EUROPEAN COMMISSION

EuropeAid Co-operation Office

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Results-Oriented Monitoring of EC External Assistance

Preliminary findings on issues regarding TC/TA and PIUs to support the new TC strategy

FINAL

ROM Coordination:
EuropeAid/E5

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	This document has been validated by the European Commission. However, the authors take full responsibility of any error or misinterpretation.

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List of Acronyms

ACP	Africa Caribbean Pacific
BCS	Background Conclusion Sheets
CA	Central Asia
CARDS	Community Assistance for Reconstruction, Development and Stabilisation covering the Western Balkans
CRIS	Common Relex Information System
DAC	Development Assistance Committee
EDF	European Development Fund
IO	International Organisation
LA	Latin America
MED	Mediterranean Region
MR	Monitoring Report
NAT	National Projects
NGO	Non Governmental Organisation
PIU	Project Implementation Units
PMU	Project Management Units
REG	Regional Programmes

ROM	Results-Oriented Monitoring
TA	Technical Assistance
TACIS	Technical Aid to the Commonwealth of Independent States
TC	Technical Cooperation
WB	Workbooks 2007

EXECUTIVE SUMMARY

This study was undertaken by the Support Office to ROM coordination at the request of Unit E5 who is working on a strategy to "Reform Technical Cooperation and Project Implementation Units" in the light of both the European Court Of Auditor's 2007 Report on the Performance of EC Technical Assistance for Capacity Development and the EC's commitment to the Paris Declaration[1] on aid delivery. Specifically, the intention is to make the PIUs far less eurocentric in order to comply with EU Target 2 "provide all capacity building through coordinated programmes with an increasing use of multi-donor arrangements" and EU Target 3 "avoid the establishment of new PIUs altogether".

To further support this work, a quantitative and qualitative review was done of the information that currently exists from the ROM system on the performance of PIUs by analysing Monitoring Reports (MR)[2] of projects which performed very well ("a") or had serious difficulties ("d") in efficiency or sustainability. These criteria were chosen as they are the fields where PIU performance is most mentioned. In addition, the experience from the field contained in the ROM contractor's final reports 2007 was reviewed.

It has to be made clear that this study was a quick trial exercise. Currently the methodology of the ROM system does not question whether the format of the TC/TA via a PIU of whatever nature (integrated, parallel, etc) is appropriate, but only whether it is fulfilling its task. However, if a PIU is failing in its task the ROM system can establish why and how it can be improved.

It is also necessary to bear in mind that the majority of the projects that were monitored in 2007 had been designed several years beforehand and thus before the signing of the Paris Declaration on March 2nd 2005. However, the role of the Partner Government (PG) in the design and implementation of a project had already increased considerably**.** Capacity building measures were part of almost every project and new Financing Regulations had made joint management the standard mode of operation. Nevertheless, almost all projects monitored involved some sort of PIU which was almost always staffed by EC consultants.

Given the amount of review that has been undertaken into the performance of EC operations it would have been surprising if this study came up with any radical new insights into the functioning of PIUs. The fact that most of the findings support those already published from other sources does indicate that within the ROM system there is a lot of relatively easily accessible data which to date has been underutilised.

1.1. Findings from the analysis of Monitoring Reports

The analysis of the MRs provided useful information from the field which largely substantiates the COA findings.[3]

In summary, the findings of this exercise show that for a project to be efficient it needs:

- Good management in terms of staff, their technical abilities and attitudes, suitable training and good administrative systems (94%)[4].

[1] Paris Declaration http://www.oecd.org/document/18/0,2340,en_2649_3236398_35401554_1_1_1_1,00.html
[2] In total there were 1314 MRs in 2007 of which 172 contained an "a" or a "d" grade in efficiency or/and sustainability. These reports constituted out sample for quantitative analysis. A selection of 43 reports representative of the 172 were used for the qualitative analysis
[3] MRs often inform the work of the Court of Auditors.
[4] Percentages come from the qualitative analysis

- The availability of all necessary inputs, in particular financial inputs. (89%).
- Good coordination between all stakeholders (61%).
- Good project design which is realistic and flexible in order to be able to respond to the reality on the ground. (50%).

Serious efficiency problems occur when one or more of the factors cited below are poor. In particular:

- Procedural difficulties resulting in the non availability of inputs and means can seriously delay the start up of a project (86%) and this delay cannot always be overcome.
- PIUs are inappropriately staffed and have managerial issues (71%).
- There are serious difficulties in the partner's absorption capacity. (57%) This may be due to lack of training or too ambitious a rate of implementation or too short a timescale. Here the N+3 rule can cause major difficulties.
- The design may have unrealistic objectives and or poor planning (57%) and thus be unworkable/too inflexible in practice.

In terms of sustainability a project has increased potential when it has:

- Good financial and economic support (69%).
- High levels of policy support (50%).
- Built appropriate capacity during the project's duration (38%).

In contrast sustainability is seriously jeopardized when:

- Ownership levels are low (63%) – interestingly high ownership levels were not overtly cited as key to good sustainability prospects.
- Financial and economic viability is low (38%).
- Capacity was not properly developed (38%).
- Cross cutting issues such as gender or environment were not properly integrated into the project (38%).

Negative findings are often – but not always - the reciprocals of positive findings which in itself is interesting as it means that ensuring good project performance is not just about avoiding the issues which lead to bad performance but also ensuring certain prerequisites for good performance are in place. Furthermore very important aspects of good project performance are individual contributions, team work, and communications – i.e. the human element which to some extent has been purposely overlooked to a large extent in order to remain neutral and objective. However in the field every project faces difficulties and the extent to which it manages these difficulties is down to the abilities and attitudes of the different stakeholders involved in its implementation.

1.2. Findings from the Regional Contractors' Annual Reports.

The review of the 5 regional contractor's annual reports for 2007[5] provided further insights into the role of PIUs:

[5] - "*Annual Report 2007 - ACP, South Africa and Cuba*", PricewaterhouseCoopers Belgium, Safège, DMI consultants, Forum pour l'Afrique and PricewaterhouseCoopers South Africa
-"*Annual Report 2007, ROM Results - MED Region*", EPU Consortium
-"*Annual Report – ROM ASIA 2007*", SOGREAH Consultants, Agrisystems Limited, IDOM, Kantor

Ownership requires that projects align well to national developments strategies, institutions and procedures but it is threatened by encouraging/obliging public organisations to undertake activities that they would otherwise not normally do and by long design and start up phases during which either confidence is lost in the project or political realities and priorities have changed.

With regard to project efficiency, a good knowledge of AidCo rules and procedures by all relevant parties is a prerequisite for good management. Furthermore effective communication between the Contractor, the Project Partner and other key stakeholders is essential for problem solving during a project. To maintain trust in the operation of a project, transparent selection procedures for all experts is necessary.

Regarding sustainability, a lot of effort needs to be put into designing sustainability in to the project from the beginning. This involves:

- Risk analysis includes sustainability aspects.
- The design of the project truly uses a participatory approach in the design and formulation phase.
- Government budgeting for continuous project activities is anticipated
- During the project's life, efforts in the development of fee collection mechanisms (e.g. for water, energy, transport) are a good pre-.condition for sustainability.
- Exit strategies and project closure should be given sufficient time.

To focus specifically on capacity building, which is a key contributor to sustainability, the reports concurred that **Absorption capacity** (i.e. technical, organisational, institutional, and financial) is critical - absorption capacities are often over-estimated, with Project Partners often struggling with severe constraints. During the design phase a comprehensive assessment of institutional capacity needs, undertaken jointly by the PG and the EC is necessary. In particular institutional and management capacity training should be introduced from the very beginning of the project so the skill can be utilised during the project.

1.3. Overall Comment

In particular this study concurs with the comment in the Backbone Strategy nature of the required change[6] that "By implication, TC provided by the EC is neither inherently good nor bad." In relation to PIUs, whilst it is acknowledged that current PIU practice can overlook the existence of good staff in the partner country it is also often the case that project timescales do not permit sufficient time to develop the capacity of a local team. In fact, it is often the case that the EC contractor for the PIU is supposed to undertake a facilitation role in the project but because suitable local staff are not available, not being seconded as agreed or unavailable for whatever reason the EC PIU staff start to undertake all the project activities themselves so that they can be completed within the project's timetable. This then means they contractually fulfilled their obligations in terms of all activities but capacity building. Therefore as local managerial capacity has not been built, ownership is likely to be reduced and thus sustainability jeopardised.

- "*Analysis of EC Project- Monitoring Results 2007 Latin America*", Eptisa International, Agriconsulting Europe & LASO Consortium

- *Result-Oriented Monitoring (ROM) for Central Asian countries - Annual report 2007*", and "*Result-Oriented Monitoring (ROM) for the Tacis / ENPI East - Annual report 2007*", INTEGRATION Consortium, ICCS-NTUA (EPU) -INTEGRATION -ECORYS

[6] Pg 6 Backbone Strategy-version 12 May 2008

1.4. Developments in ROM

As already noted at the moment the ROM does not question the format of the PIU. If it is doing the task well ROM will not comment on whether the PIU structure and staffing should be different. However in the future the ROM system will be able to provide more information on the form of the TA/TC and PIUs through the following amendments to the methodology:

- To understand how much of the budget is going to TA, the MR will be modified in future to show this figure.
- The new BCS which will become operative in Jan 2009 will clearly focus on capacity building and awareness.
- The BCS will have a special section on the TA/TC aspect of a project (horizontal issues section).
- E5 could request their Support Team to look at the finding of ex-post MR with a focus on ownership and capacity building.
- All ROM contractors could be requested to ask their monitors to look more closely at the PIU structure and its appropriateness when monitoring in the field.

2. INTRODUCTION

2.1. Background to this study

The EC has launched a strategy for reform of how it will work with Technical Cooperation (TC) and Programme Implementation Arrangements (PIA) in the future. This strategy supports the implementation of the Paris Declaration as it concerns capacity development and in particular deals with the related commitments and targets.

This study, using information from the Results Oriented Monitoring (ROM) system has been conducted to further inform the strategy. This report presents a first study on what the ROM system can tell us about how TC/TA was performing in 2007. The ROM system monitors systematically and in a uniform approach about 40% of the overall ongoing EuropeAid portfolio (not all interventions can be monitored, due to their nature) and of the majority of interventions using the project approach and with a budget above 1 million €.

The structured approach ROM uses is not specifically looking at TC/TA, PIUs/PMU (see annex 1 for definitions of all these terms) or the questions regarding integrated or parallel structures, but, inter alia, it looks at specific questions of management, capacity issues, ownership and the potential sustainability[7] of a project[8].

2.2. Objective of this study

This study has two main objectives. The first one is to analyse ROM Monitoring Reports regarding key points /issues TC/TA and PIUs to come to preliminary findings, which can support the new strategy, focusing on the following issues:

- What is the correlation between TC and perceived problems in efficiency and / or sustainability?
- In particular, how does a PIU and or similar structure influence the project's performances in efficiency and potential sustainability?

The second objective of this study is to use the exercise develop a preliminary qualitative methodology which allows the qualitative information contained within the monitoring reports to be extracted and analysed to permit regular reviews of the same/similar issues.

2.3. The approach taken

Our approach was to take the monitoring reports from 2007 and to look at the grading under the criteria efficiency "*The facts that the results were obtained at reasonable costs, i.e. how well means and activities were converted into results, and the quality of the results achieved*", and the potential sustainability criteria "*the likelihood of a continuation in the stream of benefits produced by the project after the period of external support has ended*"[9]. The focus is on these two criteria because efficiency gives the best insight into the managerial aspect of the project and thus the role of the PIU. The sustainability criterion gives the best indication of ownership and thus an indication of how likely the project's benefits are to be continued. We further identified those which had an "a" "*very good*" or a "d" *serious deficiencies*" grade in efficiency or/and sustainability. In this way the study was looking at the outliers – those whose performance was noticeable good or weak in order to find.

[7] Throughout this report sustainability actually refers to potential sustainability.
[8] Project is used throughout but it can at times also refer to programmes.
[9] Definitions from the BCS

2.4. The analysis

Our analysis falls into four parts:

1. The **quantitative part of the analysis** which was based on the global dataset of 1314 MRs on TC/TA projects, as well as on our sample of 172 MRs on TC/TA projects having an "a" or a "d" grade in efficiency or/and sustainability.
2. Our **qualitative analysis** consisted of analyzing a sample of 43 MR (weighted according to the regional specificities) according to a general scheme for classifying the type of negative or positive aspects influencing efficiency and sustainability.
3. We then synthesized and **analysed the annual reports of the Regional ROM contractors** using the same categorizations for positive and negative factors in order to extent and confirm our findings from our MR analysis. As some annual reports are referring specifically to PIUs or other TC arrangements we could focus our reflection on **the role of the PIU on the efficiency and sustainability performance of projects.**
4. We also identified the key areas in which our research concurred with the finding of the Court of Auditors

2.5. The structure of the report

The **main findings** of our analysis concerning TC/TA and PIUs are to be found in the body of the report, while the **annexes** support technically these findings and give a summary of the methodological approach we used and comment on its strengths and shortcoming to be considered for future similar studies.

3. QUANTITATIVE FINDINGS

Our quantitative study (expanded in the technical annexes) was based on a global database of 1314 MR projects, which were monitored between January and December 2007 in 5 regions: ACP, the Mediterranean region, Asia, Latin America, CARDS and TACIS including Central Asia. The global database includes only the TC projects implemented either by parallel or integrated PIUs/PMUs, thus NGO projects (grants) or TC projects implemented by NGOs or IGOs were NOT included.

In each MR, grades[10] are given under the criteria of quality of project design, efficiency of implementation to date, effectiveness to date, impact prospects and potential sustainability in order to measure the "project performance" regarding each of the abovementioned criterion.

From this global database, we identified all MRs having either an "a" grade or a "d" grade in one of the two abovementioned criteria to form our sample of analysis. The obtained sample of 172 MRs was tested for its representativeness. Our results show that on the whole, the representativeness of the sample is relatively good both in terms of budget and of regional distribution.

