



Operations Evaluation

EIB Technical Assistance
Outside the EU, 2003-2013

Synthesis Report

June 2014

Prepared by

Operations Evaluation

Bastiaan de Laat, Team Leader

Marie Egret

Mark Mawhinney

Sonia Vega Vega

Louise White

Ulrike van Geleuken

External Consultants

COWI

Milieu

CSIL



Ivory Yong-Prötzel

Head of Operations Evaluation

EVALUATION REPORT

Evaluation of EIB Technical Assistance outside the EU, 2003-2013

Prepared by

Operations Evaluation

Operations Evaluation
Bastiaan de Laat, Team Leader
Marie Egret
Mark Mawhinney
Sonia Vega Vega
Louise White
Ulrike van Geleuken

External Consultants

COWI
Milieu
CSIL

Ivory Yong-Prötzel
Head of Operations Evaluation

June 2014

* * *

NOTICE

The EIB has an obligation of confidentiality to the owners and operators of the projects referred to in this report. Neither the EIB nor the consultants employed on these studies will disclose to a third party any information that might result in a breach of that obligation, and the EIB and the consultants will neither assume any obligation to disclose any further information nor seek consent from relevant sources to do so.

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	III
MANAGEMENT RESPONSE	IX
TABLE OF RECOMMENDATIONS AND REPLIES.....	XI
PART I – INTRODUCTION, BACKGROUND AND MAIN EVALUATION FINDINGS	
1 INTRODUCTION	1
1.1 FOCUS OF THE EVALUATION.....	1
1.2 WHAT IS EIB TECHNICAL ASSISTANCE?	1
1.3 REPORT STRUCTURE.....	2
2 THE EVOLUTION OF TECHNICAL ASSISTANCE AT THE EIB.....	2
2.1 TA: FROM A DEMAND-DRIVEN TO A MORE STRATEGIC ACTIVITY	2
2.2 TA OUTSIDE THE EU	3
2.3 TA GOVERNANCE	4
3 EVALUATION METHODOLOGY	5
3.1 KEY STEPS	5
3.2 OBJECTIVES OF TA AND INTERVENTION LOGIC.....	6
4 PORTFOLIO REVIEW AND SAMPLE	7
4.1 PORTFOLIO REVIEW	7
4.2 SAMPLE	9
5 MAIN EVALUATION FINDINGS	11
5.1 TA IS OVERALL RELEVANT TO EU AND EIB POLICIES, BUT LESS OFTEN TO NATIONAL/REGIONAL/LOCAL, AND PROMOTER OBJECTIVES	12
5.2 TA HELPED IMPROVING THE QUALITY OF INVESTMENTS.....	12
5.3 IMPLEMENTING TA EFFICIENTLY IS A MAJOR CHALLENGE	13
5.4 SUSTAINING THE EFFECTS OF TA DEPENDS MUCH ON PROMOTER CAPACITY.....	14
5.5 EIB MAKES POSITIVE CONTRIBUTIONS TO TA – BUT ITS EFFORT IS DIFFICULT TO MEASURE.....	14
5.6 PROJECT CYCLE MANAGEMENT OVERALL SATISFACTORY, BUT MONITORING TO BE IMPROVED	15
PART II – SUCCESS FACTORS, AND LESSONS FOR IMPROVEMENT	
6 THE CORE OF TA: QUALITY AND UPTAKE OF TA PRODUCTS AND SERVICES	19
6.1 THE QUALITY OF TA PROVIDERS IS A MAJOR DETERMINANT.....	19
6.2 A GOOD PROCESS – ESPECIALLY IN INITIAL PHASES – STRONGLY CONTRIBUTES TO QUALITY	20
6.3 BETTER SEQUENCING AND SYNCHRONISATION, TO AVOID TA RESULTS OBSOLESCENCE	21
6.4 CONTAINING THE COST-QUALITY RATIO SOMETIMES DIFFICULT	22
6.5 EIB CONTRIBUTION/ MANAGEMENT APPRECIATED, YET TA SPECIFICS TO BE BETTER RECOGNISED.....	23
6.6 TA PROJECTS CAN BE HIGHLY COMPLEX	24
6.7 QUALITY TA DESIGN IS FUNDAMENTAL.....	25
7 REAL TA PROMOTER AND RECIPIENT INVOLVEMENT ENHANCES TA	26
7.1 PROMOTERS AND BENEFICIARIES SHOULD HAVE GENUINE INTEREST.....	26
7.2 CAPACITY BUILDING IS CRUCIAL ... (AND SHOULD BE AN OBJECTIVE AS SUCH)	28
7.3 NEEDS AND CAPACITY OF PROMOTER AND BENEFICIARY REQUIRE A GOOD ASSESSMENT UP FRONT	28
8 STRATEGIC FOCUS	29
8.1 TA EIB OUTSIDE THE EU – WHAT IS THE INTENTION?	29
8.2 “FIRST-COME, FIRST-SERVE” NOT AIMED AT OPTIMISING TA IMPACT.....	29
8.3 TA REQUIRES MORE INTERNAL RECOGNITION AND EIB STAFF CLEARER INCENTIVES	30
8.4 SYNERGIES WITH OTHER INSTITUTIONS, BUT <i>ESPECIALLY EU DELEGATIONS</i> , TO INCREASE IMPACT	30
APPENDIX – TA PROJECT PERFORMANCE	

GLOSSARY OF TERMS AND ABBREVIATIONS

ACP	African, Caribbean and Pacific Countries
ASD	Advisory Services Department (EIB)
CA	Board of Directors (Conseil d'Administration) of the EIB
MC	Management Committee (Comité de Direction) of the EIB
DAC	Development Assistance Committee (of the OECD)
DFI	Development Finance Institution
EBRD	European Bank for Reconstruction and Development
EDF	European Development Fund
ECON	EIB Economics Department
EC	European Commission
EDFI	European Development Finance Institution
EIB	European Investment Bank
ENP	Europe's Neighbourhood and Partner Countries
ESIA	Environmental and Social Impact Assessment
EU	European Union
EV	Operations Evaluation (EIB unit entrusted with independent evaluation work)
FEMIP	Facility for Euro-Mediterranean Investment and Partnership
FS	Feasibility Studies
IFI	International Financial Institution
IT	Information Technology
MENA	Middle East and North Africa
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Co-operation and Development
OPS	EIB Directorate for Operations (as from April 2014)
OPS-A	EIB Directorate for Operations in the European Union and Candidate Countries (before April 2014)
OPS-B	EIB Directorate for Operations outside the European Union and Candidate Countries (before April 2014)
PIU	Project Implementation Unit
PJ	EIB Projects Directorate
RAP	Resettlement Action Plan
REM	Result Measurement framework
RM	EIB Risk Management Directorate
RPF	Resettlement Policy Framework
SME	Small and Medium Enterprise
TA	Technical Assistance
TAU	Technical Assistance Unit (EIB)
TMR	EIB Transaction Management and Restructuring Department
ToR	Terms of Reference

EXECUTIVE SUMMARY

This thematic evaluation focuses on Technical Assistance (TA) provided by the EIB in "Development and Cooperation" and "European Neighbourhood and Partnership" (ENP) countries, over the period 2003-2013. In other words, it covers African, Caribbean and Pacific (ACP) countries, and Southern and Eastern Neighbourhood countries. This EIB activity falls today under the broader category of "Advisory Services", but for the sake of consistency with the period under review the statutory term *Technical Assistance* will be used in this report.

The evaluation intends to assist EIB governing bodies in the formulation of Bank policy and strategies, and enhance accountability and transparency. It also offers practical support to EIB operational Directorates. Finally, the evaluation may be of interest to public and private promoters, Civil Society Organisations and the wider public.

The evaluation focuses on the TA delivered by EIB through external TA providers (consultants) to TA promoters/recipients. TA delivered directly by EIB staff falls outside its scope. The evaluation does however assess how effectively and efficiently the EIB facilitated the delivery of those TA services. The evaluation is of TA operations and not of the underlying investment projects co-financed by the Bank. It evaluates their contribution to improving the quality and sustainability of (potential) investments by supporting project development, human, and institutional and governance capacity. It assesses how the TA operations contributed to EU policy and EIB mandate objectives, and to making projects compliant with EU policies and applicable standards.

The main conclusion of the evaluation is overall positive with regard to the effectiveness of the TA delivered by the Bank: TA generally contributed to improving preparation and implementation of EIB projects. However, the evaluation also found that obtaining quality TA often requires great EIB staff efforts to accompany and supervise

TA assignments. As time spent on those is not sufficiently well recorded by staff, the cost of managing TA is not accurately known to the Bank. On the basis of the available evidence, the evaluation deems that the cost may well be significantly higher than currently recorded. A further key insight is that, even if effectiveness is overall judged satisfactory, the efficiency and sustainability of the TA operations can still be improved. Efficiency is particularly problematic for large, multi-million-euro TA operations that focus on the implementation of large investment projects. Being situated in complex environments – in itself often a justification for providing TA – these suffer significant time and proportionally higher budget overruns. Sustainability was often weak as inadequate human and institutional capacity prevented TA recipients to continue benefiting from the results of a TA operation beyond its completion.

Starting virtually from scratch in the early 2000s, the Bank has taken on a *considerable*

<i>EIB TA 2003-2013</i>
<p>In the geographical area covered by the evaluation, from 2003 to 2013, the EIB signed 288 TA operations for a volume of EUR 242m of which EUR 177m were disbursed at 31 Dec 2013. These TA Operations were signed under 13 different Facilities/Mandates and involved nearly 140 different TA promoters in more than 40 countries outside the EU. For the year 2013 only, the estimated number of external consultants was around 220.</p>

number of TA mandates outside (and inside) the EU, in a relatively short period of time. Moreover, along *Lending* and *Blending*, from 2009 the Bank made *Advising* a priority. This rapid organic growth and the change in overall policy of the Bank, was until recently not underpinned by a more

strategic reflection on TA across the Bank. Strategies, if any, were defined per mandate or facility, or possibly by region.

The Bank has recently realised that in view of the substantial change in its volume, nature and scope, TA can no longer be managed *ad hoc*. In the second half of 2013, the Bank has defined strategic orientations for TA in Neighbourhood and Pre-Accession States. This lays the foundation for addressing the increasing demand for TA. The evaluation findings *strongly* confirm the need to further step up those strategic orientations and transform them into a fully-fledged strategy for TA outside the EU, consistent across the Bank.

The next paragraphs provide more detail on the evaluation findings

1) TA contributed to improving the preparation and implementation of EIB projects

The evaluation provides good evidence that most TA operations contribute to a better quality preparation of EIB projects than what could have been expected *without* the TA. The TA operations evaluated generally achieved their objectives and have led – or in the future are expected to lead – to improvement of the preparation and the implementation of concrete investment projects, traditionally the main aim of TA delivered by the EIB.

2) TA is relevant to EU/ EIB objectives, but less often to national/local/regional and promoter/recipient objectives and needs

The TA operations were relevant from the viewpoint of EU and EIB policies and objectives. Apart from focusing on improving the quality of EIB investment projects directly – originally the main goal of TA – they increasingly support human and in a few cases institutional capacity building.

Their relevance to national/local and promoter needs was less obvious. Needs assessments, frequently lacking, would have led to better designed TA operations, and to higher involvement of, and ownership by, TA counterparts and *their* local partners. Ultimately, this would lead to increased effectiveness.

3) Insufficient human and institutional capacity at TA promoter/recipient level was a main barrier for sustainability of TA results

The evaluation found evidence that, in about half of the cases, weak human or institutional capacity of TA promoters or recipients was a major threat to the sustainability of the results of the TA operations. Therefore these two aspects should be emphasised more explicitly in the future.

The Bank has promoted several “upstream” TA projects, i.e. TA to identify longer-term investment opportunities without linking this directly to a well-identified investment project. This is viewed as good practice to better

prepare for future activities. It is also an opportunity to identify needs and possible human and institutional capacity shortages on the side of potential TA recipients well ahead of concrete individual investments.

4) Good TA design is essential

TA design in some cases lacked strategic focus. Drafting Terms of Reference, especially for large TA operations that accompany investment projects on a long-term basis, often appeared challenging for the TA operations evaluated. These often are long lists of tasks and deliverables that consultants could *possibly* carry out. Small *preliminary* TA operations to prepare larger implementation-related TA were still the exception but the few present in the sample show that it is a useful approach which can make subsequent, larger, TA operations more efficient.

5) A good TA provider and strong involvement of TA promoter are crucial for TA quality and uptake

The evaluation suggests that obtaining good TA deliverables depends very much on the quality of the provider, including diplomatic skills to communicate effectively with the TA promoter and recipient.

The second and third major conditions observed for achieving an effective TA operation were the close involvement of the TA promoter/recipient during the process and its capacity to sustain the effects of the TA operation within the beneficiary organisation beyond the completion of the operation. In conjunction with assessing promoter needs, the Bank should therefore *more explicitly* assess promoter *absorption capacity*, which, the evaluation found, is seldom done ahead of a TA operation.

In most of the cases the Bank was the “Contracting Authority” as this gives more control over the selection and management of TA providers. Such role was delegated to only two TA promoters in the sample (managing 5 operations on a total of 35 in the sample). In order to enhance ownership, institutional capacity and therewith long-term sustainability of TA operations, the Bank should consider to more systematically grant the Contracting

TA performance is not linked to country, mandate or sector, but possibly to TA type

The evaluation does not show a general pattern in the performance of the projects, in view of country, mandate or sector. However, the large (i.e. multi-million euro) TA operations in the sample that supported *implementation* of EIB projects were generally less well designed, had more difficulties in reaching their objectives and were relatively less efficient, with significant time and cost overruns.

Authority role to TA promoters that are indeed capable to take on that role and at the condition that potential risks are mitigated.

6) The efficiency of TA operations is a major challenge, especially for the larger TA operations focusing on the implementation of large investment projects

Insufficient quality of TA deliverables directly affects the *efficiency* of TA operations. It affects timeliness, as well as the inputs that the Bank has to contribute to improve the TA deliverables. Poor initial quality requires many iterations between EIB, TA provider and TA promoter to bring a deliverable up to standard. In some cases it required replacement of consultants, and in one case even led to cancelling a contract and retendering it, leading to major delays.

One-third of the TA operations of the sample lasted twice as long as initially planned. There does not seem to be a correlation between the size of TA and timeliness. Cost overruns followed by budget increases occurred in about half of the sample. The large, long-term, TAs have relatively greater overruns, i.e. as a percentage of the total cost. Smaller “study type” TA operations are better contained in this regard.

7) Poor sequencing and synchronisation can lead to TA results’ obsolescence

In several cases where a TA operation was meant to accompany an investment project, often significant *de-synchronisation* occurred between the TA and the investment project. In one case the investment project started *before* the TA meaning the TA operation could not

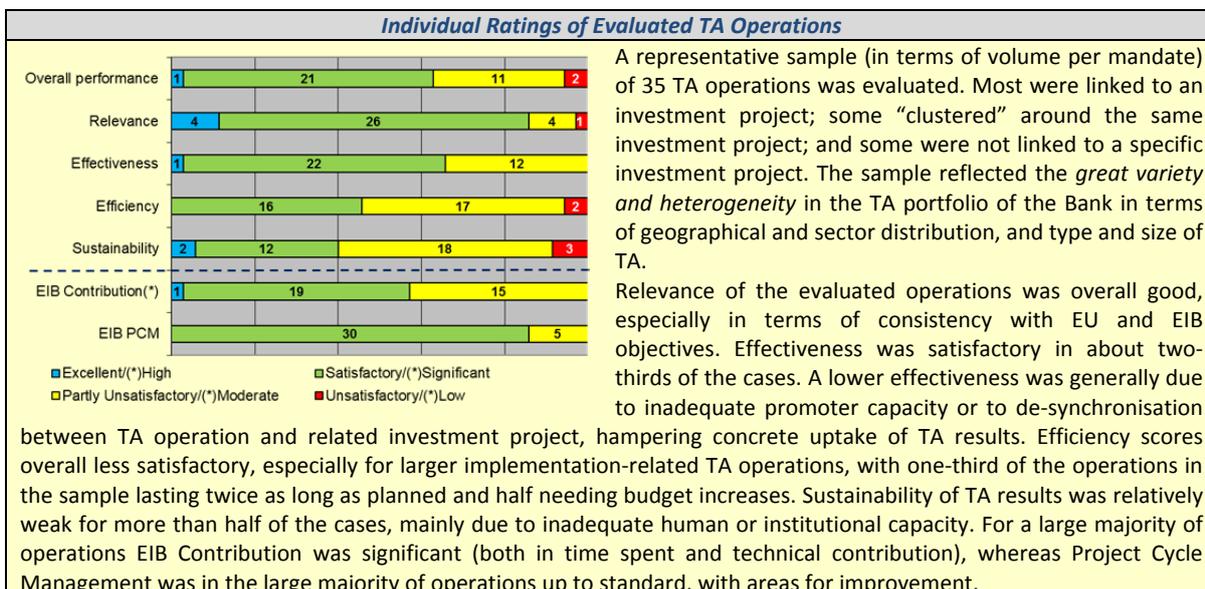
support the initial phases of the investment project. More generally however it is the investment project that is delayed. In such cases there is a risk that the TA assignment finishes before the investment project, and the TA consultants leave. This in turn can impact on effectiveness and sustainability of the TA operation. At the front-end of TA operations a similar phenomenon was several times observed when TA operations needed to rely on previous studies, which were too outdated or not of the expected quality. The sequence of interrelated activities – be they TA or investment projects – is difficult to manage and poor sequencing in several cases rendered TA results obsolete.

More generally, poor sequencing and poor synchronisation of the TA with other TA operations or the associated investment projects was often a reason for the inefficiencies cited above.

8) EIB contribution is deemed significant but its importance is not well recognised by the Bank’s management

Even though EIB staff was not itself providing the TA directly (this was done, for the operations evaluated, by external consultants), the EIB contribution to the TA operations is estimated to be considerable, both in time spent (i.e. labour cost) and in terms of the technical contribution to projects – preparing ToRs, procurement, interacting with TA promoters, supervising consultants, etc. The quality of the EIB contribution was highly appreciated by both TA promoters and TA providers.

The real cost spent by EIB staff on TA operations was however difficult to establish



as time dedicated to TA is often inaccurately recorded by staff. Moreover, estimates of staff time provided in TA requests ex ante do not correspond to estimates that were obtained during the ex-post evaluation.

The evaluation found evidence that TA is generally viewed less important as an objective for EIB staff, compared to, especially, loan signatures. This suggests that, even if the Bank recognises advisory services as an important complement to its lending activities, this importance seems not always recognised within the Bank, and is therefore seldom part of performance objectives, be it at individual, division or department level.

9) Procedures were well-followed but EIB is less well equipped to facilitate capacity building or large implementation-related TA

The procedures defined for handling TA are appropriate and well-followed, especially approval and procurement. However, due to internal structures and resource constraints, the Bank does not seem so well equipped to facilitate capacity building or large implementation-related TA operations, as compared to smaller “study type” TA operations. Monitoring, completion and internal coordination of TA operations (including assessment at completion) can still be improved. Quality checks of deliverables and monitoring efforts are very much dependent on time and availability of individual operational staff.

10) A more strategic approach to TA is required

Identification of TA projects takes place very much on a “first-come, first-serve” basis, driven by eligibility criteria and the possibilities for funding provided by individual mandates or facilities. A more overarching strategic approach to selecting projects or promoters that would be most in need of TA was not observed. There does not seem to be a concrete benchmark either to what a TA might cost, e.g. in view of the cost of the investment project or identified promoter capacity gaps. A more strategic approach could provide more guidance in the selection of TA operations.

11) To increase the impact of TA, synergies with other institutions need to be strengthened

The evaluation observed that cooperation with EC, with EU Delegations and with other IFIs generally brought benefits to TA operations. In particular, such cooperation was important in identifying and preparing TA operations, and for operations with a focus on human and institutional capacity development. Such cooperation can, in view of the evaluation results, still be strengthened at the benefit of the effectiveness of TA operations and of the investment projects they eventually serve.

12) The EIB is involved in complex projects, in difficult countries

Finally, it needs to be mentioned that events beyond the control of any of the directly involved parties had a great influence on several of the TA operations under scrutiny. In the geographical areas concerned, the most prominent event was the Arab Spring. Such events led in several cases to inefficiencies in the implementation of respective TA projects, as they weakened often already weak administrative, regulatory and management structures, leading to delays. TA operations in Syria – after Tunisia the second biggest TA recipient under this evaluation – were not assessed given the situation.

However, it is not only in Southern Neighbourhood that operations are difficult. More generally, one third of the projects of the sample can be characterised as being inherently complex. That is, they take place within tough, often conflict-prone, regional settings, involving multiple stakeholders from different countries or at national level – who are not necessarily used to working together – in technically difficult sectors. The complexity of the contexts in which the EIB works is important to consider in order to understand the difficulties that TA encounters – and it is often precisely the reason why TA is and will continue to be required.

Following from those observations, the evaluation has led to a series of recommendations, which are provided in the table below, after the Management Response. Several of the findings and recommendations that are formulated on the basis of this evaluation confirm and reinforce the directions that the Bank has started to take in the second half of 2013, pursued in parallel to the evaluation process. In particular, the Bank has defined strategic orientations for advisory services in the Neighbourhood (and Pre-accession) countries. These orientations acknowledge that, within a context of limited borrowing and institutional capacity, but

significant need of finance, there is a need for delivering better identified and tailored advisory products and services, not only at the project level, but also upstream, including for human and institutional capacity building. In conjunction with this more strategic approach, the Bank has also taken steps to better track the effort spent on advisory services. The recommendations that follow are meant to help the Bank to rapidly build further on those initial steps.

MANAGEMENT RESPONSE

The Management would like to thank the Operations Evaluation Division for their timely and useful report, which confirms that technical assistance brings a significant contribution to the projects financed by the Bank, notably by improving the borrower's institutional capacity and facilitating project preparation and implementation. As indicated in the report, technical assistance is highly valued by the Bank's borrowers. It not only supports the development of the Bank's lending (through better projects and faster approvals, signatures and disbursements), but also it strengthens the relationship between the Bank and its clients.

The specific EV report covers project related technical assistance provided by EIB managed consultants outside the EU. However, the services will explore the applicability of its conclusions and recommendations also for other types of advisory, including those TA activities financed through the loan. All specific recommendations and action points will be discussed at the Advisory Services Steering Committee and then further developed as appropriate.

The Bank's experience in providing technical assistance on difficult projects spans several decades and has been overwhelmingly positive. Indeed, it is largely as a result of its success that the activity has gradually developed and grown in prominence. The specific report analyses technical assistance operations carried out outside the EU between 2003 and 2013. During these ten years of activity, technical assistance activities evolved quite significantly and during the period under evaluation there were three distinct phases.

Up to 2006, the advice provided by the Bank's services was firmly embedded within the framework of the Bank's lending operations, and carried out in accordance with the Bank's external lending mandates and its Operational Plan, under the normal management oversight of the project cycle. For many years this 'bottom up' approach was the only type of assistance offered, and still represents the majority of the advice provided by the Bank. The strategy was simple, as well as being powerful and successful – to help the promoter successfully prepare and implement the project.

In 2006 a new period started with the creation of JASPERS which poised to become what is now the flagship and largest single advisory initiative in the Bank in terms of staff. During this second period (2006 to 2009), between the establishment of the new joint initiatives and the formal change to the statute of the Bank, much of the TA outside the EU was still being provided in the traditional way, although with access to increasingly diverse sources of funds to pay for the appointment of consultants.

In 2009, the EIB Statutes were amended to include technical assistance services and, in 2010, a set of guidelines governing technical assistance activities was approved by the Board of Governors. In 2011, a comprehensive report on all advisory activities (now issued on a yearly basis) was compiled for the first time. As the number of initiatives and the sources of available funds grew, a critical mass was eventually reached where it was recognised that the Bank needed a strategy that covered aspects of its internal approach which were common to all TA operations and needed to be applied consistently. Following the creation of the Advisory Services Department and the establishment of the Advisory Services Steering Committee chaired by the responsible Vice-President in 2012, an overall strategy regarding the development of advisory services (the "Strategic Orientations") was put in place and endorsed by the Board in 2013 and a pricing policy for advisory services was approved by the Management Committee. The integration of advisory programmes in a single department, as recently decided by the Management Committee, aims at further increasing the visibility and effectiveness of EIB advisory services.

This mixture of the Bank's traditional approach, with the addition of multiple new initiatives, gives the Bank's current advisory activities a multi-dimensional nature. The treatment of these different types of operation as a homogeneous group lacking an overall strategy does not do justice to the evolutionary, and inevitably ad-hoc nature of this activity and the flexibility of the Bank in responding to new demands and stakeholders.

As a consequence of the recent evolution, some of the recommendations made in the EV report have therefore already been largely implemented, leading to the integration of technical assistance activities within the *Lending, Blending and Advising* strategy.

Overall, as pointed out in the report, EIB's technical assistance activities have been well managed, in compliance with procedures and mandate specific requirements. Achievements have been largely positive, with almost two thirds of the reviewed TA operations scored excellent or satisfactory. The other third mainly concerns operations carried out in particularly complex or difficult environment, which suffered from the delays in the implementation of the underlying projects.

In that respect, the difficulty in measuring the success of TA should be underlined; the report tends to relate the success of a TA operation with the timely implementation of the underlying project and/or the sustainability of the promoter. However, in some cases, a successful TA could conclude that the contemplated project is not feasible and that it should not be implemented. In other cases, a follow-on TA operation may have to be put in place to address needs highlighted by a first TA operation; this does not make the first operation unsuccessful. The development (done by the Bank's services in 2013 and in close cooperation with EV) of a methodology to assess the expected output and outcome of new advisory programmes (based on an ex-ante needs assessment) should allow the Bank to even better ensure that tangible and measurable value added is brought by TA assignments. Significant progress has been also made in identifying the cost of managing TA and the time spent by EIB staff on TA operations, but care needs to be taken when attempting to link the amount of time recorded with the importance given to TA by the Bank's management.

The recommended development of upstream advisory work is also already implemented, as a number of recent initiatives, notably in the Southern Neighbourhood region, aim at assisting public authorities and project promoters in developing a pipeline of bankable projects. Capacity building and organisational development elements are already embedded in ongoing and completed TA operations. Additional engagement into pure capacity building support, as suggested in the report, would need to be carefully assessed in the context of a wider strategy discussion taking account not only of the benefits but also of the costs of such an option, including organisational and staffing implications.

To sum up: The development and delivery of advisory activities is one of the three pillars of the EIB Group activities of Lending, Blending and Advising. In fact, technical assistance continues to gain critical importance to prepare, implement and ultimately deliver its increasing project pipeline and the challenging targets as set out in its Operational Plan. Many important positive developments in the Bank's approach towards technical assistance were made in recent years and the Management Committee is confident that the Bank is well placed to further positively develop its activities in this important area.

TABLE OF RECOMMENDATIONS AND REPLIES

The recommendations below are based upon the evaluation’s findings and conclusions. They are presented under two headings: Strategy and Operational. The latter covers preparation, implementation and follow-up of TA operations.

STRATEGY	
R1	<p>Further develop a coherent strategy for TA across the regions outside the EU. TA has become an increasingly important instrument for the Bank and for project promoters in the last 10 years. This is testified <i>inter alia</i> by the increased number of mandates and facilities, specific TA initiatives (e.g. JASPERS within the EU), the creation of a specific Advisory Services Department within the Bank as well as the establishment of the Advisory Services Steering Committee in 2012. Yet the evaluation suggests that, over the period under scrutiny, the Bank did not have a coherent strategy or approach with regard to TA outside the EU – TA was embedded in the project cycle. If any, strategies and operational guidelines were defined mandate by mandate; their consistency across mandates and across the Bank was not ensured. This can become a significant risk in the future would TA activity continue to increase, as is expected.</p> <p><i>Recommendation:</i> In the second half of 2013, strategic orientations for TA in Neighbourhood and Pre-accession countries were formulated by the Bank. This positive effort needs now to be further built upon to result in a fully-fledged, more detailed, strategy. Such a strategy should address specificities and needs of the different mandates and facilities, and be consistent across the Bank. It should also include other regions. The strategy should define the purpose of different types of TA activities with respect to the Bank’s overall objectives and operational strategy. It should respond to questions including: whether TA should mainly support EIB co-financed investment projects and under which conditions other types of TA can be provided; what the level and purpose of “upstream TA” should be; if and how the Bank should engage and coordinate with other donors to support human and institutional capacity building.</p> <p>MANAGEMENT RESPONSE</p> <p>The Bank has progressively developed and now possesses a legal, strategic and operational framework within which all advisory activities, including technical assistance services, are now carried out. The Bank’s strategy for TA has developed gradually over many years, and will continue to change and adapt to new demands and circumstances – as it did with the formal incorporation of TA within the Bank’s statute in 2009. Increasingly diverse sources of TA funding are now being managed by the Bank, and this, for instance, has already changed the way in which TA initiatives are established and governed. More and more staff dedicated to TA have been employed by the Bank, including local technical agents. IFIs and other stakeholders are increasingly pooling their resources to make the most effective use of available funding resources. This will further improve synergy and cooperation (cf. Recommendation 5).</p> <p>Strategic Orientations for the development of Advisory Services, which include project related TA outside the EU, have been developed and endorsed by the Bank’s governing bodies. Specific orientations have also been established for the Neighbourhood and Pre-Accession regions. Advisory services are also an important element of the overall EIB strategy in the Bank’s countries of operations, and it forms part of the operational plans in FEMIP, ENCA and ACPs.</p> <p>It should also be mentioned that TA is a means, a tool, to help achieve the Bank’s overall strategy. The priorities as such are enshrined in the various mandates (FEMIP, ENCA and ACP), business plans and the Operational Plan. It is important to remain flexible: TA is often demand-driven and takes changing forms. At an upstream political level, it can identify market gaps and bottlenecks. At a project level, it can close a financing gap, a governance</p>

	<p>gap, a rate of return gap or an environmental and social standard gap – depending on the borrower, but also on what others (e.g. co-financiers) bring to the table. The difference between the two could dictate the appropriate amount of streamlining/strategizing possible.</p> <p>Action point 1: The Bank will further develop the strategic and operational framework within which the advisory activities are carried out. For instance, the Bank will discuss advisory activities in the Mediterranean in the upcoming FEMIP Committee meeting and will refine the strategic orientations for the development of advisory activities in other regions.</p>
<p>R2</p>	<p>Prioritise TA projects on the basis of needs. The evaluation suggests that the selection of TA operations is driven by eligibility criteria and availability of funding, and functions largely on a “first-come, first-serve” basis, which implies a risk of leaving needy promoters aside. Moreover, TA is still largely focusing on increasing the capacity to prepare or implement EIB co-financed projects (often only for the duration of the project). The evaluation shows that developing human and institutional capacity is crucial for the success of projects, but this question in the past was only addressed on an individual project basis.</p> <p><i>Recommendation:</i> As part of the strategy to be developed following the first recommendation, selection processes for TA operations should be based on a prioritisation of identified needs and gaps rather than the current “first-come, first-serve” basis. To this end, increased use, wherever possible and relevant, of, in particular, “upstream” TA should be made. In this, due attention should be paid to the issue of human and institutional capacity building. Human and institutional capacity building should be addressed, as appropriate, by EIB or partner institutions.</p> <p>MANAGEMENT RESPONSE</p> <p>For the majority of operations evaluated in this report, TA was provided as a condition of the Bank’s support for projects originated by the promoter on the basis of national policy and priorities, which although in line with the Bank’s lending priorities and mandate commitments, required some assistance in meeting the Bank’s due diligence standards in terms of their preparation or implementation. TA was provided only to those projects with an identified need – the needs assessment (compare Recommendation 6) being part of the Bank’s normal appraisal process. Most of the public sector promoters in developing countries already receive TA, either through the EIB or other IFI’s and BFI’s. The risk of leaving needy promoters aside is therefore limited. In the recent past, the Bank has increasingly carried out preparatory TA measures which include the design of tailor-made capacity building measures.</p> <p>Having said that, the Management concurs with EV that a first come first served approach should be avoided. For this reason, a “screening tool” has been developed by the Services (in cooperation with EV) and approved by the Advisory Services Steering Committee.</p> <p>Action point 2: Utilise screening tool developed to better prioritise advisory programmes and make sure that each new programme actually responds to pre-identified needs on the ground. In cases where the identified needs concern institutional capacity building, tailored advisory programmes can be implemented to address such needs.</p>

<p>R3</p>	<p>Better recognise the importance of TA. The evaluation suggests that TA generally has great value to TA promoters and recipients as well as for the EIB as it improves identification, preparation and implementation of current or future investment projects. However, the importance of TA does not seem to be sufficiently recognised within the Bank, and therefore it is only sometimes part of performance objectives, at individual, division or department level. Priority is naturally given to lending objectives, but a better balance needs to be struck to recognise the importance of TA for EIB projects.</p> <p><i>Recommendation:</i> The importance given to TA by the Bank as a complement to its lending activities should translate into making it more integral part of objective setting and performance references to provide adequate incentives for staff working on TA.</p> <p>MANAGEMENT RESPONSE</p> <p>The recognition of the value brought by technical assistance is evidenced by the integration of advisory services in the Bank’s lending, blending, advising strategy and by the establishment of a dedicated department (ASD) and high-level strategic committee (ASSC). The importance of TA is therefore fully recognised within the Bank and, with more than 200 EFT working on advisory programmes, advisory today constitutes a core EIB activity. The consolidation of advisory activities recently decided by the Management Committee is an additional step toward a strengthening of advisory and technical assistance activities and a sign of their importance for the Bank’s business.</p> <p>Action point 3: Improve the recognition in the staff objectives setting and performance evaluation process of the time spent on non-lending activities such as advisory services.</p>
<p>R4</p> <p>R4-1</p> <p>R4-2</p> <p>R4-3</p> <p>R4-4</p> <p>R4-5</p>	<p>Obtain a better view on the EIB resources used for TA outside the EU. It was observed that the time spent on TA assignments is not recorded systematically by the services in the Time and Labour (T&L) system; rather time is charged to the lending activity. In order to assess the consequences of TA for the EIB operational budget – and to decide, for instance, upon which part of cost needs to be recovered and which part should be on own resources – it is crucial to obtain accurate information on staff dedicated to and number of hours spent on TA so as to be able to assess the cost coverage. It is recognised that several steps to this end have been taken in 2013 with guidelines on time-recording being developed. This now needs further consolidation, as follows.</p> <p><i>Recommendations:</i></p> <ul style="list-style-type: none"> • A detailed description (“mapping”) should be prepared of the EIB internal processes and procedures related to EIB TA outside the EU. This should include but not be limited to an assessment of cost-recovery mechanisms for each TA under mandate. It should also include an assessment of the way in which different operational services as well as the Advisory Services Department’s Technical Assistance Unit (ASD/TAU) are involved in the management of TA. Streamlining opportunities should be identified on the basis of this assessment. • The quality of TA instruments-related time records should be better ensured. Staff working on TA operations should complete T&L records accurately in order to obtain a precise quantitative view of the time spent on such activities. • The cost-recovery of mandates for TA should continue to be monitored and steps taken to improve the cost coverage where relevant. This does not necessarily mean that all costs should be recoverable, but that a more precise view is needed. • The overall amount of resources available for TA outside the EU should be assessed and a multi-year projection of needs prepared. • In order to determine to what extent the management costs of those TA activities are actually covered by the associated revenues, the revenue recognition processes within the Bank should be reviewed, to assess whether they are effective and properly applied for TA outside the EU.

