

## **Management comments with respect to the**

### **EvD Synthesis Paper**

#### **Findings and insights From technical cooperation evaluations**

**July 2012**

The EvD Synthesis Paper "Findings and insights from technical cooperation evaluations" (the "Paper") is not an evaluation of the TC instrument itself or its performance. It aims to consolidate the knowledge and findings of past evaluations between 2000 and 2010.

OCU and subsequently CSU, have been given the opportunity to provide comments during the drafting stage, however only some of the recommendations were taken on board. Consultation with relevant teams from the very outset would have been preferable. The "Recommendations to consider for Management" relate to the (i) adaptation of a results-based approach, (ii) client commitment and ownership, and (iii) sharpening of the Bank's leverage on policy dialogue. While these recommendations are fine and consistent with management plans, the tone (e.g. in the Executive Summary) is more negative than warranted. The TCs are broadly considered to be successful by clients, donors and EvD itself and this positive "substantive" bottom line should be brought out more clearly.

The recommendations with respect to the adaptation of a results-based approach are core elements of the on-going Grant Co-financing Strategic Review. OCU is at an advanced stage in the development of a TC results matrix as a management tool for planning, monitoring, evaluation, and eventually reporting to the donors. Those matrices will be a tool to monitor implementation, enhance transparency and to report to donors. OCU is also currently amending the TCRs and reviewing the ToR of TC Com to ensure that the Committee focuses on the key issues. Work is under way in other areas to complement the adaptation of a results-based management approach.

With respect to client commitment and ownership, the Paper rightly points out that there are different ways to ensure client commitment and many of these tools are used simultaneously. Client's selection and engagement of Consultants and supervision and implementation of the advice rendered by Consultants has been core part of ensuring client buy in since commencement of TC in the Bank. Guidelines for Clients Managing Technical Cooperation Funded Assignments reflect Bank policy and best practices. In addition, the Bank is implementing the policy of cost sharing as one of these tools and results are starting to show.

EvD is correct in stressing the need for continuity and consistency in policy dialogue and the role resident offices can play. This issue goes beyond the provision of TC for policy dialogue but concerns the general approach of EBRD vis a vis policy dialogue. One of the bank-wide talk forces will address this topic and report to ExCom in due course.

Specific comments:

Resources devoted to TC Management: the statement that, in line with increased TC volumes, "there has not been a commensurate increase in effort dedicated to ensuring these

funds produce the results expected” is incorrect. Teams using TC have built up their TC administration functions quite substantially over the last several years. However Management agrees that a review of TC focused resources is merited, and this will take place as part of the Grant Co-financing Strategic Review.

Design of TCs: The Report asserts that more rigorously designed TC operations "appear to be more generally successful" (p5). This may be correct, but it appears that evidence is limited. Operation Leaders for TCs may have a very good understanding of the objectives of a TC. The fact that they have not defined a detailed results matrix does not per se impact the success of the TC operation, although monitoring and evaluation may suffer.

The report states that “a wider and deeper understanding by operations professionals of the TC instrument ...would provide benefits and efficiencies” (p9). This statement may be correct for the non-regular users of TCs. For other teams such as Financial Institutions, Municipal and Environmental Infrastructure and Energy Efficiency and Climate Change, TC Operations are an integral part of their operations and as a result they have developed a deep understanding of TCs and the project cycle. Admittedly, there remains further need to strengthen monitoring and reporting, and with more resources and an appropriate incentive scheme even more could be achieved. We would recommend amending this statement.

With respect to the role of TC Com, the Paper states on p9 that “it has focused its activities primarily on compliance with procurement procedures and resource mobilisation consideration rather than on assuring the quality of the TC project formulation..”. This statement is not correct. Especially in the last few years, TC Com has systematically questioned the rationale and strategic relevance of TCs and has induced teams to improve the sections on objectives and success indicators, albeit not in the form of a matrix. The efforts by TC Com to improve the quality of TCs in terms of design and objectives are evidenced in the minutes of TC Com and also in the briefings by various departments including CSU and OCE. On p9 the Paper refers to the engagement with teams such as CSU and OCE upstream of TC Com but it is not captured in the TC Com minutes. For clarification, often improvements are already incorporated in the submissions and are therefore not reflected in the TC Com Minutes. Design of deliverables has been one of the key contributions of CSU. As mentioned above TCs are generally perceived to be of good quality and have had an important impact on transition.

In terms of resource mobilisation, it is not the decision of TC Com to consider resource mobilisation and therefore it has not featured prominently. However, TC Com has at times recommended the use of untied funding sources to ensure the procurement of high quality consultants.

With respect to the design of TC operations supporting investment operations, the Paper might wish to elaborate on the relationship between OpsCom and TC Com. Although TC Com takes decisions independently from OpsCom, it is fair to say that the approval by OpsCom of a specific design for an investment operation (i.e. approval of the CRM) “sets the scene” for the deliberations of TC Com. The design of an investment operation has implications on the design of related TC operations.

The statement on page 12 in terms of the programme-based design approach may need clarification. The up-front consideration of desired results of TC projects does not make it, per se, a programme-based design approach.