This allowed us to perform our quantitative analysis, by identifying trends in project performances, and then several typologies (region, budget, procedure, national/regional programme) were tested in order to isolate factors which may influence the grades.

3.1. Global distribution of grades

The following table gives the distribution of grades in terms of number of MRs.

Table 1: Breakdown of our sample[11]

Region	"a" performers in efficiency	"d" performers in efficiency	"a" performers in sustainability	"d" performers in sustainability
ACP (No of MR)	8	29	9	7
MED (No of MR)	9	3	10	0
ASIA (No of MR)	10	4	7	3
LA (No of MR)	2	6	1	1
TACIS-CA (No of MR)	37	8	13	2
CARDS (No of MR)	13	1	3	1
Total (No of MR)	79	51	43	14

We first compared the distribution of grades in our global sample with those of our sample of TC/TA projects. We noted the share of TC project with an "a" rating for efficiency was slightly lower. 6% compared to 7% for all projects. 3% of the TC projects were considered to be "a" under the criteria of sustainability, compared to 4% for all projects.

Regarding TC projects having "serious deficiencies", the share of 4% under the criteria of efficiency and of 1% under the criteria of sustainability are exactly the same as for all MR.

[10] 1) Grades are used in ROM as a qualitative indication of project performance. The grades used are "a": very good, "b": good, "c": problems, "d": serious deficiencies.

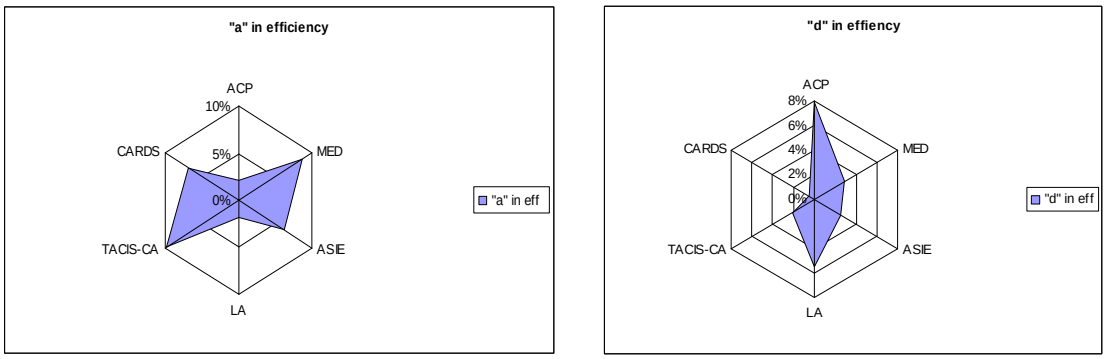
[11] The total No of MR in this analysis is 187 which is more than the sample size of 172 but this is because some had more than 1 "a" or "d"

3.2. Geographic Factor

3.2.1. The efficiency criterion

We observe important discrepancies in terms of grades' frequencies between the five regions: The highest frequencies of "a" ratings under the efficiency criterion are to be found in the MED, TACIS and CARDS regions, whereas the highest frequency of "d" rating under the same criterion occurs clearly in the ACP region. The following graphs give an overview of the distribution of "a" and "d" grades between regions firstly under the criterion of efficiency, and then under the criterion of sustainability.

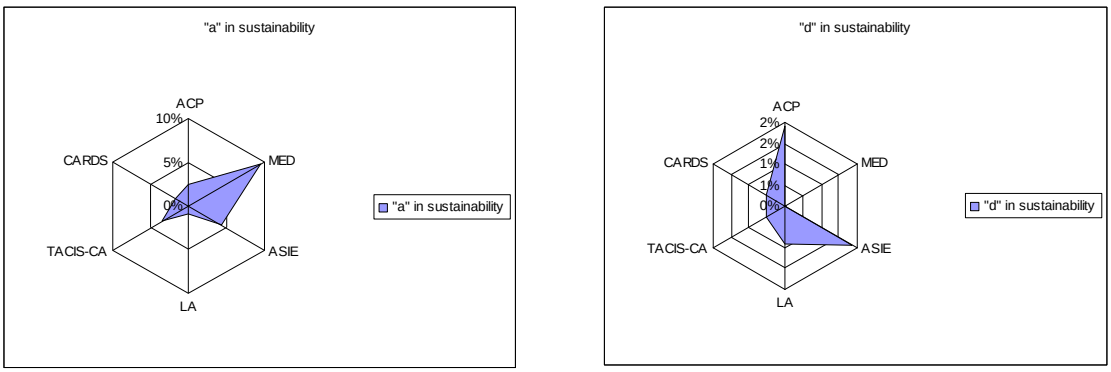
Figure 1: Frequency of rating in efficiency compared between regions



3.2.2. Sustainability criterion

Regarding the potential sustainability criterion, our graphs show clearly that the highest frequency of very good rating is also to be found in the MED region, whereas the frequency of "d" rating is slightly higher for the ACP and Asia regions. Nevertheless, the share of "d" rating for ACP is much lower than for the efficiency criterion (respectively 2% and 8%).

Figure 2: Frequency of rating in potential sustainability compared between regions



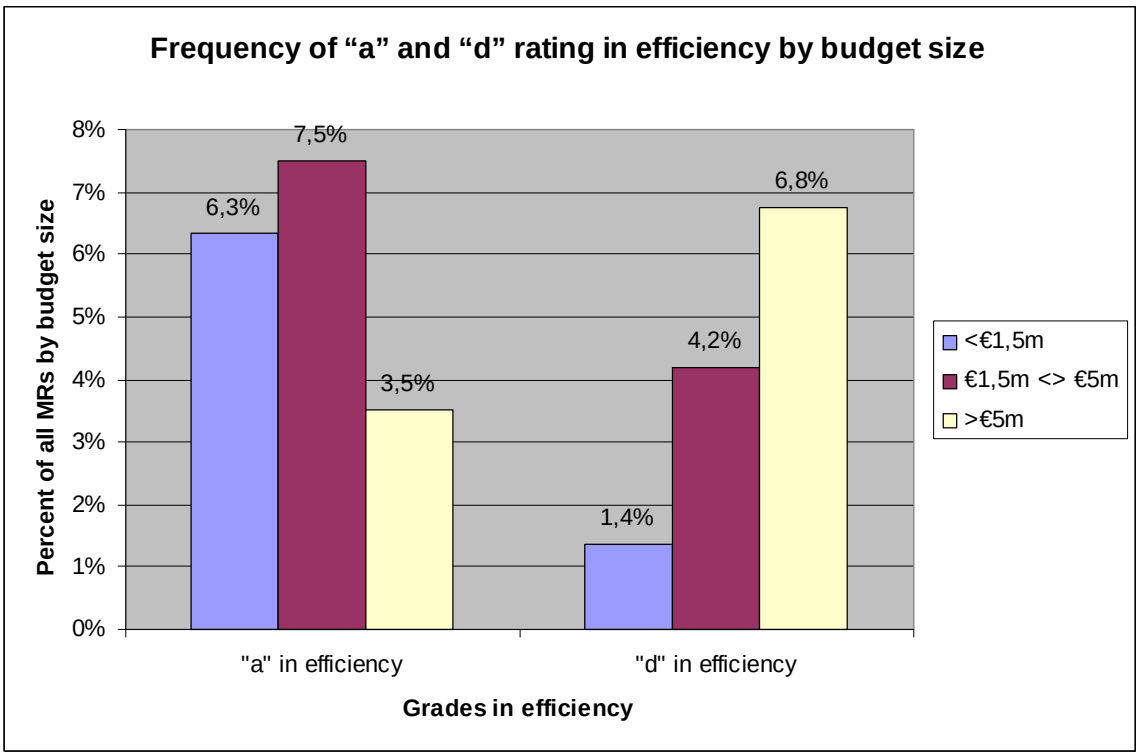
3.3. Project Budget Factor[12]

Anecdotally it is often said that projects with larger budget have more problems with efficiency, possibly due to the fact that many very big projects are infrastructure projects with

[12] The global database is used for 2.3, 2.4 and 2.5 is the global database of 1341 MRs

a large amount of procurement within them which can be hampered by procedural issues. Our data showed this is largely borne out.

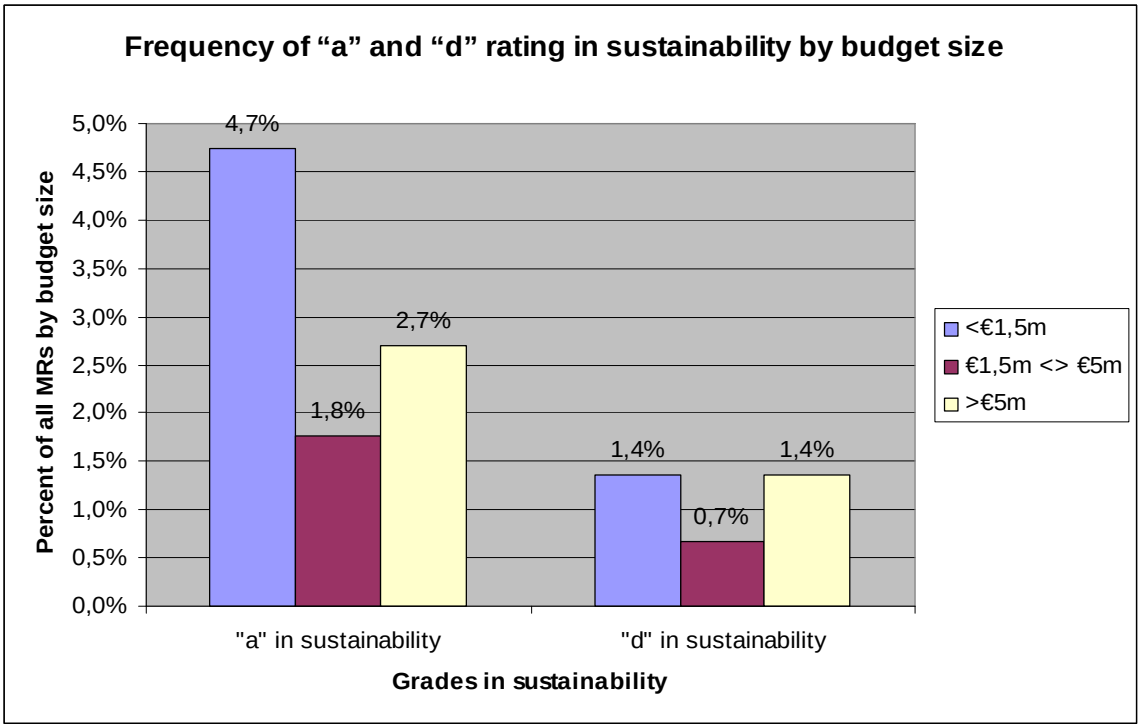
Figure 3: Frequency of "a" and "d" rating in efficiency by budget size



Indeed projects over 5 million euro seem to have greatest difficulties in the area of efficiency. However it appears to be the mid size projects that are the most efficient.

Under the sustainability criterion, it is clearly the smaller projects that are more sustainable. Reassuringly considerably more projects have an "a" for sustainability than a "d"

Figure 4: Frequency of "a" and "d" rating in sustainability by budget size

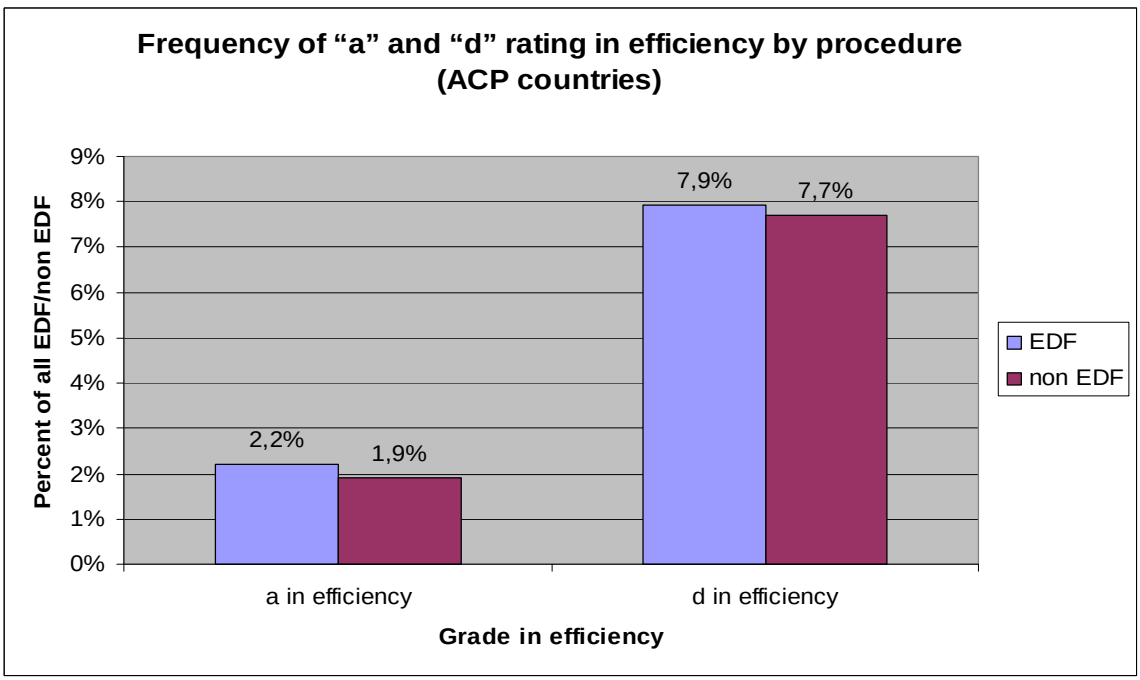


3.4. Procedure Factor

The procedure criterion was expected to be extremely relevant for the ACP region as in the past when EDF and “budget projects” were looked at separately, the “budget projects” showed a significantly better performance.