	<p>MANAGEMENT RESPONSE</p> <p>As indicated by EV, the Bank's time recording and costing systems have been enhanced over the past few months with targeted developments such that time can now be recorded either to individual TA operations, or to a specific code within a lending operation, thus enabling the total time spent to be identified. The consolidation of advisory activities should enable the Bank to better identify the revenues and costs associated with the provision of technical assistance and advisory services.</p> <p>Staff working on advisory programmes is encouraged to allocate the time they spent on TA into newly created costs, so that the cost associated with the provision of TA can be better identified and, as relevant, charged to beneficiaries or donors.</p> <p>Concerning the management of advisory programmes, it should be noted that almost all non-EU TA facilities have been harmonised over the last years. They follow the same working arrangements with a certain flexibility regarding reporting and financial administration. This flexibility is necessary to respect the various governance structures of the TA mandates.</p> <p><u>Action points:</u></p> <ol style="list-style-type: none"> 1. With the expansion of EIB TA activity into EU-28 (Bulgaria, Romania, FITAP, JASMINE, Western Balkans Investment Framework and Western Balkans EDIF) further harmonisation is needed to consolidate the former Ops B TA business model, particularly in the areas of IT infrastructure, procurement rules, financial administration & reporting and third party funds management. 2. Significant progress has already been made with regard to recording and costing systems and resource planning for staff working on advisory. Following on from the recent FAFA signature, business processes and procedures will also be adapted and further strengthened to the extent necessary and appropriate to ensure fulfilment of contractual needs.
<p>R5</p>	<p>Promote greater cooperation with other IFIs, BFIs and other donors to further enhance the TA value. Cooperation around concrete TA operations with other donors, and especially the EU, is structured on an <i>ad hoc</i> basis and not systematically done. The evaluation suggests that when such cooperation existed it was beneficial to the TA operation, TA promoter/recipient as well as to the involved institutions, e.g. because of alignment of objectives, avoiding double work, and pooling of funds.</p> <p><i>Recommendation:</i> Systematically assess the opportunity and need for cooperation with other IFIs, BFI and other donors in order to maximise benefits for TA operations and TA promoters/recipients, and ultimately, for the investment projects they serve. More and better exchange on the experience acquired with TA operations should take place in order to be able to collectively capitalise on them. Regular meetings could be held to exchange pipelines and link TA with the operational objectives of each institution.</p> <p>As the EIB is the EU Bank, its natural partners in this would be the EC, EU Delegations and the Member States. Possible cooperation with those three groups of stakeholders should therefore be always assessed with priority. The EU Platform for Blending in External Cooperation needs to be further built on. This should complement TA activities with other donors such as World Bank, EBRD, Asian Development Bank and others.</p> <p>MANAGEMENT RESPONSE</p> <p>Cooperation with donors (in particular the EC) and other IFIs is an integral part of the advisory strategy set out in the orientations endorsed by the Board. In this context, the Bank already maintains excellent relationship and co-operation with peer institutions on TA which has progressively been strengthened over the last few years. Recent examples include the EIB's strong participation in the Deauville Partnership with joint proposals with other IFIs, the preparation of joint action for Ukraine together with EBRD and a constant dialogue with the World Bank and AfDB on large infrastructure projects in ACP countries. A further</p>

	<p>strengthening of EIB’s external offices will contribute to a deepened EIB participation in donor consultations.</p> <p>The Bank has been successfully pursuing for some time the goal to create greater synergies with IFI partners (for instance Mutual Reliance Initiative). The extension of this idea to other partner IFIs and to TA operations would equally make sense, particularly for more upstream activities where there are more likely to be overlapping interests. Experiences to date with the lead financier concept (under e.g. NIF, ITF) have been promising.</p> <p><u>Action point 5</u>: EIB will further develop its cooperation with the donor community and financing partners, which should be supported by the further strengthening of the external offices. Furthermore, EIB will continue piloting innovative co-operation modalities with relevant partner institutions.</p>
--	--

OPERATIONAL

Preparation

R6	<p>Improve TA Design. The evaluation shows that the design of TA operations, including the Terms of Reference for the TA providers, was of variable quality. This was especially true for the larger, more complex TA operations linked to major infrastructure projects.</p> <p><i>Recommendation.</i> It is recommended to improve, on the basis of the good practice examples existing in the Bank and on the basis of the observations made in the present evaluation report (especially in Section 6.7), the quality of TA Design. A key role in <i>coordinating</i> this collective effort lies with ASD/TAU, whereas for the contents, PJ has an important role to play, in particular by drawing on, and formalising, the expertise of its “TA Champions” (i.e. staff with a long TA track, record with considerable TA experience). The following <i>non-exclusive</i> list of suggestions is made based on the insights of the evaluation:</p> <p>Needs assessments</p> <ul style="list-style-type: none"> - A TA recipient needs-assessment, frequently absent, should systematically be undertaken as part of the TA identification and design process (for instance, under a preparatory TA assignment referred to below). An in-depth assessment of the TA recipient’s capacity to absorb the TA results should be included and mitigation measures to address risks proposed. More emphasis on human and institutional capacity building in TA design is highly recommended. Guidance to EIB staff to perform such assessments should be developed. - The TA promoter should be closely associated to the needs assessment. - The ToR for the TA provider should be drafted based on the needs assessments’ results. <p>Development of ToRs</p> <ul style="list-style-type: none"> - For larger TA operations supporting preparation or implementation of major infrastructure projects a small preparatory TA study should be used to prepare the subsequent TA operation and define its ToR. - Quality control of TA ToRs should be introduced possibly by (internal) peer reviewing prior to TA approval. - TA ToRs should emphasise more the need to mobilise consultants with local experience and/or knowledge in TA project teams. - Several cases were observed where sequencing of TA operations with other TA operations or synchronisation with investment projects was suboptimal. The design should assess the risk that mismatches exist or may occur with other TA or investment projects, and propose mitigating measures if needed. - In individual TA assignments, a “ramp-up” (and possibly ramp-down) phase should
----	--

- be included if possible, to allow the TA provider and TA recipient to gradually get up to speed, rather than having a full team present from day one, which often turned out to be a costly and inefficient solution
- Guidance for EIB staff should be developed on how to draft TA provider ToRs.
- A database or repository of TA ToRs could be developed

Additional suggestions for the improvement of the TA Design are made throughout the report, especially in Section 6.7.

MANAGEMENT RESPONSE

Needs assessments

The Bank services do not launch TA operations without first assessing the need for such intervention. This assessment can take a number of forms, but for most of the project related TA reviewed as part of this report, the Bank’s appraisal due diligence constituted the needs assessment. The involvement of the promoter is limited to the appraisal process, and the need for TA becomes a condition of the Bank’s support. Large TA assignments are by nature more difficult and there is a need to build in a degree of flexibility at the outset. Subsequent variations from this initial plan are an inevitable feature of these projects, and the ability of the TA to respond flexibly should not be seen as an inefficiency, but rather a benefit. More complex multi-stakeholder initiatives go through a lengthy process of scoping and negotiation during which the needs are extensively discussed.

Action point 6-1: EIB services will assess the practical feasibility of this suggestion and decide on a case-by-case basis whether or not to perform a needs assessment, to be usually executed by external consultants.

Development of ToRs

Good ToRs are, of course, the prerequisite for good TA. The Bank’s approach is to employ senior sector experts in drafting these and then in subsequently managing the TA. No TA is the same, just as no project is the same, and the use of standardised ToRs has less impact than might be expected. The Bank relies on the use of experienced professionals supported by a network of similar colleagues. The experience gained from previous projects is the basis for the next one and whilst there is always room for improvement in the administrative aspects of document management and lessons learned, the Bank considers that relying on experienced professionals remains the best way to ensure that the intended results are achieved.

Action point 6-2: In view of increased demand for TA services delivery the Management supports the idea of enhancing the Bank’s human resources capacity, through a combination of measures such as (i) internal training, (ii) refinement and use of the existing roster of external experts for Bank managed TA, and (iii) staff recruitment.

R7	<p>Enhance TA provider quality. TA provider quality is key to the success of a TA operation; the different determinants of TA provider quality are provided in more detail in the report, Section 6.1. The TA provider needs the right balance of expertise, flexibility and diplomatic skills. As shown in several of the cases studied for this evaluation, especially the latter appear important to establish effective communication with the TA promoter/recipient, but have not been a major selection criterion, as, naturally, technical expertise prevails. Additionally, the involvement of local expertise, or the capacity of the TA provider to mobilise it when needed, improves the quality of the TA deliverables, may enhance the absorption capacity of the promoter/recipient and creates potential vectors for sustainability of the TA operation. Therefore involvement of local expertise should, wherever possible and relevant, also be a selection criterion.</p> <p><i>Recommendation:</i> Make sure that in selecting the TA provider, it has the right balance between technical expertise (which should continue to prevail as selection criterion), flexibility and diplomatic skills, as well as the ability to mobilise relevant local competence.</p> <p><i>MANAGEMENT RESPONSE</i></p> <p>Substantial efforts are made to select the best TA provider. TA service providers are selected on the basis of the quality of their technical offer and price which is in line with international good practices and existing EU regulations.</p> <p>It is not clear how a consultant’s diplomatic skills could be assessed in advance, particularly where a company is being appointed rather than individuals, or how the level of diplomatic skills would be traded off against technical skill and experience during the assessment process. The ability to behave diplomatically in a variety of cultural settings is normally considered to be a matter of experience, and those with relevant experience can usually be expected to have learned from it. However, issues can arise with individual consultants (and with individual promoters) which have to be resolved on a case by case basis, sometimes by the replacement of a particular consultant. These relationship issues are treated very seriously, since they have a direct bearing on the outcome, but the Bank’s approach is to treat this as a question of the ongoing management of the TA. Here again, the Bank’s use of experienced professionals helps to mitigate this risk. Existing arrangements and procedures allow the Bank to involve local expertise wherever it is required.</p> <p>In view of the above and in view of the evaluation’s general finding that the quality of TA providers is satisfactory, EIB Management does not consider this issue as a priority.</p> <p><u>Action point 7:</u> The Bank will continue to exercise the necessary rigour in selecting TA providers.</p>
----	--

R8	<p>Improve promoter involvement and ownership. In only a few cases the Bank had granted the “Contracting Authority” role to TA promoters. In those cases ownership, institutional capacity and therewith long-term sustainability of TA operations was clearly enhanced. Moreover, as the TA provider and promoter generally need to work closely together, it is important that the latter is involved in the TA provider selection process even in cases where it is not Contracting Authority. Finally, the need and purpose of TA Cooperation Agreements (normally established between EIB and TA promoter) are not always clear to the TA promoter and would benefit from better explanation.</p>
R8-1	<p><i>Recommendations:</i> Wherever possible and relevant, the Contracting Authority role should be granted to the TA promoter, depending on the capacity of the latter to take on this role.</p>
R8-2	<p>TA promoters should be systematically involved in the TA provider selection process. As physical attendance can sometime be onerous for TA promoters, alternative channels allowing TA promoters’ participation to be used whenever possible should be explored.</p>
R8-3	<p>Carefully explain the need and purpose of TA Cooperation Agreements to TA promoters.</p>
<p><i>MANAGEMENT RESPONSE</i></p>	
<p>8-1: The closer involvement of promoters in the selection and management of TA is clearly desirable, but not always practical, for many of the reasons mentioned in the evaluation. Whilst promoters must comply with EIB requirements in order to receive EIB support, there is no corresponding incentive to learn from the experience, whether they are closely involved or not. The use of TA is therefore an opportunity for promoters, and where conditions are suitable, considerable learning opportunities are made available by the Bank’s involvement. Those promoters who see the Bank’s conditions as an unnecessary burden, are unlikely to learn from the experience. The performance of the promoter during the implementation of previous projects is now systematically part of the appraisal of any follow up operations. Such institutional resistance is something which can only be broken down gradually during the course of a series of TA or project encounters. Unfortunately this is not always possible, but as a minimum the Bank ensures that its project is properly prepared.</p>	
<p>While the Bank should make an attempt to increase promoter involvement and ownership, it is clear that the Bank, being accountable for the careful use of public money and procedural compliance, would take additional reputational risks when delegating the Contracting Authority to third parties. Decisions on this issue are therefore to be made on a case-by-case basis only. Possibilities to increase promoter’s institutional capacity without full delegation could be a first step. It shall be noted that experience to date has shown that the delegation has slowed down the whole process during procurement and contract management stages.</p>	
<p><u>Action point 8-1:</u> Agreed and will be done where possible and relevant.</p>	
<p>8-2: For long-term or larger TA assignments, promoters are always invited to participate as voting member in the tender evaluation committee. This is reflected in the “Procedural Guidelines for Technical Assistance (TA) Operations”.</p>	
<p><u>Action point 8-2:</u> The Bank’s services will continue to proactively engage promoters in the TA provider selection process.</p>	
<p>8-3: This indeed needs to be better communicated to promoters in the future. <u>Action point 8-3:</u> Agreed.</p>	

R9	<p>Strengthen the “EIB TA Team”. The evaluation suggests that the TA teams internal to the EIB are set up in an <i>ad hoc</i> and relatively informal manner. This bears the risk of a weak definition of responsibilities, of confusion both internally and at the side of the TA promoter, and of weak coordination – this in several cases implied an operational risk.</p> <p><i>Recommendation:</i> Enhance EIB internal coordination and management of TA operations, along, <i>inter alia</i>, the following lines:</p> <ul style="list-style-type: none"> - Establish more formally the “EIB TA teams” in charge of managing the TA. The Bank’s internal <i>Project Team Initiative</i> could possibly be used as an opportunity to clarify the mechanisms of such a team. The members of this TA team should be designated during the TA identification and design phase, including the “coordinator” or “team leader” role (which, dependent on the type of TA, could be with PJ, OPS/GDs, OPS/ASD or TMR/-/EM). Roles and responsibilities during TA implementation for all members should be well defined, including the distribution of monitoring responsibilities. Key monitoring responsibilities in TAU’s Procedural Guidelines are to be clarified. - Based on TA work and timeframe, the time allocation per TA team member needs to be adequately estimated and monitored based on the expected duration of the TA. <p>MANAGEMENT RESPONSE</p> <p>There are many different types of TA intervention, but this particular recommendation appears to relate to the type of project-related TA commissioned directly by the Bank. For reasons of administrative efficiency and financial control, the Bank has chosen to concentrate the management of certain TA funds, and the administration of the related TA contracts, into a central unit. This unit interfaces mostly with the consultant, or provider, whereas the technical management of the TA, including the promoter interface, remains with the normal project team. Whilst this may have represented a cause for confusion for some consultant, this organisation proves to be extremely efficient.</p> <p>An EIB TA team is formally set up at TA pre-approval stage. Roles and responsibilities are clear: The loan/investment/monitoring officer leads on the relationship with the promoter, the PJ engineer/economist on the technical substance and the TA officer on the relation with the TA provider. For project preparation activities (e.g. master plans, feasibility studies), the lead is often taken over by the PJ engineer/economist, whereas project upstream TA activities under specific mandates are led by various services (e.g. loan officers, engineers, economists, Policy Analysts and Product Development Officers).</p> <p><u>Action point 9:</u> The Bank will continue to apply the principle of the Project Team Initiative with efforts to further strengthening the already applied “EIB Advisory team” model.</p>
----	---

R10	<p>Use more systematically Steering Committees for large TA operations. Steering Committees in all cases in which they were used appeared beneficial as they enabled regular communication and cooperation between EIB, TA promoter/recipient, TA provider and other key stakeholders (i.e. EC, IFIs, local stakeholders, etc.).</p> <p><i>Recommendation:</i> The use of Steering Committees should be considered in principle for all TA operations but <i>in any case</i> for the larger TA operations associated to larger infrastructure project preparation and implementation. At onset, reporting obligations, frequency and documentation of meetings, timeline and how to mitigate possible delays should be defined.</p> <p><i>MANAGEMENT RESPONSE</i></p> <p>The constitution of a formal Steering Committee may be beneficial, particularly for large master plan type studies with multiple stakeholders on the promoter side. However, it is left to the judgement of the sector professionals managing the study to decide on a case-by-case basis whether such an arrangement might be beneficial. In some cases the imposition of a heavy oversight structure can paralyse progress and is certainly not a prerequisite for success in all cases.</p> <p><u>Action point 10:</u> The establishment and running of (both formal and informal) Steering Committees has already been an established practice for large TA operations. For the smaller TA operations the possible setting up shall be decided by the EIB TA team, taking into account the principle of proportionality, promoter capacity etc. No further action required.</p>
-----	---

Implementation

R11	<p>Stress the role of EIB as process facilitator. A good and well-managed process is a major determinant of TA quality. The EIB does not manage all aspects of the TA process on a day-to-day basis as this is the responsibility of the TA provider, and TA promoter or recipient. However, the Bank has an important proactive role in making sure that this process is started up and runs smoothly, and in being able to detect potential problems early on. The main issues identified by the evaluation are relations between TA promoter and TA provider and the resistance that a TA promoter potentially may have against a TA operation, especially when imposed as a loan condition.</p> <p><i>Recommendation:</i> Managing the <i>process</i> well is an important success factor of TA operations and in this process EIB should always take the lead as <i>process facilitator</i> between the different parties involved. This can be achieved by developing guidance and possibly proposing training to EIB staff involved in TA – EIB’s internal “TA Champions” (i.e. staff with a long TA record, with considerable TA experience) could typically be involved in this as resource persons. An additional possibility is to exchange on this issue with partner organisations as per Recommendation R5. At least the following items are to be taken into account:</p> <ul style="list-style-type: none"> - communicating adequately to TA promoter and provider on content, objectives and benefits of the TA for the TA promoter and recipients; on EIB’s role in the TA; on the role of other stakeholders - promoting good dialogue between the different stakeholders, especially TA provider and promoter, to make sure all parties remain aligned throughout the process - facilitating a flexible approach during implementation and supervision
-----	--

	<p>MANAGEMENT RESPONSE</p> <p>The Bank and its project teams are well aware of the importance of proper management of TA providers. It is for this reason that experienced sector experts are given this task. A variety of guidance and training is already available to supplement the strong sector orientation which is the principal means by which experienced professionals can learn from experience and from each other. Those with more experience become the de facto ‘champions’, although this role could perhaps be expanded into a more formal one.</p> <p><u>Action point 11-1:</u> EIB services welcome EV’s suggestions and will explore options to “institutionalise” this concept.</p> <p>The Bank is equally well aware of the importance of clear communication on TA objectives, results and activities between the Bank, TA provider and the promoter (see recommendation 8).</p> <p><u>Action point 11-2:</u> EIB services will explore options to further strengthen the EIB’s role as a process facilitator.</p> <p>If the Bank “imposes” a TA assignment, particular efforts should be undertaken to convince the TA promoter of the importance of the TA. However, be aware that whilst promoters must comply with EIB requirements in order to receive EIB support, there is no corresponding incentive to learn from the experience. Such institutional resistance is something which can usually only be broken down gradually during the course of a series of TA or project encounters.</p>
<p>Follow-up</p>	
<p>R12</p>	<p>Improve monitoring. The quality of monitoring was variable. Whereas on the one hand several cases of very close monitoring of and engagement of EIB staff with TA operations were found, the evaluation also found weaknesses in the current way in which TA is monitored by the Bank, which, in about half of the cases studied was limited to a mere contractual and financial monitoring by TAU rather than a monitoring on contents by OPS or PJ.</p> <p><i>Recommendation:</i> Monitoring should be improved by building on the good practices existing in the Bank, in conjunction with the further development of the Results Measurement Framework (REM) by</p> <ul style="list-style-type: none"> - defining minimum, results-based, monitoring standards - enforcing regular reporting by TA consultants, - making sure timely and quality input/feedback is always provided by EIB staff to TA consultants - pro-actively involving relevant EIB staff during TA implementation (including regular discussions with TA consultants, i.e. field visits, phone conference, etc.) - improving filing of all key TA documents including monitoring reports - developing adequate information system for TA needs, within the framework of existing EIB systems (i.e. Serapis) - further enhancing monitoring wherever possible and relevant by a <ul style="list-style-type: none"> o stronger involvement of the promoter in monitoring effort o stronger involvement of the EIB external offices o stronger relationship with the EU monitoring missions o establishment of a Steering committee (see above)

	<p><i>MANAGEMENT RESPONSE</i></p> <p>The conclusion that in several cases there was no technical overview of the TA is difficult to understand, since at the very least, the consultant cannot be paid until the expected output is received and reviewed. It is always possible that best practice has not always been followed, but the suggestion that this is a systematic problem is not one with which the Management can agree, and is in any case contradictory with the findings of the evaluation that the Bank's TA improved the preparation and implementation of projects and that the EIB added significant value through its intervention.</p> <p>The REM framework is a methodology developed by the Bank to help monitor its projects. Insofar as the TA helps to achieve the project outcomes, then it is already incorporated. The extension of the REM framework to TA operations might be appropriate, but would require careful consideration. TA operations focus strongly on outputs, and the extension of performance criteria to outcomes would potentially be problematic for advisory activities for the reasons already mentioned. The provision of advice can be quantified as part of the TA, whereas the promoter is under no obligation to accept or learn from this advice.</p> <p><u>Action point 12:</u> Continued attention will be paid to efforts aimed at improvements of the TA monitoring system.</p>
<p>R13</p> <p>R13-1</p> <p>R13-2</p>	<p>Capitalise on past experience. The evaluation found little evidence that lessons identified at the corporate, country, sector, or individual TA level were systematically incorporated into new TA designs. It is especially important to better understand factors for success and failure of TA operations on the longer term.</p> <p><i>Recommendations:</i></p> <ul style="list-style-type: none"> • Self-evaluations that are carried out by the Bank on TA projects, are often made soon after project completion, and focus mainly on outputs, less on outcomes. The assessment should also be made at a later date to identify actual outcomes, to learn from this and feed it into new TA designs. • A systematic TA knowledge management process should be developed to collect lessons and key findings from TA, and ensure that they are used to improve subsequent TAs. All data and reports prepared by consultants should be regularly archived and easily accessible. <p><i>MANAGEMENT RESPONSE</i></p> <p>13-1: The focus on outputs is discussed above in relation to Recommendation 12. In most cases the successful outcome of TA is a successful project, or series of projects, and these are monitored as part of the Bank's normal project cycle procedures. The potential benefits of tracking less tangible outcomes over longer periods of time is less clear.</p> <p><u>Action point 13-1:</u> In order to further strengthen the TA self-evaluation system, EIB services will assess the potential to introduce a more detailed TA operation completion sheet that will include feedback from the TA provider and TA promoter.</p> <p>13-2: The Bank's approach to learning from experience revolves around the grouping together of experienced sector professionals. Whilst it is true that this relies on informal learning, and is therefore difficult to audit, it is nonetheless highly effective. However, it is true that particularly the dissemination of cross-sector lessons could benefit from a more structured approach towards capturing results and lessons learnt.</p> <p><u>Action point 13-2:</u> Bank services will further improve the TA document management system.</p>

PART I – INTRODUCTION, BACKGROUND AND MAIN EVALUATION FINDINGS

Part I contains the introduction to the evaluation, and defines its scope and structure. It provides an overview of the evolution of Technical Assistance delivered by the EIB outside the EU, and the list of mandates and facilities covered by the present evaluation.

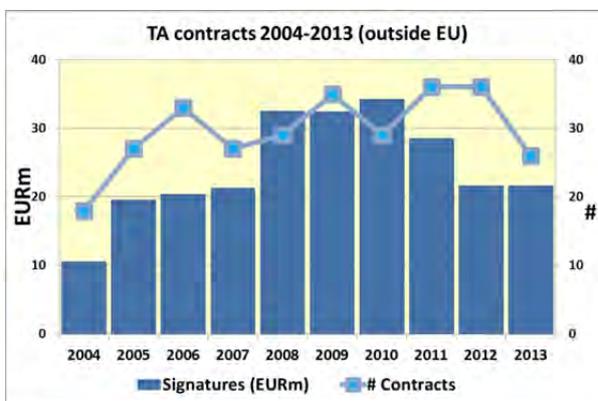
After a brief description of the evaluation methodology, the relevant portfolio is described and analysed over the period 2003-2013. It continues with the sample of individual TA projects assessed under the present evaluation.

The last chapter of Part I provides the main evaluation findings, on the basis of the analysis of the empirical material gathered for the present evaluation. The detailed analyses, articulated around the six evaluation criteria Relevance, Effectiveness, Efficiency, Sustainability, and EIB Contribution and EIB Project Cycle Management, are presented in the **Appendix** to this report.

1 INTRODUCTION

1.1 Focus of the evaluation

This thematic evaluation focuses on Technical Assistance (TA) provided by the EIB over the period 2003-2013 in "Development and Cooperation" and European Neighbourhood and Partnership (ENP) countries. By the start of this evaluation, in Central Asia and Russia no EIB TA activities had taken place yet, nor under the mandates for Asian and Latin American (ALA) countries and the Republic of South Africa. This explains the emphasis on Development and Cooperation, and ENP countries.



The focus is on the evaluation of the TA as such, not of the underlying investment projects co-financed by the Bank. The evaluation is intended to assist EIB governing bodies in the formulation of Bank policy and strategies, and enhance accountability and transparency. It also offers practical support to the Bank's operational Directorates. The evaluation may also be of interest to public and private promoters, Civil Society Organisations and the wider public.

This evaluation comes timely as a new programming period started in 2014 in which TA is expected to have greater emphasis than before.

1.2 What is EIB Technical Assistance?

The EIB is known for its lending operations, of which the majority is at the benefit of countries within the EU. However, the Bank is also active beyond EU boundaries, especially in Sub-Saharan Africa and Southern Neighbourhood countries, and increasingly in the Eastern Neighbourhood. In those geographical areas, lending operations are often preceded or accompanied by TA operations aiming at assisting promoters, national authorities and financial intermediaries to improve institutional or regulatory set-ups, investment projects and programmes, project identification and assessment methods, and financial and risk management. TA services may be provided to borrowers or to third parties, including the European Commission (EC).

According to EU and OECD definitions, Technical Assistance (TA) refers to the provision of know-how in the form of personnel, training, research and associated costs. It comprises donor-financed activities that augment the level of knowledge, skills, technical know-how or productive aptitudes of people; as well as services such as consultancies, technical support or the provision of know-how that contribute to the execution of a capital project.

In the case of the EIB, TA is highly diverse. It ranges from private sector support to support to infrastructure projects in a great variety of sectors and countries. It can directly support the implementation of EIB co-financed projects. It can also be positioned upstream, i.e. for (pre-) feasibility studies, or for assessment of market potential in a sector or region on a longer time horizon. At the EIB, TA today falls in the broader category of EIB *Advisory Services*. This report will however use the statutory term *Technical Assistance*.

EIB TA in non-EU countries, 2003-2013	
# Mandates/Facilities	13
# Operations	342
# Beneficiary countries	42
# NACE Sectors covered	16
Total volume allocated (EUR m)	319
Of which signed	242
Of which disbursed	177
# Contracts (incl. addenda)	296
# Different TA promoters	138
# Ext. Consultants, 2013 (estimate)	220
Source: EV Analysis of EIB data	

EIB TA is funded under a variety of mandates and facilities. EIB also often provides own resources. This can be financial, i.e. in terms of staff time and labour, not always refundable. It is often also a

technical contribution, by providing expertise in different phases of the TA project. Finally the EIB contributes with facilitation, e.g. by getting other donors on board. This evaluation focuses on the TA managed by the Bank through contracts *with external service providers* (e.g. consultants), financed with grants under the different mandates. TA provided directly by EIB staff is out of the scope of this evaluation.

The present evaluation is based on the in-depth assessment of 35 TA operations on a total portfolio of about 340 TA operations managed by the EIB under 13 different facilities and mandates between 2003 and 2013. It also includes results of a small survey among TA promoters and providers; a review to draw lessons from past TA evaluations by the Bank and other organisations; and on two focus groups with Bank staff. The evaluation was carried out from early 2013 to April 2014 with field work, including missions to 12 different non-EU countries,¹ mainly during October-November 2013.

1.3 Report structure

This report is structured in *two* distinct parts preceded by an executive summary which includes the recommendations table. They are followed by two appendices.

Part I provides the introduction to the evaluation, and defines its scope and structure. It provides an overview of the evolution of Technical Assistance delivered by the EIB outside the EU, and the list of mandates and facilities covered by the present evaluation. After a brief description of the evaluation methodology, the relevant portfolio is described and analysed over the period 2003-2013. It finishes with the sample of individual TA projects assessed under the present evaluation.

Part II focuses on success factors identified and lessons for improvement. After a succinct overview of the principal answers to the evaluation questions, Part II proceeds with the main success factors and lessons learned from this evaluation, organised around the following themes (1) TA quality and uptake, (2) TA promoter and beneficiary involvement, (3) the importance of matching TA operation in time with other TA or investment projects to increase effectiveness and efficiency, and (4) strategic focus.

The *Appendix* describes TA Project Performance. It contains the analysis of the performance of TA operations, based on the in-depth evaluations of the 35 TA operations carried out for this evaluation and whenever relevant other material coming from this evaluation (survey, focus groups). It serves, in the first place, accountability purposes: *did the TA operations live up to expectations and how did they perform?* This part of the report is organised around the six evaluation criteria traditionally used by EV and more broadly in evaluation, i.e. relevance, effectiveness, efficiency, sustainability, EIB Contribution and Project Cycle Management.

2 THE EVOLUTION OF TECHNICAL ASSISTANCE AT THE EIB

The EIB provides Technical Assistance in Europe and beyond. TA is to contribute to furthering EU policy objectives. During the years covered by the evaluation, TA developed from a more ad hoc activity towards a more strategic and coordinated delivery of "Advisory Services".

2.1 TA: From a demand-driven to a more strategic activity

The EIB extends TA services both within and outside the EU since the early 2000s. The establishment of a reinforced Investment Facility for Mediterranean Countries (FEMIP) and the entry into force of a new ACP-EC Partnership Agreement ("Cotonou Agreement") in 2003, as well as the EIB involvement in project-related TA for Acceding countries to attain European Union (EU) standards, laid the foundations for the role of EIB as a TA service provider alongside lending. Successive Corporate Operational Plans (COPs) from 2004 to 2009 increasingly underline the importance of TA to support the development of investment projects. During this initial period, TA was embedded in the project cycle and generally carried out at the request of partner countries and the European Commission (EC) rather than being strategy driven.

¹ Bénin, Burundi, Dominican Republic, Egypt, Ethiopia, Georgia, Kenya, Morocco, Mozambique, Rwanda, South Africa, Tunisia

With the Lisbon Treaty, TA was explicitly included in EIB's new Statute in 2009. Since then, the EIB can "*as a complement to its lending activity, provide TA services in accordance with the terms and conditions laid down by the Board of Governors [...]*" In April 2010, the Board of Governors adopted guiding principles on TA, defining key concepts and purposes. The aim of TA services is to "*help improve quality and sustainability of investments, and ensure compliance with EU policies and applicable standards*". In 2010, the Bank for the first time made a comprehensive inventory of the 30 active facilities and TA active operations.

From 2009, TA became a more strategic activity for the Bank. It was no longer only to support the Bank's operations but also had to help meet wider strategic partnership objectives – leveraging the Bank's contribution to the achievement of overall EU policy objectives.

Building on the guiding principles for TA and successive COPs, the EIB Group and its managing bodies endorsed a strategy on the development of Advisory Services which today constitutes the umbrella under which TA activities are carried out. Given the crisis context and the shortfall of investment proposals in the market, the Bank's focus was and remains on improving and accelerating the flow of projects suitable for investment. To this end, a number of actions have been initiated by the EIB Group Services following the strategy, including in relation to service development, pricing, screening, reporting, processes, communications and partnerships.

2.2 TA outside the EU

At European level, aid, including TA grants, is delivered and managed along the commitments of the Paris Declaration on aid effectiveness, i.e. ownership, alignment, harmonisation, results and mutual accountability. Further to the Paris Declaration, European Commission, Parliament and Council endorsed the European Consensus on Development, the Community's approach to aid effectiveness. This European Consensus defines the framework of common principles within which the EU and its Member States (MS) must implement their development policies. It sets objectives, seeking to meet the Millennium Development Goals, with the main objective of reducing poverty worldwide. At EU level, Community aid is driven by country, regional and thematic strategy papers, aligned with the needs stated by partner countries.

At EIB level, TA services in countries outside the EU are financed on EU resources (including European Development Fund (EDF) resources) and, to a limited extent, by contributions from MS, other donors and EIB own resources (the latter especially for EIB staff involved with TA). TA services outside the EU countries are aligned to EU priorities. Region, sector and/or instrument level strategic documents provide guidance on the actions to be supported. The table below outlines the instruments and regions covered by this thematic evaluation.

