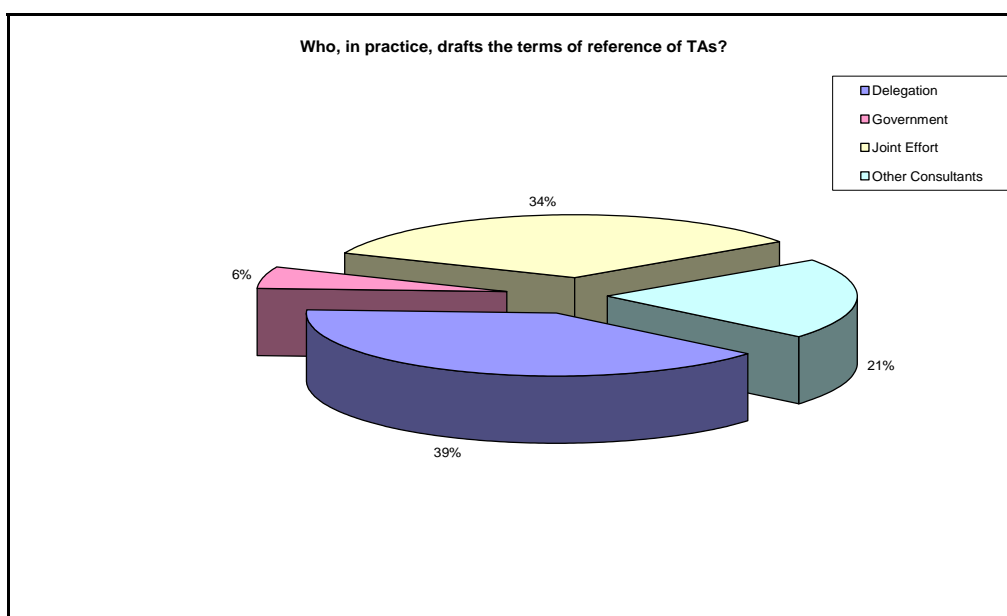
West Bank and Gaza – use of the UN DELWBG, a form of TA

### 3. Opportunity costs of TA

When asked whether the costs of TA were transparent enough for PGs to explore alternative use of resources, the majority of respondents (64%) answered positively. One respondent noted that “Yes the costs are clearly given to the authority, but we should be honest and recognise that due to the annual programme cycles and urgency, and due also to the lack of human resources, PGs cannot explore an alternative use of resources.”

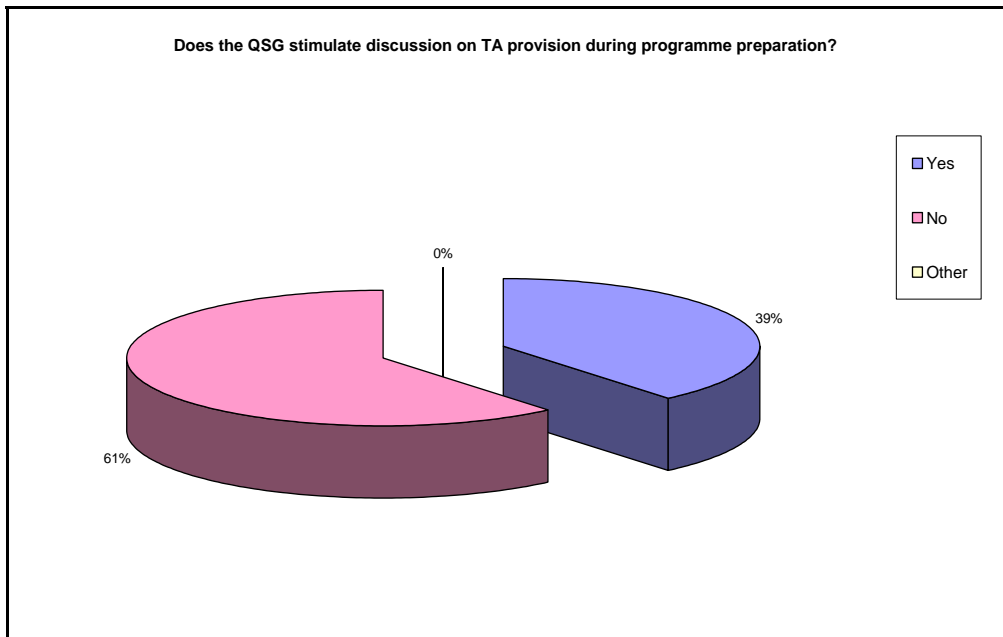
### 4. Design of TA projects and the role of QSGs

**Delegations are actively involved, and often too much so, in TA design.** 34% percent of respondents mentioned that the terms of reference for TAs were drafted in a joint manner between the delegation and PG, and close to 40% responded that they were drafted by the delegation alone. Only three delegations responded that the TORs were drafted solely by the PG; 21 % of respondents reported that other consultants drafted the TORs.



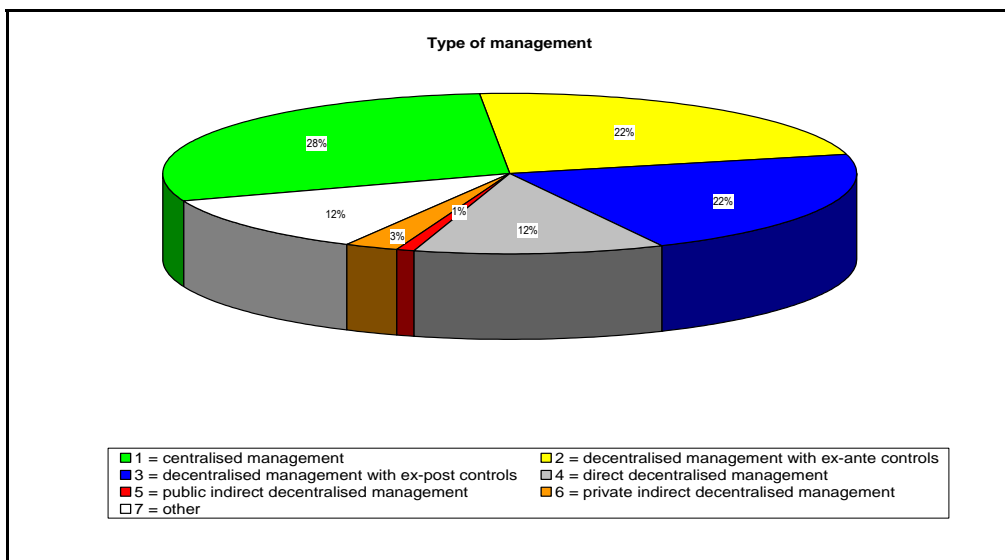
In their responses to the role of oQSG to stimulate discussion on TA provision, **61% of delegations indicated that QSG do not actively promote discussions on this matter.** Regions that benefit the most from QSG discussions on TA are ACP and Asia with 47% and 40% of respondents respectively stating that QSGs provide an opportunity for fruitful discussions regarding TA opportunity and role.





### 5. Type of management of TA

Delegations were asked to map up to five "top programmes of Long Term TA" currently under implementation and whether the TA components were managed centrally or by decentralised management (in this case, what type of decentralised management : with ex-ante or ex-post control, direct, public indirect or private indirect). Out of approximately 170 TAs teams mapped, almost 30 % of TA is centrally managed. Asia and ENP are the regions with the highest proportion of centrally managed TA, 50% and 45% respectively.



### 6. Areas for improvement in the design of TA

Delegations were submitted an open question asking to provide their views on possible improvements in the design of TA interventions, the need for guidance, working tools. A **broad request for better guidance emerged across a number of geographical areas**. Requests for tools that provide access to a wider range of expertise (for example from academic, research institutions and/or buying into other donors' experts) were also commonplace. In a similar vein, it was also requested that provisions should be made for a **database of TA resources**, and for **storing good practices** examples of TAs and of TOR templates. There were also several requests for greater flexibility of rules, to ensure that

the TA could be better targeted, and to be better able to respond to changing circumstances in the ground.

Another key comments made by several respondents was a plea for **greater attention on the actual use of TA, and to ensure that it is not used solely for substitution purposes**; following closely on from this, for the need to give stronger consideration for the capacity development of the government department in which the TA was based. There was also concern that partner governments were not sufficiently involved in the design.

