

ASIAN DEVELOPMENT BANK

SST:SAM 95026

(SPECIAL STUDY SERIES NUMBER 23)

SPECIAL STUDY

OF THE

ASSESSMENT OF THE EFFECTIVENESS

OF

BANK ASSISTANCE IN CAPACITY BUILDING

TO

**WESTERN SAMOA
(TA No. 2320-SAM)**

December 1995

ABBREVIATIONS

| | | |
|--------|---|---|
| ADTA | - | Advisory Technical Assistance |
| ADTA | - | Advisory and Operational Technical Assistance |
| AusAid | - | Australian Agency for International Development |
| CBS | - | Central Bank of Samoa |
| DAFF | - | Department of Agriculture, Fisheries, and Forests |
| DBWS | - | Development Bank of Western Samoa |
| DOS | - | Department of Statistics |
| EA | - | Executing Agency |
| EDD | - | Economic Development Department |
| EPC | - | Electric Power Corporation |
| HC | - | Housing Corporation |
| MF | - | Ministry of Finance |
| PITA | - | Project Implementation Technical Assistance |
| PMD | - | Prime Minister's Department |
| PSC | - | Public Service Commission |
| PTD | - | Posts and Telecommunications Department |
| SOE | - | State-Owned Enterprise |
| SOEMU | - | State-Owned Enterprises Monitoring Unit |
| SSM | - | Special Study Mission |
| SWOT | - | Strengths, Weaknesses, Opportunities of, and Threats to an Organization |
| TA | - | Technical Assistance |
| TD | - | Treasury Department |
| TOR | - | Terms of Reference |
| WSTEC | - | Western Samoa Trust Estates Corporation |

NOTES

- (i) The fiscal year of the Government ends on 30 June.
- (ii) In this Report, "US\$" refers to US dollars, and "WS\$" refers to Western Samoan dollars.

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I. SUMMARY

1. This is the original of a series of studies to assess the effectiveness and impact of the Bank's program of capacity building in selected developing member countries, undertaken with a view to improving the effectiveness of Bank assistance in the future. Western Samoa is one of the countries where the Bank has had a substantial institutional strengthening program. As of 31 December 1994, nine executing agencies (EAs) in Western Samoa received 37 advisory and operational technical assistance (AOTAs) from the Bank.

2. Attempts were made to assess the contribution of the technical assistance (TAB) to capacity building in Western Samoa despite difficulties because of program and design limitations and absence of clearly specified capacity building goals. It was found that such contribution has not measured up to the expectations from it. TAs that exclusively produced a product or provided a one-off

technical service had a success rate of 60 percent. TAs were partly successful or better in five of the nine EAs in terms of technical effectiveness. But in terms of their institutional strengthening impact, only in one EA (in the Central Bank of Samoa [CBS]), was the TA generally successful; in another (the Posts and Telecommunications Department [PTD]), it was partly successful. Some Treasury Department (TD) TAs had limited success. Sector-wise, TAs were partly successful in technical terms in all sectors except energy; but in terms of institutional strengthening, the only partly successful one was in the posts and telecommunications sector, with some limited success in the finance sector. On the basis of program focus, privatization TAs enjoyed partial success in terms of technical effectiveness, but in upgrading of statistical services and institution strengthening of Electric Power Corporation (EPC) and of disaster management, the TAs were unsuccessful. There was, however, no success in terms of institutional strengthening effectiveness on the basis of a program focus.

3. TAs had inadequate diagnostic analysis and needs assessment, and did not clearly establish client priorities. They did not have an overall framework for design. It appears that TAs were ambitious in their scope. The resources provided for implementing TAs were inadequate, given the tasks in hand. None of the TAs provided for a training expert or a development management specialist. The monitoring mechanisms and processes in the TAs were poor. Consultants were not integrated into the recipient agency management. Availability of counterparts was limited.

4. The TAs resulted in conventional reports. Of these, only 18 percent had their recommendations substantially accepted. Some TA outputs were vague, beyond the ability of the recipient agency to comprehend or implement, or without a clear and agreed upon action plan. Consultant products were at times inappropriate and incompatible with staff competencies. The value of one quarter of the TAs was dissipated because offices or their units were not established as intended, and if established were dismantled or could not function.

5. The Bank's Operational Strategy for Western Samoa needs to consider four important factors that significantly affect any program of capacity building. First, the machinery of government needs to be examined, with a view to determining what the core business of Government is and how it should be organized. Second, cores of technical and managerial staff need to be provided and a succession planning and human resource development program organized to develop and support them. Third, it needs to be determined what the core business of an agency is and assistance needs to be directed to develop that area of the agency's operations. Fourth, human resource development programs need to be designed to focus systematically at (i) determining what competencies are required for the core business; and (ii) designing a program to ensure that the staff acquire those competencies. The Bank's capacity building strategy in Western Samoa thus needs to develop an outline of (i) what it regards as the core areas of business critical to the efficient functioning of Government; (ii) how those business areas are most effectively organized; and (iii) resources concentration such that the Bank assists one agency for one core area of business (e.g. the Development Bank of Western Samoa [DBWS] for development finance). The outline would then serve as a framework for directing technical assistance.¹ Periodic technical products or services that the Government does not have the capacity to produce, but has the capacity to use, should continue to be outsourced.

6. Rigorous criteria should be used to screen institutional strengthening proposals. Design criteria should include tests of sustainability and measures of the effectiveness and efficiency of an agency. The conventional duration of TAs should be extended. Training must be streamlined. Consultants should be required to produce user-friendly reports and monitoring mechanisms and a management reporting framework. Logframes should invariably be used.

¹ Defining the core areas of Government will enable the Bank to focus on areas central to the Government and avoid putting aid into agencies that might not have sustainable futures.

7. The Government may want to consider taking the initiative to rationalize its machinery by increasing effectiveness, efficiency, coordination, and economy in its operations, as well as streamlining training programs.

II. INTRODUCTION

A. Background

8. The provision of AOTA² has been an important part of the Bank's operations throughout its history. But capacity building has recently acquired a sharper focus in the Bank's priorities. "Capacity building for development management" has been adopted as an operating objective of the Bank's Medium-Term Strategic Framework, 1995-1998. It was decided to undertake comprehensive studies of the Bank's AOTAs to selected countries to provide the feedback for making future capacity building attempts by the Bank more realistic, focused, effective, and sustainable.

9. Western Samoa was selected as one of the first few countries for such an exercise because of the Bank's intensive institutional strengthening program there. Postevaluation experience in Western Samoa indicates that the implementation performance of Bank-financed projects was adversely affected by inadequate institutional capabilities. The country operational strategy for Western Samoa includes institution building and human resource development in key Government agencies as a major objective.

B. Overview of Bank TAs to Western Samoa

1. TA Composition

10. As of 31 December 1994, the Bank had provided 37 AOTAs to Western Samoa for an amount of \$8.3 million,³ at an average size of \$233,000 (see Appendix 1).⁴ All TAs were provided as grants although 15 of the 37 were attached to loans and the rest were stand-alone TAs (see Appendix 2). Thirty-one of the TAs had been completed at the time of the Special Study Mission (SSM) in August

² The objectives of the Bank's TA are to facilitate the flow and efficient utilization of development finance to its developing member countries and enhance their development capacity. Bank TAs comprise various forms: project preparatory, project implementation, advisory, and regional. Advisory technical assistance (ADTA) is meant for financing institution building, plan formulation, and sector-, policy-, and issue-oriented studies. Project implementation TA (PITA) is provided for assistance in the implementation, operation, and management of Bank-financed projects. The Bank's operational statistics combine PITA and ADTA into the single AOTA category because PITA may include advisory elements and ADTA may include project-specific elements. ADTAs are normally financed by a grant. PITAs may also be financed as grants.

³ Of this amount, about \$6 million had been disbursed as of 31 December 1994.

⁴ Appendix 1 is a chronological list of TAs with the amount approved and the date of approval for each TA. This information is not repeated every time a TA is cited.

1995, two had been terminated, one was ongoing, and three had not been started (see Appendix 3). The average duration of a TA was 12 months. The Ministry of Finance/Treasury Department (MF/TD) was the EA for 15 TAs,⁵ followed by the Department of Agriculture, Fisheries, and Forests (DAFF) and EPC (six each); the DBWS (four);⁶ Economic Development Department (EDD) and Department of Statistics (DOS) (two each); and CBS, Prime Minister's Department (PMD), and PTD (one each) (see Appendix 2). By sector, finance received the highest number of TAs with 11, followed by agriculture (10); energy (7); economics (5); and transport and communications, social infrastructure, multiproject, and disaster rehabilitation (1 each) (see Appendix 3). In terms of the program focus of TAs, agricultural development had nine, institutional development of DBWS and EPC had six each, privatization and strengthening development planning had four each, upgrading statistical services and disaster management had two each, with four miscellaneous ones. Appendix 4 shows the program focus of each TA.

2. TA Objectives, Inputs, and Outputs

11. The 37 AOTAs studied were provided by the Bank for the purpose of institutional strengthening, and outsourcing⁷ services that agencies in the Government were not ready to perform. Table 1 summarizes the objectives of the TAs.