OVERVIEW OF TA INSTRUMENTS (Cumulative since the launch of each Facility; as of 31 Dec 2013)							
	Facility/Instrument	Period	Eligible countries	TA funding sources			Total TA budget (EUR m)
				EC/EU (EDF)	MS donors	EIB OR	
ACPs & OCTs	Overseas Countries & Territories (OCT TA- I & II)	2003-2013	OCTs	x			0.2 (*)0.225 (**)
	Africa, Caribbean and Pacific Investment Facility (ACP IF TA I & II)	2003-2013	ACPs	x			18.7 (*)60m (**)
	EU-Africa Infrastructure Trust Fund (EU AITF)	2007 – 2018	sub-Saharan Africa (not South Africa)	x	x		No TA threshold 798.3 (pledged amount)
	EIB-ACP Water Project Preparation Facility (ACP WPPF)	2008 – 2013	ACPs	x		x	3 (*) (0.75/p.a)
Neighbourhood	FEMIP Support Fund (FEMIP SF)	2003 – 2015	FEMIP Countries	x			15/p.a.
	Support to FEMIP	2010 – 2018	FEMIP Countries	x			12.5/p.a.
	FEMIP Trust Fund (FEMIP TF)	2004 – 2013	FEMIP Countries	x	x		4/p.a. (*)
	FEMIP Support Fund Turkey (FEMIP SF TU)	2004 – 2012	Turkey	x			3/p.a. (*)
	Neighbourhood Investment Facility (NIF)	2009 – 2016	Eastern region (a) Southern region (b)	x			100/p.a.
	Neighbourhood Investment Facility Trust Fund (NIF TF)	2008 - 2016	Eastern region (a) Southern region (b)			x	5/p.a. (*)
	Eastern Partnership TA Trust Fund (EPTATF)	2010 – 2016	Eastern region (a)			x	10 (*)
Multi-Reg.	Climate Change TA Facility (CCTA)	2005 - ...	Developing countries that ratified the Kyoto Protocol			x	5

Source: EV's own elaboration based on the EIB Group 2012 & 2013 TA Annual Report, ACP & ENCA Operational Business Plans.
 Easter Region (a): Armenia, Arzabaijan, Georgia, Moldova and Ukraine
 Southern Region (b): Egypt, Jordan, Lebanon, Morocco, the Palestinian Authority and Tunisia.
 EDF: European Development Fund (9th & 10th)
 MS: EU Member States
 EIB OR: EIB Own Resources
 (*) Amounts with * refer to thresholds, all other are total amounts.
 (**) Initially up to EUR 40m for ACPs & up to EUR 0.15m for the OCTs - In June 2012, the ACP-EU Development Finance Cooperation Committee approved the increase of the portion of the total subsidy envelope dedicated to TA from 10% to 15%- to cover the expected demand until end-2013 (from EUR 40m to EUR 60m). This decision is also applicable to OCT (now with a total TA envelop up to EUR 0.225m).

Initially, TA in countries outside the EU was mostly provided in conjunction with projects. The approach adopted was to partner with promoters to identify and support the preparation of financially sound and technically/economically sustainable operations. However, for a number of regions technical assistance does not have to be project-related.

In the coming years, at EIB level, the provision of TA and advisory services in the regions covered by the evaluation (both scope and finance) will be largely driven by Cotonou III (11th EDF 2014-2020) and the Financial and Administrative Framework Agreement (FAFA), negotiated between the EIB and the EC on the basis of the new Multi Annual Financial Framework 2014-2020 and signed on 7 May 2014. Hence the trend is toward a growing demand for additional sector or project related advisory activities, more project focused. Initiatives promoted jointly with the Commission will be prioritised, and the sector priority outside the EU will be on local private sector development, social and economic infrastructure and climate change mitigation and adaption.

2.3 TA Governance

At the end of 2013, the EIB Group was involved in 42 advisory programmes/facilities in- and outside the EU. The substantial increase of TA over the years, and the challenge of meeting the ever growing demand for project-related and policy support advisory services have generated resource implications for the EIB Group. The delivery of TA/advisory services at EIB Group level has evolved over the period covered by the evaluation. However, responsibility for technical assistance lies not within one single department. Depending on the type of TA (project related or not), the stage of implementation and tasks, TA operations involve loan officers, engineers/sector experts, economists, advisory/strategy services, and back-office support. Whilst TA is still scattered over the Bank, over the years, teams exclusively dedicated to TA emerged. In 2011, an Advisory Services Department (ASD) was established within the Operations Directorate of the EIB, covering both EU and outside EU advisory services. ASD deals with the technical assistance procurement, contract management and reporting (Technical Assistance Unit, TAU) and the strategy, policy and coordination dimension (ASD-1). In 2012, an Advisory Services Steering Committee (ASSC) was set-up, composed of senior

management of the EIB Group and chaired by one of EIB's Vice-Presidents. For the time being, the ASSC has been primarily concentrating on Advisory Services *within* the EU.

3 EVALUATION METHODOLOGY

In accordance with EV's Terms of Reference and internationally adopted (DAC and ECG) evaluation criteria, this evaluation assesses the performance of TA operations, and the contribution and project cycle management by EIB. The evaluation was carried out by EV staff with the assistance of external consultants.

Evaluation criteria

The evaluation criteria applied are "relevance", "effectiveness", "efficiency", "sustainability", "EIB contribution" and "EIB Project Cycle Management". In accordance with the Bank's evaluation procedures, individual projects are rated according to four categories: "Excellent", "Satisfactory", "Partly Unsatisfactory" and "Unsatisfactory" ("High", "Significant", "Moderate" and "Low" for EIB contribution).

3.1 Key steps

The evaluation included the following steps:

1. *Policy review.* A review of the evolving policy context of TA for the EIB during the chosen time frame, during which also an understanding of the different Mandates was obtained. This review formed the basis for the Intervention Logic used in the evaluation and presented below.
2. *Portfolio review* of 309 TA operations signed between 1 Jan 2003 and 31 Dec 2012 (the portfolio was updated to 31 Dec 2013 and re-analysed for the synthesis report).
3. *Literature review.* A review was performed of 30 past TA evaluation reports from EIB and other organisations, in order to identify main results and common lessons. One-third of these were earlier EIB evaluation reports, the remainder was from EC, and multi- and bilateral development finance institutions.
4. *Sampling.* A representative sample of 35 operations was selected amongst the 309 operations present in the portfolio at evaluation start. The sample reflects the variety of the portfolio in terms of geographical distribution but it also considers additional elements to increase potential lessons learnt for this evaluation (e.g. types of TA). Some operations were purposively selected because they were related, e.g. focusing on the same investment project ("cluster of TA operations").
5. *In-depth evaluation* of the selected 35 individual operations. The large majority underwent on-site missions, held from end September to mid-December 2013. Three were, for capacity reasons, based on desk research and telephone interviews.
6. *Survey.* In order to analyse more deeply a certain number of evaluation results from the in-depth results a Survey was held amongst a sample of 41 TA promoters and 42 TA providers. The response rate (24%; 20 replies) is considered low and the evidence therefore more indicative than statistical.
7. *Focus Group.* In order to analyse more deeply a certain number of observations from the in-depth evaluations specifically related to the Bank's internal functioning, two Focus Group meetings were held with a selection of staff involved with TA from the Bank's services.
8. *Workshop.* A workshop to discuss findings and recommendations with relevant EIB services.
9. *Synthesis.* Analysis and synthesis of the outcomes of all preceding elements, yielding this report.
10. *Consultation.* Consultation with services on two subsequent drafts of the present report.

The relevant operational departments were consulted through the various stages of the evaluation and for each of the 22 in-depth evaluation reports, covering the 35 operations.

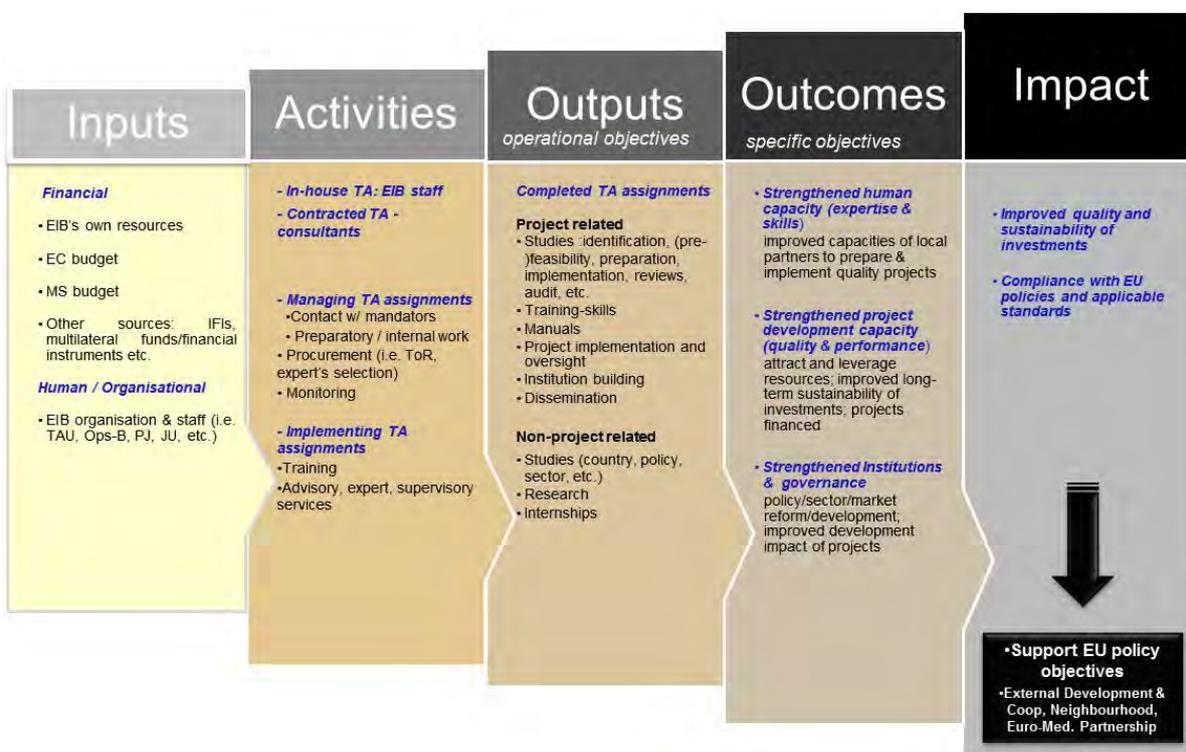
In relation to steps 5 and 6, it appeared extremely cumbersome to obtain contact details of TA promoters and providers within the Bank (about only one-third could be directly retrieved from the IT systems, for the remainder TAU and individual staff members responsible for the respective TA operations needed to be approached).

3.2 Objectives of TA and Intervention Logic

Within an operation, EV distinguishes between three levels of objectives: operational, intermediate and global objectives. Operational objectives relate to what is expected to be directly delivered by the implementation of the project or programme (“outputs”). Outputs are under the control of those who implement the intervention. Intermediate objectives correspond to the effects of the intervention on the direct beneficiaries (“results” or “outcomes”). Global objectives correspond to the direct and indirect effects following on from the outcomes, corresponding to often longer-term impacts. The more remote the effects are from the intervention’s outputs, the more difficult it is to attribute them to that particular operation.

Level	Generic TA Objectives
Operational	to complete TA assignments (of a variety of sorts)
Intermediate	to strengthen: <ul style="list-style-type: none"> - Human Capacity (Expertise & Skills) - Project Development Capacity (Quality & Performance) - Institutions & Governance
Global	<ul style="list-style-type: none"> - Improve quality & sustainability of the investments - Ensure compliance with EU policies and applicable standards - Support EU policy / EIB Mandate policy objectives

Based on a policy review, EV was able to reconstruct the generic objectives of the Technical Assistance provided by the Bank outside the EU, and reconstruct a Generic Intervention Logic of the Bank’s TA operations. This was confirmed by the services during the inception meeting.



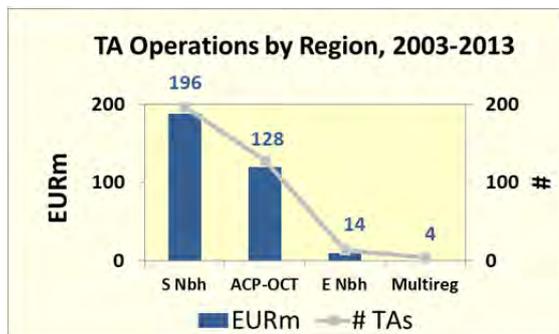
Individual TA operations hardly ever cover the full generic Intervention Logic. One operation can concentrate on e.g. project development and implementation whereas another will aim at strengthening promoter capacity. The TA operations under scrutiny in this evaluation were assessed against their own objectives only, as it would be inappropriate to evaluate them with regard to objectives they never meant to have. However, each TA operation contribution to the generic Intervention Logic’s objectives was assessed in order to better understand where the main focus of EIB managed TA lies.

4 PORTFOLIO REVIEW AND SAMPLE

This chapter considers the scope and evolution of the TA operations portfolio 2003-2013, and its sector and geographical reach. It concludes with the sample selected for this evaluation.

4.1 Portfolio review

Over the period 2003-2013, the Bank initiated a total of 342 TA operations corresponding to EUR 319m. As of 31 Dec 2013, 288 of those were signed, of which 193 (56%) completed. 40 (12%) were approved, whilst the remaining 14 were still at initiation stage. Slightly over half of allocated funding (EUR 177m) was disbursed at 31 Dec 2013.



The majority of TA operations are in Southern Neighbourhood countries, followed by ACP/OTC countries. In Eastern Neighbourhood and Partnership Countries activity is much lower due to its lower budget and recent start of TA Facilities. Disbursement levels under the TA facilities serving Southern Neighbourhood and ACP-OCT were higher than for Eastern Neighbourhood countries as they are older (70, 46 and 12% respectively of allocated amounts). A similar picture exists for the level of completed TA operations.

The average size of a TA operation is EUR 932k, the median EUR 284k, meaning that there are many smaller TA operations. There is great variation however, with values ranging from EUR 5 000 to over EUR 7 m. If one clusters TA operations related to the same investment project, a few cases exceed EUR 10m.

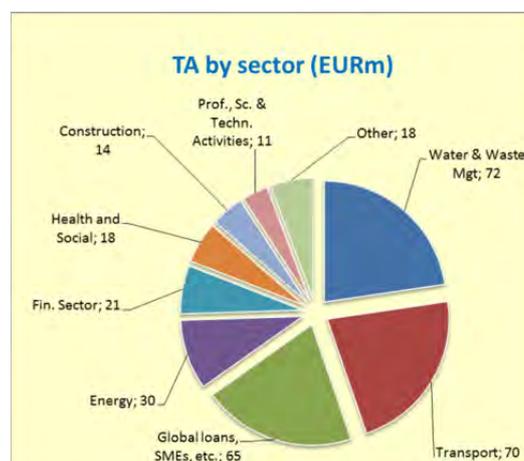
Whereas the 342 TA operations are spread over 42 countries in total, nearly 90% of the volume is at the benefit of 10 countries only (see insert), including “multi-country” as a separate category. Multi-country ranks number one on the list, and the majority of those projects (60 projects, but 80% of the volume for multi-country operations) concern ACP/OCT countries.

Country	Amount		Share	
	EURm	#TA	EURm	#TA
1 Multicountry	100	106	31%	31%
2 Tunisia	38	30	12%	9%
3 Syrian Arab Rep.	36	28	11%	8%
4 Morocco	32	42	10%	12%
5 Egypt	17	16	5%	5%
6 Lebanon	14	9	4%	3%
7 Turkey	12	7	4%	2%
8 Zambia	9	7	3%	2%
9 Jordan	8	7	3%	2%
10 Algeria	6	8	2%	2%
Total Top 10	273	260	86%	76%
Total TA Portfolio	319	342	100%	100%

In terms of single countries, Tunisia is the largest recipient country, followed closely by Syria and Morocco, the latter ranking first in terms of the number of TA operations.

The ACP/OCT TA portfolio shows a wider regional spread than for the Southern Neighbourhood, explained by the much larger number of countries and the smaller overall TA budget. Most countries here only have 1 or 2 TA operations.

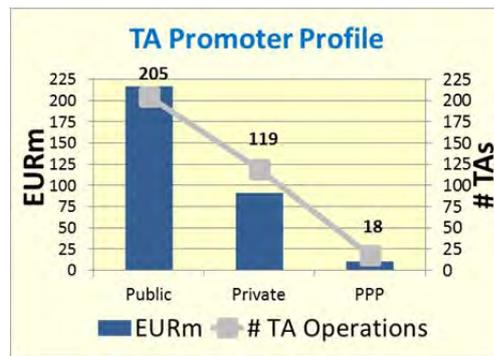
The “Water and Waste Management”, “Transport” sectors and “Global loans, L4SMEs and Mid-Caps” sectors together account for nearly two-thirds of the volume. The latter is the largest sector in number of TA operations, equalling more than one-fifth. Otherwise, sector dispersion is considerable.



The largest volume share in TA funding was to support project implementation (60%), but the largest share in numbers was for TA to *prepare* projects (171). Not surprisingly, TA operations to support project implementation are on average larger than preparatory TA operations. Around 40 TA operations (less than 5% of

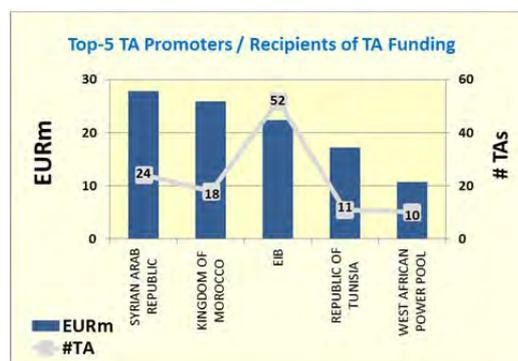
the funds) aimed at other types of TA, e.g. upstream studies.

About 60% of the TA operations target the public sector, one-third is with private sector promoters, the remainder focusing on Public-Private Partnerships (PPP). Most public sector TA operations are in FEMIP countries (122 out of 205), whilst PPP TAs are relatively more frequent in ACP/OCT countries (10 on 18 but 84% in volume terms). In numbers, the private sector TA operations show a more balanced regional distribution, but in volume terms are again higher for ACP/OTC countries (almost 60%).



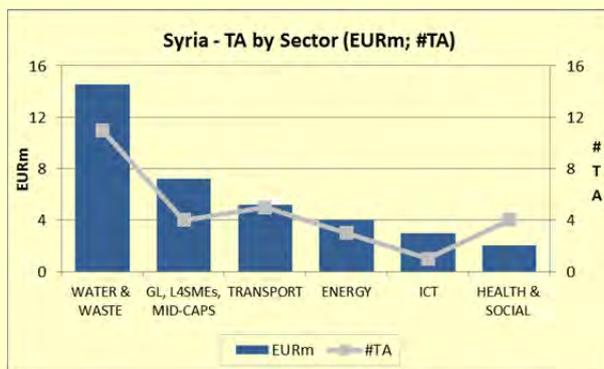
The top-five TA promoters (on a total of around 140) together represent one-third of the total TA volume and number of TA operations. The Syrian Arab Republic ranks first, closely followed by the Kingdom of Morocco. Many counterparts (24) had 3 or more TA operations, sometimes to support different aspects of the same investment project. Another 26 TA promoters benefited from 2 TA operations, whilst 89 TA operations were with one-off TA promoters.

The adjacent graph illustrates that EIB is the third largest TA promoter in the portfolio in terms of volume and the largest in terms of numbers of TA operations. EIB often proposes itself as promoter when upstream studies are concerned, as in such cases an external lead organisation often cannot be clearly identified. Studies are generally smaller in size than implementation TA which explains that EIB is the promoter for a great series of on average smaller projects than the other promoters shown in the graph. In several cases also, EIB is promoter of implementation TA when it deems that the promoter does not have the capacity to fulfil this role properly. Examples of both cases will be further discussed in the present report.



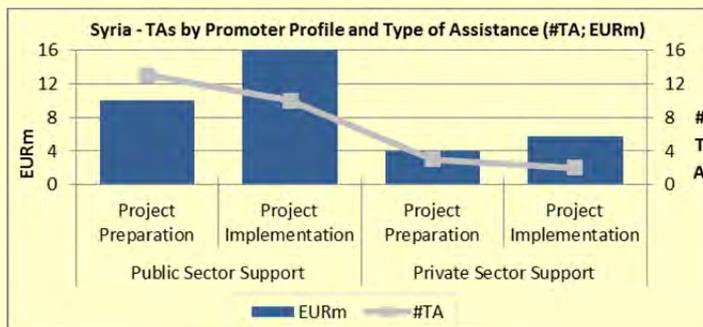
Focus on Syria: a major TA beneficiary until 2011

With 28 TA operations (equalling EUR 36m) the Syrian Arab Republic as a country has been one of the major recipients of EIB TA. It represents around 11% (volume) of the total TA portfolio and 22% of all TA funds allocated to FEMIP countries. As promoter the Syrian state even ranks number one, both in number of TAs (24) and total funding per TA promoter (8% of the total).



Given the situation in the country, no in-depth evaluations or any telephone interviews could be carried out in Syria. Following the Conclusions of the European Council of 23 May 2011 and EU restrictive measures adopted on 14 November 2011, all EIB activities in Syria were suspended. Since then, no activities have been undertaken out under TA contracts in Syria. The present box aim nevertheless to provide some detail about the types of TA projects that the EIB supported in that country.

TA in Syria substantially targeted the water and waste management sector (40% of total TA funds), followed by Global loans / SME funding, Transport and Energy (see insert).

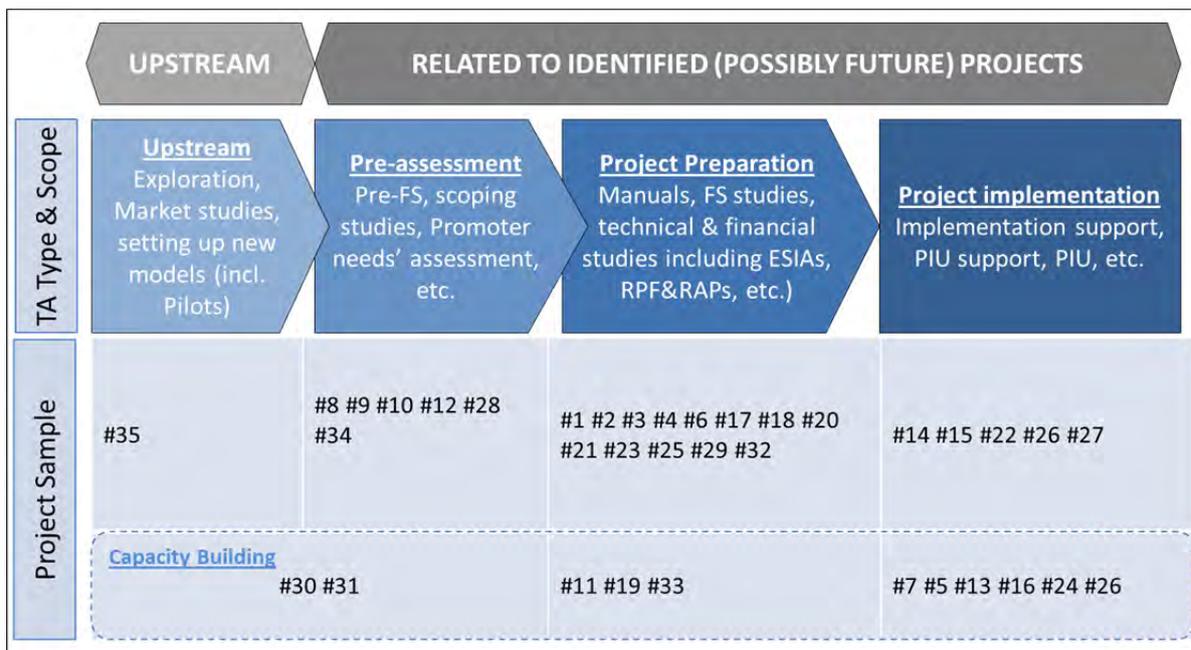


Public sector was the main beneficiary (EUR 26m; 23 TAs). The remaining 27% was at the benefit of private sector promoters (EUR 9.6m, 5 TAs). TA mainly concentrated on support to project implementation.

4.2 Sample

On the basis of the portfolio *at evaluation start* (309 operations) a sample was selected *to reflect the great variety and heterogeneity of the TA portfolio* in terms of mandates/facilities, type of TA, geography, sector, type of promoter and size. Only operations with disbursement of 60% or more were taken into account in order to make sure that sufficient progress was made. The sample, which is representative for the portfolio in terms of volume per mandate, is provided in the table below. Most TA operations in the sample relate to an investment project; some “clustered” around the same investment project or promoter; and some were not linked to a specific investment project. In this report (including the Appendix) the projects are referred to by the number in the left column. In line with EV’s Terms of Reference, promoter identities are not disclosed for confidentiality reasons.

Project #	Approved amount (EUR)	Country / Region	Mandate / Facility
1	914 364		COTONOU 1
2	900 378	West Africa	EU-AFR ITF
3	1 363 150		
4	1 441 674		
5	1 494 628		
6	34 950	All Africa	COTONOU 1
7	461 128	Ethiopia	COTONOU 1
8	200 000	Ethiopia	COTONOU 2
9	283 200		
10	32 650	Ethiopia	EU-AFR ITF
11	3 758 537	Rwanda, Burundi, RDC	EU-AFR ITF
12	34 900	Dominican Republic	COTONOU 2
13	928 700		
14	4 199 120	Kenya	EU-AFR ITF
15	6 694 520	Morocco	FEMIP SUP
16	1 924 120		
17	173 972	Morocco	FEMIP SUP
18	74 772		
19	999 582		
20	131 250	Morocco	SUP FEMIP
21	2 087 370	Tunisia	FEMIP SUP
22	2 534 900	Tunisia	FEMIP SUP
23	1 162 819		
24	778 850		
25	146 354		
26	914 800	Tunisia	FEMIP SUP
27	1 248 890	Lebanon	FEMIP SUP
28	379 841	Jordan	SUP FEMIP
29	170 000	Egypt	SUP FEMIP
30	7 197 796	South Mediterr.	FEMIP SUP
31	139 500	South Mediterr.	FEMIP TRU
32	237 500		
33	60 300	Egypt	NIF TF
34	189 257	Georgia	NIF
35	189 000	Armenia, Azerbaijan, Georgia, Moldova, Ukraine	EP TA TF



The Bank distinguishes between TA to accompany the implementation of EIB co-financed investments, TA for preparation and “other” TA. For analytical purposes, EV has further refined this classification on the basis of the fieldwork, in particular the in-depth studies, by refining notably the “other” category. This allowed EV to further classifying the sample projects, as follows.

The most common form of TA in the sample – reflecting its presence in the portfolio – is TA to support the preparation or implementation of identified (often signed) projects co-financed by the Bank: “Preparation TA” and “Implementation TA”.

At the other end of the spectrum one finds TA operations positioned upstream from projects because they explore new investment opportunities or perform market studies, without necessarily having an underlying project well defined as yet. These may include pilots. Such TA operations can also include a capacity building component e.g. through a training programme. Upstream projects are few and ACP mandates even do not allow to fund non-project related TA. However, they seem to be of increasing importance for the Bank to anticipate possible investment opportunities on a longer time horizon.

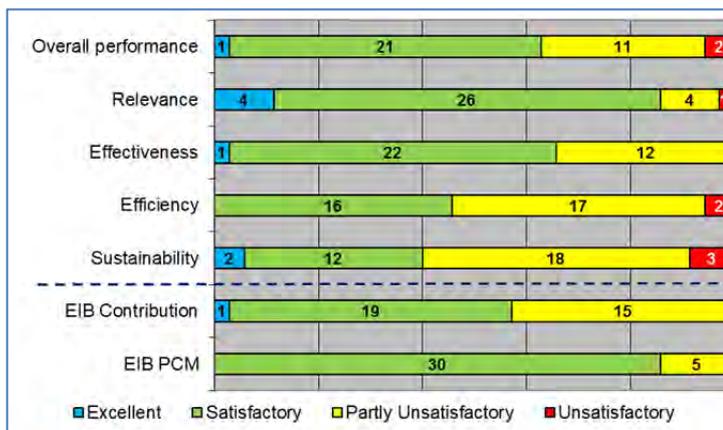
In between those categories are “Pre-assessment” TA operations. Those serve to determine whether any work should be carried out before a project can be further prepared (e.g. appraised by the EIB). The results of those TA operations therefore do not feed in directly into the investment project itself, but often into additional Project Preparation TAs.

This classification will be used below in this report *inter alia* as a parameter in the assessment of TA performance.

5 MAIN EVALUATION FINDINGS

The present chapter, which closes Part I of this report, lists the main findings of the thematic evaluation against the evaluation criteria of Relevance, Effectiveness, Efficiency, Sustainability, EIB Contribution and EIB Project Cycle Management (PCM).

An overview of the ratings of the in-depth evaluations is provided in the adjacent graph. More detail is provided in Appendix 1 which contains the analysis of the in-depth evaluations.



The *overall performance* of the TA operations was found satisfactory for nearly two-thirds of the sample; in one case it was deemed “excellent”. This was in the case of a preparatory TA in the financial sector which was highly relevant and effective, efficiently run, and well used in follow-up operations. There appears to be no general pattern in the performance of the projects, in view of country, mandate, sector or TA type. However, the large (i.e. multi-million euro), implementation-related TA operations in the sample were generally less well designed, had more difficulties in reaching their objectives and were relatively less efficient (with both significant time and cost overruns). For two TA operations – around the same investment project – performance was deemed overall unsatisfactory as, despite their technical quality, ultimately their results were ignored by the promoter.

Relevance was overall deemed satisfactory or better, especially because of the good consistency with EU and EIB objectives. Three out of the four “excellent” cases were financial sector TA operations (microfinance) in ACP countries, well aligned with all levels of objectives (EU, EIB, national/regional/local and promoter). Generally however, the relevance of the TA operations to national/regional/local and promoter’s objectives was found weaker than their alignment to EU and EIB policies. This would in some cases lead to low ownership at promoter level from project onset.

For the cases with a lower score on the Relevance criterion, TA design could have been better, in terms of planning, estimation of resources and, especially, response to promoter needs. This is notably the case for the large long term TA operations that support implementation of large investment projects.

Effectiveness was satisfactory in about two-thirds of the cases. A lower effectiveness was generally due to lack of human or institutional capacity of the promoter preventing a satisfactory uptake of TA results. Effectiveness was sometimes also lower because of the poor timing of the TA operations. This was either related to problems with *sequencing* of TA operations with other – TA or investment – operations (both before and after), or because of *de-synchronisation* between the TA operation and the related investment project. In such cases the investment project was generally delayed which meant that the associated TA stopped too early and ran the risk to become partially obsolete.

Efficiency, with one-third of the sample lasting twice as long as planned and about half of the sample requiring budget increases, scored overall less satisfactory. This was again especially the case for the bigger TA operations aiming at supporting the implementation of major investment projects. Such operations appear difficult to contain in terms of time and especially cost. As suggested above, an important reason is that ToRs were not always precise with regard to the tasks that the TA provider needed to carry out: they often were long lists of *possible* tasks that could be carried out without prioritisation. Low efficiency in such TA operations was often also caused by initial frictions between the TA provider and the TA promoter or recipient, which slowed down the process.

Sustainability of TA results was relatively weak for about half of the cases. In other words, whereas the TA could be of good quality in terms of responding to the technical specifications, its results were not taken up by the intended beneficiary groups, and therewith were ultimately deemed not useful. The main reason for not being able to maintain the outcomes generated by a TA operation, and continue to reap the benefits *beyond* the TA operation, was lack of human or institutional capacity at the side of the promoter or the TA recipient.

In more than half of the cases EIB Contribution was found significant (both in time spent and technical contribution) whereas Project Cycle Management was up to standard.

The remaining sections below further work out the main findings of the evaluation.

5.1 TA is overall relevant to EU and EIB policies, but less often to national/regional/local, and promoter objectives

TA operations were overall relevant to highly relevant in view of EU and EIB policies and strategies. However, their alignment with national/regional/local policy and with promoter needs gives a mixed picture.

In most cases, TA is meant to fill capacity gaps at the TA promoter or recipient side in terms of project preparation or implementation. In many cases in the sample the TA operations were indeed to respond to a lack of staff, or a lack of the necessary experience, in the management of large infrastructure projects, which, if not addressed, represented major operational risks for the investment projects concerned or reputational risks for the Bank. In only a few cases however, an explicit needs or gaps assessment was undertaken *ex ante*. In the majority of cases such an assessment remained implicit, based often on the Bank's experience with the promoter. Evidence shows that an explicit needs assessment upfront can be a success factor. Conversely, *not* undertaking a clear needs assessment led to TA operations being only weakly relevant, to erroneous assessments of the TA recipient's absorption capacity which is important for the uptake of TA results in later stages, to missing out on key stakeholders to be involved in the process or on the need to apply relevant national legislation, for which the TA promoter lacked expertise and/or resources.

Increased use of "upstream" TA is good practice
 The evaluation views as good practice that the Bank since a while also launches projects situated more upstream in the TA project cycle. These are not linked to a concretely defined investment project, but meant to identify needs and, from those, possible future investment opportunities. Examples from the sample are a study on pollution hot spots in the Mediterranean, two projects related to the development of logistics platforms and a regional TA study on energy efficiency investment in Eastern Partnership countries.

Some TA operations were less directly relevant to the national/regional/local policy needs as they were imposed by EIB in view of the corresponding investment project(s), when the TA operation was a condition precedent for appraisal, loan or a disbursement. Whereas the Bank should indeed make sure that its investment are in line with its own (e.g. environmental and social) standards, the fact that TA operations are less relevant from a national point of view may lead to lack of ownership at the promoter's side, or even to contradictions between the TA operations and, for instance, national regulation. For several projects, a lack of correspondence with the applicable national legislation was for the Bank precisely the reason to impose a TA operation, with the idea to bring possible future EIB projects in line with EU regulation. However, ownership by the promoter was often low in such cases and creating it needed extra efforts.

Finally, for some of the cases that scored less well on the Relevance criterion, TA design could have been better, in terms of planning, estimation of resources and response to promoter needs. This was especially the case for the long term TA operations that support implementation of big investment projects. The importance of human and institutional capacity building should be better acknowledged upfront, even if the Bank generally considers human and institutional capacity building as a self-standing activity outside its remit.

5.2 TA helped improving the quality of investments

TA operations generally helped promoters, beneficiaries and EIB to better realise their aims. They led to better quality identification, preparation, or implementation of projects (to be) co-financed by

EIB and others. In many cases, preparatory TA operations aimed at improving environmental and social quality of an associated investment project.

Project development capacity is generally viewed as the main aim of EIB TA operations – and was in one form or another systematically stated in objectives. Furthermore, TA operations implicitly or explicitly often also supported human capacity building, and in a few cases even institutional capacity building. The latter two are seldom recognised as being objectives for EIB TA. The evaluation shows however that both have a positive influence on the uptake of TA results and therefore would deserve to be given more attention by the EIB. Indeed, for the one-third of the operations scoring partly unsatisfactory on effectiveness, this is primarily due to having difficulties achieving *intermediate* objectives, that is, to achieve that TA deliverables are used effectively in a broader process or investment project. The lack of uptake of TA results for their intended ultimate purpose was caused by

- lack of human capacity and institutional weakness and barriers on the promoter’s side.
- in some of the larger “implementation TA” operations, frictions between TA provider and promoter which hampered effective work, especially during early phases of a TA.
- poor sequencing and synchronisation between the TA operation and, respectively, other TA operations or investment projects, which hampered effective uptake of TA results.
- finally, over the period concerned, by contextual changes (e.g. Arab Spring), which often prevented TA results from being taken up; such changes were mostly outside of the promoter’s or the Bank’s control.

