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The Bank's Use of Technical Assistance for Institutional Development

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Whenever the Bank identifies shortcomings in institutional capability, technical assistance is automatically assumed to be the appropriate response. But technical assistance has, and will continue to have limitations — and there are alternatives.

WORKING PAPERS

**Public Sector Management
and Private Sector Development**

WPS 578

This paper — a product of the Public Sector Management and Private Sector Development Division, Country Economics Department — was prepared as background for the division's December 1988 conference on institutional development. Copies are available free from the World Bank, 1818 H Street NW, Washington DC 20433. Please contact Ernestina Madrona, room N9-061, extension 37496 (89 pages).

Technical assistance (TA), including project-related training, is the principal instrument the Bank uses to promote institutional development (ID).

Buyck reviews trends in ID-related TA for FY1982-88 and examines why there is little evidence of improvement in its use, despite the recommendations in many past studies and reviews. She identifies the minimum requirements for successful ID-related TA, and gauges whether the Bank is equipped to take on the challenge of improving it, or should consider other ways to promote ID.

She contends that the Bank labors under serious built-in handicaps as a supplier of ID-related TA. These include:

- The neglect of in-depth country knowledge and a poor institutional memory, both attributable to the frequent rotation of staff.
- A high degree of centralization in the control of operations from Washington.
- The priority the Bank attaches to capital lending and to the preparation of projects rather than their supervision.
- The high cost of Bank TA to some borrowers, compared with TA extended by many bilateral donors on a grant basis.
- The Bank's blueprint approach to project design and implementation.
- The absence of systematic, explicit attention to the issue of government commitment in Bank work, a prerequisite for successful ID-related TA.

She also argues that compared with traditional Bank projects and economic and sector work, ID is a relatively new and particularly complex area of Bank work. As a result, the body of knowledge is still quite limited, and there are few best-practitioners.

She suggests that the Bank be more discriminating in its use of ID-related TA, limiting it to cases where the government's commitment is clearly demonstrated and where there is an institutional base on which to build.

But the Bank should also consider alternative routes to ID. When shortcomings in institutional capability are

identified, TA is automatically assumed to be the appropriate response. But excessive reliance on TA to solve ID problems raises false expectations. TA has and will continue to have its limitations.

In countries where there is still a genuine demand for Bank-financed ID-related TA, several things can be done to improve the Bank's performance. Buyck argues that it is unrealistic to expect a change in the Bank's lending policies and practices, and a substantial increased resource allocation for TA. In the absence of such changes, these are some of the actions she suggests:

- Country-wide ID strategies should be developed.
- Projects should be designed in a participatory manner responding to genuine needs and capacity of the borrower.
- Institutional analysis of the recipient agency is needed, including country commitment.
- Projects should be designed for flexible implementation, with clear objectives. A series of verifiable performance indicators should be defined.
- More thought should be given to the packaging and delivery of ID-related TA — for example, by integrating short-term consultants and long-term technical assistants.
- Operational staff should systematically compile and exchange information on consultants used for ID-related TA, including frank evaluations of their performance.
- Practical guidelines and project implementation manuals should be prepared for Bank staff working on these areas.
- More use should be made of the Bank's field offices. For example, to list local consultants, monitor the performance and progress of ongoing projects, and coordinate TA financed by the Bank with that provided by bilateral donors.
- Cross-fertilization and dissemination of best practice are needed for staff working on these areas.
- The conceptual and methodological base for ID-related TA needs to be expanded.

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Research assistance by Stuart Bell

LIST OF ABBREVIATIONS

AF1CO	<i>Occidental & Central Africa Department, Country Operations</i>
AF3CO	<i>Africa-South Central & Indian Ocean Department, Country Operations Division</i>
AFTED	<i>Africa Region, Technical Dept., Education Division</i>
AFTPS	<i>Africa Region, Technical Dept., Public Sector Mgmt. Division</i>
ARIS	<i>Annual Review of Implementation and Supervision</i>
ASSIE	<i>Asia Country Department, Industry & Energy Operations</i>
ATAP	<i>Agricultural Technical Assistance Project</i>
CECPS	<i>Country Economics Dept., Public Sector Mgmt. and Private Sector Development Division</i>
CESW	<i>Country Economic and Sector Work</i>
CODOP	<i>Central Operations Dept., Operations Policy Unit</i>
DECVP	<i>Office of the Vice President, Development Economics</i>
EDI	<i>Economic Development Institute</i>
EMENA	<i>Europe, Middle East & North America</i>
FY	<i>Fiscal Year (June - July)</i>
IAD	<i>Internal Auditing Department</i>
ID	<i>Institutional Development</i>
ID-Related TA	<i>Institutional Development-Related Technical Assistance</i>
IDA	<i>International Development Association</i>
LAC	<i>Latin America and the Caribbean</i>
MIS	<i>Management Information System</i>
OED	<i>Operations Evaluation Department</i>
OMS	<i>Operational Manual Statement</i>

PERL	<i>Public Enterprise Reform Loan</i>
PHREE	<i>Population and Human Resources Dept., Education and Employment Division</i>
PMU	<i>Project Management Unit</i>
PRE	<i>Policy, Research & External Affairs</i>
PRT	<i>Project-Related Training</i>
SAL	<i>Structural Adjustment Loan</i>
SECAL	<i>Sector Adjustment Loan</i>
SME	<i>Small and Medium Enterprise</i>
TA	<i>Technical Assistance</i>
TAL	<i>Technical Assistance Loan</i>

SUMMARY AND CONCLUSIONS

1. Technical Assistance (TA), defined here to include project-related training, is the principal instrument used by the Bank to promote Institutional Development (ID) in its borrowing member countries. While TA as a proportion of Bank lending has been declining (from around 9% in FYs 82 and 83 to 6% in FYs 87 and 88), the proportion of TA directed towards ID has been increasing, with the result that ID-related TA has remained fairly constant through the 1980s at 4-5 percent of Bank lending.
2. The Asia Region has been in absolute terms the largest user of ID-related TA. However, the relative importance of ID-related TA as a component of Bank operations has been greatest in Sub-Saharan Africa where it accounts for over 10 percent of lending, as compared with 4 percent in Asia and 2-3 percent in the other regions of the Bank, Latin America and the Caribbean (LAC), and Europe, the Middle East and North Africa (EMENA).
3. Among the sectors, agriculture and rural development has absorbed the largest amount of ID-related TA, but the relative importance of ID-related TA has been greatest in Education and Population, Health and Nutrition (PHN). ID-related TA has also been central to the Bank's efforts to help strengthen national economic management. During the 1980s, for the first time, freestanding TA for Public Sector Management (PSM) has become a significant feature of the Bank's operations in Africa, and to a lesser extent in LAC. It has been used only rarely in the other two regions (e.g., in Bangladesh, China and most recently in Morocco and Algeria).
4. Various internal reviews carried out in recent years, mainly by the Operations and Evaluation Department (OED) and the Africa Region, have pointed to serious weaknesses in the way in which TA, and particularly ID-related TA, is managed by the Bank. The frequently hasty and poor design of TA projects, in part attributable to inadequate diagnosis of TA needs, tends to be compounded by defects in implementation such as recruitment delays and difficulties in finding suitable consultants (particularly for training), problems associated with the employment of long-term expatriate advisers, lack of adequate counterparts, lax supervision by the Bank, poor coordination with other donors and the inadequate administrative capacity of the borrower. These are especially serious problems in Africa, as well as in a few least developed countries elsewhere (e.g., Bangladesh); it is in these parts of the world that the phenomenon of "supply-driven TA" is most commonly encountered. However, the governments of most of the more advanced countries outside Africa are by now able to define their own TA needs, have considerable local expertise to draw on, make relatively little use of long-term expatriates and are reasonably competent at managing the TA which the Bank finances.
5. Where Bank TA has proved to be ineffective, the explanation is usually to be found in lack of serious commitment on the part of

the borrower, the generally low priority accorded to TA in the Bank (resulting in an inadequate allocation of staff resources to the TA components of projects), the poor choice of instruments for the delivery of TA or a combination of these factors. Some improvements appear to have been made in recent years in the design and delivery of TA in response to the criticisms and recommendations contained in past reviews. For example, terms of reference and work programs now tend to be more clearly defined, greater use is being made of local consultants, more innovative modes of delivery are being experimented with (e.g., twinning), and a larger role in the design and implementation of TA has been accorded to some of the Bank's overseas resident missions. Nevertheless, a review of ID-related TA projects and components which have gone to the Board in the past two years and interviews with staff involved suggest that the Bank's performance in this field still leaves much to be desired.

6. It is a contention of this paper that the Bank labors under serious built-in handicaps as a supplier of ID-related TA. These include: the absence of systematic, explicit attention to the issue of government commitment in Bank work, a prerequisite for successful ID-related TA; neglect of in-depth country knowledge and a poor institutional memory, both attributable in part to the frequent rotation of staff; a high degree of centralization in the control of operations from Washington; the priority naturally attached to capital lending, and to the preparation of projects, rather than their supervision; the high cost of Bank TA to some borrowers, as compared with TA extended by many bilateral donors on a grant basis--all of these are factors which help to explain the Bank's limited success in the use of TA to promote ID. Also, compared to traditional Bank projects and economic and sector work, ID is a relatively new and particularly complex area of Bank work. As a result, the body of knowledge is still quite limited, and there are few best practitioners.

7. A possible conclusion could be that the Bank should be more discriminating in its use of ID-related TA, limiting it to cases where there is a clearly demonstrated government commitment and a minimal pre-existing institutional base upon which to build. Alternative routes to institutional development should always be considered. When institutional capacity shortcomings are identified, there appears at present to be an automatic assumption that technical assistance is the appropriate response. Excessive reliance on TA to solve ID problems, however, raises false expectations. TA has, and will continue to have, its limitations.

8. In countries where there is still a genuine demand for Bank-financed ID-related TA a number of things might be done to improve the Bank's performance in what is unquestionably a complex area of its operations. Most important of all, a conscious effort could be made to assign more staff resources to the preparation and appraisal, and more particularly to the supervision, of both project-related and freestanding TA--a move which could be backed by improved staff training.

9. However, this paper contends that it is unrealistic to expect changes in the Bank's resource allocation and its lending policies and practices. In the absence of such changes, these are some of the actions that can be taken to improve the Bank's performance:

- (a) Country-wide institutional strategies could be developed.
- (b) TA design should be preceded by a careful analysis of the institutional factors involved, including an assessment of the government/borrower's commitment. Design should be as simple as possible and should be carried out in a participatory fashion with the government/borrower taking the lead in defining priority needs and objectives, terms of reference and work programs. To the extent practicable, provision should be made for verifiable indicators of performance.
- (c) More thought could be put into the packaging of ID-TA delivery modes, for example by integrating short-term consultants and long-term technical assistants with national staff, and making use of less traditional methods such as twinning.
- (d) Operational staff should systematically compile--and exchange--information on consultants used for ID-related TA, including frank evaluations of their performance. A proven track record should normally be required as a condition of Bank recommendation.
- (e) Guidelines on TA could be prepared for Bank staff, incorporating lessons of experience and providing a checklist of the steps to be taken at all stages of the project cycle.
- (f) Greater use could be made of the Bank's field offices in the design and supervision of ID-related TA projects. Some additional local staff may need to be recruited for this purpose. Appropriate tasks for the field office could be to compile a register of local consultants, to monitor consultants' performance and project progress, and to help coordinate Bank-financed TA with TA provided by bilateral donors.
- (g) The conceptual and methodological base for ID-related TA needs to be expanded.
- (h) Cross-fertilization and dissemination activities of best practice should be organized for staff working on these areas.

CHAPTER ONE

INSTITUTIONAL DEVELOPMENT AND TECHNICAL ASSISTANCE

INTRODUCTION

1. Institutional development (ID), in one form or another, has been part of the World Bank's operations almost since its inception.¹ In recent years, the development community has become increasingly aware of the importance of strong institutions for sustained economic development. This is because in a large number of unsatisfactory operations, the principal determinants of underperformance were institutional.² Technical assistance (TA) is the instrument most frequently used by the Bank to promote institutional development. However, too often TA has been unsatisfactory. Many country, sectoral, and regional reviews, various papers, and case studies, have highlighted the major shortcomings, and proposed recommendations for improvement.³ The generally accepted reasons for the lack of success are well known:

- At the design stage: Insufficient involvement and commitment of the recipient (supply-driven TA); too many complex components; insufficient preparation time (TA as an "afterthought"); inadequate assessment of the borrower's needs and the sociopolitical climate in which TA is to work; loosely drawn terms of reference or, in extreme cases, no terms of reference ("slush funds"); targeting that is overly ambitious in timing or scope; immeasurable outputs; inadequate or inappropriate instruments (excessive reliance on long-term expatriate TA, insufficient provision for training, etc.).
- At the implementation stage: unsatisfactory performance of consultants; inadequate supporting arrangements within the country; unavailability of appropriate government counterparts; procurement problems; less than optimal supervision and quality control by the Bank; weak management of the program by the recipient government.

¹ See A. Israel, Institutional Development Incentives to Performance, JHU, 1987, p. 1, et al.

² 1988 Annual Review of Performance Evaluation of the Bank's Operations Evaluation Department (OED), p. vi.

³ See Annex 1 for a list of these studies and a comprehensive review of their analyses and recommendations.

2. Because TA has been so extensively used, and its effects so often examined, general agreement exists that the following elements are necessary for successful TA:

- Improved national planning and management of TA (government recognition of the need for the project and commitment to it; appropriate structures within the government to design TA, manage its implementation, and use the output).
- Sound design (more modest goals, simpler organization and inputs, clearer aims leading to concrete measurable outputs, and clear definition of the responsibilities of TA personnel and staff of the recipient agency).
- Improved delivery of TA (increased use of less traditional forms of TA such as twinning⁴ and use of Non-Governmental Organizations (NGOs); development of local training institutions; encouraging the use of local consultants; better selection of TA personnel, regarding their technical qualifications, experience, and personal suitability; adequate support from the recipient agency and, where appropriate, from the consultants' headquarters).
- Improved Bank management of TA (more and strengthened supervision, making better use of resident missions for supervision, tightened reporting requirements, etc.).
- Better coordination among donors.

3. Although these recommendations are well established, and TA related to institutional development has been given added emphasis with the rapid expansion of policy-based lending, there seems to be little evidence of major improvement in the design and delivery of such TA. "Slush funds" still crop up frequently; TA components of project and sector loans often continue to be hastily and inadequately put together; recipient governments persistently fail to create or sustain

⁴ Twinning involves the establishment of an institutional relationship between an organizational entity in a developing country (the "recipient") and a similar but more mature entity in another country (the "supplier"). Twinning is mainly aimed at, and best suited for, the transfer of managerial, financial and technical skills and systems which involve many or all of the numerous functional aspects of the recipient entity. "Transfer" of skills is to be distinguished from the "development" of skills in the sense that the primary reason for selecting twinning as a mode of TA delivery is to bring to the recipient proven and successful ways of improving organizational efficiency and effectiveness through the selection of a supplier of similar structure. In short, twinning is about transferring directly relevant operational knowledge between two institutions as similar in function and structure as possible.

effective machinery for the management of TA; little progress has been made, either centrally or in the regions, in building up a reliable inventory of best practitioners; most worrying, the performance of consultants is rarely systematically evaluated by the Bank; and little attention is given to TA in Bank-sponsored aid groups.

4. This paper reviews the trends in TA related to institutional development (ID) over the FY82-88 period, and examines why there is so little evidence of improvement in its use, in spite of the recommendations of the many past studies and reviews. It identifies the minimum requirements for successful ID-related TA, and gauges whether the Bank is equipped to take on the challenge or whether alternative means should be considered to promote ID. Recommendations for future actions are also proposed.

5. It needs to be emphasized at the outset that, as with previous reviews, the main focus of this study, and of recommendations for future actions, is on Sub-Saharan Africa and a few of the least-developed countries in other parts of the world. These are the countries where the Bank encounters the most serious problems in the delivery of TA.

SCOPE OF THIS REVIEW

6. This review covers a six-year period, from July 1981 through June 1988.⁵ It encompasses both technical assistance components of project and sector lending, called project-related TA; and "freestanding" TA projects. Project-related TA aims mainly at providing support for project implementing agencies. Freestanding TA usually consists of projects in which the primary objective is institutional support and capacity-building not directly linked to any particular physical investment. The paper also covers project-related training, which the Bank treats as an element of TA. All TA, under active preparation and under supervision, during the FY82-88 period is taken into account.

7. Excluded from the scope of this study are: TA projects financed by the United Nations Development Program (UNDP) and other donors, and executed by the World Bank; TA financed through the Bank's administrative budget, such as Country Economic Sector Work, the activities of the Economic Development Institute (EDI), the secondment program of the International Development Association (IDA), and informal TA provided during country dialogue and via the Bank's resident missions. Although these forms of TA have a significant impact on ID, through the continuous interchange of ideas and the dissemination of developing countries' practices and experience, project-related and freestanding TA remain the Bank's principal instruments to promote ID, accounting for 95 percent of total Bank TA expenditure.

⁵ World Bank fiscal years 1982 through 1988 (FY82-88).

SOURCES AND METHODOLOGY

8. Data on project-related TA were provided by the Central Operations Department, Operations Policy Unit (CODOP), which maintains a comprehensive data base covering expenditures on project-related TA from FY82 to the present. For FY82-88, this comprises 1,392 projects. CODOP derives expenditures on project-related TA from Staff Appraisal Reports and President's Reports for projects approved by the Board since June 1981. To the extent possible, the following Bank-financed elements related to the provision of TA are excluded: (1) Investments in infrastructure or civil works (other than detailed engineering); and (2) equipment or vehicles. Operating costs, salaries of local staff working on the project, minor equipment, such as personal computers, and minor office improvements usually are considered to be a part of technical assistance expenditures.

9. Identification of freestanding TA projects was based primarily upon the Bank's Management Information System (MIS) classification of operations by lending instrument.⁶ Whenever possible, projects from any other MIS classification were included, as long as more than 50 percent of Bank-financed costs were for TA, regardless of whether the MIS classifies them as investment projects. Thus, the data base for freestanding TA includes a total of 164 such projects for the period. A desk review of Staff Appraisal Reports and President's Reports was conducted. To preserve consistency, the methodology applied for measuring freestanding TA is identical to that applied by CODOP for measuring project-related TA. Annex 2 contains the full list of freestanding TA projects.

10. Regional comparisons of lending for project-related and freestanding TA have been adjusted to reflect the changes in the Bank's 1987 reorganization. The internal Bank studies and reviews of TA mentioned in para 1 above have been supplemented by interviews with staff. Annex 1 contains the complete list of background material.⁷

⁶ The MIS is the Bank's computerized data processing and recording system.

⁷ The studies include: (1) CODOP's Annual Technical Assistance Reports; (2) PHREE's Annual Review of Education and Training; (3) Bank-Financed Technical Assistance Activities in Sub-Saharan Africa, AFTPS, 1989; (4) Report on a Review of Technical Assistance Activities in Pakistan, IAD, 1989; (5) Report on a Review of Technical Assistance Activities in the Asia Region; (6) A Review of Bank-Assisted Freestanding Technical Assistance Credits in Indonesia, OED, 1988; (7) Technical Assistance and Training: Proposals for Increased Effectiveness, WAN, 1986; (8) Institutional Development in Education and Training in Sub-Saharan African Countries, WB Discussion Paper, AFTED, 1985; (9) Current Developments in Technical Assistance: A Synthesis of Recent World Bank Experience, 1985; (10) Managing Project-Related Technical Assistance: The Lessons of Success, WB Staff Working Paper No. 586, 1983.

DEFINING THE UNIVERSE

Institutional Development⁸

11. Institutional development is the creation or reinforcement of the capacity of an organization to generate, allocate and use human and financial resources effectively to attain development objectives, public or private. It includes not only the building and strengthening of institutions, but also their retrenchment or liquidation in the pursuit of institutional, sectoral, or government-wide rationalization of expenditure. ID is typically aimed at improving and strengthening:

- internal organizational structures;
- management systems, including monitoring and evaluation;
- financial management (budgeting, accounting, auditing procedures) and planning systems;
- personnel management, staff development, and training;
- inter-institutional relationships;
- institutional structures of subsectors or sectors;
- legal framework; and
- government regulations and procedures.

12. From its earliest days the Bank has included components to strengthen individual project management institutions. More recently, the emphasis has been on management of the different sectors of the borrowers' economies. The economic crisis of the eighties underscored the fact that institutions charged with formulating policies and managing public resources are ill-equipped for the task. Thus, the Bank moved into policy-based lending, with the scope of its ID work broadening accordingly from project and sector to the economy-wide level and from narrow project-related issues to more comprehensive systemic reforms. These latter include management improvements for core central government institutions, systemic changes in public administration and civil service management, parastatal agency reform, privatization, etc. The focus of the Bank's recent ID work, its priorities, and the instruments to promote it - including TA - varies considerably among regions, countries, and sectors. This is due to the

⁸ For a complete discussion of definitional issues, see the CECPS Policy Brief for the Policy Paper on Institutional Development, Apr. 1989.

differing severity of institutional constraints and the country/sector's readiness to address these issues.

Technical Assistance for Institutional Development

13. TA has long been important in the Bank's operations as a complement to financial resources for investment. Generally, TA refers to a range of activities that enhance and/or complement human and institutional capabilities through the development, transfer, adoption, and use of skills and technology from sources external to the government/recipient agency.

14. The main objectives of TA are (I) institutional development and (II) direct operational support. The first is directed toward improving the planning and decision-making capacity of the recipient agency. To the extent that it is successful, it will reduce, if not eliminate, the need for further TA. The second subsumes all activities designed to supplement the capacity of the agency to achieve specific purposes -- usually the preparation or implementation of a single project -- e.g., project identification and preparation, project construction and supervision, project implementation, and general operational and management support. Such assistance, instead of supplementing capacity, often substitutes for it.

15. In its definition of TA activities, the Bank distinguishes between "hard" and "soft" TA: According to the Bank's Operational Manual (OMS), "TA consists of two types of services; (a) engineering-related TA (also called "hard" TA) such as feasibility studies and engineering design, and assistance for the implementation of the physical aspects of projects; and (b) institution-related TA (also called "soft" TA) such as assistance for: (i) institutional development through improved management, organization and training; and (ii) macroeconomic, sectoral and sub-sectoral policy advice".⁹

16. Sometimes TA activities are further broken down in four functional categories:

- (a) engineering/implementation when TA is for supervision of project construction or assistance with detailed engineering and drawing up bidding documents (includes highly skilled expertise such as engineering and architecture);
- (b) technical/feasibility studies cover both feasibility studies of future potential bankable projects, and a large assortment of technical studies ranging from a trucking industry study in connection with a highway maintenance project to a study of the extension of a drug distribution system in a health project;

⁹ Revised OMS 4.0, Sept. 1984.

- (c) training as a specific purpose of TA activity, including on-the-job training, fellowships, and assistance in the design and/or management of training programs;
- (d) experts/consultants, including managerial and financial advisory services (for example, computer systems, economic and financial policy analysis, sectoral and other studies, surveys, research, statistics) or to help meet a particular peak in a workload that is not expected to be repeated."¹⁰

The first two categories are defined as engineering-related ("hard") TA and the last two as institution-related ("soft") TA.

17. The distinction between "hard" and "soft" TA and the four functional categories can be contested on several grounds. First, the distinction between "technical/feasibility studies" and "experts/consultants" is somewhat dubious, since studies are generally carried out by consultants. Second, on the basis of the information provided in the President's Reports and Staff Appraisal Reports, it is often very difficult to differentiate between "hard" and "soft" TA and break down TA activities accurately in the four functional categories: TA projects and components often have mixed objectives, financing a range of activities from policy studies, investment-related studies, to advisers for project implementation or institutional development. It also proves very difficult in practice to distinguish, for example, between studies primarily undertaken for operational purposes (e.g., tariff studies of particular industries) and studies bearing more directly on ID (e.g., design of management information systems, preparation of operations and maintenance manuals, management studies), because Staff Appraisal Reports and the President's Reports lump both under "studies". Likewise, it is quite difficult to draw the line between consultants producing technical studies and consultants providing advice.

18. There are also grounds for questioning the validity of the equation linking "soft" TA with institutional development and "hard" TA with operational support. First, not all "soft" TA, including training, is directed primarily toward institutional development, and the distinction between operational support and ID-related activities is often blurred. For example, public sector management advisers engaged to strengthen the institutional capacity of a ministry of finance inevitably become absorbed in day-to-day operational tasks. Conversely, not all ID-related TA is "soft"; "hard" TA can sometimes make a significant contribution to ID.

19. Nevertheless, while it is recognized that the OMS and CODOP methodology of equating "soft" TA with ID-related TA may not provide an exact basis for measuring Bank-financed ID activities, it has been adopted in this paper for want of a better alternative: Bank

¹⁰ See World Bank Technical Assistance Activities and Issues (FY82-88), CODOP, Sept. 1987.

documents do not differentiate between those projects and components that have institutional development as their primary objective and those with other purposes such as operational support. For purposes of this paper, ID-related TA thus consists of two elements: experts/consultants' services and training.