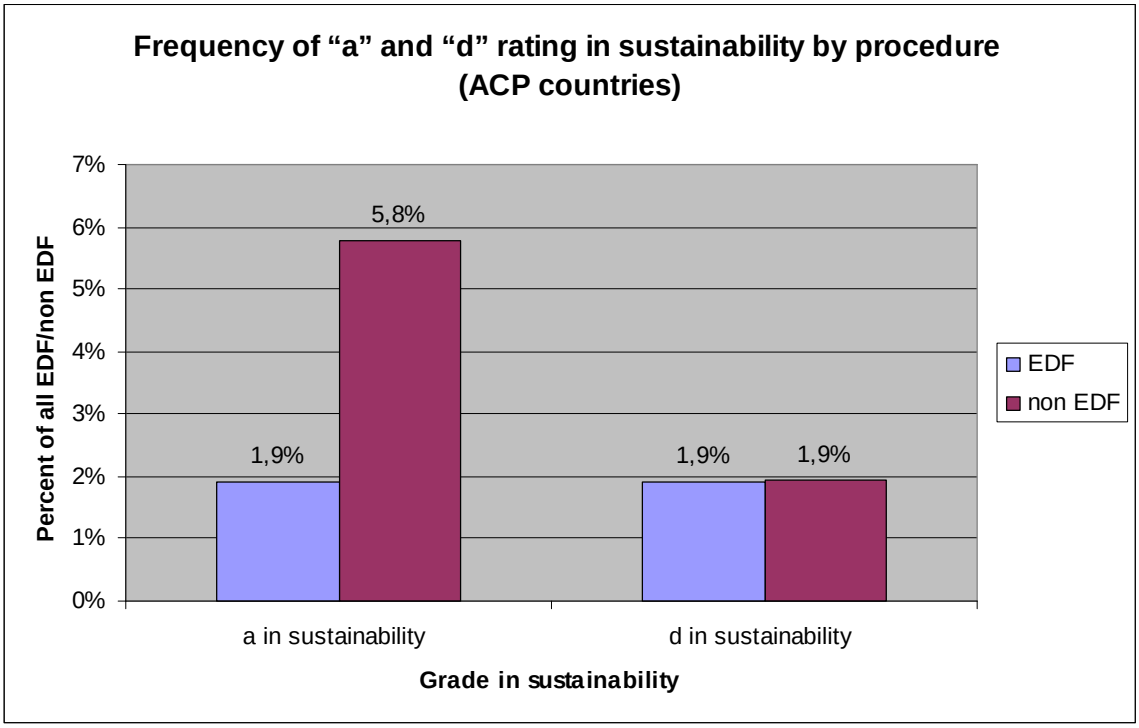
Regarding the efficiency criterion, our quantitative analysis showed that in fact the procedure (EDF/non EDF) doesn’t have a significant influence on the grades for TC projects.

Figure 5: Frequency of “a” and “d” rating in efficiency and sustainability by procedure (EDF/non EDF)



Nevertheless, this result could be explained by the fact that we excluded non EDF/NGO project of our sample, which are assumed to show the best performance in efficiency within the ACP region

In contrast for the sustainability criterion the previous finding hold true and non EDF projects appear to have "a" for sustainability almost 3 times as often as EDF projects although at the other end of the scale the percentage with serious difficulties is the same.

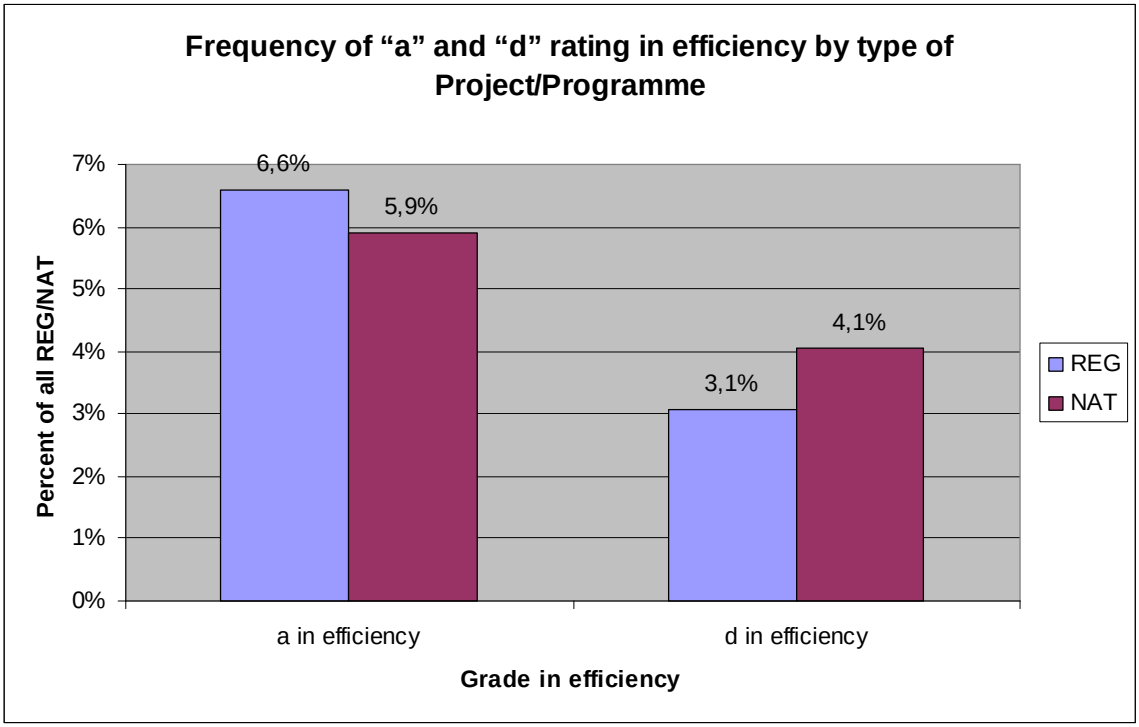


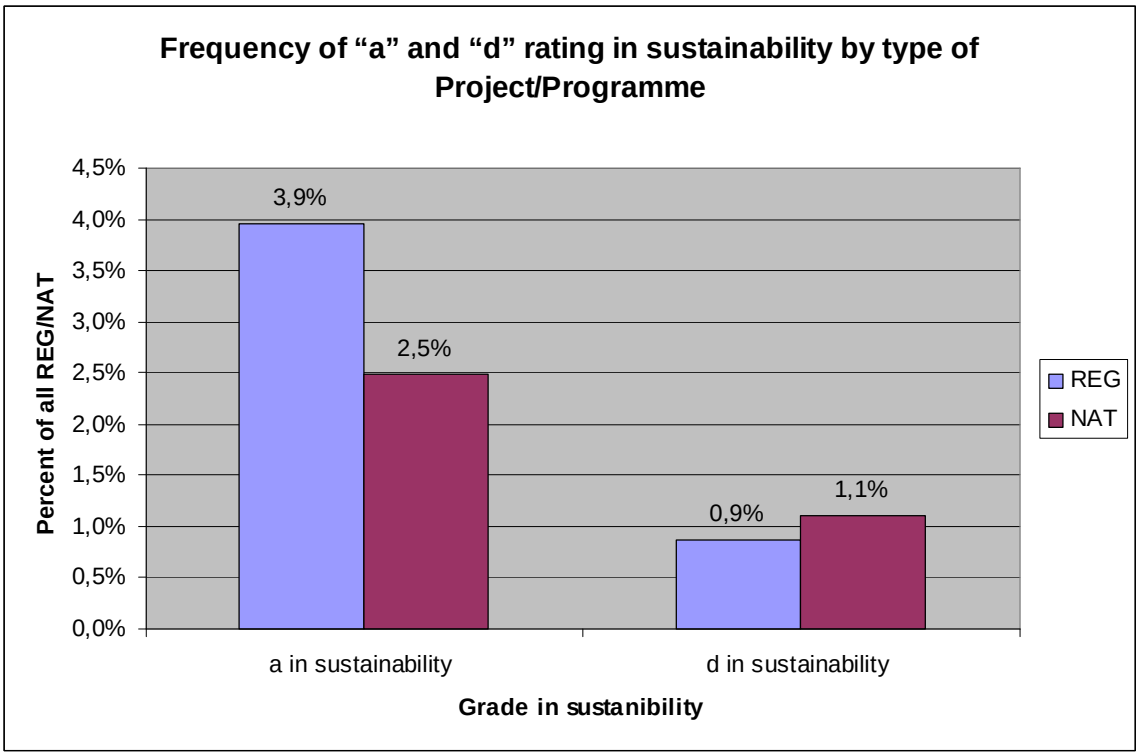
3.5. Comparison between regional versus national programmes

Our quantitative analysis contradicted our expectations gained from the annual reports 2007 from TACIS and ACP regions as they reported some ownership problems with regional programmes.

In our sample, the share of very good rating is higher for regional programmes under both criteria, while the share of "d" rating is lower. Nevertheless, this result could be explained by the slight overrepresentation in the sample of successful regional projects in Asia (Asia link, Asia Pro-Eco, Asia Invest) and the fact that most of the ACP regional programmes have been assessed in Monitoring Notes, which were not reviewed in this exercise.

Figure 6: Frequency of "a" and "d" rating in efficiency and sustainability by type of project/programme (NAT/REG)





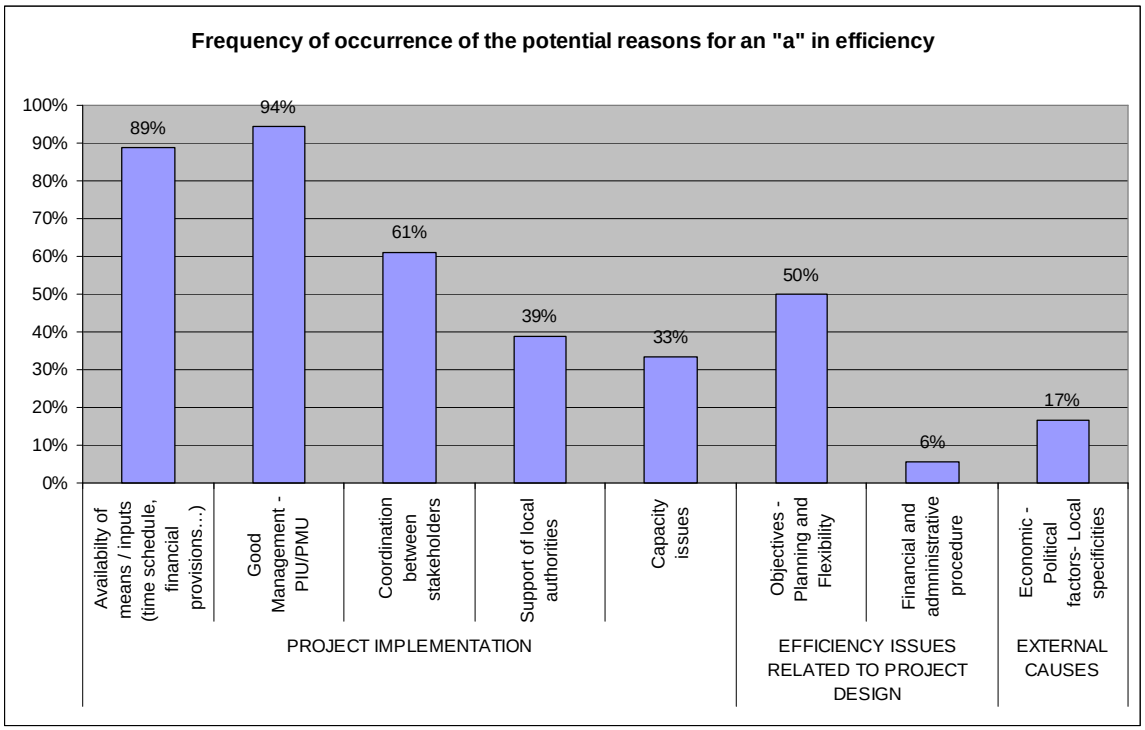
4. QUALITATIVE FINDINGS FROM THE SAMPLE

This part aims at exploring potential explanations for the disparities in TC project performance. This analysis looks in a very holistic way at the issues related to TC since ROM does not specifically consider the form of the TC and the nature of the TA or PIU only on its performance. The findings are thus more related to general implementation issues.

Through reading one in every four of our sample i.e. 43 MRs we identified various factors that could influence/had influenced positively or negatively the efficiency and sustainability criteria and classified them into categories[13], largely based on those found in the Background Conclusion Sheets[14]. A copy of the BCS is given in Annex 6. The criteria are not mutually exclusive and as they very much interlink but nevertheless a picture emerges of the relative importance of various factors in the performance of current TC/TA structures. This review was done on a best effort basis but clear results which largely hold true to experience from the field were identified and are shown below in a series of graphs.

4.1. Reasons for projects having an "a" in efficiency

Figure 7: The frequency of occurrence of factors affecting efficiency positively



Main findings:

94% of "a" projects have **good management**

89% of "a" projects have **proper availability of inputs/means**

[13] **NOTE**: In most cases, several positive/negative factors were identified, while in other projects only one major factor could explain performances. Therefore the percentages relate to the number of times a particular criteria was cited

[14] Our analysis was based on the MR comments and the BCS themselves were not reviewed during this exercise. Background Conclusion Sheets are effectively the monitors' notes and they consist of a wide range of issues that should be considered when assessing each of the 5 criteria. This information is then synthesised in the MR.

61% of "a" projects have **good coordination between stakeholders**

50% of "a" projects have **clear objectives, good planning and flexibility**

Here most factors cited referred to project implementation and the **most pertinent** factor is what at we categorized as "good management" which essentially covers the quality of PIU/PMU or other staff, and the quality of the management systems used such as the logframes and workplans. Intangible aspects such as the attitudes of the management and their abilities though not currently directly commented upon play a vital role which is reflected in the overall management performance.

