Tacis

**Evaluation of activities in the field
of management training in the NIS**

European Training Foundation

TACIS-ETF

"EVALUATION OF ACTIVITIES IN THE FIELD OF MANAGEMENT
TRAINING IN THE NIS"

PROJECT

FINAL REPORT

Tacis/ETF Convention 96-5167

TABLE OF PROJECT TITLES

The report uses both long and short titles referring to the 20 projects it covers. The following tables shows the corresponding designations.

FULL TITLES OF PROJECT	SHORT TITLES
Euro-CIS Cooperation for Development of Management Training	**EUROCIS**
Productivity Initiative Programme	**PIP**
Regional Bank Training in Central Asia	**RBTC**
Assistance to the Tbilisi Business School (also called **Management Training in Georgia)**	**TBS**
Establishment of a training programme for young entrepreneurs (also called **Entrepreneurs in Kazakhstan, new entrepreneurs)**	**SME**
Kazakhstan Institute of Management, Economics and Strategic Research (Planning)	**KIMEP**
Assistance to the GKI and Investment Funds (also called **Technical Assistance for Implementation of an Overall Privatisation Strategy in Kazakhstan)**	**GKI**
Management Training in Moldova	**Moldova**
Agricultural training in Russia: Development of Volosovo Sovkhoz Technikum of Besseda	**Besseda** **AKKOR**
Cooperation between the Higher Commercial Management School of Moscow, and a European school of management	**HCMS**
International Business School of Moscow	**IBS**
Training Courses in International Trade, (also called **Business courses in the export sector in CIS, Academy of Foreign Trade)**	**AFT**
Human resources development, Samara Oblast (also called **Management Training for Public and Private Sector in the Samara Region)**	**Samara**
Strengthening of the International Management Institute of St. Petersburg	**IMISP**
Training and education in the Region of Urals	**KAMAZ**
Business school conversion in Voronezh	**Voronezh**
Bank and Insurance Training in Ukraine: Establishment of the Ukrainian Finance and Banking School	**UFBS**
Management training for Executives: Transbusiness, Kiev	**Transbusiness**
Strengthening and Development of the International Management Institute of Kiev	**IMI Kiev**
Management training in Uzbekistan	**–**

**Evaluation of Activities in the Field of Management Training
in the New Independent States**

<u>Synopsis of the Main Report</u>

1. INTRODUCTION

This Report reviews a set of 20 projects in the field of management training and technical business training, initiated in the years 1991-93. The purpose of the review is to provide a global survey of early Tacis activities in management and business training, in order to help Tacis in its own evaluation of its policies in this and related fields, and also to provide operational recommendations, relevant to the planning and delivery of future assistance. The European Commission invited the European Training Foundation (ETF) to undertake this task and in order to carry out the implementation phase, the ETF enlisted the support of an independent team of individuals with expertise in this field (hereinafter referred to as the `Evaluation Team'). Members of the team were given access to all available documentation on the projects, and then, in pairs, made visits of approximately one week to each project site where they interviewed both a cross-section of those who had taken some part in the project and a sample of other local respondents.

2. RELEVANCE TO THE REFORM PROGRAMME

Support for management training was selected as a priority when the Tacis programme began in 1990. Each of the 20 project reviews in the present study started from the basic question:
had Tacis been correct in its judgement that the training of managers would prove to be an effective form of intervention, providing significant leverage to move forward the reform process? Had the project been able to strengthen reform-minded elements, as opposed to supplying new powers of patronage to the old structure? Had it addressed fundamental business problems and rigidities, rather than promoting merely surface reforms?

To answer these questions, the Evaluation Teams included, in their programme of visits in each location, interviews with individuals who were seen as leading advocates of the reform process. Nearly every respondent agreed that a shortage of well-trained managers had been, and continued to be, a serious obstacle to the programme of reform. The need was for managers who could move beyond their own specialisms in order to handle commercial and strategic issues which they had not had to consider in the past. Their professional competence and their ability to manage their own enterprises would affect both the speed and depth of economic and social change. The relevance of management training was not in doubt. The extent to which particular projects had been able to realise the training's full potential varied widely, however, from project to project. Through identifying what worked and what did not work, a comparative study could therefore offer relevant inputs both for Tacis's policy formulation in this field and also for its choice of operating procedures.