### ***Box 1: Possible areas of improvement in TA design***

#### ***Comments from Delegations:***

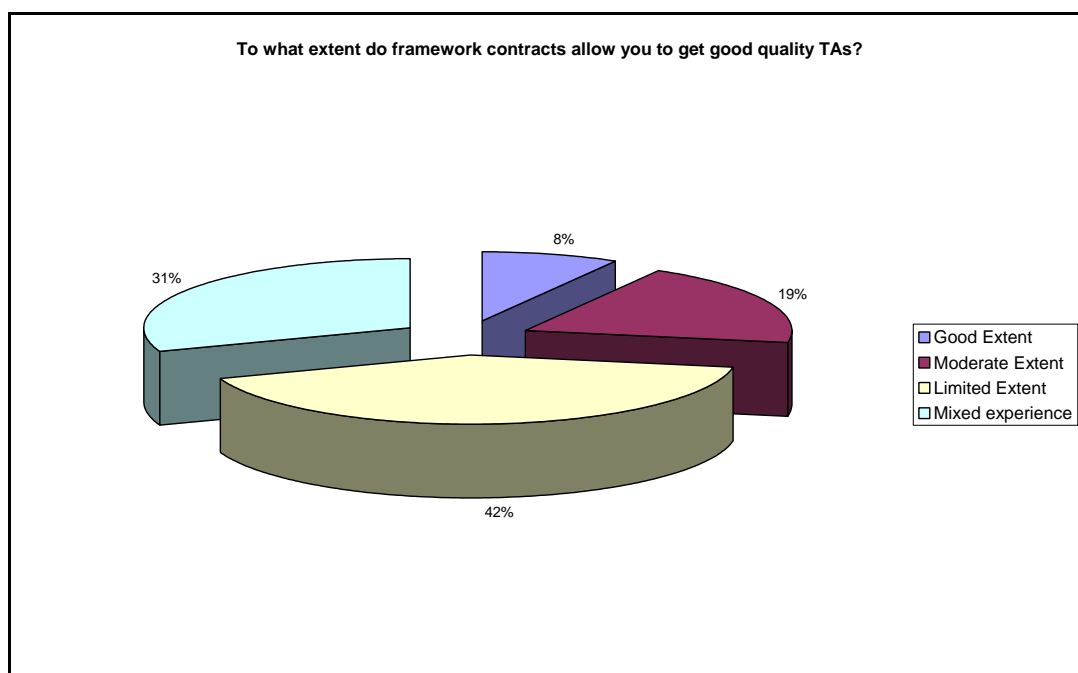
##### ***Tanzania:***

- “The biggest challenge regarding the design of TA interventions is the reluctance of the government vis-à-vis foreign (especially Western) experts and the incapacity/unwillingness/cultural resistance to identify weaknesses and express views on how best to tackle these weaknesses. Systematic needs assessments are very rare, capacity building strategies are quasi-inexistent.”
- “TA behavior/role – as long as civil service structures remain dysfunctional in most African countries and capacities very low, as long as governments will remain unable to attract and retain well educated staff, TA will continue to play a “gap filling role” rather than ensuring a transfer of know-ho. The reflection on TA/TC should be accompanied by a more articulate, expert, holistic (EC/donors) policy on public service reforms/including pay reform”
- “Too often, ToR define TA’s objectives/expected outcomes in terms of deliverables rather than in terms of “successful transfer of know how” (of course, more difficult to capture in performance indicators), the technical expertise is emphasized rather than the personal and professional skills necessary to act as a driver of change/”capacity builder”
- “The new Annual Action Plan should give the Delegation an opportunity to look at TA/TC interventions in a more comprehensive and consistent way”
- “Un appui extérieur n'est jamais inutile en termes de méthodologie et de guidance, notamment dans les domaines techniques spécialisés. Le partage des TdR dans des domaines similaires devrait être disponibles sur CRIS. Il serait utile de pouvoir partager également les erreurs commises. Au demeurant, un cadre plus flexible au niveau des règles serait plus opérationnel tout comme l’allègement des procédures de préparation des TdR” (Del. Mauritania)
- “Penser davantage les missions de l'AT, être plus ciblé, éviter substitution (jouer la subsidiarité)” (Del. Cameroon).
- “Il est totalement inefficace de devoir réinventer à chaque fois des TdR pour la CT, les études, l’organisation de UEP, etc. Une bonne bibliothèque reprenant les meilleures pratiques serait déjà une aide appréciable.” (Del. Haiti)
- “Specific technical backup could be provided by Aidco E if they have sufficient experienced and specialized staff” (Del. West Bank & Gaza Strip)
- “Exchanges of good practices, promotion of forums and discussion groups via the thematic networks”. “Increase internal capacity of the EC HQ and delegations” (Del. Tunisia)
- “Support of line DG would be useful to define sector programmes” (Del. Ukraine)
- “It would be useful if HQ could review ToRs for TA; however our experience has been that the QSG does not have sufficient resources to do this” (Del. Nicaragua)
- More training (of EC and PG), guidance, working tools and other support would be very useful. (Del. Lao & Nepal)
- “TC and TA should be better covered by QSG checklists” (Del. Mozambique)”

## II. Tendering and procurement

### 7. Focus on the Framework Contracts

The questionnaire included an open question on the extent to which FWC allow delegations to get good quality TAs. The answers were compiled into four categories (good, moderate, limited extent and mixed experience) and show a widespread dissatisfaction with the quality of TA. Only 8% of the respondents reported that framework contracts had provided a good quality of TA. Forty-two percent of respondents expressed a negative opinion, 19 % considered that FWC quality was moderate and 31 % had mixed experiences. **Overall, delegations expressed serious disappointment with the quality of TA provided through the FWC.**



TAs contracted through the framework contract were reported in 36% of the cases as being used to support partner governments, in 36% of the cases the support goes for both PG and delegation and 28% only to support delegations. This sends a signal that although TA is officially contracted to support partner country governments, in some cases TAs are contracted over and above the demands of the partner government.

**Half of the delegations consider that cost-effectiveness of FWC is negative.** Nearly 50% percent have a mix of views and only in one case cost-effectiveness is judged as positive.

In conclusion, **the majority of feedbacks on overall experience with framework contracts is disappointing.** The key outlier is the very low response rate on positive experience of the framework contracts.

## ***Box 2: Views on the Framework Contracts***

### ***Comments from delegations:***

FWC procedure is in need of review:

- Greater flexibility is particularly important since the Commission is increasingly working with other donors
- The use of FWC should be optional
- Each offer should include 2-3 experts and it should be easier to reject a TA who is not performing well.
- Take into account that currently, local consultancy companies have a better understanding of the system on the ground, but they are unable to bid for short-term contracts.
- Put in place a “white list” of good experts and “black list” of bad experts.
- Delegations should advise very good consultants they know off (from local networks, employed by ministries and other donors, nationals & international, with relevant regional and sectoral experience) to send their CVs to the FWC groups.
- Fees paid to experts should be guaranteed at a given level in order to get better quality.
- Review the rule which imposes the upper limit of price bracket to design budget

### ***Quotes from delegations:***

- "It is a mixed experience with a lot of disappointments" (Del. Lebanon)
- "Quite rare to get good quality" (Del. Nepal)
- "N'utiliser le Contrat Cadre qu'en cas d'urgence et où l'expertise est connue comme abondante" (Del. Mauritania)
- "The experience has been satisfactory in terms of timing, but not as positive in terms of quality of CV's proposed" (Del. Bolivia)
- "Logique initiale du Contrat Cadre (CC) est pervertie. Les chefs de file des Bureaux d'Etudes sont des boites à lettres. Aucune connaissance du pays. CC maximise le profit du chef de file et minimise la qualité" (Del. Haiti)
- "Quality of experts is very uneven especially when teams are required, with one or two good experts only per offer".
- "Existing lots do not always have topical areas of expertise needed as requested services tend to be complex and spread on different sectors".
- "There is often a lack of continuity: different experts recruited for identification and formulation stages"
- "Difficult to judge on CVs only" (Del. India)
- "The obligation to elaborate a budget based on the higher price bracket has an artificial inflationary effect" (Del. Tanzania)
- "Variation in quality but possible to swiftly change bad TA" (Del. Tanzania)
- «Seuil de 200.000 € trop contraignant, ne permet pas de garder l'AT pour toute durée du projet. Enormité de frais d'intermédiation perçus par bureaux d'étude, dont la valeur ajoutée se limite à la gestion d'une base de données. Rémunération des experts en est fortement réduite, qui rend le CC peu compétitif, surtout pour experts de haut niveau. Parfois CE n'arrive pas à recruter ces experts qui préfèrent travailler pour d'autres bailleurs qui offrent des contrats plus intéressants (FMI et BM)». (Del. Morocco)
- «Consortiums are [...] not doing the BASIC backstopping they are supposed to do" (Del. West Bank & Gaza Strip)