12. The objective that figures most prominently in the TAs is strengthening staff capabilities (22), followed by addressing institutional issues (18), systems and procedures improvement (15), organizational restructuring (12), addressing sectoral issues (10), and facilitating project implementation and monitoring (2).

13. TAs provided consulting services for a variety of activities and resulted in a number of outputs. Table 2 summarizes TA inputs and outputs.

14. The highest inputs were for conducting assessment of the existing situation, and performing in-line functions or advising the recipient agency (25 each), indicating that the requirements to review agency functioning and perform routine functions because of lack of qualified staff were the most important ones in the Western Samoan situation. This was followed by identifying training needs and conducting training programs (24), a reflection on the level of staff skills available in Western Samoa and the need to upgrade them; preparing reports, manuals, or guidelines (19); formulating plans, strategies, targets, and recommendations (17); designing/installing systems and procedures improvements (16); recommending policies, regulations, and legislation (15); conducting surveys and studies (13); and monitoring project implementation (7). Sector-wise breakdown of the TA inputs is in Appendix 5. The last five categories of inputs were for outsourcing work which was beyond the capabilities of available staff.

Table 1: TA Objectives by Sector

| Objective | Agri-culture | Energy | Transport and Communications | Social Infra-structure | Finance | Economic Work | Multi Project | Others | Total |
|-----------|--------------|--------|------------------------------|------------------------|---------|---------------|---------------|--------|-------|
|-----------|--------------|--------|------------------------------|------------------------|---------|---------------|---------------|--------|-------|

Strengthening staff

⁵ In six cases, however, the recipient agency was a different one.

⁶ DBWS was also the recipient agency for two TAs for which the EA was TD.

⁷ Outsourcing: Obtaining from a source outside the recipient agency. In the case of Western Samoa, this has invariably meant obtaining from outside the country.

| | | | | | | | | | |
|--|---|---|---|---|---|---|---|---|----|
| Capabilities | 4 | 4 | - | - | 8 | 4 | 1 | 1 | 22 |
| Improvement of systems and procedures | 2 | 4 | 1 | - | 4 | 4 | - | - | 15 |
| Organizational Restructuring | 3 | 2 | 1 | - | 3 | 2 | 1 | - | 12 |
| Addressing institutional issues | 4 | 3 | - | - | 7 | 3 | - | 1 | 18 |
| Addressing sectoral issues | 5 | 1 | - | 1 | - | 2 | 1 | - | 10 |
| Facilitating project implementation and monitoring | 2 | - | - | - | - | - | - | - | 2 |

Note: One TA could have more than one objective (see Appendix 6).

Table 2: Inputs and Outputs of TAs

| Activity | | Inputs | Outputs |
|----------|--|--------|---------|
| 1. | Conduct of detailed assessment/review of existing situation | 25 | - |
| 2. | Conduct of studies and surveys | 13 | 21 |
| 3. | Performance of in-line functions/advice, assistance to agency on project-related technical/operational matters | 25 | 22 |
| 4. | Identification of training needs/development and conduct of training programs | 24 | 17 |
| 5. | Preparation of reports/manuals/guidelines | 19 | 17 |
| 6. | Design/recommendation/installation of systems and procedures improvements | 16 | 12 |
| 7. | Formulation of plans/strategies/targets/recommendations | 17 | 17 |
| 8. | Formulation/recommendation of policies/regulations/legislation | 15 | 12 |
| 9. | Monitoring of project implementation/preparation of progress reports | 7 | - |

Note: TA outputs do not include categories 1 and 9 of inputs because in practice, all TAs covered these activities in varying degrees; these were built into their outputs. Other differences between inputs and outputs indicate differences between planning and achievement and the fact that some TAs have not yet started. Surveys and studies were undertaken in varying degrees in eight cases when warranted even though they were not specifically required by the terms of reference (TOR).

15. The output that was highest of all was the performance of in-line functions (22), indicating that many TAs performed capacity-filling rather than capacity-building roles, which is inevitable up to a point, given objective realities. This was followed by studies (21); recommendations for or conduct of training programs, production of manuals and reports, and formulation of plans and strategies (17 each); and design/installation of systems and procedures improvements, and recommendations on policies, regulations, and legislation (12 each). For sector-wise breakdown of outputs, see Appendix 7.

III. STUDY OBJECTIVES AND METHODOLOGY

A. Objectives and Scope

16. The objectives of this Special Study are to review the need for and adequacy of the AOTAs provided to Western Samoa, and to assess their implementation experience and operational performance. The scope of the Study includes analysis of the objectives and scope of AOTAs; the means employed to attain these objectives, activities, and outputs of AOTAs; and their effectiveness, impact, and sustainability. Against the backdrop of the economic and cultural conditions specific to Western Samoa, the Study investigates the adequacy and quality of diagnostic analysis and needs assessment preceding the AOTAs; AOTA design and implementation; the services provided and technology transfer; operational performance and institutional development in the recipient agencies; and gestation, sustainability, and framework issues. It distills the lessons learned to provide recommendations.

B. Approach and Methodology

17. The Study was undertaken in two steps: (i) data collection, and (ii) analysis of data in the context of the development management framework. The first step included (i) an examination of all records in the Bank; (ii) enumeration of a questionnaire (28 questionnaires were enumerated);⁸ (iii) examining what outputs, if any, of each TA were still used by the recipient agency, and the competency of the agency to use them (verifiable information was available for 31 of the TAs in the sample);⁹ and (iv) a review of the findings/results of each TA with the executing agency during SSM to ensure that the findings were accurate and that the agency agreed with the evaluation. The TAs for which information was available can be categorized by executing agency, sector, and program focus. The distribution of the sample against each of these categories is given in the three tables in Appendix 8.

18. The information collected was analyzed to determine the success level of each individual TA. Each TA was rated in terms of its long-term effectiveness for each of its activities and outcomes on a scale of 1 to 3, corresponding to the Bank's ratings of generally successful, partly successful, and unsuccessful. Based on these ratings, a judgement was made about the overall technical impact of each TA on the scale of generally successful to unsuccessful, and separately the overall institutional strengthening impact of each. This was followed by consolidation of the findings and their analysis within a capacity building and an institutional strengthening framework. The capacity building framework was structural and related to hierarchy of layers of government from the government, through central agencies, line agencies, and other agencies. The institutional strengthening framework focused on a process that has proved effective in terms of introducing organizational development.

IV. TA RESULTS AND IMPACT

⁸ Three of the TAs in the sample had not been started and a fourth had only just commenced. Hence, the evaluation could only realistically scrutinize their design. Seven could not be enumerated because no one could be found who had any involvement with the TA. Two were not completed because the agency officer able to do the task proved unavailable to the Study team. The statistics include two sets of responses for one TA in TD because it was implemented in both the PMD and TD.

⁹ The earliest TA in this sample was approved on 1 November 1973. Six more TAs were implemented in the 1970s. Given the age of these TAs, there was difficulty accessing records related to them in the Government and the recipient agencies concerned and people who were involved with them. The results of the examination and analysis of each TA are available on file.

A. TA Results

1. Evaluation Results by Executing Agency, Sector, and Program

19. The Study assessment of individual outputs of each TA indicated that 60 percent of TAs were partly successful or better in terms of technical effectiveness¹⁰ and can be said to have resulted in satisfactory outcomes for the agency. Appendix 9 shows the executing agency's own evaluation of TA results and impact. Tables 3 to 5 show the Study's assessment of the technical and institutional strengthening effectiveness of the TAs. Table 3 shows that in terms of technical effectiveness, TAs were successful in CBS; partly successful in DAFF, EDD, PTD, and TD; but unsuccessful in DBWS, DOS, and EPC.

20. An appraisal was attempted of the amount of institutional development that occurred as a direct result of each TA.¹¹ The appraisal determined what, if any, new organizational forms, systems, procedures, and the like introduced by a TA still remained and were being used effectively by the recipient agency in August 1995.¹² Of the 23 TAs in the sample, the only TA that was fully or generally successful in institutional strengthening was that to CBS. The only two that were partly successful in this area were those to PTD and TD although some limited measure of success was attained in some other TA operations in TD and in DBWS. TAs in EPC, DOS, DAFF, and PMD were unsuccessful. In terms of the TAs' institutional strengthening impact, the 4 percent generally successful, 9 percent partly successful, and 87 percent unsuccessful TAs bear testimony to the weaknesses in the approach of the TAs. Agencies evaluation shows a similar divergence between operational (technical) and long-term (institutional) effectiveness, but in many cases their evaluation was more optimistic than that of this Study (see Appendix 9).

Table 3: Evaluation Results by Executing Agency

| Executing Agency | Technical Effectiveness | Institutional Strengthening Effectiveness |
|--|--------------------------------|--|
| Central Bank of Western Samoa | 1.00 | 1.00 |
| Department of Agriculture, Fisheries and Forests | 2.00 | 3.00 |
| Development Bank of Western Samoa | 3.00 | 3.00 |
| Department of Statistics | 3.00 | 3.00 |

¹⁰ Technical effectiveness of TAs: The effectiveness of the direct, technical outputs of TAs, as distinct from their effectiveness in terms of institutional strengthening. These technical outputs include reports, manuals, and guidelines; systems installed; and plans, strategies, targets, policies, regulations, and legislation recommended, which can be seen physically or in print.