3. FUTURE TACIS STRATEGY IN SUPPORT OF MANAGEMENT TRAINING

Certain of the study's findings bear directly on the choice between possible future strategies. During its early years of operation, Tacis used a range of `instruments' (i.e. of project-types) in its support for management training. The main project-types were: Institutional Strengthening, Internships with EU Firms, Training for Trainers, Training for specific Occupational Groups (e.g. bankers, finance officers, small-business owners). Any strategy for the support of management training will be concerned partly with the choice of instruments and partly with how best to use the instrument. Providing evidence to inform this choice has a particular, topical relevance at the time when this Report is being presented, since President Yeltsin's Decree on management training, issued in mid-1997, places its emphasis on just one of the instruments, namely Internships with EU Firms.

Relevant findings from the present study can be summarised as follows.

Institutional Strengthening. Tacis has helped to build up a number of institutions which can act as flagships and standard-setters in the management training sector. Projects of this type score well on `sustainability': there are good prospects that these institutions will become financially viable, conducting courses which managers and trainee managers are prepared to pay for. Creating markets for training where no such market has existed before takes time, however. In these conditions, the total period of support to bring a competent institution to the point of sustainability appears to be about five years. Including `Institutional Strengthening' as a component in Tacis's future strategy can be justified as a means of anchoring different Tacis initiatives on a durable base. As `sustainability' is a major reason for supporting these institutional projects, it is important that the project definition should take a realistic view in each case of the time needed for the institution to become financially viable.

A related choice for Tacis is between `building on success' in order to establish standard-setting institutions, and spreading support across many institutions in order to raise average standards. Examples reviewed in the study suggest that projects of the former type can be delivered successfully by Tacis. Given the workload pressures on Tacis staff, there is a high risk that funding spread over a large number of institutions would have little or no lasting effect.

Internships in EU Firms. This type of training proved to be particularly effective in modifying deep-rooted attitudes and mindsets. Its impact is on individuals, and only indirectly on the companies they come from. It is however an expensive, labour-intensive form of training. Experience in the early programmes highlights three factors as critically important to the success of projects of this type.

> -How the managers are selected. The selection needs to be seen to be open, objective and fair and it should be undertaken *jointly* by the EU contractor and the relevant NIS agency.

> -How the host firms are recruited. There is no pool of eager firms waiting to offer internships to visiting managers, whether from their own or any other country. There are substantial costs to a host company in offering a worthwhile internship and most companies will need to be convinced that some concrete benefit will result from the visit.

> -How supervision, feedback and follow-up are organised. Where these were not provided, internships achieved little or nothing. To succeed, this type of project must be resource-intensive, with scope for one-to-one tutoring and with opportunities for the managers to review experience in a classroom setting.

As one in an array of instruments in Tacis's strategy for management training, internships have proved their worth. A strategy which used internships as the sole or even the main instrument, however, would be very difficult to implement or sustain.

Training for Trainers. Certain courses were conducted for individual trainers, drawn from many institutions, in the belief that a multiplier effect would be captured as these trainers returned to reveal their new-found knowledge to other colleagues. This did not happen, except where the requirement was for narrowly-focused training in technical skills. The Evaluation Teams suggest that the EU trainers' efforts could usually have been employed to better effect in working with managers on the actual problems they faced (with some local trainers present to gain experience in this kind of participative teaching) rather than on delivering courses merely to trainers. In effect, this instrument would have to be radically modified if it were to have a place in any future strategy.

Training for specific Occupational Groups. Successful programmes were conducted for bankers; an unsuccessful course was offered to owners of small businesses. The lesson to be drawn appears to be that such programmes should be market-led rather than supply-driven. A course for small business may have seemed a good idea to those drawing up an Action Plan
for the region in question but in the event the busy small-business owners saw no reason to attend. Courses for specific occupational groups can have a useful place in Tacis's strategy for management training, provided that the demand has first been identified or created.

The Choice of Instrument. A clear conclusion from the project reviews is that in its support for management training, Tacis had acted wisely in not concentrating the resources on just one instrument or project-type. There is a complex range of needs, which can best be met using an array of different instruments.