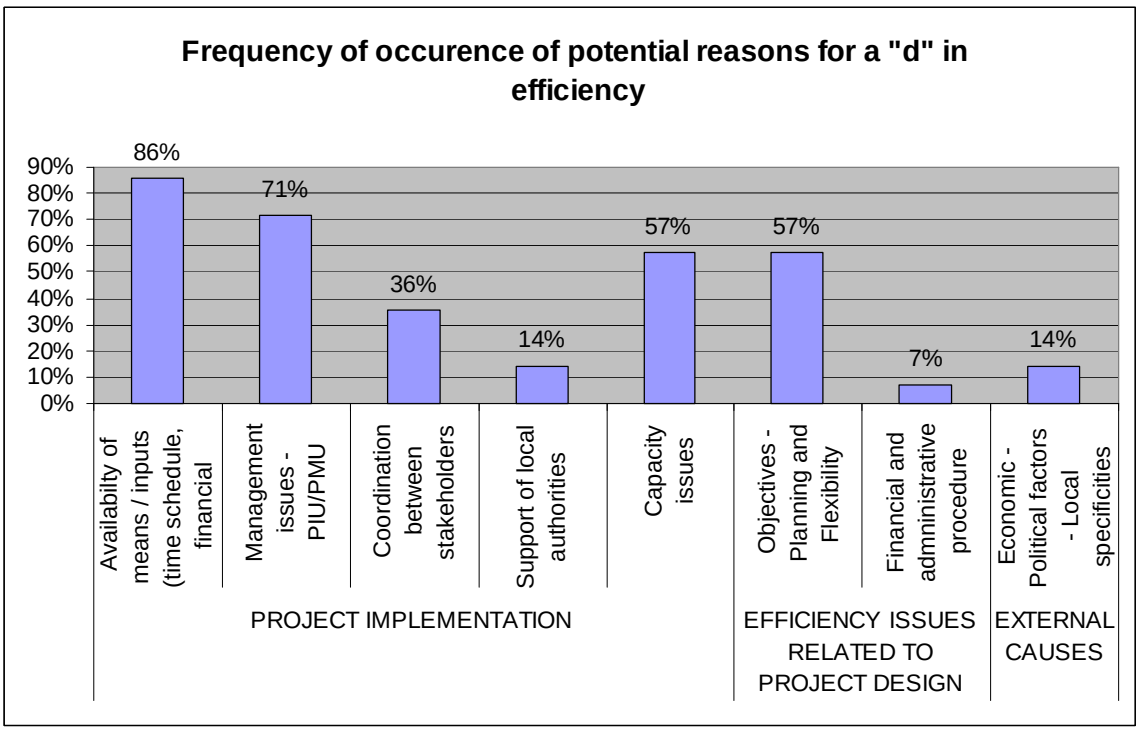
Another key factor of almost equal importance is the availability of means and inputs, from all parties. This includes high quality HR, both national and international, timely implementation, adequate planning of resources and activities and no procedural or procurement difficulties which often hamper project implementation. Finances need to be in order and in place at the correct time

Good co-ordination between stakeholders is also frequently cited which indicates that this is already a key aspect of well functioning projects. It often means that proper steering committee functions are in place and is a good early sign commitment to the success and ownership of the project.

One important factor is related to project design and in particular the original planning and flexibility of the project. This confirms that a project needs to be both well designed and thus realistic and be able to be flexible in case of need

4.2. Reasons for projects having a "d" in efficiency

Figure 8: The frequency of occurrence for potential factors affecting negatively the grade in efficiency



Main findings:

86% of "d" projects have **unavailability of inputs/means**

71% of "d" projects have **managerial problems**

57% of "d" projects have **capacity issues**

57% of "d" projects have **unrealistic objectives and planning**

Issues relating to project implementation are also the main factors cited for projects with serious problems relating to efficiency. Procedural difficulties either with EC rules or national local rules or incompatibilities between the two can result in a lack of funds and/or resources - human and equipment.

Management issues are usually part of the reason a project is inefficient, this can be because it is not well structured, staffed with suitably qualified people – in terms of knowledge, experience and very importantly attitude. A de-motivated PIU is rarely very efficient.

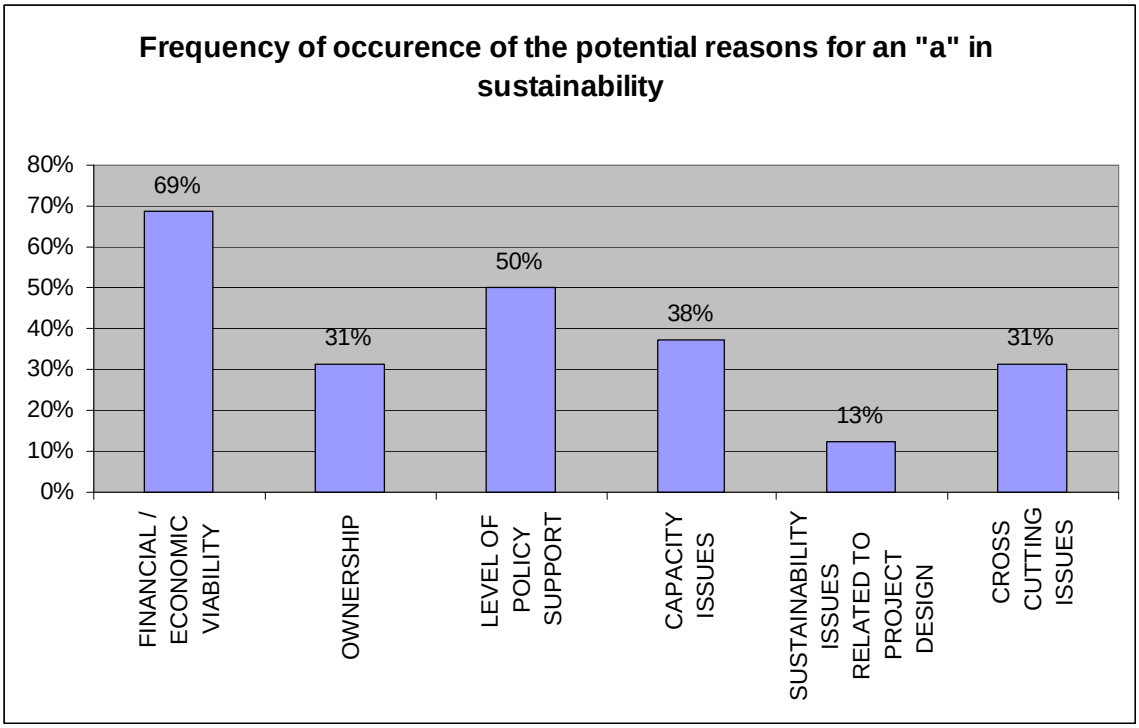
Capacity issues are also cited and this is very interesting in the context of this study. This usually refers to the ability of the local partners to "absorb" the project either in terms of actual capacity building initiatives within the project or in terms of the absolute scale, size or speed of the project. In either context a weakness in this area indicates a lack of full consultation beforehand and possibly a certain lack of commitment to or ownership of the project.

Again the project's design is also frequently mentioned particularly in respect of its objectives, planning and flexibility. This highlights the fact that if insufficient attention is paid to the formulation phase then problems can arise during implementation as the objectives may be unrealistic and the design not practical enough or too inflexible.

All these factors can add up to cause serious delays which in turn can lead to very difficult or nearly failed projects as the N+3 rule does not give enough time to make up for delays. This is particularly true where the project has an agricultural focus, missed timings can result in a whole crop cycle being missed. For projects with activities that are intended to be repeated to increase potential sustainability the possibility of iteration can be lost.

4.3. Reasons for projects having an "a" in sustainability

Figure 9: Potential factors affecting positively the grade in sustainability



Main findings:

69% of "a" projects have **strong potential financial/economic viability**

50% of "a" projects have a **high level of policy support**

38% of "a" projects have done very well regarding **capacity issues**

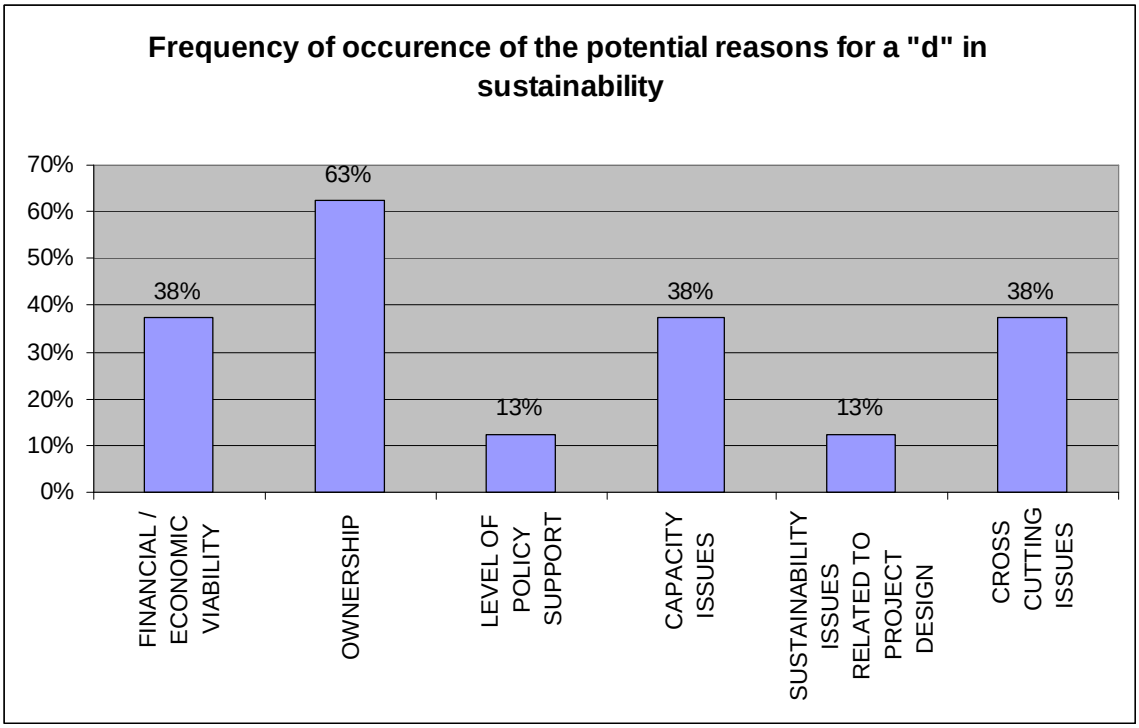
It would appear from the reading of the sample of MRs that for a project to have a high level of potential sustainability it primarily needs good financial and economic support. This is a very pragmatic necessity in the case of many projects. Even with all other factors in place; high levels of ownership, commitment, built capacity etc. unless there are funds available to continue a project, either from the government, local sources or donors the benefit stream of a project cannot be continued. Sometimes this can mean that on-going maintenance is not done in the case of an infrastructure project, or medical staff are not available in the case of rural medical projects.

High levels of policy support, both at national and local level do increase potential sustainability and are often commented upon.

The findings show that when capacity issues are properly taken care of by capacity building activities during the project potential sustainability increases. This is because the trained capacity is able to continue to work in the area it has been trained in. Nevertheless it is still important that the provision of proper financial resources is available.

4.4. Reasons for projects having a "d" in sustainability

Figure 10: Potential factors affecting negatively the grade in sustainability



Main findings:

63% of "d" projects have **weak ownership**

38% of "d" projects have **capacity issues, lack financial and economic viability and/or have problems with cross-cutting issues**

Although "a" projects do not mention ownership so often, the lack of it gives rise to the most commonly cited reason for poor sustainability prospects. Ownership does not guarantee sustainability but it is very important factor for promoting it. Without ownership none of the other possible difficulties facing the sustainability of a project can be dealt with.

Financial and economic viability remain important for obvious reasons. Capacity issues can refer to insufficient or ineffective capacity building during the project or that trained local staff no longer work in the areas the project focused on. Cross cutting issues relate to problems arising from insufficient regard being paid to gender issues or environmental issues or technological issues such that sustainability is jeopardized.

5. THE ROLE OF THE PIU IN EFFICIENCY AND SUSTAINABILITY PERFORMANCES – LESSONS LEARNED FROM THE ANNUAL REPORTS OF THE FIVE REGIONS

Having undertaken our own research on the MRs we reviewed the key issues and conditions for success/deficiencies presented in the regional annual reports[15] to complement our analysis. Based on the same categories we used in our study we summarised and synthesized them into positive/negative factors affecting efficiency or sustainability to see if they reached any different conclusions., In summary the analysis of the annual reports 2007 confirmed our findings from the MR as well as supporting the findings of the Special Report No 6/2007, (pursuant to Article 248(4), second subparagraph, EC), on the effectiveness of technical assistance in the context of capacity development of ECA[16].

In addition, some of the annual reports make direct reference to PIUs[17], which allowed us to focus our reflection on **the role of the PIU on the efficiency and sustainability performances**. The underlying research question was: Can the presence of a PIU enhance success of a project or on the contrary hamper it? It should be remembered that projects monitored in 2007 had mostly been designed and started before the Paris Declaration was signed in 2005. Thus the findings relate to the period when the role of the Partner Government, though in creasing was not maybe as central as it is now. There had already been a move away from having co-directors on projects – usually the local partner and the contractor - to making the local partner the head of the project and subordinating the European the head of TA

5.1. The role of the PIU in efficiency

The PIU (no matter if integrated or parallel) is dependant on the framework conditions set by the Partner Government and the EC procedures – its main success factor in efficiency is a good day-to-day management, based on transparent communication with strong internal monitoring.

The EC together with the Partner Government can mainly influence the initial design of the project and here in particular the inclusion of capacity building measures. These are crucial to manage the project itself, but also to maintain project effects later, after the project ends. Both parties also have a high influence on the timely start of the project (through tendering procedures and procurement). We have seen that when there is no timely start to the project, the N+3 rule of the EC hinders late, but subsequently good projects from fully achieving their project purposes.