TA operations and outputs were generally delivered according to initial specifications and against the expected quality standards. When initial quality of TA deliverables was low, different iterations between TA provider, EIB and promoter were required. This generally led to delays and additional costs for the different parties involved. While this process reduced TA efficiency, it did ensure a quality output. TA provider quality appears to be crucial in the delivery of good quality TA outputs, and overall was satisfactory. But also the strong involvement and commitment of the TA promoter is essential in the preparation and implementation of a TA operation – and this was often weak. Last but not least, EIB staff was generally a major driver in bringing TA results up to standard.

5.3 Implementing TA efficiently is a major challenge

Implementing TA operations in an efficient manner has proven to be a major challenge. Many TA operations took place within complex regional settings, involving multiple stakeholders from different countries, or at national level, who are often not used to working together and do not always have well-functioning administrations. Moreover, the TA projects are taking place in sectors which often have a high degree of technical complexity. Many TA operations had difficulties to stay within the planned time schedule (which was sometimes exceeded with more than a factor two) and, to a lesser extent, within the planned cost. Delays in projects were frequent and found across the whole sample. Conversely, significant cost overruns, leading to budget increases, were mainly found *in the larger implementation TA operations*. Most other, “study type” operations were contained within the initial budget. For about half of the TA operations evaluated, efficiency was deemed partly unsatisfactory, for two even unsatisfactory.

Time mismatches between the TA operation and previous projects led to TA results having to be updated. This was generally not foreseen in ToRs, but could lead to delays quite early on in TA operations. Therefore, a better understanding of the baseline information at the start of a TA operations is essential and this should be reflected in ToRs. Similar mismatches at the back end of TA operations – i.e. with follow-up operations, be they new TA or an investment project – hampered swift take-up of TA results. Furthermore, implementation TA operations were often poorly synchronised with the investment projects they were to contribute to.

In several cases management efficiency was deemed insufficient. Reasons for this inefficiency include (1) the absence of explicit communication structures or of a clear division of responsibilities between TA promoter and TA provider; (2) institutional weaknesses; and (3) absence of leadership on promoter side. In 15 out of the 35 cases some form of dedicated management structure or arrangement was set up to implement the TA. However, this alone was no guarantee for efficient implementation of the TA operation. The presence, in 9 of the cases, of a Steering Committee however was generally beneficial to the implementation and results of the TA.

In sum, the larger implementation TAs were generally found less cost-effective than (with some exceptions) the mostly much smaller TA operations focusing on upstream work, pre-assessment or preparation.

5.4 Sustaining the effects of TA depends much on promoter capacity

In nearly half of the cases it was deemed that the TA promoters or recipients were or will be able to maintain the positive outcomes also beyond the end of the TA operation, and for two operations this ability was even judged excellent. This also means that the results of the other half of the TA operations were deemed not or only weakly sustainable in the long run. Barriers to sustainability included (1) the TA promoter's low capacity to take-up TA outputs/results, (2) low ownership at management level within the promoter organisation, and (3) weaknesses in the TA promoters' institutional organisation, which was poorly fitted to use the TA results. Sometimes barriers were political – e.g. when tariffs (for water, or toll roads) coming out of TA studies were found too high and therefore unpopular. An increased focus on human and institutional capacity development could have a positive impact on the operational and institutional sustainability of TAs in the sample. Important success factors to ensure a better transfer of knowledge and know-how, and enhance sustainability included: (1) active TA promoter involvement – particularly at top management level – throughout the TA development process and (2) a stronger focus on human and institutional capacity building, which could be either promoted by the EIB through the TA ToRs, or by involving other donors such as the EU Delegations specifically for such tasks.

In addition, some external factors (i.e. political, socio-economic, market, sector, etc.) have prevented many TA promoters from fully using the TA results. The de-synchronisation between the TAs and the investment projects supported by the TAs further affected the sustainability of TAs in several cases as the TA consultants' stay until the end of the investment project could be compromised and therewith the handover of know-how to the local partners. Such de-synchronisation is partly explained by the difference between the TA project cycle and the investment/loan project cycle, which needs to be adequately acknowledged while designing and managing TAs. If the implementation of TA stops before the investment project is finished, the sustainability of the TA is put at risk.

5.5 EIB makes positive contributions to TA – but its effort is difficult to measure

The in-depth evaluations suggest that the EIB services are generally appreciated by both TA promoters and providers for their professional advice and the way in which the EIB manages the TA operations. The expertise and experience of the EIB made a real contribution to most of the operations that were evaluated. Whereas TA consultants do the work and are often in more regular contact with the promoter, the EIB is often well-respected by the promoter. When problems arose between the TA consultant and the promoter, it was generally through the intervention of EIB that these were solved. Hence apart from its technical expertise, the EIB can have great added value as facilitator within the TA process.

The financial contribution of the EIB exists mainly in the form of staff time involved in the preparation, implementation and follow-up of the TA operations. The Bank does *not* provide TA funds itself – these come from external mandates and facilities. Part of the EIB effort can however be recovered by a fee charged to those mandates and facilities but the level of this is variable. More importantly however, no reliable quantitative picture could be obtained on the effort the EIB really puts into TA outside the EU. TA requests (an internal "service agreement" describing objectives and implementation modalities of each TA operation) do indeed contain the expected number of days that EIB services are expected to devote to the TA operation. However the underlying methodology to produce those estimates is unclear and estimates appear as fairly random: great variety exists between apparently very similar TA operations.

It is difficult to evaluate ex-post the difference between the staff time projected and actual staff hours. When presented with the initially proposed figures *ex post*, Bank staff generally claimed that the numbers did not reflect reality and they have spent more time on the TA. Moreover, time spent on TA was poorly recorded in the systems of the Bank because some staff imputed the time spent on TA to the associated loan operation (if it existed) rather than to the TA operation. This practice could be related to the fact that loan officers did not have generally the TA operations in their objectives.

5.6 Project Cycle Management overall satisfactory, but monitoring to be improved

The EIB managed TA in line with the applicable procedures and requirements. Approval processes generally went smoothly for the operations in the sample. In a number of cases, a signed TA Cooperation Agreement between EIB and TA promoter was absent though it should have existed. Interviews with promoters suggest that some promoters do not seem to understand the purpose of TA Cooperation Agreements. The consequences of a promoter failing to meet commitments are not specified in TA Cooperation Agreements. It would be advisable to better explain the role of the Contribution Agreement to the promoter, which is (1) to limit the liability to the Bank and (2) to clarify that it is EIB's decision whether or not to pay the consultant, even if the promoter objects the deliverables.

Procurement of TA consultants was well managed, both when EIB acted as Contracting Authority (most of the cases) or when it delegated this role. As confusion around these existed, the rules to cover travel expenses for TA promoters to attend consultant selection panels were recently harmonised: travel expenses to attend selection panels are no longer covered. It is therefore important that alternative channels allowing promoter involvement (e.g. video/phone conferences) are further explored. In general, administrative and contractual management was performed adequately.

In several cases, monitoring did not go much beyond checking administrative requirements and whether reports were delivered in time. In-depth monitoring of, in particular complex and long-term TA operations, require time and effort, and specialised resources within the Bank that can be used for this are scarce. In the cases where it occurred, proactive involvement of EIB local offices was useful in terms of (1) efficient use of resources, (2) use of local knowledge and (3) proximity to the TA project and promoter (especially for the long term implementation TA operations).

Additional to the monitoring efforts that can be enhanced, there is a significant margin for improvement in record keeping, document management – and more generally – knowledge management in relation to TA activities.

As concerns the management of the TA operations, there is no “TA team” equivalent to the “project team”² for loan operations. Teams to look after TA operations are set up ad hoc and led by the “best suited” staff member (coming generally from either OPS or PJ). The structure and leadership of such teams is not highly formalised, and not explicitly mentioned in the TA request, which led in some case to confusion both internally (definition of roles and responsibilities) and externally (vis-à-vis TA promoters). Internal changes (i.e. staff mobility, re-structuring) can exacerbate this confusion. The need for efficient coordination becomes more stringent in view of recent reorganisations with monitoring moving from the former OPS B to TMR.

Despite these constraints, EIB internal coordination worked relatively well in most cases. TA represents a considerable workload that is not well visible in EIB monitoring systems, of which the cost is not necessarily covered by external sources, and which is not always recognised by the hierarchy.

² The term “project team” is used here in a generic way and refers to the project teams that *de facto* existed within the Bank to handle loan operations. This does not refer specifically to the “Project Team Initiative” launched early 2014.

PART II – SUCCESS FACTORS, AND LESSONS FOR IMPROVEMENT

Part II provides the main success factors and lessons learned from this evaluation, articulated around the following themes

- TA quality and uptake
- Promoter / beneficiary involvement
- Strategic focus

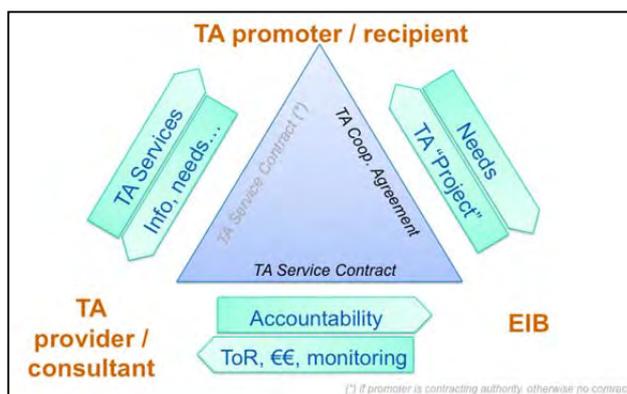
It is based on the main findings of the evaluation, a summary of which was given in Part I and a detailed account, organised around the different evaluation criteria, in Appendix 1.

6 THE CORE OF TA: QUALITY AND UPTAKE OF TA PRODUCTS AND SERVICES

The evaluation shows clearly that the quality of TA deliverables lies at the core of any successful TA operation. That is, the products and services provided by TA should be of a good standard in order to be useful. It goes without saying that sub-standard deliverables will jeopardise the TA impact. Quality is a condition *sine qua non* for the uptake of TA results. Good quality deliverables however do not guarantee that ultimately a TA operation will have an impact.

Three main parties are involved in a typical EIB TA operation. Each of them has a role in contributing to the quality of a TA operation:

- (1) the TA *promoter* to whose needs or capacity gaps the TA is expected to respond. In many cases the TA promoter is also TA recipient or represents it in some form; the TA promoter can also be the promoter for a (potential) loan operation, but this is not necessarily so;
- (2) the TA *provider* – generally a consultancy or engineering firm (or a consortium thereof) which provides the TA promoter with TA products and services. Those ultimately take the form of reports or hands-on advice. In this report “TA provider” will be used interchangeably with the term “TA consultant”.
- (3) the *EIB*, which channels funds from TA mandates and facilities to TA providers on the basis of a pre-agreed Terms of Reference (ToR) and work delivered; the EIB in most cases supervises the work of the TA provider directly, unless the TA promoter is “contracting authority”, case in which the TA promoter manages the formal relationship. Within the EIB, the Technical Assistance Unit (TAU) is responsible for administration, procurement and contract management of TA. However, other services from the Operations (OPS) and Project (PJ) Directorates are involved in relation to the substance of the TA. TA teams are formed *ad hoc*, and, depending on the subject, it is PJ or OPS staff who takes the lead.



This chapter summarises the elements which according to the evaluation appear to be determinants of TA quality, and on which the EIB can have an influence. These are:

- (1) the quality of the TA providers;
- (2) the quality of the process;
- (3) timeliness;
- (4) cost-effectiveness;
- (5) EIB contribution and project cycle management, elements which for TA are closely related;
- (6) the complexity of projects; and finally
- (7) the design of projects, which should try to anticipate to a great extent all previous points.

These will be discussed in turn in the following sections. The role and involvement of the TA promoter is of such importance that it is discussed in a specific chapter (Chapter 7).

6.1 The quality of TA providers is a major determinant

The quality of TA providers is a major if not *the* main driver for obtaining good quality TA outputs. Quality of TA providers was generally found to be satisfactory and compatible with the work, tasks and sectors concerned by the operations. This reflects the capacity of the contracting authority to select appropriate consultants. The type of procedure followed for public procurement does not seem to be a determinant in the quality of the TA provider. However, there is some evidence that the contracting authority does matter: there is a risk of selecting a lower quality TA provider when the promoter (and not EIB) is contracting authority.

Even with good quality consultants, the produced TA deliverables generally need some revisions before being finalised. The evaluation shows however that having a poor quality TA provider *systematically* leads to strong inefficiencies – not only TA deliverables require a lot of effort to be brought up to the right level of quality, but in several cases TA project team leaders or their staff needed to be replaced. In one case a contract was even stopped and the work retendered. Such events slow down the process and prevent TA deliverables to be produced efficiently and timely.

The evaluation suggests that the quality of the TA provider is generally enhanced by three main factors:

- (1) *Expertise*. Having the right level of skills, competences and experience of its team leader and other experts provided by the TA consultant is crucial for successful cooperation between EIB, TA provider, recipient(s) and other stakeholders and obtaining quality results. A good mix of expertise, matching experts with different seniorities, profiles and backgrounds, generally increases the responsiveness of the consultant and the overall quality of work.
- (2) *Availability of local consultants*. Involvement of local consultants, or the capacity of the TA provider to mobilise them upon request, improves the quality of the TA deliverables and can enhance the effectiveness and sustainability of the TA operation. The local involvement can impact sustainability as competencies acquired through the TA operation remain within the country or organisation and do not leave when the TA provider leaves. The effectiveness of the project can benefit from the local consultants' understanding of the setting, and the ability to read documents in the local language, in addition to English.
- (3) *Flexibility and diplomacy*. The flexibility of the consultants to adapt their work to changing circumstances during the TA operation's implementation and diplomacy were also positive factors. For example, insufficient diplomatic skills worsened rather than improved conflictual situations with the promoter, leading sometimes to the replacement of the TA provider's team leader. Diplomatic skills, especially for long term implementation assignments, should be among the selection criteria; presently, technical criteria largely prevail.

6.2 A good process – especially in initial phases – strongly contributes to quality

A second major determinant of TA quality is a good and well-managed *process*. Even though EIB does not manage all aspects of the TA process on a day-to-day basis (this responsibility generally lies between the TA provider and TA promoter or recipient), it should have an important role in making sure that this process is started up and running smoothly.

For many TA operations, the relations between TA promoter and TA provider, and sometimes between TA promoter and EIB, were not optimal. This is particularly so during initial phases, and particularly though not exclusively the case for the larger implementation TA operations. Mistrust toward EIB and the TA consultants, and misunderstandings about the objectives of the TA operation and the roles of the different players in the process, slowed down the process or hampered TA consultants in their work – e.g. when the TA promoter was not responsive or withheld or delayed information. In some cases TA promoters purposively located TA providers on sites physically remote from the promoter's headquarters. This lowered accessibility and made smooth communication difficult. On the other hand, TA consultants do not always seem to grasp the institutional complexities or management styles on the promoter's side, and move on too quickly – and not always elegantly – to imposing their own models.

It should however not be surprising that some promoters resisted change: in many cases TA operations require them to alter (often significantly) their working methods, habits, rules or even attitudes (e.g. on how to deal with social or environmental matters). This is particularly the case for the (1) longer term implementation TAs, (2) for TA operations with a strong focus on capacity development, (3) the TA operations imposed by the EIB as loan conditions or (4) for TA promoters with whom the EIB had no previous experience. In other words, a *significant* amount of promoters, at least initially, resisted the TA operation. Whatever the underlying reasons were, resistance by the promoter to the TA operation or its results was always detrimental to the process even though in most cases it was overcome to a greater or lesser extent.

TA projects were effectively implemented when there was a basis of trust among all parties, shared objectives and mutual understanding and acceptance of the TA project to be developed, between EIB, promoter and provider. Building trust does not happen overnight. The process to build trust

needs time and patience, and a clear understanding of the roles of all parties. It is generally built – and easily broken – in the very initial phases of the project.

Building trust and an effective partnership has rarely been taken into account while designing the TA, but it is typically the role of the EIB – as facilitator – to make sure that it comes about. Key factors are EIB's ability to:

- (1) communicate adequately to TA promoter and provider, on content, objectives and benefits of the TA for the TA promoter and recipients; on EIB's role in the TA; on the role of other stakeholders
- (2) manage expectations regarding the roles of the different stakeholders throughout the TA implementation;
- (3) promote a good dialogue between the different stakeholders, especially the TA provider and TA promoter throughout the process to encourage co-operation at all levels.
- (4) facilitate a flexible approach during implementation and supervision. Contexts and priorities in recipient countries can quickly change and many of those have unstable and changing institutional and political environments (especially in Africa). Potential changes (e.g. Arab Spring) cannot necessarily be predicted at the time of the needs assessment and design of the TA but should be catered for when they come.

These aspects contribute to building trust and effective partnership, making the process smoother and ultimately lead to better quality outputs coming from that process. The quality of the TA provider (see above) and the involvement and commitment of the promoter (discussed below) were also key.

After the starting up phase during which trust is built, the second critical process element concerns the implementation period. Here, good monitoring arrangements should be put in place, to be defined at project onset. The evaluation shows weaknesses in the current way in which TA is monitored by the Bank, which in several cases is still limited to an administrative monitoring rather than a monitoring on the technical contents and progress of the TA operation. This is further discussed in Section 6.5, below.

The third critical phase in the life time of a TA operation is its winding down and the preparation of the future, beyond the TA operation. The evaluation found that for about half of the operations, the TA results are not or only weakly sustainable. In those cases there were human, institutional, financial, economic or political barriers to the prolonged use of the outcomes of the TA operations. The *final* phase of a TA operation which should include a reflexion on how to use the TA results also once the operation is closed. The available evidence suggests an exit strategy was generally not defined regarding the use or maintenance of the know-how generated through a project on the side of the TA recipient. The definition of an exit strategy together with the promoter is essential for the uptake of TA results and should be carefully prepared and managed. Passing on the know-how gained through the TA operation to the local organisations, possibly with the help of local consultants, is an important element of this.

6.3 Better sequencing and synchronisation, to avoid TA results obsolescence

A third important factor playing a role in the improvement of quality and adoption of TA results, concerns the sequencing and synchronisation of TA operations in time with related TA operations (if these exist), or with the loan operation or investment project they contribute to. Preferably, they would be seamlessly interconnected. In reality however a perfect match or connection is difficult to realise. A long time lapse between projects leads to suboptimal use of TA results in either a new TA or in the associated investment project. If the time lapse is too great, there is even a risk that TA results eventually become obsolescent.

Several cases were observed where *sequencing of TA operations* was suboptimal. This occurred when long time spans existed between the TA operation and a previous TA assignment, often caused by late submission and approvals. In such cases, momentum was negatively impacted and the preceding TA's results needed to be updated as they were obsolete.

There were also cases where a preceding TA operation *overlapped* in time with the present one. This led to duplication of work and competition between the different TA providers.

Some of the implementation TA operations were *poorly synchronised* with the EIB co-financed investment project to which they needed to contribute. As such TA operations (which generally represent a large financial amount) account for a major share of the financial volume of the TA, this is important to mitigate.

Three different cases related to timing were encountered in the sample:

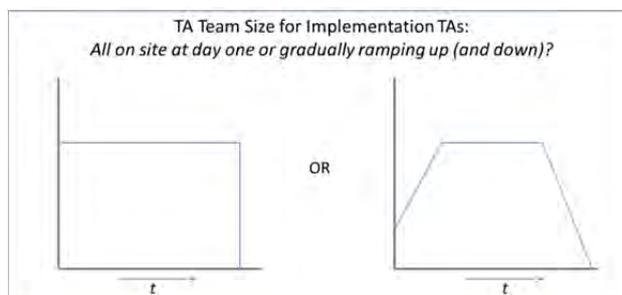
- *Investment project starting ahead of the TA.* Here the TA could only partly contribute to the investment project as it was already well underway – it did nevertheless help to speed up the investment process.
- *TA ending before project implementation complete.* The investment project fell behind schedule and had not finished when the TA formally ended. Thus the time needed to be extended and budget to be increased for the TA operation to allow the consultants to finish their work.
- *Loan signed before TA started, but TA ending before disbursement.* In the third situation, a loan was signed before the TA started however it was still not disbursed when the TA formally ended. Also here new deadlines were set and a budget increase request was pending at the time of the evaluation. There is a real risk that the TA results will not or only partly be valid once the loan operation will eventually be implemented (even though the TA in the meantime supported the promoter and, indirectly, benefited other IFIs).

TA projects often have long start-up and preparation times, which can make aspects of the project design outdated and less applicable by the time that full implementation starts. Having a good sequencing or synchronisation of TA operations with other (TA or investment) projects appears not always easy to achieve; more flexibility in the planning is required. It is however important in order for TA results to be used more optimally without getting outdated. Such risks and issues should be recognised early on and anticipated and mitigated in the TA request.

6.4 Containing the cost-quality ratio sometimes difficult

Containing TA operations within their initially planned budget and calendar proved challenging. Efficiency was deemed partly unsatisfactory for half of the sample. Nearly one-third of the sample required budget increases, ranging from a marginal to, in one case, a 75% increase. Budget increases were particularly needed for TA operations with large budgets. These cost overruns were also relatively higher, compared to the initial planned cost of the operation, than those for smaller projects. Out of the eight projects with budget increases of more than 30% (including two for which requests were made by the time of the evaluation), six were large implementation TAs linked to *major* infrastructure investment projects. In sum, the larger implementation TA operations were less cost-effective than the other types, and ultimately needed more financial input to achieve the desired result. The other types of TA (upstream, pre-assessment and preparatory) are generally smaller, and more precisely defined and are better contained. The lesson to be drawn is that the Bank should plan more realistically the scope of the TA operations, and anticipate, early on, the risks involved with their implementation. Also this leads to a plea for adopting a flexible approach to adjust TA projects to the changing circumstances.

For some of the largest TA operations in the sample the full consultant team was on site *from day one*. Having them on-site fully was in several cases not justified. The initial period is often an inception period, used to plan and start up the TA operations without necessary having enough work for the whole team at such a stage. As normally contracts are fee-based, they were nevertheless paid during this less active period. The Bank could change its contractual arrangements from a fee-based to a cost-based approach, focusing more on payment against well-defined objectives than paying for a consultant team. The Bank could also introduce a “ramp-up” period (see graph) for the team, especially for larger implementation TA operations. Similarly a “ramping-down” period could be envisaged towards the end of a contract.



6.5 EIB contribution/ management appreciated, yet TA specifics to be better recognised

The level of involvement of EIB, both quantitatively (number of days spent) and qualitatively (expertise provided to the TA project), clearly influenced the quality of the TA project. There was a strong link between the contribution of the EIB and project cycle management, as the latter covers many substantive elements, including the overall design of the TA, the preparation of the consultant ToR, the monitoring of TA implementation and the quality assessment of consultant reports. Such activities require a strong input from EIB side on content. Therefore, weak project cycle management bears the risk of having a great impact on the quality of the TA operation and its results.

The in-depth evaluations and the survey suggest that the EIB services are generally appreciated by both TA promoters and providers for their professional advice and the way in which the EIB manages the TA operations. Whereas TA consultants do the actual TA work, the EIB is often well-respected by the promoter. When problems arose between the TA consultant and the promoter, it was generally through the intervention of EIB that these were solved.

However, the evidence also suggests that the EIB could probably contribute even more to the quality of TA if within the Bank TA and its specificities would be better recognised in business plans, objectives and Bank practice. Especially the following issues seem important to take into account.

TA and loans have different project cycles. The TA cycle differs from the loan cycle in that much longer time scales are at stake: they need to be planned well ahead of a loan. In the case for “upstream TA” concrete projects may not even have been defined at this stage. Also pre-assessment and preparatory TA operations normally need to start well before the implementation of a loan operation starts.

TA is an investment. Given that TA is ultimately expected to lead to better investment projects (through better identification, preparation or implementation), one should consider TA itself as an investment. The available evidence suggests that this view does not necessarily prevail at the EIB. The preparation and implementation of TA operations imply a considerable workload but this is not visible in the “Time and Labour” recording system – time spent on TA seems inaccurately recorded by staff. Moreover, focus groups held within the framework of the present evaluation as well as interviews with Bank staff suggest that in annual appraisals TA is in many cases seen as being a less important activity than lending-related activities. Some Bank staff therefore even impute time on an associated loan project rather than on the TA itself. The choice of implementing a TA project depends, not simply on the availability of TA funds, but very much on the individual initiative of persons or divisions and the “belief” that TA can be beneficial to a project or the promoter.

TA effort. The TA request that is submitted to the Management Committee generally contains an indication of the number of days to be spent by the different EIB services on the TA operation. This is not guided by a specific approach and the figures appear as fairly random: TA operations of a similar scale and scope can have very different planned levels of EIB involvement. Moreover, when confronted with the initially proposed figures *ex post*, Bank staff generally claims that they do not reflect reality. It is challenging to obtain a clear picture of the real effort spent, by Bank staff, on TA outside the EU.

TA monitoring efforts. Furthermore, the involvement of the EIB is not related to the scale of a TA project (or underlying investment project). Major TA operations accompanying major investment projects, can be followed by the same number of Bank staff as smaller projects whereas they may require a greater monitoring effort.

The “TA Team”. Teams to look after TA operations are set up *ad hoc* and led by the “best suited” staff member (from either OPS or PJ). The structure and leadership of such teams is not highly formalised, leading sometimes to confusion both internally (definition of roles and responsibilities) and externally (*vis-à-vis* TA promoters). Internal changes (i.e. staff mobility, re-structuring) can exacerbate this confusion. The need for efficient coordination becomes more stringent in view of recent reorganisations with monitoring moving from the former OPS B to TMR which may add further internal stakeholders to the processes associated with TA within the Bank.

TA knowledge management. There also is no clear system to capitalise on the knowledge generated through TA. As an example: the great effort it has cost EV to reconstitute, in view of the survey, the contact details of TA providers and TA promoters, is symptomatic in this regard. One-third was found

in the regular IT-systems of the Bank, one-third needed to be provided by TAU, and one-third could only be obtained by contacting individual Bank staff directly; document management and sharing of experience could be further enhanced. This is especially important in those cases where major, long term TAs hinge on the involvement of one or two EIB staff only. Apart from this, a better knowledge sharing on the experiences gathered with TA should be encouraged.

Results based monitoring. Monitoring systems are only scarcely used; results focused monitoring is currently largely absent and should be developed, with indicators defined at the moment of TA design.

Role of ASD/TAU. ASD/TAU's role in TA is viewed as central but its resources are limited in view of the number of TA assignments signed every year. Moreover, its role not always fully understood: TAU is responsible for the administration, procurement and management of TA contracts, but has no capacity, nor the mission, to substantially contribute to the content of TA operations, which is the role of other Bank Directorates, in particular PJ and OPS. However TAU contributes to the design of TA operations and has a quality control function.

EIB External offices. The involvement of EIB external offices generally proves useful in terms of efficient use of resources, use of local knowledge and proximity to TA promoter. The involvement of external offices in TA operations could be further enhanced. This should be anticipated from the start of the TA (at TA request level).

6.6 TA projects can be highly complex

Some TA operations were highly complex projects – about one-third of the sample can be characterised as such. Complex TA operations can be of all types: implementation, project preparation and even upstream work.

Complexity was of different sorts, depending on the project. An important source of complexity exists when the TA operation covers more than one country (in some TA operations more than 10 different countries were involved) or, within a country, different regions (e.g. one complex TA operation covered 17 different sites across a country).

The complexity can also find its source in the political nature of the TA or of the underlying investment projects. For example, multi-country projects related to cross-border electricity generation and transmission in Africa, or projects benefiting municipalities from different countries in the Eastern neighbourhood have challenging political dynamics that can impact the TA timeline. Furthermore, some projects were located in conflict-prone areas which introduced an additional risk. Finally, complexity can come from the subject matter – e.g. introducing a PPP structure for the first time, or levelling up human and IT capacity within microfinance institutions across the whole of Sub-Saharan Africa.

Reference	Region, or countries involved	Type of complexity
#1 #2 #3 #4	14 West African countries	Multi-country project; EIB works with supra-regional organisation
#5	14 Microfinance Institutions across Sub-Saharan Africa	Multi-country, multi-service, bilingual (FR/EN) TA services provided
#11	Three countries in Great Lakes area	Interregional; conflict-prone area; underlying project PPP
#30	Southern Mediterranean	Multi-country, with pilots in several different countries
#31 #32	Southern Mediterranean	Multi-country, with pilots in several different countries
#35	5 Eastern NBH countries	Multi-country, city level
#15 #16	Maghreb country	Single country, multi-site (17); investment as well as institutional component

It is not because those projects are complex *per se* that they are less successful. On the contrary, most of those *were* successful or at least partly so. However, those TA operations, by their mere scale and scope – and especially those that directly related to major investment projects – represent a specific challenge for the Bank in terms of design, management and monitoring efforts, for which the Bank seems presently not well equipped.

6.7 Quality TA design is fundamental

The items discussed under the previous headings make it clear that a quality TA design is fundamental, as sound design helps the Bank prepare and anticipate the organisation and implementation of the TA operation better on those crucial aspects.

Design quality of the operations under evaluation was highly variable, with several good practice examples but also projects showing deficiencies in this regard.

Good practice examples as well as deficiencies observed in the operations of the evaluation sample are shown in the adjacent insert. The ToR to be followed by the TA provider is a cornerstone of design. The in-depth evaluations suggest that well-designed TAs normally have ToRs that are complete, clear, and unambiguous and provide for an adequate size (in EUR and person-days) and duration of the contract.

Needs assessments should feed into the design of the TA and into drafting the ToR. Preparing quality ToRs, however, was identified as one of the major challenges faced by the EIB. For several long term assignments, operational objectives were mere “shopping lists”. This made it difficult to prioritise and realise all objectives mentioned within those TA operations. It also prevented key stakeholders (EIB, TA promoter, TA provider) from easily reaching a common understanding of the real purpose and scope of the TA operation during most of the TA implementation. Paying more attention to the ToR might have prevented the slippage and substantial cost overruns in those operations, as to many issues had to be “fixed” while the TA was on-going.

A small TA assignment to define scope and objectives of the core TA and develop a ToR could improve its quality. As a matter of fact, three operations in the sample served precisely this purpose. These studies were not very costly, both in absolute terms (below the EUR50k threshold, but generally around EUR35k) and compared to the cost of the subsequent TA operation, and all three were successful in defining a high quality ToR (for one however, the promoter ultimately decided to not go along with the EIB as financier following which the need for the additional TA disappeared). If it is not possible to define objectives and scope at onset or during inception, more systematic *intermediate* assessments would be needed on the basis of which the TA project objectives can be adapted. This is not common practice but some of the larger TA operations under FEMIP were subject to EC monitoring procedures.

Design of TA projects should facilitate a flexible approach to take into account the changing priorities in countries the EIB works in, many of which have unstable and changing institutional and political environments (especially in Africa). Such potential changes cannot necessarily be predicted at the time of the needs assessment and design of the TA.

The need for a flexible approach is emphasised by the fact that TA projects often have long start-up and preparation times, which can make aspects of the project design outdated and less applicable by the time that full implementation starts. Especially more flexibility during the inception phase is needed so that the project can be adjusted to take into account changing circumstances before objectives get fully fixed. However, a balance is needed between flexibility and keeping within a long-term strategic approach that focuses on priorities and avoid moving targets.

Determinants of TA Design encountered
<p>Good practice in the sample was characterised by</p> <ol style="list-style-type: none"> (1) an adequate assessment of national or regional needs (2) an adequate assessment of the TA promoter’s needs and capacity (3) active involvement of the promoter throughout the preparatory process, especially by raising awareness and support at the level of top management at the promoter’s side (4) defining relevant implementation modalities (e.g. a dedicated structure) (5) flexibility in the TA design (6) ToRs that are complete, clear, and unambiguous and provide for an adequate size and duration of the contract <p>Deficiencies in TA design were due to lack of</p> <ol style="list-style-type: none"> (1) strategic focus (2) clear definition of the different levels of objectives; (3) incorporating lessons from the past (4) correct assessment of promoter absorption capacity (5) reflexion on the profile of the TA provider (6) assessment of need to involve stakeholders beyond the promoter or TA recipients <i>per se</i> (7) fit for purpose of the TA ToR (8) right dimensioning of the TA size, in terms of volume and staffing, for which no real methodology seems to exist at the Bank (9) flexibility of the TA design – especially for some larger implementation TA operations

There are a number of common lessons and recommendations related to the design of TA projects coming from the literature review that was conducted for this evaluation. These echo well the findings of the present evaluation and are presented in the box below.

Important factors in TA Design – insights from the literature review

- **Participatory planning.** It is essential to involve the beneficiaries throughout the design of TA and to prepare the ToR in a participatory manner. This strengthens ownership and commitment. Many TA projects cut across several functions, and therefore several stakeholders will need to be involved in the design of the TA.
- **Planning of outcomes and not just outputs.** The design of the TA must be results-focused. Many of the evaluation studies concluded that there is common confusion between objectives, activities and outcomes in the design of TA; and the lack of focus on outcomes can lead to weak sustainability. The design should clearly differentiate between outputs and outcomes, and include a results framework with monitoring indicators that are linked to outcomes.
- **Logical frameworks.** Although the need for improved indicators of outcomes is widely concluded in the evaluation reports, there are mixed conclusions related to the use of logical frameworks. The benefits of logical frameworks are discussed in only a few reports. One report suggests that the diversity of TA operations mean that the exclusive use of just one planning tool, like the logical framework, is not applicable.
- **Demand-driven TA.** A demand-led approach is needed to ensure a focus on priorities, for example where countries submit ideas for TA to be developed. This can lead to better ownership and commitment from beneficiaries. The demand-led approach does carry risks that TA will be implemented in the more advanced countries that have the capabilities to develop project concepts, and less in the developing countries with limited capacity. One potential solution to mitigate this would be to make consultancy services available to weaker countries for TA project identification and preparation.
- **Over-complex and ambitious objectives.** The objectives of TA projects are often over-ambitious, taking into account the challenges in the countries in which they are implemented. Designs should often be kept simpler and more realistic, especially for capacity development projects, avoiding complex structures for implementation.
- **Selection of the TA recipient.** Institutional positioning of TA is a critical factor. The TA project should be positioned in the appropriate organisation at an appropriate level to ensure a strong chance of positive impacts. The planning of TA projects should take into account the weak state of many institutions, even though this is beyond the control of the Bank in the short-term.
- **ToR contents.** As well as being based on a detailed needs assessment, the ToR should include: a consistent planning approach and activities integrated with the objectives, a schedule of deliverables; indicators for measuring progress and the achievement of outcomes; a description of the required qualifications; and the responsibilities of the Bank, the promoter and other relevant stakeholders.
- **Length of TA operations.** In general, longer-term TA projects or packages/programmes of support are recommended rather than short-term missions of consultants, in order to strengthen continuity and outcomes, although this depends on the specific circumstances. Longer projects also have more flexibility to adapt to changing circumstances.
- **Co-operation agreements with the relevant stakeholders.** Planning of TA projects does need agreement between the Bank, the beneficiaries and other relevant stakeholders on the responsibilities and procedures for decision-making during implementation.
- **Steering committees / advisory boards.** The roles and responsibilities of steering committees and other programme/project governance structures should be agreed and formally authorised during design. This will help to ensure commitment from participants/ members and can help such committees and boards to fulfil their mandates without resistance.