CHAPTER TWO

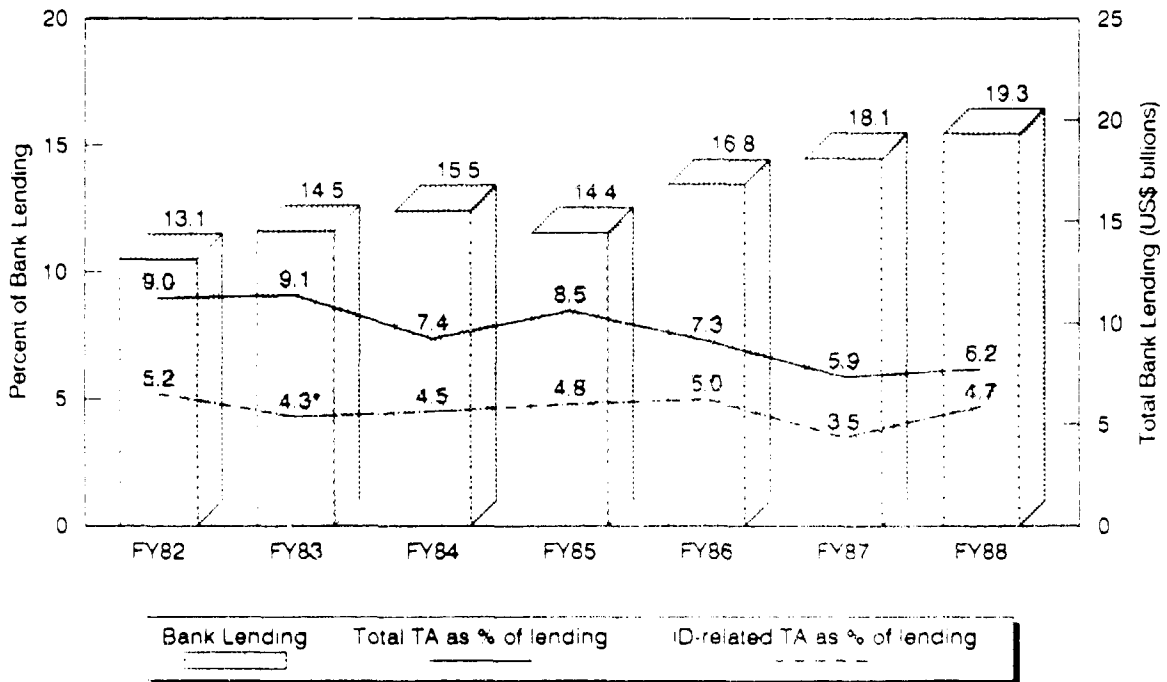
TRENDS IN TA LENDING: FY82-88

THE TREND OF TA COMMITMENTS¹¹

20. Over the past six years, there has been a relative decline in Bank lending for TA. Figure 1 illustrates TA as a percentage of total lending falling from nine percent in FY82 to six percent in FY88.

Figure 1

**TOTAL TA AND ID-RELATED TA
AS PROPORTIONS OF BANK LENDING
FY82-88**



Sources: CECPS, CODOP, MIS.
Note: Bank Lending includes African
Facility Credits.

¹¹ Figures are on a commitment basis. While desegregated disbursement data have not been compiled for the period under review, evidence exists that a substantial proportion of TA funds is not disbursed, being either cancelled or simply diverted to other project components as the case may be. A study conducted in the EMENA region a few years ago, for example, revealed that at least 40 percent of the studies were not undertaken during the life of the projects. The data reveal significant variations between years, countries and sectors. Detailed statistics of TA commitments are set out in Annex 3.

The decrease in the weight of TA is the result of at least three factors. First, there is a growing capacity among selected borrowers to undertake assistance on their own. Second, the share of adjustment operations in total Bank lending has increased from 9 percent in FY82 to 27 percent in FY88. This type of lending normally requires a proportionately smaller amount of TA than investment operations. And third, there is a reluctance on the part of governments to borrow for TA if prospects are favorable for securing TA on grant terms.¹² In absolute terms, the volume of Bank lending for TA has remained fairly constant, averaging US\$1.2 billion per annum.

21. Within total TA lending, the proportion that is related to institutional development has increased sharply, starting at around 52 percent in FY82 and reaching 72 percent in FY88 (see Table 1).¹³ The average for the period was 57 percent. This amounts to US\$685 million annually or 4.3 percent of total Bank lending. The growing importance of ID-related TA is consistent with the changes in Bank operations over the period. The introduction of policy-based adjustment lending at the macro level in the early eighties led to an increasing awareness of the need for management improvements, economic and financial analysis, overall institutional strengthening, and capacity building. The growth in ID-related TA may also reflect the increasing focus on social sectors and rehabilitation activities which call for less engineering and sophisticated design work.

Table 1

TOTAL ID-RELATED TA ACTIVITIES
AS A PERCENTAGE OF TOTAL TA LENDING, FY82-88
(in US\$ millions)

	FY82	FY83	FY84	FY85	FY86	FY87	FY88	TOTAL
ID-Related TA	611.9	568.5	638.5	686.5	808.9	614.5	864.5	4793.3
Total TA	1175.4	1315.5	1153.0	1216.7	1224.2	1070.2	1198.3	8353.3
Percent	52.1%	43.2%	55.4%	56.4%	66.1%	57.4%	72.1%	57.4%

¹² The World Bank 1989 Annual Report, p. 44.

¹³ There was a sharp drop in FY87 from 66 percent to 57 percent; but this could be explained by the increase that year in TA lending for transportation and water, where detailed engineering and feasibility studies tend to predominate and where ID tends to be a much smaller percentage of TA.

22. As shown in Table 2, Asia accounts for the largest share of ID-related TA (39%) over the FY82-88 period, followed by Africa (32%), LAC (18%) and EMENA (12%). However, the relative importance of ID-related TA as a component of Bank operations has been greatest in Sub-Saharan Africa where it accounts for over 10 percent of lending, as compared with about 4 percent in Asia and 2-3 percent in LAC and EMENA (see Figure 2). This is because of the relative severity of institutional constraints that the countries in the African region are facing, and the region's awareness of the need to address these issues.

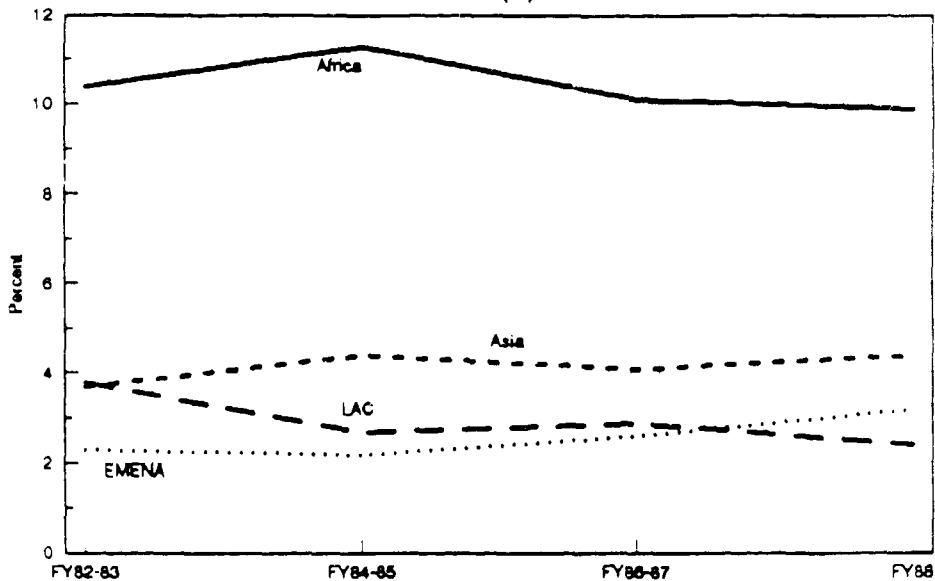
Table 2

TA AND ID-RELATED TA BY REGION
FY82-88 (in US\$ millions)

	FY82		FY83		FY84		FY85		FY86		FY87		FY88		Average per annum	
	TA	ID	TA	ID	TA	ID	TA	ID	TA	ID	TA	ID	TA	ID	TA	ID
Africa	301.7	183.2	332.6	190.3	376.3	245.2	308.0	194.2	293.5	209.0	316.7	209.9	388.7	290.9	331.1	217.6
Asia	449.3	220.5	674.2	219.9	490.8	238.4	594.5	317.3	525.6	364.1	303.9	179.4	459.0	338.2	499.6	268.2
EMENA	155.6	71.4	143.3	52.7	149.9	84.8	124.9	61.5	123.4	82.0	214.7	92.8	172.3	108.9	154.9	79.2
LAC	268.8	136.8	165.4	105.6	136.1	70.1	189.5	113.5	281.7	153.7	234.9	132.5	178.3	126.4	207.8	119.8

Figure 2

ID-RELATED TA AS A PROPORTION OF TOTAL
REGIONAL LENDING
FY82-88 (%)



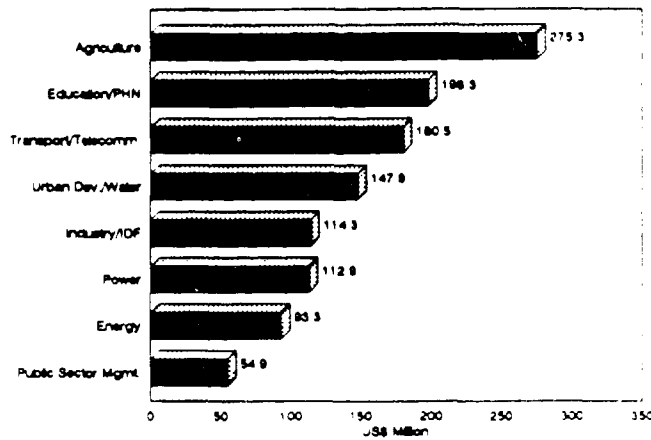
Sources: CECPS, CODOP.

23. Among the sectors, agriculture has absorbed the largest amount of TA (Figure 3), but the relative importance of ID-related TA has been greatest in education, and in population, health and nutrition (Figure 4). ID-related TA has also been a very important feature of Bank lending in support of public sector management. During the 1980s, for the first time, freestanding TA for public sector management has become a significant component of the Bank's operations in Africa, and to a lesser extent in LAC; it has been used only rarely in the other two regions (e.g., in Bangladesh, China, and most recently Morocco and Algeria).

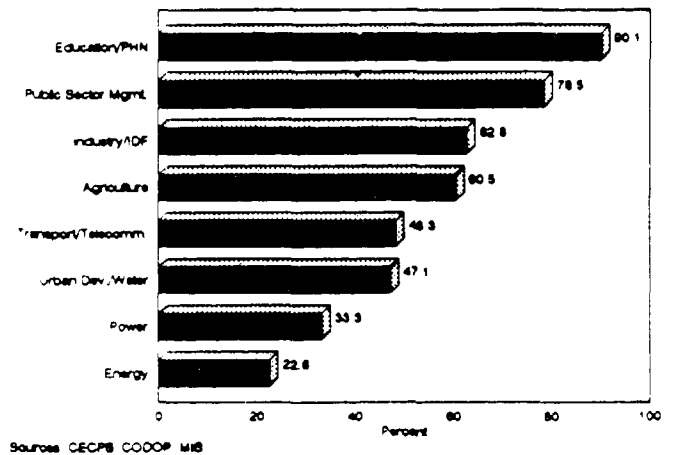
Figure 3

Figure 4

**TA VOLUME BY SECTOR
FY82-88 AVERAGE (IN US\$ MILLION)**

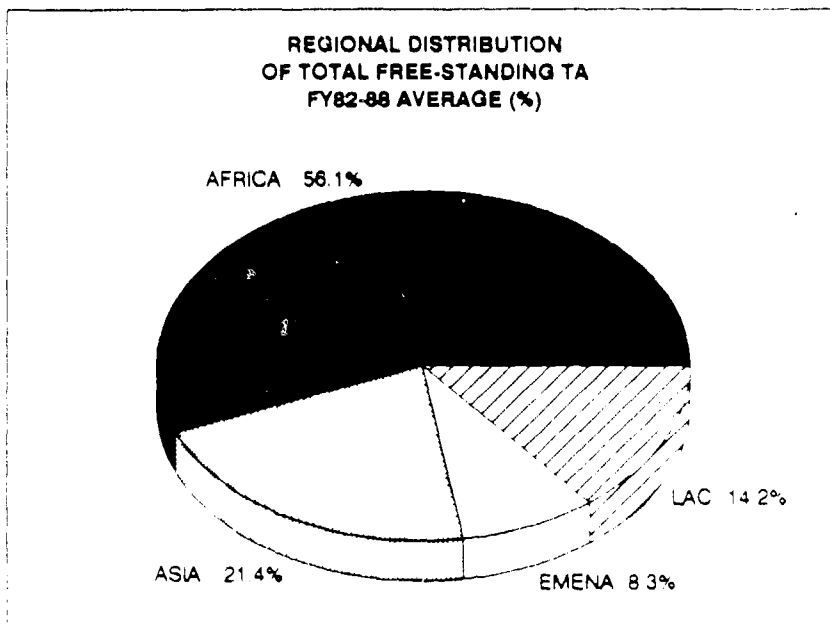


**ID-RELATED TA AS A PROPORTION OF SECTORAL TA
FY82-88 AVERAGE (%)**



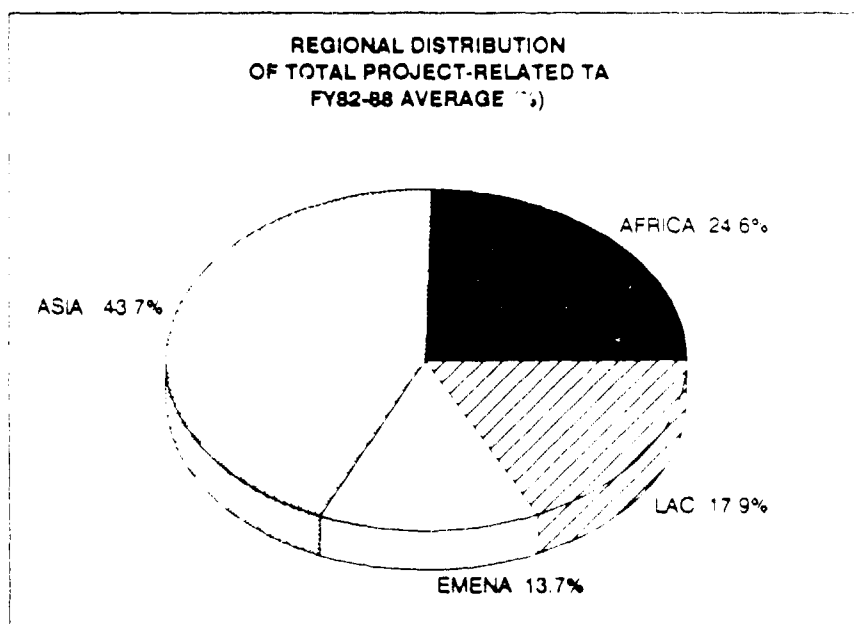
24. The increasing attention given by the Bank to public sector management in Africa helps to explain why Africa absorbs more than half of all the Bank's freestanding TA (Figure 5), but less than one-quarter of its project-related TA (Figure 6). Freestanding TA is not in fact very important outside Africa and at an average of US\$128 million per year accounts for only about 11 percent of all TA commitments during the FY82-88 period.

Figure 5



Source: CECPS COOP MIS

Figure 6



Source: CECPS COOP MIS

CONTENT OF ID-RELATED TA: CHANGES IN SCOPE

25. As a result of the movement toward policy-based lending in the eighties, the main development at the sector level has been a redirection of institutional concerns and of project and program design. The shift has been from reliance on project entities to the strengthening of institutional structures of the sectors or subsectors and to core sectoral and subsectoral agencies that manage policies, i.e. a movement from a project to a sector perspective and a shift from short- to medium-term results. Policy-based lending has also given impetus to Bank support for strengthening national-level government institutions as well. This broadening of ID activities well beyond investment (project-related) interventions is especially evident in Africa, where the general weakness of institutions mitigates against the chances for success with isolated operations, and a rapid rise in freestanding TA projects for public sector management has taken place, especially in support of structural adjustment lending programs. Bankwide, as of June 1988 the institutional components of 59 structural adjustment loans have been supported by 42 "companion" freestanding public sector management TA projects, 50 percent of which were approved during FY82-88. In terms of numbers of projects and dollars spent, however, freestanding TA projects have not become the main focus of Bank operations in support of institutional development; project-related TA and training remain the main ID vehicles.

26. The scope of public sector management projects has broadened since the early 1980s, away from ad hoc institutional support aimed at facilitating Bank-borrower policy dialogue. By furnishing the borrower with the analytical support needed for diagnosing and preparing new policies, the scope of public sector management projects has instead moved toward comprehensive systemic reforms to overcome the more fundamental deficiencies in public sector management. In the Africa region, the policy reform would not be sustained without public sector reforms.

27. Much of the activity during FY82-88 was concentrated on support for core economic functions and agencies -- for example, to strengthen economic planning and public investment programming; to improve budgeting systems and streamline linkages between recurrent expenditure control and public investment decisions; to strengthen aid coordination mechanisms within government; and to improve debt management. Additional attention also is being paid to overall government structures and organizations, basic administrative functions, and personnel management as a way of tackling the problems of inefficient civil services. Support is also provided to assist governments in setting up the appropriate institutional mechanisms for monitoring the execution of their structural adjustment programs.

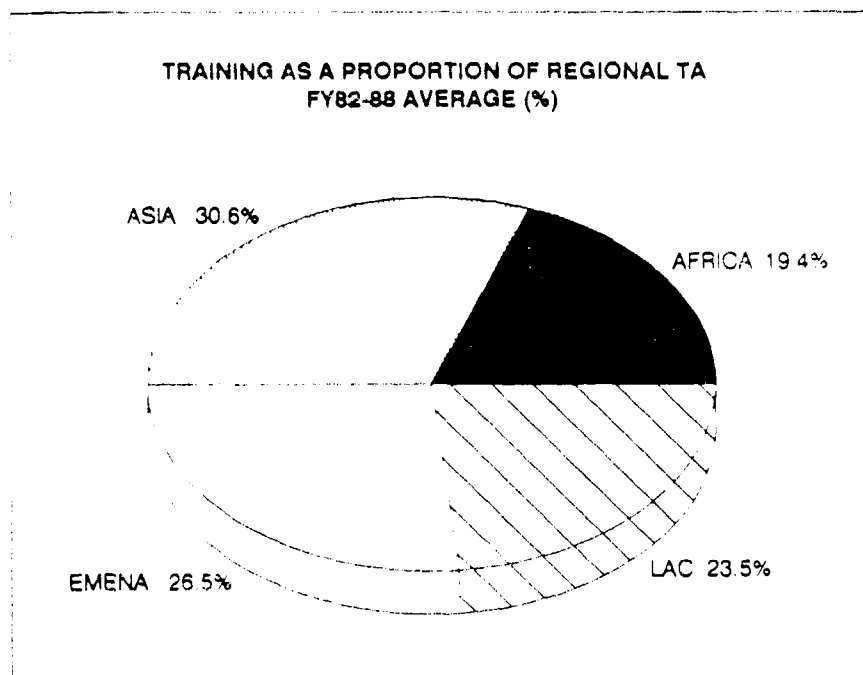
28. Parastatal reform is another prominent national-level endeavor. Throughout its history of project work, the Bank has dealt with hundreds of public enterprises in various countries, focusing on them individually or in small groups, and helping to design programs to improve their performance and reduce losses. It has become

Increasingly evident, however, that those managing public enterprises often control only some of the factors determining the performance of the enterprise. Too much control is vested in central agencies that define the institutional framework under which enterprises operate. Therefore, the Bank has been emphasizing reform of government/state enterprise relations. Public enterprise reform is a component of many SALs and is further supported through freestanding TA projects and public enterprise reform loans often with substantial TA components.

PROJECT-RELATED TRAINING (PRT)

29. Projected-related training accounts for 25 percent of total TA -- almost half of all ID-related TA -- averaging around US\$300 million a year during the FY82-88 (equivalent to 2 percent of total Bank lending). Regionally, the percentage of total TA resources devoted to training activities is consistently higher in Asia, averaging about 30 percent for FY82-88 (Figure 7). EMENA follows with an average of 26 percent, then LAC with about 23 percent, and finally Africa, where training accounts for only 19 percent of total TA on average. This is surprising, given the generally more intense state of institutional disarray and the widely recognized lack of skilled personnel in Africa. The proportion of TA resources devoted to training is noticeably increasing, however. In Africa, training as a share of total TA has increased from 12 percent in FY82 to 21 percent in FY88; in Asia, from 16 percent to 41 percent; in LAC, one has seen a more gradual increase, from 19 percent to 32 percent; and EMENA witnessed wide fluctuations.

Figure 7



30. While the agriculture and transportation sectors continue to allocate the largest volumes of lending resources to project-related training, urban development witnessed the strongest growth in project-related training lending. Freestanding TA projects devote less of their TA resources to training than their project-related counterparts. Regionally, the average proportion of project-related TA resources devoted to training are: Asia (31%), EMENA (27%), LAC (25%), and Africa (20%). Under freestanding TA, the percentages break down as follows: 14 percent in Asia, 13 percent in Africa, 8 percent in EMENA, and 6 percent in LAC.

Type of Training

31. While overseas training and fellowships remain predominant, during FY82-88 their importance gradually decreased. Instead, more emphasis was placed on in-country training investment, which rose to a record high in FY88 -- 37 percent of Bank lending for training. A review of FY87/88 TA projects in the Africa region illustrates this development: total funding for training in local and regional institutions exceeded total allocations for overseas fellowships by more than 50 percent. Most of the local training in Africa is in the context of agriculture, population, and multi-purpose technical assistance/public sector management projects.¹⁴

Quality of Design of Training Components

32. This has been a long-standing concern of Bank management. The Annual Operational Review of Education and Training issued by the Bank's Population and Human Resources Education and Employment Division (PHREE) rates project-related training components uniformly against the following design and preparation criteria established in FY82: (1) clarity of training objectives; (2) identity of target audiences; (3) description of training strategy of plan; (4) composition of proposed training program; (5) relevance of training program to training diagnoses; and (6) specificity of the training financing plan.

33. PHREE's most recent findings are that the quality of the preparation and design of PRT components improved slightly in FY87 over the previous three years but declined sharply in FY88. From FY87 to FY88, the number of training components that ranked "good" declined from 33 percent to 25 percent, while those that were judged to be less satisfactory increased from 26 percent to 33 percent of all components.¹⁵ This development is not encouraging, especially in light of the overall importance of human resource development and training for (institutional) development. The design of training

¹⁴ Bank-financed TA in sub-Saharan Africa, May 1989, Africa Region, Technical Department, Public Sector Management Division, paras. 44 and 45.

¹⁵ FY88 Annual Operational Review of Education and Technical Assistance, PHREE, para. 32.

components is marginally better for freestanding projects. This may be due to the revised Bank Procedures for Processing Technical Assistance Loans and Credits.¹⁶ The CECPS review of FY82-88 freestanding TA found, however, that in many cases the design of training programs was to be completed during project implementation. Reliance was often placed on provisions for carrying out needs assessments and designing training programs at a later stage.

METHODS OF TA DELIVERY

Long-Term and Short-Term Consultants

34. Systematic information on the use of long-term versus short-term consultants is not available. Most President/Staff Appraisal Reports do not specify the nature of the assignment (in Asia as many as 75 percent fail to do so). Of all regions, Africa continues to rely most heavily on long-term advisors (due to pervasive institutional weaknesses). For example, under Guinea Bissau Credit 1935, 73 percent of the total TA allocation is for long-term experts, all of whom will be expatriates, due to the poorly developed capacity of the country. Long-term advisors, frequently filling line positions, were judged necessary as the country begins adjustment of its macroeconomic policy framework.¹⁷ On the other hand, Asia and EMENA make greater use of short-term consultants. This can probably be ascribed to the resistance that several Asian countries (e.g., China) show toward long-term advisers and to the decreasing need for a long-term external presence in countries with an already strong institutional base (e.g., EMENA countries).

Other Modes of TA Delivery

35. The Bank is increasingly expanding with other modes of TA delivery on an ad hoc basis. These include periodic return visits by consultants, a combination of long-term operational assistance with short-term consultancies for systems development or trouble-shooting, programs to repatriate qualified nationals, or use of NGOs for project supervision.

36. The Africa Technical Public Sector Management Division (AFTPS) review of TA activities in sub-Saharan Africa found that no less than five of the fifteen freestanding TA projects approved in FY87 and FY88 incorporated alternative delivery modes, such as twinning, periodic short-term visits, and programs to repatriate qualified nationals. For example, the Senegal Development Management Project Credit 1910 and Rwanda Credit 1796 include no long-term positions. The IDA credit is financing sector and pre-feasibility

¹⁶ Circular OP 87/03, Annex E.

¹⁷ Bank-financed TA in sub-Saharan Africa, Africa Region, Technical Department, Public Sector Management Division, May 1989, para. 48.

studies and related training. In the case of Ghana Credit 1847 in support of state-owned enterprise reforms, two long-term positions were foreseen at appraisal, but only one resident expert will be placed in the country, with the remaining assistance to be provided through intermittent visits and specialized short-term consultancies.

37. Twinning, which involves the establishment of an institutional relationship between an organizational entity in a developing country and a similar but more mature entity in another country, has gained prominence as a delivery mechanism. In FY87 and FY88 such arrangements were being pursued in at least 12 projects in Africa.¹⁸ An assessment of the results of these innovative forms of TA delivery will be important in determining what modes are successful and to what extent they prove more effective than traditional TA delivery. Annex 4 considers the potential for making greater use of twinning in Bank-financed projects.

QUALITY/SPECIFICITY OF DESIGN

38. The CECPS desk review of all freestanding TA projects approved during the FY82-88 shows that these projects are becoming larger and more complex and that there is a trend toward more specificity in their design, especially in Africa. Toward the end of the period, a greater number of projects included terms of reference and more detailed descriptions of objectives and assignments. This was confirmed by the FY87/88 AFTPS review, which found that distinct attempts are being made to target TA interventions and tailor delivery mechanisms. Much improvement is still needed, however. Only four projects of the CECPS review included detailed matrixes specifying project activities, timetables, and anticipated outputs, as required by the 1987 Bank Procedures for Processing TA operations.¹⁹ In most cases no mention was made of institutional diagnoses. In short, a great many TA projects still suffer from a lack of appropriate design.

39. Interviews with task managers and other relevant staff confirm that project-related TA components, the Bank's principal avenue for providing institutional support, continue to be treated as an afterthought during project appraisal. So as not to delay approval of the project, they are not given the time needed for thorough preparation. For example, according to a recent survey conducted by Africa Technical Education Division of 80 projects in the Occidental and Central Africa Country Operations Department, no less than 73 percent of task managers indicated that project-related training and TA components are often poorly prepared, and more time and effort should be allocated to the design and preparation of these components.²⁰

¹⁸ Op. cit. paras. 48 to 50.

¹⁹ OP87/03.

²⁰ AFTED, Project-Related Training Survey, 1989, para. 4.

RESOURCE ALLOCATION

40. Given the shifts in composition of TA activities away from technical and engineering studies and toward management and training activities, and given the increasing complexity of freestanding TA, a commensurate increase might be expected in the effort the Bank puts into TA projects and components, as demonstrated by the amount of resources devoted to the preparation and supervision of these activities. Although precise data are not available, scattered evidence based on interviews with task managers and other relevant staff suggests that this is not the case.

