

Performance of Technical Assistance

- **Technical assistance** can contribute to the achievement of development results.
- Reviews and evaluations conducted in the last ten years conclude that it has not reached its potential. Why does technical assistance fall short? How can it be **managed for results**?

Background

Technical assistance (TA) is a key operational instrument of the Asian Development Bank (ADB). It is used to identify, formulate, and implement projects; improve institutional capabilities; formulate development strategies; promote transfer of technology; and foster regional cooperation. In 2005, the President of ADB observed that the TA program "is diffused and its impact not demonstrable, even though it is costly and absorbs enormous staff resources."

In 2006, the Operations Evaluation Department (OED) conducted a **Special Evaluation Study on Performance of Technical Assistance** to facilitate the work of the **TA Reform Task Force**.¹ The methodology included literature review; examination of the strategic focus of TA in Fiji Islands, India, Kyrgyz Republic, Philippines, and Viet Nam; sector overviews; analysis of the performance of completed TAs; studies of good and bad practice; comparison with other funding agencies; scrutiny of TA funding allocation systems; examination of ADB databases on TA; and interviews with staff. The assessment of TA performance at the country level examined strategic direction, prioritization and selection, formulation, implementation, outcomes, and lessons. The assessment of TA performance at the corporate level looked at corporate priorities and allocation systems, staffing and other resources for formulating and supervising TA, quality control systems, and information systems and evaluation feedback.

Summary of Findings

Examination of 110 successful and less successful TAs in the case study countries suggested a lack of clarity in strategic direction at the country level,

inadequate formulation processes, variable quality at entry, and implementation issues. However, delivery of TA outputs was achieved or exceeded in nearly three quarters of the sample TAs, and delivery of TA outcomes was successful or highly successful in nearly three quarters of them.

Corporate level weaknesses impact TA performance. For instance, the **Medium-Term Strategy, 2006–2008** identified corporate priorities for stronger country focus, greater coherence of all ADB activities at country level, long-term engagement in selected areas in each developing member country, and better coordination with other funding agencies. Nevertheless, TA has not been sufficiently leveraged in support of these.

The study developed an overall rating of TA performance based on a combination of a bottom-up assessment of performance in the sample TAs and overall performance ratings in OED's database, and a top-down assessment based on country positioning and performance in managing and implementing the TA program in each of the case study countries.

- **Country Positioning.** Where TA had been used strategically, successful results were often achieved. However, no country strategy examined contained explicit TA strategies. Country positioning was variable, mostly weak. Rating: partly successful.
- **Formulation and Implementation of TA.** Many TAs were poorly formulated, with inadequate application of quality-at-entry control procedures. There are weaknesses in TA implementation monitoring and lack of ownership by executing agencies. ADB is focused on outputs, i.e., report preparation, rather than implementation of resulting recommendations. Rating: partly successful.

- **Corporate Level Management of TA.** Issues include: (i) inadequate TA resource allocation systems, (ii) poor systems for measurement of staff performance related to TA, (iii) an ineffective TA management information system, and (iv) failure to satisfactorily address problems related to TA that have been known from reviews in 1997 and 2003, among others. Rating: partly successful.

The overall top-down rating was "partly successful." The bottom-up assessment was based on the full range of evaluation findings from the case study countries, country and sector assistance program evaluations, and information in OED's database on the ratings of TAs. In 2006, ADB set a benchmark that TA performance is satisfactory if 70% of TAs are rated as successful by OED. ADB plans that this benchmark will continue for 2008–2010. The success rate for the 551 TAs that OED has assessed to date is 63%. This is below the benchmark and the bottom-up assessment rating was therefore "partly successful". Combining the top-down and bottom-up assessments, the performance of TA operations was rated "partly successful".

Recommendations

The study advocated changes in TA strategy and TA management:

- The system of TA resource allocation should be improved to ensure that it (i) fits with ADB's strategic development priorities, and (ii) addresses the strategic areas and themes contained in country strategies that reflect country requirements.
- Country partnership strategies should include a clear strategy and program for TA within a long-term framework that prioritizes and focuses on selected topics covering both lending and nonlending operations and better integrates the work of ADB's knowledge departments and the ADB Institute into the CSP framework.
- Corporate level TA management needs to be improved. It should be a priority for ADB Management to ensure that a better corporate TA management system is developed, tested, and implemented.
- ADB should consider delegating more authority and contracting accountability regarding TA prioritization, programmatic approaches, consultant selection, consultant performance evaluation, and supervision to executing agencies that have

sufficient capacity and adequate systems to guard against corruption.

- Consideration should be given to (i) ensuring that, wherever practical, staff who process advisory TAs remain involved up to completion of the TA, even if they are transferred internally to a new assignment; and (ii) tracking the results of the advisory TAs and reflecting these in staff performance assessments.
- ADB must strengthen its quality at entry control systems for TA. To monitor quality control, a sample of TAs should be evaluated as part of ADB's biennial review of quality at entry to assess progress being made in this area.
- The system for TA portfolio monitoring and evaluation should be overhauled to provide corporate and departmental level data on TA implementation, performance, and outcomes. This would involve (i) streamlining the TA performance report and ensuring it is updated regularly, (ii) including the views of executing agencies and consultants in TA completion reports, and (iii) upgrading ADB's computerized management information systems.
- A more systematic TA knowledge management process should be developed to collect and synthesize lessons and key findings from TA, and ensure that they are used to improve subsequent TAs. All data and reports prepared by consultants should be regularly archived. Incentives must be developed for ADB staff to use this knowledge base. To promote knowledge management, TA cost tables should include line items for dissemination, translation, and the use of external and internal peer reviews.

Feedback

At the time of preparation of these *Learning Curves*, **ADB Management's Response** had not yet been formulated, nor was the **Chair's Summary of the Development Effectiveness Committee Discussions** available. They will be incorporated in time. The study was completed in March 2007.

¹ 2007. ADB. *Special Evaluation Study on Performance of Technical Assistance*. Manila. Available: <http://www.adb.org/Documents/SES/REG/sst-reg-2007-02/SST-REG-2007-02.pdf>