

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: COSO

TA No., Country and Name			Amount Approved: \$180,000	
<b>TA 6152-REG: Development of Domestic Consultant Services in Developing Member Countries</b>			Revised Amount: N/A	
Executing Agency Asian Development Bank (ADB)		Source of Funding ADB TA fund	Amount Undisbursed: \$915.07	Amount Utilized: \$179,084.93
TA Approval Date: 16 December 2003	TA Signing Date: N/A	Fielding of First Consultant: 25 May 2005	TA Completion Date Original: 31 December 2005 Account Closing Date Original: 31 December 2005	Actual: 31 December 2007  Actual: 21 October 2008
<p><b>A. Description:</b> Consulting services are an integral part of Asian Development Bank's (ADB) operations. The consulting industry in the developing member countries (DMCs), compared to that in the developed countries, is less developed and DMC consulting firms rarely win contracts as lead consultant in ADB-financed projects. The constraints on the DMCs industry's participation reflect the conditions of underdevelopment.</p> <p>ADB' policy encourage the use of domestic/national consultant (Consulting Guidelines para 1.4d) in ADB financed loans and technical assistance (TA). In line with this policy, ADB has provided seven regional TAs for the development of domestic/national consulting services, and has conducted a total of 48 seminars in 20 DMCs since 1983. These TAs have helped to organize and strengthen consulting association in Bangladesh, India, Indonesia, Pakistan, and Philippines. They have been well received by DMC governments and consultants. There is also strong support among ADB's operations division for continued assistance to strengthen the consulting industry in DMCs. Due to the continuing need for ADB to strengthen the domestic/national consulting industry in DMCs, ADB's reorganization coordination group approved this regional TA under the category interregional knowledge products and services.</p> <p>Past seminars for the developments of domestic/national consultants and research by other multilateral agencies have shown that the domestic/national consulting industries in DMC suffer from several structural weaknesses. They are characterized by a small number of large firms and a large number of small and medium-sized firms. They generally have inadequate managerial skills that result in poor proposals and unrealistic cost estimates. Other common features distinguishing DMC domestic/national consulting industry from that of the developed countries include (i) involvement from public enterprises and general lack of discipline and competition, (ii) lack of independent and self –supporting professional societies to play supporting roles, (iii) inadequate incentives from the government for industry development.</p> <p>However, the above mentioned features vary widely among individual DMCs: some are close to developed countries while others are at an early stage of development. Based on these features, the consulting industry in DMCs was categorized into two groups: a more-developed group (MDG) and a less-developed group (LDG) in this TA. LDG included Cambodia, the Central Asian Republics, Lao People's Democratic Republic, Mongolia, Nepal, Pacific countries, and Viet Nam and the MDG included Bangladesh, India, Indonesia, Pakistan, Peoples' Republic of China, Philippines, Sri Lanka, and Thailand. The industry in MDG is more developed and organized but sometime lack familiarity with ADB's policies and procedures for recruiting consultants. On the other had, the industry in LDG tends to comprise only a few individuals and firms resulting in a lack of competition.</p> <p><b>B. Expected Impact, Outcome and Outputs:</b> The TA was intended to encourage and increase the participation of domestic/national consultants in ADB-financed TA and loans. The main output of the TA would be the enhanced capacity of domestic/national consultants in DMCs, as evidenced by (i) increased awareness among current and potential domestic/national consultants of the consulting opportunities in ADB financed projects, (ii) increased understanding of ADB's requirement and the procedures for participating in ADB financed projects, and (iii) enhanced capacity of domestic/national consultants to submit acceptable proposals to ADB and its borrowers.</p> <p>The TA was planed to provide for two types of seminars in selected DMCs: a basic seminar in less-developed group (LDG) countries and an advanced seminar in more-developed group (MDG) countries. Seminars were tailored to the specific needs of each DMC group. The domestic/national consulting industry and NGOs were consulted before each seminar is designed. At least six basic and six advanced seminars were planned each year during 2004 and 2005. In the Pacific and Central Asian DMCs, because of their geographic proximity to each other and the similarities of their consulting industry, the needs of two or three DMCs may be addressed through a single seminar. About 720 participants were targeted for these seminars.</p>				

**C. Delivery of Inputs and Conduct of Activities:** Consulting Services division implemented the TA activities. The resource persons for the seminars were the division staff with adequate knowledge of the DMC consulting industry and ADB's consulting services procedures. The division was responsible for (i) scheduling basic and advanced seminars in LDG and MDG countries during 2004 and 2005, and (ii) recruiting consultants as appropriate in each DMC scheduled for a seminar. The Resident Missions (RMs) in the LDG countries organized the seminars including advertising, renting conference rooms and audiovisual equipment, providing secretarial assistance, making logistical arrangements, and issuing invitations to interested participants.

Basic seminar covered (i) consulting practices and basic consulting skills; and (ii) ADB's consulting procedures and business opportunities. Advanced seminars focused on ADB's policies and procedures and also included business opportunities for domestic/national consultants. All the seminars were conducted in English; interpreters were also used when necessary. Though there was a plan to hire one international and one national consultant when necessary, only one national consultant was engaged. Seminars were delivered in Bangladesh, Cambodia, India, Indonesia, Kyrgyz Republic, Lao PDR, Mongolia, Nepal, Pakistan, Philippines, PRC, Sri Lanka, Tajikistan, Uzbekistan and in Viet Nam. Matching the most appropriate resource persons with the optimal number and type of participants required extending this TA.

**D. Evaluation of Outputs and Achievement of Outcome:** The number of basic seminars conducted was 10 against the planned 12 and for advance it was 13 against the planned 12. A total of 1,085 participants were trained against the planned 720 participants. Clients satisfaction with the seminar quality was generally very good, which was evident from the high demand and the number of repeat requests from DMCs for these seminars, as well as from the seminar back-to-office-reports which include the number of private sector participants and their feedback. The performance of ADB was therefore considered highly satisfactory. Performance of the hired consultant was rated satisfactory.

The TA design was appropriate and focused exclusively on building capacity of domestic/national consultants. It is evident from the record that more and more firms from DMCs are expressing their interest in Consulting opportunities in ADB funded projects than ever before. Consultations with key stakeholders resulted in strong ownership as reflected in the considerable logistical and financial support from the private sector organizations in hosting the seminars on capacity building for domestic/national consultants.

#### **E. Overall Assessment and Rating**

The TA was rated as *successful* with repeat requests for the capacity building seminars from the different DMCs. It is likely that the original success will be sustainable. Both outputs and outcome targets were fully met.

**F. Major Lessons:** It was evident that some re-formulation of the Development of National Consultant (DNC) concept was needed and future DNC seminars would have to be tailored even more closely to a DMC's unique requirements due to high demand for capacity development in local consulting industry. In terms of need, future seminars should focus more on DMCs categorized under LDG. Due to weak local consulting industry; these countries have to rely on international consultant(s) which is not a sustainable approach.

#### **G. Recommendations and Follow-Up Actions**

In order to tailor future DNC seminars more closely to a DMC's unique requirements, it is recommended that a SWOT (Strengths Weaknesses Opportunities and Threats) Analysis for each DMC market leading to a road map of actions accompanied with milestones and responsibilities needed to strengthen the local consulting industry to be undertaken.

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