41. A review of the staff resources devoted to project appraisal for freestanding TA in Africa shows a great deal of variability from one year to the next and by country. The data indicate that the staff resources devoted to freestanding TA are less than half of the regional average and in some cases are very low--accounting for no more than a few weeks of staff time. For project-related TA, several task managers estimated the level of effort in the formulation of these components as typically no more than 2-4 staff weeks or about 3-5 percent of the total staff resources per investment project. Yet the share of TA components in total lending excluding adjustment operations remains at about 19 percent.²¹ According to task managers in other regions, an equally low level of staff resources is devoted to preparation and supervision of TA components. The implications of these minimal inputs will be discussed in the following chapter.

²¹ Op. cit, paras. 50, 51, 58.

CHAPTER THREE

WHY IS OUR RECORD SO POOR?

42. The review of trends described in the previous paragraphs points to certain improvements in the design and delivery of ID-related TA: increased use of local consultants; more innovative and creative delivery modes; successful use of resident missions in supervision; more clearly defined terms of reference and work programs. This review does not, however, lead to a definite conclusion about the effectiveness and ultimate impact of these TA programs. For one thing, many of the projects of the period under review have not yet been completed, and it is too early to judge the immediate project results or the ultimate benefits to be achieved from using the output. For another, the effectiveness and especially the impact of ID-related TA are difficult to measure. The nature of institutional development makes it difficult to specify measurable outputs and to quantify achievement indicators. This is especially true for relatively new areas, such as public sector management, for which the conceptual and methodological bases have not yet been agreed upon.

43. Nevertheless, it is difficult to escape the conclusion that the basic problems remain. Judging from the persistent weaknesses in the institutions and sectors supported by Bank-financed TA, the improvements in the design and delivery of TA and training, along with their effectiveness and impact appear to be far from sufficient. Those who design and supervise TA and other relevant Bank staff have been extremely frustrated when they have attempted to identify Bank projects or components considered to be sound and successful.

44. The negative view about TA and its accomplishments is shared by a growing number of people in the donor community and recipient countries alike. Meanwhile, the body of knowledge of the determinants of successful ID-related TA is growing. This chapter explores the reasons for the Bank's apparent lack of success in improving the record.

BUILT-IN HANDICAPS

45. The Bank labors under serious built-in handicaps as a supplier of ID-related TA. These handicaps stem from the following causes:

Blueprint Approach to Project Design and Implementation

46. The Bank tends to favor a blueprint approach to project design and implementation. Experience shows that projects with significant ID components tend to evolve in unforeseen and unpredictable ways, and that institutional reforms and capacity

building are better served by what has come to be known as an adaptive or process approach to implementation. The greater the degree of complexity and change a loan seeks to implement, and the more uncertainty or hostility in the environment, the more implementation will require an adaptive or process approach, flexible structures and processes, and staff capable of solving problems through their own initiative.²²

47. Pragmatism and adaptability, however, are not strong Bank features because it is incumbent upon the organization to specify in advance both the problem and the precise nature of the proposed solution. Furthermore, an adaptive approach toward project design requires close monitoring of the evolution of the project as well as intensive involvement of Bank staff in the continuous process of discussions and decisions on the allocation of project funds and targets to be achieved. For an institution like the Bank, where traditionally twice or three times as much time is devoted to appraisal as to supervision, this is a vexing issue.

High Staff Turnover

48. Institutional memory and staff continuity play an important role in ID-related TA delivery. In the Bank the turnover of staff working on these projects is often too quick to build up solid relationships with the borrower, gain in-depth country knowledge, grasp a sense of the local culture, or gain sector knowledge.²³ The Bank's reorganization in FY87 compounded this problem.

49. For example, in the first three years of implementation of the Argentina Public Sector Management TA project, one of the largest and most complex public sector management projects processed by the Bank, the task managers changed five times. The OED analysis of five freestanding TA projects in Kenya substantiates the point on the importance of staff continuity and political and economic understanding of the sectoral context. These elements were only evident in one out of the five projects, with the notable exception of the Agriculture

²² See D. Steedman, op. cit., for further explanations and bibliographical references on the process approach, and especially Derrick Ward, David Brinkerhoff, Richard L. Hopkins, Institutional Dimensions of Education Sector Lending: Guidelines for Management and Sustainability Assessment, paper prepared for the World Bank, Populations and Human Resources Department, Mar. 1989.

²³ For a detailed analysis of the correlation between staff characteristics and the quality of ID work, see another background paper for the CECPS ID policy paper, Institutional Development Work in the Bank: A Review of 84 Bank Projects, C. Gray, et al., DECVP, Oct. 1989.

Technical Assistance Project, Credit 1277-KE, the only project that succeeded in developing sustainable national institutions.²⁴

Conflict between Investment Project Efficiency and ID Goals

50. What is required to ensure efficient investment project implementation is not always compatible with satisfying ID goals. Two prime examples are salary supplements and project management units. Often deemed necessary to facilitate project implementation, they can have detrimental impacts on ID (see Boxes A & B). Another example is TA provided to ensure successful project execution. Not geared to transferring know-how to local personnel, TA quickly becomes a costly substitute for local skills, leaving the institution at the end of the project period with personnel who are not better qualified to perform project-related tasks in the future.

Self Containment of Projects

51. ID is necessarily a long-term process. When the institutional capacity is weak, or target institutions have deteriorated, it is almost always impossible to implement the degree of change needed within a single project span. Thus, a more strategic approach is required through which institutional goals are set out as part of a long-term effort and executed through a sequential series of projects. With this approach, follow-up projects are conceived as building blocks in the ID strategy and are adapted as necessary in light of the accomplishments of the preceding projects.²⁵ In the Bank, however, projects tend to be self contained. Follow-up projects are usually conceived as their predecessors are almost completed, mainly because the goals of the first projects were overly ambitious or not achievable for other reasons. ID sector work involving comprehensive ID assessment is rarely undertaken.

²⁴ Evaluation Study of Free-standing Technical Assistance in Support of Public Sector Management in Sub-Saharan Africa, Kenya, OED, Mar. 1989.

²⁵ See also D. Steedman, op. cit., p. 3 and para. 51 of this paper.

Irreconcilable Objectives: The Case of Special Project Units

Project Management Units (PMUs) are a popular feature in all regions. They are especially popular in freestanding TA projects, which involve several components, implementing agencies, or ministries, and thus require much coordination. Also, the weaker the institutional capacity or the greater the deterioration of the target institutions, the greater the difficulty of ensuring success for immediate project objectives. In such an environment, or in the case of a government with almost insurmountable bureaucratic procedural requirements or salary restrictions, there is great temptation to set up a project management unit to ensure successful project implementation.

Created from "scratch," project management units tend to be costly. In the words of one staff member: "If you want to spend money and leave behind bricks, mortar, and equipment, have a project management unit. If you want ID, try another approach." Project management units, by definition, cannot be sustainable: they are ad hoc institutions for securing the implementation of certain time-defined project activities, unless they evolve into permanent government institutions, as sometimes happens.

The creation of project management units may have a detrimental and demoralizing effect on existing institutions. By bypassing the very institutions that need to be strengthened, they perpetuate the need for TA. Similarly, by drawing away the most talented government staff, they weaken the existing institutional framework.

BOX B

Irreconcilable Objectives: Salary Premiums and ID

The lack of appropriate incentives, particularly wages, in the public sector has become a major issue facing project design, especially in Africa and LAC. One way of overcoming the wage problem, at least in the short term, has been to include salary supplements in project design. Bank staff frequently feel this is the only way to get local project staff to devote full energy to project activities. Yet this approach can perversely affect staff motivation, promote donor competition, and create intra- and inter-organizational resentment. Relying on salary premiums ignores the larger issue of the overall unfavorable working environment that threatens sustainability. Long-term institution building requires a more comprehensive strategy for improvement of the overall working environment, including salary adjustments, career development opportunities, and internal communications to provide feedback from staff, and acknowledgment of their contributions.

The Africa Technical Department, Public Sector Management Division review²⁶ includes two examples of projects that appear to have a more far-sighted approach. Although the Structural Adjustment Support project in Ghana incorporates salary premiums, it also incorporates several measures aimed at long-term improvements to strengthen the civil service management system: (1) review of staff numbers, functions, and deployment, aiming at ultimate reductions, redeployment and retraining; (2) studies and surveys as a basis for reforming the salary policy overall; and (3) a skills mobilization scheme to persuade qualified Ghanaians living abroad to return to work in Ghana. The Development Management Project in Senegal includes similar features. Both cases could provide a model for shaping a more coherent policy on the problem of inadequate salaries.

²⁶ AFTPS, op.cit., para. 52.

The Bank's Incentive Structure

52. ID work is complex and takes time to prepare and supervise for reasons explained elsewhere in this paper. The priority naturally given to capital lending and the increasing pressures of getting projects to the Board work against allocating sufficient staff time to the preparation of ID-related projects. The Bank's incentive structure is not oriented toward continuity and balance of supervision inputs: it is generally recognized in the Bank that less priority is attached to supervision during implementation than to earlier stages in the project cycle.

Insufficient Attention to Borrower Commitment

53. Perhaps the most important prerequisite for successful ID-related TA is serious commitment on the part of the borrower. Without government participation from the early stages (project identification), the project is unlikely to reflect the priorities of the government and may go beyond its administrative and managerial capacity. At the implementation stage the program will be resented and rendered ineffective, regardless of the quality of its design, delivery, or supervision. For ID-related TA projects in particular, demand-driven change or reform is critical. Although statements such as "the government is committed to..." are standard Bank language in the Staff Appraisal Reports and other project documents, assessments or proposed strategies for influencing such commitment are notoriously absent from those documents, as are yardsticks to measure commitment, such as solid conditions for negotiations, board presentation, effectiveness and disbursement.

54. Several factors tend to discourage systematic, explicit attention to the issue of government commitment in Bank work. First, pressures to lend discourage analysis of intangibles that may threaten a project's clean bill of health at appraisal. Second, analyzing commitment is conceptually difficult and necessarily subjective: the Bank has no reliable means of measuring or building it,²⁷ and Bank staff with technical training may feel uncomfortable in an area that essentially requires political understanding and second guessing of a borrower's agents and motives.

²⁷ Reasonably systematic approaches for assessing and influencing commitment for use by Bank staff in the context of routine operations do exist and are documented in A. Israel/R. Heaver's paper, "Country Commitment to Development projects, World Bank Discussion Paper No. 4, 1986. This finding has also been confirmed in the interviews conducted by C. Gray, et al. for their study of the factors affecting the quality of ID work in the Bank, op. cit., p. 25.

Centralized Bank Management

55. The Bank runs its operations on a centralized basis. Bank projects are supervised from Washington. For ID-related TA, which requires close and continuous attention, this is a liability.

Profile and Cost of Bank-financed Experts

56. Experts, especially in freestanding projects, are often seen as the Bank's experts and do little to make people think otherwise. Bank-financed TA is expensive and usually carries a high profile. In areas such as institutional development, where the cost and benefits are not immediately evident (as, say, in engineering TA), and where the very existence of technical assistance personnel is a delicate political issue, these elements are particularly resented by the recipient governments and militate against the success of ID-related TA programs.

THE NATURE OF ID

57. Under the best of circumstances, ID-related TA is much more difficult to design and deliver than investment-related TA because of the nature of institutional development. In the words of one colleague: "The ID process is long, iterative, complex, non-linear, sensitive, and unpredictable and requires behavioral changes."²⁸

58. As a result:

- The need for ID-related TA may be less clearly perceived by governments, and more easily resented, in view of the requirement for behavioral changes and the long lead time before results may become evident.
- Efficient delivery of ID-related TA does not guarantee long-lasting impact. Elements such as borrower commitment, leadership, and the political, social and bureaucratic environment have a much greater influence on the effectiveness and impact of ID-related TA than is the case with investment-related TA. Unfortunately, all of these elements are volatile and outside the control of the Bank and Bank-financed TA personnel. As borne out by experience, an ID-related project that is well on track today toward achieving its objectives may be totally paralyzed tomorrow by the change of key government staff.

INEXPERIENCE WITH ID

59. Compared to traditional Bank projects and economic and sector work, ID is a relatively new area. Thus:

²⁸ D. Steedman, AF1CO.

Shortage of Qualified Experts

60. There are few best practitioners. Finding the right person is a challenging assignment. For ID and capacity building, technical substantive knowledge is not sufficient. A proven ability to coach, work in a team, good knowledge of the local environment and culture, adaptability, and a track record of demonstrated successful experience are also required. There are not many people on the market who meet these demands.

Limited Body of Knowledge

61. The state-of-the-art and the lessons of experience are only slowly emerging, especially in areas like public sector management which are inherently less concrete and for which TA is therefore especially difficult to design and deliver. Much more work is also needed to quantify achievement indicators and tools to measure performance.

Unfamiliarity with Institutional Analysis

62. This also applies to methods for institutional analysis. Often as a result of the absence of thorough institutional analysis many TA projects are "overdesigned," suggesting an inadequate assessment of borrowers' needs and unrealistic expectations as to their "carrying" capacity. Others are "underdesigned" (so-called "slush funds") without sufficient specification of objectives, expected outputs, and inputs, and it is therefore difficult to assess their effectiveness or failure. Many problems that ID-related TA encounters could be avoided if sufficiently sound institutional diagnostic work were conducted upfront.

63. The CECPS review of Staff Appraisal Reports/President Reports of freestanding TA found that institutional analysis was the exception, not the rule. This finding is confirmed by audit reports, sectoral reviews and other reports.²⁹ One of these (Brinkerhoff) analyzed a sample of 80 Staff Appraisal Reports in six key sectors from FY83 onwards and concluded that overall, as an input to project preparation and appraisal, the role of institutional analysis of any type is quite restricted relative to the preponderance of economic and technical analyses. One of the main reasons for the lack of institutional analysis is that the Bank has not yet diffused a particular methodology for this purpose. While remarkable consistency permeates the Bank's economic analysis, a phenomenon attributable to

²⁹ See for example, A Review of Institutional Development Analysis in LAC Documentation for Projects Presented to the Board Between July 1987 and December 1988, LATHR PS, 1989; Institutional Aspects of Sectoral Adjustments Operations: Summary of Findings, S. Paul, CECPS, Aug. 1988; and Institutional Analysis and Institutional Development: A Survey of World Bank Experience, D. Brinkerhoff, IDMC for CECPS, Oct. 1989.

the nature of the field and the similarity in staff training, a similar coherence and consistency does not yet characterize institutional analysis.

CHAPTER FOUR

HOW TO IMPROVE THE RECORD: SUGGESTIONS FOR FUTURE ACTIONS

64. The analysis presented in this paper should not lead to the conclusion that the Bank cannot make a contribution to the institutional capacities of the countries using TA. To the contrary, the Bank can take specific steps at various levels to overcome its handicaps and improve its performance record. The suggested actions are not new.³⁰ While much is said and written about the need for new approaches to deliver ID-related TA and "breaking new ground", this paper argues that the determinants of successful ID-related TA are sufficiently well known and that the issue is much more one of applying the lessons of experience.

65. The fundamental question for the Bank is one of resources: ID-related TA is a costly endeavor, and improving its performance requires the allocation of more resources, either by increasing total available resources or by cutting back somewhere else. This paper assumes that the Bank's incentive structure, its lending policies and practices, its organizational structure, and overall resource allocation will not undergo significant changes in the foreseeable future. Therefore, this chapter concentrates on improvements that can be enacted with a relatively modest increase in resources for ID-related matters. A marginal shift in the overall allocation of Bank resources can make a substantial change in the design and delivery of ID-related TA, provided that there is managerial commitment and support, as reflected in staff time allocations, work priorities, Bank strategy in borrowing countries, choice of staff to fill each job, job title and job content.

A STRATEGIC APPROACH TO ID³¹

66. How can the Bank resolve countrywide institutional weaknesses? Experience shows that tackling institutional weaknesses with an agency-by-agency approach, or trying to isolate a few development activities by creating institutional enclaves, may not be sufficient in the context of pervasive country-wide institutional weaknesses. What are required are strategies that address key

³⁰ See also the recommendations made in other background studies for the ID policy paper, including C. Gray, et al., op. cit.; D. Steedman, op. cit.; S. Paul, Institutional Development at the Sectoral Level, 1989.

³¹ Country-wide ID strategies for public sector management are advocated by AFTPS in the Public Sector Management Strategy Paper for the Africa Region, Feb. 89, paras. 103, et al.

problems of a country's or sector's institutional structure and that are targeted to achieve effective institutional change.³² These strategies can be developed on the basis of systematic country/sector institutional development assessments of issues that are common to all development projects, such as the reliability of government contributions to projects, connected with general resource constraints and with management capacities in central government; the quality and availability of local staff; and the attitude of government officials to technical assistance personnel, particularly expatriates. For instance, in Bangladesh (where foreign aid accounts for 45 percent of total government resources, 55 percent of import payments, 65 percent of total investments, and 90 percent of the government's annual development expenditure), the low disbursement rate of project assistance, at 17 percent of the commitments available at the beginning of the year, is an institutional constraint on all donor projects. Another constraint is that the TA project approval process entails no fewer than 29 steps in the bureaucracy.

67. Bank country strategy work should also pay greater attention to human resource development on a nationwide basis. Although education is usually given sufficient consideration in country reports, linkage with the labor market is usually weak, while the issues of workforce development and their interface with overall economic objectives is seldom treated with the same importance and depth of review that are accorded to other economic factors in Bank studies and reports.

PROJECT DEVELOPMENT

68. Investments in project design pay off during implementation. The challenge is to design a project that (1) responds to genuine needs of the recipient; (2) is adaptable to the recipient's absorptive capacity; and (3) is designed for flexible, effective implementation.

69. First, thorough institutional analysis is necessary, including an assessment of country commitment. This will set the stage for the identification of priority objectives and realistically achievable project results within the life of the project.

70. Second, to generate government commitment and put it to the test, the design process must be conducted in a participatory fashion, with the government taking the lead in defining priority needs, objectives, terms of reference and work programs. Experience in Asia and EMENA clearly demonstrates that government involvement from the earliest stages of project development is essential for the program's success. A series of specific steps for the government to take before TA project implementation should be identified and insisted upon as concrete proof of commitment. This may not be a pleasant task

³² See, for example, Indonesia Power Sector Institutional Development Review, Sept. 1989, AS5/E.

during program design, but it is certainly one that will help avoid hurdles later during implementation.

71. Further, to make implementation manageable both for the Bank and the recipient, the project should be simple, with clearly defined goals, few components, and as few implementing agencies as possible to avoid intricate coordinating arrangements (Boxes C and D). The choice of inputs should be carefully adapted to local needs and capabilities, and a series of verifiable performance indicators should be defined (Box E).

Box C

Project Design: Complexity versus Simplicity

Many projects and components are overly ambitious because of the tendency of project designers to assume that all technical and institutional deficiencies identified can be dealt with by TA. As noted, project designers often fail to consider the absorptive capacity of the recipient organization and the formidable constraints and challenges of reforming administrative or technical functions as well as the requirements for Bank supervision. The design of freestanding TA projects especially tends toward the inclusion of multiple components, implementing agencies, and intricate coordinating and management arrangements, which require substantial management capacities. Coordinating programs through several line ministries and local government bodies is an extremely demanding task, especially in countries with a weak institutional base: when the given institutional setup is inefficient and ineffective, deploying government staff on coordination committees may be a waste of scarce human resources. Also the more complex the project/component, the more frequent and intensive supervision requirements will be.

For example, the Argentina Public Sector Management Technical Assistance Project, Loan 2712-AR, has 17 components and implementing agencies. During appraisal it was estimated that no fewer than 800 individual local consultants - over 4,000 workmonths of consulting services - were to be hired over the life of the project. To facilitate project administration and overcome cumbersome government procedures, UNDP was contracted as procurement agent, and a coordinating unit financed from loan proceeds was established, with a professional staff of four. At least 30 staffweeks were spent on supervision during year one of project's implementation. At the end of that year, the implementation of virtually all the project's components was behind schedule.

Experience has shown that straightforward and simple ID-related TA projects are more likely to succeed. A study conducted by the Industry Development Division in the Bank's Policy, Research and External Affairs Complex (PRE) of 70 small and medium industry projects over the last 15 years confirms that finding: successful TA components have tended to be small with modest and clearly defined goals. The major question facing this approach however, is whether borrowers and the Bank are willing to scale down projects to match our respective carrying capacities.

Box D

Project Design: Specificity versus Flexibility

How specific should the design be? Should terms of reference, training interventions, and work programs be defined before approval of the projects? How detailed should objectives, inputs, and expected results be?

The issue of specificity versus flexibility of project design is a vexing one, as each presents advantages and disadvantages. On the one hand institutional reforms and capacity building are better served by what has come to be known as an adaptive or process approach to implementation. Flexibility in design allows all parties involved to be particularly responsive to changing requirements in a changing environment, as well as to redesign non-performing components during implementation without amendments to the legal agreements and covenants. The disadvantage of this approach, however, lies in the heavy demands it tends to place on the Bank during implementation. Without doubt, flexibility for the purpose of masking imprecision and uncertainty as to what is to be done, or as a result of hurried design will, inevitably lead to poor performance.

The Operations Evaluation Department analysis of five freestanding projects in Indonesia showed that the excessive flexibility with which credits could be used tended to engender inefficiencies, such as a lack of focus and inherent processing delays, which outweighed the advantages of flexibility and could have been remedied by an insistence on more pre-identification of end-uses of project funds. The Industry Development Division in the Industry & Energy Department's analysis of 70 small and medium enterprise projects also found that the least successful approach has been to design loosely formulated programs with few mechanisms for monitoring or evaluating results. Maximizing success with weak institutions has been achieved through the use of highly specific terms of reference, quantified and time-bound outputs, and constant supervision.

Certain elements of TA implementation should probably not be left until the implementation stage. They include training needs assessments and the design of the training strategy. Also, a series of verifiable indicators for the measurement of performance and output achievement should be designed upfront to avoid disappointment with the outcome. Long-term ID-related objectives should be clearly specified and separated from the shorter-term, more operationally oriented objectives, to avoid neglect of the former.

Box E

TA Inputs for ID: What Works

Much has been written about the need for innovative approaches to deliver ID-related TA. There is no such thing as a "cookie cutter" approach, whereby programs are simply copied without assessment of local needs and capabilities; what works in one country, sector, or institution does not necessarily apply to another. The main tools of ID-related TA are well known; it is essentially a matter of creative packaging of existing methods made suitable to the given context. For each project, a balance must be sought among advisory services of a long- or short-term nature and the type of training required. Countries with a very minimal institutional base must depend more on long-term advisers required in line positions to perform tasks for which qualified and experienced locals are not yet available. Short-term consultants are more appropriate in relatively well-functioning administrations or project components, and for highly specialized tasks, such as systems development.

Regrettably, the most widely practiced ID method is the one proven to be a disappointment to all parties concerned: long-term adviser cum counterpart training on the job. The disappointment stems from two factors: national staff may have problems of motivations and incentives, and experts rarely can successfully combine the assignment of "implementing/doing" with training, since both tasks requires different skills and dispositions. (In the words of one staff member: "Finding that person is like looking for a sheep with five feet.")

More promising for successful delivery of ID TA is the integration of short-term consultants and long-term technical assistants with national agency staff. Long-term advisers have a comparative advantage in the management, coordination, and training aspects of institutional development. The advantage of short-term advisers lies in specialized technology transfer and trouble-shooting and in identification and introduction of possible institutional innovations, including systems development. Together, they constitute a team for carrying forward the ID effort. The long-term advisers provide backup support for implementation of ID improvements, and the short-term consultants conceive and develop the methodological inputs. In this framework, much more emphasis is placed on the "behavioral skills" of the long-term experts than on their substantive technical knowledge. The Guinea Economic Management Support Project and the Central African Republic Economic Management Project, for example, have put into practice this integrated team approach.

Another suggestion that merits consideration is to plan from the outset for the out-phasing of the TA in connection with staff development programs, possibly by making provision for the return of long-term staff for periodic visits.

72. The TA and training packages should be placed within the context of a human resource development and manpower use strategy. No amount of training and TA, no matter how well designed and delivered, will have an impact on an institution unless it is conducted within the context of a human resource development strategy, including manpower planning and effective management of the civil service. For those sectors/countries in which substantial ID-related TA is financed by the Bank and in which an appropriate human resource development strategy is not in existence, the government should commit itself to a series of concrete measures before approval of the project. Release of project funds should be tied to those measures: e.g., by not approving the next tranche, or project phase, if local counterparts have not been provided to work with TA, or if employee discipline and incentive schemes, personnel policies, and procedures have not been implemented.

73. On a broader level, if the TA is to achieve institutional reforms, it is important to ensure that reforms and adjustments are actually made, and adequate protection must be built into the conditionality.

SUPERVISION OF ID-RELATED TA PROJECTS.

74. The nature of staff supervision and consultant advice on ID-related components is quite different from that required in an engineering TA project or a traditional investment project with their well-defined steps. Experience shows that ID-related TA projects actually required project management, as opposed to supervision, on the part of Bank staff, and that successful implementation depends heavily on intensive involvement of Bank staff in the implementation process. The Kenya Agriculture Technical Assistance Project³³ for example required no fewer than 22 supervision missions over the life of the project.

75. How can more resources be mobilized for these projects that need much more supervision than traditional investment projects, especially at a time when it is unrealistic to expect increased resource allocations? There are several ways:

Selectivity In Project Processing

76. Process only those TA projects for which there is demonstrated government commitment. Ample evidence from Asia and EMENA proves that where there is a real demand for TA, countries will promote and manage the process. Bank management could encourage more systematic treatment of commitment issues by requiring project officers to assess borrower commitment and the steps to build and maintain it, in project briefs, economic sector work proposals, Staff Appraisal Reports, supervision reports, back-to-office reports, and project completion reports. In worst-case scenarios, the decision not

³³ OED Case Study on Kenya, p. 29, para. 3.09.

to proceed with the project, or the decision to cancel undisbursed amounts on the grounds of inadequate borrower commitment, should not automatically be interpreted as a failure on the part of the Bank. In certain circumstances, withdrawing support from a borrower institution may be the most positive means for securing reforms, as well as freeing Bank resources (including staff time)³⁴ for use elsewhere.

Make More Use of Field Offices

77. Field offices could become more involved in the management of TA projects. Being in the field, they can reduce considerably the time currently needed to approve disbursement, consultants' requests, etc.; they also have a better understanding of the political and bureaucratic constraints and play a crucial role in donor coordination.