¹¹ Those parts of TAs that produced some kind of expert system or output like base maps or specifications for a new diesel electricity generator were not appraised for their institutional strengthening impacts.

¹² Where very little to nothing remained, a TA was deemed to be unsuccessful. Where almost everything a TA sought to introduce was still operational, the TA was deemed to be generally successful. Where some of the outputs were still in evidence, a TA was deemed to be partly successful.

| | | |
|---|-------------|-------------|
| Economic Development Department | 2.00 | n.a. |
| Electric Power Corporation | 3.00 | 3.00 |
| Treasury Department | 2.14 | 2.92 |
| Prime Minister's Department | n.a. | 3.00 |
| Posts and Telecommunications Department | 2.00 | 2.00 |
| Average | 2.27 | 2.74 |

1 = Generally Successful, 2 = Partly Successful, 3 = Unsuccessful.

TAs falling between 1 and 2 would be substantially successful and those between 2 and 3 largely unsuccessful, or of limited success.

Table 4: Evaluation Results by Sector

| Sector | Technical Effectiveness | Institutional Strengthening Effectiveness |
|------------------------------|--------------------------------|--|
| Agriculture | 2.00 | 2.80 |
| Energy | 3.00 | 3.00 |
| Transport and Communications | 2.00 | 2.00 |
| Social Infrastructure | 2.00 | 3.00 |
| Finance | 2.13 | 2.75 |
| Economics | 2.67 | 3.00 |
| Multiproject | 2.00 | 3.00 |
| Others | 2.00 | 3.00 |
| Average | 2.35 | 2.82 |

1 = Generally Successful, 2 = Partly Successful, 3 = Unsuccessful.

21. TAs in all sectors were partly successful in terms of technical effectiveness except energy; but in terms of institutional strengthening, only the TAs in the transport and communications sector were partly successful. Those in the finance and agriculture sectors had limited success. The TA in transport and communications, after an uncertain beginning, markedly improved the accounting system of the organization. The sole social infrastructure TA resulted in a business plan for the Housing Corporation (HC), which was complicated, based on the (as it turned out, false) assumption of further expatriate assistance and has not been implemented. Technically, this TA was rated partly successful. TAs in finance other than those where DBWS was EA were partly successful. In energy, TAs were unsuccessful where the consultants appointed do not appear to have produced what the management required. TAs in the economics sector were unsuccessful, a fact that raises questions about the way TD is managed.

Table 5: Evaluation Results by Program Focus

| Program | Technical Effectiveness | Institutional Strengthening Effectiveness |
|-----------------------------------|--------------------------------|--|
| Agriculture Development | 2.00 | 2.75 |
| Institutional Development of DBWS | 2.50 | 3.00 |

| | | |
|------------------------------------|-------------|-------------|
| Strengthening Development Planning | 2.67 | 3.00 |
| Upgrading Statistical Services | 3.00 | 300 |
| Institutional Development of EPC | 3.00 | 300 |
| Privatization Program | 2.00 | 3.00 |
| Disaster Management | 3 00 | 300 |
| Others | 1.75 | 2.25 |
| Average | 2.49 | 2.88 |

1 = Generally Successful, 2 = Partly Successful, 3 = Unsuccessful.

22. On the basis of program focus,¹³ the technical effectiveness of TA was as follows: (i) TAs in agricultural development were useful; (ii) TAs for the privatization program (nos. 788, 1062, 1234, and 1831) achieved significant success in identifying and preparing a number of Government-owned enterprises for privatization; (iii) DBWS institutional development TAs achieved some success, especially where MF was EA; (iv) success was limited in strengthening development planning; and (v) upgrading of statistical services, institutional development of EPC, and disaster management were unsuccessful. But program focus-wise, institutional strengthening effectiveness was either absent or very limited across the board. TAs have been conspicuously unsuccessful in upgrading statistical services where institutional strengthening should form the core of any assistance.

23. There are inherent difficulties in determining the level of management competence at the time of the implementation of the TAs. But the limited evidence available suggests that strong management was conducive to greater institutional strengthening impact of the TAs. For example, in DBWS where earlier efforts had not been very productive, good progress was made with the advent of a competent management team.

2. Value of Outputs

24. The reports prepared for Western Samoa under these AOTAs were the conventional "expert" reports, usually presenting a situational analysis in some form and a set of recommendations to address problems or a plan to institute change. They display a high level of redundancy. What management normally seeks from a report is an accurate diagnosis and recommendations supported by the available evidence, not multivolume narrative reports of great detail. Highly detailed reports are not read by the people they are designed to persuade. Senior decision makers everywhere are busy people.¹⁴

25. Only 18 percent of the TAs had their recommendations substantially acted upon, indicating poor client acceptability. No attempt was made in any TA design to estimate the expected level of productivity improvements from a TA. Nor was there any attempt to try to assess the value of improvements after the end of a TA. This is an area that needs to be addressed.

¹³ Program focus of TAs: The orientation of TA objectives to thematic Bank programs such as privatization or planning. Such programs can be economy-wide or sector-wide.

¹⁴ English is a second language in Western Samoa, which is not a "reading" society—another reason why reports should be crisp and easily digestible.

26. In about 25 percent of TAs, their value has been dissipated or entirely lost because a new organizational unit was not established as planned, or was established but subsequently was dismantled, or cannot perform its functions because it has never been resourced to do so. For example:

- (i) TA No. 717 was required to establish a Project Executing Office within TD to appraise and monitor the implementation of projects. The Office was never established.
- (ii) TA No. 1302 was required to establish a National Revenue Board in TD. The Board has not become fully functional.
- (iii) TA No. 91 established a hydrological and meteorological data collection capacity in EPC. Responsibility was later transferred to the Observatory, but without funding. The equipment currently is in storage.
- (iv) TA No. 590 established an Energy Planning Unit in PMD and provided for a consultant to head it as it became established. The unit no longer exists.
- (v) TA No. 680 set up a system to maintain national accounts in DOS. Subsequently, responsibility for maintaining them was transferred to TD, but no part of TD was made responsible for maintaining them.
- (vi) TA No. 828 was required to establish an Internal Audit Unit in EPC. Five years later, in 1993, no such unit was operating in EPC. Subsequently, one was established as a means to provide employment for a former chief accountant.
- (vii) TA No. 1234 established a Marketing Information Unit in TD to collect and disseminate market and price information on commodities grown in Western Samoa. The unit does not exist.
- (viii) TA No. 1235 established a Research Division of three units in DAFF. It currently has two professional staff. Its resources do not permit it to perform the kind of research functions envisaged. The TA also established an Environmental Unit in the Department of Land Survey. It currently has a complement of one and is not resourced to do the environmental evaluations envisaged.
- (ix) Most units of the Western Samoa Trust Estates Corporation (WSTEC) have been privatized or liquidated, nullifying the earlier work under TA No. 225 to try to establish the corporation on sound commercial principles.

A conclusion from this experience is that something new is less likely to continue to be resourced than or at the expense of something already established. What seems to happen is that the traditional or conventional triumphs over the new and not well understood.

27. In no TA was training provided by a training expert. Nor was a development management specialist sought to provide the institutional strengthening expertise. Technical TAs produce technical outputs. These outputs are then left with an agency to implement. Where these outputs require significant operational or management changes, the result, almost inevitably, is that the output is never implemented or is implemented so poorly that the credibility of the output is destroyed. TA No. 1631 provides an example of such an experience. The TA required three outputs for a state-owned Enterprises Monitoring Unit (SOEMU), namely, a strategic plan, a monitoring and evaluation system, and management training to implement and utilize both. With a privatization expert, a legal expert, and an agronomist, the report on the privatization part of the strategic plan, the legal documentation, and an examination of the future of WSTEC assets were completed satisfactorily, but

not the other strategic requirements of the unit. Consequently, the unit knows where it should be going, but not how to get there. As a result, the critical development management requirements for that unit were not addressed effectively. Capacity building and institutional strengthening are complex tasks. They require specialized expertise to manage a complex process. A management development expert facilitating the development of the strategic plan with the technical experts and then developing SOEMU's systems and competencies to implement the strategic plan and monitor its effectiveness would have been valuable. SOEMU now possesses skills in privatization, but still cannot carry out its responsibilities effectively to monitor the performance of state-owned enterprises (SOEs).

3. Training and Transfer of Technology

28. In 71 percent of the TAs that delivered training, the number of people targeted was four or less. Such small numbers entail a very high per capita cost of training. Training needs to be delivered to a wider audience to make it cost-effective.

29. In the absence of any prior assessment of trainee competencies either by a design team or by implementing consultants during the inception phase of a TA and of any evaluation of knowledge or competencies gained, it is difficult to produce any quantitative or accurate information about the effectiveness of training or its relevance to the jobs to be performed. Instead reliance has to be placed on the perception of users and others as to its effectiveness. Based on these (see Appendix 10, para. 5), it may be concluded that (i) training was never designed as a central component of a TA, (ii) designs did not integrate TAs into the overall work program of an agency, and (iii) designs did not do a thorough assessment of staff competencies and what competencies the staff needed to do a job effectively. Consequently, many training programs targeted staff who were unlikely to acquire the skills from any training, however well it was delivered. The executing agencies regarded the approach to skills transfer more highly than the actual results obtained, with 69 percent of TAs reporting a satisfactory approach but only 58 percent reporting satisfactory outcomes. The reasons for the perceived lack of satisfactory performance included the following: (i) the major focus of the consultants was compiling a report; training had low priority and tended to be neglected; (ii) there was no focus on competencies required and no attempt to relate them to a work program; (iii) the TOR for training did not specify any performance criteria; and (iv) there were no suitable staff to benefit from the training. Available staff were too inexperienced and junior to benefit from the intended training. However, no respondent observed that the consultants concerned were not skilled trainers. Perhaps none knew better.