7 REAL TA PROMOTER AND RECIPIENT INVOLVEMENT ENHANCES TA

Apart from the quality of the TA provider, the role of the TA promoter and TA recipient is also essential for the definition of the TA, its implementation, the uptake of results and their sustainability. The promoter should as much as possible be involved from the beginning of the TA project. The evaluation shows that when the TA promoter assumes a proactive role, the conditions for collaboration are smoothed and the TA provider can rely on all documents, data, information and the logistic support needed for the production of good quality outputs. The lack of ownership from promoters and beneficiaries is commonly discussed in evaluation reports of other donors as *one of the main problems* in TA implementation. One of the issues is that, even if willing, the promoter may not have the internal capacity to fully cooperate with the design of the TA and ensure uptake and sustainability of TA results.

7.1 Promoters and beneficiaries should have genuine interest

The in-depth evaluations provide a mixed assessment about the level of support provided by the TA promoters and their engagement. For about one-third of operations, the promoter was scarcely involved in the study, or reluctant to accept the advice received or the responsibilities for delivering

their own tasks. Especially in the case of the long term implementation TA assignments, initial frictions between TA consultants and TA promoters occurred *systematically*. These should be as much as possible avoided as they compromise a good and sound start of many TA projects, hamper effectiveness and lead to inefficiencies. TA Team Leaders with insufficient diplomatic skills have in several cases worsened rather than improved such situations. The EIB should therefore carefully manage those initial phases, to make sure that the inception of the TA proceeds in a satisfactory manner.

Promoter ownership and genuine interest in the TA were observed as important success factors. As suggested above, there can be initial resistance to TA as often it requires the TA promoter to change working methods, habits, etc.

How to measure interest on the side of the promoter? Hardly any formal TA requests from the TA promoters were identified during the evaluation. However, in over two-thirds of the TA operations in the sample the EIB did involve the TA promoter in the identification and design of the TA. The involvement of TA promoters in the identification and design of TA from the outset is a factor contributing to quality TA development. Yet, in some cases TA promoters were not adequately involved or engaged early enough to ensure their input was incorporated.

Several TA operations in the sample focused on the introduction of the Bank's or EU Environmental and Social standards into investment projects. From the point of view of ownership and commitment these constitute interesting cases as these required the promoter to go beyond the national legislation. The Bank generally "convinced" the promoter by making such TA operations a loan condition – which for at least one operation in the sample was not found really justified by the evaluators. However, softer methods to convince the promoter may have to be considered to obtain better ownership. There was one case where ultimately the promoter selected a different financier to avoid EIB requirements. In parallel to imposing the Bank's standards, more institutional changes are often needed for the successful implementation, and longer term sustainability of TA results. These are generally beyond the remit of the Bank. The importance, for promoter commitment, of the existence of national regulatory frameworks is shown by one of the more successful TA operations of the sample which precisely supported a series of local microfinance institutions to implement a newly introduced banking regulation. Here promoter commitment and ownership was high and the TA had great added value.

The formal role of the EIB and promoter is also of importance. There is the possibility of giving the Contracting Authority role to the promoter but this was only done for two promoters in the sample. In one case this was done for reasons of capacity building. In the other, the promoter was viewed as having the capacity to run the contracts in house. Other ways to involve promoters is to give them more responsibilities to validate outputs of consultants, or to structure a TA operation in such a way so that promoters participate in monitoring or are required to provide monitoring reports themselves. Incentives may be created by letting the promoter co-finance the consultant from the loan rather than from a grant, as this may create a greater incentive to control and cooperate with the TA provider's work. This may meet with resistance on the side of the promoter though.

The evaluation observed that there are often communication and co-operation problems between institutions within countries. Although such problems are largely beyond the control of the Bank, their effect on participation and ownership should be taken into account when planning and implementing a study. Involving influential local institutions in project planning and implementation could facilitate ensuring ongoing dialogue. The identification of those other actors should be done during TA design.

In several cases a Steering Committee was created for oversight of the TA. These could either involve local partners to the TA, international partners (e.g. other donors) or both. Such Steering Groups generally turned out to be quite beneficial to the implementation of the TA operations. The lack of qualified members on the Steering Committee limited its utility in some cases.

The identification of a promoter is sometimes difficult in the upstream studies. Such projects are generally driven by EIB, EC or others and do not have a real counterpart which could be given an active role alongside the TA consultants. This could hinder achieving objectives for which such counterparts would be needed. Ownership of regional TA projects covering several countries is a particular problem. Here it turned out to be important to early on identify and associate a supra-

regional organisation (which may have to be created for the sake of the TA operation) acting as a promoter.

Finally, involving the promoter comes with a cost. The greater involvement of TA promoters or beneficiaries in the TA operation does increase the management effort and time required. This is a challenge within a context that is resource constrained. However, it is essential to the success of TA projects.

7.2 Capacity building is crucial ... (and should be an objective as such)

The limited focus on capacity development in the project design impacted negatively not only on the institutional and operational sustainability of the TA operations but also on effectiveness and efficiency. The limited focus on capacity development can be explained by the original interpretation of the Bank's remit to focus on the development of the investment project, not on the surrounding human or institutional capacity building. Discussions with the services during the course of the present evaluation indicate that internally within the EIB there is no consensus on this issue (this will be discussed in the next chapter). For some operations in the sample there was initial disagreement with the EU on whether the EIB should indeed fund and manage training – which is only one aspect of human capacity building. The evaluations clearly show that effectiveness and sustainability of TA operations is increased when human and institutional capacity is higher.

Therefore, human and institutional capacity development needs more emphasis. As this may sometimes be at the borderline of EIB's mission – and the evaluation shows that the EIB is not necessarily well equipped for this – the Bank cannot take this up on its own, and it has reputational consequences would it do so. It will need more joint and complementary approaches, with other donors and respective promoters. Planning of human and institutional capacity development projects should furthermore reflect that results are usually only possible over the longer-term, and therefore such projects should be planned over a longer time frame.

Moreover, designing capacity development should take into account the observation that staff at promoter's side often have low salaries, difficult working conditions, limited lines of accountability and are often constrained by bureaucracy. In addition, as was the case in several operations evaluated, staff turnover is often high and there are risks that, following training through TA projects, staff will leave public institutions for employment in the higher-paying private sector.

Therefore, capacity development should be planned to address not just the capacity of individuals, but also organisational capacity and higher-level institutional capacity. The design of TA for capacity development should focus on the full integration of new capabilities, skills and knowledge into day-to-day work. This will ultimately benefit the implementation and sustainability of investment projects.

7.3 Needs and capacity of promoter and beneficiary require a good assessment up front

Although the TA promoter's support requirements generally drive the TA identification process, needs assessments were not undertaken systematically to identify or design TAs. In the sample, a majority of TA promoters lacked previous TA experience and/or previous experience with the EIB. In-depth needs assessments would have been particularly justified in such cases to ensure the priorities are correctly identified, activities properly planned and risks identified. Needs assessments should identify the priorities for institutional strengthening and capacity development. Often not enough time and resources are spent on needs assessments, because longer country visits may be required for these activities. There is a role for EIB external offices. Also preliminary, small, studies could be outsourced to consultants to assess promoter needs.

The needs assessment should be carried out jointly with the beneficiaries to enhance the understanding of the priorities for both the Bank and the beneficiaries. A joint assessment will strengthen ownership of the TA project, and ensure that there is a demand-driven approach to the design of TA projects to focus on priorities. As well as working closely with beneficiaries, it is important to co-operate with other IFIs and donors. This will help to harmonise donor programmes and reduce duplication of efforts.

Developing guidance – currently absent at the Bank – on carrying out a needs-assessment would be useful to ensure a consistent and comprehensive approach.

8 STRATEGIC FOCUS

8.1 TA EIB outside the EU – what is the intention?

The evaluation finding that human and institutional capacity development is important for the success of EIB TA projects – and that traditionally the Bank focuses primarily on project capacity support – leads to a question of a more strategic nature for the Bank.

Key eligibility criteria for most original TA Mandates/Facilities imposed that there was a relation between the TA and an existing investment project, generally to be financed by the EIB. This was specially the case for project preparation and project implementation TA. This key eligibility criterion, however, has been made more flexible over time and more recent Mandates/Facilities also allow for TA not linked to any preceding loan project. Indirectly however, their longer term focus is naturally based on opportunities for investment projects to be co-financed by the EIB.

Irrespective of the Mandates/Facilities and the regions, the role of TA provided by the EIB therefore has traditionally not been to support human and institutional capacity building. During interviews carried out for TA project evaluations, it was acknowledged that there was a broad understanding among EIB staff that, within the EU context, this was more a role for, for instance, the European Commission. Also IFIs such as the World Bank focus more on human and institutional capacity while the EIB financed TA is related to project preparation and implementation.

Indeed, only a few TA operations evaluated in-depth for this thematic evaluation had *explicit* human or institutional capacity building objectives. Yet, the evaluation has clearly shown – and there slowly emerges a broad consensus among EIB staff and key stakeholders involved in EIB's TA operations – that human capacity and the ability to overcome institutional barriers are important success factors. In several cases, such weaknesses were already identified at appraisal or TA design but were not properly mitigated during implementation.

The awareness about the importance of those issues is however growing within the EIB. The rationale of EIB Group Advisory Services under the “Strategic orientations for advisory services in the Neighbourhood and Pre-accession regions” (October 2013) sets out that “*Project-related advisory initiatives will continue to constitute the bulk of the activities developed by the Bank, with the goal of improving project preparation and implementation [...]*”. However, “[a]t the same time, where relevant, the Bank will intensify its efforts to address the lack of institutional capacity and of project planning via upstream advisory, capacity building and policy support.” In view of this evaluation, such a broader scope will have resource implications which need to be acknowledged and adequately assessed and addressed by the Bank, both at EIB headquarters and also at the level of the EIB external offices. In this context, also the role of TAU in terms of its capacity needs may have to be strengthened. Promoting human and institutional capacity building would also require more cooperation with other donors, as argued below.

8.2 “First-come, first-serve” not aimed at optimising TA impact

Although promoter needs and capacity gaps justify TA, there is no prioritisation in terms of serving promoters or projects that would be more in need of TA than others, or in terms of EIB strategic objectives. The evaluation found that the selection of TA operations by the EIB relied on a “first-come, first-serve” approach with eligibility criteria under the different Mandates and Facilities being the main guiding principle for approval. As suggested above, needs assessments were not systematically undertaken for all TAs. The evaluation results also suggest that the identification of TA operations is not pro-actively based on EU/EIB priorities and strategies in the sectors and/or countries either – even though they are aligned with those.

Whereas priorities for EIB advisory services have now been spelled out in the document referred to above, it remains unclear how decisions will be made to select TAs under each Mandate/Facility. In particular, it is unclear if higher quality proposals or those responding to higher priority needs will be given priority. It also unclear on what basis the TAs will be selected and approved to optimise their impacts onto TA promoters and investment projects considering their support needs.

The lack of a formal assessment and strategic prioritisation of TAs *vis-à-vis* EU/EIB objectives is a shortcoming that needs to be addressed, particularly under the action plan developed under the EIB

strategy for Advisory Services. The internal EIB decision-making tools and processes for TA identification, approval and monitoring – including the REM that so far does not cover TA operations outside of the EU – need to serve adequately the prioritisation of TA operations. This would contribute to a higher/better impact under relevant policy priorities across sectors and regional areas.

Many of the objectives of TA require long-term interventions. For example, institutional reform and capacity development usually take a period of years to achieve positive and sustainable outcomes, including the political support that is needed. The long-term nature of TA's objectives further explains the difference between TA project cycle and loan/investment project cycle discussed above. So far many TA projects for donors and IFIs are ad-hoc and short-term, and do not fit within longer-term strategies. TA should thus be planned within longer-term programmes, which should have multi-year budget envelopes. The Strategic Orientations cited above also steers EIB TA towards this direction as it promotes a transition in Southern Mediterranean and Eastern regions from a project-to-project to geographically and/or sector focussed programme-type initiatives.

In this context, longer-term strategies should include an appropriate mix of instruments (e.g. loans, grants, TA, etc.) with coherence between lending and non-lending activities. Longer-term programmes could also focus on thematic aspects and/or sectors, and programmes could come under the responsibility of specific teams within the Bank. With a view to enhance ownership, long-term programmes and regional/country strategies should be developed in close co-operation with the government beneficiaries and other relevant stakeholders, with strategic visions and directions agreed with the government beneficiaries. The strategies should focus on the priorities and ensure demand-driven TA projects, and should be based on a detailed needs assessment.

8.3 TA requires more internal recognition and EIB staff clearer incentives

EIB staff resource and time constraints have negatively impacted the EIB management of TA. Outside of TAU, only a small part of EIB staff responsibilities related to TA. Moreover, there is a perception at the Bank that TA work is of secondary importance compared to loan operations. Interviews and focus groups held for this evaluation confirmed staff appraisal generally gave more importance to loans than TA. TA operations are time-consuming and normally exceeded the initial time estimates made at the moment of the TA request. TA work is dependent at present on the professional approach and motivation of individual staff members, or divisions.

In view of the importance given to advisory services in general, and to TA in particular, EIB structures and staff management and performance systems need to be strengthened. In this context, TA work (signatures, staff time) should be properly recognised in objectives and business plans, be taken as a performance indicator and integrated into staff performance.

Possibly related to the lower importance given to TA within the Bank is that the use of the relevant IT systems is not up to standard. This may be explained – but cannot be justified – by the different perceptions on financial risk between a loan and a TA promoter. Likewise, there are major gaps in document management with a considerable margin for improvement in TA record keeping, including key TA documentation, such as approval, service contracts, TA outputs and TA final assessment documents. Those gaps in document management prevent the Bank from capitalising on TA work and inform future decisions. Better enforcement of record keeping and filing rules and more efforts in internal and external dissemination would be needed.

8.4 Synergies with other institutions, but *especially EU Delegations*, to increase impact

The evaluation observed that cooperation with EC and other IFIs generally brought benefits to TA operations, in particular while identifying and preparing TA operations, and for operations with a focus on capacity development. Such cooperation is however far from systematic and should, in view of the evaluation results, be strengthened at the benefit of the effectiveness of TA operations, and ultimately, of the investment projects they eventually serve. More synergies should especially be created with EIB's natural partners, i.e., the EC, Member States and EU Delegations.

Increased cooperation is necessitated because of, *inter alia*:

- The observations in this report, and particularly those on capacity development, which the EIB will not be able to address on its own.

- The scattered nature of interventions within the development aid landscape including TA, which would greatly benefit from more synergy and cooperation.
- The fact that the EC increasingly requires IFIs to cooperate (and sometimes “compete”) under TA programmes, e.g. under NIF.
- EBRD having recently become active in the Southern Neighbourhood, which could create opportunities for cooperation in this area.

It is expected that there should be interest in such cooperation also from other donors. That is, one important finding from the review of past evaluations was that other international organisations encounter challenges and difficulties in the provision of TA similar to those the EIB is facing. Moreover, the review showed that many international organisations have acquired a valuable experience on technical cooperation and capacity building programmes and operations well before the EIB started its TA activities outside of the EU.

Finally, increased synergies and coordination with other institutions at strategic (i.e. region and/or sector focussed programme-type initiatives) and project levels are highly advisable. The EIB would also benefit greatly from more dissemination and sharing of information with other organisations. Of particular importance is how knowledge-based advisory activities are conducted and how to best respond to TA demand. Thus, the EIB would benefit from the considerable learning opportunities from other organisations available within the different donors’ coordination structures set up at Mandate/Facilities level, as well as those more recently established in the framework of the EU Platform for Blending in External Cooperation.

APPENDIX – TA PROJECT PERFORMANCE

This Appendix contains the analysis of the performance of the TA operations, directly based on the in-depth evaluations of the 35 TA operations carried out for this evaluation as well as other material such as the survey and focus groups. It serves, in the first place, accountability purposes: did the TA operations live up to expectations and how did they perform?

This part of the report is organised around the six evaluation criteria traditionally used by EV and more broadly in evaluation:

- Relevance
- Effectiveness
- Efficiency
- Sustainability

- EIB Contribution
- EIB Project Cycle Management

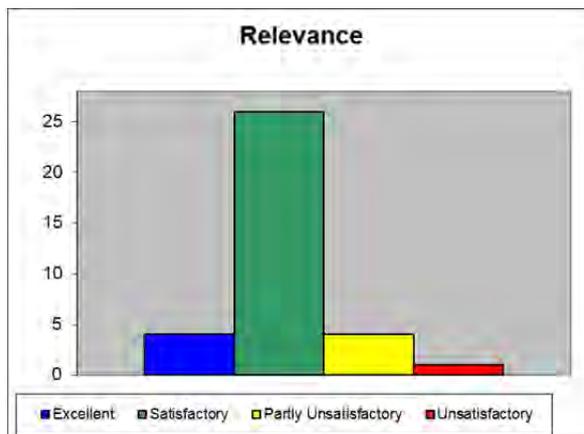
TABLE OF CONTENTS

1	RELEVANCE.....	1
1.1	IN RELATION TO EU POLICIES	1
1.2	IN RELATION TO EIB POLICIES, STRATEGIES AND OBJECTIVES.....	2
1.3	IN RELATION TO NATIONAL, REGIONAL, LOCAL AND BENEFICIARY NEEDS	3
1.4	IN RELATION TO PROMOTER/TA RECIPIENT NEEDS.....	4
1.5	INTERNAL CONSISTENCY OF OBJECTIVES AND RELEVANCE OF DESIGN.....	5
1.6	CONCLUSION	6
2	EFFECTIVENESS	7
2.1	OPERATIONAL OBJECTIVES	7
2.2	INTERMEDIATE OBJECTIVES.....	10
2.3	GLOBAL OBJECTIVES.....	11
2.4	RESPONSE TO <i>GENERIC</i> TA OBJECTIVES.....	11
2.5	CONCLUSION	12
3	EFFICIENCY	13
3.1	TIMELINESS	13
3.2	COST-EFFECTIVENESS	14
3.3	MANAGEMENT EFFICIENCY.....	15
3.4	CONCLUSIONS.....	16
4	SUSTAINABILITY	17
4.1	INSTITUTIONAL AND OPERATIONAL SUSTAINABILITY	17
4.2	FINANCIAL AND ECONOMIC SUSTAINABILITY	19
4.3	ENVIRONMENTAL AND SOCIAL SUSTAINABILITY	21
4.4	CONCLUSION	22
5	EIB CONTRIBUTION.....	23
5.1	FINANCIAL CONTRIBUTION	23
5.2	NON-FINANCIAL CONTRIBUTION.....	24
5.3	FACILITATION.....	24
5.4	CONCLUSION	24
6	EIB PROJECT CYCLE MANAGEMENT	24
6.1	IDENTIFICATION AND DESIGN OF THE TA PROJECT.....	25
6.2	APPROVAL PROCESS.....	27
6.3	PROCUREMENT	27
6.4	IMPLEMENTATION AND DISBURSEMENTS	28
6.5	REPORTING AND MONITORING	28
6.6	FINAL ASSESSMENT AND FOLLOW-UP	29
6.7	ASSESSMENT OF EIB INTERNAL COORDINATION	30
6.8	COOPERATION WITH THE PROMOTER.....	31
6.9	COORDINATION WITH OTHER STAKEHOLDERS	32
6.10	CONCLUSION	33

1 RELEVANCE

Relevance is the extent to which project objectives are consistent with EU policies, with EIB strategies and policies, as well as with country policies and national, regional, local and promoter needs. This section also assesses the internal consistency of objectives and the relevance of the design of the assessed TA operations.

Most of the 35 TA operations evaluated were found relevant, four even highly relevant. Three of those four were financial sector operations. The operation scoring unsatisfactory for relevance concerned a small-size Strategic Environmental Assessment (SEA) of a national programme, which was initiated when the programme was already well underway, whereas normally it should have been carried out before. The four projects scoring partly unsatisfactory for relevance did so for various reasons, but mainly due to shortfalls in design and in TA promoter's absorption capacity. Those less relevant operations all happen to be located in the Southern Mediterranean.



1.1 In relation to EU policies

The background to the present section is the evolution of EU policies, discussed in Section 2. That section already underlined one of the challenges of the evaluation, namely, the multiplicity of mandates and facilities under which TA takes place. Hence the EIB TA operations could not be assessed against one single set of policy objectives.

This notwithstanding, the majority of TA operations evaluated are deemed relevant to highly relevant for EU policy objectives and priorities in the regions and countries where the TA operations were developed, including against objectives set out in respective EU country strategy papers. The level of relevance seems not to be determined by mandate or type of TA.

By providing support to some investment and infrastructure projects, the TAs undertaken in ACPs/OCTs countries were found to be – either directly or indirectly – related to the key objectives laid down in the Cotonou Agreement, namely “poverty reduction, its eradication and promotion of sustainable development” or “supporting the sustainable development and the gradual integration of the ACP countries into the world economy”. They were often also related to more specific Cotonou objectives (see insert).

Cotonou objectives identified in the TA operations

- “Strengthened financial sector for better access of enterprises to finance” and “Improved sustainable private sector growth” (#5, #, 6, #7, #12, #13)
- “Enhanced productive sector competitiveness” (#1, #2, #3, #4, #8, #9, #10)
- “Enhanced governance, integrity, social responsibility & environment” (#1, #2, #3, #4, #6, #7)

In the case of regional/multi-country TA operations, the relevance of the TAs was strengthened by their support to regional cooperation programmes (#30, #31, #32) and specialised institutions promoting regional cooperation in certain sectors (i.e. electricity distribution or production in Western Africa (#1, #2, #3 and #4) and the Great Lakes region, #11).

Although policy documents for Southern Mediterranean countries do not always explicitly mention TA activities, the reference to cross-cutting priorities – e.g. Good governance, “Institutional support to underpin implementation of the Association Agreements and the Neighbourhood Action Plans – underline the importance to undertake TA activities in these

FEMIP key priorities identified in the TA operations

- Health sector (#15, #16),
- Environmental protection, water management and pollution control (#17, #18, #19, #22, #23, #24, #30)
- Education and training (#21)
- Transport (#25, #26, #27)
- Ensuring sustainability of the development process with social, economic and environmental policies (#29)

geographical areas. The TAs carried out with support from the FEMIP Facilities (FEMIP SF and S2FEMIP) were generally related to sector key priorities as per the respective EU country strategy documents (see insert).

The TAs under the Neighbourhood Investment Facility (NIF) and the NIF Trust Fund [#33, #34] were aligned with NIF priority objectives, with the NIF geographical scope (countries with an ENP Action Plan approved); as well as with the NIF *model*, i.e. to mobilise grant resources from the NIF and the EU Member States and using them to leverage loans from European Finance Institutions as well as contributions from ENP partner countries.

Finally, several TAs in the sample or the projects that they supported were explicitly foreseen in EU strategic documents (see insert).

Examples of projects foreseen in EU strategy documents
<ul style="list-style-type: none"> • Beirut-Damascus Highway, covered by the infrastructure project supported by TA #27, mentioned specifically in the EU Country Strategy Paper (2007-2013) for the country under the priority area “transport connections between Lebanon and its neighbours” • The agreement to co-finance the Cairo Metro L3P3 between NIF (EUR 40m in grants), EIB (EUR 600m) and AFD (EUR 300m) is noted as milestone in the EU/Egypt cooperation strategy in the transport sector • TA #30 linked directly with the objectives of the “Investments for Pollution Reduction” Component in the Horizon 2020 Initiative, which is funded through the FEMIP SF with the aim to support projects to reduce the most significant sources of pollution (focussing initially on industrial emissions, municipal waste and urban waste water responsible for up to 80% of Mediterranean Sea pollution). • TAs #31 and #32 related to the objectives of (a) “creating a more functional and efficient transport connections between the EU and its MPCs” under the Euromed Transport Programme (for the 2003-2009 with a budget of EUR 9.7 million, financed from the European Neighbourhood Partnership Instrument, ENPI) and (b) “development of logistics platforms in the Mediterranean Countries” under the “Action 17 in the Regional Transport Action Plan for the Mediterranean Region 2007-2013”.

1.2 In relation to EIB policies, strategies and objectives

As per the Bank’s internal Procedural Guidelines for TA operations, eligibility of TA is assessed on the occasion of the request for finance submitted by the EIB to the EC (whenever relevant) and of the internal “TA request” submitted to the EIB Management Committee. Most TA operations evaluated were found to be consistent with the eligibility criteria established under the respective applicable regulations for each Mandate/facility (see insert).

Two TAs in the sample were approved under the FEMIP Trust Fund (FTF) [#31, #32] the TA window of which is used to finance TA activities that are not necessarily directly linked to an EIB project and therefore not eligible for financing under the FEMIP *Support* Fund. More generally, the extent to which the EIB is to focus on capacity development *as such* is one of the few more controversial aspects concerning eligibility. For operation #16, concerning training of management staff in a series of hospitals rehabilitated with the support of an EIB loan, the EC stated that this was “à la limite” (dixit) of eligibility conditions – a solution was found by having the EU Delegation participate in drafting the ToR and in the project. #27 (road infrastructure development in a *Mashrek* country) included in fact long term capacity development which was not explicit in the initial ToR.

Applicable Regulations for Eligibility of TA Operations
<ul style="list-style-type: none"> • For Mandate/Facilities in ACPs/OCTs countries: Article 2 of Annex 2 of the Cotonou agreement & OPSB/ACP-IF7/2006/1839 Guidelines for TA linked to IF and OR operations in ACPs and OPSB/ACP-IF7/2007/104 Global Authorisation for TA grants under the Cotonou Agreement • For Mandate/Facilities in Southern Mediterranean countries: Article 2 of the Framework Agreement concerning the Management of the FEMIP FS between the EC and the EIB (signed in May 2003) and the most recent Management Framework Agreement (signed in December 2012).

The operations in the evaluated sample were generally consistent with applicable EIB sector policies and strategies, i.e. COP objectives, the evolving TA strategy and relevant EIB Business Plans for the respective regions including more precise objectives such as the EIB Microfinance Strategy [#5, #12, #13], or the 2010-2012 FEMIP Operational Plan which mentioned e.g. explicitly #30 as a strategic initiative for the de-pollution of the Mediterranean.

TA operations in ACP/OCT countries accompanied infrastructure and private sector projects, and aimed at improving investment projects within the framework of Mandates and Facilities covering those countries. In accordance with the EIB strategy for ACP countries, these TAs concerned in particular projects in the financial [#5-7, #12, #13] and energy [#1-4, #8-11] sectors as well as transport [#14]. More specifically, #8-10, prefeasibility studies for a major dam project in Eastern Africa.

Regardless of the sector, compliance with Environmental and Social (E&S) standards appears to be an important reason for TA operations. About half of the sample [#1-4, #8-11, #14-15, #20, #25-27, #29-30, #34-35] aimed partially or entirely at ensuring that projects (to be) financed are aligned with the EIB E&S standards. For TA operations under FEMIP Mandate/Facilities, the new Management Framework Agreement between the EC and the EIB signed Dec 2012 (Article 4, para 5) explicitly states that the Bank “*require that the Counterparties comply with the Bank’s Statement of E&S principles and standards during the implementation of the Operations*”.

Preparing for resettlement (TA #29)

In accordance with the EIB Statement of Environmental and Social Principles and Standards (2009) and the EIB’s E&S Practices Handbook (2010), #29 aimed at providing the promoter with a Resettlement Policy Framework and a Resettlement Action Plan at the quality standards levels requested by the Bank, taking into account potential impacts of the local metro line project to which it contributed (in a capital city of a major Arab country) on population movements and resettlement, loss of livelihood and on vulnerable groups in affected areas.

An exceptional case: a TA operation considered not relevant from a EU perspective [#20] but imposed by the EIB

This TA focused on producing a SEA (Strategic Environmental Assessment) for a component of a water management programme managed by the national agency aiming at the modernisation of wastewater collection networks and construction of treatment plants in 27 small and medium-sized towns throughout a Southern Mediterranean country. This TA was not considered relevant as (1) a SEA normally applies at programme not one of its components; (2) an SEA should be initiated before programme start whilst the programme here at started several years earlier; (3) the necessary environmental information was largely available.

In fact the SEA was a requirement *by the EIB* and not a legal obligation in the country at that time or by the EU. Retrospectively, there is indeed no consensus within the Bank as to whether such an assessment was really compulsory. Although not deemed relevant, it was nevertheless a condition for obtaining the loan for the promoter, who finally agreed to conduct the SEA and provided full collaboration to the study.

1.3 In relation to national, regional, local and beneficiary needs

In general, and not fully surprisingly, the evaluation found no standalone national TA policies under which the TA operations were developed. Operations #6-7 were the exception to this as the country had a national plan for capacity building, including even a Ministry of Capacity Building.

The absence of explicit national TA policies notwithstanding, most operations are considered essential in relation to local needs, as they supported the absorption capacity of the benefiting institutions in a way that tied in with relevant local policies. In most cases, the operations were directly linked to an objective or component of a national plan or programme, such as promoting “environmental and social safety and sustainability of energy supply and utilisation” in national energy policy objectives [#8, #9, #10]; “efficient and secure air transport” as per the Country’s Poverty Reduction Strategy Paper [TA #14]; modernisation of hospital infrastructure, governance and management [#15, #16], on top of the political agenda in the country; knowledge economy objectives [#21]; infrastructure development as outlined in national five-year Plans [#25, #26] or a national highway development programme [#27]. TA #30 focused on the update and consolidation of the project pipeline that derived from the National Action Plans (NAPs) and 131 “pollution hot spots”, which had been identified by the countries in the framework of a Strategic Action Programme, coordinated by UNEP. Although most of the TAs in the sample relate to *national* policy priorities some are directly linked to policy priorities at *local* level [e.g. #17-19, in a fast-growing urban area in a Maghreb country which had an urban development plan in which water and sanitation programmes agreed between the municipality and the TA promoter had a prominent place].

In some cases, the TA responded to legal requirements set out in new regulation, for which the TA promoter/recipient lacked the capacity and/or expertise to enforce them in due time. Operations #12-

13, for instance, aimed at assisting Microfinance Institutions in a Caribbean country in enforcing a new banking regulation issued by the national supervisory institution on operational risks incorporating Basel II's risk management requirements and standards into the country's banking system.

Some TA operations however were less directly relevant to the local policy needs as they were first of all imposed by co-financiers, in particular the EIB, in view of the corresponding investment project(s). Whereas the Bank should make sure that its investment are in line with its own standards (e.g. E&S – see above), the fact that TA operations are less relevant from a national point of view, lead to lack of ownership at the promoter's side, or even to contradictions between the TA operations and, for instance, national regulation. For #20 (water sector, Maghreb) and #33 (electricity sector, Mashrek) for instance there was a lack of correspondence with the applicable national legislation. For #29 the need to prepare a RPF and a RAP (see insert above) was not needed by national regulation either. From the Bank's perspective this was precisely the reason to impose those TA operations – and corresponding to the global objective to bring EIB projects in line with EU regulation. However, ownership may be low in such cases and creating it needs extra efforts.

Finally, a main challenge in multi-national or regional TA projects is to find a promoter at the right level. For #1-4 (power transmission in West Africa) a regional organisation existed which was easily identified as promoter. The weak relevance of TA #35 on the other hand came partly from a weak institutional positioning. There was an absence of any clear input or ownership from the *national* authorities into the initial development of specifications for the *regional* TA, which aimed at *local* authorities. This raised the question of how a major large-scale strategic national need can be translated from national policy to national government support for a set of municipal priorities and set up in such a way that *several* countries would actively participate in such an initiative.

1.4 In relation to promoter/TA recipient needs

In most cases TA is meant to fill capacity gaps at the TA promoter/recipient side in terms of project preparation or implementation. In many cases in the sample the TA operations were indeed explicitly identified to respond to a lack of staff having the necessary experience in the management of large infrastructure projects [#1-4, #6-7, #8, #11, #12-13, #15-16, #27], which, if not addressed, represented major operational risks for the investment projects concerned or reputational risks for the Bank [#9-10]. The TA operation was sometimes an EIB disbursement condition for a loan [e.g. #15-16] or a condition for appraisal [#8-10].

In only a few cases however, an explicit needs or gaps assessment was undertaken *ex ante*. In the majority of cases such an assessment remained implicit, based often on the Bank's experience with the promoter. Evidence shows that a needs assessment upfront can be a success factor [#5, #12-13 – all three financial sector TAs]. Other cases where needs assessments clearly contributed to a better specification of the TA were #29 where the promoter had long track record in constructing metro projects but weak experience in managing E&S impacts and risks and #33 where the promoter had a long track record in transmission networks but weak experience in dealing with IFI requirements in such projects. In the latter two cases the financiers asked for the TA not the promoters themselves.

Conversely, *not* undertaking a clear needs assessment may lead to TA operations being only weakly relevant [#20, already discussed above], to erroneous assessments of the TA recipient's absorption capacity which is important for the uptake of TA results in later stages [#27], to missing out on key stakeholders to be involved in the process [#21, where the Ministry of Industry plus private sector representatives appeared not to be involved in a TA linked to private sector *technopole* development initiatives which was typically of their responsibility] or on the need to apply relevant national legislation, for which the TA promoter lacked expertise and/or resources [#12-13].

It is therefore viewed as good practice that the Bank, as well as other financiers, since a while also launch projects which are situated more upstream in the project cycle. These are not linked to a concretely defined investment project, but meant to identify needs and, from there, possible future investment opportunities. Examples from the sample are the study on pollution hot spots in the Mediterranean [#30], the two projects related to the development of logistics platforms [#31-32] and the EIB/EC/EBRD driven study carried out under the regional TA #35 on energy efficiency investment in Eastern Partnership countries.