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[15] - "*Annual Report 2007 - ACP, South Africa and Cuba*", PricewaterhouseCoopers Belgium, Safège, DMI consultants, Forum pour l'Afrique and PricewaterhouseCoopers South Africa
-"*Annual Report 2007, ROM Results - MED Region*", EPU Consortium

-"*Annual Report – ROM ASIA 2007*", SOGREAH Consultants, Agrisystems Limited, IDOM, Kantor

- "*Analysis of EC Project- Monitoring Results 2007 Latin America*", Eptisa International, Agriconsulting Europe & LASO Consortium

- *Result-Oriented Monitoring (ROM) for Central Asian countries - Annual report 2007*", and "*Result-Oriented Monitoring (ROM) for the Tacis / ENPI East - Annual report 2007*", INTEGRATION Consortium, ICCS-NTUA (EPU) -INTEGRATION -ECORYS

[16] *Court of Auditors Report* on "The Performance of EC Technical Assistance for Capacity Development" 2007

[17] In contrast to the majority of MRs

Increased efficiency is ensured if both PIU staff and the EC Project Manager have a good knowledge of AidCo rules and procedures and make professional use of management tools. Another crucial factor for highly efficient projects is a high level of local commitment and ownership by the partner government, as well as active coordination and management. Other main factors were good communication between the stakeholders to facilitate problem solving as well as an active Steering Committee ensuring positive direction to the project. Internal ongoing monitoring, especially by the PIU, also appears to be key for project efficiency because it means that problems can often be dealt with whilst they are still quite minor rather than once they have become a problem noticeable to all.

5.2. The role of the PIU in potential sustainability

Main factors regarding the sustainability of projects are a strong ownership and commitment by the project partners and the government. If this pre-condition is met, very often economic and financial viability is ensured after the project ends. Key factors seem to be that projects and their results are well integrated into local structures, that the project had enough time to "mature" and was not characterized by a hasty implementation to meet the N+3 rule.

Very good projects have often already planned for the time after the EC funding has ended during design phase. Here key factors for success seem to be:

- A realistic assessment of the existing capacity of Project Partner and other key stakeholders
- That projects contain significant capacity building through both formal and on-the-job training
- Institutional and management capacity training is introduced from the start of the project and not during or at project end.
- Risk analysis includes sustainability aspects
- The design of the project truly uses a participatory approach in the design and formulation phase.
- Government budgeting for continuous project activities is anticipated, not only recurrent costs but also capital costs after the end of project.
- During the project's life, efforts in the development of fee collection mechanisms (e.g. for water, energy, transport) are a good pre-.condition for sustainability
- Exit strategies and project closure should be given sufficient time

Although many of these factors relate to the design of a project prior to the formation of a PIU during the implementation the role of the PIU is to maximise potential sustainability is to manage. Thus it needs to keep watching to make sure all the assumptions and risks are holding true and in cases where there are problems bring these to the attention of the Stakeholders through an active Steering Committee mechanism. Essentially the PIU's role in ensuring sustainability seems to be a pro-active management for phasing out of the project.

5.3. Additional findings from the annual reports

The annual reports also raised the following points all of which play a role in the successful implementation of a project. Many points are well known but if they are still the cause of difficulties in projects then they have not been properly addressed yet.

Integrated PIUs – are projects implemented by the right partners?

One very important factor seems to be the specific issue of local governments executing localised projects in the form of integrated PIUs. They are often seen by projects as the ideal

partner and in many cases fulfil that role very well. However, given the lack of political maturity in many countries, local elections can imply drastic changes (complete change of staff) with the resultant loss of trained personnel (and equipment such as cars, computers, etc.). The **focus on local governments** needs therefore to be balanced with community strengthening so that they are in a better position to make demands on their new Governments; Governments change whereas communities don't.

Encouraging/obliging public organisations to undertake activities that they would otherwise not normally do, hampers ownership. Once project funding has ceased it is unlikely that they will continue to provide these services. **Absorption capacity (e.g.** technical, organisational, institutional, and financial) is critical. An analysis of lessons learnt suggests that absorption capacities are often over-estimated, with Project Partners often struggling with severe constraints.

Local expertise

If it is ensured that highly qualified local experts and/or local co-ordinators are involved, in full agreement with the Project Partners using transparent selection procedures then management and sustainability improves. This may include high quality experts from relevant public institutions and organizations in the Partner Country.

Design – Role of Partner Government and EC

Good projects are usually well aligned to national developments strategies, institutions and procedures. Very often pre-conditions and assumptions for project implementation are clearly defined at the design stage, and they are properly considered during the Start-up/Inception Phase. Another pre-condition is that responsibilities for parties' contribution, along with solid procedures for parties' interaction and coordination are clearly established.

One major factor for unfinished or projects performing with major problems are a long preparation phase that leads to outdated project design (two to three years after design phase).

At the design stage it is also important to properly define specific capacity development objectives and related TC requirements, to avoid complex implementation structures, to be more realistic in terms of objectives to be achieved and to planning for longer implementation periods.

Capacity Building

During the design phase a comprehensive assessment of institutional capacity needs is necessary and blueprints for future capacity building projects in the concerned public institutions should be prepared. Here the Partner Government is crucial in coordinating the different projects in this context, especially in matters such as training, scholarships, computer equipment, software, documentation and eventually physical infrastructure. One very helpful (and often missing) tool is a Management information System (MIS) to assess and record performance and procurement decisions.

6. LINK WITH THE RECOMMENDATIONS FROM THE COURT OF AUDITORS REPORT

As a final step we cross referenced our findings with those of the Court of Auditors which became the basis for the Commission's "Backbone Strategy for Reforming Technical Cooperation and Project Implementation Units". In particular we found our research confirmed:

Recommendation 2

The Commission should develop guidelines on technical assistance defining its role in the area of capacity development and providing a sound approach and tools to consider when and how to use it.

This is not systematically done although TA almost always has an element of capacity building but often this is implicit or an-add on activity rather than an integral part of the TA design.

Recommendation 3

Design of capacity development projects should be improved, by facilitating effective ownership and leadership of the national part of the process, by better defining specific capacity development objectives and related technical assistance requirements, by avoiding overly complex implementation structures, by being more realistic in terms of objectives to be achieved and by planning longer implementation periods.

Our research would support the latter part of this recommendation – that the objectives are realistic and the time frames longer. This is in quasi opposition to the increasing need to deliver more - faster and this inherent contradiction needs to be resolved. If not then there is a pressure on the TA/PIU to deliver the project themselves which they can do more quickly and thus fulfil the immediate requirements of the project, against which, in essence, their performance is contractually judged, rather than facilitate delivery through capacity building and fail to deliver many of the required outputs.

Recommendation 4

The procedures governing the project preparation and start-up phase, including the procurement of technical assistance, should be reviewed, in order to create more time for implementation, and more flexibility should be allowed during the inception phase to adjust the project design and/or the Terms of Reference for the technical assistance to changes in circumstances

The efficiency of a project very much depends on how quickly it can set up. If there are problems at this stage they can hamper the entire performance of the project and have negative consequences for sustainability. Usually start-up problems are overcome. The second part of this recommendation to permit adjustments during an inception phase would be most

welcome, often needed changes are not made due to perceived and/or actual contractual problems in altering the nature of the TA despite it being clear that they are necessary.

Recommendation 8

Technical assistance performance by companies and experts should be assessed systematically and a management information system for recording, reporting and consulting this performance should be developed.

Indirectly our research supports this in that it is very clear that the quality of the PIU is clear indicator of the potential success of the project, this means both the individuals involved, the systems used and the backstopping provided by the companies. To try to remove people for the assessment of a project is to miss the most important element of success.

6.1. Overall Comments

In particular this study concurs with the comment in the nature of the required change[18] that "By implication, TC provided by the EC is neither inherently good nor bad. The contribution of EC funded TC depends on if and how it has been strategically determined and on the nature of the preparation process. It is important that TC preparation is based on a close dialogue with local partners recognising that engagement in capacity development and change is a joint undertaking."

Projects which have low levels in efficiency and sustainability are often notable for their lack of stakeholder participation and ownership thus ownership is reduced and sustainability seriously compromised. In contrast when there is full agreement over both the objectives of the project and the way in which it is implemented it runs more smoothly and potential sustainability is higher. Furthermore capacity building in terms of personnel is often a key part of a project and yet it is often an unsuccessful part either due to ineffective attempts to build the capacity in terms of training or because of the lack of suitable personnel to work with during and after the project. The strategy is thus correct in trying to address this issue which has to involve greater levels of input from all stakeholders during the formulation of a project.

Given the need to increase the level of capacity building and to reduce the number of EC staffed PIUs the reality is that there will need to be a phased approach. More capacity building will be needed; the amount clearly will vary from country to country. Building capacity takes time and somehow this has to be factored into projects, given the current N+3 approach is difficult to foresee how this can be done.

The issues of ownership and capacity building are all linked to the greater role that the Partner Countries are now playing in all aspects of the EC's development activities. The Partner Government's responsibilities extend beyond the initial strategy agreements and designs of individual projects. They need to further develop their expertise in project management and all related activities necessary for the successful implementation of a sustainable project. The amount and nature of input will obviously vary. Where possible the PIUs should become more and more locally staffed. In cases where there are capacity constraints these should be recognised and provision made for training within the projects themselves, even if this means less ambitious projects. This built capacity should then be utilised to increase the sustainability of the project after the formal ending of the project.

[18] Pg 6 Backbone Strategy

7. ROM DEVELOPMENTS

From a ROM perspective there are limitations as to the recommendations that can be made as it can only reflect the official policy of the projects when they were designed. However in a few areas suggestions can be proposed:

- To understand how much of the budget is going on TA the MR will be modified in future to show this figure
- The new BCS, which will become operative in Jan 2009, will clearly focus on capacity building and awareness
- The BCS will have a special section on the TA/TC function within the project
- E5 could request their Support to ROM Coordination Team to look at the finding of ex-post MR with a focus on ownership and capacity building
- All ROM contractors could be requested to ask their monitors to look more closely at the PIU structure and its appropriateness when monitoring in the field.

TECHNICAL ANNEXES

ANNEX 1: Key Definitions

In order to examine and assess TC and analyse the role of the PIAs, and more specifically Project Implementation Units (PIUs), it might be useful to recall some key definitions.

Box 1: DAC definition of Technical Cooperation and Technical Assistance

- Technical cooperation includes a range of activities aiming at developing knowledge, skills, technical know-how or productive aptitudes. It includes TA plus training, research, twinning, peer-support and associated costs.

- Technical assistance refers to the personnel involved in developing knowledge, skills, technical know-how or productive aptitudes. TA may play a variety of different roles including advising, filling gaps, or providing policy advice. Most of the criticism about the low level of effectiveness of TC, as discussed in the international debate, has been focused on "TA personnel".

Source: "2008 Survey on Monitoring Paris Declaration – Definition and guidance"

Box 2 : Project Implementation Units – PIUs, and Project/Programme Implementation Arrangements (PIA)

Project Implementation Units

When providing development assistance in a country, some donors establish Project Implementation Units (they are also commonly referred to as project management units, project management consultants, project management offices, project co-ordination offices etc.). These are dedicated management units designed to support the implementation and administration of projects or programmes. PIUs typically share the following key features:

PIUs are typically required to perform subsidiary (rather than principal) tasks with regard to the implementation of a project or programme: monitoring and reporting on technical and/or financial progress, accounting, procurement of works, goods and services, drawing-up of terms of reference, contract supervision, detailed design or equipment specification.

PIUs are often established at the request of a donor following the inception of a project or programme. The staff of PIUs vary considerably in size and composition. Staff size can vary from 1 to as many as 200 but most count less than 10 professional staff. Although a significant number of PIUs make use of government staff, most PIUs rely on staff recruited outside the civil service (e.g. long-term local consultants).

Parallel PIU

A PIU is parallel when it is created and operates outside existing country institutional and administrative structures at the behest of a donor. In practice, there is a continuum between parallel and integrated PIUs. The criteria below have been designed to help donors and partner authorities draw a line within this continuum and identify with greater certainty parallel PIUs.

Donors are invited to review all their development activities with a view to determining how many PIUS are parallel. For the purpose of this survey, PIUs are said to be parallel when there are ***three or more "Yes"*** to the four questions below (anything less counts as integrated):

1. Are the PIUs accountable to the external funding agencies/donors rather than to the country implementing agencies (ministries, departments, agencies etc)? (Y/N)
2. Are the terms of reference for externally appointed staff determined by the donor (rather

than by the country implementing agencies)? (Y/N)

3. Is most of the professional staff appointed by the donor (rather than the country implementing agencies)? (Y/N)
4. Is the salary structure of national staff (including benefits) higher than those of civil service personnel? (Y/N)

Project/Programme Implementation Arrangement (PIA)

A Programme or Project Implementation Arrangement is the organizational set-up established to implement a programme or a project. It is a generic term for the arrangements that any project or programme – whether supported by donors or not – needs in terms of governance, accountability, management, division of labour and coordination.

Source: Guidelines for Technical Cooperation And Programme Implementation Arrangements, Draft – 13.05.2008

ANNEX 2: Methodology

One of the objective of this study was to develop a preliminary qualitative methodology which allows to regularly look again at the issues of TC/TA and more specifically PIUs/PMUs, in order to serve in the future as a regular source of information in these issues. This section gives an overview of the methodology used and a global structure for analysing MR.

Methodology of the quantitative analysis:

1- We first created our sample of analysis

Our sample of analysis is based on the workbooks 2007 from all regions, with frequent checks on the CRIS database on the Commission's Intranet. The global database of our research has been obtained by selecting from the WBs MR on projects implemented by the State or a national operator -i.e. we suppressed all projects implemented by NGOs or IGOs in order to analyse the special influence of PMU/PIU.

From this global database, we identified all "a" "very good" projects / "d" "projects with serious deficiencies" in efficiency and sustainability to form our sample of analysis.

2- We then checked the representativeness of our sample

A representative sample is a sample that is similar to the population on all characteristics, except that it includes fewer MRs.