30. Training requires professional accomplishments if it is to be done well. The belief that any manager or consultant can deliver training effectively is optimistic, although managers can be a useful adjunct to a trainer because their experience provides verisimilitude to the training. A good training course requires (i) the right focus so that the training targets only the job needs of the participants, (ii) an approach employing adult learning principles and application of knowledge acquired to work situations, and (iii) a variety of teaching methods to maintain the participants' interest. Trainers also need to ensure that the acquired competencies are utilized by the participants on their return to the workplace, working closely with their managers or supervisors to ensure that work programs are adjusted so that new competencies are applied. Finally, the effectiveness of a training course needs to be evaluated so that it can be amended, revised, or discontinued as necessary. The output of a training course is retained knowledge and that is what needs to be measured. The design and focus of the training should also be evaluated against the relevance of the retained knowledge to the workplace. This does not appear to have been required or done in any of the TAs.

B. Overall Impact of Technical Assistance

31. TAs that were designed simply to produce a product or provide a one-off technical service to an agency, which the Government could not produce or provide—like the drawing up of a five-year development plan or establishing the conditions for privatizing instrumentalities—can be measured against the design plan. Sixty percent of such TAs were generally or partly successful. For instance, TA No. 1065 required (i) plotting a soil survey and presenting land use data on 1:20,000 base maps; (ii) producing three sets of maps at 1:50,000 scale, showing soil distribution according to soil taxonomy, present land use, and land capability; and (iii) preparing an explanatory report to accompany the maps. The survey information, all maps, and the explanatory report are still being used and are critical to the work of the Department of Land Survey. Western Samoa is in possession of an up-to-date and comprehensive inventory of its land resources and land capability. The TA establishes the point that where a technical capacity is required only occasionally, it is most efficient to outsource the requirement.

32. Difficulties in the evaluation of the institutional strengthening impact of these TAs arose from the absence from the design documents as well as the consultants' work of (i) benchmark information, i.e., an analysis of the state in which an agency was at the start of a TA and the level of competencies (what they can do) and capacities (what they are capable of doing) of staff; (ii) any indication of the desired state of organizational effectiveness upon completion of the TA, i.e. the changes that are to be introduced to the agency and the expected capacity of the agency to do those things itself; and (iii) tangible measures of TA success for monitoring and follow-up.

33. In terms of executing agencies, the institutional strengthening impact of the TAs was strong only in CBS, partial in PTD, limited in TAs to TD, and nil or negligible in DBWS, EPC, DOS, DAFF, PMD, and EDD. The extensive assistance given to DBWS shows a lack of any systematic program to build up its capacity as a financial institution (see Appendix 10). Nowhere did the program target management capacity to plan and direct the operations of the agency. After 18 years of assistance, TA No. 1399 introduced an accounting and management information system in DBWS.

34. In the absence of any information about the prior organizational state of an agency, it is not easy to determine whether or not a design was too ambitious, but going by achievements, this does appear to be the case. They tried to do too much in the time available, thus dissipating their impact. Many had activities required by the TOR, but which were not addressed. What did not happen is that a TA was radically redesigned as a result of a consultant reporting that the design was unrealistic.¹⁵ The result was that TAs rarely produced sustainable outcomes in an institutional context.

35. Assessment of the overall achievement of the TAs as a group is difficult because of the absence of a structure of objectives in the Bank's country program for Western Samoa. Ideally TAs should be assessed in terms of their contribution toward the Bank's specific goals for its program of capacity building in Western Samoa. This is difficult because those goals have never been stated in such a way that TA programs can be evaluated against them, and the expected contribution of an individual TA is never stated in the design document.

36. Nevertheless, an attempt was made to assess the impact of the TA grants on overall capacity building in Western Samoa (see details in Appendix 11). It was found that none of the designs for TAs in this sample was specifically directed at capacity building. Other than four TAs in the privatization program, none of them focused on the machinery of government issues or on linkages between the different areas of the government. For example, while a number of TAs were implemented within TD, none examined the relationship between TD and other central or line agencies. Only one TA directed at assisting with the fourth five-year development plan looked across the government sector and contributed to capacity building in the area of development planning. All other TAs were targeted at departments or agencies. Often they operated in only one part of a department and did not address the

¹⁵ It is possible that either the culture of the Bank or the culture of consultants and their firms discourages such an action. If so, the cultures need reexamining.

question of building up the capacity of a whole department or agency in terms of an overall government program of capacity building. Consequently, the impact of the TAs on capacity building of Government was not marked.¹⁶

V. ASSESSMENT OF TA DESIGN: PROBLEMS AND SOLUTIONS

37. The fact that TAs only rarely produced sustainable outcomes in an institutional strengthening context could be ascribed to major weaknesses in the way they were designed. These weaknesses include the following: (i) designs were based on inadequate diagnostic analysis and needs assessment, and did not establish client priorities; (ii) consultants produced technical outputs rather than assisting agencies to develop a capacity to produce those technical outputs; (iii) insufficient attention was paid to the importance of embedding the outputs of assignments into the overall work program of an agency; (iv) no attention was paid to training critical masses of staff in specific technical disciplines and building those masses up into mutually supporting groups; (v) it was assumed that development management and training can be delivered effectively by consultants with no particular expertise in these areas; (vi) no attention was paid to ensuring a continuing demand for an output so as to ensure sustainability; and (vii) little attention was paid to the overall structure of the public sector and the long-term priorities within it.

A. Assessment of Needs, Effective Demand, and Client Priority

38. A key shortcoming in the preparation of these AOTAs was the absence or inadequacy of needs assessment and diagnostic analysis, and of the establishment of client priority. Ideally, all TAs should be related to the fundamental question of what the Government's vision of the agency's core business is and where its policies and plans are expected to lead. TAs were often formulated on the unstated assumption that these things were well-defined without carefully analyzing whether the proposed TA would respond to the real needs of the Government.

39. The starting point for any change should be a realistic assessment of the current situation of an organization. An analysis of the strengths, weaknesses, opportunities of, and threats to an organization (SWOT) and a clear identification of what the organization needs to do are necessary precursors to a development management program' including a sequence of changes.

40. Generally, AOTAs under study show a lack of rigorous prior institutional and needs analysis. Older TAs have clear evidence of this shortcoming; but more recent TAs also seem to be based on the acceptance at face value of statements made by personnel working in an agency or, worse, of lukewarm agreement by agency personnel to leading questions or suggestions by Bank staff. Equally important, there seems to have been no attempt to assess the management's willingness to introduce sustainable changes in the agencies concerned or of management capacities to implement the changes required.

41. There is a need to determine the level of effective demand for a service or product, as well as the source of that demand. If this demand does not come from the Government, the electorate, or influential institutions or individuals within the Government, its sustainability may be suspect. This is specially so because perceptions of Western Samoa's needs in the Bank may be at substantial

¹⁶ Because of staff constraints, it may at times be necessary to require detailed SWOT analysis and needs assessment as part of the TA's TOR. This would place a correspondingly higher responsibility on the consultants whose professional integrity would be a paramount consideration.

variance with such perceptions within the Government.¹⁷ For instance, aid agencies' perceptions of the importance of national accounts is at variance with those of the Government. TA No. 680 provided some 27 months of consulting services developing a system to prepare national accounts in DOS and was completed in 1987. To begin with, a system for the compilation of national accounts was established, a set of national accounts for 1984-1986 was compiled, and the local counterpart and the two supporting staff members were given on-the-job training. Later, responsibility for national accounts was transferred to TD. In 1995, there was no capacity to produce the accounts, and no trace of the data in the new statistical series of the computer system installed, nor of the processing system. The filing system installed had lapsed and the methodologies were lost. None of the staff members who received training continued with the function of compiling national accounts, and the skills they acquired were never transferred to others.¹⁸ Clearly, resources were not committed because the need for national accounts was not regarded as a high priority by the Government. Where something new is proposed to be introduced, it is important to ensure that there is a demand for the new product from the customer who will be paying, i.e., the Government that must set aside finance for the activity. It would have been better to outsource the production of national accounts until policy analysis, which uses these accounts, was firmly established within Government.

42. TA design needs to target improved performance as well as a more satisfied recipient agency. Just over half of the executing agencies considered TA designs to be satisfactory. Just under half considered the process to develop the TOR for consultants to be satisfactory, but only 17 percent perceived that a satisfactory process was developed for institutional strengthening. The most frequently cited reasons for lack of satisfaction with the process for developing TOR, which are expected to respond to assessed needs, were that it was done too quickly and the EA had little time to think through what it really wanted, and that key players in the proposed implementation were not consulted.¹⁹ Lack of commitment produces a poor environment in which to implement a TA.