78. The review of institutional components of recent Bank projects which was conducted by the Office of the Vice President, Development Economics and Chief Economist (DECVP) in the Policy, Research and External Affairs Complex of the Bank, confirmed that in several projects resident missions' staff made valuable contributions to the high quality of institutional design because their day-to-day presence in the borrowing country led to more thorough country knowledge, experience, and continuity than would have been possible through mission work alone; and institutional work could be enhanced if the resident missions played a larger role in project design and supervision than they now do.³⁵ This was also confirmed by interviews with task managers, by audits, and by other reports.³⁶

"In those countries where there are resident missions, the situation created by the underfunding of TA supervision was not as critical, as we were able to call upon for support. It is felt, though, that resident missions could play an even greater role in supervision of TA operations, namely in project components which are particularly time consuming, such as monitoring of project disbursements in relation to appraisal forecasts. The contractual framework devised to pass on more of the supervision responsibility to resident missions has not yet yielded convincing results. More attention should be paid to this. Locally recruited resident mission staff should be called upon more systematically to provide supervision assistance and should not limit themselves to intervene only when asked to by Headquarters. To avoid duplication, clear-cut understanding

³⁴ A. Israel and R. Heaver, op. cit.

³⁵ Op. cit., p. 20 and p. 22.

³⁶ See for example Report on a Review of Technical Assistance Activities in the Asia Region, Internal Audit Department, Sept. 1989; A Review of Bank-Assisted Free-standing Technical Assistance Credits in Indonesia," OED, Mar. 1988.

as to resident missions' responsibilities ought to be established."³⁷

79. While it is true that in many cases this would require an addition of at least one higher-level staff person to the resident mission, these persons could be recruited locally. In addition, for certain countries the appointment of one "roving" ID-specialist with responsibility for several countries merits consideration (for example, a person placed in Dakar with responsibility for Sahelian countries, or Cote d'Ivoire for occidental African countries). Resident missions also should build a roster of local consultants.

Careful Selection of Consultants and Experts

80. The problem of ensuring high quality in the use of consultants is persistent and enduring and more time needs to be invested in identifying good consultants and TA personnel. An inventory of "best practitioners," based upon a critical evaluation of their performance, would be valuable to operations departments and divisions. In particular, much greater care is needed in the selection of long-term TA staff. Because of their continued presence in the field, they are a determining factor in project success.

Make Use of Project Implementation Manuals

81. Often, valuable time is wasted on procedural questions. If, for complex projects and components, country operations and/or sector divisions were to develop project implementation manuals and TA management systems, more time could be applied to substantive project implementation. The Country Operations Division in the Occidental and Central Africa Department (AF1CO) is currently developing TA management systems. As noted in the Division's FY89 Annual Review of Implementation and Supervision Report (ARIS):³⁸

"Faced with limited resources, our own capacity to monitor accurately the utilization of funds in the TA portfolio has been limited, developed largely as an ad hoc response to the particular circumstances of each case. It is essential that we assist borrowers in their management of these operations through the development of a management system that is sufficiently comprehensive to cover all the information and reporting requirements for sound monitoring, while being sufficiently flexible to respond to the particular circumstances and limitations of individual projects. Such management systems are being developed by our Division. They are intended to be integrated both into the preparation package for new TA operations and into

³⁷ AF1CO ARIS Report FY89, para. 24.

³⁸ AF1CO FY80 ARIS Report, para. 23.

strengthening management performance of existing projects. To be effective, the system should be complemented by a more systematic approach to assessing project costs and inputs by component and intended beneficiary, thus facilitating the task of monitoring implementation in relation to appraisal forecasts. The end result of the system will be saving time and resources in the supervision of TA projects and better supervision."

Cross-fertilization and Dissemination of Best Practice

82. A review done by the Africa Public Sector Management Division last year revealed that especially among staff involved in sector-specific TA, task managers' awareness of the issues and past recommendations for TA in general is not great, and that only 33 percent of past recommendations had been incorporated in the design of TA projects and components in FY87 and FY88. Major cross-fertilization and dissemination activities are needed to heighten the awareness of task managers of the intricacies of ID work and best practice (see the following section: Areas for Training and Research).

AREAS FOR RESEARCH/ELABORATION OF GUIDELINES

83. Bank staff need better a understanding of the available institutional analysis approaches and of the methodologies for designing and delivering TA and training. A conceptual and methodological base for ID-related TA, including identification of verifiable performance indicators and outputs, needs to be developed.

84. More conceptual and empirical work is required on methods of evaluating the effectiveness and sustainability of ID-related TA efforts, as well as impact studies that systematically compare different approaches.

85. It is evident that project-related TA will remain the main vehicle to promote ID. Much more work is needed to document sectoral approaches and best practice in each sector.

86. A short "guidelines paper" to help staff identify and manage the institutional aspects of projects would be valuable to operational staff.

87. Further research is needed to identify the variables most predictive of ID-related TA project success (e.g., leadership, etc.).

STAFF TRAINING

88. It is important to disseminate to current Bank staff responsible for ID-related TA project design and implementation the many lessons learned from experience, conventionally accepted best practice and the results of research efforts and studies. CECPS and regional public sector management units could organize training sessions on these subjects and organize workshops that provide cross-

fertilization of project experience in different sectors and countries. The existing data base on "what works" and "what does not" among staff is substantial, yet few opportunities are afforded staff for sharing of experiences in sectors, countries, and regions other than those of their specific task responsibilities.

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ANNEX 1

REVIEW OF PROBLEMS AND ISSUES ASSOCIATED
WITH BANK-FINANCED TECHNICAL ASSISTANCE ACTIVITIES

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INTRODUCTION

1. Several problems and issues characterize the Bank's technical assistance (TA) activities. This annex identifies the lessons and recommendations that have emerged from these problems. It was compiled from studies and reviews of Bank-financed TA projects and components from different regions, countries and sectors, although experiences from Sub-Saharan Africa predominate due to the extensive documentation of TA activities in that region.
2. Section I reviews design and planning-related issues, and Section II deals with implementation-related issues. Each issue is followed by a list of lessons from the reviews and recommendations for improving Bank-financed TA activities.

I. DESIGN AND PLANNING-RELATED ISSUES

3. Problems attributable to poor project design and preparation are perhaps the most prevalent in the Bank's TA activities. This is primarily due to the often cursory and cosmetic manner in which TA components and projects are prepared (TA as an "afterthought"). In many instances, TA is seen less as a means of achieving institutional development (ID) goals and more as a stop-gap solution to human resource constraints; this view seems to be particularly prevalent in Africa.
4. An OED review of past Project Performance Audit Reports for African projects found that design factors were cited more frequently than any others (70% of projects) as having had an influence on the effectiveness of ID work [OED, May 1984]. This same review identified the following weaknesses in Bank planning for the region's support work: (1) no long-term program (agreed with the borrower) for strengthening the capacity of target institutions (suggesting that the time frame for Africa may be as long as 20 years); and (2) a limited capacity to address wider policy and institutional constraints that cannot be easily tackled at the project level. This suggests that regional program development staff are not sufficiently involved in analyzing the broader institutional environment, in formulating the country and sector ID assistance programs, or in reviewing projects. While the OED review focussed on Africa alone, it would not be too adventuresome to speculate that these weaknesses are present in all four regions of the Bank.
5. Design and planning-related problems include: supply-driven TA; low levels of borrower or recipient commitment; overambitious scope and timing of TA; inadequate diagnosis of needs; poor design of training activities; vague and imprecise terms of reference;

unmeasurable objectives and outputs and conflicting objectives; and excessive reliance on expatriates.

Supply-Driven TA

6. It has been argued that Bank-financed TA is "supply-driven;" that is, the perception of need for TA originates more often within the Bank than on the part of the borrower and is imposed upon the borrower as a condition for financing. (Whether pervasive or not, this is a view that seems to be shared by many borrowers [Storrar, 1982; Lethem and Cooper, 1983].) TA is less likely to be supply-driven when associated with engineering-related projects because the Borrower is more likely to recognize an obvious need for TA services, especially in "high technology" areas. But, because freestanding TA is primarily aimed at strengthening macro-economic planning and policy formulation (often in support of structural and sector adjustment loans), it is cast in a political shadow where it is often perceived by borrowers as unnecessary and unwanted--but conditionally required. A report on TA in Sub-Saharan Africa noted that "most borrowers feel that Technical Assistance is too often induced by the donors and that they are obliged to agree in order not to lose the financial aid for development which they need or want" [Storrar, Aug. 1982, para. 7.3]. This perception seems to be especially common among recipients of IDA-financed TA [OED, Dec. 1982].

7. Indeed, it appears that the Bank has taken the initiative in identifying and defining a need for TA more often than borrowers, especially with regard to freestanding TA [OED: (Indonesia) Mar. 1988; (Bangladesh) Dec. 1982]. A review of Bank TA to Bangladesh found that out of 85 TA components from 38 projects, the Bank generally played a dominant role in the selection and design of TA [OED, Dec. 1982]. The need for TA was usually first identified by the Bank, in most cases, during the project preparation and appraisal stages and elaborated upon in the Staff Appraisal Report. The Staff Appraisal Report included draft terms of reference for TA consultants which were usually accepted verbatim by the borrower. When the relevant agency drafted its own terms of reference, the Bank often suggested changes which may have resulted in a lower level of recipient commitment than if the Bank had allowed the recipient to take the lead. Furthermore, such passive roles on the part of the borrower often create problems during implementation because Bank staff are not always aware of the constraints imposed by local conditions that might limit a consultant's assignment.

8. Lethem and Cooper [1983] observed that supply-driven TA will usually be resisted because the borrower may not be willing to borrow for TA, may believe local capacities are adequate, may consider the proposed TA to be only indirectly related to an investment, may suspect TA serves only as a "watchdog" over the use of loan funds, or may object to the high costs of TA. Ultimately, even if supply-driven TA is accepted by policymakers due to the perception of conditionality, it runs the additional risk of being rejected by those at the operational level where the TA is applied.

9. Supply-driven TA can produce a plethora of problems. When the borrower does not feel a need for TA, it will be less inclined to contribute to the design and preparation of TA. And when TA is implemented, the borrower will be less inclined to provide the resources that the project requires to be successful (see the following section on borrower commitment).

10. Recommendation. The borrower should participate in all phases of design: identification of needs, specification of TA delivery models, drafting of terms of reference, etc. [AFTPS, 1989, p. 18].

Borrower and Recipient Commitment

11. Low levels of borrower commitment to TA are more likely to occur in supply-driven environments where the borrower has not been actively involved in the identification of need, design, and preparation of TA. Lack of commitment may also arise out of a failure to analyze institutional structures and their inter-relationships or because of resistance by interest groups affected by the assistance. One TA project in West Africa aimed at developing regional offices had to be modified due to central office resistance and the perceived threat to headquarter's authority [Robinson, 1984].

12. A number of other factors may contribute to a lack of commitment. One Zambian case study [R.B. Sunshine Associates, 1985, para. 2.09] offered the following explanations for low levels of borrower commitment:

- (i) underestimation of the complexity of certain development undertakings and the managerial/technical skills required of these undertakings;
- (ii) a tendency to believe that unqualified manpower can substitute for skilled manpower, and that capital investments can substitute for both;
- (iii) a tendency to underrate the value of TA not connected to investment in capital goods;
- (iv) aversion to politically sensitive studies; and
- (v) aversion to the use of borrowed funds for expatriate manpower.

13. The relationship between high recipient commitment and successful implementation and achievement of TA objectives is certainly borne out by the reviews. One review of a TA project in Argentina found that implementation of those components of the project where borrower commitment was high were advancing on schedule and successfully, while those where commitment was lower were performing less than optimally [Buyck, 1987]. A review of freestanding TA in Botswana noted that a high level of government commitment and

recognition of need has resulted in a uniquely successful record of TA in that country [Raphaell, et al., 1984]. Many reviews furthermore cited a positive relationship between borrower involvement in design and preparation of TA and high borrower commitment. For example, a survey of TA to Jamaica observed that commitment was strongest when the borrower identified its own TA needs and formulated a plan itself [R.B. Sunshine Assoc., 1985]. While these linkages may seem obvious, the evidence suggests that the Bank has, of yet, failed to appreciate their importance to achieving TA objectives.

14. Lessons

- a. The results achieved with IDA-supplied technical assistance reveal that the impact of TA on policy formulation capacity and ID depends primarily on the government's commitment to use the TA effectively for its designated objectives [Kjellstrom and d'Almeida, 1987].
- b. Lack of assessment of potential support of institutions concerned with a TA project during the design and preparation stages often leads to delays in implementation [Makharita, 1983].
- c. It is important for the success of TA that the receiving environment be receptive to what TA has to offer. Receptivity transcends the attitudes of individuals in the receiving country. It depends in a more fundamental sense on the structure and operating habits of the administration in the receiving country [ibid.].

15. Recommendation. Commitment must emanate from TA consultants' immediate supervisors and counterparts, top management, and policymakers. Securing their commitment requires involving them in drawing-up terms of reference and/or in selecting consultants [from a Yemen case study in R.B. Sunshine and Assoc., 1985, para. 2.08].

Overambitious Scope and Timing of TA

16. Overdesign of TA is often cited as a major contributor to problematic implementation and continued TA dependence [CODOP, 1987; OED, Dec. 1982; Wright and Risen, 1986]. It has contributed to overestimation within the Bank of the speed at which ID can occur. This problem appears to be especially acute with freestanding TA projects and, in particular, freestanding TA in support of structural adjustment and sectoral lending. Because technical assistance loans in support of structural or sectoral reforms aim at addressing problems at a macroeconomic or sectoral level, these projects encompass TA activities that cut across sectors and institutional terrain and therefore engage more recipients, interest groups, and resources than other types of TA, all of which strain the borrower's operational capacity and the Bank's supervision capacity. Ambitious design of technical assistance projects is perhaps a reflection of this complex project environment, and high degrees of specificity are perhaps a

reflection of conditionality requirements, given that structural adjustment loan tranche releases are conditional upon the performances of specialists completing short-term studies and other SAL-related activities.

17. However, the pace of structural adjustment loans in terms of start-up and disbursement rates is unusually rapid, creating special problems for technical assistance loans. Lessons from technical assistance loans in support of structural adjustment loan in Jamaica suggest that the ambitiousness of such projects be restricted [R.B. Sunshine Assoc., 1985]. This study stressed the importance of avoiding unrealistic TA deadlines tied to structural adjustment loan conditionality and found that intense time pressures attributable to structural adjustment loan linkage were counterproductive. Furthermore, limiting the number of activities better facilitates government coordination and Bank supervision. Project staff involved with technical assistance loans in support of structural adjustment loans in Kenya felt that they should not include policy conditionalities but should concentrate instead on the long-term development of local technical skills [OED, Mar. 1989]. Despite these special difficulties, one review concluded that, in Sub-Saharan Africa at least, technical assistance loans are not receiving the care and detailed attention to preparation and design that they warrant [AFTPS, 1989].

18. On the other hand, technical assistance loans aimed at developing a pipeline of feasible projects are often very loosely designed, with a high degree of flexibility and minimal specificity. The advantages of this flexibility lie in the ability to move quickly and to fund needs which have not been anticipated, although this is accompanied by a certain degree of risk. Indonesia, the first recipient of Bank-financed freestanding TA credits, received a series of these so-called "slush funds" from 1968 to 1979. In its review of freestanding TA to Indonesia, OED noted that there were no provisions in these technical assistance loans for pre-identification of the use of funds; this degree of flexibility was found to be excessive [OED, Mar. 1988]. OED concluded that this "extreme" flexibility of design resulted in a divergence between aims and objectives realized, an absence of strategy which inhibited responsiveness to needs, and lengthy delays in implementation due to the ad hoc identification of sub-projects and selection of consultants. The First Technical Assistance Project in Somalia (Credit 851-SO) is another example of this sort. The Project Completion Report for this project observed that "the exact roles of the different entities involved in project implementation were not clearly defined. There was also considerable flexibility in the use of project funds, which in turn required a high level of coordination... Its objectives were never clearly spelled out."

19. Lessons

- a. In most cases, a single project can only make a partial contribution to institutional development; ID cannot be compressed into the disbursement period of a Bank loan or

credit. Time limitations of the "piecemeal" approach might be overcome by developing a series of projects [OED, May 1984].

- b. Assistance should not be given in the form of completely freestanding, multi-sectoral "umbrella" agreements. It is better to organize assistance sector-wise, with one major partner institution involved both administratively and professionally [OED (Malawi), Mar. 1989].
- c. Where objectives and outputs are clearly defined and measurable, they are more likely to be achieved. Where they are too broad to be operational and expressed in terms of work programs, the results are usually less than successful [Makharita, 1983].
- d. Failure to impose sub-project plans with freestanding TA can lead to a divergence between the aims and actual objectives of sub-project implementation [OED, Mar. 1988].
- e. TA projects should not include policy conditionalities. Rather they should emphasize the development of longer-term technical skills, concentrating the more sensitive policy issues in the sector adjustment operation [views of project staff--OED (Kenya), Mar. 1989, para. 4.03].

20. Recommendations

- a. Projects should be less sophisticated and more closely tailored to the absorptive capacity of the recipient [Storrar, 1982, para. 6.4].
- b. There is a need for more pre-identification of end uses of outputs on freestanding projects -- although some flexibility in design is desirable [OED, March 1988].
- c. Focus on a few manageable and achievable objectives, and articulate them to leave no room for ambiguity [Makharita, 1983, para. 6.4].
- d. Project briefs and staff appraisal reports could be required to explicitly demonstrate that the design of the project takes into account: more realism, frankness, and modesty in project objectives; more simplicity in design and less dependence on long-term TA; and more analysis of the possibilities for tapping or helping develop nongovernmental organizations (NGOs) or local governments [Wright and Risen, 1986, paras. 21-22].

Inadequate Diagnosis of TA Needs

21. Many of the projects reviewed suffered from insufficient or imprecise assessment of the borrower's TA needs. Numerous reviews concluded that the TA provided often did not correspond to the actual needs of the recipient or that projects were overdesigned due to unrealistic assessment of the borrower's capabilities [for example: OED, March 1982, March 1989; Wright and Risen, 1986]. Furthermore, local staff requirements are often superficially estimated, or not considered at all. These problems stem largely from the absence of any comprehensive TA planning framework with which the Bank could assist borrowers in identifying and planning for their TA needs and from the lack of manpower budgeting on the part of borrowers. They are also partly due to a lack of involvement of the borrower in the project design and preparation stages.

22. Recipient TA needs are usually assessed on a project-by-project basis, rather than for a sector or the economy as a whole. Because this "piecemeal" approach defines TA needs within the boundaries of specific projects, the Bank often fails to grasp the complete scope and dimensions of recipient needs. The lack of comprehensive TA planning and recipient participation in design and preparation of TA, combined with a lack of institutional analysis, commonly lead to the design of TA projects and components that are either inappropriately packaged, poorly targeted, excessively lavish, or insufficient for actual needs.

23. Botswana provides a positive example of how comprehensive and coherent planning and assessment of TA requirements can lay the groundwork for more effective results. TA needs are assessed primarily through manpower budgeting by ministry and sector, combined with early planning for the allocation of TA supply through bi-annual and annual joint reviews between donors and the government. Furthermore, Botswana's TA requirements are assessed for the economy as a whole rather than project by project. This rationalization of the capacity-building process seems to have reduced the conflict between the need to develop immediate project implementation capacity alongside attempts to strengthen localization of skills for the long-term; both objectives are pursued through parallel but separate channels [see Raphaell, et al., et al., 1984].

24. Training activities, often the backbone of ID efforts, are especially prone to poor needs assessment. An OED review [Mar. 1982] of training components in Bank-financed projects identified the following deficiencies in diagnosing training needs:

- (I) Insufficient or imprecise knowledge of needs;
- (II) Incorrect assumptions as to the importance of training in remedying problems of performance;
- (III) Insufficient clarification of training needs;

- (iv) failure to recognize and provide for an urgent training need (as distinct from a TA need); and
- (v) deferring the determination of training needs to the implementation stage.

25. OED found the most persistent problem in this regard was that "specificity in the diagnosis of a training need tended to be lost once TA expertise was included in the proposed project composition to perform an executive role in project implementation -- ironically, especially in the TA projects" [op. cit., para. 2.24]. It concluded that those components where diagnosis, design, and preparation were of a high standard achieved more during the implementation stage.

26. Recommendations

- a. The Regions need to undertake institutional analysis at both the micro and macro levels. At the micro level this should include a review of the organization, staffing and operations of target institutions, an assessment of their capacity; and a diagnosis of their most serious constraints. At the macro level, this should include an understanding of the external institutional and policy environments in which the institution operates, especially the planning, budgeting, and decision-making mechanisms, linkages with other institutions, and resource constraints facing the country [OED, May 1984, para. 4.04].
- b. Borrowers should establish a TA planning framework within a national manpower plan [R.B. Sunshine Associates, 1985, para. 2.52].
- c. The Bank should make policy changes to review needs for continued TA at the end of the project construction period [Storrar, 1982].

Poor Design of Training Activities

27. Training is a major aspect of the Bank's TA activities. A study of TA in Sub-Saharan Africa found that when nationals are not available to fill a technical need, borrowers place a great deal of importance on training through TA and commitment to training components is likely to be stronger for this reason [Storrar, 1982]. However, there appears to be considerable room for making the design and preparation of training activities more systematic and thorough. An OED review of Bank-supported TA to Bangladesh found that training was more subject to deficiencies of design than any other aspect of TA [OED, Dec. 1982]. A review of Bank-financed project-related training observed that the quality of preparation and design of training components improved slightly in FY87 over the previous three years

but declined sharply in FY88 [PHREE, Feb. 1989];¹ the Asia region showed the strongest decline, and Africa achieved the best overall average rating.

28. What are the elements of a well-designed training component? The OED review of TA to Bangladesh [Mar. 1982] concluded that the well designed training components shared common characteristics: reasonably close attention was paid to the relevant agency's manpower needs, and in integrating the training component into the agency's overall development intentions; care was taken in identifying the sources of prospective trainees or the trainees themselves; the kind of training required was carefully determined; and local training resources explored [op. cit., para. 3.07].

29. OED [Mar. 1982] also reviewed several training components of projects that were expected to lead to future lending and increased absorptive capacity. Exploring the Bank's approach to integrating training with TA, OED discovered that often the Bank assumed that each project would be the last in the series that would require consultant services to perform operational tasks -- but each successive project again was forced to rely on expatriate services. OED concluded that this continued reliance was due to the fact that provision for training was often only an afterthought at best. Experience also suggests that training is often placed in a context where the real thrust of TA is at achievement of rapid implementation and short-term production objectives. OED found that in those projects where the Bank knew in advance of institutional weaknesses that would affect project implementation, it was faced with two choices:

"One was to proceed with a smaller, predominantly institution building training project, addressing the deficiencies in preparation for future larger-scale lending, and the other was to proceed with the original ideas of substantial development lending, with, however, large injections of TA as a support for, or guarantee of, good project implementation. The Bank chose the latter course, which was more in keeping with the tempo and volume of its already determined lending program. Although substantial training components were included, the overall project orientation was toward rapid achievements in the non-training areas, which placed the training components at a severe disadvantage. In these cases the eventual outcomes suggest that the first alternative -- that of a mainly training project -- would have been more effective in the long run; instead, the serious manpower and institutional difficulties have remained to affect subsequent projects" [op. cit., para. 6.04].

One review noted that, typically, "training is simply expected to occur automatically as a by-product of other TA activities" [Lethem and

¹ The criteria used for assessment of preparation and design quality are discussed in the main report.

Cooper, 1983]. Indeed, OED lamented that what is of most concern regarding training is not that it is so poorly designed, but that so few projects make any provision for it at all [OED (Bangladesh), Dec. 1982].

30. Recommendations

- a. The Bank should make policy changes in order to increase emphasis on training (especially within projects). Furthermore, the training function should be separate from the development function [Storrar, 1982, para. 11.2].
- b. There is a need to better define training activities at the design stage. Bank staff need to be more closely involved with relevant agencies in identifying their key manpower needs [OED, Dec. 1982, para. 5.30].
- c. Detailed design of training programs should be prepared before Board presentation, with emphasis on short-term, in-country training with follow-up and refresher sessions [AFTPS, 1989, p. 18].
- d. The Bank should establish limits on fellowships and overseas training in those areas where adequate regional and local training institutions exist [ibid.].

Vague and Imprecise Terms of Reference

31. One of the most common problems related to design of TA projects/components is imprecise and vague terms of reference, especially in relation to training activities. Training activities are often left up to the consultant, the personnel to be trained are not always identified, and the plans for future use of trained personnel are not always clear. Many TA assignments are overambitious in scope, function, and timing. Often the inputs, outputs, and method of implementation are not spelled out in the consultant's terms of reference. In one project the president's report stated simply, without any further elaboration, that the relevant agency "should initiate a staff training program" [Bangladesh, First Dacca Water Supply Project, Credit 368]. In another, the terms of reference proposed in the staff appraisal report expected consultants to "provide on-the-job training to the technical and professional staff" without indicating the type of training and what was expected as an output [Bangladesh, Karnafull Irrigation Project, Credit 605].

32. Recommendations

- a. Specific outputs and objectives (with benchmarks of measurable performance) should be included in consultants' terms of reference [recommended in all case studies included in R. B. Sunshine Assoc., 1985, para. 2.14].

- b. More precise terms of reference for staff are required [Storarr, 1982, para. 6.4].

Inability to Measure Objectives and Outputs/Conflicting Objectives

33. The problem of measuring objectives and outputs is likely to be more prevalent with ID-related TA than with engineering-related TA. (In the latter case, the outputs are usually capital goods, and a measure of the effectiveness of TA can generally be applied.) The effectiveness of training outputs, however, and especially other measures aimed at strengthening institutional capacity, are less subject to measurement, and as of yet, no agreed-upon methodology has been developed within the Bank. In a survey of project-related TA in five West African countries (involving 41 projects), it was found that in all cases TA objectives were unmeasurable and vague; the objectives could be used to determine whether the TA had been delivered as planned, but not whether it was effective [Robinson, 1984]. An OED review of Bank ID work in Africa concluded that the limited impact of ID components was often attributable to the absence of a systematic approach to formulation of objectives and found that objectives were often inconsistent with the policy and institutional environment of the borrower, "virtually assuring disappointing results" [OED, May 1984].

