

Lessons from TC assignments

17

Not every TC assignment goes according to plan. Each year the EBRD's Project Evaluation Department (PED) review a sample of assignments that have been completed under the TC Funds Programme.

The purpose of these reviews is to assess the outcome of each assignment and to draw lessons regarding TC implementation and effectiveness. This chapter reviews the latest lessons learned.

Participants' performance

One of the key factors for success is the degree of commitment from the local client. Of the assignments regarding *local client performance*, the majority fulfilled their objectives satisfactorily. However, when there is limited commitment (or in some cases even outright reluctance to cooperate) by the local client, the consultants have serious trouble in fulfilling the terms of reference (TOR) and achieving TC objectives. In almost all of the TC projects that were rated *marginal* or less for *fulfilment of objectives*, the EBRD operations leader (OL) reported little or no cooperation from the client. This observation confirms that local client support is essential if the consultant is to fulfil the original objectives.

The local client's commitment can be 'measured' by examining three main factors:

- 1 The local client's positive efforts to provide all the necessary data. A situation that is occasionally observed is the local client's reluctance or opposition to providing key data which are perceived as highly confidential;
- 2 The local client's willingness to allocate their own resources to the fulfilment of the assignment's objectives. Client contributions can be in the form of local personnel, office accommodation and local travel or, in a few cases, a direct sharing of the cost of consultancy services; and
- 3 Local client participation in the drafting of terms of reference. In most of the successful cases, the local client was involved in, or at least in agreement with, the TOR design.

When the necessary commitment from the local client could not be obtained, at least one of the following features was observed:

- **High management turnover**
The committed local client counterpart staff were exchanged or left their posts, disrupting the TC implementing process.
- **Change in management objectives**
Due to changes in political or commercial circumstances, project management changed its position towards the TC and investment project. This was certainly the case when there was a change in government and/or views on privatisation and market reform.
- **Lack of experience in working with an international financial institution**
Some local clients were unclear about the motivation of the Bank and this was most often manifested as a reluctance to release internal information to the Bank and the consultants.

Where the Bank is the primary beneficiary of a TC project, such as investment due diligence or market studies to explore investment opportunities, the need for client commitment is not as strong. In these TCs, although consultants need some cooperation from the local clients regarding information and data gathering, the consultant is usually able to fulfil the objectives of the TC with marginal participation from the local client.

The EBRD's performance in design and management of the TC projects

The sample of reports gave several positive examples and lessons for more successful TCs from this year's samples, and those from previous years deserve highlighting:

- **Phased approach**
Where local client commitment is unclear, splitting an assignment into phases is recommended in order to avoid committing too much time and TC funds up-front in an uncertain situation. A TC project with an ambitious scope of work and limited time and budget is more prone to fail in a situation where this local commitment is uncertain or missing.
- **Benefiting from past experiences**
In many successful assignments, the OL designed a TC based on past successful patterns and cases. This demonstrates best the benefits from an effective self-evaluation system and feedback mechanism. As a result, TOR quality and

consultant selection improves. Consultants with good performance records are re-recruited, marginal performers are avoided.

- **Flexible, realistic TOR design**
In some cases, the relevance of the objectives stated in the TOR becomes clear once the consultant has started to work. This calls for TORs to be flexible enough to allow alterations and changes quickly without resulting in considerable delays. Dividing a TC operation into phases demarcated by clear milestones may provide the required flexibility, although this tends to increase the overall implementation period.
- **Proactive monitoring**
In cases where the consultants failed to understand sufficiently the Bank's needs and procedures, the OL needs to fill the gap through close monitoring and continuous dialogue. Ideally, OLs should include interim evaluations where the TC implementation is lengthy and complex. At any rate, the consultant would need to be obliged to complete their tasks without extra charges.

Consultant's performance

It is of utmost importance for the success of a TC operation that the best consultant is being hired for the assignment. The Project Evaluation Department confirmed that the following factors - beyond the technical expertise of a firm or individual - are important criteria in choosing the right consultant.

- **Social and cultural aspects**
Good consultants showed a thorough understanding not only in operational matters but also regarding the organisation of the local client. Such awareness may depend on the consultant having local language skills or in-country experience.
- **Experience working with the Bank**
The degree of understanding of the Bank's mandate, needs and procedures will affect the consultant's effectiveness on the assignment. This is particularly so when the assignment is related to either (i) representing the Bank on the client's board; (ii) helping the client on procurement matters requiring full knowledge of the Bank's Procurement Policies and Rules; or (iii) environmental assessments requiring familiarity with the Bank's environmental policy, strategy and procedures.