43. The reasons for lack of satisfaction with the process for institutional strengthening included the following: (i) the design was not integrated with the needs of the agency and there was poor identification of a program of work (the problem of ad hoc design); (ii) the TA was more related to the needs of the Bank than of the agency (the problem of lack of ownership); (iii) where executing and recipient agencies were different, the latter was unable to direct the TA effectively into its ongoing programs (the problems of lack of ownership and direction); (iv) where TAs addressed line functions, the design did not place the consultant alongside an appropriate line position (the problem of ineffective integration of the TA with ongoing programs of an agency); and (v) continuity after the end of the TA was not guaranteed. There were poor mechanisms to ensure that the momentum for change endured (the problem of not being part of the Government's overall program).

44. The major reasons for satisfaction with the TA design were the following: (i) concurrent implementation—moving things forward across the entire organization (indicating change is better conceived through an agency than in one discrete part of it); and (ii) recipient agencies were keen on the TA and were actively involved in implementation at the grass roots and at a high level (indicating the importance of ownership and commitment).

¹⁷ Bank staff often like to act at the cutting edge of technology and management, culled from international experience; local assimilation tends at times to take a backseat. "Simple is beautiful" is not fashionable in the Bank. Several staff perceive, or are led to believe, that elaborate, intricate, and highly technical solutions reflect well on their professional competence.

¹⁸ The need for training personnel in this area has been recognized by the International Monetary Fund, which is funding a TA to produce national accounts in TD, as well as by the Australian Agency for International Development (AusAid), which has identified such a need in its proposed project, *Institutional Strengthening of Western Samoan Treasury Department*.

¹⁹ These concerns reflect the short amount of time available to Bank staff to prepare a TA paper.

B. Suggested Framework for TA Design

45. Since the major problem was that the design of the TAs omitted to develop any consistent methodology about an appropriate process to produce (despite their being very clear about the products to be produced), such a methodology and its sequence may be suggested as follows: (i) an overall development management framework, (ii) diagnostic analysis of the current situation of an organization, (iii) relating development to the needs of the client and managing the client effectively, (iv) usually targeting the whole of the organization, (v) strengthening the operational needs of the organization and streamlining training accordingly, and (vi) having the willingness to incur the costs of strengthening capacities. The following discussion indicates TA problems and countervailing measures with reference to this methodology.

1. Appropriate Development Management Framework

46. None of the TAs seem to have been designed within an overall development management framework²⁰ for the recipient agency.²¹ TA No. 1332 is a good example of a TA operating outside a development management framework. The objective of the TA was to make recommendations to the Government about the programs and targets of HC, and the resources it would need to facilitate the provision of housing and housing finance in the country on a sustainable basis. The fundamental question of the appropriateness of HC in a small country in which there are a number of public sector lending institutions as well as an active private sector, was not asked. The TA team consisted of seven experts. They worked in HC, which had a total staff of ten. The output was a three-volume report that included a business plan, which nobody in HC is either able or committed to implement,²² as there is little understanding of the purpose of the business plan or of how to implement it. The consultants developed the plan apart from HC (for, not with it), and did not develop alternative scenarios (the plan was heavily dependent on expatriate advisers who eventually were not engaged). An agreed upon action plan was not produced. No business plan can ever progress beyond the capacity of the agency to comprehend it and to implement it.

47. The development management framework needs to operate in two distinct spheres that are interactive: (i) the organizational needs to address all elements making up the organization, such as the structure; interrelationships within the structure; the vision; the culture; the knowledge base and staff competencies; policies, plans, and systems and procedures; and the processes by which the organization manages its day-to-day activities;²³ and (ii) the process of development itself. Development (which is what institutional strengthening seeks to produce) needs to be driven. The process requires a number of steps such as the establishment of a management team within the

²⁰ Development Management Framework: The overall goal in the strengthening of institutions, including steps necessary to complete the process.

²¹ The very name, technical assistance, creates a mental block to an approach that sets a high value on management or process coequal with that on technical inputs. The notion of technical assistance encourages technical outputs, regardless of process. Consequently, mechanisms for designing, evaluating, and monitoring assignments focus on technical outputs and help to drive a design to providing expert assistance through reports rather than providing assistance to an agency to develop the expertise to do the work for itself.

²² It is even doubtful that anyone in HC or the EA, Treasury, has read it fully.

²³ Encapsulated in McKinsey's seven "S's" of superordinate goals leading to strategies, structure, style, systems, staff, and skills.

agency with enough influence and commitment to drive the change; developing a vision of where the change will lead and how it will benefit the organization and staff; communicating that vision effectively; enabling all individual members of the staff to be freed of any constraints to their contributing to the changes; getting things moving fast; and ensuring that there are mechanisms to make the changes endure.

2. Effective Client Identification and Management

48. TA design as well as implementation did not appear to address satisfactorily the question of who the effective client is. Frequently the client was the Government as many recommendations required legislative endorsement. The Government, relevant ministers, and PMD did not get due recognition in the design documents; consequently, there was little commitment on the part of the Government to the recommendations of a TA.

49. A yardstick for consultancy assignment success is that recommendations are accepted by the client and are implemented. However good the analysis and however persuasive a written recommendation might be, if the client does not accept it, then that part of the assignment fails. Effective client management, therefore, is an important aspect of any consultancy assignment. It does not appear to have been done effectively in the TAs in this sample, as only about 18 percent of the TAs (3/17) had their recommendations substantially acted upon.

50. The need for the close involvement of senior management was not addressed in the TAs. A conspicuous omission from all design documents was any mechanism to link the management of a TA to the senior management of an agency through, say, a steering committee of senior managers.²⁴ Involving senior management in any development program is a prerequisite for effectiveness and sustainability. Where expert outputs are required, senior management must remain close to the development of the outputs to ensure that they are committed to implementing the outputs after the conclusion of the assignment.

51. When an output is produced, management systems must be changed to ensure a continuing demand for that output. Otherwise, systems are likely to drift back to their former state resulting in the output simply withering. None of the TAs designed to introduce management information and accounting systems had any requirement to train management in their value and use. For instance, TA No. 225, which was completed in 1981, had provided the services of an agronomy expert to assist WSTEC plan current agricultural activities, and a farm management expert to draw up a program of training for the local staff in the estate accounting system to enable them to use accounts as a method of proper financial management. In 1992, none of the estate managers had any knowledge whatsoever about planning; the agricultural recording system recorded the sale of copra when there were no sales. The financial and management accounting systems provided no useful management information. Bank staff back to office reports indicated that the agronomist's services were instrumental in establishing plantation recording and management practices which, on his departure, were discarded in favor of earlier methods; and that the management and board of WSTEC chose to overrule or ignore the consultants' recommendations with respect to management and accounting systems improvement after the consultants left. This experience demonstrates that mechanisms must be in place at the outset of a TA to ensure that demands that will sustain the

²⁴ The role of the steering committee is to manage the performance of the consultants, usually in part against milestones that have been specified in a TA plan. A steering committee that operates effectively can (i) warn the consultants of potential difficulties with directions they might be heading in; (ii) monitor the performance of the consultants and bring to their attention (and to the attention of the Bank) any deficiencies that have become apparent; and (iii) provide access to stakeholders external to the public sector having, an important level of influence, such as nongovernment organizations (NGOs).

changes are established. Management must perceive that it needs the information provided by the introduced systems to do its job effectively.

3. Institutional Strengthening Targeted at the Entire Organization

52. Another key to an effective development management program is to ensure that it is related to the operations of the organization and integrated into the overall management planning of the organization. Changes must be integrated throughout all areas they affect. They must also be integrated up through all management levels. For the changes to endure, all levels of management must understand them, utilize their products, and support them. For example, the introduction of a management information system that is not related to the needs of management and does not result in management understanding its use is unlikely to survive. Under TA No. 1066, cost and revenue centers were to be established in Samoa Coconut Products Ltd. The then general manager of Samoa Coconut Products Ltd. had little understanding of the value of information flowing from a management accounting system based on cost and revenue centers, or the management assumptions underlying their establishment. Cost center managers were never made responsible for their own budgets. As a consequence, the management information became redundant.

53. The starting point for a TA must be the overall operational plan of the organization how responsibility for the plan is delegated through the organization. None of the TAs attempted a comprehensive strengthening of an agency, although a few did report on a complete organization (e.g. the Housing Sector Study, and TA No. 1399, for the DBWS). TAs tended to focus on the technical aspects of an agency's responsibilities rather than the whole management and organizational environment.

4. Linking Training to the Overall Needs of an Organization

54. The starting point for determining the training needs of an organization is the operational plan of that organization and a comparison of the skills required to deliver that plan and the skills actually available. In none of the TAs was there a requirement for the systematic assessment of staff competencies, either at the beginning of the training or at the end of it. The TAs omitted a thorough examination of staff availability, and an assessment of the capacity of staff to be trained to do the tasks envisaged by the TA and of the numbers to be trained. It appears that in several TAs, the staff identified for the training either were too inexperienced or did not have the educational attainment to benefit greatly from the training. Nor were management weaknesses ever noted.

55. It is one thing to improve a narrow range of technical competencies. It is quite another thing to manage their integration into an ongoing work program and maintain them at the requisite competency level. The consultant was not required to ensure that the new competencies had been absorbed into work practices. Indeed, rarely was the consultant there long enough to ensure that this occurred.