34. Another major problem related to TA project objectives involves the conflict that often arises between the need for quick results in the short-term and the longer-term objectives of strengthening local capacity. The reviews exhibit a pattern that indicates that long-term objectives most often suffer when TA projects attempt to achieve both within a single project cycle. One survey noted that when investment components and ID measures are "inextricably bound together" (as is usually the case with project-related ID), the result is often incompatibility of objectives; in the end, the ID measures commonly receive secondary priority [OED, May 1984]. Furthermore, there is the possibility that the Bank may exacerbate ID problems in such cases by overloading the recipient with overly ambitious projects.

35. Recommendation. Long-term objectives should be separated from short-term objectives and training should be separated from advisory functions and from strictly consultancy services [AFTPS, 1989, p. 18].

Excessive Reliance on Long-Term Expatriates

36. Many TA projects and components rely excessively upon expatriates to produce the desired outputs. This approach was undoubtedly viewed as the most efficient means of "getting the job done", particularly before the 1980s, when TA was oriented more toward engineering-related projects. As TA increasingly plays a role in policy formulation for structural reform and ID, the preferred instrument of delivery has remained reliance on long-term expatriate services. This approach may no longer be the most appropriate instrument for the transfer of skills and alleviation of the types of

problems to which the Bank is now addressing itself. There are two primary reasons for this: (1) high costs and (2) poor transfer effects.

37. Compared to local salaries, expatriates are extremely expensive, and the results of their work are not always tangible. (Excessive costs are often cited as one reason for low borrower commitment to TA [Lethem and Cooper, 1983; OED (Malawi), 1989].) One common suggestion for addressing the problem of overdependence on expatriates is to make greater use of local consultants. The most obvious advantage of this approach is reduced costs. A review of TA projects in Sub-Saharan Africa found that the projects with the lowest appraised cost/month incorporated substantial use of local consultants or training lecturers into the project design. This review suggested that greater use of local consultants could reduce project costs by as much as 30 to 50 percent overall [AFTPS, April 1989, p. 10]. However, experience demonstrates that care must be taken in reliance upon local consultants. In some cases, former government staff have been employed as project consultants performing tasks that should have been performed by government personnel, whereby TA becomes a means of financing the government's recurrent costs [Buyck, 1987].

38. Recommendations

- a. The Bank should make policy changes in order to make greater use of visiting agents [Storrar, 1982, para. 6.4].
- b. The Bank should encourage and assist in greater use of local consultants. This might involve breaking down the required task into its component activities and then assessing which activities can be undertaken by the implementing agency within its present capacity, which could be earmarked for local consultants, and which would require the services of foreign consultants [OED, Dec. 1982, para. 5.22].
- c. The Bank should: (1) assess local consulting capacities and incorporate explicit mechanisms for using and developing the local consultant industry and for repatriating qualified nationals; and (2) formulate human resource development strategies for all sectors in which substantial TA is financed by the Bank [AFTPS, 1989, p. 18].
- d. Compilations (country-by-country) of qualitative inventories of local consultants should be made [Wright and Risen, 1986, para. 20].
- e. One suggestion discussed by an OED mission was to make more use of the system of deputation -- whereby an experienced official is given a leave of absence from normal duties to join a project team where he or she serves essentially as a local consultant. During this secondment, the official is paid a salary commensurate with those

earned by local consultants, paid from project funds [OED, Dec. 1982, para. 5.24].

- f. The Bank should develop projects that focus on human resource development issues in a country or sector in an integrated fashion, incorporating supply and demand factors (especially projects that focus on the development of higher-level training institutions that can both train staff and sell consulting services to government [Ibid.]).
- g. The Bank should improve national planning of TA by improving the use of market mechanisms to search for local talent, establishing an inventory of sources for TA for cost-effective purposes, and making efforts to repatriate nationals who have left the country [CODOP, 1987, para. 3.15].

II. IMPLEMENTATION-RELATED PROBLEMS

Recruitment Delays

39. In a majority of the projects considered in the reviews, recruitment problems were responsible for implementation delays. A review of TA in the Western Africa Region found that the average estimated duration of TA projects was three years; this was shown to be too optimistic, primarily because of delays in recruiting experts and consultants [Makharita, 1983]. A review of TA in Bangladesh observed average recruitment delays of 6-12 months -- sometimes several years [OED, Dec. 1982]. Delays in many instances produced much higher project costs. For one TA project in Bangladesh, project costs increased fourfold over the appraisal due to recruitment delays. In others the TA component was never implemented because the Bank and central government ministries could not reach agreement on TA personnel.

40. Recruitment delays may be due to the failure to plan carefully in the design and preparation stages, or because the recipient agency did not feel a strong enough need for the TA and dragged its feet on recruitment, or simply because of time constraints imposed by the phasing of the project to which the TA is related. One report noted that borrower governments usually take longer than is estimated in the appraisals to gear up for recruitment of consultants for ID-related TA, possibly because they face shortages of qualified consultants for ID work [OED, May 1984]. In an Indonesian freestanding TA project, recruitment was delayed because of a lack of pre-identification of sub-projects.

41. Recruitment of TA personnel under Bank-financed TA projects is especially acute for borrowers because all consultants are retained by the government itself, as opposed to the financing agency. Recruitment for structural adjustment loans and other macro-economic

policy work is another special problem due to the unusually rapid pace of start-up and disbursement operations which forces borrowers to quickly search for talent with expertise in fields where the borrower has no prior experience: He may know where to find consultants for engineering-related TA work, but not for economic policy work.

42. Recommendation. Recruitment delays could be avoided by helping the borrower both identify sources of recruitment and brief experts and consultants on the project and the country [ibid., para. 72].

Lack of Counterparts and Problems of Training Implementation

43. Another major problem contributing to implementation delays is the regular shortage of adequate counterparts. This may result either from an insufficient supply of appropriate staff or from an unwillingness on the part of the recipient to assign counterpart staff due to a lack of commitment to the relevant TA project or component.

44. Training activities are of course usually fundamental to successful, sustainable TA results (at least where the development activity requiring training is expected to continue for the medium to long term). However, it was found that during project implementation, training activities are commonly given lower priority than technical activities, especially in engineering-related TA. Many consultants commented that they were evaluated on the basis of their technical output, not their success with training activities, and therefore felt inclined to concentrate their energies on technical performance. Others complained that they achieved little with respect to training because counterparts were often selected not on the basis of their technical competence but on political or family grounds.

45. Recommendations

- a. The availability of counterpart staff should be ensured, specific agreements on this matter should be made during negotiations, and strict control measures should be built into the legal covenants. The Bank should adopt a much firmer attitude toward the release of funds where adequate counterparts are not provided [Makharita, 1983, para. 70].
- b. The Bank should make policy changes in order to apply sanctions where recipients fail to provide agreed-upon project services and resources. Where local funding is inadequate and adequate counterparts have not been provided, the Bank should not release project funds [Storrar, 1982, para. 11.2].

Consultant Performance and the Nature of Assignments

46. Numerous reviews cited either poor selection or performance of expatriates and/or an unwillingness to work closely with counterparts (due to cultural differences, time constraints, or an

aversion to training activities) [OED: (Bangladesh), Dec. 1982; (Malawi), Mar. 1989; Robinson, 1984]. The OED review of TA to Bangladesh found that poor selection and/or performance of expatriates was a primary or contributing factor to implementation problems in 23% of the cases where implementation problems were observed. Most often, consultants are selected solely on the basis of their technical expertise, not their training skills. Thus, the criteria used for selecting expatriates may not take into account motivational factors or the ability of the expatriate to communicate effectively to counterparts.

47. Often consultants become absorbed with line duties (regardless of what their terms of reference may be) and with "putting out fires." (This appears to be typical of many freestanding TA projects.) In a case study of freestanding TA in Togo it was found that some consultants located in ministries without specific terms of reference were occupied by day-to-day operational tasks and essentially served to respond to the daily priorities of the Minister [Kjellstrom and d'Almeida, 1987]. The report concluded that in this type of environment "the contribution of such technical assistance to policy formulation and ID can be very limited.... Such ad hoc technical assistance tends to disorganize existing structures and discourages national staff by the prominent role played by such technical assistants in daily operational matters" [op. cit., para. 85]. A review of TA to Bangladesh surmised that, out of 85 TA components, at least four provided support activities, when a more direct ID approach would have been preferable [OED, Dec. 1982]. While such roles may be occasionally required of TA personnel simply in order to fulfill the functions required of an agency on a short-term basis, the authors of the Togo study urge the Bank to avoid situations where "operational expediency...take[s] precedence over the longer-term objective of building up a national capability for the management of economic affairs" [op. cit., para. 55]. It was further observed that "if technical assistants are not working themselves out of existence by filling a training role, [government] staff see little justification for their irritating presence" [para. 86].

48. Another problem related to consultant services is the nature of the relationship between consultants and their counterparts. Explanations of this relationship are frequently neglected in the design stage, and problems are more likely to occur during implementation when the terms of reference do not delineate the division of responsibility between the two. Too often, the counterpart serves merely as an observer to the consultant and has little opportunity to apply new skills supposedly developed during training. In the Togo case study cited earlier, counterparts came to be considered support staff for expatriates when the expatriates were busy meeting with the Minister. This led to friction between expatriates and counterparts and had a deleterious effect on the morale of national staff and the transfer of skills.

49. An OED review of freestanding TA in Kenya noted that consultants played a critical role by establishing "their role as a means of helping the Kenyans master the tools they needed in order to

take decisions. The advisors concentrated on putting a mechanism in place...not on doing the work" [OED (Kenya), Mar. 1989, para. 5.07]. This is an example of how consultants can help transfer technical skills -- an appropriate role for consultants and experts, especially in ID work.

50. Lesson. TA will be most effective when a project is strong in counterpart involvement and staff performance [Robinson, 1984].

51. Recommendations

- a. Experts should be selected not only on the basis of their technical expertise but also on the basis of their training capability [Storrar, Aug. 1982, para. 6.4].
- b. The Bank should make policy changes in order to make available job descriptions to governments at a date early enough to allow them time to consider these before negotiations [Ibid., para. 11.2].
- c. The Bank needs to take more careful preparation in defining the line of responsibility of consultants and their relationships with local counterparts [Wright and Risen, 1986, para. 5.30].
- d. The Bank should focus more on performance in the design of tasks and in the selection and evaluation of consultants, as well as make more use of consultants from other developing countries [Ibid.].

Management and Supervision

52. Intensive management and supervision of TA has proven to be indispensable to successful implementation and achievement of TA objectives. In one West African survey involving a forty-project sample (both project-related and freestanding TA), it was found that what most frequently contributed to TA strength or weakness was micro-level management [R.B. Sunshine and Assoc., Apr. 1985]. Case studies abound where vigilant, attentive supervision of TA activities proved to be the saving factor in successful TA components/projects [OED (Kenya), Mar. 1989; Buyck, Oct. 1987; Makharita, Apr. 1983]. However, in practice, these cases are the exceptions that prove the rule; it appears that a great number of Bank TA projects suffer simply (and unnecessarily) from management's neglect or from supervision missions focussing on procedural problems, rather than on the guidance of ID work.

53. Intensive supervision and management of TA related to structural adjustment loans is particularly important. TA projects in support of structural adjustment loans are typically very broad in scope, politically sensitive, and temporally constrained. One survey [R.B. Sunshine and Assoc., 1985] observed that these factors create special conditions where management must:

replacement of three different Ministers of Planning during the project's three-year period. In Somalia (Credit 821-SO), the Director of the Technical Department of the Ministry associated with the project was replaced three times in the first two years of implementation. Such changes of senior staff often are accompanied by changes in policies, and in the case of Togo, this proved to be detrimental to medium-term project objectives. In another case, an engineering-related TA project that was already being implemented was terminated when a Minister was replaced by one less inclined to continue support for the project [OED, Dec. 1982].

60. Finally, there is the possibility that the recipient will be unable to use the consultants' output. Indeed, in many cases it is likely that the proposals and recommendations of a consultant are as highly technical and skill-demanding as his or her services, and therefore require his or her guidance. Typically, however, TA personnel leave the country once they have presented their proposals. In such circumstances, the recipient may be left to grapple with technical work beyond available capacity (especially if training has not been provided for). Regardless of the quality of the consultant's work, the entire exercise might be made futile by a lack of administrative capacity to act upon the consultant's recommendations.

61. Recommendations

- a. To strengthen the capacity of implementing agencies, the task of managing complex technical assignments might be undertaken by the implementing agency itself - and not by overseas consulting firms [OED, Dec. 1982, para. 5.24].
- b. It is important that Regional Senior Management stress the priority attached to developing the capabilities of local institutions in our assistance strategy [Wright and Risen, 1986, para. 19].
- c. It is necessary to create an environment for simpler and more performance-oriented government institutions by helping governments assess realistically their bureaucratic capacities. Where the fostering of this environment is not feasible, the Bank should focus on building up non-governmental institutions [ibid., para. 20].
- d. The Bank should make the development of local policy design and implementation institutions a major goal of country strategies and should develop projects that aim at this over the long run [ibid.].
- e. It may be advisable for the Bank to assist governments to review the final proposals of consultants and to provide assistance in putting them into action [OED, Dec. 1982].
- f. Debriefing reports at the end of a mission, either in the form of mission completion reports or a memorandum to the

government will be required. Borrowers should be asked not to release the balance due to the individual expert or contractor until after a debriefing is done in a manner acceptable to both the Bank and the borrower [Makharita, 1983, para. 74].

Coordination

62. Thus far, borrowers and donors have taken little action to coordinate TA. Coordination must take place at several levels: within a project (as with the sub-projects of freestanding TA), sectorally, country-wide, and among donors. Lack of coordination results in dissipation of resources, duplication, poor allocation of priorities, and contradictory advice from different groups in the field. At present, there appears to be significant potential to improve the efficiency of TA delivery through greater coordination, especially among donors. (One survey of TA in Sub-Saharan Africa observed that the percentages co-financed and the shares provided by borrowers were considerably higher for project-related TA than freestanding TA. This could imply that greater coordination among donors occurs with project-related TA because of familiarity with this mechanism, or because of a lack of interest in policy-oriented, freestanding TA [AFTPS, 1989, pg. 10-11].)

63. As mentioned, coordination is especially difficult under freestanding TA, due to the often multi-institutional and multi-sectoral nature of this lending. Structural adjustment loans, for example, are managed by central government agencies, which are also responsible for back-stopping the various ministries charged with the management of the accompanying TA activities. Central agencies therefore face the difficult task of coordinating and supporting implementation of SAL-related TA projects without asserting control over the implementing ministries. The decentralized nature of such TA loans requires critical coordination between what are often politically competitive entities. If this coordination is not forthcoming, the TA project can be seriously compromised.

64. Recommendations

- a. The Bank should enlarge contacts with governments, donors, and agencies to: register all on-going TA, maintain this register, and make it available to donors at all times; and, initiate discussion with major suppliers of TA to arrange interchange of information on suitable staff [Storrar, 1982, para. 11.2].
- b. Coordination has been too informal and ad hoc. It would seem desirable for donors to agree on: (i) a single publication to be published regularly either by UNDP or the Bank; (ii) a common definition of TA; (iii) a common categorization of TA by sector; (iv) a method for calculating the value for TA; and, (v) some method for allocating commitments to an agreed time frame [OED, Dec. 1982, para. 5.47].

- c. For better management of TA, Programs Divisions should become the focal point for coordinating TA at the country level [Wright and Risen, 1986, para. 20].
- d. To improve coordination it is suggested that the Bank increase staff-time allocations for supervision of TA, formalize ground rules for supervision of freestanding TA in support of structural adjustment loan and collaboration between programs and projects departments, and strengthen in-house TA management [from a Jamaican study in R.B. Sunshine Assoc., 1985, para. 2.50].
- e. The Bank should undertake an inventory of existing TA and should assist borrowers in managing, coordinating, and evaluating TA from all sources [AFTPS, 1989, p. 18].
- f. It will be necessary to assist governments in developing an information system regarding TA. A register of all on-going TA will be maintained and systematically updated for the benefit of the government and aid agencies [planned for West Africa Region -- Makharita, Apr. 1983, para. 79].
- g. The Bank should make policy changes in order to improve exploitation of on-going TA. Toward this end the Bank should require all missions, especially project preparation missions, to examine how TA already being provided may be exploited before recommending additional provisions [Storrar, 1982, para. 11.2].

Sustainability: Retention of Trainees

65. In the vast majority of cases reviewed, it was observed that the relevant agencies were unable to retain a significant proportion of the staff trained under TA projects [OED (Kenya and Malawi), Mar. 1989; Storrar, 1982]. This obviously has serious implications for the sustainability of TA results. This problem arises under two sets of conditions: (1) when the trainee is sent overseas on a fellowship he or she may not return; or (2) when the trainee leaves public service after receiving training to seek a higher salary and/or better working conditions in the private sector. In one Kenyan case study, failure to anticipate in the design stage the exogenous problem of poor salary incentives for nationals (especially when they were to acquire skills in high demand) proved fatal for a major TA component: economists trained overseas either did not return or chose not to enter the civil service upon return to Kenya [OED (Kenya), Mar. 1989]. One study found that the more institution-specific the skills acquired by trainees, the more likely the institution will retain the trained personnel [OED, May 1984].

66. Attempts have been made in West Africa to deal with high turnover of personnel by occasionally making provisions for salary supplements in the project design. The disadvantages of this approach

are: reduced motivation of those not receiving salary supplements; bureaucratic rivalries; and upward pressures on civil service wages across the board. Nevertheless, despite the potential harm this practice may have on sustainability, one review found that Bank staff often feel this is the only way (given low salaries and low morale) to motivate local staff to the level of commitment required by the tasks at hand [AFTPS, 1989].

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ANNEX 2

LIST OF FREE-STANDING TA PROJECTS

APPROVED IN THE FY82-88 PERIOD

LIST OF FREE-STANDING TA PROJECTSAPPROVED IN THE FY82-88 PERIOD

<u>Country</u>	<u>Project Title</u>	<u>Approval Date</u>	<u>Loan Amt. (US\$mil)</u>
<u>AFRICA REGION</u>			
Malawi	Lilongwe Water Supply Engin.	6/82	4.0
Rwanda	TA Project	2/82	5.0
Madag.	Agric. Instits. TA	4/82	5.7
Ben/Togo	Power Eng. & TA	4/82	3.8
Djibouti	TA Project	4/82	3.0
Tanzania	Third TA Project	1/82	12.0
Togo	Second TA Project	5/82	3.5
Sierra L.	Pow. Sector Eng. & TAP	4/82	5.0
Ivory C.	TA Project	12/81	16.0
Zaire	Ag. TAP	4/82	5.0
Mali	ODIPAC TAP	7/81	6.5
Kenya	Petro. Exploration Promo.	11/81	4.0
Uganda	Phosphate Engineering	3/82	4.0
Benin	Petro. Sector	1/82	8.0
Maurita.	Petro. Exploration Promotion	8/81	3.0
Zambia	Indeni Refinery Modif. Engineering	4/82	5.1
Cameroon	Post & Telecommunications TAP	11/81	7.5
Zambia	Petro. Exploration Promotion	4/82	6.6
Kenya	Agric. TA	6/82	6.0
Congo	TA Project	5/83	11.0
Mali	Econ. Mgmt. and Training	11/82	10.4
Zaire	Petro. Sector TAP	4/83	4.5
Zaire	GECAMINES TAP	3/83	7.0
Zimbabwe	Rural Afforestation	4/83	7.3
Ghana	Energy Project	5/83	11.0
Maurita.	Second TAP	9/82	4.6
Niger	Water Supply	11/82	6.5
Ethiopia	Petro. Explor. Promo. & Geoth.	5/83	7.0
Senegal	Phosphate Ind. Devlpt Engineering	4/83	7.7
Zambia	Maamba Coal Engin.	2/83	4.3
Tanzania	Coal Engineering	5/83	6.3
Equat. G.	Petro Sector TAP	11/82	2.4
Zimbabwe	Petro. Fuels Supply TAP	9/82	1.2
Niger	Econ. and Fin. Mgmt. Improvement	5/84	11.7
Senegal	Second Parapublic TAP	6/83	11.0
Uganda	Second TA Project	12/83	15.0
Burundi	Third TA Project	3/84	5.1
Ghana	Export Rehab. TA	12/83	17.1
Mauritius	TA Project	11/83	5.0
Eq. Guin.	TA Project	5/84	6.0
Senegal	Urban Mgmt. and Rehab. TAP	3/84	6.0
Nigeria	Gas TAP	2/84	25.0
Malawi	Second TAP	11/83	1.5

Country	<u>Project Title</u>	<u>Approval Date</u>	<u>Loan Amt. (US\$mll)</u>
Maurita.	Second Rural Sector TAP	9/83	8.1
Zimbabwe	Railway Development	7/83	40.0
Guinea	Petro. Exploration Promotion	12/83	8.0
Ghana	Petro. Refinery Rehab TAP	2/84	3.9
Burkina F.	Perkoa Mining Explor. and TAP	5/84	7.4
Guinea	Conarky Urban Development	4/84	10.7
Rwanda	Improv. of Pub. Fin. Mgmt.	3/85	4.8
Guinea B.	TA Project	8/84	6.0
Nigeria	TA Project	11/84	13.0
Benin	TAP for Planning and Econ. Mgmt.	11/84	5.0
Ethiopia	TAP	8/84	4.0
Sudan	Petroleum TAP	6/84	12.0
Liberia	Second Petro. Sector TAP	3/85	2.6
Tanzania	Fourth TAP	8/84	10.0
Zaire	Education TA and Training	8/84	9.0
Guinea	TAP for Econ. Mgmt.	2/85	9.5
Kenya	Nairobi Third Water Supply	3/85	6.0
CAR	Second TAP	3/85	8.0
Tanzania	Petroleum Sector TAP	5/85	8.0
Uganda	Petroleum Exploration Promo.	2/85	5.1
Guinea	Second Power Engin. & TAP	4/85	8.0
Nigeria	Transport Parastatals	6/86	20.9
Somalia	Livestock Health Services	12/85	4.3
Kenya	Petro. Exploration TAP	2/86	6.0
Nigeria	Industry TAP	8/85	5.0
Togo	Third TAP	6/85	6.2
Madagas.	Second Ag. Instits. Development	5/86	10.0
Zambia	Second TAP	3/86	8.0
Botswana	Selebi-Phikwe TAP	4/86	7.6
Senegal	Irrigation TAP	10/85	4.9
Madagas.	Accounting & Mgmt. Training	1/86	10.3
Rwanda	Sectoral & Preinvest. Studies	4/87	7.4
Kenya	Agric. Sector Mgmt.	6/86	11.5
Ghana	Structural Adj. Instit. Support	3/87	10.8
Lesotho	Lesotho Highlands Water Engin.	11/86	9.8
Guinea-B.	Ag. Services	4/87	3.7
Congo	Second TAP	8/86	4.0
Burundi	Econ. & Public Enterprise Mgmt.	4/87	7.5
Sudan	Public Enterprise & Econ. Mgmt.	4/87	9.0
Chad	Agricultural Rehabilitation	3/87	17.4
Guinea-B.	Second TAP	6/88	9.7
Mali	Public Enterprise Instit. Devlpt.	5/88	9.5
Zaire	Econ. Mgmt. & ID Project	6/87	12.0
Chad	Econ. & Fin. Mgmt.	12/87	12.8
Maurita.	Development Management	11/87	10.0
Congo	Public Enterprise ID	6/87	15.2

Somalia	TA for Baardhere Project	11/87	5.5
Zaire	Higher Educ. Rationalization	6/87	11.0

<u>Country</u>	<u>Project Title</u>	<u>Approval Date</u>	<u>Loan Amt. (US\$mil)</u>
Niger	Public Enterprise ID	6/87	5.5
Senegal	Development Mgmt.	4/88	17.0
Ghana	Public Enterprises	8/87	10.5

ASIA REGION

Indonesia	Sixteenth Irrig.	3/82	37.0
India	Andhra Pradesh Ag. Ext.	3/82	6.0
Nepal	Petro. Exploration Promotion	5/82	2
Philipp.	Urban Engineering	11/81	8.0
Sri Lanka	Forest Resources Devlpt.	12/82	9.0
Bangla.	Business Mgmt Educ. & Training	12/82	7.8
Indonesia	Central Java Pulp & Paper Engin.	8/82	5.5
Pap. N.G.	Petro. Exploration TAP	6/82	3.0
Nepal	Second TAP	5/83	6.0
Bangla.	Fifth TAP	1/84	25.0
Bangla.	Petro. Exploration Promotion	6/83	23.0
Bhutan	TAP	9/83	3.0
China	Technical Cooperation Proj.	8/83	10.0
Nepal	Karnali Preparation Project-Phs I	3/84	11.0
Philipp.	Telecommunications TAP	1/85	4.0
China	Welyuan Gas Field TAP	5/85	25.0
Malaysia	Sabah Forestry TAP	5/85	6.5
Sri Lanka	Municipal Mgmt.	4/86	13.0
China	Second Tech. Coop. Project	2/86	20.0
China	Liaodong Bay Petro Appraisal	5/86	30.0
China	Planning Support & Spec. Studies	6/87	20.7
Philipp.	Economic Recovery TAP	2/87	10.0
Indonesia	Tele. TAP	9/86	14.5
Indonesia	Railway TAP	10/87	28.0

EMENA REGION

Pakistan	TA Project	5/82	7.0
YAR	Petro. & Geo. Explor. Promo.	2/82	2.0
Tunisia	TA Project	8/82	4.5
Pakistan	Refinery Eng. & Egy. Effic.	11/82	12.0
Pakistan	Coal Engineering	4/83	7.0
Portugal	Ag. Services	5/84	7.4
Egypt	Water Supply & Sewer. Eng.	10/83	4.0
Tunisia	Mining TA	8/83	13.4
Turkey	TA Proj. for SEEs	3/84	7.6
Pakistan	Second TAP	5/84	7.0
Turkey	Cukurova Region Urb. Eng.	4/85	9.2
YAR	TA Proj. to Central Planning Org.	2/85	4.7

YAR TA Proj. to Petro. Sector 4/86 12.0

<u>Country</u>	<u>Project Title</u>	<u>Approval Date</u>	<u>Loan Amt. (US\$mil)</u>
Pakistan	Third TA	12/86	7.0
Tunisia	Energy Conserv. Demonstration	6/86	4.0
Algeria	Irrigation Engineering	5/88	14.0