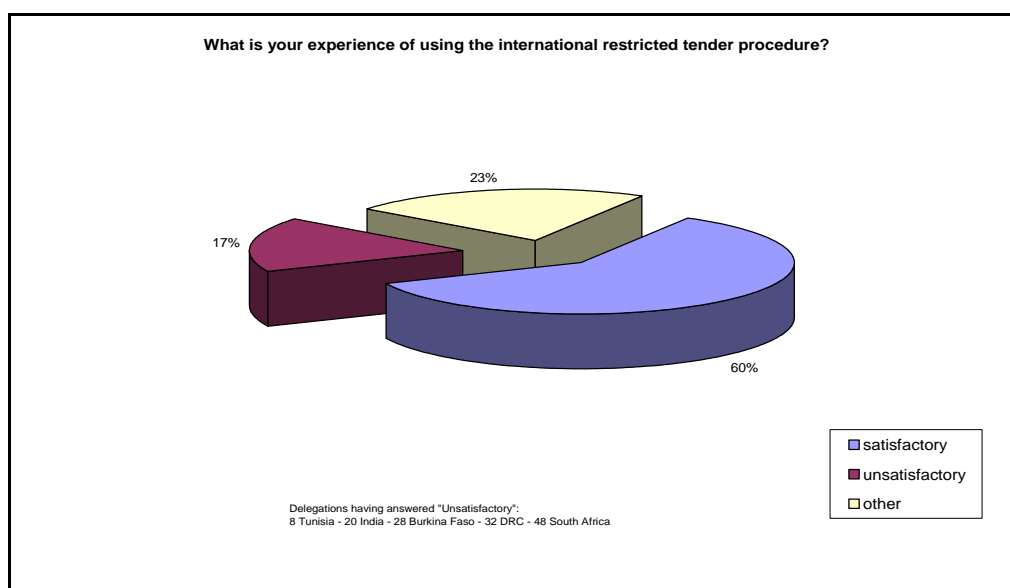
## 8. International Restricted Tender Procedure

On use of the international restricted tender, the majority of respondents reported that they found it to be satisfactory. However, **88% of answers signal that there is room for improvement.**

### Box 3: Focus on International Restricted Tender Procedure

#### Comments from delegations:

- “80% of TAs have to be replaced at least once within the 1st year of implementation.” (Del. Vietnam)
- «It also limits the capacity to bring in experts that are affiliated to academic institutions or civil servants.” (Del. Pakistan)
- “The international restricted tender procedure is time-consuming but there is more likelihood to find the necessary specific TA expertise – this procedure is better suited to long-term assignments. Many qualified experts prefer short-term assignments which pay better pro rata.” (Del. Nicaragua)
- “L'utilité d'un appel à la concurrence pour définir des listes restreintes ne nous paraît pas toujours efficace (On connaît depuis longtemps les bons bureaux).”
- "La procédure est correcte pour les études de grande ampleur et pour le choix des équipes d'assistance technique mais trop longue lorsqu'on a besoin d'agir rapidement ou si on doit mobiliser une assistance technique ponctuelle pour des tâches d'appui institutionnel et de transfert de savoir faire." (Del. Haiti)
- “Takes a long time from forecast notice to final contracting with the result that often the individual TAs proposed finds alternative work during the process.” (Del. Papua New Guinea)
- “A la nuance près que l'on n'a pas toujours les experts proposés dans l'offre et que les calendriers à suivre sont très longs. Par ailleurs cela demande beaucoup de rigueur dans la définition de la méthodologie d'évaluation et une « observation active » de la Délégation.” (Del. Mauritania)
- “Difficult to find suitably qualified consultants for a hardship country such as DRC. This results in often unproductive tenders which entails considerable delay to start projects.” (Del. DRC)



## 9. Use of national procurement systems

Delegations were asked whether they had experience of using PG procurement procedures for procuring TA and if they were aware of other donors doing so. **75% of respondents reported they had no experience of using national procedures**<sup>6</sup>. In 15 countries<sup>7</sup>, other donors are currently using country procedures to contract TA. Donors using country procedures are mainly IFIs (WB, ADB, IDB), to a lesser degree the UN, and some bilateral agencies (UK, Nordics, Canada).

### *Comments from delegations:*

- “There are concerns about] issues regarding transparency, leakage of information, delays and quality” (Del. Bangladesh)
- “The problem is the low ceilings that national rules allow for, this makes it difficult to use them” (Del. Mozambique)
- “Within pool fund mechanisms using national procedures: most of time, it is a long process and the government lacks capacities to adequately assess tenders quality.” (Del. Tanzania)

## 10. Use of local and regional TAs

Delegations were invited to provide their views on the use of local/regional TA. The major advantages quoted were that local/regional TA offered a **better understanding of local context, cultural knowledge, linguistic capabilities, ease of beginning work, and lower costs**. Disadvantages included **less experience of EC procedures and rules, less international exposure and overall capacity, and a thin market for recruitment**. Some delegations highlighted that local consultants tend to be more closely linked to local institutions which can result in tensions of accountability and objectivity. The risk of undermining local institutions by drawing away vital capacity into the consultancy industry was mentioned.

### *Comments by Delegation of Tanzania:*

- “Local/regional experts are, most of the time, less expensive than European experts”
- “Mixed teams of regional and European experts are very beneficial. Often, regional experts are of very good quality and have a good understanding of administrative system practices/failures in the beneficiary country. National authorities are likely to accept more easily and speak more openly to regional experts.”
- “Local experts know very well national systems. It allows the TC intervention to be effectively anchored in the national realities; her/his presence should favour a national ownership. It should prevent a mere transposition of international best practices and favour tailor-made answers to national specific issues.”

Delegations were also asked to provide a rough assessment of the proportion of local/regional TA actually used. Although responses varied greatly among countries and regions, some trends can be gathered. **Latin America<sup>8</sup> reports the highest percentage of local/regional TA recruitment with up to 80%, followed by ENP<sup>9</sup> and Asia<sup>10</sup>** countries reporting very roughly an average of 50%. ACP<sup>11</sup> countries show great disparities varying from 50% of local/regional TA to nil in certain countries in “fragile situations”.

<sup>6</sup> The delegations that reported having experience are West Bank & Gaza Strip, Peru, Bangladesh, Jamaica, Mauritania, PNG, South Africa, Tanzania and Zimbabwe.

<sup>7</sup> Morocco, Tunisia, Ukraine, Honduras, Nicaragua, Peru, Bangladesh, Cambodia, Nepal, Vietnam, Haiti, Mozambique, PNG, South Africa, Tanzania.

<sup>8</sup> Honduras, 70%; Peru, 80%.

<sup>9</sup> Ukraine & Tunisia, 60-70%; Jordan, West Bank and Gaza Strip, Morocco, approx. 30% and Lebanon, 15%.

<sup>10</sup> Bangladesh, Burma, Cambodia, India, Lao roughly 50%; Thailand & Pakistan, 30-40%, and Bhutan & Vietnam, 15-20%.

<sup>11</sup> Jamaica, 50%; Burkina Faso, Ethiopia, South Africa, 30-40%; Cameroon, Mozambique relatively low; Burundi, Somalia, Haiti, 0%. Mauritania, 30% for short-term contracts and up to 75% for long-term assignments.

## 11. Areas for improvement of tendering and procurement practices

In response to an open question on areas of possible improvements in current practices on tendering and procurement of TA, delegations provided the remarks and suggestions listed below.