56. There is a more general problem related to training, particularly of management, in Western Samoa. There is competition among training providers for public sector personnel. There is a surfeit of aid-funded training facilities targeted at a narrow band of senior- and middle-ranking public servants who are unable to take up all of them. Many pass by default to personnel less well qualified to derive full advantage from them. Sometimes, a training course is attended not for the principal purpose of acquiring knowledge for application but for other reasons. This has been the experience of TA Nos. 1790 and 2030 in TD. In TA No. 1790, of the five TD staff targeted for training, two were transferred early in the project; one was absent on an overseas training course for a number of months; a fourth

was away for six weeks on an IMF course. The fifth had a degree in sociology, hardly the ideal background for training in macroeconomic analysis. Three months after the end of the TA, this staff member was away from the country doing a diploma course in public administration.

57. The following needs can be identified with regard to training: (i) reduced training activities to match more precisely the needs of trainees and their employees including a broader range of personnel, in particular at the middle to lower levels of the staffing pyramid; (ii) Government taking more of the initiative in deciding what training is required instead of allowing funding agencies to determine it by their offers; (iii) use of commercial training facilities and provision of budgets therefor; and (iv) combining training with the practice of competencies acquired, focusing on the operational plan.

5. Recognizing That Training Requires Professional Trainers

58. Training is a professional occupation and should be delivered by professional trainers. TAs should not proceed on the unstated assumption that good technical consultants are good trainers, which seems to have been done in the TAs under study.

C. Provision of Adequate Resources

1. Training Costs

59. Approximately 65 percent of the TAs in this sample sought to transfer skills to agency staff. In project designs, budgets for training tended to be parsimonious in the extreme. None set aside an amount for training. Any costs seemed to be expected to be taken out of an incidentals amount usually set aside for expenses like communications, report production, local travel, or out of contingencies. A suitable training environment would normally have a training room (and syndicate rooms as necessary), training videos and other visual material, handouts, and computers and computer space. All this costs money.

2. TA Duration and Phasing

60. The average length of time of a TA was just under 12 months, but there was great variation within the average. Twelve months, in an institutional strengthening context, would at best be sufficient for introducing simple and limited change in an organization. Where substantial coaching of staff is warranted, a longer period of time is needed to ensure that all the identified competencies are set in practice. The implementation period and the consultant's contract were extended in five of the TAs, affirming the inadequacy of the time originally allocated.

61. The assignment in these TAs occupied one uninterrupted period of time. When skills are being transferred or significant change is being introduced, return visits of decreasing frequency by the consultant to reinforce the changes or training are helpful, and can also assist the management resolve unanticipated problems. No TA made any provision for return visits in its design.²⁵

²⁵ Occasionally, when the full amount budgeted was unspent at the end of the assignment, the consultant was asked to return to tidy up some aspects of the assignment.

D. Monitoring Mechanisms and Processes

62. Design documents rarely specified targets, key indicators, or milestones in the assignment other than submission of inception, draft final, and final reports; nor did they require consultants to produce such indicators. Inception reports of consultants rarely identified critical milestones or performance indicators that could serve as bases for performance monitoring. Where sustainable development is the objective, milestones or indicators should refer to the establishment of appropriate mechanisms to sustain development. An effective reporting system needs to report performance against targets and highlight exceptions for explanation and action, and do so quickly after the end of the period to which it relates, in a readily comprehensible and concise form. Narrative presentation needs to be supported by reporting based on logical framework analysis and other specific indicators. Reports need to discuss difficulties realistically. No development management program is going to be introduced without encountering problems, some of them serious. Such problems do not necessarily reflect badly on the development managers, or on those who initiated the change. What is important is that an assessment is presented about how serious the situation is and about what action is being taken to address it.²⁶

63. In the absence of monitorable indicators, TA progress reports in the Bank have been in narrative form, and qualitative in nature. Generally, they placed what was being done in a favorable light. For example, the fourth back-to-office report on TA No. 1302 on establishing a National Planning Office (the work of which was scathingly criticized by the executing agency) and a National Revenue Board (which has not become fully functional) starts its executive summary: "The conditionalities of the Loan, so far as they relate to the TOR of the Consultant, have been met. Substantial progress, in carrying out the TOR, has been achieved. Tasks which are incomplete have progressed to the stage where decisions are required by GOWS²⁷ on proposals made by the Consultant."

VI. IMPLEMENTATION PERFORMANCE

A. Organization and Management

64. In the absence of performance management or monitorable indicators, what constituted effective performance in the TAs would have to be determined in each case on a qualitative basis. Some generalizations, however, can be made. Consultants were not integrated into the senior executive echelon of the recipient agency. They often found it difficult to meet the chief executive. No steering committee or a senior manager was designated to oversee the production of TA outputs and their integration into the ongoing operations of the agency. Thus, the senior management had infrequent access to the work of the consultants or exposure to the wider issues facing the agency in the context of the TA. The recommendations of TA No. 1065, for example, which require some environmental legislation, have not been implemented because two NGOs in the environmental sector have insisted to Government that they also be recognized in the same legislation. Such an outcome may have been avoided if a steering committee was overseeing TA outputs and was in touch with the stakeholders.

²⁶ This points to yet another problem in the Bank, that of avoiding to report problems or irritants. This "soothing report culture" reflects poorly on the reporters as well as on those being reported to.

²⁷ Government of Western Samoa.

65. The effective availability of counterparts was not satisfactory. In 33 percent of the TAs, counterparts were not available. Only 29 percent of the TAs had full-time counterparts.

66. Where the TOR require the consultants to produce outputs for which there is a generally recognized methodology and set of procedures, it is important that such methodologies are followed. Where consultants do not follow a tried methodology and produce an output that is unsustainable, doubts must arise about the appropriateness of the consultants, or the appropriateness of the design that led them not to use a tried methodology, or the supervision of headquarters and the recipient agency. A case in point is TA No. 1332, in which the consultants produced a business plan for HC. In a very small agency where there was little evidence that any of the professional staff had any prior experience of working in anything like a housing corporation, the format in which the business plan was presented did not follow a simple formula or a standard format and was difficult to understand. An action plan with allocated responsibility that was achievable and perceived by the management and staff as being achievable was not produced so that the business plan was put in the unrealistic basket. Frequently, required actions were often far too general and did not provide a realistic guide for inexperienced staff. For example, "review and codify operational and administrative systems and procedures such as lending rules and procedures; appraisal and security evaluation and documentation; collection and foreclosure procedures; personnel job descriptions and specifications. "

B. General Constraints

67. Each TA was beset by some of a number of problems endemic in Western Samoa. Some problems that were not easy to remedy were lack of skilled management in the agency concerned and high management and staff turnover. Remediable ones included delay in recruitment of consultants, lack of coordination within recipient agencies and/or among executing and recipient agencies, lack of support services within the agencies, and financial stringency.

C. Consultants and Inputs

68. The performance of consultants was generally well regarded by executing agencies.²⁸ About 78 percent of the agencies stated that they would employ the consultants again. In an institutional strengthening environment in which the consultants are trying to change comfortable practices and behaviors, such a high level of satisfaction is unexpected. If changes were achieved, such a high level of satisfaction would bear great testimony to the quality of the work of the consultants. The results of the TAs suggest that sustainable change was not the criterion used to judge the performance of the consultants. A comparison between the executing agencies' assessment of the consultants and their assessment of the impact of the TA reveals marked discrepancies. One would expect to find that satisfactory performance or better by a consultant would produce a marked improvement in the performance of an agency and of the staff working within it. A comparison of the data shows that such a correlation was 25-50 percent. A likely explanation for the discrepancy lies in the statistic that in 86 percent of the sample, consultants provided expert outputs for an agency instead of training and coaching the agency to produce those outputs itself. This was due to the fact that (i) TA designs stressed the technical aspects of an assignment and not the development management aspects, and consultants were chosen for their technical competencies rather than their expertise and experience in development management, capacity building, management training, or human resource development; (ii) technical reports produced by consultants are subsequently used as the basis for

²⁸ Where agencies expressed dissatisfaction, it arose from consultants' incompetence or unwillingness to adjust TOR to the needs of the agency or to misgivings about consultant loyalties.

evaluating the consultants as well as justifying the performance of the TA; and (iii) time allowed for assignments was too short to allow an effective development management program to be introduced.

69. If a report is to be used to elicit change, it is important that the report present a clear and concise charter for action. The actions to be taken should be easily understood, unambiguous, and well within the capacity of an agency to implement. TA reports did not conform to these simple rules. Too frequently, they contained sweeping recommendations with little specifics or an indication of what an agency needed to do to implement them. An example of a broad, nonspecific recommendation from a TA (No. 1302) that had little impact is as follows: The National Revenue Board should also be afforded greater enforcement and investigatory powers, by increasing its statutory powers and functions, if GOWS intends it to be an effective planning institution."

70. Consultants must produce products appropriate to organization needs as well as compatible with staff competencies. This was not always the case. TA No. 828 introduced for EPC an accounting system that required a 1 2-digit code for all accounts. Local employees found it extremely difficult to fill in a 1 2-digit code for every customer; they made very frequent mistakes and eventually gave up. This made the accounting system unmanageable.

VII. KEY ISSUES

71. Underlying the design and implementation weaknesses discussed earlier, there are what may be called framework or structural problems in the Government and in the Bank. This chapter deals primarily with these.