LAC REGION

Jamaica	TA Project	2/82	6.1
Peru	Petro. Refineries Engr.	3/82	5.3
Guyana	Petro. Exploration Promotion	1/82	2.0
Barbados	TAP	2/82	2.7
Dom. Rep.	Santo Dom. Munic. TAP	5/83	7.1
Peru	PSM Project	12/82	10.2
Brazil	Prep. of Metropolitan Dev. Progs.	7/82	8.9
Mexico	Prep. of Deconcentration Prog.	6/82	9.2
Jamaica	Public Admin. Reform	5/84	4.5
Panama	TA Project	10/83	5.0
Colombia	Coal Exploration	9/83	9.5
Dom. Rep.	Itabo Coal Terminal & Pow. Eng.	11/83	3.8
Jamaica	Second TAP	2/85	9.0
Ecuador	PSM Project	3/85	8.0
Costa R.	TA Project	3/85	3.5
Chile	PSM TAP	2/85	11.0
Peru	Industrial Egr Conserv. & Rational.	4/85	4.0
Uruguay	Power Engineering	12/84	4.0
Brazil	PSM Project	5/86	29.0
Ecuador	Power Sector Improvement	5/86	8.5
Argentina	PSM TAP	5/86	18.5
Peru	Power Engineering II	6/85	13.5
Bolivia	Power Rehab.	5/87	6.8
Guatemala	Water Supply Rehab.	8/86	23.0
Bolivia	Public Fin. Mgmt.	5/87	11.5
Haiti	TA Project	4/87	3.0
Guyana	TAP for Bauxite Industry	7/86	7.0
Honduras	Rural Prim. Educ. Mgmt.	4/87	4.4
Uruguay	TA Project	5/87	1.0
Argentina	Power Engineering	8/86	14.0

SUMMARY (Number of Projects by Region and Year)

<u>REGION</u>	<u>FY82</u>	<u>FY83</u>	<u>FY84</u>	<u>FY85</u>	<u>FY86</u>	<u>FY87</u>	<u>FY88</u>	<u>Total</u>
Africa	18	15	16	15	10	9	11	94
Asia	4	5	5	3	3	3	1	24
EMENA	2	3	5	2	1	2	1	16
LAC	4	4	4	6	4	8	0	30

ANNEX 3

FY82-88 TRENDS: STATISTICAL APPENDIX

GENERAL TRENDS

Table 1: Total TA Activities as a Percentage of Total Lending, FY82-88 (US\$ million)

Table 2: ID-Related TA Activities as a Percentage of Total Lending, FY82-88 (US\$ million)

Figure 1A: Regional Distribution of Bank Lending for TA, FY82-88 Average (%)

Figure 1B: TA as a Proportion of Total Regional Lending, FY82-88 (%)

Figure 2: Regional Distribution of Bank Lending for ID-Related TA, FY82-88 Average (%)

SECTORAL TRENDS

Figure 3: Sectoral Distribution of Bank Lending for TA, FY82-88 Average (%)

Table 3: Sectoral Distribution of Bank Lending for TA, FY82-88 (US\$ million)

Figure 4: Sectoral Distribution of Bank Lending for ID-Related TA, FY82-88 Average (%)

Table 4: Sectoral Distribution of Bank Lending for ID-Related TA, FY82-88 (US\$ million)

Figure 5E-L: TA Lending by Sector: ID-Related vs. Other TA, FY82-88 (US\$ million)

Figure 6A: Sectoral Distribution of Bank Lending for TA, by Region: Africa, FY82-88 Average (%)

Table 5A: Sectoral Distribution of Bank Lending for TA for Region: Africa, FY82-88 (US\$ million)

Figure 6B: Sectoral Distribution of Bank Lending for TA by Region: Asia, FY82-88 Average (%)

Table 5B: Sectoral Distribution of Bank Lending for TA by Region: Asia, FY82-88 (US\$ million)

Figure 6C: Sectoral Distribution of Bank Lending for TA by Region: EMENA, FY82-88 Average (%)

Table 5C: Sectoral Distribution of Bank Lending for TA by Region: EMENA, FY82-88 (US\$ million)

Figure 6D: Sectoral Distribution of Bank Lending for TA by Region: LAC, FY82-88 Average (%)

Table 5D: Sectoral Distribution of Bank Lending for TA by Region: LAC, FY82-88 (In US\$ million)

FREE-STANDING AND PROJECT-RELATED TA

Table 6: Total Bank Lending for TA by Region and Delivery Mode, FY82-88 (US\$ million)

Table 7: Total ID-Related TA Activities by Region and Delivery Mechanism, FY82-88 (In US\$ million)

Table 8: Total ID-Related TA Activities by Delivery Mechanism, FY82-88 (In US\$ million)

Figure 7: Volume of Project-Related TA, FY82-88 (US\$ million)

Figure 8: Volume of Free-Standing TA, FY82-88 (US\$ million)

Figure 9: Volume of ID-Related TA by Delivery Mechanism, FY82-88 (US\$ million)

Figure 10: ID-Related TA as a Proportion of Total Project-Related TA, FY82-88 (%).

Figure 11: ID-Related TA as a Proportion of Total Freestanding TA (FY82-88) (%)

Figure 12: Regional Distribution of PSM Projects, FY82-88 Average (%)

TRAINING

Table 9: Training and Expert/Consultant Components of Freestanding TA Activities, FY82-88 (In US\$ million)

Table 10: Training and Expert/Consultant Components of Project-Related TA Activities, FY82-88 (In US\$ million)

Figure 13: Regional Distribution of Total Volume of Training, FY82-88 Average (%)

Figure 14: Percentage Change of Total TA Resources Devoted to Training, FY83-88 (%)

Table 1

TOTAL TA ACTIVITIES
AS A PERCENTAGE OF TOTAL LENDING, FY82-88
(in US\$ million)

	FY82	FY83	FY84	FY85	FY86	FY87	FY88	TOTAL	AVERAGE
Total TA	1175.4	1315.3	1153.0	1216.7	1226.2	1070.2	1198.3	8353.3	1193.3
Total Lending	13015.9	14477.0	15522.3	14378.6	16854.1	18095.4	19333.3	111676.6	15953.8
Percent	9.0%	9.1%	7.4%	8.5%	7.3%	5.9%	6.2%	7.5%	7.5%

Notes: Total Lending figures for FY86, FY87 and FY88 include African Facility Credits of \$535.4, \$421.4, and \$112.6 respectively; does not include SALs.

Table 2

ID-RELATED TA ACTIVITIES
AS A PERCENTAGE OF TOTAL LENDING, FY82-88
(in US\$ million)

	FY82	FY83	FY84	FY85	FY86	FY87	FY88	TOTAL	AVERAGE
ID-Related TA	611.9	568.5	638.5	686.5	808.9	614.5	844.5	4793.3	684.8
Total Lending	11775.2	13082.3	14220.4	14215.8	16038.1	17430.4	18238.3	105000.5	15000.1
Percent	5.2%	4.3%	4.5%	4.8%	5.0%	3.5%	4.7%	4.6%	4.6%

Note: Total Lending figures for FY85, FY87 and FY88 include African Facility Credits of \$535.4, \$421.4, and \$112.6 respectively.

Figure 1A

REGIONAL DISTRIBUTION OF BANK LENDING FOR TA
FY82-88 AVERAGE (%)

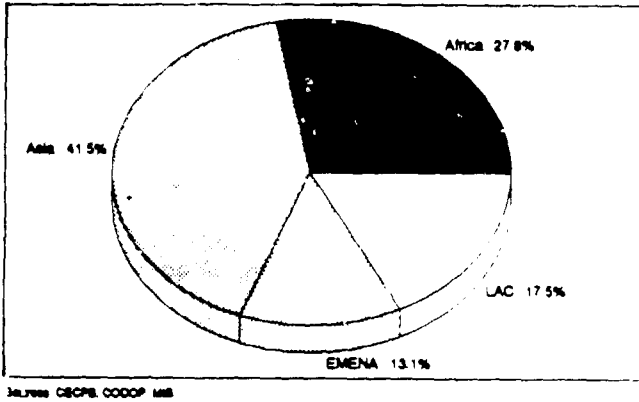


Figure 1B

TA AS A PROPORTION OF TOTAL REGIONAL LENDING
FY82-88 (%)

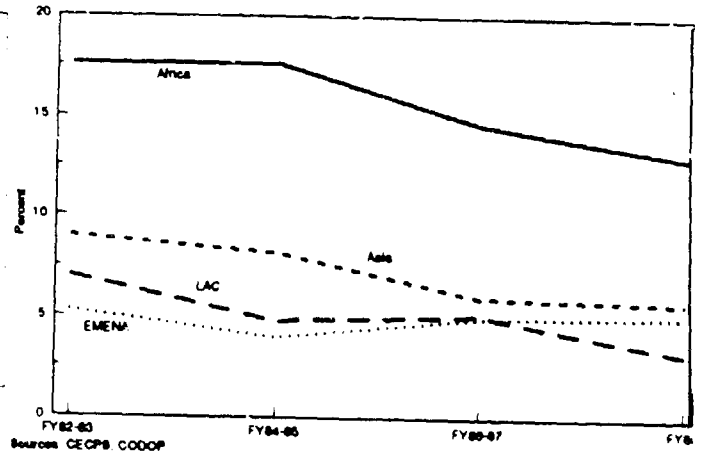


Figure 2

REGIONAL DISTRIBUTION OF BANK LENDING FOR
IO-RELATED T/ FY82-88 AVERAGE (%)

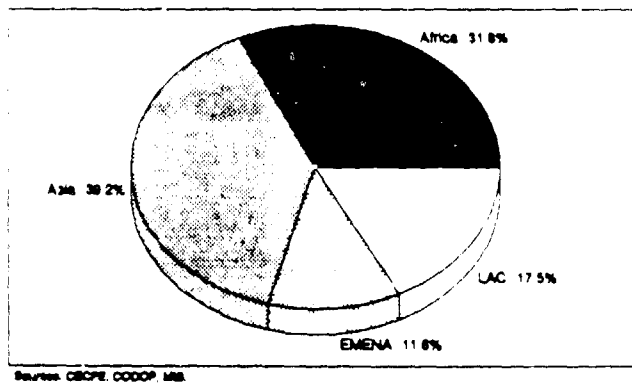
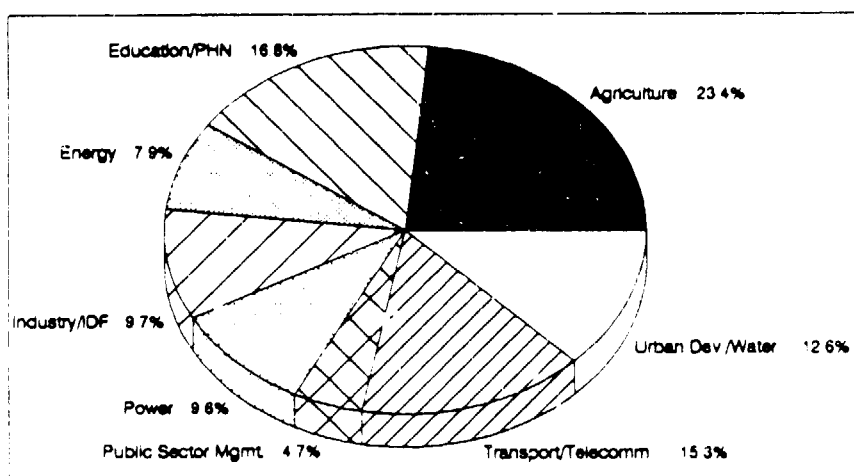


Figure 3

SECTORAL DISTRIBUTION OF BANK LENDING FOR TA
FY82-88 AVERAGE (%)



Source: CECPS, CODOP, MIS

Table 3

SECTORAL DISTRIBUTION OF BANK LENDING FOR TA
FY82-88 (in US\$ million)

SECTOR	FY82	FY83	FY84	FY85	FY86	FY87	FY88	TOTAL
Agriculture & Rural Development	287.5	277.0	221.3	388.7	261.6	262.0	228.9	1926.9
Education	89.7	143.1	120.8	223.4	251.0	67.4	276.8	1172.1
Energy	88.0	247.6	115.3	94.8	37.0	52.1	18.4	653.1
Industrial Development & Finance	40.3	36.8	41.4	15.0	52.0	26.1	42.5	253.9
Industry	206.5	75.3	40.0	71.5	51.6	28.1	73.3	546.4
Population, Health & Nutrition	2.7	23.2	41.6	34.3	68.6	13.8	31.8	215.9
Power	109.4	187.0	132.1	67.0	139.9	95.5	59.3	790.3
Public Sector Management	29.9	30.6	85.7	57.2	41.5	72.3	67.1	384.4
Telecommunications	14.5	5.4	3.3	9.6	2.3	24.8	3.3	63.1
Transportation	155.4	136.7	190.3	141.0	134.0	237.6	205.3	1200.2
Urban Development	103.5	61.8	86.6	25.9	96.4	56.5	111.6	542.4
Water Supply and Sewerage	48.0	90.4	63.3	74.8	54.5	115.4	46.5	492.7
TOTAL	1175.4	1314.9	1141.4	1203.1	1190.7	1051.6	1164.8	8241.4

Source: CECPS, CODOP.

Note: Does not include non-project lending; columns or rows may not equal totals due to rounding.

Figure 4

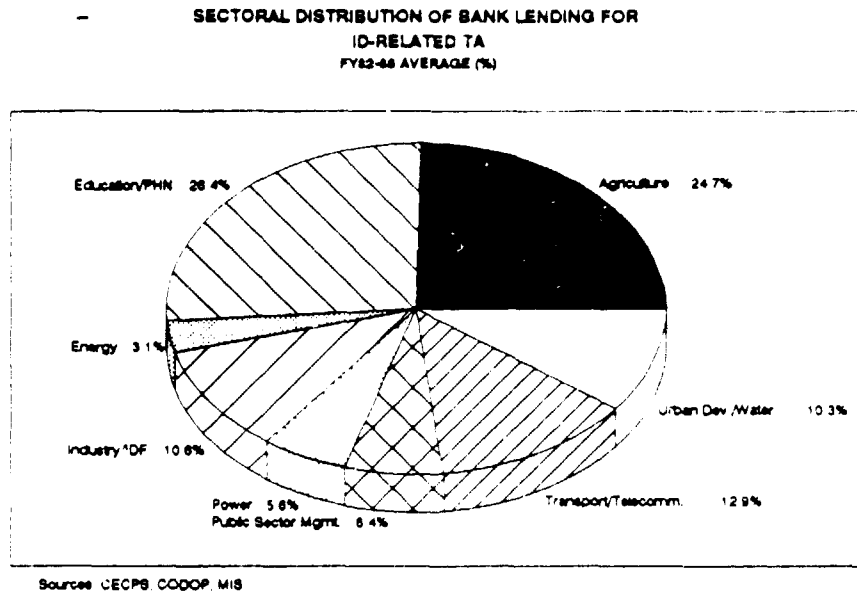


Table 4

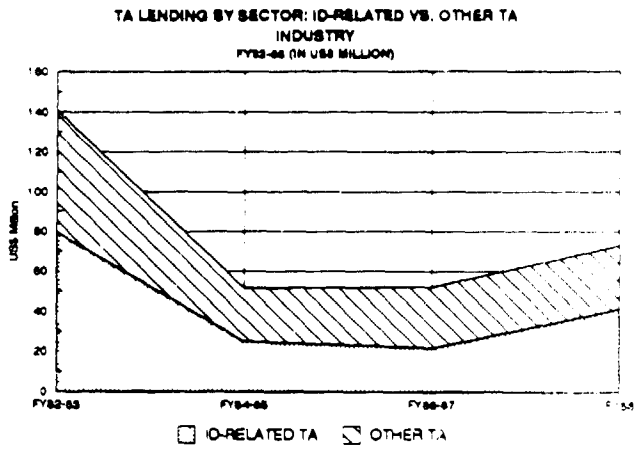
SECTORAL DISTRIBUTION OF BANK LENDING FOR ID-RELATED TA
FY82-88 (in US\$ million)

SECTOR	FY82	FY83	FY84	FY85	FY86	FY87	FY88	TOTAL
Agriculture & Rural Development	168.8	127.5	158.4	188.1	160.3	195.0	168.4	1166.5
Education	57.6	119.3	109.6	208.6	243.8	64.2	264.8	1067.8
Energy	33.6	38.4	10.5	24.8	7.3	24.9	8.5	147.9
Industrial Development & Finance	28.2	27.0	37.9	12.6	47.1	14.3	40.7	207.7
Industry	122.9	36.3	75.8	24.7	21.5	22.2	41.6	295.1
Population, Health & Nutrition	2.5	19.7	24.4	30.3	63.8	11.9	29.8	192.4
Power	38.2	45.0	34.8	29.1	55.2	33.9	27.4	263.6
Public Sector Management	16.0	26.2	64.0	43.8	38.9	58.8	54.2	301.8
Telecommunications	12.8	5.2	3.3	9.3	2.1	23.6	3.3	59.5
Transportation	56.0	63.8	88.0	67.4	73.3	85.8	117.1	551.3
Urban Development	63.8	27.1	59.9	13.2	56.5	31.4	63.8	315.6
Water Supply and Sewerage	11.6	32.5	21.8	24.7	27.7	35.6	10.5	172.4
TOTAL	611.9	661.0	638.4	676.6	797.3	601.4	838.0	4731.5

Source: CECPS, CODOP.

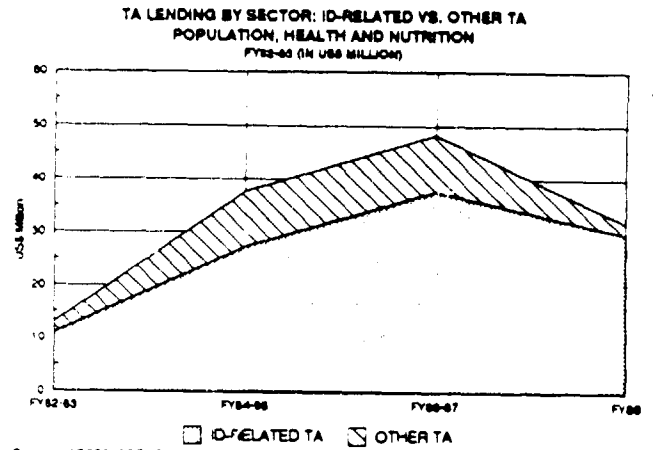
Note: Does not include non-project lending; columns or rows may not equal totals due to rounding.

Figure 5E



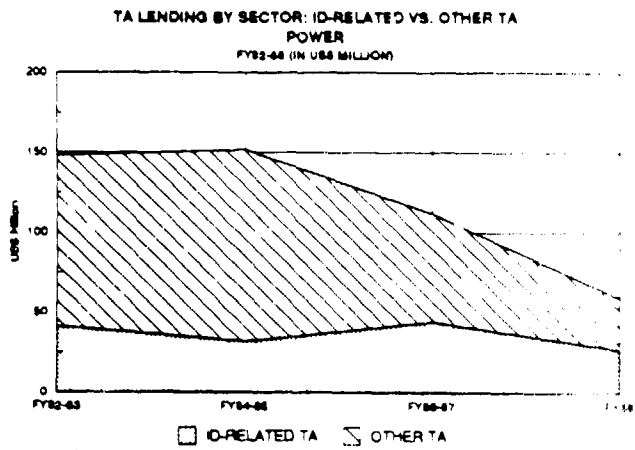
Source: CECPS, COOP, MIS
Note: Data is averaged for periods indicated.

Figure 5F



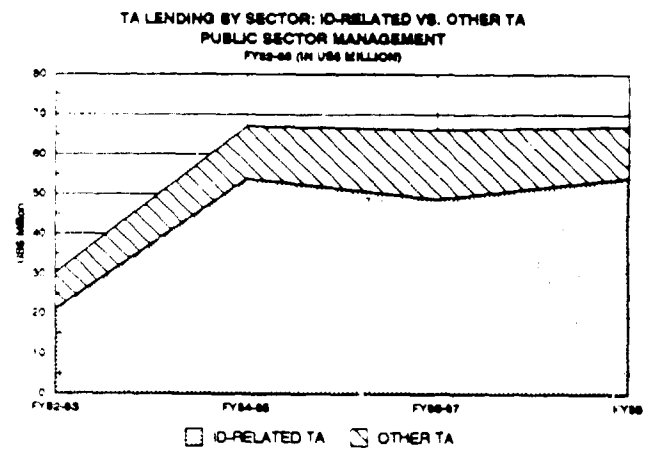
Source: CECPS, COOP, MIS
Note: Data is averaged for periods indicated.

Figure 5G



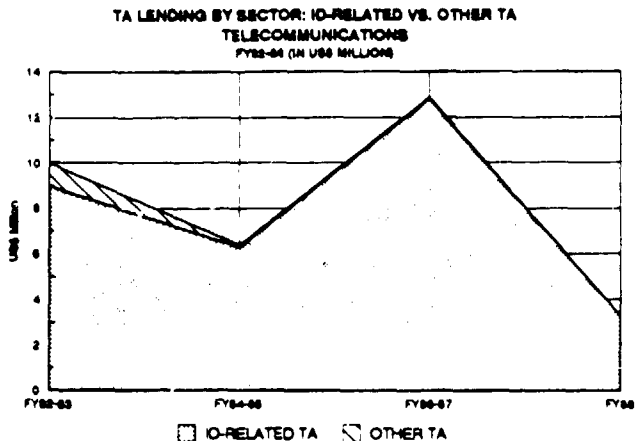
Source: CECPS, COOP, MIS
Note: Data is averaged for periods indicated.

Figure 5H



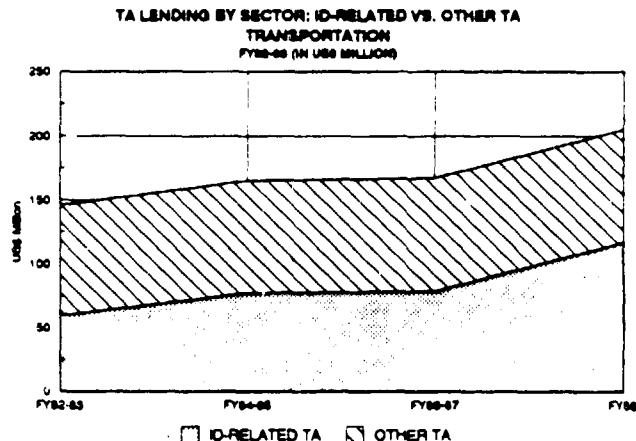
Source: CECPS, COOP, MIS
Note: Data is averaged for periods indicated.

Figure 5I



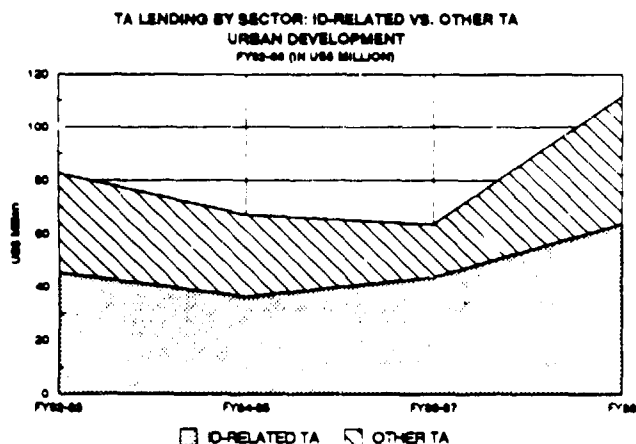
Source: CECPS, CODOP MSB
Note: Data is averaged for periods indicated.

Figure 5J



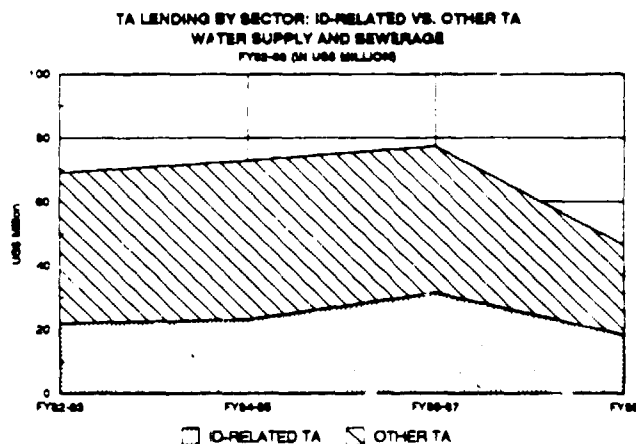
Source: CECPS, CODOP MSB
Note: Data is averaged for periods indicated.

Figure 5K



Source: CECPS, CODOP MSB
Note: Data is averaged for periods indicated.

Figure 5L



Source: CECPS, CODOP MSB
Note: Data is averaged for periods indicated.