Our sample can be considered to be geographically representative if its regional distribution is equivalent to the regional distribution of our global database. The sample needs also to be representative in terms of total budget amounts.

3- We finally analysed the grades

From our global dataset of TC/TA projects, as well as our sample of analysis, we identified trends in project performances, and tested to influence of several factors that could influence them. The data has been processed, analysed, sorted and visualized through tables and graphs, using excel.

Methodology of the qualitative analysis:

1- We selected a sample of one quarter of the total sample of MRs to be analysed

We used the method of proportional stratified sampling in order to obtain a representative sample of MRs (in terms of grades and regions) and to ensure a great precision and respect of the characteristic of our sample of analysis.

We first stratified our sample of 172 MRs on TC/TA in non-overlapping groups or strata by regions and grades in efficiency and sustainability.

We then selected from each group a systematic sample of each fourth report to be fully analysed.

2- We developed a general scheme for classifying the positive and negative factors

Through reading the selected MRs, we identified various factors that did influence positively or negatively the efficiency and sustainability criteria and classified them into categories, partially coming from the structure of the BCS.

3- We calculated the frequency of occurrence of each factor

We then presented it in the form of a graph, separately for MRs having an "a"/ "d" grade (in order to analyse independently factors influencing positively/negatively the performance), for each criterion.

Analysis of the regional annual reports:

We analysed the regional annual reports to complement our analysis of the MRs.

1- We identified conditions for success/deficiencies from the ARs concerning

We identified key issues and positive/negative factors affecting efficiency or sustainability, based on the same categories that we used in our study, in order to analyse the extent to which it supports or contradicted our findings.

2- We synthesised the information from the ARs in schemas

We represented in the schemas the influence of each actor on the identified factors in order to draw our conclusions and recommendations.

3- From this analysis, we drew some recommendations

Our schemas represent to influence of each actors, what made it easier to address each recommendations to the actor concerned, in order to make them more operational.

Difficulties encountered:

Some difficulties have to be pointed out.

1- We encountered some major difficulties in the creation of our database.

• One contractor uses its own database called MONIS, and therefore doesn't complete fully the regional Workbook, which resulted in the need to calculate manually average grades.

• In order to focus on TC/TA projects in our analysis, we had to clean manually our database of NGOs/IGOs.

2- The short time period given to this assignment implied limitations in our analysis

Regarding our qualitative analysis, time constraints didn't allow us to read fully more MRs than one fourth of our sample. However, our findings were supported by the regional annual reports.

3- The ROM system itself presents some major limits

• ROM system gives only a snapshot on one temporary situation that we had to connect to the identification of long term factors.

• The structure of ROM contains no specific part on the PIU, what limited our analysis of the specific issues related to PIUs/PMUs and we thus had to look in a more holistic way at the issues related to TC. As a result, our qualitative findings are more related to general management issues and are based on the identification of positive or negative factors as described in the MRs which are influencing the management of projects as well as counting their frequency.

However, this limitation was partly solved by our analysis of the ARs, which make direct reference to the PIUs, and allowed us to focus our reflection on the role of the PIU on the efficiency and sustainability performances.

ANNEX 3: Application of the Methodology in this case

The following paragraphs present step by step how we applied this methodology to our specific study.

I. Quantitative analysis

A. Selection of the sample of projects to be analysed

This study was based on a global database of 1314 projects, which were monitored between January and December 2007 in 5 regions: ACP, the Mediterranean region, Asia, Latin America and the region formed by TACIS, CARDS and Central Asia.

Our sample of analysis is based on the workbooks 2007 from all regions, with frequent checks on the CRIS database on the Commission's Intranet. The global database of our research has been obtained by selecting from the WBs MR on projects implemented by the State or a national operator -i.e. we suppressed all projects implemented by NGOs or IGOs in order to analyse the special influence of PMU/PIU.

From this global database, we identified all "a" "very good" projects / "d" "projects with serious deficiencies" in efficiency and sustainability to form our sample of analysis. This sample of 172 MR covers 7 ODA sectors and the five abovementioned regions.

	LIST OF ADA CODES
1	Social Infrastructure and Services
2	Economic Infrastructure and Services
3	Production sectors
4	Multisector - Crosscutting
5	Commodity Aid and General Programme Assistance
6	Emergency Assistance
7	Other Unallocated Unspecified

Finally, we clustered these MRs by types of interventions (national projects/regional project), procedure (EDF/non EDF), budget and sectors, sufficiently representing all regions.

This study has been performed through a quantitative analysis of those "very good performances" / projects "with serious deficiencies", which has been complemented by a qualitative analysis of the potential reasons explaining them.

The data has been processed, analysed, sorted and visualized through tables and graphs, using excel. We first checked the representativeness of our sample before analyzing the grades.

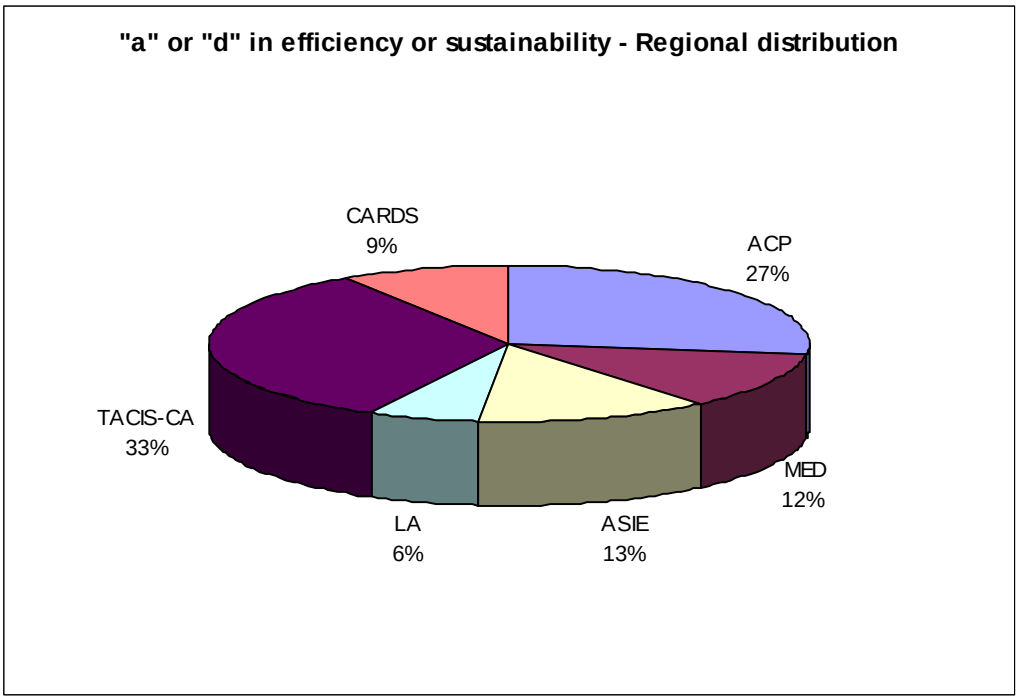
B. Assessment of the sample's representativeness

Our sample of "very good" performers and projects "with serious deficiencies" in efficiency or sustainability contains 172 MR, with the following distribution among regions:

- There are 47 MR for the ACP region in the year 2007, which represents a share of 27% for the ACP region,
- There are 20 MR for the Mediterranean region in the year 2007, which represents a share of 12% for the Mediterranean region,
- There are 22 MR for the Asia region in the year 2007, which represents a share of 13% for the Asia region,
- There are 10 MR for the Latin America region in the year 2007, which represents a share of 6% for the LA region and
- There are 57 MR for the TACIS-CA region in the year 2007, which represents a share of 33% for the TACIS- CA region;
- There are 16 MR for the CARDS region in the year 2007, which represents a share of 9% for the CARDS region.

NOTE: *All percentages have been obtained by rounding up/down to whole numbers.*

Graph 13: Sample's Regional distribution of "very good" performers and projects "with serious deficiencies" in efficiency or sustainability



The sample is considered to be geographically representative if its regional distribution is equivalent to the regional distribution of our global database. The sample needs also to be representative in terms of total budget amounts.

The following table presents the regional distribution of the global database, compared to our sample, as well as the regional distribution of the budgets for TC's projects. It is interesting to notice the regional discrepancies in terms of monetary amounts covered. In the global database, ACP represents 28% of the overall number of MR produced and 58% of the expenditures, whereas the TACIS-CA region represents a higher share of MR but a lower share of the total budget.

Table 2: Geographical representativeness

	Geographical representativeness	ACP	MED	ASIA	Latin America	TACIS-CA	CARDS
Global database	% of MR	28%	8%	12%	8%	29%	15%
	% of total budget (in EUR)	58%	14%	9%	8%	7%	4%
Sample	% of MR	27%	12%	13%	6%	33%	9%
	% of total budget (in EUR)	53%	20%	8%	8%	10%	2%

On the whole, the representativeness of the sample is relatively good both in terms of budget and of regional distribution.

II. Qualitative analysis

A. The efficiency criterion

The potential reasons that we identified to explain the observed disparities in efficiency performances were classified into 3 categories: the efficiency issues related to project implementation, those related to project design and finally the external factors affecting the project efficiency. The following potential explanations come partially from the structure of the BCS[19], while some other categories/subcategories came through reading the MR with "a"/"d" grades in efficiency.

Table 3: Potential reasons affecting the efficiency criterion

PROJECT IMPLEMENTATION						EFFICIENCY ISSUES RELATED TO PROJECT DESIGN			EXTERNAL CAUSES		
Availabilty of means / inputs (time schedule, financial provisions…)	*Management issues*	*Coordination between stakeholders*	*Support of local authorities*	*Capacity issues*	*Achievement of outputs*	*Objectives and planning*	*Financial and adminnistrative procedure*	*Flexibility*	*Economic factors*	*Political situation*	*Local specificities*

B. The sustainability criterion

The reasons identified to explain the observed disparities in potential sustainability performances were classified into the six categories: the financial and economic viability,

[19] Our analysis was based on the MR comments and the BCS were not reviewed during this exercise

ownership, the level of policy support, capacity issues, sustainability issues related to project design and finally the cross cutting affecting the project sustainability. This classification is following the logic from the BCS.

Table 4: Potential reasons affecting the sustainability criterion

FINANCIAL / ECONOMIC VIABILITY		**OWNERSHIP**		**LEVEL OF POLICY SUPPORT**		**CAPACITY ISSUES**		**SUSTAINABILITY ISSUES RELATED TO PROJECT DESIGN**			**CROSS CUTTING ISSUES**	
Financial viability	*Economic viability*	*Level of commitment of local partners*	*Appropriation*	*Policy support*	*Potential modification of national policies*	*Capacity building*	*Absorption capacity*	*Adequation to needs/to beneficiaries*	*Adequation to national policies*	*Adequate technologies*	*Sustainability of environmental resources*	*Gender aspects*

ANNEX 4: Distribution of the grades

Several typologies (region, budget, procedure, national/regional programme) were tested in order to isolate factors which may influence on the grades.

1. Geographic factor

We observe important discrepancies in terms of grades' frequencies between the five regions. The following graphs give an overview of the distribution of grades between regions firstly under the criterion of efficiency, and then under the criterion of sustainability.

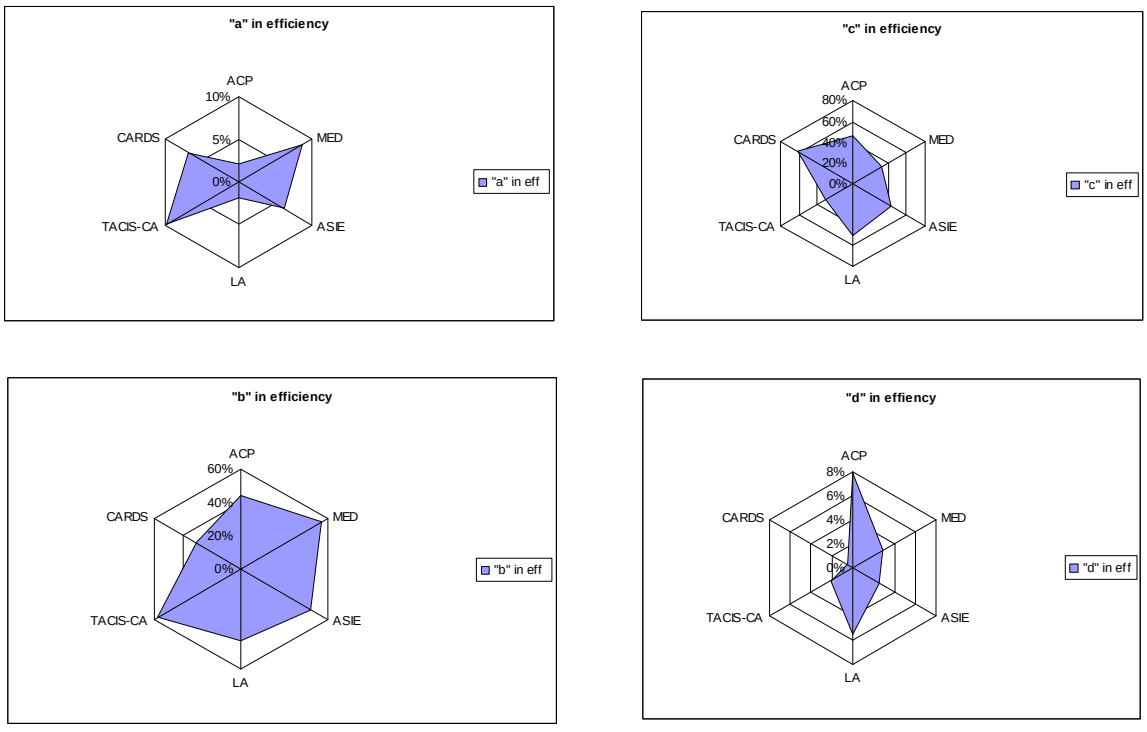
1.1. Efficiency criterion

The highest frequencies of "a" ratings under the efficiency criterion are to be found in the MED and TACIS-CA regions, whereas the highest frequency of "d" rating under the same criterion occurs clearly in the ACP region.