72. The choice of TAs strongly suggests that neither the Bank nor the Government was working to an overall capacity building strategy. Rather the Bank tended to focus on certain sectors like energy, financial institutions, SOEs, and economic planning, without relating these to an overall program directed at capacity building, something that would have improved the sustainability of changes introduced by the TAs. The Operational Strategy for Western Samoa, while it realistically identifies some of the weaknesses in government, does not construct a capacity building framework within which a coherent operational strategy for AOTAs can be developed. It needs to specify the key areas of government that require some attention in terms of improving institutional capacity and key technical and management competencies, and suggest a sequence of steps, some of which would be concurrent.²⁹

73. The Operational Strategy for Western Samoa needs to consider four important questions that significantly affect any program of capacity building: (i) examining the machinery of government, with a view to determining what the core business of government is and how it should be organized; (ii) determining what the core business of an agency is and directing assistance to develop that area of the agency's operations; (iii) providing cores of technical and managerial staff and organizing a succession planning and human resource development program to develop and support them; and (iv) designing human resource development programs focused systematically at (a) determining what competencies are required for the core business, and (b) designing a program to ensure staff acquire those competencies.

²⁹ The strategy also needs to pay special attention to PMD (which would normally be a final arbiter of policy formulation), TD (which determines the budget), and the Public Service Commission (PSC) (which manages human resources throughout the public service) as the central players in a capacity building program.

A. Machinery of Government

74. In Western Samoa, the limited talent available for the public sector out of a population of 165,000 is depleted by the private sector, which offers significantly higher employment packages, and by brighter employment prospects overseas. The public sector thus finds it difficult to recruit and retain a sufficiently large pool of human resources with adequate talent to run a conventional public sector of government departments and instrumentalities. Consequently, if the government is to deliver its services effectively, a radical rethink of how government is organized is necessary to ensure that the pool of available talent is not distributed too thinly across the public sector, and is being nurtured through the system such that it has appropriate and sufficient competencies and experience when it enters the management level.

75. The Bank as much as the Government needs a strategy about recruiting, developing, and retaining a pool of talent, so that TA designs are consistent in the way they approach institutional strengthening and the development of human resources. Personnel and economic factors make a case for a realistic assessment of what can be achieved in terms of capacity building within the Government, as well as for contracting out unsustainable requirements. At best, the Government may be able to deliver essential services such as peace and justice; treasury, finance, and foreign assistance; agriculture and infrastructure development; and utilities, local government, and disaster relief. The public sector can at best afford to nurture critical masses of competent personnel in key areas. Other skills may need to be outsourced.

76. None of the TAs was designed within the context of an overall government reform program except perhaps the four privatization TAs. While new organizational units were established, how they were to fit into an overall design was never explained (see para. 26). Few in Western Samoa would disagree that the machinery of Government needs review, but there does not appear to be any pressure on the Government to do so. Hence, there is little impetus for significant change. For a major reform of government to occur, first there needs to be a climate demanding such a reform. Such a climate does not yet appear to exist. A marked majority of the executing agencies (68 percent) considered that earlier reform of the public sector would not have improved the effectiveness of the TA concerned. Those that believed such a reform would have improved the effectiveness of the TA were equally divided between TD needing to provide greater delegated authority for expenditure and PSC needing to provide greater flexibility in recruitment and promotion opportunities.

77. A key to public sector performance lies in the way PMD, TD, and PSC organize and manage Government business. The three agencies need to work in consort if administration of the public sector is to be fully effective. There has been no study of these three agencies together and their role in an effective public sector, although there have been studies of TD and PSC.

78. Currently, the Ministry for Foreign Affairs is responsible for orchestrating bilateral projects and TD for multilateral projects. There is no coordination of priorities and requests for foreign assistance between those two departments, resulting in duplication in aid activities. For example, TA No. 1235 was provided for work in watershed management, which was under way under a New Zealand bilateral project. It also was being implemented alongside a FAO project with the same TOR in extension services. TA No. 2124 was designed to assist DOS produce a data base for gender-disaggregated studies at the same time that the Department for Women's Affairs made a separate approach to the New Zealand Government to help it develop a data base for gender-disaggregated studies.

B. Ensuring TA Focus on the Core Business of an Agency

79. Very few of the TAs focused on the core activities of a recipient agency. None prioritized the agency's functions, or indicated how the TA would be integrated into the operational plans of the agency. What management priorities are is important when determining how well a proposed TA fits into the ongoing work of an agency. In some cases, there would be a strong argument for a design document to be required to be based on an ongoing and funded work program of an organization. For example, there has been a succession of TAs working in the Economic Planning and Research Division of TD. Each of these TAs has focused on a different aspect of the Division's work. None are knowingly based on an idea of the priority responsibilities of the Division, given its very modest human resourcing. Consequently, they run a serious risk that their inputs will prove irrelevant as they do not conform with the real work priorities of the Division. The report of a recently completed one (No. 1790), for example, had not been digested by management either at the division level or at more senior levels in TD before another TA (No. 2030) was started, which focused on a completely different set of activities for the Division.

C. Providing for Sustainable Cores of Technical and Managerial Staff

80. There is a well-known need for development of a cadre of technical and administrative staff and the strengthening of middle management in Western Samoa. What is less well known is that there may be underdeveloped knowledge about how systems of public administration operate. Such major shortcomings are more effectively addressed across a whole public sector rather than in an ad hoc way in individual departments. No TAs in the sample were designed to work across the whole public sector.³⁰

81. None of the TAs where training was involved made allowances for the high mobility within and across agencies of talented, professional staff within the public service. As there is no effective succession planning system, any technical training program that trains only a small number of staff in an agency runs a risk that those trained will move on to another job before they are able to pass on their new competencies to their successors, necessitating a new round of basic training. In the TAs where training was imparted, some 71 percent were directed at four or less members of staff. Where counterparts were involved, rarely was there more than one person involved in a direct counterpart relationship with a consultant.

82. A possible way of meeting a broad need across a public sector is to train cores of technical and managerial staff and then ensure that there is a system that requires them and other senior management to help develop and mentor younger, junior staff entering into that technical or managerial stream. Being the central personnel agency, PSC could serve as the most appropriate location for such a program. A succession planning system could be evolved based on competitive recruitment, appropriate training, varied experience, and a set of incentives to elicit required responses. While PSC would be running the program, it could be overseen by a committee that could include senior officials of PMD and TD.

D. Assessing the Capacity of Management

83. None of the TAs appear to have dealt with the availability of management expertise to use the trained personnel or their product. In many cases, the agency did not have the management talent to make use of the trained personnel and to continue to develop them into the tasks envisaged

³⁰ TA No. 2030 tried to address this issue by requiring the consultant to conduct training classes and seminars for staff in the Planning Office and relevant staff in line ministries. But the training was not coordinated or related to any program conducted by PSC.

for them. In some cases, management excluded from training showed hostility toward the continuation of a new activity. An important lesson arising from this experience is that where training is confined within an agency, teams³¹ of managers and staff should be trained at the same time.³² If the training is focused on ongoing activities, then each member could be trained to fulfill his or her appropriate role in the team, and the work of the entire team upgraded.

VIII. RECOMMENDATIONS

84. The remedies for most design deficiencies and implementation inadequacies in chapters IV and V are self-evident once the problem is defined. This chapter responds to the key issues and brings together salient design considerations. It dwells largely on actions to be taken by the Bank, with Government initiatives dealt with in the last section.

A. Capacity Building Strategy

85. A comprehensive capacity building strategy will be the starting point for an upgraded Bank program of institutional strengthening in Western Samoa. The following steps are proposed:

- (i) The Bank needs to develop an outline of (a) what it regards as the core areas of business critical to the efficient functioning of Government; (b) how those business areas are most effectively organized; and (c) resources concentration such that the Bank assists one agency for one core area of business (e.g. DBWS for development finance). The outline will then serve as a framework for where TA is directed.³³
- (ii) Within this indicative outline, the Bank should develop an idea about how the machinery of government involving central and line agencies would most effectively work. This will help the Bank focus and balance an overall program between capacity building and institutional strengthening, the latter occurring with respect to both central and line agencies.
- (iii) Within the core business of Government, the Bank needs to identify the critical technical areas in which Western Samoa needs to develop a competent internal capacity and those which would not support the development of a critical mass of competent staff and therefore should more appropriately be outsourced. This would help prioritize investment in human resource development.
- (iv) The Bank needs to determine a long- and short-term strategy for capacity building. The long-term strategy needs to focus on a program to move Government to a consensus with the Bank about the need for (i) some rationalization of government, (ii) more effective structures for the delivery of public services, and (iii) more effective planning for the development of the public sector. The short-term strategy would focus on targeting essential improvements to enhance the

³¹ This will have the added benefit of mobilizing peer pressure to ensure the performance of persons of higher social rank (*matais*) serving in junior positions.

³² There could be layers of interlinked teams, with each leader of a team concurrently being a member of his or her boss's team.

³³ Defining core areas of Government will enable the Bank to focus on areas that are central to the Government, and avoid putting aid into agencies that might not have sustainable futures (see para. 26 [ix]).

effectiveness of the Government. In terms of the overall effectiveness of the public sector, TD,³⁴ PMD, and PSC can be important targets for assistance. The latter might be the most important with respect to developing a pool of competent officers able to move into and be effective in management positions.