When the TA is designed more for the EIB than for the promoter...

In some cases the promoter did not agree on the need to undertake the TA, and this could lead – as will be argued under “effectiveness”, below – to low or even non take-up of TA results. For #8 and #9, concerning a dam project in an East African country, the promoter claimed that all necessary studies (including E&S) had been performed at project onset (the project had started a while before the TA). However the Bank needed to assess whether it could appraise the investment project and needed a better understanding of E&S impacts downstream the dam. Whereas the promoter was cooperative during TA implementation, the promoter eventually disagreed with the outcome of the TA, which recommended additional studies which would have delayed the investment project. Also TA #20, on the SEA, discussed above, was viewed by the TA promoter not as a need or but as a “burden imposed upon them” given the available amount of information on the environmental implications of the plan and the sub-projects to be undertaken by the promoter; although the promoter did collaborate, the study ultimately appeared not very useful other than for satisfying the EIB loan condition. Finally, the promoter for TA #24 (a mid-term evaluation of a previous phase of an investment project) did not accept its conclusions, as it claimed that it had not been sufficiently consulted. As a result, the subsequent TA operation (#22) did not include all activities identified as important by TA #24.

The evaluation assessed for each TA operations if, and which, lessons were drawn from the past. Indeed, this was generally done when the TAs under evaluation were preceded by other TAs [#5, #13, #15, #16, #20, #26, #27, #31, #32, #33]. However, some operations also failed to take advantage of lessons learned from previous TAs or investment projects. Hence for #32 the pilot location was the one preferred by the promoter, even though the EIB considered on the basis of past experience that other locations had better potential. TA #22 partly failed to incorporate the lessons learned from an earlier evaluation [#24] as the TA promoter disagreed with some of the evaluation’s conclusions and recommendations. Whereas the ToR for the TA operation identified some structural risks in Tunisia likely to affect its implementation, no mitigation measures were proposed. Ex post, these factors turned out to be the main cause of delays of the investment programme, and to a certain extent of the TA #22 itself.

When there were no past TAs or the TA promoter was a recently established organisation, the evaluation identified some interesting cases of drawing lessons, i.e. between donors [#1-4]; from previous EIB co-funded *investment* projects [#8-10 which were triggered by cost and time overruns on previous investment projects and the fact that works were contracted to one single contractor without competitive bidding]; from similar projects in a country [#29]; or from earlier studies [#30].

Even though not all focused on capacity building *per se*, all TA operations in one way or another aimed at supporting absorption capacity, either by strengthening or supplementing technical expertise in a specific area/sector or complementing scarce human resources. In TA operations #12 and #13 promoter absorption capacity was well estimated. Here, the TA promoters met all commitments requested in the ToR before and during TA implementation, including the nomination of a contact point for each of the five components in the TA project *prior* to the start of the TA (with an external recruitment on the promoters’ own resources). In many cases the anticipated absorption capacity of the TA promoter was however not explicitly assessed [#8-10, #20, #17-19, #20, #21, #25-26, #27, #28]. In several cases it was overestimated [#5, #11, #15-16], when either the promoter’s skill and competence, or sheer staff capacity was too low to easily incorporate TA results. Estimating promoter absorption capacity upfront should be a necessary step in defining a TA project.

1.5 Internal consistency of objectives and relevance of design

Overall, the objectives of the TA operations in the sample tie in with one another to be internally consistent, and were enhanced where they also corresponded to the relevant investment projects’ objectives [#12, #15, #17-20, #22, #27, #28, #31-35], or when they were split into smaller more internally consistent TA operations where economies of scale could also have led to the choice for a single TA covering several studies [#1-4, focusing on related studies with the same promoter].

For several long term assignments however, operational objectives were mere “shopping lists” [#14, #15, #35]. This makes it difficult to prioritise and realise all the objectives mentioned. It also prevents the key stakeholders (EIB, TA promoter, TA provider) to reach a common understanding of the real purpose and scope of the TA assignment during most of the TA implementation (especially manifest in TA #15). In some cases a solution could have been to establish a short TA to define scope and objectives of the core TA. However if it is not possible to define objectives and scope at onset or during inception, more explicit, regular, systematic and serious intermediate assessments would be needed on the basis of which the TA project objectives can be adapted and agreed.

2 EFFECTIVENESS

Effectiveness refers to the extent to which operational, intermediate and global objectives have been achieved, or are expected to be achieved, taking into account their relative importance, while recognising any change introduced over time (see intervention logic, Section 3.2).

About two-thirds of the 35 projects in the sample had satisfactory effectiveness overall. One TA operation – supporting a series of intermediary banks to prepare a subsequent TA in the area of microfinance – was even found excellent in this regard. In particular, most projects delivered expected outputs in an acceptable to satisfactory manner, even if this often came at a major additional effort to get quality up to standard (discussed under “Efficiency” in the next chapter). Several TA operations have indeed successfully contributed to improving quality of the associated or potential investment projects, or to building human and institutional capacity.



Yet about one third of the operations score partly unsatisfactory on effectiveness and this is primarily due to having difficulties achieving *intermediate* objectives. Although those projects had deliverables of acceptable standard, they generally had difficulties achieving that those TA deliverables were subsequently used successfully in a broader process or investment project. There was no pattern in the sort of projects that are concerned in terms of sector, country or TA type although the few very large implementation related TAs are part of them. Lower effectiveness is often explained by (initial) frictions between TA consultant and promoter and lack of ownership of the latter, but also, when TA results were to be used for an investment project, the weak synchronisation between the two.

2.1 Operational objectives

2.1.1 The delivery and quality of TA outputs is generally up to standard

For a TA operation to be effective, a condition *sine qua non* is that its deliverables should be above a certain quality threshold. Would this condition already not be fulfilled, chances are low that the operation would lead to the desired outcomes and impact at all. A distinction can be made between the *formal* quality (compliance with ToRs, completeness, clarity, layout) and the *intrinsic* quality of TA deliverables, i.e. their substantive or technical quality, and potential to achieve the desired effects.

Formal quality of TA outputs is generally assessed as being satisfactory. In other words, TA deliverables generally are up to standard in terms of the formal requirements. Focusing on types of TA output, relatively lower “formal” quality was reported for pre-feasibility and feasibility studies. The main shortcoming relates to the operational usefulness of these studies. For instance, some TA operations did not include the production of tendering documents, which could have facilitated the subsequent project financing process (e.g. #1-4). No particular formal quality issues have been raised with regard to technical and institutional studies and progress reports. In some cases the usefulness of the high number or frequency of intermediary deliverables (e.g. monthly reporting) can be put in to question – quality is generally higher when the amount is less. Also, less frequent but possibly more extensive reporting is better

Make sure input quality is known before determining expected output quality
 An important reason for TA operations not always being fully able to deliver expected outputs is that the preparatory work for the TA (sometimes another, preliminary, TA) was not of the standard described by the TA ToR. In several cases preliminary work that was expected to be completed or to be of a certain quality, was not so, and had to be fully or partly done over again in order to start the TA [#11, #14, #15-16].
 Hence some of the (shorter) TAs are precisely meant to determine the baseline and, from there, prepare a larger TA. This is deemed to be good practice at the condition that the preparatory TA is followed quite directly with the new TA assignment as delays can rapidly make TA results obsolete.

use of the consultants' time. Finally, as argued in the Chapter on Project Cycle Management, it turns out that the EIB is often unable to check all outputs in great detail anyway.

The in-depth evaluations show that also the *intrinsic* quality of TA deliverables was for the majority of cases of acceptable to good standard. Bringing deliverables up to standard however often requires a strong effort by the EIB. That is, often several iterations are needed between TA provider and the Bank and possibly the TA promoter. Sometimes low initial quality (of process or deliverables) necessitates changes in the TA provider's team; in one case even the company providing the TA needed to be replaced. The quality of deliverables is hence strongly correlated with *efficiency*, discussed in the next chapter.

The intrinsic quality turns out to depend on a combination of factors, namely, the design of the TA operation, the quality of the TA provider, the involvement of the TA promoter and recipient, as well as on more general governance structures. Design of TA operations was discussed in the previous chapter. The quality of the TA provider and the involvement of TA provider/recipient are discussed below. TA management is discussed in the next chapter on efficiency.

2.1.2 Quality of TA providers

The quality of TA providers, meeting at least the requirements of the ToR, is, a major if not the main driver for obtaining good quality TA outputs. The individual evaluations assess the quality of TA providers to be generally good and compatible with the work, tasks and sectors concerned by the operations. This reflects the capacity of the contracting authority (EIB or promoter) to select appropriate consultants. The type of procedure followed for public procurement (e.g. open procedure, negotiated procedure, EC framework contract) does not seem to be a determinant in the quality of the TA provider. That is, there is no evidence that one procedure would lead to higher quality consultants than another. However, there is some evidence that who is contracting authority does matter. There is a risk of selecting a lesser quality TA provider when the promoter (and not EIB) is contracting authority [e.g., #1-2 – where the TA provider was selected by the promoter on price and not on the basis of quality and experience, leading to sub-standard deliverables which took a great effort to get to a decent level].

Notwithstanding the general positive finding concerning TA provider quality, in several cases there were quality concerns, leading in one case even to re-tendering and selecting a new company to perform the TA assignment [#28]. In several other cases [e.g. #14, #15-16, #22, #30] internal replacement of the Team Leader or other team members [#31] had to take place as initial results did not live up to expectations. If eventually this did not affect overall effectiveness of those operations, it generated time slippages, hence lowering efficiency (next chapter).

The analysis of the individual evaluations suggests that the primary factors explaining the quality of the TA provider are expertise (i.e. qualifications and relevant experience), availability of local consultants and flexibility.

Expertise. This refers to the skills, competences and experience of the Team Leader and other experts provided by the TA consultant. These issues are seen as the ingredients for successful cooperation between TA provider, recipient(s) and other stakeholders. The qualifications of the TA team and its ability to establish good working relations are generally recognised as important elements that contribute to meet the needs of the promoter or the TA recipient. Also, it is generally acknowledged that a good mix of expertise, matching experts with different seniorities, profiles and backgrounds, enhances the responsiveness of consultant and the overall quality of work [#5, #8, #15, #30, #35].

Availability of local consultants. The availability of local consultants, or the capacity of the TA provider to mobilise them upon request, is a contributing factor that both improves the quality of the output and enhances the absorption capacity of the promoter. This is particularly evident in [#20] (Morocco – water sector), where the use of a local consultant (even if formally labelled as an international expert) appeared to be very positive in view of the knowledge of the country, the language of the reports and the networks that were mobilised during the study. Additionally, the acquired knowledge and expertise remained in the country at the end of the contract, as witnessed by the fact that the local consultant continued to work on Strategic Environmental Assessments and become a strong advocate in Morocco (see under Sustainability). Conversely, not only did for TA operation #33 the TA

team not comprise a local expert, but the manual produced under this TA was not even translated in the local language (Arabic), which hampered its usefulness.

Flexibility. The flexibility of the consultants to adapt their work to changing circumstances during operations' implementation was also assessed as a positive factor. This is reported more than once in the in-depth evaluation reports, not only for those TA operations that were carried out over the period during which the Arab Spring occurred (which often impacted the progress of the TA operation) but also for an operation like #34 (in an Eastern Neighbourhood country), facing a challenging and difficult environment that lead to changes to the scope of the work; the operational objectives were achieved also thanks to the flexible response of the TA provider to cope with those changes. An interesting case of flexibility is #14, which concerned TA to a national airport authority. Here, after a fire which partly destroyed the airport, the TA consultants were rapidly mobilised to help getting airport operations going again – an event which was of course not foreseen in the ToR, but for which the support of the consultants, who after several years on site had become very familiar with the local situation, proved to be extremely useful.

As for the relative importance of those factors, the expertise of the TA provider is crucial. The involvement of local consultants has been reported as a prominent quality issue only for the operations aimed at providing technical and institutional studies (although, in principle, it would be also beneficial to the provision of outputs such as Environmental Impact Assessments [#14, #20] or Resettlement Plans [#29], for which presently still little competence exists in partner countries). Even more than on effectiveness however, it has an impact on *sustainability*, as the acquired competence should remain within the country or organisation and not leave when the TA provider leaves, which often happens (see Chapter 4, on Sustainability). The flexibility of the TA provider appears particularly important for long term implementation assignments where it is often difficult to foresee in detail all the work that needs to be done [#11, #14, #15-16, #22]. It is less important for TA operations with a "study" character.

2.1.3 Involvement of TA promoters and recipients

The intrinsic quality of TA outputs also depends strongly on the quality and involvement of the TA promoter, in terms of the support and feedback provided to the TA provider. When the TA promoter assumes a proactive role (and has the internal capacity to do that – which often is an issue), the conditions for collaboration are smoothed and the consultants can rely on all documents, data, information and the logistic support needed for the production of good quality outputs.

The in-depth evaluations provide a mixed assessment about the level of support provided by the TA promoters. For about one third of operations, it is reported that the promoter was scarcely involved in the study, or even reluctant to accept the advice received or on responsibilities on delivering their own tasks. In the case of the long term implementation TA assignments especially, initial frictions between TA consultants and TA promoters occurred *systematically*. This impacts the effectiveness in the initial stages of the TA assignment and causes a "bad start", difficult to repair easily. Fortunately, the situation improved progressively albeit slowly, often thanks to the efforts of the TA consultants if not EIB in building a better understanding of the advantages of the collaboration at the side of the promoter [#14, #15-16] and an increased openness on the promoter's side. It is an important lesson to be drawn for the EIB. Such initial frictions should be avoided as they compromise a good and sound start of many TA projects, hamper effectiveness and lead to inefficiencies. According to the in-depth evaluations, TA Team Leaders with insufficient diplomatic skills have in several cases worsened rather than improved such situations (which sometimes constituted a reason for dismissing them – see above). One respondent to the survey suggested that communication issues were a barrier to good cooperation with the promoter, and that consultants need to adapt to local cultures. The EIB should therefore keep a good eye on those initial phases, to make sure that the inception of the TA proceeds in a satisfactory manner.

Two factors contribute to the ability of the TA promoter to support the provider adequately, namely commitment and ownership, and capacity.

Commitment and Ownership. This refers to the effective involvement of the TA promoter throughout the process and the willingness to accept, use and internalise the TA output. For instance, such strong promoter commitment was found in #27 (even though the corresponding investment project ultimately got delayed). This project initially suffered from the ambiguity of the ToR on some aspects

of the work scope, in particular regarding the establishment and functioning of the Project Implementation Unit (PIU). To overcome the impasse, the TA promoter took on responsibility and appointed two project managers to work with the consultants on almost a daily basis. If this had not happened, then the quality of the consultants' work would have been impacted negatively. Also, even if the TA operation was designed without a specific focus on capacity development, nevertheless, the structure of the operation, involving the consultants based in the promoter's offices and working day-to-day alongside personnel from the promoter, contributed strongly to capacity development. Conversely, the TA operations which are "imposed" on rather than requested by the promoter (discussed under Relevance, above) usually also have low ownership which can hamper the uptake of results.

Capacity. The simple commitment of the TA promoter is however not sufficient without the capacity to effectively support the process. For example, #11 (a dam project related TA in the African *Great Lakes* region) shows that, despite its clear mandate and involvement, the promoter was not in a condition to facilitate the TA provider's work. In particular, the promoter was not able to contribute substantially to regular meetings with representatives of the three countries involved because it is a very small organisation that lacks capacity on financial aspects and has little experience in project implementation, especially with the private sector.

Apart from the above considerations, the identification of a promoter is sometimes difficult in the upstream studies [#30, #31-32, #35]. Such projects are generally driven by EIB, EC or others and do not have a real counterpart which could be given an active role alongside the TA consultants.

Cooperation between TA promoter and TA provider – evidence from the survey

All promoters who responded to the questionnaire worked alongside the consultant on a regular basis; four of them found that this had a positive impact on the TA. Overall, the promoters were satisfied with the consultants' work. All respondents found the consultants' work satisfactory or excellent in the following areas: commitment to the TA, understanding/incorporating the promoter's views and cooperation with the EIB. Also concerning quality of work and deliverables, ability to start working from day one, availability of the TA consultant, cooperation with stakeholders and ability to deliver on time, the majority of promoters were satisfied. (source: survey)

2.2 Intermediate objectives

Two-thirds of the TA operations evaluated achieved intermediate objectives to satisfaction. For the one-third of the operations scoring partly unsatisfactory on effectiveness, this is primarily due to having difficulties achieving *intermediate* objectives, that is, to achieve that TA deliverables are used effectively in a broader process or investment project. Amongst those were the few very large implementation-related TAs [#14, #15-16] as they had difficulties contributing to their corresponding investment project. This was due partly to (initial) friction between TA consultant and promoter which hampered effective work, and partly due to weak synchronisation between the TA and the investment project. For #14 – concerning an airport extension in an Eastern African country – the EIB loan did not even kick-off before the formal end of the TA assignment: the loan was signed in 2009, but eventually is not expected to start before 2015, while the TA operation formally terminated in 2013 (but may be extended). Therefore the TA cannot feed into the EIB co-financed investment project and, apart from the tasks that could be identified in the beginning (such as a financial manual and a EIA), the TA consultants performed tasks more on an *ad hoc* basis, provided capacity building support and training to the promoter, and various services "as-they-came-along" (such as intervening on the spot after a fire burnt down part of the airport). This eventually was of great use for the local airport authority, but deviated partly from initial plan and at this stage it is difficult to see what the impact on the EIB co-financed component will be – which was one of the *raisons d'être* to launch this TA. The other operations having problems achieving intermediate objectives were two other implementation TAs [#7 (financial sector-ACP), #22 (water sector-FEMIP)], five pre-assessment studies, three of which interrelated [#8-10, #11, (power generation, ACP), #20 (water sector, FEMIP), #32 (logistics, FEMIP)]. Given this variety of projects, no systematic pattern emerging which would explain the difficulties those projects have in terms of the sector, country or mandate, or TA type.

Apart from looking at the involvement of the promoter in the delivery of the TA project, discussed in the previous section, the assessment of intermediate objectives achievement also tried to understand whether the TA promoter (or recipient) subsequently took ownership of those results. Whereas this generally was the case, the analysis revealed that a reason why projects sometimes encounter

difficulties achieving intermediate objectives was that some of the changes implied by the TA results are (partly) beyond the control of the recipient organisation [#18, #20, #21, #27, #29 – all Southern Neighbourhood], for instance when more political decisions should be taken or institutional changes made. The operation's intermediate objectives should be carefully designed with this in mind.

2.3 Global objectives

The contribution of TA operations to reaching global objectives is in the first place very much dependent on whether intermediate objectives were achieved (see above).

Two financial sector TAs which reached their global objectives well

[#5 (TA to Micro Finance Institutions (MFIs) across Sub-Saharan Africa)]. The TA modules contributed to improving MFI management and helping to make them better run their respective organisations. Some MFIs were directly turned around as a direct result of TA secondments of management staff and IT support while others are cited introduced better management structures following the TA. Some MFIs increased their credit ratings. For these success stories increases in profitability, portfolio quality and overall institutional performance have been reported. Most MFIs increased their performance and more generally there is evidence that the TA overall (combined, of course, with the associated microfinance fund) has made a significant contribution to the improvement of MFIs in this region.

[#6, #7 (TA to a national development bank, Eastern Africa)]. One measure of improvement for this development bank is the proportion of non-performing loans. This was at a level of over 35% by volume at the start of the TA in 2008. At that time there had often been cost over-runs in the projects and many loan applications had involved overly optimistic projections. A project rehabilitation unit was launched as part of the business modernisation to address non-performing loans. The volume of non-performing loans has been reduced significantly to 8% by mid-2013, and many loans have been written off. Especially the work on the portfolio analysis performed under the TA has helped with this improvement, according to the management of this bank.

Again, sometimes achieving the global objective would have required structural or institutional reforms [#21]. This in turn would require involvement of stakeholders beyond the mere TA promoter – e.g., government ministries. These are most of the time issues which TA operations have difficulties addressing, especially when they are not included explicitly in their design. Some projects, especially multi-country ones, did include a more political component [e.g., #11]. Anticipating the relation of the TA operation to the wider context refers back to the design of TA operations, the objectives of which should be realistic, and not over-ambitious, in this regard. Alternatively, they could anticipate that in order to fully adopt the TA results, involvement of a wider set of stakeholders than the mere TA promoter or direct TA recipient is required.

2.4 Response to *generic* TA objectives

The TA operations were also assessed in view of the *generic* evaluation objectives that were identified on the basis of the policy review that was conducted for the present evaluation. These were, for the intermediate objectives, to strengthen:

- (1) Project Development Capacity (Quality & Performance),
- (2) Human Capacity (Expertise & Skills) and
- (3) Institutions & Governance,

and for the global objectives

- (1) to improve quality and sustainability of investments;
- (2) compliance with EU policies and applicable standards, in order to ultimately
- (3) contribute to EU policy or EIB Mandate policy objectives for the region / country.

In view of the global generic objectives, these were generally contributed to if the TA project's individual global objectives were reached – this was discussed above. It is therefore more important to focus on the generic intermediate objectives here as their achievement makes possible an eventual achievement of the global objectives.

All projects evaluated had the aim of contributing to the enhancement of project development capacity, either directly (through support to preparation and implementation) or indirectly (through

pre-assessment and upstream studies). This is not surprising as this is traditionally the main focus of TA provided by the Bank: to contribute to the quality of projects that EIB funds now or in the future. As suggested above, two-thirds of projects also actually contributed to this objective and supported the development of better projects.

Several projects however also had as part of their explicit objectives human capacity building [#5-7, #11-13, #22, #30-31, #33-34]. This is traditionally not seen as the role of the Bank³ yet in cases where it was an objective this was generally achieved. A few projects that did not have human capacity building in their objectives nevertheless contributed to it in reality to some extent [#14, #17, #24, #25]. It was generally deemed very useful to have a capacity building objective – implicit or explicit – especially in view of the sustainability (see below) of the TA results within the recipient organisation.

Institutional capacity building and improving governance structures was hardly ever an explicit objective in TA operations, and if present, it was generally a very minor one [#5-7, #11-13, #12, #32, #33]. Whereas it is not expected that EIB make this its main TA focus, in some cases there were institutional barriers to the uptake of TA results in some projects which might have been better anticipated and dealt with.

Therefore, overall, human and institutional capacity building – whether delivered by the EIB or by others, e.g. the local EU Delegation, deserves more attention in order to optimise the impact of the TA provided by the EIB.

2.5 Conclusion

TA operations and outputs were generally delivered according to initial specifications and against the expected quality standards. However, bringing TA deliverables up to standard often came with a high additional cost due to often low initial quality which subsequently necessitated different iterations between TA provider, EIB and promoter (further discussed in the next chapter). Apart from a good ToR, discussed in the previous chapter, TA provider quality appears to be crucial in the delivery of good quality TA outputs. Also, the involvement and commitment of the TA promoter in all stages of TA implementation appears very important in this regard.

TA operations generally helped promoters (including EIB) and beneficiaries to better realise their aims and lead to better quality identification, preparation, or implementation of projects (to be) co-financed by EIB, or others. In many cases preparatory TA operations were a loan condition for the EIB aiming at, for instance, improving environmental quality of an associated investment project. Whereas supporting project development capacity hence remains the main aim of EIB TA operations – and was in one form or another systematically stated in objectives – TA often also supported human capacity building, and in a few cases institutional capacity building. The latter two are however seldom recognised as being objectives for EIB TA. The evaluation shows nevertheless that both have an influence on the potential uptake of TA results and therefore would deserve more attention. Indeed, for the one-third of the operations scoring partly unsatisfactory on effectiveness, this is primarily due to having difficulties achieving *intermediate* objectives, that is, to achieve that TA deliverables are used effectively in a broader process or investment project. In some of the larger “implementation TA” operations initial frictions between TA provider and promoter hampered effective work. Also, poor sequencing between the TA operation and other TA operations or synchronisation with the associated investment project hampered effective uptake. Finally, institutional barriers and, over the period concerned, contextual changes (e.g. Arab Spring), sometimes prevented TA results from being taken up.

Last but not least, the bank should acknowledge that many TA operations are highly complex (one-third of the sample), even though this does not mean that they are failing to reach their objectives more often than other projects. Those complex projects often involve several countries – some of which plagued by internal conflicts – and concern issues and sectors that in themselves are complex or of a sensitive nature.

³ As an indication, whether or not to take this objective on board led to a heated debate with the services at the kick-off meeting for the present evaluation.

3 EFFICIENCY

Efficiency considers the extent to which project benefits/outputs are commensurate with resources/inputs. This is approached by assessing the following sub-criteria: timeliness and absorption capacity; cost-effectiveness; and management efficiency.

Whereas objectives of the TA operations were in many cases achieved, this often came at a high cost in terms of process delays, additional budget or time overruns and extra efforts by different stakeholders. The efficient implementation of TA operations is a major issue: for about half of the TA operations evaluated, efficiency was partly unsatisfactory, in two (mutually related) cases even unsatisfactory. Many operations last much longer than initially foreseen and especially the larger implementation-related TA operations have considerable cost-overruns and needed budget increases.



3.1 Timeliness

The first component of efficiency assessed under this evaluation concerned timeliness. Three important aspects emerge from the individual evaluations. The first concerns the sequencing of the TA with preceding TAs or other events which was not optimal. This sometimes led to baseline information for the TA project being out of date and the need to review or update it, which cost an extra effort, initially not foreseen. The second aspect relates to the timeliness of the TA operations as such, as many were delayed, in some cases lasting more than twice as much as initially foreseen. Finally, for some TA operations there were synchronisation issues with the associated investment project leading to inefficiencies in using TA results in those subsequent projects.

3.1.1 Upfront timeliness mismatches

In the case of [#15-16 (implementation TA in the health sector)] the planned “single integrated TA support” (with a project implementation and a capacity building component) was split into two distinct TA operations, launched at an interval of 2 years, undertaken through separate consortia, and, for the capacity building component, with a strongly reduced budget not covering all hospitals covered under the investment loan and the first TA component. The fact that the TAs were not carried out in parallel was “one of the TA promoter’s main frustrations”. For #31 and #32 there were substantial delays in preparation and approval of the TAs. The time that passed between the initial study and the follow-up TAs was relatively long (approximately three years).

For TA operations #11 and #15 there was overlap in terms of timing between the work to be done under the TA and some previous TAs/studies, which led to duplication of work and competition between the different TA providers. TA #31 was approved three years after a previous EIB study had been completed for which a first assessment of training needs had been carried out. Due to this delay, momentum was lost.

Some TA operations started *too late* in view of the investment project to which they were expected to contribute. Hence, TA operation #7 was expected to support the implementation of a Global Loan to the promoter over a two-year period but the TA started late when the GL was already well underway and only 7 months were left before the end date of the GL. The late implementation of TA #20 (discussed under effectiveness) – more than 4 years after the plan to which the Strategic Environmental Assessment (which was the subject of the TA) was aimed to contribute and 3 years after it was launched – meant it could not reach its expected objectives. TA operations #8-10 (pre-appraisal studies for a dam project) started when the investment project (though not the potential EIB component) had been running for more than 3 years. A timelier launch of the TA would have made the EIB TA not only more relevant and useful, but, given that the TA results were eventually not used by the promoter, also more cost-effective.

budget. They were subsequently topped up, all by remaining, necessarily, under the regulatory maximum values, in line with procurement rules. The two other major infrastructure related TAs which had no budget increases [#14, #16], in fact made budget increase requests the time of the evaluation in order to complete the work. The real cost appears very difficult to plan. In those cases the delays incurred, discussed in the previous section, and the budget increases are strongly related. These operations were also amongst those projects in the sample with the highest TA amounts. In other words, the more expensive the TA, the higher the chances the relative cost overrun is higher.

For the two other TA operations with a budget increase above 30% the reason was different. These were financial sector implementation TAs to which extra components were added [#6, #13]. In one case this consisted of adding an additional beneficiary. Rather than starting a new tender procedure, the existing TA was extended to include this new promoter.

The procedures influence the amount that can be used for the smaller TAs and therewith naturally contain their cost. The three TA operations in the sample that were focused on developing ToRs for subsequent, larger, TA operations were all under EUR 35 000 as this avoids the need for competitive bidding [#6, #10, #12]. As argued under Effectiveness, those TA represented good value for money not only as measured by their own intrinsic output quality but also because they allowed at least in two cases to better prepare and design a subsequent TA which therefore also could be implemented more efficiently (the third was not followed up by the promoter). Such preparatory TA operations are deemed good practice by the evaluators, which at a reasonable cost allow the Bank to prepare and design subsequent, larger, TA activities.

The large majority (in numbers) of operations however were contained within the initially approved budget. These concern mainly “study type” pre-assessment and preparatory assignments which are generally smaller and more precisely defined than the large implementation TAs (as was argued under Relevance). The upstream TA operations [#30, #31, #35] appear also well contained in terms of cost. Contrary to the implementation TAs, here the delays incurred and the costs do not seem to be strongly related.

Not fully surprising in view of the above, the individual evaluation reports generally found that the implementation TA operations – which are the type of TA operations closest to EIB loans – were less cost-effective than the other types, as they ultimately needed more input to achieve the desired result. The delays in and weak synchronisation with the investment project itself led to inefficiencies in the TA. However delays were in several cases also due to process inefficiencies the causes of which were related to TA provider quality, promoter involvement or contextual issues, discussed under Effectiveness. These appear to have a major impact on the efficiency of the TA operations leading to time overruns, budget increases or both.

3.3 Management efficiency

3.3.1 Management structures

In 15 out of the 35 cases some sort of dedicated management structure or arrangement existed for the purpose of TA implementation. In several cases this was the PIU which also was in charge of a related investment project(s), a project unit set up specifically to coordinate or channel TA results [#5], a local office set up specifically by the TA provider [#11] or a coordination committee [#13]. In the remaining operations only reporting lines – rather than specific additional arrangements – were defined between TA provider, EIB and promoter.

In several cases management efficiency was deemed insufficient by the individual evaluations [#14, #15-16, #21, #25, #29, #34], but this was for reasons differing from case to case. As already suggested in other parts of this report, better and more explicit communication structures could have improved the cooperation between TA promoter and TA consultant [#14, #15-16], especially in early phases. Institutional weaknesses exacerbated by repeated institutional changes on promoter side impacted on the management of the TA operation [#21]. The absence of a project director on the promoter's side impacted on the TA management as no formal counterpart existed for a while [#25]. The absence of joint internal TA project management structures and direct communication between the EIB and the promoter on TA work has been a key factor affecting management efficiency [#29]. Dividing responsibilities over different local organisations with different levels of ownership hampered efficient management of the TA [#34].

In 9 cases (all but two overlapping with those TA operations that also had a dedicated management structure) additionally a Steering Group was created for oversight. These generally turned out to be very beneficial to the implementation of the TA operations, even though this could not always guarantee efficiency per se [#15-16]. One of the issues (see insert for an example), was to select the right qualified members of the Steering Committee for it to be fully of use.

Selecting the composition of the Steering Committee not an easy task

The evaluation of [#11, TA preparing a multi-country dam project] suggests that the structure of a Steering Committee worked well in the sense of bringing together the three countries involved, and has contributed to better cooperation among the three countries. However, the logistical aspects of having regular meetings with representatives of three countries proved to be challenging and the complexity of the coordination efforts may have been underestimated in terms of required time and resources. Moreover, the members of the Steering Committee were all representatives of the energy sector (engineers) who did not have specific expertise on PPP or finance, and were not allocated sufficient time to work on the TA. Such expertise would have been beneficial earlier as the Steering Committee did not have sufficient expertise to challenge the work of the TA provider. A lesson from this was learned however and for the follow-up work, a new Steering Committee was established, where the members *did* have PPP and financial expertise.

For some large TA operations [#11, #14, #15-16] the full consultant team was on site *from day one*. As such an initial phase however was mostly a preparatory phase, used to start up the assignment, the full team was often not immediately operational and having the full team on site was therefore not necessarily justified. As normally contracts are fee-based, they were nevertheless paid during this period less active period. Therefore, a “ramp-up” period – and similarly a “ramping-down” period toward the end of the contract – could be envisaged.

3.3.2 Reporting quality

The in-depth evaluations generally found that reporting quality was found satisfactory to sometimes very good [#6, #7, #8-10, #11, #29]. Only in 6 cases the reporting quality was deemed insufficient [#1-4, #15, #34]. It turned out especially difficult to obtain a good view of the flow of reports coming out of the implementation TAs. This issue will be further discussed under Project Cycle Management.

3.4 Conclusions

Implementing TAs efficiently proves to be a major challenge, especially with regard to timeliness but in some cases also related to cost. Many operations last much longer than initially foreseen and especially the larger implementation-related TA operations have considerable cost-overruns and required budget increases. Hence, for about half of the TA operations evaluated, efficiency was partly unsatisfactory, in two cases even unsatisfactory.

Poor sequencing or synchronisation with other TA, or with investment projects, impacted negatively on efficiency.

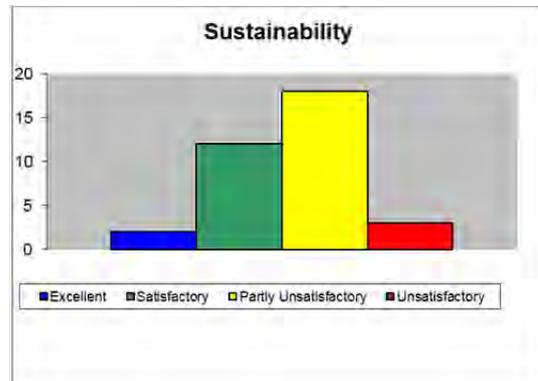
The majority of projects was contained within the initial budget. Contrary to timeliness however, there is an obvious link with the type of project: the larger “implementation TAs” more systematically have budget overruns. The smaller “study type” operations are better contained in their costs. The larger TAs also often had the full consultant team present from day 1, but this is a costly solution – a ramp-up period would in those cases have been more appropriate.

In several cases management efficiency was deemed insufficient but reasons differed from case to case. Reasons were, *inter alia*, the absence of explicit communication structures, clear division of responsibilities between TA promoter and TA provider, institutional weaknesses; absence of leadership on promoter side. In 15 out of the 35 cases some sort of dedicated management structure or arrangement existed for the purpose of TA implementation, but this was in itself no guarantee for efficient implementation. The presence of a Steering Committee, in 9 of the cases, was generally beneficial to the implementation and results of the TA.