### ***Box 4: Tendering and Procurement of TA – Areas for improvement***

#### **Suggestions by delegations**

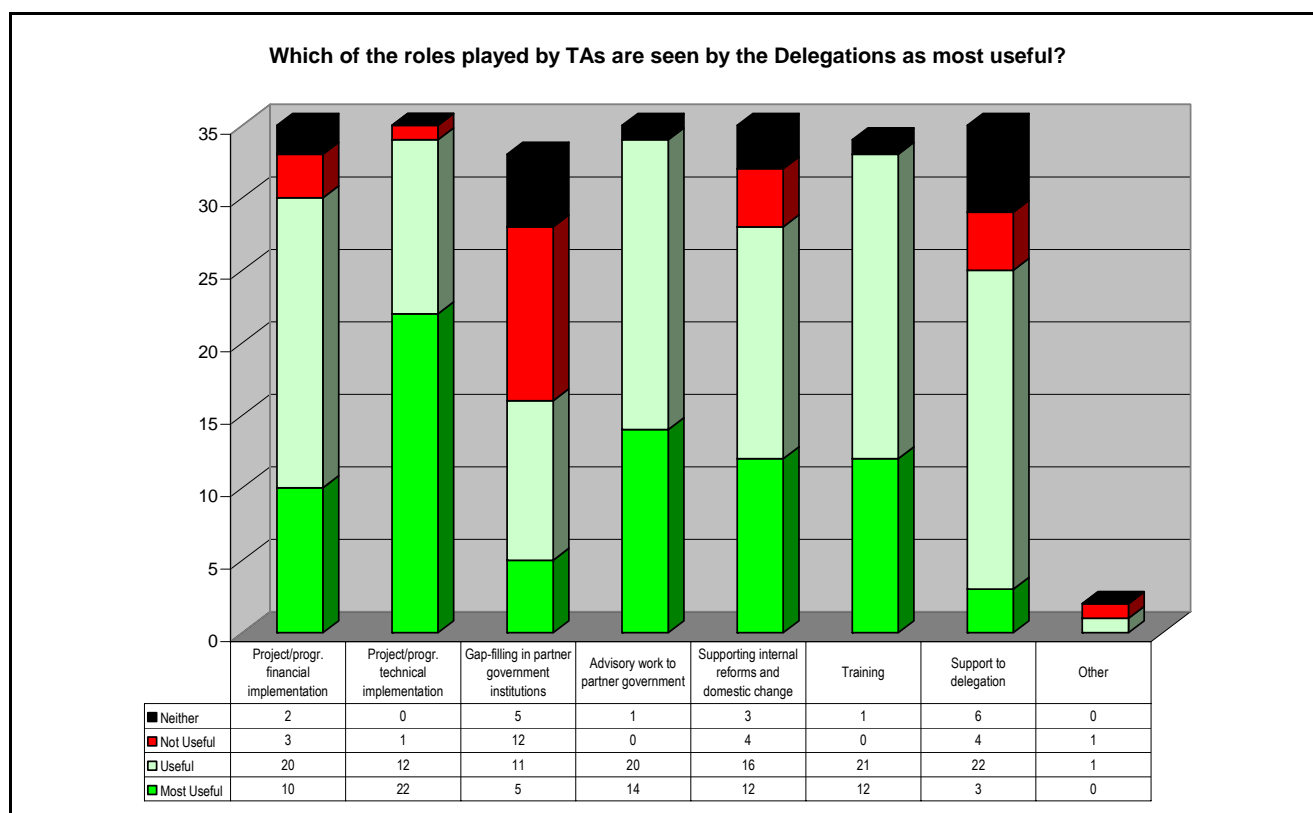
- Greater emphasis should be put on quality rather than on cost. Ensure that quality is effectively the key element in identifying the successful tender.
- Consider putting in place a 5-year contracting system of “multi-service” TA, set up in relation to the programming focal areas. Delegations would then launch FWC on the basis of standardised procurement files and ToRs according to sectors. This could replace the international restricted tender, too lengthy, excessively costly in human resources both for the PG as well as for the delegation.
- Exploring alternative delivery methods, for instance, twinning projects, including for private sector (eg. Danish Business to Business programme).
- Make available a pool of short-term experts on a long period, requesting a consultant to company to commit to provide on demand, throughout a long-term period, short/medium-term experts, with specific expertise. Needs for expertise will be identified in a coordinated approach, through joint sector dialogue structures, short terms of reference will be drafted jointly.
- Allow for direct contracting of short-term experts.
- Provide access to TAIEX (Technical Assistance Information Exchange) database of experts. They have excellent experts who could provide assistance for short-term and targeted needs..
- Shorter visa chain are needed, the amount of documentation required for tendering is excessive/too complex
- Offer more flexibility to change the TORs in response to changes on the ground
- Broadening the pool of experts to include academic and research institutions
- (Re-)introduction of specific nationality requirements to ensure use of local experts
- Raising the level for the direct contract agreement to allow the recruitment and satisfy the real need to use more local TA
- “Black-listing” of companies and experts to ensure that bad quality TA are not contracted again.
- Put in place a weighing mechanism for short-listing of tenders that will reward well performing firms.
- Set up a mechanism for better institutional memory regarding quality of TA. Frequently experts were employed by the Commission but it is difficult to identify or locate the previous Task manager or official to check references of the TA and quality of services provided
- International restricted tendering procedures need to be simplified and shortened for a faster mobilisation of resources by reducing deadlines, eliminating the procurement notice, and reducing the complexity of documentation required for tendering
- Dissemination of good practice templates for terms of reference for TA (ex. posting them on QSG website)
- Need to use more local TA
- Use PRAG as guidelines not as a bible
- Old procedure of “60.000 E direct contracts” should be reinstated to allow greater flexibility and speed, in particular when it comes to completing the identification/formulation of projects/programmes.

### III. Implementation of Technical Assistance

#### 12. Which TA roles are most appreciated?

A large number of respondents reported that the most useful roles played by TA included “project/programme financial & technical implementation” and “advisory work to PGs”. These were followed by training, then by “support to domestic reform processes”. In 25 cases, support to delegations was considered as among the “useful” and “most useful” roles. Responses also show that TAs continue to be broadly used as actual implementers of projects and programmes.

“L'idéal serait d'avoir une AT méthodologique avec une présence non permanente [afin qu'elle ne se laisse absorber par une activité de substitution]” (Del. Haïti)



#### 13. Accuracy of Terms of Reference

The accuracy of the Terms of Reference in reflecting the requirements of the position at the actual start of the assignment were found to be adequate by the majority of respondents, although around one third reported that the gaps between drawing up the TORs and starting the project were sufficiently wide to require an amendment of the terms of reference before the beginning of the assignment.

#### 14. Lines of Accountability

A good number of delegations stated that the accountability of the TA is dual, reporting to the PG and the delegation at the same time.

**Only in 26% of cases, TAs have a clear reporting line to the PG, while in nearly 20% of cases, TA report exclusively to the**

“TAs are (both) the eyes and the ears of the delegations, but also provide crucial support to the Partner organisations.”

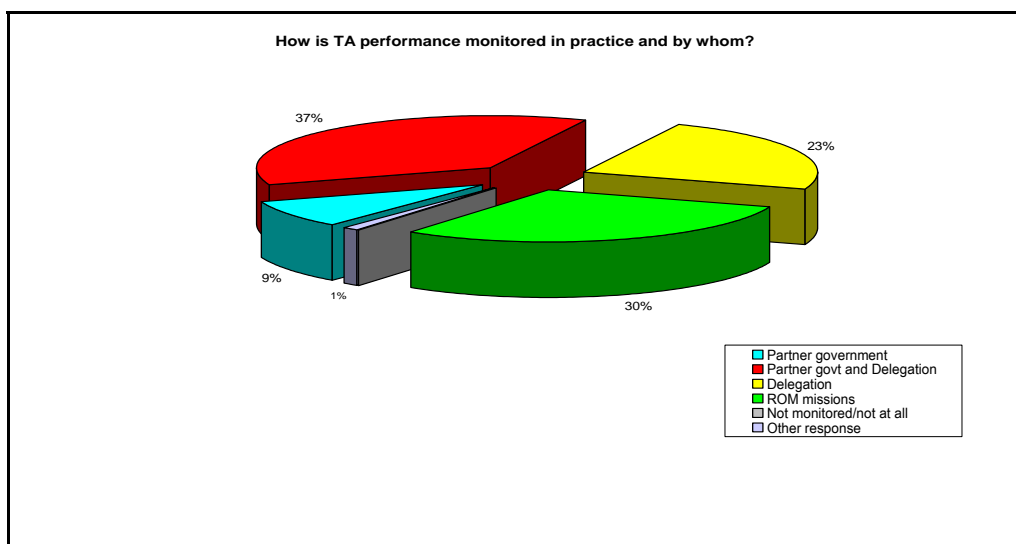
“Ambiguïté de fond [...]. Dans la pratique l'AT n'est responsable envers personne. Il faut qu'elle soit de très mauvaise qualité pour qu'on s'en sépare. De toute façon, lorsqu'elle est sortie par la porte, elle revient par la fenêtre ... dans un autre pays (Del. Haïti)



**delegation**, which has significant implications for the ownership of the TA. Many also commented that while the official accountability was to the Partner Government, often the TA tended to feel accountable to the EC, with whom they had a contract.

### 15. Who in practice monitors TA

A number of respondents reported that all four actors: the partner government; the partner government plus delegation; the delegation and the Result Oriented monitoring (ROM) experts, played a role in monitoring the TA. **The partner government and delegation were felt to be the actors who monitored the most.** Very few (9%) registered that the partner government (alone) monitored TA.



### 16. Evaluation

Results from the evaluation question indicated that whilst it is important to assess the specific impact of the TA, **there is a firm belief that this should be done within the overall project or programme evaluation, in order to maintain the supporting rationale which underpins the whole project or programme.** There were also comments that partner government involvement in evaluation needed to be increased, and reinforcing this, that a joint approach – with use of the local language – should be promoted.