- (v) The Bank should encourage the development of a succession planning system in the public sector so that it has a coherent basis for targeting its own training activities.
- (vi) The training in the TAs should go beyond technical training and be targeted at the organizational context in which the new technical skills are to be applied. It should address management and cultural issues³⁵ as well as other competencies required to make technical competencies operational and sustainable.

B. Specialized Assistance

86. The Bank should continue to fund TAs that deliver to the Government a periodic or occasional product that the Government itself does not have the capacity to produce, but does have the capacity to use appropriately, such as the soil survey maps produced by TA No. 1 065.

C. Criteria for Screening Institutional Strengthening Proposals

87. The Bank needs to develop a rigorous framework to screen AOTA proposals for leanness, consistency, and sustainability. It needs to ensure that

- (i) they conform with the overall Bank strategy for Western Samoa, which would provide the requisite development management framework;
- (ii) the effective client is identified and actively supports the project;
- (iii) the agency has demonstrable commitment to the TA. Where the TA affects multiple agencies, the central agencies are also committed to the TA and to the process envisaged;
- (iv) the TOR are clear about the institutional strengthening objectives and how the client expects them to be achieved, i.e., about the product as well as the process;
- (v) necessary conditions such as effective leadership exist in the agency to make successful implementation feasible, and all constraints to the effective implementation of the TA are removed as part of the agreement with the Government to implement it; and

³⁴ For instance, the Bank could assist the Government to develop an effective annual planning cycle as a framework within which to incorporate the desired economic planning, budget, and strategic management cycles. Once the cycle has been repeated for a few years, its information requirements would provide one mechanism for sustaining a demand for economic planning, which would set the overall parameters for the annual plans.

³⁵ Cultural traditions, traditional political institutions based on an active hierarchical system, and personal relationships play an important role in organization cultures and social life in Western Samoa.

- (vi) the TA has an internal reporting framework so that the progress of the TA can be guided as necessary.

D. Design Criteria

88. The following discussion is limited to some generic design criteria that need to be rigorously enforced.

- (i) An important aspect about any proposed outputs is that they are able to meet the tests of sustainability. The tests, in an institutional strengthening context, would include the following: (a) there is a current demand for the product and management understands that it might have to endure some "organizational pain" to obtain it; (b) the product is affordable, i.e. the Government must be able to continue to fund in its recurrent budget what the TA produces; (c) the product must be appropriate so that it can be maintained and serviced by the agency; and (d) there are mechanisms in place to ensure that there is a continued demand for the product and, consequently, there will be agency pressures to ensure that it is maintained effectively.
- (ii) TOR should either be based on or be required to produce a sufficient situational analysis of the agency, paying particular attention to the weaknesses to be addressed as well as the objectives of the TA. Without this, consultants will find it difficult to present a considered bid that will enable the Bank to appraise effectively the proposed methodology and the time span proposed.
- (iii) TA designs should provide measures of the efficiency and effectiveness of an agency. This base can then be used to measure whether or not an investment in a TA produces an adequate return. The key success criteria identified for an institutional strengthening program should include indicators to ensure that proposals of the consultants are focused on improving an agency rather than on only doing things for the agency, thus avoiding the pitfall of dependent development. The Bank should also use those criteria to monitor the performance of the consultants implementing a TA.
- (iv) The conventional duration of TAs should be extended. Institutional strengthening takes time. Establishing effective relationships with local management and staff is an important part of that process. After getting a program under way, often the agency needs occasional but regular assistance to help it overcome problems and to maintain the direction of its program. TAs, consequently, should be divided into two parts: the first, a continuous one to get a development management program designed and started; the second, a discontinuous one in which agency management receives continued assistance as and when it requires it or after increasing gaps.
- (v) Future TAs must target training for the mobile civil service professionals separately from the permanent staff of an agency, except when they are trained in teams, as well as placement of at least two senior/middle-level staff as counterparts/understudies of the consultants.
- (vi) The Bank should appoint professionals conversant not only with the technical side of management but also with the process of institutional strengthening, training to manage institutional strengthening, and training components of TAs.
- (vii) Consultants should be required to prepare a detailed program of work identifying the quality of outputs to be achieved and providing the Bank with a management reporting framework to enable it to monitor the implementation of a TA effectively. Staff who

develop the TA should review it on the completion of every major phase, step, or component.³⁶

- (viii) The Bank should require its consultants to write reports primarily for their intended users in Government. If a report is written for the Bank but cannot be understood by its intended user, it is of little value.
- (ix) The Bank should examine the opportunities provided by distance learning techniques to support its training programs to strengthen competencies in an agency.

E. Use of a Logframe

89. It is important that a coherent plan reflected in a logframe be part of the TA design and implementation. The use of the logframe in the design process will provide clarity; focus; interlinkage to the TA objectives, inputs, and outputs; and tangible measures of project success. Early in the assignment, e.g., in the inception report, the consultants must enlarge and refine the logframe to provide key outputs, milestones, and performance indicators that will allow monitoring and follow-up and form the basis for a reporting system. The plan should (i) relate the proposed assignment and the ongoing activities of the agency, with specific responsibilities for achieving targets allocated to agency personnel; (ii) contain a clear statement of the goal or objective of the assignment as well as the outputs, which are the strategies for reaching the goal, and establish targets; and (iii) clearly articulate the process by which the outputs are to be achieved so that appropriateness of that process can also be monitored and refined through experience. The plan should be flexible enough to meet unanticipated situations and be amended as necessary.

90. The most critical part of a plan or logframe is to define the goal of the assignment satisfactorily. The goal should be such that its achievement is within the direct (and, preferably, exclusive) control of the assignment. The definition could then serve as a basis for establishing what needs to be produced to achieve the goal (i.e. the outputs and strategies) and the importance of each strategy to the achievement of the goal. The effectiveness of the strategies can then be regularly monitored to determine how well they are contributing to the goal.

91. In any planning system, the feedback loop reporting progress, measured against plan, is very important. There will be occasions where changing political priorities can impair even the most carefully prepared plan. Change in the machinery of government, for example, can quickly render unachievable what seemed achievable goals at the outset. Consequently, there needs to be a systematic review mechanism whereby progress is carefully assessed, the likelihood of achieving the goal is reassessed, and consideration given to amending the goal and plan where the goal becomes unachievable or, alternatively, to terminating the assignment. What is particularly important to avoid is the situation of an unachievable goal and the consultants simply putting in time and making very little contribution to the future of the agency in which they are working. For the Bank, it is important that the staff concerned be made responsible for ensuring that an assignment is always focused on achievable outcomes for the agency concerned.

F. Government Initiatives

92. The Government needs to give serious thought to how its machinery is to be organized, keeping in view the constraints of the limited funds available, and the difficulty of establishing critical

³⁶ If this is not feasible, there should be a periodic review, say, every three to six months.

masses of essential professional and technical staff that can be developed, helped to gain the necessary experience, and retained within the public sector. The current multiplicity of Government departments and other agencies needs to be reviewed. Although the number of Government-owned enterprises has been reduced in the last decade, thanks largely to the four privatization TAs, a hard look at some others is needed. There still remains a large number of small line and other agencies, which probably add more to the complexity of Government than produce the required outputs.

93. Thought also needs to be given to how the work of the line agencies can be most effectively integrated with the work of the central agencies: PMD, TD, and PSC.

- (i) PMD could be a key to public sector reform. Currently PMD is seriously underresourced and would require significant strengthening before it could take up such a role.
- (ii) PSC should address the critical questions of how to reconcile the problems of the small talent bank and the small size of departments so that a pool of management talent is developed and retained to be available across the public sector.
- (iii) The implementation of the AusAID project and the proposed Bank project to strengthen the capacity of TD to plan and manage its budget cycle and, subsequently, to control Government-wide expenditure more effectively, must be coordinated to establish a meaningful planning cycle.
- (iv) Assistance to line departments and agencies should be centrally coordinated through an overall concept of or a plan for efficient and effective public administration. For example, management information systems and accounting systems should be standardized and linked up with TD.

94. A screening committee can be formed to coordinate external assistance and eliminate duplication and redundancy. It can comprise representatives of MF, Ministry of Foreign Affairs, and PSC, to be chaired alternately by MF and the Ministry of Foreign Affairs.

95. Western Samoa does not have the infrastructure of training establishments and training professionals as the market for training is too small. Some agencies have established their own training units, some under the aegis of TAs in this sample, e.g. DBWS. In the situation of Western Samoa, it may be best to have a small centralized training facility with the necessary physical infrastructure such as space, audiovisual equipment, computers, and a minimum of staff with competencies in the core disciplines of public sector administration and management. The facility can be used flexibly, with specialized technical training provided by professionals from within Western Samoa or outside. For generalized long-term training, such as degrees in public administration or management, distance learning facilities from universities in Australia, New Zealand, and elsewhere could be used.³⁷

³⁷ Many courses can now be developed closely with the customer, and then effectively be taught "remotely." Massey University is running a Diploma in Public Administration for Western Samoa through distance learning. A tutor visits Western Samoa periodically to run classes to discuss the case studies the participants have been doing through distance learning. Some of the training could be delivered through telecommunications links when they are established in Western Samoa.