4 SUSTAINABILITY

Sustainability is the likelihood of continued long-term effects of the TA. The present section reflects the situation at the time of the drafting of the present report and current expectations for the future.

The evaluation gives a mixed assessment about the sustainability of the TA sample. For about 14 TA operations the sustainability was rated either satisfactory (12) or excellent (2), whilst the other half of the TA operations were assessed “partly unsatisfactory”. Finally, the results of the three TA operations rated “unsatisfactory” were simply not used by the TA promoter.



The two operations with TA results that were considered strongly sustainable refer to a project preparation and implementation TA for microfinance institutions which not only had strong commitment but also had the required capacities to remain involved and internalise the TA results on the longer term.

The factors explaining the suboptimal performance of the TA operations rated “partly unsatisfactory” or “unsatisfactory” are diverse but mainly related to the TA promoter’s (technical, institutional, skill-related) inability to maintain the benefits of the TA results in the long run. This would lead to a plea for more emphasis on human and institutional capacity building alongside the TA operations.

The evaluation shows no obvious link between sustainability and type of TA or type of promoter, neither of which can therefore be taken as an explanatory factor.

4.1 Institutional and operational sustainability

The institutional and operational sustainability of the TA sample was deemed good to very good in a few cases when the TA promoters had proven capacities to maintain the benefits of the TA support upon TA completion and could build upon the TA results to strengthen their institutional structures and operational functioning [TAs #12, #13, #33]. Key factors explaining this positive outcome were the TA promoters’ commitment and involvement throughout the development of the TA, as well as their adequate internal capacities (i.e. good organisational structures, sufficient staff and skills in-house, etc.) to effectively capitalise the learning and tools developed by the TA. Some TA promoters are able to use the TA outcomes upon completion thanks to the strong focus of the TA consultants on training and capacity development helping the promoter to use the TA outputs/results [#27], or thanks to additional funding [TA #32] or TA support [TA #33]. For instance a new long-term TA will help the promoter for TA #33 to make use of the main TA output and one of the TA promoters in TA #12 and #13 will be further supported by an additional TA financed by the Inter-American Development Bank based on the results produced under the #13 managed by the EIB.

In around half of the TA sample, however, the institutional and operational sustainability was lower than expected because of:

- The TA promoter’s unwillingness to formally take up the TA outputs/results, which may in turn compromise their use being maximised once the TA is finished [#5, #22, #23, #24].
- Decisions at the TA promoters’ management level, which did not favour the uptake of TA results into their (management or operational) structures, practices and procedures [#6, #7, #26].
- Existing institutional set-up within the TA promoters’ organisations being not fully adapted to use the TA results fully [TAs 11, #15, #16, #29].
- (Political) nature and mission of the TA promoter [#1-4]

Some examples of diminished Institutional and Operational Sustainability due to....

Lack of formal update of TA results:

- The TA promoter team specifically set up for TA #5 was closing down by end 2013, in parallel with the closure of the associated microfinance fund. The skills and expertise built by the TA team will not be taken forward formally by any organisation to continue supporting MFIS across Africa. It is likely, however, that they will continue to be used in the new roles the individual members of the TA team will occupy in the future. It is feared however that there is overall a loss of competence which is regrettable.

- The TA promoter disagreed with the recommendations and action plan made under TA #24 and therefore only selected actions were included in the subsequent TA #22.

Management decisions / approaches within TA promoters' management bodies:

- By the end of TAs #6-7, the TA promoter's management had not adopted the majority of the recommendations of the consultant or lessons from the training into its lending policy and procedures. It was deemed unlikely that such update would take place without a major shift in management approach.
- Following several management changes, the TA promoter's capacity to capitalise the know-how transferred by TAs #25-26 will highly depend on the profile of the new project director, whose post had been vacant for a long period.

Existing institutional set-up within the TA promoter's organisations not fully adapted to take the most out of the TA:

- The TA promoter's structures for TA #11 were not very well fitted to prepare and implement the complex infrastructure project supported by the TA, which involved a PPP infrastructure project covering a conflict area in three neighbouring countries in Eastern Africa and negotiations with private investors.

In addition to the above factors related to the TA promoter's internal organisation and structures, the institutional and operational sustainability of the TAs have been affected by some external factors related to the sectors, markets, institutional and regulatory frameworks, or socio-economic context in the countries or regions where the TAs are developed. In recent years, dramatic changes have occurred in some countries/regions (i.e. "Arab Spring"), which to some extent have affected the TAs in the sample and/or the projects they support. The sustainability of those TA results in many cases is related to institutional or political structural issues which go beyond the TA operations themselves, and the evolution of which can strongly impact the sustainability of the TA results in the future, either positively or negatively. In many cases, such external factors prevented TA promoters to fully use the TA results [TAs #3, #4, #6, #7, #15, #16, #21, #25, #26, #31].

Examples of external factors (socio-economic, market, sector, regulatory, institutional) affecting TA sustainability:

- Strong dependence of the sustainability of the TAs #1-4 on a fully functioning regional electricity market.
- The main threat to the sustainability of the TA #21 lies in the regulatory and institutional environment in which "Technopoles" develop in a Southern Mediterranean country. Institutional, structural and regulatory adaptations are required to lift the barriers that could stop the TPs from reaching their objectives.
- To some extent, the immature logistics transport sector and regulatory framework in a Southern Mediterranean country also hindered the sustainability of TA #31.

Moreover, the sustainability of the TA operations linked to current or future investment projects (28 of the total 35 in the sample) was affected by their interrelations with the investment projects which they support. The lack of synchronisation or sequencing between the TA and related projects has already been noticed throughout the report as a factor hampering the TAs' efficiency and effectiveness. Lack of synchronisation also decreases the opportunities for those investment projects to fully capitalise and benefit from the TA results. The lack of synchronisation is partly due to the difference between the TA project cycle and the investment/loan project cycle. This does not seem to be adequately acknowledged by the Bank while designing and managing TAs.

Desynchronised TA project cycle versus Loan project cycle – both intertwined and running in parallel but asynchronous - affects sustainability

- The further delays in the infrastructure project linked to long-term implementation TA #14 will mean that the EIB loan will not be disbursed before 2015, well beyond the current planned TA completion date (October 2014). Without a budget increase there is a significant risk that the implementation timescales are very likely to slip further and the infrastructure project – at least the part that will eventually be co-financed by the EIB – will benefit less from TA outputs and results.
- A similar situation is found in TAs #15-16. Both TAs were planned to be completed before the renovation works under the investment programme were done. Despite the subsequent extensions and substantial budgetary increases, the TAs will most likely not accompany the TA promoter and its staff in the final phases of the works and the opening of the infrastructure and therefore some risks for the sustainability of the TA's results will remain.
- Contrary, a further extension to the TA #27 was needed, but the EU delegation did not accept it as there had already been two significant extensions. The TA was thus terminated before the EIB-co-financed investment was completed. In this case, however, the sustainability of the TA results was strengthened by the strong focus of the TA consultants on training to use the TA outputs/results upon TA completion, as well as capacity development – both in terms of individual capacity and organisational capacity through the ongoing use of the standard documents and systems across the organisation. As a result of the TA, the TA promoter was better positioned to manage similar infrastructure projects.
- The implementation of the key TA output delivered under TA#32 (in particular the training) should generally have been done in parallel to the infrastructure components of the associated project. However, these components have been delayed substantially so that there are risks that the platforms will not come on-stream during the TA implementation period; the generic training component however may not be wasted.

Alongside the TAs considered only weakly sustainable, the evaluation found that the institutional and operational sustainability of the TA results was absent in a number of TAs, in case the TA promoters/recipients did not take them forward during TA implementation or after the TA was completed. The case of the TA promoter for TAs #8, #9, #10 is paradigmatic in this regard (see insert).

No uptake of TA results by TA promoter

As the results of the studies delivered under TAs #8, #9, #10 did not find a follow-up at the TA promoter's side in the finalisation of the infrastructure project, and since EIB did ultimately not appraise it, the sustainability of the three TA operations remained void. It was deemed, however, that the TA promoter would in principle have had the capacities and abilities to sustain the TA results, would it have wanted to.

Even in cases where the TA results were deemed to be only weakly sustainable from an instrumental point of view, the evaluation found some positive impacts of the TAs – even unintentionally – that may have some lasting effects in the future.

- Some positive (unintended) effects resulting from weakly sustainable TAs**
- The TA consultant delivering the SEA study under TA #20 has continued working on Strategic Environmental Assessments and related assignments in a Southern Mediterranean country and has become a strong advocate of the approach, much involved in the further institutionalisation of the SEA. Although in some way unintendedly, the evaluation considered a very positive TA outcome that the expertise remained locally, as well as an important lesson regarding the use of local experts. A real international, i.e. foreign, expert would have left the country after the assignment and the knowledge and expertise would partly be lost.
 - The institutional and operational sustainability of TA #32 was not applicable, as the selected location was not a feasible project in the short-medium term. Yet, it was argued that TA implementation and the work with TA consultants generated a positive effect in creating a general awareness on the TA promoter in the need to modernize the transport and logistics market in the Southern Mediterranean country.

The in-depth evaluations suggest that the limited focus on capacity development of the projects within the evaluated sample impacted negatively on the institutional and operational sustainability of the TA operations. This limited focus on capacity development can be explained by the original interpretation on the scope of the Bank's remit to provide capacity building linked to loan operations. Although EIB TA operations mainly target the identification, preparation and implementation of projects, a stronger focus on capacity development would have better equipped the TA operations to anticipate the transfer of knowledge to the TA promoter's organisation and staff, which would have ultimately strengthened TA sustainability further. For instance, the sample TAs in many cases did not foresee any training activities on how to use or apply new tools developed by or in collaboration with the TA consultants. Such training activities would have been useful to ensure that the TA promoter's staff was able to take them forward and use them upon TA completion. It should be mentioned however that when training or human capacity building was indeed provided under a TA operation EIB either found itself not well-equipped to implement this and in one case even met initial resistance from the EU Delegation (see under Effectiveness).

- Some examples of the correlation between weak capacity development's focus and diminished TA sustainability**
- For [#15] there was no training foreseen. In view of the needs, however some on-the-job training by TA consultants to the TA promoter's staff has been undertaken informally. The capacity of the TA consultants to transfer knowledge before TA completion is a key factor affecting the effective uptake by TA promoter and therefore the sustainability of TA results once the TA is completed.
 - [#23] provided the TA promoter with a modern and dynamic tool to better plan its technical, financial and human resources needs for the development of its services. It did not foresee, however, any training on how to use such tool or to update it in the future. Similarly, there are some risks that the financial model prepared for [#11] would be properly used after the TA is completed in spite of the on-the-job training activities undertaken.
 - Sometimes the foreseen training was not sufficient to address the needs and the TA promoter's expectations [#33]. A subsequent TA operation for the same TA promoter and infrastructure project includes additional training on how to use the key TA output (financial management manual), which was written in English but not translated in the local language of the *Mashrek* country.

4.2 Financial and economic sustainability

The financial and economic conditions that would guarantee the sustainability of the TA results were found to be satisfied at the time of evaluation only in a few cases [TAs #12, #13, #29, #31, #33], largely due to availability of additional funding or TA support to help TA promoters capitalise on the TA results [#12, #13, #29, #31, #33]. As a result of the TA, some TA promoters/recipients [#5, #12 and #13] improved their risk profile and therefore have a better perspective for growth, which in turn

will put them in a better position to follow-up on TA results.

More precisely, the financial and economic sustainability of most TA operations in the sample was hampered by capacity constraints within the TA promoter's organisations in terms of staff (both related to skill set and availability) and budgetary resources [#1-4, #11, #14, #15-16, #25-26, #27, #29, #30, #31-32].

Capacity constraints in staff numbers, skills and retention weakens TA sustainability

- Although the TA #11 has resulted in increased understanding and knowledge about PPPs among the TA promoter's staff, it is a very small organisation that lacks the capacity (in staff numbers and expertise) on financial aspects and has little experience in project implementation, especially with the private sector.
- The sustainability of the benefits resulting from TA #15 and #16 is largely affected by the TA promoter's financial and human resource capacities (i.e. staff qualifications, availability and turnover). Given their structural nature (identified already at loan appraisal), these constraints will continue most likely to affect the sustainability of the TA results in the medium- and long-term. Similar challenges are faced by other public sector TA promoters in the sample irrespective of their location [#11, #14].
- The risks on the sustainability of the results of [#27] relate to the problems with the human resource constraints at the TA promoter's organisation due to the organisation's lack of financial capacity.
- Despite the availability of funding and additional TA to help the promoter for [#29], the way the TA promoter develops its internal E&S capacities (i.e. sharing knowledge on E&S, training staff, etc.) remains a challenge for the sustainability of the TA once completed.

The uncertainties around available financial sources to fund either the TA promoter or the investment programme linked to the TA represent a risk for the sustainability of the TAs [#1-4, #11, TAs #17-19]. At the time of evaluation, this was the case of several TAs for a combination of factors. For instance, risks on the sustainability of TA #11 derived from the uncertainties surrounding the signature of the International Convention, its ratification by the three neighbouring Eastern African countries and the involvement of private investors. At the time of evaluation, on-going discussions among the EIB, the EC and other IFIs were help on the follow-up for TA #30 and its additional financing.

For some projects linked to the TAs in the sample, such uncertainty around available financial sources was explained by the fact that cost-recovery was not assured many cases [#1-#4, #22, # 25-26, #30].

Budgetary constraints weakens further TA sustainability

- The TA promoter for [#14] receives significant revenues through various charges, though they are deemed insufficient to fund the project so subsidies from the government are needed. In May 2013 an assessment was carried out by EIB before a monitoring mission on whether the investment project would be acceptable if it were appraised again at that time, and the conclusion was that it would fall short of the economic returns that are required by the EIB for such lending, and it was decided to postpone the start of the loan. This demonstrates the challenge with the TA operation and the difficult decision that EIB has with respect to whether to continue the investment project and extend the TA or stop the TA altogether.
- Much of the possible future financial and economic sustainability of the project supported by [#17-19] will come from how the discussion around the study on tariffs under [#18] will evolve, which was on-going at the time of evaluation. Yet the TA promoter will most likely remain heavily dependent on state subsidies in the medium to short term as the tariffs yielded by the study conducted under [#18] are deemed too high to be politically acceptable.
- The economic and financial sustainability of [#21] was estimated to be dependent on the potential for "Technopoles" to generate significant revenues within a reasonable timeframe to maintain investors/shareholders attracted. Given that the "Technopoles" had almost no infrastructure in place, and little industries settled in their adjacent industrial estates, it was unclear at the time of evaluation whether they will be in a position to generate sufficient income to keep shareholders attracted, generate revenues, and therewith continue the use of the TA results.
- Cost recovery remains an issue for TA promoter for [#22-24], as it hardly recovers its operation and maintenance costs. At the time of evaluation, the TA promoter had taken some steps to reduce its running costs and to cover its operational and maintenance costs.
- While the TA had contributed to enhancing the economic value of the infrastructure project, the revenues of the TA promoter for [#25-26] are likely to remain insufficient to cover its operating costs and investment needs.
- In addition to the discussion on additional TA funding for following up [#30], it is worth noting that none of the four investment projects for which feasibility studies were undertaken, are considered to be financially self-sustained from tariffs or other revenue sources, though the projects' financial sustainability was an important element under the Horizon 2020 initiative and the pipeline of projects, where funding is yet to be secured.

4.3 Environmental and social sustainability

Some TAs in the sample were specifically aimed at helping the TA promoters to enforce environmental or social regulations, or to comply with the Bank's E&S standards, which lead to some positive effects of lasting nature. In those cases, the E&S standards, if applied by the TA promoters, may improve as a result of the TA, which in turn will have sustained effects on the way the TA promoter works, as well as on existing and future projects. From this viewpoint, the TA support to help the TA promoter ensuring that it applies "best practice" environmental and social standards while implementing the project, whilst addressing the TA promoter's insufficient capacities to implement E&S standards.

Many TAs effectively had some positive effects from an environmental and social viewpoint on the investment projects linked to them [#1-4, #14, #15, #17-19, #22-24], by introducing environmental and social considerations into those investment projects. In those cases, the uptake of TA results has taken place.

- Some TA promoters have introduced explicit E&S policies and procedures into their practices [TAs #1-4, #17-19] or have taken forward environmental safeguards onto other projects outside of the scope of the TA [#15]. Although these TA promoters could not be considered leading examples of E&S assessment, the evaluation found that they have certainly made progress in early adoption of strong environmental standards ahead of their peer organisations in the respective countries thanks to the implementation of the TA operations.
- Some TA promoters have improved their E&S internal management and operational capacities, in some cases thanks to recruitment of new staff dealing with E&S-related issues [#14]. At the start of the TA implementation, the TA promoter had no staff responsible for environmental management, but at the time of evaluation it had two environmental officers and the environmental management function has some sustainability.
- Although sometimes unintentionally, some TAs contributed to raise awareness on E&S among TA promoters' staff and other stakeholders [TAs #15-16].

Some factors have contributed to ensure a good sustainability of the TA results from an environmental and social perspective, including:

- Ownership and active involvement of the TA promoter throughout the process and willingness to accept, use and internalise the TA outputs. To this end, they also need to (a) understand the purpose and content of the TA, in particular its conditions related to environmental and social safeguards, and (b) have the capacity to use them and internalise them into their organisation.
- Proactive involvement of the EIB throughout the process. There are many examples in the sample when the EIB could have done more, in particular in the early stages of TA preparation and implementation, to explain the purpose and scope of the TAs to the TA promoters [TA #29].
- Competent TA providers with the adequate skills and competences on E&S matters.
- Good and regular communication among all key stakeholders, facilitated by efficient project management structures allowing them to discuss on E&S issues throughout the process.
- Exit strategies and/or good transfer knowledge to the TA promoter/recipient prior to TA completion, to allow them to incorporate that knowledge on E&S into the MoH's normal practices. A stronger focus on capacity development (including training) in the TA's scope and activities is therefore advisable.

In addition to those factors, the environmental and social sustainability would have been further reinforced, had more dissemination on E&S-related TA and their results been done and more visibility been fostered. Dissemination of information and results and follow-up on TA work on E&S issues are important components to enhance the impacts and sustainability of TA projects, particularly for upstream studies.

Conversely, some TAs in the sample produced limited effects from an environmental and social viewpoint [#11, #25-26]. The conditions to safeguard environmental and sustainability were found to be only partly satisfied in a number of TAs at the time of evaluation. Even in those cases when the uptake of the TA results has not been optimal during TA implementation, the evaluation identified some positive effects, though sometimes indirect or marginal [TAs 6, #7, #20].

Examples of TAs with limited E&S effects and TAs only weakly sustainable from E&S viewpoint

- Significant gaps were identified in the environmental and social studies - particularly regarding social impacts - undertaken under [#11] and under a preceding TA to [#29]. For the former, a contract extension was agreed to better address those issues, whereas for the latter [#29] social sustainability of the associated investment project was strengthened by providing a social impact assessment on involuntary resettlement in line with EIB's own E&S Standards.
- For [#29] nevertheless the conditions strengthening social sustainability of the TA results were not fully satisfied at the time of evaluation as the way to bridge the gaps identified between national legislation and the EIB E&S's standards are yet to be agreed between the EIB and the TA promoter. This in turn depends on the TA promoter's capacity to engage with other local key stakeholders and to strengthen its internal E&S capacities in the short- and medium-term, and on the EIB's capacity to support the TA promoter in this process.

4.4 Conclusion

The sustainability of the TAs provides a mixed picture. TAs were sustainable from an institutional and operational viewpoint when TA promoters had the capacity to maintain the TA benefits upon TA completion and strengthen their staff's skills, structures and operational functioning. Barriers to sustainability include (a) the TA promoter's unwillingness to take-up TA outputs/results, (b) their management bodies make decisions not in favour of that take-up or (c) TA promoters' institutional set-up not adapted to use the TA results. Furthermore, the limited focus on capacity development has impacted negatively on the institutional and operational sustainability of TAs in the sample. Hence an active TA promoters' involvement – particularly at top management levels - throughout the TA development process and a stronger focus on (human and institutional) capacity building alongside TAs are critical success factors to ensure a better transfer knowledge and ultimately an enhanced sustainability.

In addition, external factors (i.e. political, socio-economic, market, sector, etc.) prevented many TA promoters to fully use TA results. The de-synchronisation between the TAs and the investment projects supported by the TAs has affected further the sustainability of TAs. Such de-synchronisation may be partly explained by the difference between the TA project cycle and the loan project cycle, which needs to be adequately acknowledged while designing and managing TAs. Mostly however the loan operation got delayed while the TA was bound to run over a well-defined period of time.

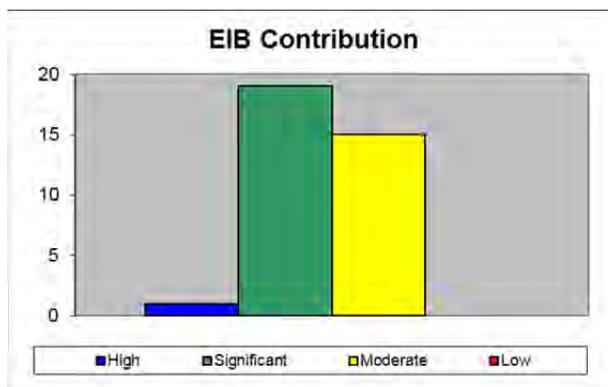
Capacity constrains in terms of staff (in skill set, availability, turnover and retention) and budgetary sources to fund the TA promoter and/or the investment project have considerably affected the financial and economic sustainability of the TAs. Uncertainties around available financial sources and the cost-recovery opportunities of the investment projects linked to the TAs have had further a negative effect on sustainability. Such constrains need to be fully accounted for while designing and implementing TAs to anticipate mitigation measures and allow for a better sustainability of TA results.

From an environmental and social viewpoint, the TAs have helped the TA promoters to apply "best practice" E&S standards while implementing investment projects, as well as addressed their capacity gaps (in staff levels and skills). Many TAs in the sample provide good evidence of positive impacts, which may have sustained effects in the future, including the introduction of explicit E&S policies and procedures into their practices and hiring additional staff dealing with E&S-related issues. Conversely, some TAs had limited effects from an E&S perspective or did not take E&S considerations into account, though it was deemed that it could have been useful. Although justified given the earlier signature of the loan agreement, the EIB should revisit the rules applying to TAs launched after the EIB Environmental and Social Statement and Handbook (2010) entered into force, as no previous social assessment was undertaken and they are implemented without relevant social safeguards to mitigate potential adverse impacts. The possibility to allow the opportunity to review the TA work programme on the occasion of contract extensions is to be explored, so that additional social considerations are introduced – to the extent possible.

5 EIB CONTRIBUTION

The EIB contribution section identifies the financial and non-financial value added provided by the Bank to the TA operation. Non-financial contribution relates to any significant improvement of the technical, economic or other aspects of the operation. In the case of the TA, where funds come from third parties and not directly from EIB, technical contribution weighed more considerably in the assessment. Facilitation finally concerned the contribution of the Bank in terms of creation of catalytic or signalling effects around the TA project, e.g., attracting other parties (MDBs, EDFs) around the the TA.

EIB Contribution was considered significant in slightly over half of the cases, high in one case, and moderate in the remainder. Significant contribution came mainly through a strong technical contribution to the TA operation (as EIB does not provide funds directly, and the only “financial” contribution is of staff time) although in several cases the EIB also put a lot of effort into the projects. It should be mentioned that the present systems at the Bank do not allow to quantitatively assess the effort (hence the financial contribution) provided by the Bank to those operations, which hence could only be estimated qualitatively on the basis of EIB Staff personal views.



The only project with a “high” rating concerned a large, complex, TA operation related to a dam project between three countries in central Africa [#11]. The funds for the TA channelled through the EIB here were significant. EIB staff gave major input into the steering of this TA operation, both in terms of person-days and technically. Finally, the EIB through the TA operation facilitated close co-operation between EDFs, which appeared highly important for such a complex project.

There were only a few cases of facilitation. They existed mainly around the upstream TA operations when the Bank worked together with MDB or EDFs. In several cases EIB had the lead here.

5.1 Financial contribution

Most of the TA operations would not have taken place without the grant – i.e. promoters would not have carried them out on e.g. their own resources. However this does not necessarily mean that the Bank’s own financial contribution was high, as the Bank does *not* provide those TA funds itself: they come from external mandates and facilities. The financial contribution of the EIB exists in the form of staff time involved in the preparation, implementation and follow-up of the TA operations. Part of the EIB effort can in principle be recovered by a fee charged to those mandates and facilities but the level of recovery differs from mandate to mandate.

However, no reliable quantitative picture could be obtained of the effort the EIB provides to the TA operations. The “TA request” (an internal document describing objectives and implementation modalities of each TA operation) does contain the expected number of days that the different EIB services involved are expected to work on the TA operation. However, the underlying methodology to estimate those figures is unclear and a great variety exists in the estimations for what apparently would be very similar TA operations. Moreover, when confronted with the initially proposed figures *ex post*, Bank staff generally claims that they do not reflect reality – and generally claim they spent much more time than was mentioned in the TA request. The time spent on TA is however badly recorded in the IT systems of the Bank. Added to this, because of the absence of real incentives for TA, some Bank staff prefer to impute the time spent on a TA operation to the associated loan operation if existent. In sum, efforts spent on TA could ultimately not be checked quantitatively under this evaluation; their assessment relied on highly qualitative indications from EIB staff. It is therefore not clear either if the Bank recovers cost (and if not, whether this should be considered necessarily as a negative finding: TA may lead to future funding opportunities for the Bank and it would therefore be reasonable that the Bank contributes financially. The relative opacity surrounding the cost-recovery for TA by the Bank has recently been noted in internal documents.

On the basis of the qualitative information provided by interviewed Bank staff cross-checked, insofar possible, by proxies such as participation to meetings, missions, the time needed to read consultant reports, etc., it is deemed that overall the effort the Bank puts into TA operations significant – but with great variations between operations, divisions and Bank staff. The time spent on TA operations is also more related to individuals or to the *de facto* policy with regard to TA of different EIB divisions, than on an overall approach.

5.2 Non-financial contribution

The non-financial contribution of the EIB consists of the intellectual and technical input that the EIB provides to TA operations – e.g. into the design, contact with promoter and consultants, reviewing consultants’ deliverables, establishing and renegotiating contracts, providing “no-objection” when the promoter is contracting authority, etc.

Again with variations across the operations, overall the EIB contribution is overall viewed as significant. It is generally also well appreciated by the TA promoter and TA provider. EIB is often seen by the promoter as a more valid partner than the TA provider, who are often seen as “just” service providers for which initial levels of trust by the promoter appear to be – with some positive exceptions – low.

Also the survey suggests confirms that promoters and consultants were generally satisfied or very satisfied with the different aspects of EIB support for the TA. This concerned especially technical support and the way in which the EIB supported the cooperation between the TA promoter and the TA provider.

5.3 Facilitation

There were only a few cases of facilitation. They existed mainly around the upstream TA operations where the Bank often worked together with MDB or EDFs. In several cases EIB had the lead here.

5.4 Conclusion

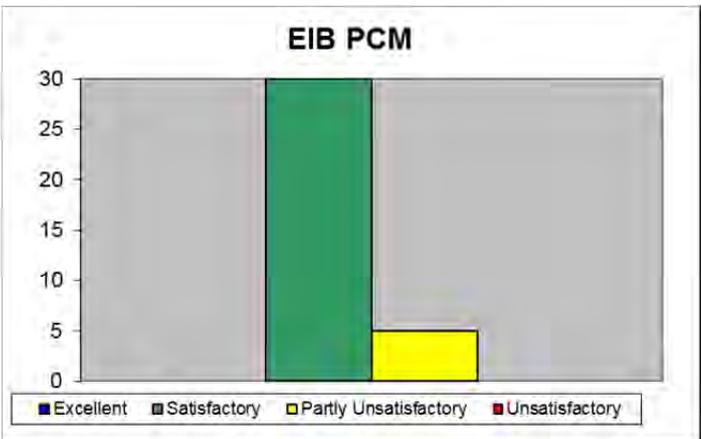
The evaluation findings suggest that the EIB services are generally appreciated by both TA promoters and providers for their professional advice and the way in which TA operations are handled. EIB financial contribution – in terms of the time devoted by EIB staff – was difficult to assess in quantitative terms. On the basis of interviews with EIB staff involved it is concluded that in many cases the EIB time spent on TA operations was considerable, and probably more than the initial TA requests.

6 EIB PROJECT CYCLE MANAGEMENT

This criterion examines the way in which the EIB followed the operations through the project cycle from initial identification to completion (Project Cycle Management, PCM). It examines whether the Bank’s procedures were correctly followed and, wherever possible, the appropriateness of those.

Overall, EIB Project Cycle Management (PCM) was rated satisfactory for most TA operations (30) in the TA sample (35). This suggests that the EIB management of the project cycle is generally in line with the procedures and requirements valid and applied at the time. EIB generally has to follow additional procedures for external approval and reporting applicable under each TA Facility/Mandate.

Five TA operations were rated “partly unsatisfactory” for a combination of reasons. EIB involvement in managing client relationships, TA providers or



both was often weak in those operations [#15, #16, #23, #29]. TA outcomes and TA Promoter's take-up of TA results were affected in cases where the EIB monitoring was less coordinated [#20, #15-16 – particularly in early years of TA implementation]. This also resulted in a weak filing of project documentation in EIB internal systems compared to TAU procedural guidelines [#20].

6.1 Identification and Design of the TA Project

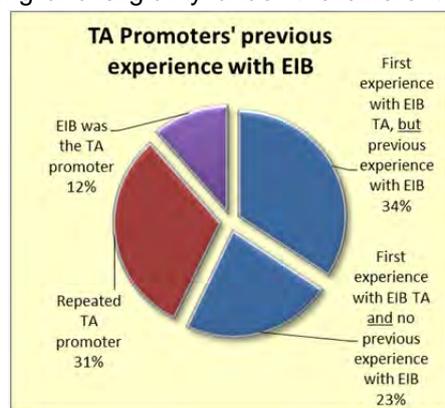
In general, the identification of a TA operation is driven by the support needs for the TA promoter and/or investment project in question. It is however unclear on what basis the EIB decides whether or not to (formally) undertake a needs assessment to identify or design a TA, as it was not systematically done in the TA sample.

Although since end 2013 a more strategic approach is in the making, for the period under evaluation here, the selection of TA projects was not pro-actively based on longer-term EU/EIB priorities and strategies in the sector and/or in the countries, but depended very much on a “first-come, first-serve” approach with availability of funding and eligibility under the different mandates and under EIB rules as main determinants to identify and approve TAs. The evaluation suggests however that some staff and sectors within the Bank (i.e. water) have a more pro-active approach toward TA than others. According to the Focus Group held with the services in the last phases of the evaluation, sector priorities *de facto* seem to come in “waves”. Whereas Water has been a priority for TA in the past (with for instance the ACP Water Project Preparation Facility), currently efforts are focusing more on energy and energy efficiency.

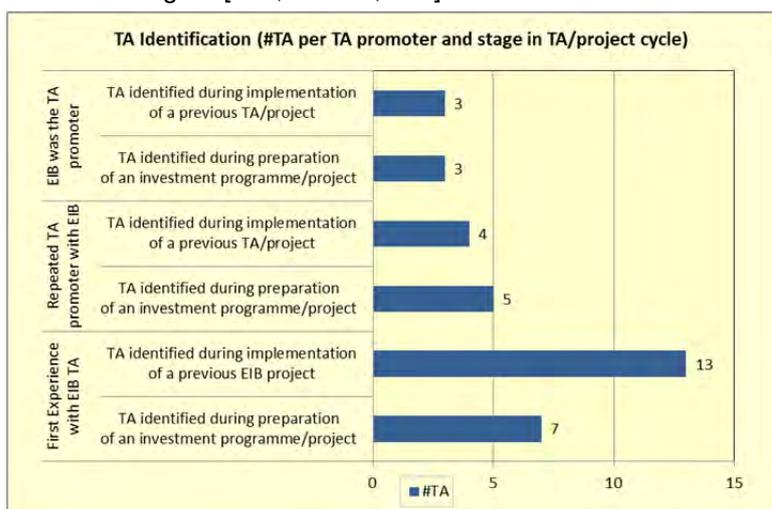
Strategic approach to TA is only recent

The need for a stronger strategic focus of EIB TA work – “advisory services” is started to be addressed by the “Strategic Orientations for Advisory Services” published internally in March 2013, covering also TA activities under Facilities/Mandates included in the present evaluation, as well as by the Action plan launched in 2013 which proposes measures on strategic development; improved financial and non-financial reporting; process improvements; and internal and external communication.

In about half of the cases the TA operation was the first TA operation with the Promoter – either with or without previous experience with EIB – whereas in other cases TA promoters had previous experience with TA operations managed by the Bank (see insert). In “upstream” TA operations, EIB was often the initiator, designer and subsequent promoter of the TA, whereas the EU/EC also played a more prominent role in this regard [#30, #31-32, #35].



The most common way for identification of a TA is indeed during the implementation of a previous investment project or TA operation with the promoter or during the preparation of an investment project/programme (see adjacent insert). Many TA operations in the sample were in fact a *loan condition* for an investment project. Some of the TA operations followed previous TAs for preparation and/or implementation for the same loan project/investment project.



Once identified, TA operations are usually designed by the EIB, often in collaboration with the TA promoter and sometimes other stakeholders, e.g. co-financiers (see insert below). This collaboration can include a joint development of the ToR [exceptions: #20, #29, #33], or provision of feedback or even involvement in consultant selection (see section 6.3 below).

Identifying TAs in cooperation with other co-financiers and stakeholders

TA identification and design were sometimes the result of joint efforts with other co-financiers/stakeholders, e.g.:

- TA #11 was identified jointly by EIB and EU Delegation in Kigali following a study in 2007.
- The gaps identified in a previous Environmental and Social Impact Assessment (ESIA) co-financed by AFD led to an agreement among co-financiers to launch a new TA [#29] managed by the EIB. This TA was to upgrade the social impact assessment undertaken under the previous ESIA and elaborate the Resettlement Policy Framework and of its associated Resettlement Action Plan at the quality standards acceptable by the EIB.
- Subsequent to the TA approval by the NIF TF's Executive Committee, some discussions amongst the European Development Partners (including the EIB) followed on how to distribute the approved TA budget among the different TAs for project preparation and implementation. As a result, the EDPs agreed to launch TA #33 focussing on financial management procedures for the EDP-funded infrastructure project, whilst a separate TA was to deal with the required project's annual audits to avoid any potential conflict of interest.
- The proposed work for the TA #35 arose during discussion within the Eastern Partnership TA Trust Fund committee with the view to address the investment needs for projects in the Eastern Partnership region. Following an internal request from within the committee, a proposal was put together by the EIB, and agreed with the EC and EBRD in April 2011.