Figure 6A

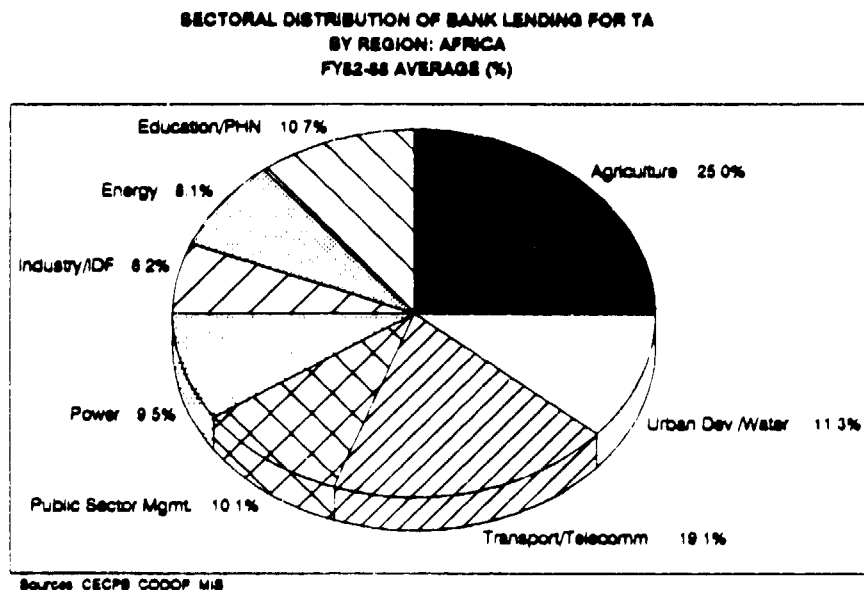


Table 5A

AFRICA
**SECTORAL DISTRIBUTION OF BANK LENDING FOR TA
FY82-88 (in US\$ million)**

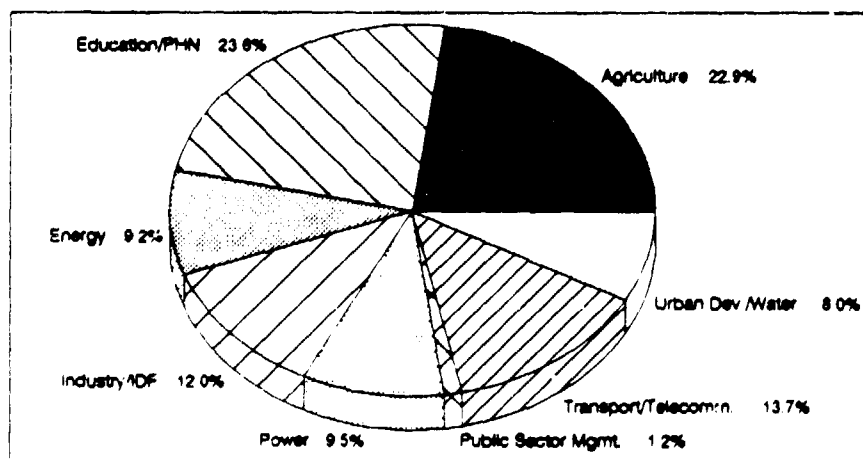
SECTOR	FY82	FY83	FY84	FY85	FY86	FY87	FY88	TOTAL
Agriculture & Rural Development	87.9	54.7	94.5	76.2	70.4	126.3	72.4	584.4
Education	13.9	29.1	8.4	21.9	27.9	26.8	54.8	180.7
Energy	52.9	59.5	32.8	14.2	6.3	17.6	6.8	190.1
Industry/IDF	24.2	33.0	20.0	7.4	27.3	6.1	27.0	145.0
Population, Health & Nutrition	1.6	5.7	8.5	12.1	19.0	6.0	18.0	70.9
Power	28.0	44.7	63.7	21.8	42.9	10.9	11.0	223.0
Public Sector Management	20.3	20.1	51.3	33.7	10.6	32.6	67.1	235.6
Telecommunications	11.1	4.6	0.0	5.1	2.3	4.5	0.0	27.5
Transportation	46.2	53.6	65.9	67.4	44.4	49.2	93.0	419.6
Urban Development	11.0	11.4	24.4	9.0	32.5	8.2	39.6	136.1
Water Supply and Sewerage	29.5	27.2	6.9	28.3	6.6	20.7	9.1	128.2
TOTAL	326.5	345.5	376.3	297.1	290.3	306.7	398.9	2341.1

Source: CECPS, CODOP.

Note: Columns or rows may not equal totals due to rounding.
Does not include Non-project lending.

Figure 6B

SECTORAL DISTRIBUTION OF BANK LENDING FOR TA
BY REGION: ASIA
FY82-88 AVERAGE (%)



Source: CECPS, CODOP, MB

Table 5B

ASIA

SECTORAL DISTRIBUTION OF BANK LENDING FOR TA
FY82-88 (in US\$ million)

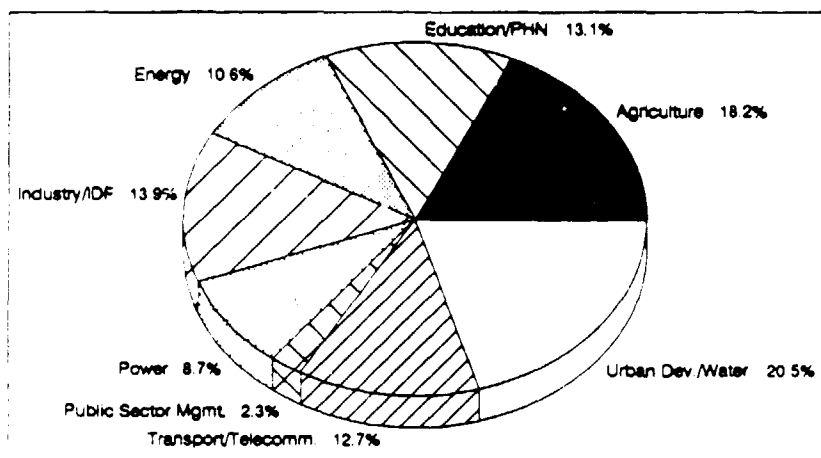
SECTOR	FY82	FY83	FY84	FY85	FY86	FY87	FY88	TOTAL
Agriculture & Rural Development	92.5	165.4	76.7	240.3	63.5	65.7	85.5	789.5
Education	57.0	83.2	84.6	166.0	181.3	0.0	154.3	726.2
Energy	32.4	127.8	71.0	47.4	19.2	11.3	7.6	316.7
Industry/IDF	160.3	53.5	36.2	54.5	55.4	11.7	40.8	412.3
Population, Health & Nutrition	0.0	9.9	21.1	18.5	27.8	0.0	10.3	87.6
Power	35.6	116.6	29.4	17.7	43.0	57.3	27.4	327.1
Public Sector Management	0.0	0.0	18.5	0.0	0.0	23.3	0.0	41.9
Telecommunications	3.3	0.9	0.0	3.5	0.0	15.8	0.0	23.4
Transportation	52.2	63.5	93.2	36.7	63.9	54.5	84.5	448.3
Urban Development	6.7	30.8	24.8	5.8	27.1	33.5	34.2	162.8
Water Supply and Sewerage	9.4	22.7	23.7	2.5	25.8	28.1	0.0	112.3
TOTAL	449.3	674.2	479.2	592.7	507.0	301.2	444.4	3447.9

Source: CECPS, CODOP.

Note: Columns or rows may not equal totals due to rounding.
Does not include Non-project lending.

Figure 6C

SECTORAL DISTRIBUTION OF BANK LENDING FOR TA
BY REGION: EMENA
FY82-88 AVERAGE (%)



Source: CECPS, CODOP MIS

Table 5C

EMENA

SECTORAL DISTRIBUTION OF BANK LENDING FOR TA
FY82-88 (in US\$ million)

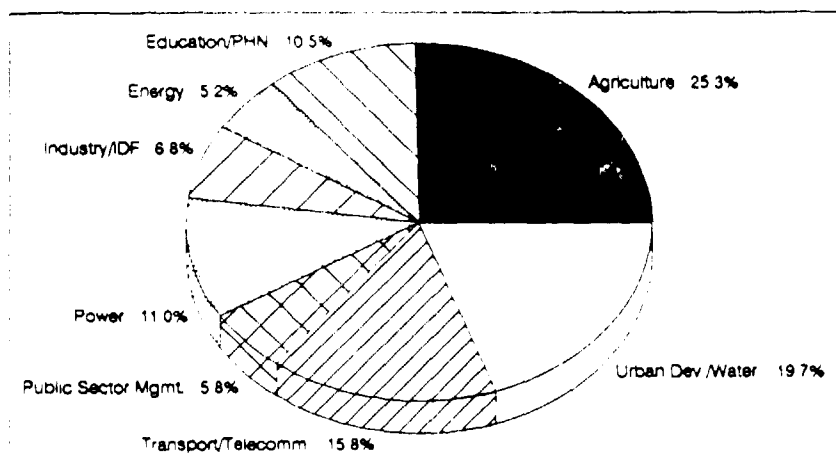
SECTOR	FY82	FY83	FY84	FY85	FY86	FY87	FY88	TOTAL
Agriculture & Rural Development	33.7	25.6	29.8	30.5	17.1	16.4	37.7	190.7
Education	15.1	11.4	21.3	7.5	39.3	13.8	15.2	123.7
Energy	9.3	55.3	7.1	11.2	8.0	15.9	4.0	110.8
Industry/IDF	53.8	5.9	22.1	22.1	14.4	13.3	13.0	144.7
Population, Health & Nutrition	0.0	4.7	0.0	3.7	0.0	4.8	0.0	13.2
Power	1.4	18.4	20.4	1.5	27.3	10.9	10.9	90.8
Public Sector Management	4.5	3.1	9.1	2.3	0.0	4.9	0.0	23.9
Telecommunications	0.1	0.0	2.3	1.0	0.0	4.5	3.3	11.1
Transportation	10.7	5.6	7.4	18.5	9.6	51.1	18.8	121.7
Urban Development	19.9	4.0	6.9	8.1	0.0	14.8	24.7	78.3
Water Supply and Sewerage	7.1	9.4	23.5	18.6	7.6	58.0	11.5	135.6
TOTAL	155.6	143.3	149.9	124.9	123.4	208.5	139.1	1044.6

Source: CECPS, CODOP.

Note: Columns or rows may not equal totals due to rounding.
Does not include Non-project lending.

Figure 6D

SECTORAL DISTRIBUTION OF BANK LENDING FOR TA
BY REGION: LAC
FY82-88 AVERAGE (%)



Source: CECPS CODOP MIS

Table 5D

LAC

SECTORAL DISTRIBUTION OF BANK LENDING FOR TA
FY82-88 (in US\$ million)

SECTOR	FY82	FY83	FY84	FY85	FY86	FY87	FY88	TOTAL
Agriculture & Rural Development	73.4	29.4	20.2	41.8	110.6	53.6	33.3	362.2
Education	3.8	19.4	6.5	28.1	2.5	24.4	20.5	105.2
Energy	18.3	18.6	4.4	22.0	3.5	7.3	0.0	74.0
Industry/IDF	8.5	19.6	3.1	2.5	6.6	23.0	35.0	98.2
Population, Health & Nutrition	1.1	3.0	12.0	0.0	21.7	3.0	3.5	44.3
Power	51.6	7.2	18.6	26.1	26.7	16.4	10.0	156.7
Public Sector Management	5.1	7.5	6.8	21.2	30.9	11.5	0.0	83.0
Telecommunications	0.0	0.0	1.0	0.0	0.0	0.0	0.0	1.0
Transportation	46.4	14.0	23.9	18.4	16.1	83.0	23.1	224.8
Urban Development	65.9	15.8	30.5	3.0	36.8	0.0	13.2	165.2
Water Supply and Sewerage	2.0	31.0	9.1	25.4	14.4	8.6	25.9	116.3
TOTAL	276.0	165.4	136.1	188.5	269.7	230.8	164.5	1430.8

Source: CECPS, CODOP.

Note: Columns or rows may not equal totals due to rounding.
Does not include Non-project lending.

Table 6

TOTAL BANK LENDING FOR TA
BY REGION AND DELIVERY MODE, FY82-88
(in US\$ million)

REGION	FY82	FY83	FY84	FY85	FY86	FY87	FY88	TOTAL
Africa								
Project-related	225.9	272.0	282.2	236.7	244.4	256.6	310.4	1828.1
Free-standing	75.8	60.6	94.1	71.3	49.1	60.2	78.3	489.3
Total	301.7	332.6	376.3	308.0	293.5	316.7	388.7	2317.4
% of total Bank TA	25.7%	25.3%	32.6%	25.3%	24.0%	29.6%	32.4%	27.7%
Asia								
Project-related	427.9	657.5	437.3	574.1	483.2	267.0	449.0	3296.0
Free-standing	21.5	16.7	53.5	20.4	42.4	36.9	10.0	201.3
Total	449.3	674.2	490.8	594.4	525.6	303.9	459.0	3497.3
% of total Bank TA	38.2%	51.2%	42.6%	48.9%	42.9%	28.4%	38.3%	41.9%
EMENA								
Project-related	150.2	132.7	125.2	115.5	115.4	208.4	160.2	1007.6
Free-standing	5.4	10.6	24.7	9.3	8.0	6.3	12.1	76.4
Total	155.6	143.3	149.9	124.9	123.4	214.7	172.3	1084.1
% of total Bank TA	13.2%	10.9%	13.0%	10.3%	10.1%	20.1%	14.4%	13.0%
LAC								
Project-related	258.6	144.1	124.9	165.6	242.0	213.5	178.3	1327.0
Free-standing	10.1	21.3	11.2	23.9	39.8	21.4	0.0	127.7
Total	268.8	165.4	136.1	189.5	281.7	234.9	178.3	1454.6
% of total Bank TA	22.9%	12.6%	11.8%	15.6%	23.0%	21.9%	14.9%	17.4%
TOTAL PROJECT-RELATED								
	1062.6	1206.3	969.6	1091.8	1084.9	945.4	1098.0	7458.6
TOTAL FREE-STANDING								
	112.8	109.2	183.4	124.9	139.3	124.8	100.4	897.7
GRAND TOTAL								
	1175.4	1315.5	1153.0	1216.7	1224.2	1070.2	1198.3	8353.3

Source: CECPS, CODOP.

Note: Columns or rows may not equal totals due to rounding.

Table 7

TOTAL ID-RELATED TA ACTIVITIES
BY REGION AND DELIVERY MECHANISM, FY82-88
(in US\$ millions)

REGION	FY82	FY83	FY84	FY85	FY86	FY87	FY88	TOTAL	AVERAGE
Africa									
Project-related	141.0	166.0	176.3	154.9	167.0	179.2	226.5	1210.9	173.0
Free-standing	42.2	24.3	68.9	39.4	42.1	30.7	64.5	312.0	44.6
Asia									
Project-related	215.7	214.2	230.3	311.9	351.3	142.4	328.2	1794.0	256.3
Free-standing	4.8	5.7	8.1	5.4	12.8	36.9	10.0	83.7	12.0
EMENA									
Project-related	70.5	51.8	76.1	56.8	78.0	86.5	108.9	528.6	75.5
Free-standing	0.9	0.9	8.7	4.7	4.0	6.3	0.0	25.5	3.6
LAC									
Project-related	133.1	89.9	64.5	92.7	121.9	115.0	126.4	743.4	106.2
Free-standing	3.7	15.8	5.6	20.8	31.8	17.5	0.0	95.2	13.6
TOTAL	611.9	568.5	638.5	686.5	808.9	614.5	864.5	4793.3	681.8

Note: Columns or rows may not equal totals due to rounding.

Table 8

TOTAL ID-RELATED TA ACTIVITIES
BY DELIVERY MECHANISM, FY82-88
(in US\$ million)

DELIVERY MECHANISM	FY82	FY83	FY84	FY85	FY86	FY87	FY88	TOTAL	AVERAGE
Project-related	560.3	521.7	547.2	616.3	718.2	523.1	790.0	4276.9	611.0
Free-standing	51.6	46.7	91.2	70.3	90.6	91.4	74.5	516.4	73.8
TOTAL	611.9	568.5	638.5	686.5	808.9	614.5	864.5	4793.3	684.8

Note: Columns or rows may not equal totals due to rounding.

Figure 7
VOLUME OF PROJECT-RELATED TA
FY82-88 (US\$ Million)

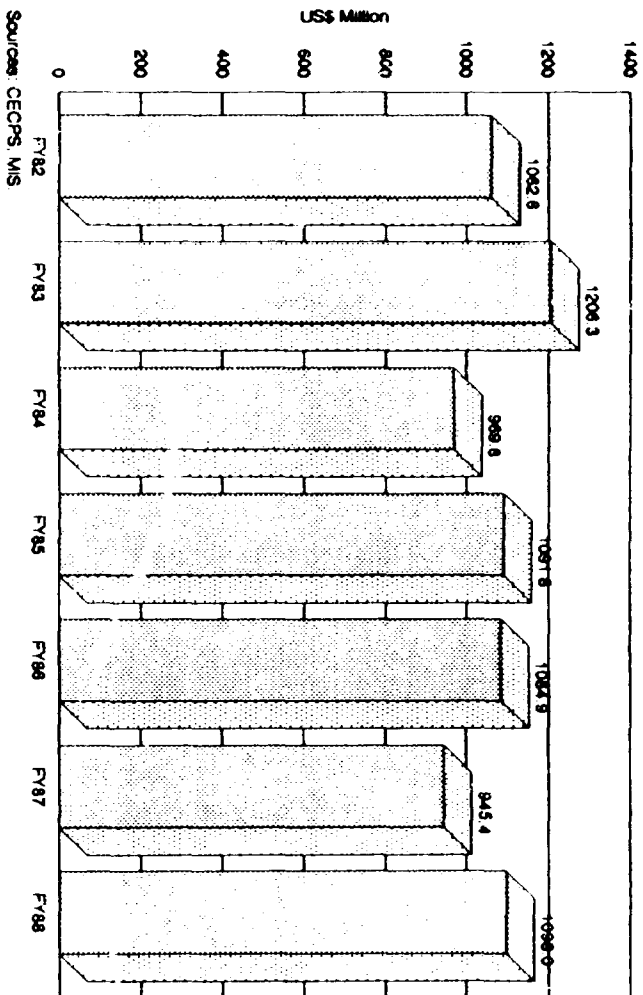
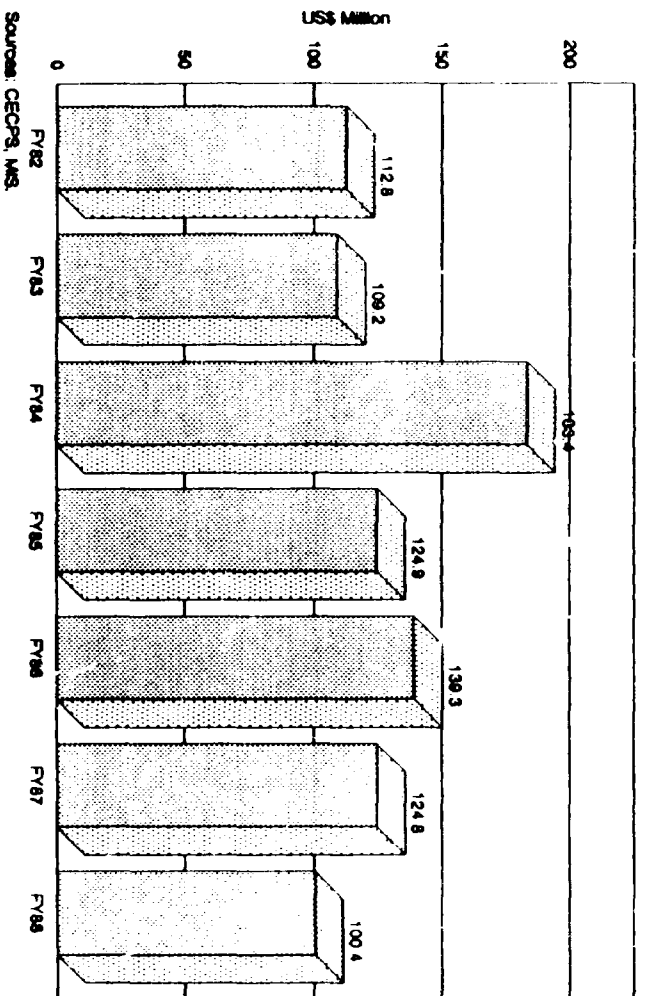


Figure 8
VOLUME OF FREE-STANDING TA
FY82-88 (US\$ Million)



VOLUME OF ID-RELATED TA BY DELIVERY MECHANISM
FY82-98 (US\$ Million)

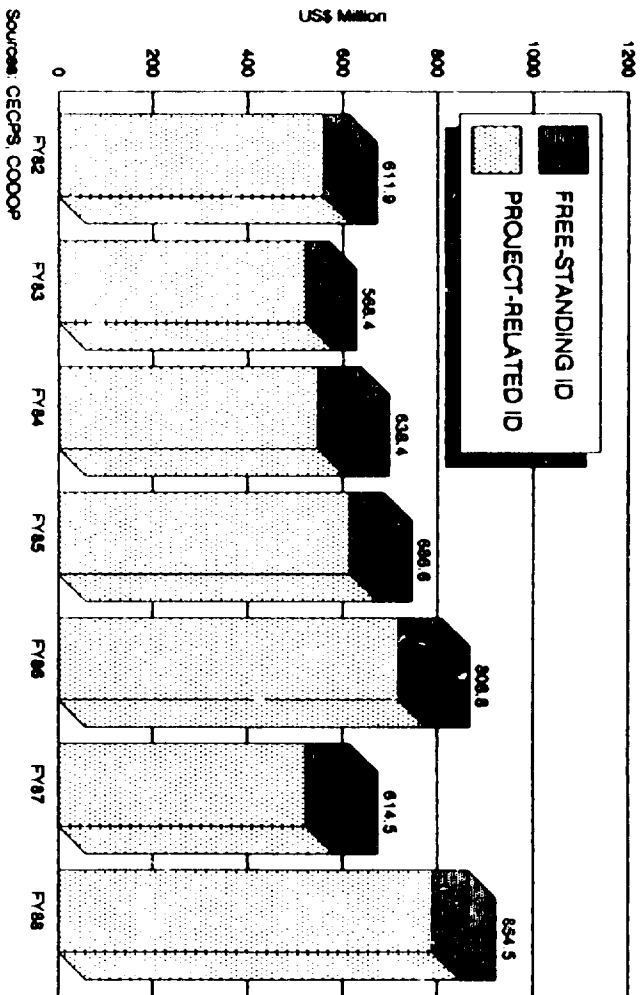
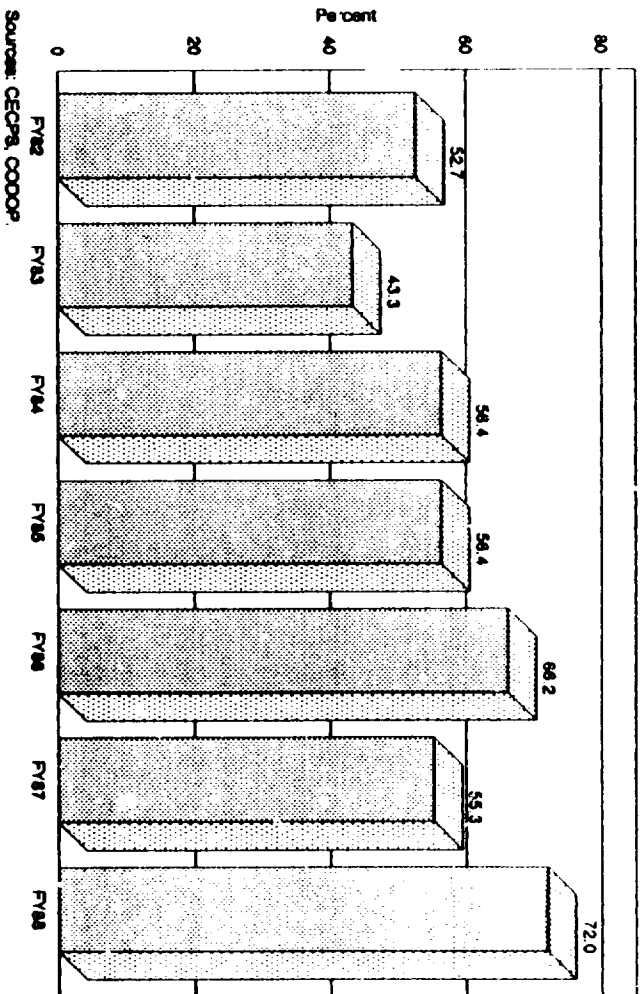


Figure 9

ID-RELATED TA AS A PROPORTION OF TOTAL
PROJECT-RELATED TA
FY82-98 (%)

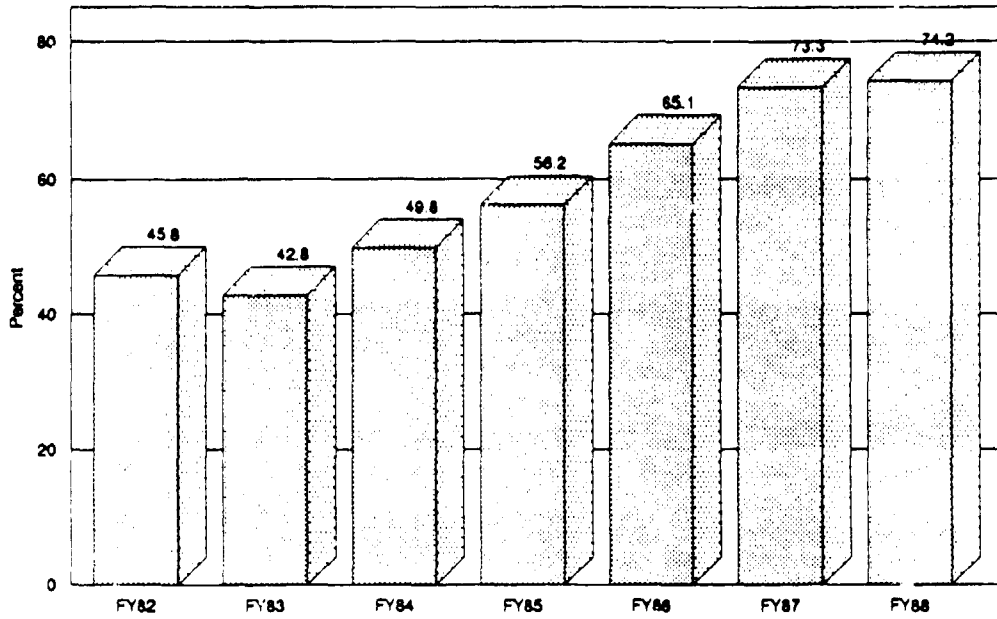
Figure 10



Source: CECP, COOP.

Figure 11

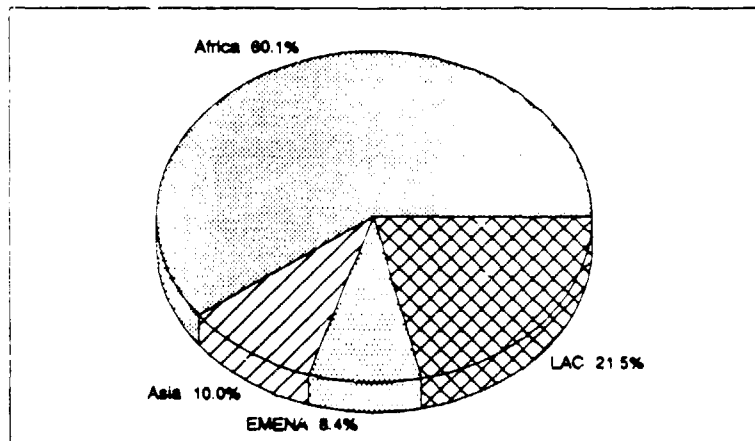
**ID-RELATED TA AS A PROPORTION OF TOTAL
FREESTANDING TA
FY82-88 (%)**



Sources: CECPS, MIS

Figure 12

**REGIONAL DISTRIBUTION OF PSM PROJECTS
FY82-88 (%)**



Sources: CECPE, COOOP, MIS

Table 9

TRAINING AND EXPERT/CONSULTANT COMPONENTS
OF FREE-STANDING TA ACTIVITIES, FY82-88
(in US\$ millions)

REGION	FY82	FY83	FY84	FY85	FY86	FY87	FY88	TOTAL
Africa								
Training	7.9	5.5	10.6	11.7	8.2	4.1	15.3	63.4
Experts/Consultants	25.4	16.5	34.1	24.6	23.5	26.0	49.2	199.3
Asia								
Training	3.8	3.3	1.3	4.4	7.0	4.0	5.0	28.8
Experts/Consultants	1.0	4.7	6.8	1.1	5.7	32.9	5.0	57.1
EMENA								
Training	0.2	0.3	3.5	0.9	0.8	0.6	0.0	6.3
Experts/Consultants	0.7	0.4	5.2	1.4	3.2	5.7	0.0	16.6
LAC								
Training	1.6	0.8	0.1	0.8	3.8	1.3	0.0	8.3
Experts/Consultants	2.2	7.8	2.3	10.6	28.0	12.6	0.0	63.5
TOTAL	42.8	39.3	63.9	55.3	80.3	87.2	74.5	443.3

Notes: (1) Total may not equal total ID-related free-standing TA due to aggregation of training and expert/consultant costs in certain project documents; aggregated costs were not included in the above calculations.