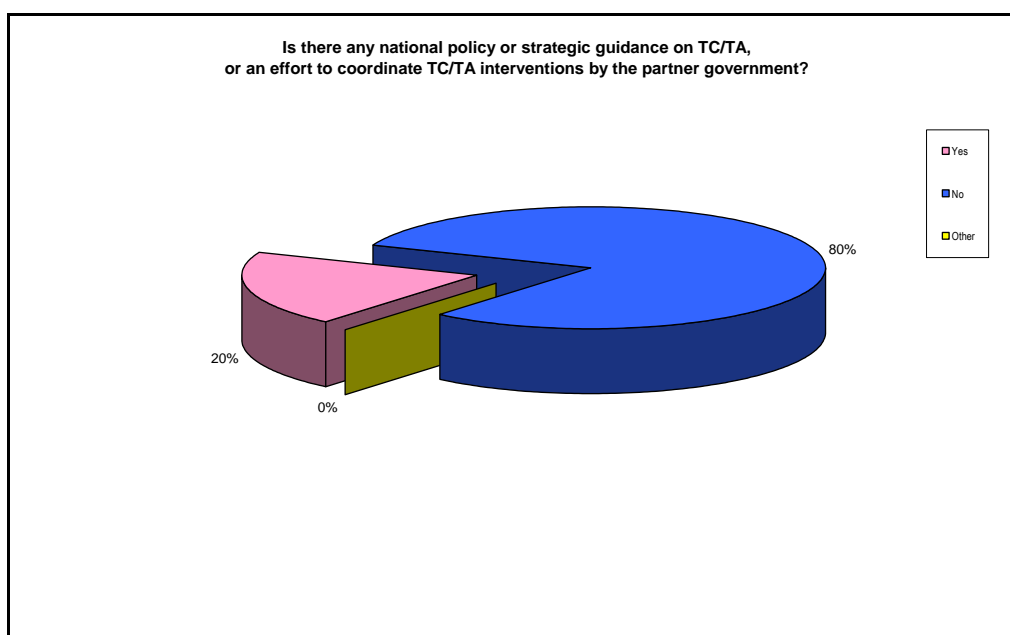
## IV. Trends and movements on the partner government side

The overall trend observed is a **low number of countries that have a national policy/strategy on TA and an overall insufficient involvement of partner governments in the project/programme cycle and TA.**

### 17. National policies and guidance on TC/TA

**Majority of respondents (80%) reported that in their respective countries there was no national policy or strategic guidance on TC/TA, or any efforts to coordinate TC/TA interventions by partner governments.** Out of 37 delegations reporting, only seven noted that there was some process in place (Tanzania, Jordan, Lebanon, Ukraine, Peru, Cambodia, India).

Policies and strategies vary across countries. A positioning with regard to international assistance can be observed as favourable to TA in India and Peru, preferring technical to financial assistance with the aim of enhancing knowledge and skills of its nationals. Other delegations have mentioned a preference for local/national assistance (Tanzania, Bolivia, Mauritania, South Africa) rather than international assistance.



### 18. Comments on "ownership"

**The overall trend observed is an insufficient involvement and ownership of partner governments in the project/programme cycle and TA.** Responses reflect a wide range of situations from “nil” to “high” levels of involvement, although a majority reported that when it exists, ownership is “weak”, “limited” or “gradually increasing”.

There is a broad agreement among respondents that to encourage ownership, partner governments should be consulted and involved from the very beginning of the process of project identification, and then in the formulation. Design should ensure that TA is integrated into the government structures. It is noted that the degree of interest and involvement in the project often depends on its contribution to the

To enhance involvement and ownership by PGs, delegations have to “prier, et de façon très assidue” (Del. Haiti)

government's stated or non-stated priorities (Lebanon, Indonesia). Responses were diverse and are listed in Box 5 below.

***Box 5: Comments on partner government Involvement and Ownership of TA/TC***

**Under design:**

- The involvement and role of partner governments varies greatly from "limited" (Bangladesh, Nepal) to "collaborative" (Bhutan), "participative" (Cameroon), and "gradually increasing" (RDC).
- Ethiopia highlighted the importance of consulting the PG from the project design phase, of carrying out a gap assessment of government systems, and examining how in practice to integrate TA within national structures.
- India remarked that PG involvement is limited to comment on documents submitted by the EC.
- Mozambique reported that the need for greater PG input must be addressed to ensure that internal government capacity is developed.
- Tunisia reports that ownership of TA is only by the government, with no civil society involvement.

**Under procurement:**

- Sudan reports that procurement is done entirely by delegation.
- Cameroon reported that the PG participates well in the procurement of TA.
- The limiting nature of framework contracts was noted by Ethiopia, which suggested that FWC means using EC procedures and EC approved firms.
- In India it was reported that there is little interest from the partner government on decentralised procedures for procurement.
- Nepal reported that government involvement in procurement was very limited.
- According to Pakistan Delegation long-term TA should become more market-oriented and transparent.
- West Bank & Gaza Strip commented that ownership at the level of procurement is the most important aspect of raising overall ownership.

**Under management of TA:**

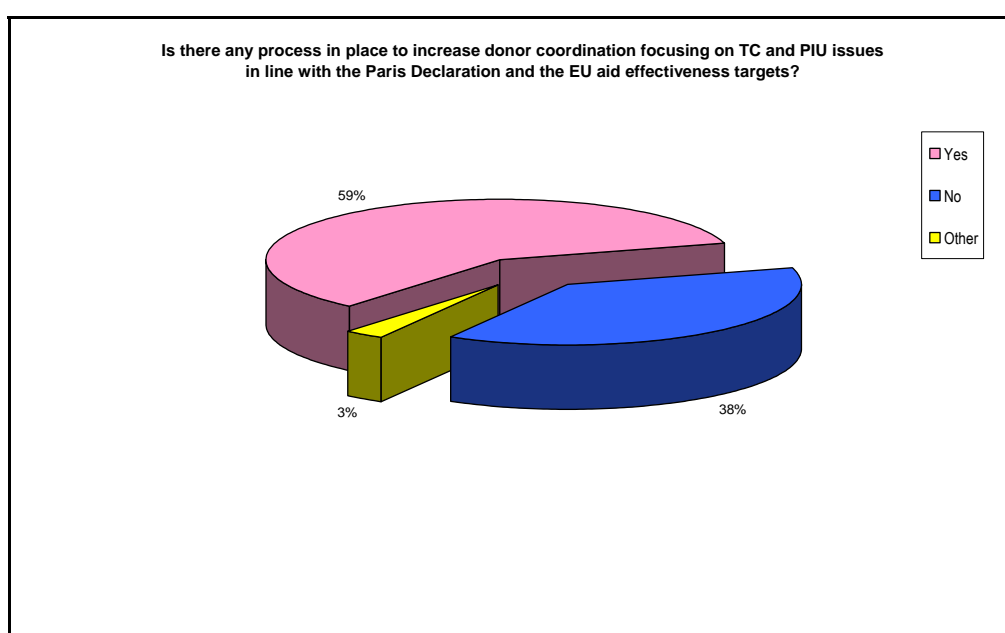
- Cameroon and Jordan reported that it is essential that PGs engage more, but they must be given support by the delegation to do this.
- Ethiopia noted that there should be more government involvement "built into" the projects, particularly in terms of monitoring TA.
- Nepal reported that government's involvement in management of TA was also very limited

## V. Trends and movements on the donors side

### 19. Donor coordination

60% of the respondents reported that **there is some process in place to increase coordination focusing on TC and PIU issues** in line with the Paris Declaration. The coordination is either lead by the partner government, the delegation, or by other donors.

The degree to which donor coordination is organised and put in place depends of a variety of factors. Some factors cited are the number of donors providing aid to the partner government (Tunisia, Jamaica), the country's specificities and donors' political interest (WB and Gaza Strip, Ukraine), partner governments policies on TC and interest in the aid received (India, Thailand) and the number of SWAPs that are running or are under preparation (Indonesia, Mauritania, Mozambique).

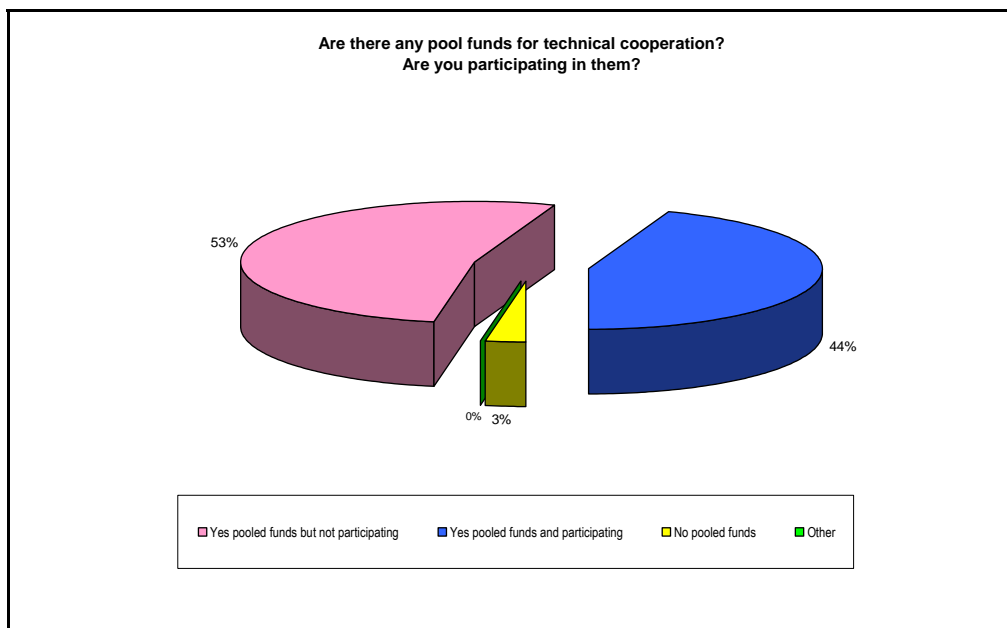


Concrete actions are stemming from the coordination initiatives such as joint identification & formulation missions, joint programme preparation and management with MS (Mauritania, Burma), future multi-donor joint missions are under preparation (Mauritania, Nicaragua, Lao) and agreements among EU donors to adopt common positions and practices (Cambodia).