Although hardly any "formal" TA requests from the TA promoters were identified during the evaluation, in over two-thirds of the TA operations in the sample the EIB involved the TA promoter in the identification and design of the TA [all operations from #1 to #21]. The involvement of TA promoters in the identification and design of TA from the outset is a factor contributing to quality TA development a future ownership and commitment during the process. Yet, in some cases TA promoters were not adequately involved or engaged early enough to ensure their input was incorporated into the TA design. In some cases, the TA promoter's involvement did not lead to the best outcome for the TA and/or for the potential investment project accompanying the TA.

TA Promoter's involvement in TA identification and design – some missed opportunities

- For [#24] (a mid-term evaluation of an investment project), the TA promoter has used what it perceived as a lack of involvement in the process to justify its disagreement with the conclusions, recommendations and the action plan that fed the subsequent project implementation [#22].
- The need to undertake a prefeasibility study under [#32] was identified by a study undertaken in 2007, which also identified a location for the subsequent logistic platform. However, a different location selected by the TA promoter was finally chosen which, in view of EIB and TA providers was not suitable in the medium- and long term for the project. While the TA promoter's decision would generally increase ownership of the study results, the scope of the TA #32 should have been amended (from a feasibility study to a pre-feasibility study and reducing the TA budget).

The in-depth evaluations also suggest that well-designed TAs are normally based on ToR that are complete, clear, unambiguous and provide for an adequate size (in EUR and person-days) and duration of the contract. Needs assessments should then feed into the designing of TA and therefore into drafting the ToR. Drafting quality ToRs, however, was identified as one of the major challenges faced by the EIB/co-financiers. It is nevertheless a crucial stage of the TA cycle management as it predetermines most of what is to come after (see insert below for examples).

Quality issues in drafting the TA ToR – examples from the in-depth evaluations

- Some uncertainties in the ToR for [#11] led to some misinterpretations and disagreements regarding the final outputs of the TA provider, which were finally defined in the Interim Report.
- For some long-term assignments [#14, #15] the ToR were a "shopping list" of tasks and outputs with no clear focus. In the case of [#15], such ToR did not allow key stakeholders (EIB staff, TA promoter, etc.) to reach a common understanding of TA purpose and scope during most of TA implementation.
- Drafting the ToR for [#16] took much longer than for the related [#15] due to the lack of in-house expertise in capacity building and training in the health sector. Similarly, the ToR for [#21] was drafted mainly by the promoter as no in-house expertise on Research Cluster ("Technopoles") development, R&D and innovation was available within the EIB at that time.
- Although the ToR for [#22] was overall of good quality, (a) it was overambitious in its attempt to induce management changes in the institution without ensuring cooperation of higher management; and (b) it fell short of prioritising the respective TA components, and the resources to be allocated to each of them.
- The ToR for [#27] did not specifically mention any requirements related to the EIAs or the Land Acquisition and Resettlement Plans, though the loan agreement itself (June 2005) did have certain conditions related to environmental and social aspects.
- The ToR for [#30] was developed by the EIB covering two phases, of which Phase II was subject to EC approval, based on an assessment of the performance of Phase I in the context of a Mid-term review. Such review was found by the evaluation to be uncommonly foreseen in ToR to assess the effectiveness of the TA and the relevance of continuing the TA support upon its completion.

[#5] procurement went well; the promoter here aligned to one of the co-financier's internationally recognised procurement processes (Bill & Melinda Gates Foundation) as it was not knowledgeable of the applicable EIB procurement rules.

In most cases, the TA promoter was involved in the selection of the TA consultants, either by participating in the evaluation panels or providing "non-objection". The involvement of TA promoter was problematic in some cases as the EIB did not cover travel expenses to attend selection panel meetings. Yet, some alternative channels allowing the TA promoters to be involved in this process were found in other TAs (through phone conferences, etc., like for [#13]). Rules to cover such travel expenses appeared unclear as there are examples where the EIB covered them [#6-7, #20] and others where the EIB did not [#31-32]. The rules to cover travel expenses for TA promoters to attend consultant selection panels were therefore recently harmonised by the Bank: travel expenses to attend selection panels are no longer covered.

The evaluation found no evidence of interview-based selection being carried out by the Bank (it is paper-based). Given the experience gathered by other IFIs, it may be worth considering given the benefits it can bring to the selection process in terms of identifying the most suitable consultants.

Finally, the use of local consultants or consultants with local experience can bring benefits to TA because of their local knowledge and experience, their skill set (including language [e.g. #20, #29, #33]). Experienced local consultants could, for example, also be used more in TA identification activities and appraisal missions when the preparation requires extensive local knowledge. Although it is a sensitive issue to introduce *national* preferences in ToRs, they could emphasise more the requirement to include consultants with local experience in TA project teams. The use of local consultants – or consultants who stay in the country after the TA is finished – can help to build capacity and therefore strengthen the domestic consulting sector [#13, #20].

6.4 Implementation and disbursements

In general, administrative and contractual management were performed adequately, but in a few cases information notably related to amendments of contracts related to changes in experts and/or contract extensions were not available for review from the Bank's internal records [#34, #29, #33]. In most cases, disbursements were carried out according to plan, though a few issues have affected the disbursements in some cases, mainly discussions around eligibility of TA expenditure [#5], several TA contract amendments due to complex nature of TAs [mainly long-term implementation TAs such as #11, #15, #16, #27], changes in TA promoter's organisation [#26, #29] and delayed start of TA work [#33].

Although sometimes requested in ToR, the use of Steering Committees is extremely rare but in the case they existed they had a positive influence on the implementation of the TA operation [#21, #26, #30] as it provided formal guidance of the TA and approval of the different changes in work plan and contract amendments.

6.5 Reporting and monitoring

Monitoring is a challenging activity given the diversity of TA operations and the availability of resources. A proper EIB internal coordination and monitoring of, in particular complex and long-term, TA operations, requires time and effort.

EIB's focus on reporting and monitoring activities has been on timely reporting and administrative requirements in many cases, as reporting is usually linked to payments. For several TA operations monitoring efforts were more considerable as the EIB staff followed up the TA implementation, oversaw the TA consultant's work and liaised with the TA promoter and – if relevant – other key stakeholders and co-financiers throughout the process [#1-4, #11-16, #27, #29, #30, #31-32, #33].

Reporting was performed mainly by the TA consultants and in most cases with limited feedback from the EIB on these. In general, limited (if any) data and information on the TA outcomes and impacts is available for review. Monitoring systems (i.e. monitoring indicators, etc.) are scarcely used by TA consultants, even if requested by their ToR. The design of the monitoring systems (and indicators) should be carried out at the same time as the design of the project itself, and responsibilities for monitoring defined. Identifying applicable TA monitoring indicators is a challenge, especially in countries where political and socio-economic context is rapidly changing (i.e. Arab spring). EIB staff

may need additional support to develop an adequate monitoring system (allowing aggregating information at Mandate/Facility level and EIB level) and supervise its use by TA consultants throughout the process.

Overall, the EIB's efforts in monitoring of TA sample show areas for improvement. Factors explaining the well-functioning of EIB monitoring include (a) regular reporting timely provided by TA consultants, (b) timely and quality input/feedback provided by EIB staff to TA consultants, (c) proactive involvement of the EIB staff during TA implementation (including regular discussions with TA consultants (i.e. field visits, phone conference, etc.).

In many cases, the involvement of the EIB in TA monitoring in general, and in quality control of reporting in particular, fell short of the needs, either to ensure higher quality of reporting or to encourage the involvement of TA promoter's management into the TA and ensure a higher/better uptake of TA outputs and results into the organisation. Resource constraints, weak internal structures to accompany the TA throughout its implementation and EIB's low profile whilst managing client relations have been noted as the main factors explaining this shortfall.

EIB's involvement in TA monitoring – Some margin for improvement

- More involvement of the EIB would have been useful [#6-7; #15-#16 particularly during the first years of implementation] to encourage senior management at the TA promoter level to consider adopting the TA consultant's recommendations and to encourage more regular interaction between the two parties.
- A more direct communication with the TA promoter for TA #29 would have allowed the EIB to better understand the promoter's position and difficulties in implementing measures to bridge the gaps between the National legislation and the EIB social standards identified at the Resettlement Action Plan prepared by the TA consultant. At the same time, a more direct contact would have allowed the TA promoter to understand better EIB's requirements and how to implement them, as well as to be reassured that the EIB takes local laws and country conditions into account when applying E&S Standards.

The participation of resident offices in monitoring and supervision is important in terms of efficient use of resources. Evidence in evaluation reports show the high difficulty of managing complex loan projects and TA operations in regions outside of the EU from Luxembourg, particularly long-term TA assignments, in terms of communication and interaction with the TA promoter and participation in regular meetings [TAs #11, #14, #15, #16]. Some TAs did not involve EIB staff in local offices [e.g. #22, #23, #24: PJ monitoring (field visits). No liaison between TA and Office in Tunis].

Despite the resource constrains, weak internal structures and other issues noted above, the evaluation found that the EIB has been able to monitor the TA work and sometimes to manage client relationships with TA promoters well, with a strong individual involvement of staff [e.g. #12, #13, #30].

In many cases, EIB staff has devoted considerable monitoring efforts; more time consuming than originally envisaged. This was often due to the average quality of the TA provider and its outputs: EIB staff had to invest much more resources than initially planned in the quality of the outputs to bring them to an acceptable level [#11, #14, #15, #16].

In the light of the Procedural Guidelines for TAs managed by TAU, the evaluation evidenced that there is a considerable room for improvement in the way the EIB handles TA record keeping, document management and – more generally – knowledge management in relation to TA activities [#1-4, #9, #10, #15, #16, #34]. Some key milestones of the TA's project cycle are not well documented in the TA files in GED (i.e. TA request, TA promoter's formal letter, etc.) or not documented at all [#20, for which only a few deliverables turned out to be stored in the archives]. In relation to TA activities in all Facilities and Mandates outside of the EU, a complete TA portfolio is not easily accessible through a BO search. There is a wealth of key information related to each TA operation in Serapis (the Bank's internal project repository and database) that cannot be easily extracted and/or aggregated through Serapis (i.e. TA general report).

6.6 Final assessment and follow-up

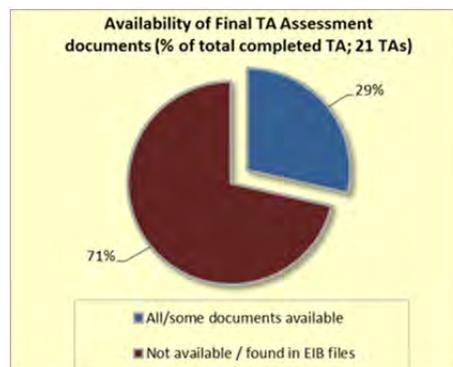
The Bank should notify the Commission when TA Operations are closed and, in doing so, shall enclose a summary of the overall technical and financial execution of the

TA Completion Sheet - Content

- Relevance of the TA to its objectives and the Promoter
- Results achieved and impact for the Promoter
- Difficulties faced and solved; corrections taken
- Performance of the TA consultant
- Final comments, recommendations and lessons learned

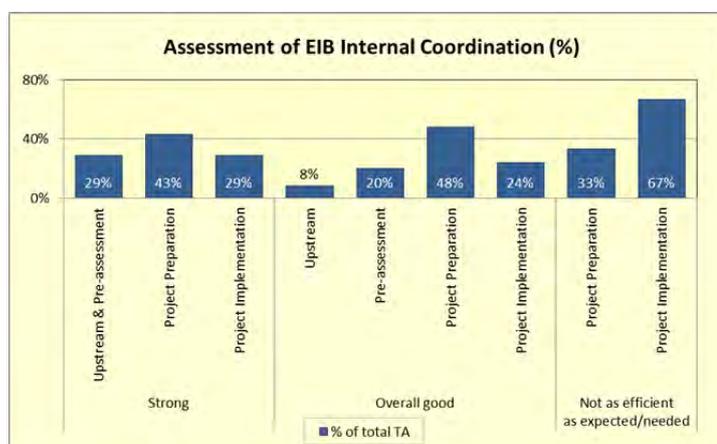
project, called the *closure note*. As per the TAU Guidelines an assessment of the consultant's performance needs to be made by the TA team at the time of final disbursement. Thereto, a "Contractor assessment form for service contracts" should be filled to give a performance rating of the contractor overall and, if applicable, of individual experts. Normally TAU and the "EIB TA team" prepare a final TA completion sheet to assess the success of the TA operation no later than months after the TA final disbursement. These final documents were not available for review for most of the TA operations in the sample (see graph below).

Final documentation related to TA consultants' performance is key to capitalise on past experience with a consultant, share knowledge and inform future procurement decisions. Together with the issues identified at monitoring (see section 6.5 above), the evaluation found major deficiencies in this regard and a great need to improve the way the EIB manages TA knowledge and shares key information on TA work across the Bank.



6.7 Assessment of EIB internal coordination

For many cases in the sample, EIB internal coordination was considered satisfactory or even strong (see graph next). In some cases the respective EIB resident offices also played a relatively important role [#14, #25-26, recently also #29].



However, the evaluation identified some areas of concern related to the EIB internal coordination, particularly due to the lack of adequate structures and capacities, which were exacerbated when managing more complex and long-term TA operations.

First, there is no TA equivalent to the teams set up by the Bank for loan projects. That is "TA teams" are set up ad hoc, with the "best suited" staff (depending on the sector, the promoter, etc., this can be PJ or OPS) being in the lead without this necessarily being to a great extent formalised. On the promoter side this can lead to confusion especially when there is a certain level of turnover within the promoter organisation or the EIB and handover is not always optimal [#15-16, #20]. But also within the Bank it has sometimes led to confusion over the definition of responsibilities, especially when there is no clearly defined leadership role within the TA team.

Moreover, from an internal EIB's perspective, the team and staff changes, the number of EIB divisions and staff involved and the lack of more formalised monitoring tasks for TA operations have made EIB's internal coordination more challenging. Since the responsibility of monitoring TAs (after first disbursement of accompanying loan) was transferred to OPS-B Monitoring in Q1 2013, the monitoring arrangements have been further formalised, though the need to ensure efficient internal coordination across all Divisions involved remain. The "Procedural Guidelines for TA Operations managed by TAU" (November 2011, revised in December 2013) indicate the key steps and tasks to carry out to monitor TA operations but leave room for interpretation. Given the number of EIB Divisions and EIB staff involved, for each concrete TA, it would be useful to develop an EIB internal Monitoring plan spelling out the monitoring activities and responsibilities of all Departments concerned (i.e. PJ, OPS, TAU, JU, etc.) similar to those applied for MRI projects.⁴

Secondly, the Bank staff responsible for TA often has limited time available for management of TA operations. TA operations are often only a small part of the responsibilities of staff and there is a

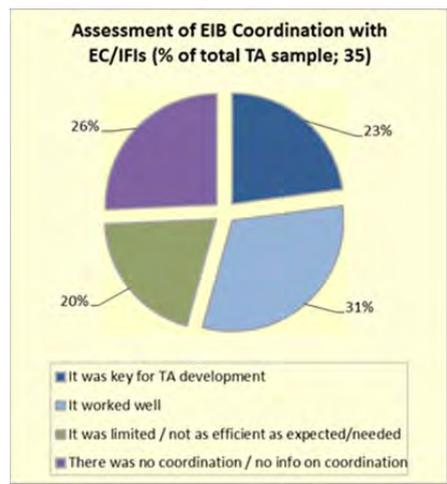
⁴ As noted in the MRI Operational Guidelines (2012), a "Monitoring Plan" is a logistical plan for carrying out monitoring activities of the implementation phase of a project. This plan includes the distribution of responsibilities among the members of the MRI project team, which is agreed by all financiers.

To that end, regular meetings, phone conferences, etc. allowing channelling a fluid communication between the EIB and the TA promoter throughout the process are of paramount important. The effective use of Steering Committees and/or other TA project management structures involving both the EIB and TA promoter alongside any other relevant stakeholder (i.e. local organisations, other IFIs, donors, etc.) has been identified as a key success factor allowing building up a good dialogue and collaboration with TA promoters (and other stakeholders).

Coordination with TA Promoter – Some examples

- While the cooperation with the TA promoter for TA #5 was good, it was limited to dealing with administrative tasks (i.e. disbursements) mostly through emails.
- Cooperation between the Bank and the TA promoter for TA #24 has been strained ever since the end of the Promoter’s investment programme, but has continued through the implementation of two subsequent TAs [#22, #23] and a large investment project. Despite EIB’s monitoring efforts in both the investment programme and the TAs the situation had not significantly improved at the time of evaluation.
- Although the EIB was the Contracting Authority, EIB cooperation with the TA promoter was considered to be relatively fluid and satisfactory, as the EIB operated at arms’ length, leaving a lot of leeway to the TA promoter and the TA consultant [#20]. Despite the lack of previous experience in applying EIB’s E&S standards, managing client relationships with the TA promoter for TA #29 was, however, largely delegated to TA consultants, which – alongside other factors – jeopardise the effective TA performance.
- Cooperation with the promoter for TA #31 was constructive, even though there were differences of opinion regarding the preferred location for a feasibility study. At the end, the EIB accepted the TA promoter’s decision to focus on a location with less potential for an investment project in the short-term. Although it may have contributed to a stronger ownership, this TA’s evaluation evidences that the needs perceived by the TA promoters may not necessarily correspond to what is needed for a better/more successful TA implementation.

Factors beyond the EIB and/or the TA consultants’ control also sometimes affected the cooperation with the TA promoter, including internal issues within the TA promoter’s organisation, such as numerous institutional changes [TA #21, #29] and internal coordination problems [TAs #15, #16]. Furthermore, the EIB had no relationship with the TA promoter in some TAs in the sample at the time of evaluation for various factors beyond the TA work. Even in those cases [#6-7, #8-10], the relationships between the Bank and those TA promoters were apparently good during TA implementation, with a reasonably good involvement of TA promoter. For [#8-10] this situation reached a breaking point when the TA promoter decided to no longer request finance from the Bank for the infrastructure project linked to the TAs but turn for that to a different financier.



The in-depth evaluations suggest that good cooperation between the EIB and TA promoter does not happen overnight. It takes time to build trust among all parties and to develop an efficient partnership. This is particularly the case for TAs with a strong focus on capacity development, TAs imposed by the EIB (generally as loan conditions) or with TA promoters with whom the EIB had no previous experience (see graph in section 6.1). A TA project can only be effectively implemented if there is a basis of trust among all parties, shared objectives and mutual understanding on the TA project to be developed. At the end of the day, the TA operation requires in many cases that the TA promoter changes significantly its working methods, rules and implementation modalities. Such process needs time and a clear understanding of the TA objectives, the applicable rules and the process by all parties. The process needed to build trust and an effective partnership has rarely been taken into account while designing the TA but should be carefully considered in future TAs.

6.9 Coordination with other stakeholders

Evidence from several evaluation reports shows a mixed picture of the EIB coordination with other key stakeholders, mostly EC and/or other IFIs. Coordination mechanisms between the EIB and EC or other IFIs worked well in several cases or were even considered key for the development of the TA. EIB Cooperation with EC and/or other IFIs seemed to have had a strong role in upstream TAs as well as in TAs with a stronger focus capacity building or development.

However, the evaluations also show that coordination was limited or absent in cases where closer cooperation could have been useful. Whilst it is generally acknowledged by the evaluation reports that proper co-ordination of programmes and projects takes much time and effort, co-ordination between donors and IFIs can contribute to improving TA results and overall impacts. Particularly co-operation between EIB and EC delegations could be improved in several cases. Co-ordination should in particular be at a strategic level (e.g. country strategies), but also at a project level whenever appropriate. Enhanced co-ordination between donors and IFIs would reduce duplication of efforts. It should include dissemination and sharing of information.

Cooperation with other partners – Examples of cooperation working well...

- The EIB took the leadership of [#11] but worked closely with the EC and was in regular contact with other DFIs/IFIs. In this context, the EIB led in organising a donor round table where relevant donors and governments pledged resources for the infrastructure project linked to the TA. This round table is considered to be a success.
- The EC played a key role in [#15-16] through the annual Monitoring missions and the EU Delegation. As member of the investment programme’s Steering Committee, the EC alongside the EIB help unlocking the difficulties faced in the cooperation with the TA promoter. However there was no cooperation with other IFIs (though the World Bank managed a previous TA with the same TA Promoter) or with MS (though there was an initiative to coordinate all international donors in the sector in the country by a National Development Agency).
- Coordination with the relevant DFIs (AFD and KfW) was satisfactory for [#20], although their early advice on the limited relevance of the TA was not taken on board by the Bank.
- For [#30] there was a close and productive coordination with the EC (DG Environment and DG DEVCO) throughout, as well as with IFIs/DFIs both on the ground (AFD, KfW, EBRD, World Bank and USAID) and within the framework of the H2020 Steering Committee meetings. Significant coordination efforts have been made with the UNEP/MAP and the Union for the Mediterranean by the EIB.

....and where there is a margin for improvement

- There was no direct relationship between EIB and other donors involved (FMO, Bill Gates Foundation) in [#5] and no direct communication between the two IFIs for the duration of the TA operation. More exchange of information could have been beneficial to the TA operation.
- Although [#14] was funded with EUR 4.2m from the EC-Africa Investment Trust Fund, the EU Delegation had no role in the project and was not involved in its planning, implementation or monitoring. The TA is occasionally discussed at meetings between the representatives of the EC Delegation in this Eastern African country and the EIB’s resident office. Now that an extension request of this TA operation is pending, the EU-Delegation had an issue approving it swiftly, unaware as they are of the evolution and results of this TA in which they had never been involved.
- While EIB acted as Contracting Authority for [#29], it accompanied an infrastructure project for which AFD was the Lead Financing Institution. Some interviewees were critical with AFD’s role as lead donor in the management of the TA, particularly in ensuring all donors’ involvement in the TA operation, as well as with its input and involvement – less proactive and intense as expected.
- EIB coordination with representatives from EDPs in [#33] – linked to a MRI infrastructure project in a Southern Mediterranean country - worked well. Yet, the most relevant technical input from the EDPs, including that from the EU Delegation, was received towards the end of the TA implementation, whilst it would have been useful to receive such technical input from the start and throughout the process.

6.10 Conclusion

The EIB has generally managed TA in line with the applicable procedures and requirements, either internal EIB rules or additional procedures under each TA Facility/Mandate. A combination of reasons explain the less satisfactory EIB management of the TA project cycle in relation to a few TAs in the sample, such as lower EIB involvement in managing clients relationships, weak monitoring and coordination and weak document filing and knowledge management of TA work within the Bank.

Although the support needs of the TA promoter and/or investment project drive the TA identification process, needs assessments were not undertaken systematically to identify or design TAs. EIB TAs in the sample served a majority of TA promoters without previous TA experience, of which an important share were Promoters with no previous experience with the EIB at all. The identification of TA has not been pro-actively based on EU/EIB priorities and strategies in the sectors and/or countries either. Rather a “first-come, first-serve” approach based on availability of funding and eligibility under each Mandate/Facility has led this process. The lack of formal assessment and strategic prioritisation of TAs *vis-à-vis* EU/EIB objectives is a shortcoming that needs to be addressed under the action plan developed under the EIB strategy for Advisory Services. The internal EIB decision-making tools and processes – REM – needs also serving the prioritisation of TA

operations contributing to a higher/better impact under relevant policy priorities across sectors and regional areas.

Key factors contributing to an effective TA identification and design are (a) adequate involvement of TA promoters from the outset and (b) clear, complete, unambiguous ToR providing an adequate TA size (in EUR and person-days) that is based on a formal needs assessments undertaken in collaboration with the TA promoter. Yet, drafting quality ToR remains a major challenge at the EIB, which may require additional support and training to staff.

When taking the decision to act as “Contracting Authority”, the capacity of the TA promoter is a key aspect taken into account by the Bank, which however had priority over the existing EIB internal capacities and in-house expertise.

Overall the TA approval process was run smoothly, though the major shortfall appears to be the TA Cooperation Agreements to be signed between the EIB and the TA promoters. TA promoters do not seem to understand the purpose of these documents and their use is unclear given the lack of effects when such documents are not signed or if the TA promoter fails to meet its commitments set out in those Agreements.

Procurement rules to select TA consultants were managed well by the EIB, either where acting as Contracting Authority or where it delegated such role, though in the latter case it is thought to have led to lesser quality TA providers in a few cases. Additional tools (such as interview-based selection) do not seem to be used. The use of local consultants has proven to bring benefits to the TA and to help building capacity that (most likely) would remain locally after TA completion. The involvement of TA promoter at this stage was also a key factor contributing to ownership during the TA implementation. However, there is a lack of clarity regarding the rules to cover travel expenses for TA promoters to attend panel meetings. Alternative channels allowing TA involvement (i.e. video/phone conferences, etc.) are to be further explored, whenever possible and feasible.

In general, administrative and contractual management were performed adequately, though in some cases affected by issues related to the eligibility of expenditure and the several contract amendments due to complex nature of the TAs, among others. Although sometimes requested in ToR, the use of Steering Committee is rare but proven to have had a positive influence on the TA implementation.

EIB internal coordination and monitoring of, particular complex and long-term TA operations, require times and efforts. This is of particular importance when the EIB focus on monitoring goes beyond timely reporting and administrative requirements. Key factors explaining a well-functioning EIB monitoring include (a) regular reporting timely provided by the TA consultants, (b) timely and quality input/feedback provided by EIB staff to consultants, (c) proactive involvement of EIB staff during implementation (i.e. regular discussions with TA consultants, promoters, etc.). The proactive involvement of the EIB local offices is an additional success factor in terms of efficient use of resources, use of local knowledge and proximity to TA promoter. In many cases, however, EIB internal coordination and TA monitoring fell short of the needs due to issues such as resource constrains, weak internal structures to accompany the TA throughout its implementation and EIB's low profile whilst managing client relationships with TA promoters.

Despite these constrains, EIB internal coordination worked well in many cases, however, at a considerable cost in time and workload that is neither visible in EIB monitoring systems, nor recognised to EIB staff. The Bank focus to reward staff work based on volumes and signature give rise to the perception that TA work is seen as secondary and therefore very much dependent on professional approaches and individual commitment to TA projects.

There is no “EIB TA team” equivalent to the “EIB project team” for loan operations. These ad hoc TA teams are led by the “best suited” staff member from one Directorate but not formalised to a great extent, which can lead to confusion both internally at the Bank (in relation to leadership, definition or roles and responsibilities) and also externally (vis-à-vis the TA promoters). Internal changes (i.e. staff mobility, re-structuring) can also exacerbate this confusion. The need for efficient coordination remains, despite the formalisation of monitoring with TMR's involvement in 2013 and the update of the TAU Procedural Guidelines in December 2013, which however, leave some room for interpretation.

EUROPEAN INVESTMENT BANK OPERATIONS EVALUATION (EV)

In 1995, Operations Evaluation (EV) was established with the aim of undertaking ex-post evaluations both inside and outside the Union.

Within EV, evaluation is carried out according to established international practice, and takes account of the generally accepted criteria of relevance, efficacy, efficiency and sustainability. EV makes recommendations based on its findings from ex-post evaluation. The lessons learned should improve operational performance, accountability and transparency.

Each evaluation involves an in-depth evaluation of selected investments, the findings of which are then summarized in a synthesis report.

The following thematic ex-post evaluations are published on the EIB Website:

1. Performance of a Sample of Nine Sewage Treatment Plants in European Union Member Countries (1996 - available in English, French and German)
2. Evaluation of 10 Operations in the Telecommunications Sector in EU Member States (1998 - available in English, French and German)
3. Contribution of Large Rail and Road Infrastructure to Regional Development (1998 - available in English, French and German)
4. Evaluation of Industrial Projects Financed by the European Investment Bank under the Objective of Regional Development (1998 - available in English, French and German)
5. An Evaluation Study of 17 Water Projects located around the Mediterranean (1999 - available in English, French, German, Italian and Spanish).
6. The impact of EIB Borrowing Operations on the Integration of New Capital Markets. (1999 – available in English, French and German).
7. EIB Contribution to Regional Development A synthesis report on the regional development impact of EIB funding on 17 projects in Portugal and Italy (2001 – available in English (original version), French, German, Italian and Portuguese (translations from the original version)).
8. Evaluation of the risk capital operations carried out by the EIB in four ACP countries 1989-1999 (2001 - available in English (original version), French and German (translations from the original version)).
9. EIB financing of energy projects in the European Union and Central and Eastern Europe (2001- available in English (original version), French and German (translations from the original version))
10. Review of the Current Portfolio Approach for SME Global Loans (2002 – available in English (original version), French and German (translations from the original version)).
11. EIB Financing of Solid Waste Management Projects (2002 – available in English (original version), French and German (translations from the original version)).
12. Evaluation of the impact of EIB financing on Regional Development in Greece (2003 – available in English (original version) and French (translation from the original version)).
13. Evaluation of Transport Projects in Central and Eastern Europe (2003 – available in English (original version).
14. EIB Financing of Urban Development Projects in the EU (2003 – available in English (original version), French and German (translations from the original version)).
15. Evaluation of the Projects Financed by the EIB under the Asia and Latin America Mandates (2004 – available in English (original version), French, German and Spanish).
16. Evaluation of EIB Financing of Airlines (2004 – available in English (original version) French and German)
17. Evaluation of EIB Financing of Air Infrastructure (2005 - available in English (original version) German and French)
18. EIB financing with own resources through global loans under Mediterranean mandates (2005 - available in English (original version) German and French.)
19. Evaluation of EIB Financing of Railway Projects in the European Union (2005 - available in English (original version) German and French.)
20. Evaluation of PPP projects financed by the EIB (2005 - available in English (original version) German and French).
21. Evaluation of SME Global Loans in the Enlarged Union (2005 - available in English (original version) and German and French.)
22. EIB financing with own resources through individual loans under Mediterranean mandates (2005 - available in English (original version) and German and French.)
23. Evaluation of EIB financing through individual loans under the Lomé IV Convention (2006 - available in English (original version) German and French.)
24. Evaluation of EIB financing through global loans under the Lomé IV Convention (2006 - available in English (original version) German and French.)

EUROPEAN INVESTMENT BANK OPERATIONS EVALUATION (EV)

25. Evaluation of EIB Investments in Education and Training (2006 - available in English (original version) German and French.)
26. Evaluation of Cross-border TEN projects (2006 - available in English (original version) German and French).
27. FEMIP Trust Fund (2006 - available in English.)
28. Evaluation of Borrowing and Lending in Rand (2007 - available in English (original version) German and French).
29. Evaluation of EIB Financing of Health Projects (2007 - available in English (original version) German and French).
30. Economic and Social Cohesion - EIB financing of operations in Objective 1 and Objective 2 areas in Germany, Ireland and Spain (2007 - available in English. (original version) German and French)
31. Evaluation of EIB i2i Research, Development and Innovation (RDI) projects (2007 - available in English) (original version) German and French).
32. FEMIP Trust Fund - Evaluation of Activities at 30.09.2007 (2007 - available in English.)
33. Evaluation of Renewable Energy Projects in Europe (2008 - available in English (original version) German and French).
34. Evaluation of EIF funding of Venture Capital Funds – EIB/ETF Mandate (2008 - available in English.)
35. Evaluation of activities under the European Financing Partners (EFP) Agreement (2009 – available in English) (original version) and French).
36. Evaluation of Lending in New Member States prior to Accession (2009 – available in English)
37. Evaluation of EIB financing of water and sanitation projects outside the European Union (2009 – available in English) (original version) and French).
38. EIF Venture Capital Operations: ETF and RCM Mandates (2007 – available in English)
39. Portfolio and Strategy Review - EIB Activities in “2007 Partner Countries” from 2000 to 2008 (2009 – available in English (original version) and French).
40. Evaluation of EIB Financing in Candidate and Potential Candidate Countries between 2000 and 2008 (2009 – available in English (original version) and French).
41. Evaluation of Operations Financed by the EIB in Asia and Latin America 2000 and 2008 (2009 – available in English (original version) Spanish and French).
42. Evaluation of Operations Financed by the EIB in Neighbourhood and Partnership Countries between 2000 and 2008 (2009 – available in English (original version) French and German)
43. Evaluation of Special Dedicated Global Loans in the European Union between 2005 and 2007 (2009- available in English (original version) and French)
44. Evaluation of i2i Information and Communication Technology (ICT) projects (2009- available in English (original version) and French)
45. Evaluation of Activities under the Risk Sharing Finance Facility (RSFF) (2010- available in English (original version) and French)).
46. Evaluation of the EIB's role in the JASPERS Initiative (2011- available in English)
47. Ex Post Evaluation of JEREMIE (2011- available in English).
48. Evaluation of EIB Investment Loans for Economic and Social Cohesion in France, Portugal and the United Kingdom (2011- available in English)
49. Evaluation of EIB financing of Urban Infrastructure projects in the European Union (2011- available in English)
50. Evaluation of EIB's Energy Efficiency (EE) financing in the EU from 2000 to 2011: How did the Bank respond to the EE challenge in the context of a reinforced EU EE policy? (2012 - available in English)
51. Ex post evaluation of the use of framework loans to finance EIB investments in the EU (2012 - available in English)
52. Ex post evaluation of EIB intermediated lending to SMEs in the EU, 2005-2011 “The evolution of a key operational priority” (2013 - available in English)
53. Second Evaluation of the Risk Sharing Finance Facility (RSFF) (2013 – available in English)
54. Ex post evaluation of EIB's Investment Fund Operations in FEMIP and ACP countries (2013 – available in English)
55. The loan guarantee instrument for TEN-T projects (LGTT) – An evaluation focusing on the role of the EIB in the implementation of the instrument (2014 - available in English)
56. EIB Technical Assistance outside the EU 2003-2013 (2014 - available in English)

These reports are available from the EIB website:

<http://www.eib.org/infocentre/publications/all/research-studies/ex-post-evaluations/index.htm>

E-mail: Evaluation@eib.org



Contacts



Operations Evaluation

 Evaluation@eib.org

These reports are available from the
Operations Evaluation website:

www.eib.org/evaluation

For general information:

Information Desk

Corporate Responsibility and
Communication Department

 +352 4379-22000

 +352 4377-62000

 info@eib.org

European Investment Bank

98-100, boulevard Konrad Adenauer
L-2950 Luxembourg

 +352 4379-1

 +352 437704

www.eib.org