(2) Columns or rows may not equal totals due to rounding.

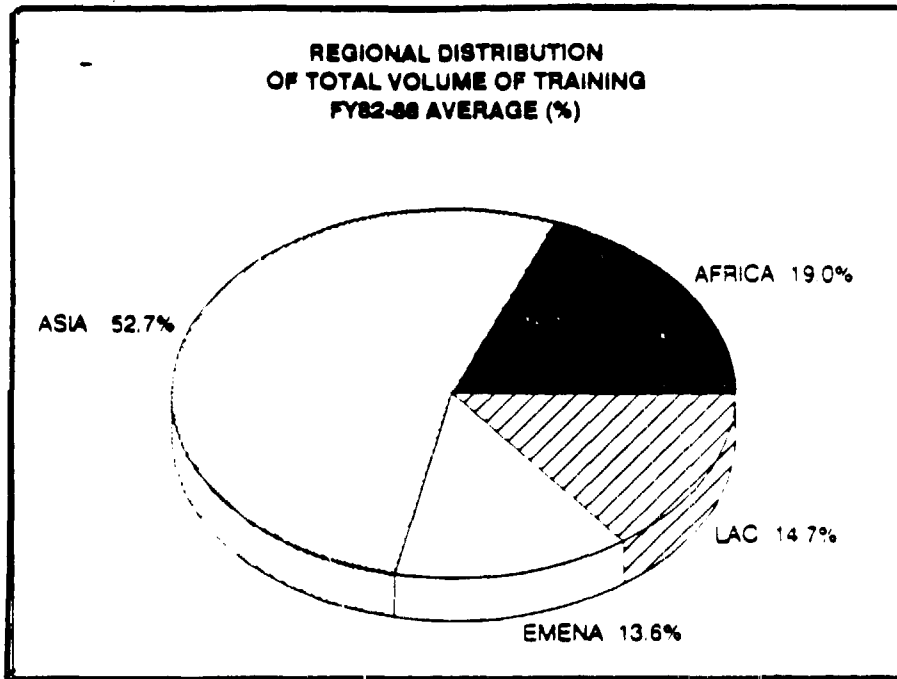
Table 10

TRAINING AND EXPERT/CONSULTANT COMPONENTS
OF PROJECT-RELATED TA ACTIVITIES, FY82-88
(in US\$ millions)

REGION	FY82	FY83	FY84	FY85	FY86	FY87	FY88	TOTAL
Africa								
Training	28.8	50.4	53.9	45.4	62.3	61.9	66.4	369.1
Experts/Consultants	112.2	115.6	122.4	109.5	104.7	117.4	160.0	841.8
Asia								
Training	68.5	120.3	128.9	208.4	230.5	82.0	183.7	1022.4
Experts/Consultants	147.3	93.8	101.4	103.4	120.8	60.4	144.5	771.7
EMENA								
Training	23.5	19.8	46.4	24.6	54.8	45.6	53.9	268.6
Experts/Consultants	46.9	31.9	29.7	32.3	23.2	40.9	55.0	259.9
LAC								
Training	49.7	30.0	18.3	43.9	69.1	64.9	57.5	333.4
Experts/Consultants	83.4	59.9	46.2	48.7	52.9	50.0	68.9	410.0
TOTAL	560.3	521.7	547.2	616.3	718.2	523.1	790.0	4276.9

Note: Columns or rows may not equal totals due to rounding.

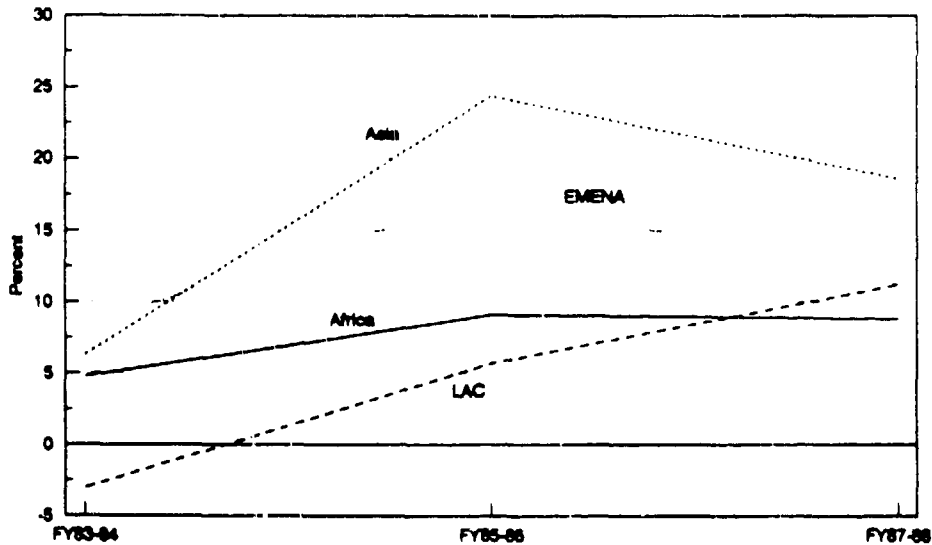
Figure 13



Source: CECPS CODOP MIS

Figure 14

PERCENTAGE CHANGE OF TOTAL TA RESOURCES DEVOTED TO TRAINING FY83-88



Source: CECPS, CODOP.

Note: Data are averaged for periods indicated.

ANNEX 4

TWINNING: CONCEPT AND SELECTED CASES

TABLE OF CONTENTS

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A CONCEPTUAL FRAMEWORK FOR TWINNING

1. Twinning involves the establishment of an institutional relationship between an organizational entity in a developing country (the "recipient") and a similar but more mature entity in another country (the "supplier"). Twinning is mainly aimed at, and best suited for, the transfer of managerial, financial, and technical skills and systems that involve many or all of the numerous functional aspects of the recipient entity. "Transfer" of skills is to be distinguished from the "development" of skills, in the sense that the primary reason for selecting twinning as a mode of TA delivery is to bring to the recipient proven and successful ways of improving organizational efficiency and effectiveness through the selection of a supplier of similar structure. In short, twinning is about transferring directly relevant operational knowledge between two institutions as similar in function and structure as possible. When recipient conditions are not sufficiently common to those of an identifiable supplier (and thus there is a need to develop institution-specific solutions), more standard TA approaches are likely to be appropriate.

2. This annex assesses the potential for making greater use of "twinning" arrangements in Bank-financed technical assistance projects and components. It is not intended to provide a comprehensive review of twinning arrangements, or a thorough overview of the Bank's activities in this area. Given that information on the use of twinning is not centralized in any of the Bank's operational units, it has not been possible to ascertain the extent of the Bank's use of this mode of TA delivery. Information for the paper was derived from Bank and non-Bank technical papers, staff appraisal reports, project files, and interviews with Bank staff involved directly with the preparation and supervision of Bank projects in which twinning arrangements are included. A list of selected Bank projects involving twinning may be found at the end of this report.

HOW DOES TWINNING DIFFER FROM OTHER FORMS OF TA?

3. What differentiates twinning from standard TA approaches are the scope and quality of interaction. With regard to scope, twinning typically affords the recipient a much broader range of technical services than more standard modes of TA delivery. Because the supplier is already accustomed to managing an organization with a similar scope of functions and tackling similar operational problems, the supplier is able to tap into a reservoir of operational experience and in-house resources to address recipient problems in a manner that is rarely possible among consulting firms or individual consultants. For the twinning supplier, the set of TA tools that can be applied to recipient needs is defined by the institution's experience because the TA services are provided by an interactive team of managers and specialists drawing upon the historical experience of their organization. This enables the twinning supplier to bring a more comprehensive perspective to the problems at hand. Such experience

can lend the supplier a greater degree of credibility and reliability in the eyes of the recipient and thus foster a more productive, committed relationship in which ID measures are more successfully implemented. Alternatively, consulting firms and individual consultants (as organizational "outsiders") often lack direct operational experience; thus, the tools that they can apply to recipient problems may be limited.

4. As a result, the quality of a supplier's services are often seen to be superior to that of other modes of TA delivery. The manager or technical specialist from the supplier is more likely to be capable of identifying the sources of problems, rather than simply the problems themselves. And because staff from the supplier serve in operational capacities or work closely with the management of the recipient as advisors for longer periods of time, they develop a keener sense of the constraints (both internal and external) facing the recipient. Thus, the supplier's recommendations and advice for addressing identified problems might be more feasible than those of the TA consultant. Additionally, twinning suppliers are usually available for back-stopping and follow-up on implementation of recommendations, thus ensuring that the results of assistance are fruitful.

5. One Bank Task Manager observed, "twinning is a more cohesive approach than using individual consultants." The supplier serves the recipient as an established and integrated team interacting with another team of similar composition. This relationship tends to bind the two parties together with a greater degree of commitment and interest than found under other modes of TA delivery and promotes a more productive and successful exchange. This cohesiveness thus makes twinning a very attractive mechanism for delivery of TA aimed at ID.

TYPES OF TWINNING ARRANGEMENTS

6. Broadly defined, twinning arrangements can take the form of consultancy services, management contracts, or joint ventures. The choice of contractual arrangement will depend upon the nature of the recipient's activities, the recipient's desire to maintain a given degree of managerial and financial control over the entity, how weak or strong the recipient entity is (and thus the range of services required), and the pool of potential suppliers. Typically, twinning arrangements in Bank-financed projects fall under the categories of consultancy and management contracts.

ADVANTAGES OF TWINNING

7. Twinning differs from traditional TA delivery systems in the following respects:¹

- (a) the supplier has operational experience in the same or similar functions required of the recipient;
- (b) twinning provides opportunities to integrate training with TA;
- (c) twinning arrangements typically allow for greater flexibility to alter work programs as needs and conditions change;
- (d) twinning provides possibilities for cooperation;
- (e) twinning is usually a less expensive mechanism for TA delivery; and
- (f) twinning can serve to encourage developing country consulting capacity through the use of developing country suppliers.

Item (a) has already been discussed above. The other items are examined in more detail below.

Integration of TA and Training

8. In most cases TA and training needs can be integrated through twinning arrangements, resulting both in greater relevance and continuity of training activities. The supplier's staff may serve in the recipient's institution as advisors or in line positions and provide on-the-job training, or the recipient's staff may visit the supplier's institution to receive training. Formal training activities can be tailored to precede or follow specific on-the-job training in a coordinated fashion.

Flexibility During Implementation

9. Twinning usually affords the recipient a greater degree of flexibility in defining the work program throughout the project's implementation. This is because there are usually no terms of reference drawn-up for individuals under twinning arrangements (the alteration of which would require renegotiation when a consulting firm or individual consultant is employed). Rather, twinning arrangements involve contractual agreements between two institutions that may

¹ Parts of this section are derived substantially from Lauren Cooper, The Twinning of Institutions: Its Use as a Technical Assistance Delivery System, World Bank Technical Paper No. 23, 1984.

include specific or general terms. Looser contractual arrangements are practical when the relationship is envisioned to be of a long-term, operational nature where the recipient's needs change over time.

Potential for Long-Term Cooperation

10. Institutional development is of course a long-term process. Ideally, mechanisms for the delivery of TA for ID should be selected with this in mind. Twinning can be an especially appropriate (and cost-effective) means of providing continuity of TA services over the long haul. Typically the initial twinning contract is of a relatively short time span (2-3 years) in order to allow the parties to assess one another's strengths, weaknesses, performance, and overall compatibility. Task managers and those involved in project preparation usually expressed an expectation that the relationship would continue beyond the completion of the project (either with follow-up Bank financing or with the recipient absorbing the costs). Whether or not the relationship continues depends on need, the recipient's satisfaction with the services, the supplier's benefit, a comfortable relationship, costs and the future capacity of the recipient to absorb some or all of these, and the Bank's financial, technical, and coordinative support.

Costs of Twinning

11. The services of the supplier in a twinning arrangement can be provided free, at cost, at cost plus some marginal fee, or at international market rates. Most of the suppliers in the case studies considered were obtained through competitive bidding and were selected primarily on the basis of the quality of the services they offered. However, it appears that cost plays a major role in the initial choice of twinning as the TA delivery mode. Bank staff estimated in several cases that the savings associated with TA delivered through twinning were as much as 40-50 percent of the cost of the delivered through a consulting firm or individual consultants. Given the low degree of commitment to TA on the part of some borrowers, due in many cases to high costs, twinning may be more than an attractive alternative to high cost consulting services -- it may also be a means of building greater borrower interest and commitment to provide required inputs and financial support for TA projects and components.

Potential for Establishment of Developing Country Consulting Capacity

12. When involving a developing country supplier, twinning can be a useful means of fostering the development of local consulting capacities among the Bank's borrowers. Task managers felt that developing country suppliers benefited directly or indirectly from their experiences through revenue enhancement, diversification of operations, exposure to Bank procedures (International Competitive Bidding for example), travel and career advancement for supplier staff (in some cases supplier staff were given bonuses for participation), and the international prestige associated with involvement in Bank-funded projects. The attraction of these benefits can play an

important role in the encouragement of consulting capacity on the part of suppliers, the desirability of which has been enumerated in sections of the main paper. (Indeed, some suppliers developed full-fledged consulting divisions.)

13. Bank supervision of suppliers' activities (such as the development of work programs) and compliance with Bank procedures is akin to providing TA to the supplier; in this sense, twinning can be a means for the Bank to address multiple objectives simultaneously. Such "doubling-up" of borrowers' institutions could play a significant role in the development of a TA network among borrowers. In addition, "doubling-up" would most likely produce a more positive perception of TA among borrowers, as such arrangements would be less threatening. Several Task Managers indicated that twinning was selected because borrowers preferred a TA supplier from a similar culture and this similarity fostered greater enthusiasm and commitment on their part (see the case on Bolivia in the box below).

POTENTIAL DISADVANTAGES

14. One potential problem with twinning is that the supplier may lack developing country experience. When present, this problem typically manifests itself as an inability or unwillingness of some supplier staff to function effectively in the recipient's country due to physical conditions and/or the socio-cultural environment. This can be a particularly difficult problem with suppliers from developed countries (see the case on Ghana in the box below).

15. In addition, although a twinning arrangement might be functionally or technically the most appropriate means of TA delivery and the chosen supplier might appear to be perfectly matched to the recipient, the supplier may lack consulting experience. The supplier may be inexperienced in setting fee schedules or negotiating contracts, or may be incapable of developing a realistic work program without initial assistance from Bank staff. Under these circumstances, the TA component will most likely require a greater investment in Bank supervision than might otherwise be the case, especially in the initial stages of the project cycle.

Municipal Development In La Paz (Credit 1842)

This municipal development project includes a solid waste management component aimed at designing and implementing a garbage collection and disposal system through a consultancy twinning arrangement. The topographical constraints of La Paz posed a number of problems for efficient collection of solid wastes within the city. The city center is highly congested and virtually inaccessible to collection vehicles, and outlying areas are largely characterized by steep slopes and eroded streets, making vehicular access difficult. Of the 500 tons of solid waste generated daily in the city only 26 percent was regularly collected.

The Bank's project preparation team recognized that the constraints present in La Paz posed a number of problems for the TA component. First, few (if any) consulting firms had the operational experience and repertoire of skills required for managing solid wastes. Second, the adoption of modern solid waste collection technology was inappropriate for the conditions in La Paz and finding a consulting firm with knowledge of and experience with alternative collection systems appeared unlikely. For these reasons, the project preparation team decided to twin La Paz, with another municipality that had successfully overcome similar problems. After having considered a number of possible suppliers in consultation with La Paz officials, the Bank decided that the Municipal Enterprise for Urban Services (EEVV) -- a privately held firm supplying urban services to the city of Medellin, Columbia -- would be an appropriate twin.

EEVV was selected because of the topographical similarity of Medellin and La Paz, EEVV's twenty-year history of efficient and self-financing urban services, its cultural similarity with La Paz, its experience in a city at a similar level of development as La Paz. The Bank paid EEVV US\$90,000 for its services -- an estimated 50 percent savings over the costs of standard consulting firms. A member of the Bank's appraisal team noted that EEVV was motivated by financial considerations, the career advancement of its younger staff, and the prestige of working on an international contract for the Bank. EEVV also developed an understanding of the Bank's bidding procedures and is gaining valuable experience in its new consulting capacity, both of which put the organization in a much better position to compete for Bank and other donor contracts in the future, which it is expected to do.

SELECTED CASES OF BANK-FINANCED TWINNING

16. Twinning is most successful when suppliers and recipients face similar conditions (managerial, technical, and environmental). In certain sectors, organizations tend to operate under very similar sets of conditions. In water supply (and other municipal services) for example, technological requirements and management systems are similar in both developed and developing countries--that is, the problems are relatively straightforward, and system scales are subject to adaptation. This is one of the primary reasons why twinning has been adopted rather extensively in this and other municipal service sectors. For example, in Guatemala city, the municipal water authority (EMPAGUA) is twinned under an initial four-year contract with a consortium including a Brazilian water agency (SANEPAR) and an Israeli consulting firm (TAHAL) specialized in management and financing.

17. Twinning in the education and industrial finance sectors and between training institutes and research organizations is also fairly extensive. For example, the Paris Chamber of Commerce and Industry, supported by one of the Grandes Ecoles, is twinned under IDA financing with the National Institute of Accounting and Management in Madagascar. And in the industrial finance sector, the Indian Development Bank (IDB) is twinned with the Nigerian Bank for Commerce and Industry (NBCI) to provide management advice and training both on the job and at IDB (Nigeria - "Small and Medium Scale Industry Project"). Other examples include the Seventh Education Project in Ethiopia and the Third and Fourth Education Projects in Yemen, P.D.R.

Twinning in the Education Sector
Malawi - "Institutional Development Project" (Credit 2036)

The Malawi Institute of Management (MIM) has recently twinned with a Canadian consortium comprised of the Human Resources Secretariat of Ontario Province, the Niagara Institute, and the Ontario International Corporation. This consortium has signed an initial one-year contract to manage MIM and to provide eight management trainers. MIM will review the consortium's performance after the first year to determine whether to extend the contract. If extended, the consortium will tailor a two-year program of in-house and external training for the local staff to prepare them for assuming operational control of MIM. Beginning in the third year, local staff will begin replacing the external managers and trainers, and the consortium's role would shift to back-stopping through periodic visits and exchange programs.

18. There appears to be a good deal of growth in the use of twinning for Bank financed public sector management projects, especially in the last two years. Twinning in public sector management is primarily oriented towards financial management. ADETEF, the development branch of the French Ministry of Finance, is an active twinning supplier throughout Africa and EMENA. ADETEF was involved in a project in Niger (Economic and Financial Management Improvement Project) to strengthen the Ministry of Finance's Financial Planning Department. The success of this relationship led to ADETEF's inclusion in a public sector management project in Rwanda (Improvement of Public Finance Management Project) aimed at improving budgetary and accounting procedures in the Ministry of Finance and Economy. Implementation of this project, however, was reportedly unsatisfactory due to conflicts between ADETEF and recipient staff. ADETEF is also twinned with the Mauritanian Ministry of Economy and Finance (Development Management Project). ADETEF is often used in francophone Africa public sector management projects for two reasons: (1) it has little competition due to the fact that it does not charge for the services of its personnel, and (2) financial systems in francophone Africa are derived from the French model - thus ensuring compatibility of supplier and recipient.

19. Other sectors are less suited to twinning. Agriculture is a sector in which local socio-economic conditions and technical constraints are quite distinct from country to country, and as requirements are more specific, the search for an appropriate twin can be time consuming. It was possible to identify only two recent Bank-financed projects in agriculture: the Office du Niger Consolidation project in Mali, and the Agricultural Services Rehabilitation project in Ghana. The latter project involves a twinning arrangement between Ghana's Irrigation Development Authority (GIDA) and the government-operated South Korean Agricultural Development Corporation (ADC) which aims at strengthening GIDA's capacity to plan, manage, and maintain irrigation schemes. ADC will provide seconded staff to work with the management and technical staff of GIDA and will assign GIDA staff to ADC projects where operations are relevant to the responsibilities of GIDA. Training will take place both on the job and in South Korea. The task manager of this project indicated that ADC was selected because of its experience with small-scale irrigation technologies, although identifying and securing the right supplier for GIDA required a substantial amount of project preparation time.

CONCLUSIONS

20. Twinning can be a highly effective method for delivering technical assistance aimed at institutional development. It is operationally oriented and useful for provision of a broader range of services than standard consulting firms typically offer, it is often relatively inexpensive, and it provides opportunities to integrate training with TA. Most important, it is an ideal means of attacking ID problems over a longer time frame than is usually allowed by a specific project and is well suited to provide TA continuity throughout a project series.

21. Of course, it is important to first determine if twinning is the most appropriate means of delivering TA; in most cases, individual consultants or consulting firms are sufficient. Other cases might require a combination of twinning with other consultancy services. As the cases cited in this paper indicate, care should be taken in the selection of the supplier. It is important that all of the various aspects of supplier-recipient compatibility be considered and carefully weighed before a selection is made. These include:

- a. What are the recipient's TA needs (operational or consultancy)?
- b. What are the recipient's training needs?
- c. Is the supplier able to provide the specific mode of training required, i.e., on the job, at the supplier's headquarters, formal training programs?
- d. Are the recipient's and the supplier's operating conditions similar (technical, scope, etc.)?
- e. Are the recipient's and the supplier's language, culture and environment similar?
- f. How extensive are the supplier's operational, consulting and international experiences?
- g. What are the likely supervision requirements?
- h. How willing is the supplier to commit to a long-term relationship if desired and needed?
- i. What are the financial requirements of the supplier (cost of TA, training, equipment contracts)?
- j. What are the supplier's contractual requirements (consultancy, management contract, equity sharing, joint venture)?

22. The most frequently cited problems by task managers were: 1) difficulty in locating an appropriate supplier;² 2) poor selection of supplier; and 3) greater supervision demands -- especially when the supplier has little or no experience with consulting or Bank procedures. These problems are not insurmountable. And given the generally disappointing record of ID results obtained with other modes of TA delivery, twinning might be an alternative.

² Task managers generally agreed that there is a need within the Bank to establish a registry of potential twinning suppliers and suggested that this be provided at a regional level, perhaps within the technical departments of the Bank.

Selecting a Supplier: The Importance of Compatibility
Ghana -- "Export Rehabilitation Technical Assistance" (Credit 1436)

This project included a TA component aimed at strengthening management of Ghana's State Gold Mining Corporation (SGMC) through a twinning arrangement with Canada-Ghana Mining Group (CGM), a Canadian consortium put together for the project and composed of three Canadian companies: Cominco, Noranda, and SNC.

SGMC's production had been declining at a rate of 10 percent per year when this project was implemented in 1984. The bank's appraisal team and SGMC both felt that the Canadian consortium would be able to provide appropriate operational support, despite its lack of overseas experience and the radically different structures of Canadian and Ghanaian mines and the technologies required for each.

At one point, 35 to 40 Canadians were working in Ghana on rehabilitation of SGMC. They found they were unprepared for the cultural, environmental, and technological conditions there. Many of them were unable to adapt to these conditions or to relate to the individuals they were assigned to train in the management of the corporation. As a result, the project began to fall behind schedule. There were disagreements over what needed to be done and what could be done concerning personnel management. The Canadians eschewed training of counterparts whom they perceived as difficult and ill-prepared for training. CGM staff were unfamiliar with the technological requirements of the SGMC mining operations and set production targets that were literally impossible, given the structure of the Ghanaian mines and the concomitant technology. Bank supervision staff were increasingly absorbed in mediation of disputes between the two parties. Meanwhile, production lagged far behind the targets set by CGM. When the initial three-year contract between CGM and SGMC expired, it was not renewed. And although SGMC production had improved slightly, it was far below the expectations of both the Canadians and the Ghanians. Training activities had failed to materialize, and there was wholesale negligence in the transfer of management skills to SGMC staff. The mining sector had not been "rehabilitated" by any stretch of the imagination.

Admittedly, some of the problems CGM faced were attributable to the economic and policy environment in which SGMC operated. However, Bank staff apparently recognized their and the Ghanians' mistake in the selection of CGM as a twinning supplier. At that point, Bank staff located and promoted an Indian mining firm that operated under similar geological and technological conditions as SGMC. This suggestion was rejected by SGMC on the grounds that the technology the Indian firm would transfer was outdated and less sophisticated than that which a developed country supplier could provide. The follow-up project ("Mining Sector Rehabilitation") will provide TA through a joint venture.

SELECTED BANK PROJECTS INVOLVING TWINNING ARRANGEMENTS

- Benin -- Rehabilitation and Maintenance
- Bolivia -- La Paz Municipal Development
- Ethiopia -- Seventh Education
- Ghana -- Agricultural Services Rehabilitation
- Ghana -- Export Rehabilitation TA
- Ghana -- Mining Sector Rehabilitation
- Ghana -- Public Enterprise
- Guatemala -- Water Supply Rehabilitation
- Malawi -- Institutional Development
- Malawi -- Second Lilongwe Water Supply
- Mali -- Office du Niger Consolidation
- Mauritania -- Development Management
- Niger -- Economic and Financial Management Improvement
- Nigeria -- Small and Medium Scale Industry
- Pakistan -- Punjab Urban Development
- Rwanda -- Improvement of Public Finance Management
- Somalia -- TA for the Baardhere Project
- Togo -- Private Enterprise Development

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