### 20. Pooled funds

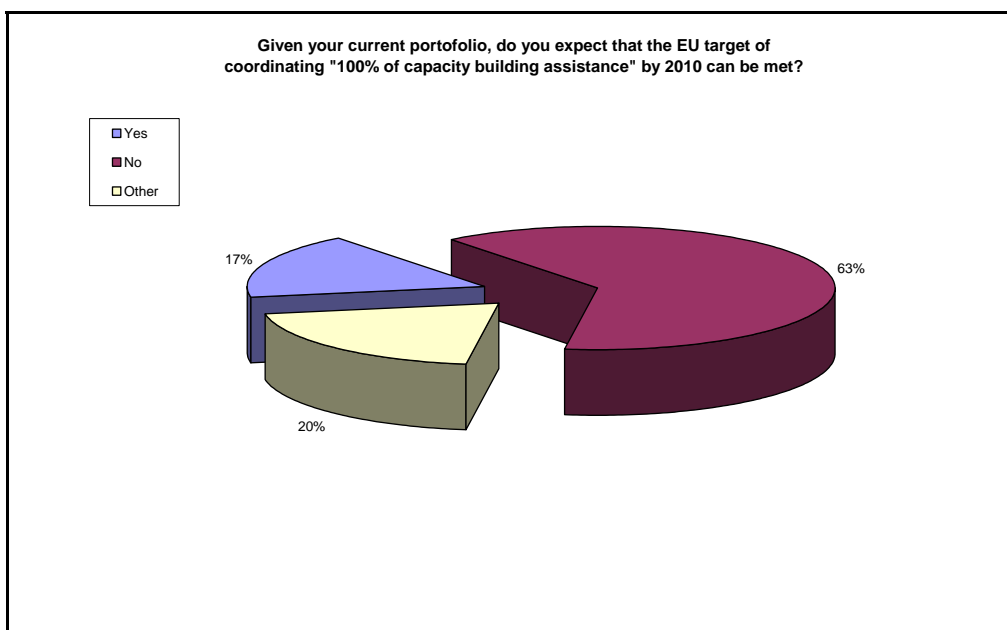
Delegations were asked if there were pool funds functioning for TC in their countries, and if the delegation was participating in them. Exactly half of the respondents reported that there was some form of pooled funds for TC in-country. In more than 44% of cases, delegations states that they participate in some kind of TA **Pool funding**<sup>12</sup>. This financing modality is increasingly used to support SWAPs (Bolivia) and is used in “fragile situations” (RDC, Haiti, Zimbabwe). In particular cases, the delegation is part of the Steering Committee in spite of not participating with funds (Lebanon). It was reported that EC auditing of national conditions for pool funding causes delays in implementation (Bolivia).

<sup>12</sup> Morocco - Palestinian Authority of the West Bank and Gaza Strip - Tunisia - Ukraine - Nicaragua - Bhutan - Burma - India - Lao PDR - Thailand - Burundi - Jamaica - Mauritania - PNG - Somalia - South Africa



## 21. Meeting the EU target “100% of capacity building assistance is coordinated by 2010”.

A common response to the question on delegation’s expectations to meet the EU “target of coordinating 100 % of capacity building assistance” was that it was **very unlikely that the target would be met** (63% of respondents). 20% of the respondents felt that it would depend on increased resources and attention to the targets, whilst 17% thought it would be possible to meet the targets outright. Comments by delegations indicate that target could be achieved in areas where sector approaches are in place. Responses reflect pessimism in countries where the PG is not interested in leading the coordination or does not have the capacity to do so, in countries in “fragile situation” (Burundi, DRC, Haiti), and in countries managing thematic programmes that are designed, launched and evaluated at HQs level.



There are mixed views among respondents from different regions, Asia showing the most optimistic forecast with 37% believing that the target will be achieved. Other regions express more scepticism with 20% positive responses from ACP respondents and none from ENP and LA regions.

***Box 6: How to promote coordinated TC***

***Comments from Delegations:***

- « Pousser l'UE vers un plus grand fédéralisme dans sa politique extérieure. » (Del. Morocco)
- « Plus de temps et de ressources devraient être dégagées pour promouvoir la coopération entre les bailleurs. Néanmoins, la coordination avec les bailleurs du Moyen Orient (fonds arabes) sera plus problématique car les objectifs de la coopération ne sont pas forcément similaires. » (Del. Tunisia)
- « The Donors themselves need to discuss more the TA issue on the ground and find synergies/ways of provided TA in a coordinated manner – the Member States need to achieve greater levels of complementarity in this field. » (Del. Nicaragua)
- “On HQ level with other donors: develop and establish partnership agreements and a framework with common guidelines and approaches together with other major donors with respect to future programmes.” (Del. Burma/Myanmar)
- Programmes under the new CSPs should be designed with the Paris Declaration and EU targets in mind (Ethiopia)
- “Other donors also have to be committed to multi-donor programmes”.
- “Efforts to further division of labour among donors and PGs need to be firmed up to improve consolidation of programmes (Ethiopia)
- “HQ: facilitates EC participation to basket funding mechanisms using national systems/procedures; adjust guidelines for thematic programmes to make them consistent with Paris Declaration agenda. High level dialogue with MS HQs to instil in MS representations on the ground a reflex of systematic cooperation/coordination with the EC in TC/TA interventions”.
- “High level dialogue with WB/UN”.
- “Other donors: some agencies (JICA, Belgium...) are specialised in providing TA: in this context, their incentives are high to design TA/TC, pressure to coordinate less high than for other agencies. (Del. Tanzania)

## VI. Looking forward

### 22. Overall future demand

The survey also requested delegations to estimate the trend for the future overall demand for TA, whether it was likely to increase, stay steady or decrease. The **majority of respondents reported that demand would remain steady**, whilst 30% reported it was likely to increase. The important trend to draw from this section however, was the low estimate of decreasing demand, as only 15% of the 37 respondents reported that demand was expected to decline.

### 23. TA financed through the national budget

Over three quarters of respondents reported that they were not aware of any TA funded through the national budget. There was a similar response rate to the question of whether this could be an option to ensure fully nationally owned TA integrated into the governments' systems, with less than one quarter of respondents supporting this as an option for the future. Tanzania seems the forerunner in this area.

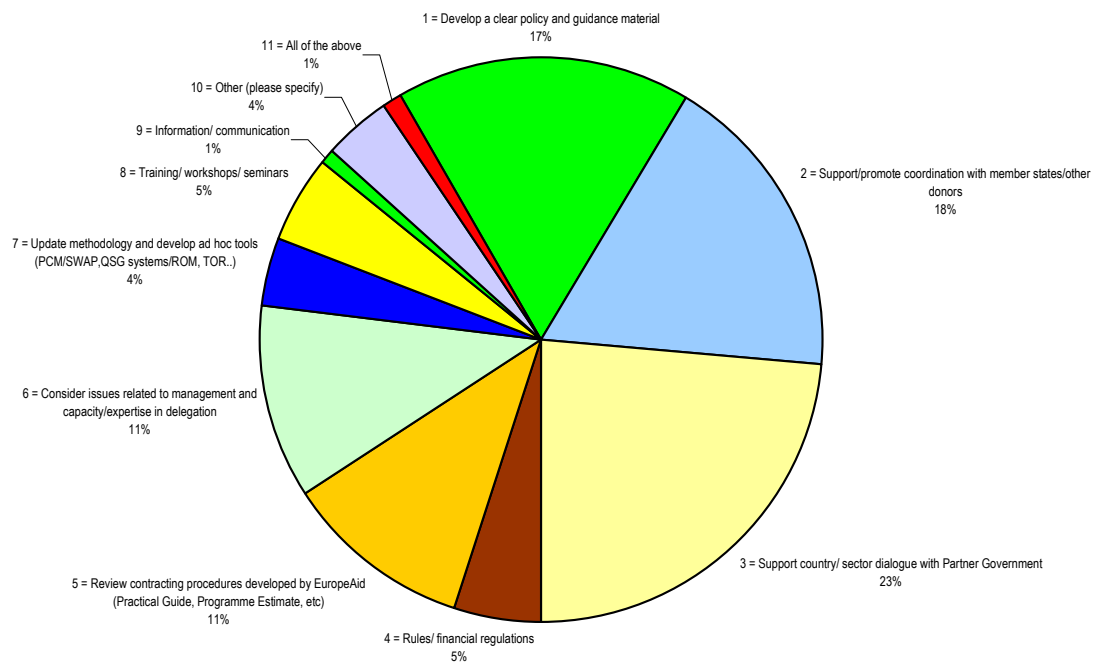
### 24. Major areas of change

Delegations were requested to highlight the three major issues/areas of change that the future strategy on TC and PIUs should deal with. **“Supporting country and sector dialogue with PG” emerged as the most important**, followed by the “development of clear policy and guidance material” and “support to coordination with other donors”. Delegations also quoted the “review of contracting procedures” and “issues related to management and capacity in delegation”. Some of delegations highlighted the need to address issues related to internal management and capacity/expertise in delegations.