Table 5: Frequency of rating in efficiency by regions

	ACP	MED	ASIE	LA	TACIS-CA	CARDS
"a" in efficiency	2%	9%	6%	2%	10%	7%
"b" in efficiency	44%	56%	48%	43%	58%	31%
"c" in efficiency	46%	33%	43%	50%	30%	62%
"d" in efficiency	8%	3%	2%	6%	2%	1%
TOTAL	100%	100%	100%	100%	100%	100%

Graph 13: Frequency of rating in efficiency compared between regions



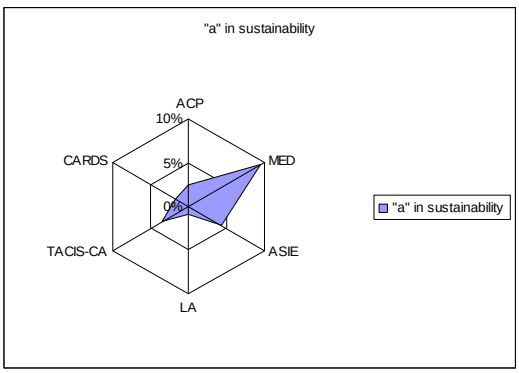
1.2. Sustainability criterion

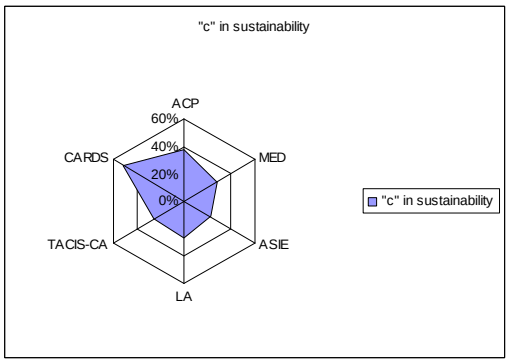
The highest frequency of very good rating in potential sustainability is also to be found in the MED region, whereas the frequency of "d" rating is slightly higher for the ACP and Asia regions. Nevertheless, the share of "d" rating for ACP is much lower than for the efficiency criterion.

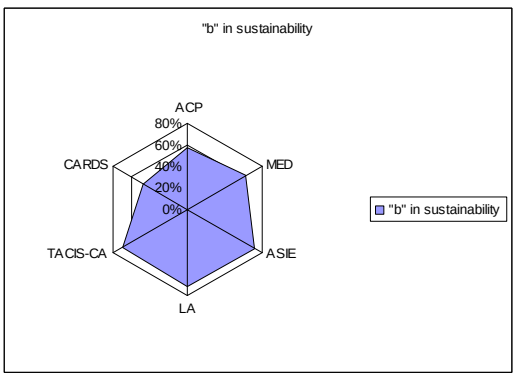
Table 6: Frequency of rating in potential sustainability by regions

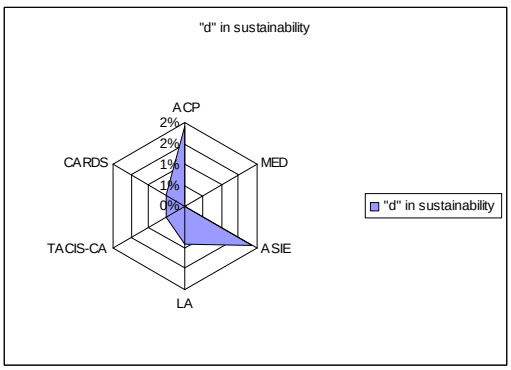
	ACP	MED	ASIE	LA	TACIS-CA	CARDS
"a" in sustainability	2%	10%	4%	1%	3%	2%
"b" in sustainability	58%	63%	72%	72%	70%	47%
"c" in sustainability	38%	28%	22%	27%	26%	51%
"d" in sustainability	2%	0%	2%	1%	1%	1%
TOTAL	100%	100%	100%	100%	100%	100%

Graph 14: Frequency of rating in potential sustainability compared between regions









1.3. "Very good" performers and projects "with serious deficiencies"

If we look at the "very good" performers and projects "with serious deficiencies" in both criteria, we notice that half of "a" projects occurred in the TACIS-CARDS-CA regions, while almost three-quarters of the projects "with serious deficiencies" are ACP projects.

***NOTE**: Projects with MRs graded with "a" or "d" both in efficiency or sustainability are called respectively **"very good" performers or projects "with serious deficiencies"**.*

Table 7: "Very good" performers or projects "with serious deficiencies"

Region	Very good performers	Projects "with serious deficiencies"
ACP (No of MR)	1	5
MED (No of MR)	2	0
ASIE (No of MR)	1	1

LA (No of MR)	0	0
TACIS-CA (No of MR)	3	0
CARDS (No of MR)	1	1
Total (No of MR)	8	7

NOTE: *MRs graded with "a" or "d" both in efficiency or sustainability, got the same grade for those 2 criteria.*

ANNEX 5: Examples of positive/negative factors from MRs

1. Efficiency

Table 8: Examples of good / serious deficiencies in availability of means / inputs

Report Reference Number	*GOOD availability of means / inputs (time schedule, financial provisions…)*
MR-01971.01	très compétente et expérimentée coordination du projet qui a, grâce aux DPD AC et CC, mis en place les bases principales du projet (personnel compétent, moyens de transport, réhabilitation de bâtiments,..)
MR-02127.01	ressources sont bien mises à disposition et gérées de façon transparente
MR-10443.01	Les moyens sont fournis à un coût moins élevé que les prévisions, ce qui permet une continuation de la coordination dans la phase de prolongation avec le même budget
MR-10444.01	Les moyens et ressources ont été mis à disposition en temps voulu
MR-02052.01	1) Tous les moyens de transport et matériels ont été acquis et mis à disposition dans les delais 2) respect du calendrier d'execution
MR-40896.07	In terms of available budget, the project shows an excellent cost-effectiveness.
MR-40816.01	So far the Contractor has coped with an immensely high volume of activities with only minor delays.
MR-40526.04	1) Thanks to saved incidental costs, three additional study tours have been introduced in the plan.2) Utilisation of resources, their planning and management were adequate.
MR-40418.04	The project was finished on time and within budget.
MR-40242.04	Considering the achieved progress, the resource utilisation is appropriate
MR-20589.01	SEDF is efficient and activities are on time and at costs.
Mr-40994.02	available resources are adequate to planned activities
MR-40255.03	urgent unforeseen activities financed from own resources
MR-40641.02	very flexible approach of partners to add and strengthen components via additional budget and staff
MR-20675.01	Project has been implemented according to plan and more or less at cost.
MR-10341.02	The funds for the SME loans were timely provided by EC and KfW; EIB promised to provide additional funds, but have not yet been provided. The project followed scheduled plans.
Report Reference Number	***Serious deficiencies in Availabilty of means / inputs (time schedule, financial provisions…)***
MR-01971.01	Le projet a accumulé un retard considérable : à plus de la moitié du temps écoulé à ce jour, seulement 12% des fonds ont été utilisés. Les principales raisons en sont : (i) attribution tardive de l'AT, (ii) nomination tardive du Coordonnateur national et des experts nationaux, (iii) difficulté de mise en place du contrat d'AT, ;(v) disponibilité tardive des fonds du Devis Programme de Démarrage (DPD) AC, (vi) nomination tardive du SPRCR
MR-02029.01	La période qui avait pour objectif de mettre en oeuvre les moyens humains, techniques et infrastructurels nécessaires à la réalisation du projet, n'a pas donné les résultats attendus. Le démarrage des activités a accusé un retard important
MR-02127.01	mauvais respect du calendrier d'activites. Retard dans le budget, la realisation des activites et le temps d'execution.

MR-02032.01	1) pas d'organigramme complet et n'a pas non plus un planning détaillé pour i) la conduite des activités, ii) la mobilisation des ressources humaines et des moyens logistiques 2) l'absence d'une gestion de la répartition des fonds et de plan de décaissement prévisionnel
MR-40846.01	Mobilisation of key experts has been delayed.
MR-02147.01	1) deux ans de retard et budget initial a multiplie par plus de 3 -La contribution du FED (85%) au moment de la signature de la CF a ete de 42% a la fin du Projet 2) modifications dans les equipements
MR-40887.08	1) delays of nearly 6 months in components 2,3 and 4 ..2) None of the reports were delivered on time….because project management does not receive timely and comprehensive information it cannot monitor progress or take any corrective action.
MR-01953.01 Regional Project SADC	Significant delays in staff recruitment, - significant under spending of budget as scholarships would not be completed before the end of project. Project starts was initially 2003, but project end is now planned for 2008.
MR-02071.01	delay due to problems in identifying Programme Coordinator, no necessary equipment und heavy under spending of budget after 11 month after project start
MR-20177.03	underspent budgets
MR-01366.03	après 63 % de sa durée, ce ne sont que 18 % du budget qui ont été engagés et seulement 10 % qui ont été consommés
MR-02011.01	Les différents devis-programme (DP) jusqu'à ce jour accusent d'importants retards dans la mise en place des moyens et dans la mise en œuvre .Le taux de décaissement au 16.03.07 est seulement de 33,6%. Le retard le plus important porte sur les constructions, réhabilitations et l'équipement, qui constituent le tiers du budget

Table 9: Examples of good / bad management (PIU/PMU)

Report Reference Number	*GOOD Management PIU/PMU*
MR-01971.01	très compétente et expérimentée coordination - effectué les diagnostics nécessaires et suffisants pour avoir une idée claire de la stratégie et des actions prioritaires à mener
MR-02127.01	ressources sont bien mises à disposition et gérées de façon transparente
MR-10443.01	La gestion intègre les différentes étapes dans une logique spécifique développée pour chaque thématique
MR-10444.01	Le suivi du plan de travail est régulier et partagé par l'ensemble des parties prenantes - Les activités font l'objet d'un suivi qualitatif très satisfaisant entre les responsables du pays partenaire est très satisfaisante et fait l'objet de réunions de suivi régulières
MR-02052.01	système de monitoring interne performant, qui permet de suivre l'évolution d'un projet (par des Indicateurs Objectivement Vérifiables IOV).
MR-40896.07	The six key experts demonstrated high level expert knowledge of the sector and of the targeted countries.
MR-40816.01	The activities are performed to plan and are well-managed. A detailed work plan has been developed during the IP with the milestones set for the outputs.
MR-40418.04	The project should be specifically praised for the high quality of its management, flexibility of approach and high practical value of the assistance provided
MR-40242.04	The project is well managed on day-to-day basis with competent and experienced experts involved in both contracts
MR-40185.03	1)The project is being managed at a very high standard and high degree of efficiency 2) The project team is comprised of high-profile experts
Mr-40994.02	daily management very good and reports are of extremely high quality

MR-20088.06	Stability of PMU staff
MR-02166.01	excellent working procedures laid down in a project implementation manual provided by the PMU
MR-40255.03	problems in execution were timely identified through adequate internal monitoring system
MR-40641.02	1) real use of logical framework- regular update 2) project implementation from the contractor has been very efficient
MR-20675.01	Project management is praised as a role model and is highly professional
MR-10341.02	Project resources are managed in an accountable and transparent manner by a PMU. Inputs are monitored regularly and have allowed cost-effective implementation of activities. The quality of results is very good

Report Reference Number	***Management issues - PIU/PMU***
MR-01971.01	(iii) difficulté de mise en place du contrat d'AT
MR-02127.01	Les causes de ce retard sont multiples: manque de communication, connaissance insuffisante de l'organisation chargée de la mise en oeuvre en ce qui concerne les procédures imposées par les financements Union Européenne (UE) et en particulier les procédures du FED, manque de consignes et de priorités établies)
MR-10269.03	Le Comité de Pilotage, également prévu, plusieurs fois constitué mais jamais opérationnel (parce que mal préparé: il aurait dû être évolutif, c'est-à-dire organisé par étapes, et ne pas présumer de la capacité des secteurs privé et public à travailler directement ensemble)
MR-02032.01	1) pas d'organigramme complet et n'a pas non plus un planning détaillé pour i) la conduite des activités, ii) la mobilisation des ressources humaines et des moyens logistiques 2) l'absence d'une gestion de la répartition des fonds et de plan de décaissement prévisionnel
MR-02147.01	manque de direction dans le projet
MR-40887.08	1) The Moscow staff were always hard pressed to carry out all the functions….2) Management staff are now forced to spend much of their time on basic administrative matters
MR-01953.01 Regional Project SADC	management not efficient due to time delay
MR-02071.01	TA Advisors are under utilised and are sometimes involved in management
MR-20177.03	1) serious staff turnovers, financial mismanagement - turned into fraud case 2) PMU monitoring is insufficient
MR-01366.03	Une amélioration du management de la CAON comme demandé lors du précédent MR n'a pas non plus été abordée ce qui n'a pas facilité l'intégration des 3 nouveaux chargés de programme

Table 10: Examples of good coordination between stakeholders

Report Reference Number	***GOOD Coordination between stakeholders***
MR-40526.04	1)The State Tax Administration, the official project beneficiary, has been closely involved in project activities at both management and working levels 2)Project achievements are the result of mutual collaboration between project team and beneficiary.
MR-40418.04	The project's work and results were highly appreciated by the PP and key participants, both in the pilots and beyond
MR-40185.03	Thanks to the project, valuable contacts with French top meteorologists have been established. This cooperation will continue after project's end.
MR-20589.01	Finally, coordination among donors is efficient and a strong M&E is in place.