***Comment from Delegation to Tanzania:***

“A reflection on EC human resources policy should accompany any reflection on aid effectiveness and TC/TA intervention. Especially, in a context of budget support scaling-up and alignment with national procedures, the role of EC Delegation staff is increasingly evolving from project managers to “advisers”. They are becoming direct providers of “technical assistance”, they are directly involved in capacity building interventions.”

**What are the major issues/areas of change that the future strategy on TC/PIUs should deal with?**





## VII. Results on Project Implementation Units (PIUs)

Respondents provided answers to the question on the proportion of projects that use PIUs in their countries. Even though not too many answers were provided to this question, 31% reported that over three quarters of their projects used PIUs ; 37% of respondents used PIUs in less than half of the projects.

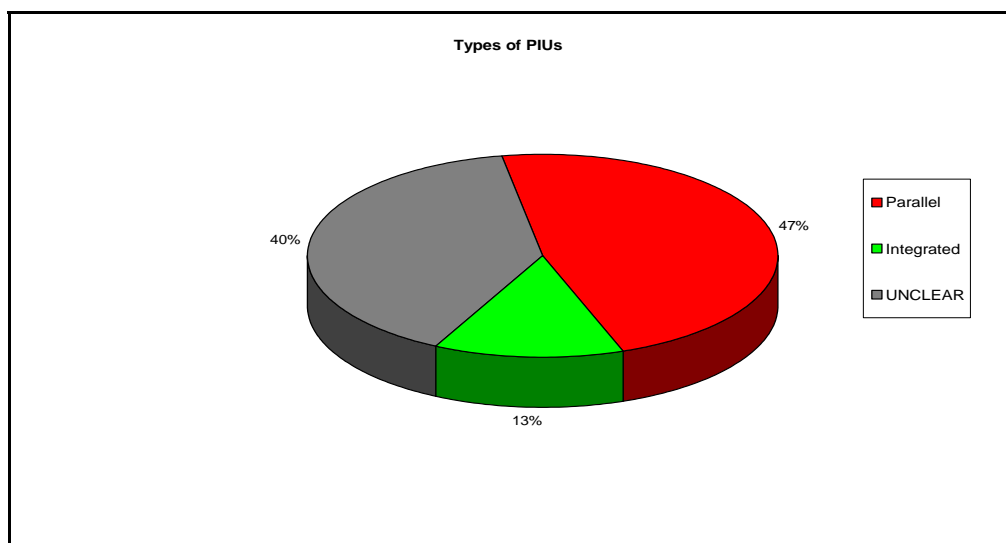
### 25. Integrated/Parallel PIUs

Delegations were requested to "map" up to five PIUs they consider representatives of their countries situation and report on the four criteria to determine whether these PIUs are parallel or integrated (based on OECD-DAC 2006 survey also used in the EAMR reporting for July 2007). Of a total of 106 PIUs registered, **13 % are described as Integrated, 47% as Parallel and 40% are classified as "unclear"**. "Unclear" means that delegation answered "EC/donor" together with "PG", instead of choosing either the EC or the PG. This seems to nicely reflect difficulties in classifying PIUs based on real life practices. It may also hide significant degree of parallelism behind a formal integration.

There are differences among regions: Asia scores high in terms of parallel PIUs (66%) with only one integrated PIU registered. In LA, unclear answers dominate (64%), while in ENP the three types of answers are balanced. In the ACP countries, the proportion of unclear cases is lower (34%), and parallel PIUs represent 52%

A closer assessment of the replies shows that Delegations often participate in the elaboration of ToRs and have a say in the appointments of PIU staff (Tunisia, Bolivia, Peru, Indonesia).

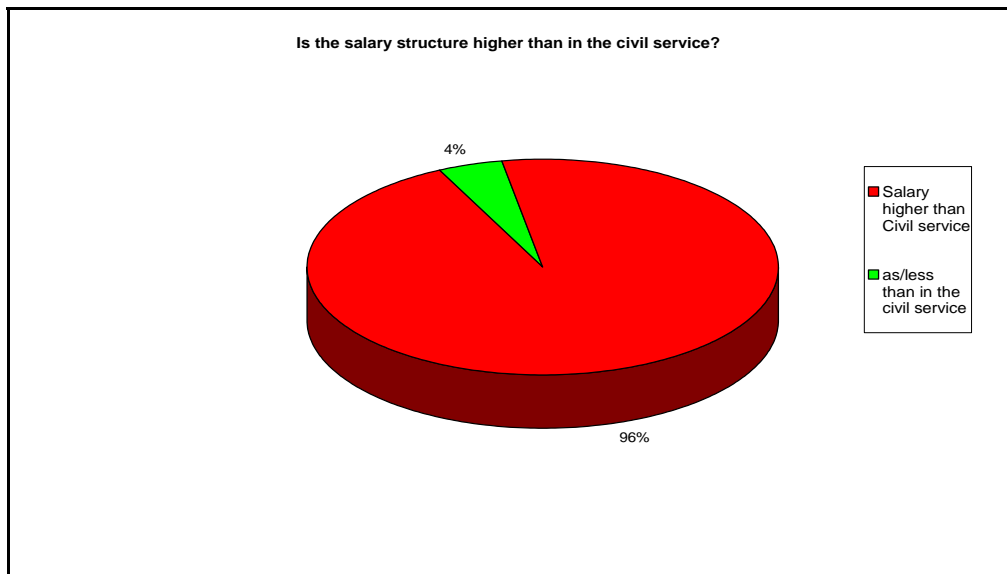
Few responses have clarified the role played by TA in integrated PIUs: in the few cases reported, TA role is mainly to support the project/programme financial and technical implementation. In a lesser degree, they have an advisory and training role to play.



The salary structure of PIUs and its relationship with civil service salaries was also addressed in the questionnaire. The survey shows that **in 96% cases, PIU staff is better paid than their counterparts in the civil service**. Attention should be drawn to the potential for resistance to closing down PIUs both from PGs as well as the local staff itself.

**Comment from Delegation to Cambodia:**

"To reduce disparities between PIU staff and civil servants, EU donors agreed to adopt a common "salary topping-up" position and practice in Cambodia and committing to phase out direct salary supplements in support of a government-led pay reform process based on merit-based pay initiatives"



## 26. Domestic ownership on project implementation

Respondents were also asked to comment on what they thought should be done to increase domestic ownership and quality of project implementation set-ups, and how they thought it might be possible to meet the EU target ("avoid the establishment of any new PIUs"). Their views are compiled in Box 7 below.

Responses on what should be done to increase ownership by the PG and the quality of project implementation set-ups were wide ranging as shown in the box below.

### **Box 7: How to promote ownership on project implementation**

**Delegations comments:**

- Need to *increase the capacity of the partner government* (Burundi, Cameroon, Jordan, Laos).
- Need for *increased collaboration with civil society, universities and the private sector*. Other stated that the *EC should only work with those PG organisations that have the capacity and will to deliver* (Bangladesh; Jordan, Mauritania, Indonesia).
- Need for *better and sustained involvement of the beneficiary country* (Nepal), *for more in-depth dialogue and better consultation with the PG during the programming phase* (Morocco) as well as in all succeeding phases of the project (Nicaragua, Peru, Indonesia).
- *Gap assessment of government systems and ways to insert the TA* should be carried out systematically within the Government structures (Ethiopia).
- Avoid programmes fragmented in a large number of multisectoral interventions and favour budgetary support and institutional support (Haiti). Moldova shares a similar view and states that focussing on "*serious SWAPS*" will increase ownership.
- Do away with supports through calls for proposals (requiring artificially created and stand-alone little

administrations (PIUs) that disappear at the end of the project) or give back the responsibility of calls for proposals to delegations (Haiti).

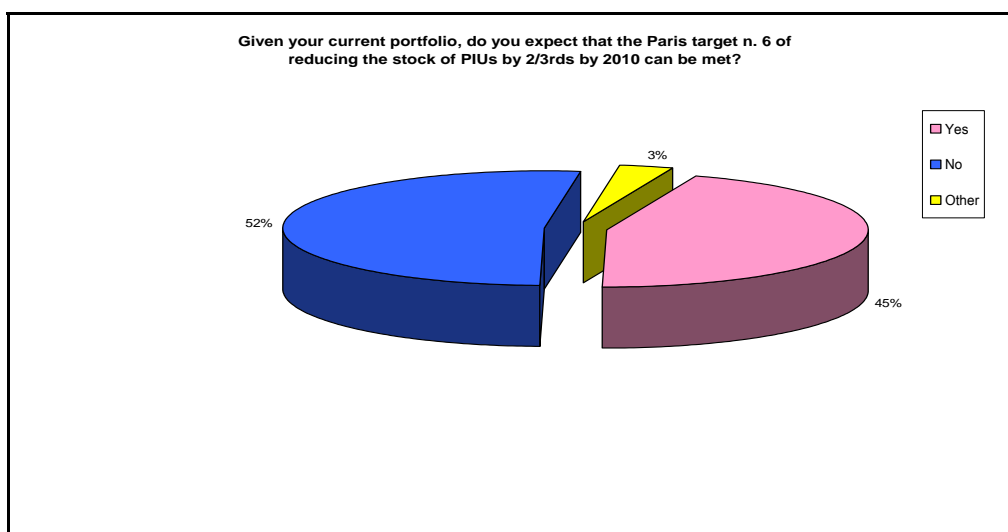
- Need to move away from the artificial administrative function of NAOs and their top-down method of intervention and engage more with investing in budget support. Jamaica concurred and stated that PIUs should be avoided except in extreme circumstances.
- It is necessary to help instigate a dialogue on public sector reform – particularly on linkages to tax collection capabilities and funding of public servants’ salaries (Mozambique).
- Increased *decentralised management* (South Africa, Zimbabwe) and *budget support will also enhance ownership and quality of TA* in general (Mozambique, West Bank and Gaza Strip, Bolivia, India, Lao)
- Budget support would allow governments to pay higher salaries to its key staff suggesting that qualified staff would be retained and trained and PIUs would not be necessary (Lebanon).
- Need to move towards sector support and delegated cooperation (Cambodia, Pakistan, Burkina Faso and Vietnam), but coupled with strict audits and building on PFM (Pakistan, Vietnam).
- *A national PIU should be set up and institutionalised in a ministry* responsible for the management of all TA programmes (Tunisia).
- Bolivia experienced increase in ownership with a *single national director* as opposed to two as was common practice in the Latin America region.
- *Greater flexibility by Delegations to respond to local needs and changes* would enhance ownership as would a bigger involvement by the PG in the recruitment of international TA (Nicaragua)
- In “*fragile situations*” such as Burma/Myanmar and RDC where it is not possible to use government systems and ensure ownership, funding via an international organisation (UN), or contributing to trust funds is the way to reduce the number of parallel systems (Burma/Myanmar).

## 27. Meeting the Paris Declaration indicator “reduce by two-thirds the stock of parallel PIUs”

Delegations were requested to indicate their expectations regarding the attainment of the Paris Declaration Indicator n. 6 “to reduce the existing stock by 2/3<sup>rd</sup> by 2010”. **45% of delegations expect to meet the target** while 52% stated that it was unlikely that the target on PIUs would be met.

Around 42% of the respondents reported that there were **no national or donor initiatives to reach this target**. Delegations in ENP countries are the most pessimistic, with only 20% believing that the target will be met. On the other hand, all Latin American delegations that responded are confident that the goal will be reached, as are 56 % of the respondents from Asia and 33% from the ACP region.

Several respondents emphasised that the responsibility of reducing the stock of parallel PIUs is shared by the delegation, headquarters and the partner government. A few countries consider that the main responsibility falls only upon the PG.

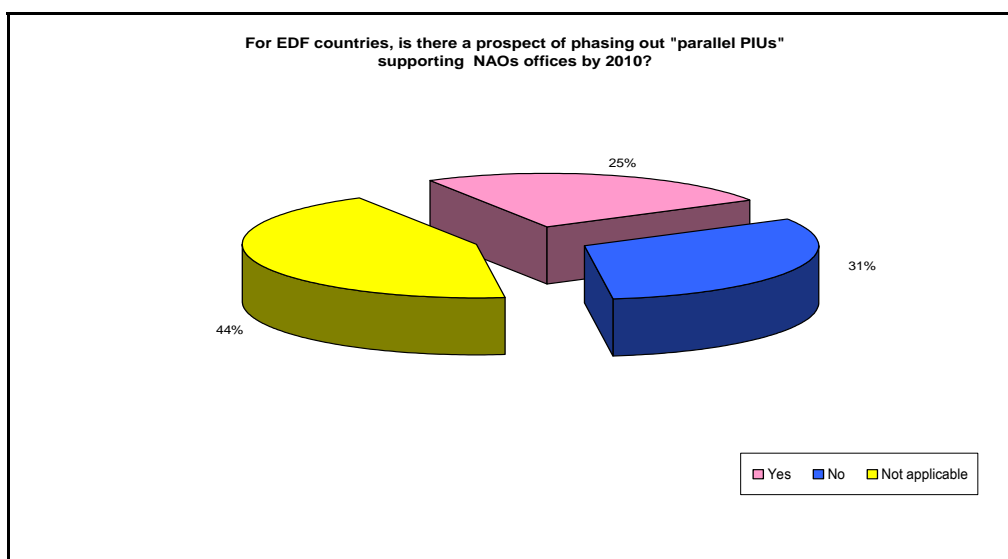


Delegations made suggestions for actions in order to increase the chances of meeting this target, amongst which were the following:

**Box 8: Increase probability of meeting EU target No. 3 “avoid the establishment of new PIUs”**

- Partner countries have to take the lead for the coordination, implementation of projects/programmes, management of PIU and full integration into the government structures.
- Partner countries have to thoroughly commit themselves at *moving towards SWAP arrangements*. Prior to this, and in order to place the conditions for SWAP or GBS, Bangladesh emphasized the need for government commitment to improve PFM.
- Delegations needs to better *reinforce PG capacity* to ensure the leadership, technical and management capacity of PIUs to support, rather than implement, the government-lead projects and programmes.
- Delegations have a key role to *promote the overall dialogue between parties involved and other signatories of the Paris Declaration to commit and effectively act towards reducing the number of PIUs*.
- Papua New Guinea stressed the need for improved support to line departments in terms of capacity building, and particularly to appoint both the imprest administrator and imprest accounting officer in the line ministry where this is possible.

The response to whether it would be possible to phase out parallel PIUs supporting National Authorising Offices in EDF countries by 2010 was relatively evenly spread, with 33% reporting they did not think it would be possible to phase such PIUs out, and just under 27% reporting that it would be possible.



## VIII. Regional Traits on TC/TA

This section sketches a number of trends and particularities for each region in the areas of demand for TA, type of management, accountability and use of local and regional TA. Given the nature of the survey, these trends are only indicative and to be “handled” with care.

### Asia

In Asia the **share of delegations "wanting TA"** is of 35%. 40% of delegations signal that demand for TA comes from “PG and other actors”.

**Centralised management is the most current type of management in the region;** 50% of the projects mapped by respondents are centrally managed. The remaining half is equally divided between diverse type of decentralised management mode and “other”. At first glance, “other” mainly comports projects managed by other international organisations through contribution agreements.

**TA accountability seems skewed towards delegations.** In 33% of the cases mapped by delegations, TA report only to delegations, and in 45% of the cases accountability is dual, reporting both to the PG and delegations.

Delegations estimate is that **local/regional TA** is not more than 50% of the total TA provided.

### ACP

Demand for TA leans towards being supply-driven with **52% of delegations “wanting” TA.**

As expected, the **management mode in ACP region is mainly decentralised management.** Only 13% of the projects/programmes are centrally managed and the remaining is managed in diverse forms of decentralised management.

**ACP region shows the highest proportion of TA being accountable to the PG.** In 36% of the projects mapped by the delegations, TAs reports directly to the PG. In 41% of the cases, accountability lines go to both the PG and delegations.

**Local/regional TAs** seems not broadly utilised in the ACP region. In the majority of countries, the proportion of local TA drops to 30-40 % and goes down to nil in areas in fragile situations.

### ENP

63% of delegations responded that demand from TA is originated by the EC system (delegation, HQ and QSG process).

**Centralised management is commonly practiced** with 45% of projects identified that are managed in this mode. .

Responses to the survey show a **mix of accountability relations** with 52% reporting to both PG and delegation, 24 % reporting to the PG and 10 % being accountable solely to the delegation.

ENP countries report a large use of **local/regional TA**, in particular in Ukraine and Tunisia where 60-70% of TA are from the country itself or from the region.

## Latin America

**The demand for TA is evenly shared by the PG and the EC.** 49% of delegations answer that “PG and other actors” “want” TA, and 51% of delegations signal themselves are demanders.

The main **management mode in LA is decentralised management**, with 66% of the projects/programmes being managed in diverse forms of decentralised management. Only 27% of projects/programmes are centrally managed.

In the majority of projects mapped by delegations (66%), **TA’s accountability line is dual reporting both to the PG and to the delegation** (in 27 % of case TAs report to the PG only).

Delegations estimate that the majority of TA recruited in Latin America is **regional/local TA**. In some countries (ex. Peru), up to 80% of TA is regional/local.