Mr-40994.02	1) very good communication and coordination between Twinning partners and ECD; Twinning Partners well interconnected and closely collaborating 2) Inter-institutional structure adequate and allow efficient project implementation
MR-20088.06	excellent cooperation
MR-40255.03	excellent coordination
MR-40401.06	excellent communication with ECD institutional structure and cooperation between various project stakeholders ahs ensured efficient implementation
MR-40641.02	close consultation with ECD
MR-20675.01	communication between partners works well and is based on a long-standing cooperation between the concerned partner Universities
MR-10341.02	communications are good and promote efficient project implementation

Table 11: Examples of good capacity building /capacity issues

Report Reference Number	*GOOD Capacity building*
MR-01971.01	très compétente et expérimentée coordination
MR-40185.03	Croatian experts have been actively involved in European Technical Committees, Working Groups and other events
MR-20589.01	SEDF is efficient and activities are on time and at costs.
Mr-40994.02	Staff of national administration is actively involved in project activities
MR-02166.01	Local institutions is responsible for management
MR-20676.01 regional Asia link	one partner has very high capacity other partner lower
Report Reference Number	***Capacity issues***
MR-02035.01	La cellule d'exécution locale (Equipe Technique Nationale –ETN) n'a que peu de moyens financiers et par conséquent ne peut mettre en place les activités devant mener aux résultats
MR-01971.01	Les principales raisons en sont : (i) attribution tardive de l'AT, (ii) nomination tardive du Coordonnateur national et des experts nationaux, (iii)
MR-10269.03	Le Comité de Pilotage, également prévu, plusieurs fois constitué mais jamais opérationnel (parce que mal préparé: il aurait dû être évolutif, c'est-à-dire organisé par étapes, et ne pas présumer de la capacité des secteurs privé et public à travailler directement ensemble)
MR-40846.01	the project has a number of operational problems, including that of access to key personnel of the counterpart and sub-optimal office infrastructure - Implementation to date has been seriously and adversely affected by reforms of the counterpart in 2005-2006
MR-01953.01 Regional Project SADC	restructuring of regional institution (SADC and EC deconcentration) affected the implementation of WP
MR-02071.01	1) poor project management systems, no work plans and resource schedules 2) Programme Coordinator has other duties of the ministry which are very demanding and he can not cope with the workload 3) PCU lacks capacity to be able to manage and deliver results and urgently require CB in programme management techniques
MR-20177.03	Implemented by the wrong local institution as not sufficient capacity to deliver OO
MR-02011.01	Ces retards sont dus essentiellement à la faible capacité des acteurs du projet Insuffisance du

	personnel soignant, mauvais état des infrastructures sanitaires et manque d'équipement. le DP 4 (01.02 / 31.12. 07) qui vient d'être signé s'avère ambitieux et semble peu réaliste eu égard aux capacités d'absorption.

Table 12: Examples of good/bad objectives – planning and flexibility

Report Reference Number	*GOOD Objectives - Planning and Flexibility*
MR-10269.03	conformément aux recommandations antérieures, le programme a été redimensionné en fonction d'une logique plus adaptée et de la nécessité de réduire le nombre des activités, de façon à mettre le projet en mesure d'obtenir des résultats significatifs avant son terme
MR-40816.01	Expert utilization is fully adequate, as well as input planning.
MR-40418.04	The project should be specifically praised for the high quality of its management, flexibility of approach and high practical value of the assistance provided
Mr-40994.02	Twinning which is well design in answering the needs of twinning partners
MR-20088.06	strong emphasis on studies, impact assessments and correct use of feedback
MR-40255.03	right partners -problems anticipated in design beforehand - project schedule was realistic - flexibility in adapting the planning
MR-40641.02	reacted flexible to design weaknesses
MR-20675.01	well planned (not overambitious and has realistic objectives and time frames
MR-10341.02	Re-adjustment (with addendum) made the project to become a success (modified purpose and improved fund management)
Report Reference Number	***Serious deficiencies in Objectives - Planning and Flexibility***
MR-02035.01	the outputs cannot be achieved
MR-10269.03	Le Comité de Pilotage, également prévu, plusieurs fois constitué mais jamais opérationnel (parce que mal préparé: il aurait dû être évolutif, c'est-à-dire organisé par étapes, et ne pas présumer de la capacité des secteurs privé et public à travailler directement ensemble)
MR-02032.01	1) pas d'organigramme complet et n'a pas non plus un planning détaillé pour i) la conduite des activités, ii) la mobilisation des ressources humaines et des moyens logistiques 2) l'absence d'une gestion de la répartition des fonds et de plan de décaissement prévisionnel
MR-02147.01	dilution des responsabilites
MR-01953.01 Regional Project SADC	1) underlying assumptions were no longer valid 2) practical assistance to final beneficiaries not addressed under this programme
MR-02071.01	1) design is very ambitious, with a wide scope in geographic and content terms 2) Programme management issues were not adequately dealt with during design of the project 3) Programme design did take not into account timing and process of restructuring of Ministry
MR-01366.03	Le recrutement de l'AT prévu pour l'automne dernier n'a finalement pas été réalisé car les prestations demandées étaient supérieures au temps restant, cela aurait pu être anticipé
MR-02011.01	le DP 4 (01.02 / 31.12. 07) qui vient d'être signé s'avère ambitieux et semble peu réaliste

2. Sustainability

Table 13: Examples of good financial and economic viability

Report Reference Number	*GOOD Financial and economic viability*
MR-10211.04	Les services apportés par le projet n'impliquent pas un soutien financier important de la part des bénéficiaires - Les investissements nécessitant entretien et/ou réparation (puits, seguia, salles polyvalentes, pistes, etc.) pourront être aisément pris en charge par les bénéficiaires eux-mêmes.
MR-01971.01	une participation financière des bénéficiaires est prévue dans les réalisations concrètes (de l'ordre de 20% dont 3% en argent)
MR-02127.01	Ces activités visent l'acquisition d'une certaine autonomie et viabilité financière pour les structures et une augmentation de revenus pour les familles
MR-40811.03	The State Budget finances these activities. This practice will continue, which is a positive indicator of the sustainability of the project.
MR-40267.01	Sustaining the results of this scientific project does not require special resources.
MR-20677.01	The project has enabled the partners to approach other sources of funding which will help them to further improve their capacity and competitive position as providers of high-class environmental education
MR-10411.01	1) PLDC, the project's successor, is bound to be financially sustainable 2)maintain affordable service charges 3) improve economies of scale
MR-01930.02	Even if this allocation is not enough to face all the current needs of the education sector, the MoE counts on future decentralisation and creativity of BoMs to generate resources
MR-01385.02	the main institution has a facility sufficient for its operation for the foreseeable future
MR-20675.01	1) Both governments will sponsor PhD students to study in Europe - and both Universities will continue using their own budget 2)The project meets market demands in China and Vietnam
MR-10341.02	1) Currently the only way to continue would be by getting new funds from KfW and ECTAO 2)A change in economic factors could affect the EPCGF indirectly

Table 14 Examples of high level of policy support

Report Reference Number	**HIGH Level of policy support**
MR-02029.01	Le soutien politique se traduit surtout par le support moral et l'interaction fréquente entre le Ministère de la Culture et l'assistante technique
MR-10444.01	Le projet est clairement intégré à la politique nationale, le projet s'intègre précisément dans les priorités nationales
MR-40811.03	1) Judicial reform is an ongoing process.2) This practice(*compulsory, instead of optional, training for judges*) will continue, which is a positive indicator of the sustainability of the project
MR-01930.02	education remains the GSVG priority
MR-01385.02	other connected institutions are able to effectively coordinate the sector- ensuring sufficient stimulation and support
MR-40401.06	within legal framework

Table 15 Examples of low ownership

Report Reference Number	LOW Ownership
MR-10211.04	Une meilleure appropriation des plantations par les bénéficiaires pourrait être obtenue en les y associant plus étroitement
MR-20463.02	It shows the limit of a supply-driven approach lacking proper mechanisms to create ownership and foster capacity-building - the project has not engaged frankly in the kind of participatory, multi-stakeholders approach that might ensure ownership and adequateness of proposals to local realities
MR-01385.02	counterparts need to become true partners in training component
MR-02071.01	low ownership by intended beneficiaries - private sector not fully engaged
MR-20177.03	low commitment of Authorities - project equipment have been transferred to users on a hire purchase, but local authority does not pay for operational costs

ANNEX 6: Source of information from Background Conclusions Sheet templates

Criterion	Weight
2. Efficiency of Implementation to date The fact that the results were obtained at reasonable cost, i.e. how well means and activities were converted into results, and the quality of the results achieved.	
2.1 Availability of means/inputs	**(20%)**
a) To what degree are inputs / resources provided or available on time to implement activities, from all parties identified?	
b) To what degree are inputs provided / available at planned cost (or lower than planned), from all parties identified?	
c) How appropriate are the inputs monitored regularly to allow cost-effective implementation of activities?	
d) Are project resources managed in a transparent and accountable manner which promotes equitable and sustainable development?	
e) To what extent have key observations and recommendations, if any, from previous monitoring / evaluation visits been taken into account for improving the appropriateness of means/inputs of the project?	
2.2 Implementation of activities	**(20%)**
a) Is an activity schedule (or work plan) and resource schedule available and is it also used by the project management?	
b) To what extent are activities implemented as scheduled?	
c) To what extent are activities implemented at planned or below planned cost? Specify if necessary.	
d) How well are activities monitored regularly by the project and corrective measures taken if required? (e.g. new activities due to rising additional needs, cancellation of activities)	
e) To what extent have key observations and recommendations, if any, from previous monitoring / evaluation visits been taken into account for improving the quality of the implementation of activities?	
2.3 Achievement of Results	**(40%)**
a) Have the OVI's (i.e. targets according to the logframe) been achieved as planned to date?	
b) Have all planned results been delivered to date?	
c) What is the quality of results to date?	
d) How well is the achievement of results monitored regularly by the project and corrective measures taken if required?	
e) To what extent have key observations and recommendations, if any, from previous monitoring / evaluation visits been taken into account for improving the achievement and quality of results?	
2.4 Partner Contribution / Involvement	**(20 %)**
a) Are the inter-institutional structures adequate to allow efficient project implementation?	
b) Have all partners been able to provide their contributions to the project?	
c) How good / fluent is the communication between the partner country responsibles, the	

EU Delegation and the project?	

Criterion	Weight
5. Potential Sustainability The likelihood of a continuation in the stream of benefits produced by the project after the period of external support has ended.	**Weight**
5.1 Financial / economic viability?	**(30%)**
a) If the services (results) have to be supported institutionally, are funds likely to be made available?	
b) Are the services affordable for the final beneficiaries at the completion of project?	
c) Are the responsible persons / institutions assuming their (financial / economic) responsibilities?	
d) Can the benefits be maintained if economic factors change (e.g. commodity prices, exchange rate)?	
e) Are the target groups (and relevant authorities / institutions) in the position to afford maintenance and replacement of the technologies introduced and / or used by the project?	
f) Is there a phase-out strategy defined and (to be) implemented?	
5.2 What is the level of **ownership** of the project by beneficiaries and how will it likely be after the end of external support?	**(10%)**
a) How far the project is embedded in local (community) structures?	
b) To what extent have beneficiaries and possibly other relevant interest groups / stakeholders been involved in the planning process?	
c) To what extent are relevant target groups and beneficiaries actively involved in decision-making concerning project orientation and implementation?	
d) What is the likelihood that target groups / beneficiaries will continue to make use of relevant services after external support has ended?	
5.3 What is the level of **policy support** provided and the degree of interaction between project and policy level?	**(10%)**
a) What support has been provided from the relevant national, sectoral and budgetary policies?	
b) Do changes in policies and priorities affect the project and how well is it adapting, also to long-term needs for support?	
c) How much support did the project receive from the public and private sector?	
d) To what extent does the project contribute to democratisation e.g. promotion of participation, accountability and human rights?	
e) To what extent does the project enhance the role of non-state actors, as partners in public policy making and implementation?	
5.4 How well is the project contributing to **institutional and management capacity?**	**(10%)**
a) How far is the project embedded in institutional structures that are likely to survive beyond the life of the project?	
b) Are project partners being properly trained for handing over the project (technically, financially, and managerially)?	
c) What is the actual level of availability of qualified human resources to implement the project compared to initial planning?	
d) Are there good relations with new or existing institutions and are they capable of	

Criterion	Weight
continuing the project flow of benefits?	
e) Is there a phase-out strategy defined and (to be) implemented?	
5.5 How well is the project addressing **social-cultural aspects**?	**(10%)**
a) Does the project correctly correspond to the local perception of needs?	
b) What was the level of participation of the beneficiaries in the design and ongoing in implementation?	
c) Does it respect local customs and, if changes have been made, have they been accepted?	
d) How good are the relationships between project management and the beneficiaries and their representatives?	
5.6 How well does the project consider **gender equality**?	**(10%)**
a) Do project contents and methodology reflect a gender-sensitive approach?	
b) Has the project be planned on the basis of a gender-differentiated target group analysis?	
c) Have practical and strategic gender interests been adequately considered in the project strategy?	
d) Have the different interest of women and men been reflected in the project implementation at the target group, institution and policy level?	
e) What is the likeliness of increased gender equality beyond project end?	
f) To what extent will / could the gender sensitive approach lead to an improved impact of the project?	
5.7 How appropriate is the **technology** (human and technical) introduced and used by the project?	**(10%)**
a) How understandable and flexible it is?	
b) To what extent do the technologies build on existing practices and knowledge?	
c) How well does it encourage the development of local knowledge and capacity?	
d) How well does it maximise the use of local resources?	
5.8 How are **environmental aspects** taken into account?	**(10%)**
a) Is the project respecting environmental needs?	
b) Is the project managing its environmental responsibilities?	
c) Are stakeholders and beneficiaries aware of the project's environmental responsibilities?	
d) Has environmental damage been done or likely to be done by the project? What kind of mitigation measures has been taken?	
e) How well does the project respect traditional, successful environmental practices?	

2) The average grades are obtained by averaging the sub-criteria, weighted according to their importance.

3) For the potential sustainability criterion, please note that each sub-criterion has a 10% weight including ownership, except for the economic and financial viability, which has a weight of 30%.