The choice of Beneficiary. In several cases, the choice of beneficiary had been inappropriate: in some cases the organisation originally identified had changed its character by the time the project was ready to start, in other cases an unsuitable beneficiary had been put forward by local power-brokers, in yet other cases a parent institution or a local administration failed to deliver on conditions previously agreed. There is an important underlying issue of strategy: under what circumstances should Tacis discontinue a negotiation or reject a beneficiary, once the project has been defined in an Action Plan and its Terms of Reference have been written. If it is known that Tacis hardly ever pulls back from a project once started, there must be a risk that the assistance will be used either to reinforce un-reformed structures or to reward rent-seeking activities by well-placed individuals. This is also a strategic issue for the representatives of Member Governments: if they place too great an emphasis on how rapidly Tacis dispenses funds, then aborting a project will be incorrectly interpreted as a failure on the part of Tacis.

4. SUMMARY OF THE ANALYSIS

On the basis of the 20 project assessments, the Evaluation Team attempted to answer the following questions: Did these Tacis programmes support the right kinds of management training? Had they successfully addressed the deep-seated rigidities in the management of enterprises and the conduct of professional groups? With hindsight, could project targeting and design have been improved?

The Team found that Tacis support had helped some of the beneficiary institutions to build up fee-charging courses which met the direct needs of managers and firms, and for which managers or their firms were willing to pay. This amounted to equipping these institutions themselves to function effectively in a competitive market place, meeting customers' needs and thereby earning enough to be able to cover a course's full costs, including payment at a level sufficient to retain their best trainers. These institutions were now in a position to act as the potential flagships for their sector, demonstrating high standards and building good working relations with their surrounding businesses.

Other projects had been designed to deliver training directly to the end-user, i.e. the manager or technical specialist, with a strong emphasis on practice-based learning. Good examples were identified in this category, with some evidence of impact on individual attitudes and organisational decision-making.

There were many examples, however, where achievement had fallen well short of objectives. The Evaluation Teams noted certain recurrent themes:

Surface reforms: Tacis support had helped some established institutions to survive without making any fundamental changes to their own internal functions and hierarchies. It had been easy for them to include some new courses on `how to do business in the West' within their existing, didactic programme structures. In these cases, it appeared that Terms of Reference (ToR) could have been formulated in ways that would have more effectively challenged institutional boundaries and management mind-sets.

Diverse needs: A theme which recurred across all of the projects was the diversity of training needs in different settings. In places where the reform process was still at an early stage, the needs differed from those in Moscow and St. Petersburg. In many cases the Evaluation Teams found a mismatch between aspirations expressed in the ToR and conditions prevailing on the ground. It was evident that the preparatory work in formulating ToR for a training programme tailored to the local environment would have required a greater investment of time and resource than had been made available in these cases.

Adaptation to a changing environment: A further recurrent theme was that of `flexibility', i.e. the ability of a project to respond to unanticipated changes in its environment. These projects were undertaken against a background of hyperinflation, banking crises, the collapse of many product markets and the new phenomenon of unemployment. It was particularly difficult to plan and execute projects in these circumstances within the timetables and structures with which Tacis had to operate. For example, a typical lead-time between project identification and project start was 18 months. The means available to project managers and beneficiaries for adjusting to the changes were (i) to negotiate updates in the ToR at the stage of preparing the Inception Report and (ii) to obtain agreement to further changes following receipt of a

Monitoring Report. It was evident that many of the beneficiaries and project managers had made insufficient use of these provisions. Many of the projects had been defined in terms of a prescriptive `blueprint' with no explicit mention of conditions or procedure for negotiating modifications. A comparison of the projects which did or did not invoke provisions for some change in direction indicates that high flexibility was closely associated with a higher degree of project achievement. The report draws attention to management devices, well-proven in other contexts, through which even large organisations can react quickly to a fast-changing environment.

Beneficiaries' involvement in project design: The extent to which the beneficiary had been involved in project definition, particularly at the early stages, emerged as an important theme. Early involvement was closely associated with high project achievement.

Reviewing the full set of projects, the Evaluation Team picked out a number of characteristics found in the design of the successful projects. Project achievement was found to be strongly associated with ToR whose objectives were stated in terms of the demands and needs of final users (i.e. the managers) and which left some room for adjustment in the means employed to achieve the objective. The most effective Western trainers were those who devised practical exercises and projects outside the classroom, using class sessions for feedback and discussion. In many cases, the most useful contribution made by Western trainers was in establishing the pre-conditions for good training: e.g. in helping their local colleagues to establish working links with their own local businesses, and in helping them to conduct promotional campaigns in order to generate an effective demand for their courses. The alternative model, in which objectives had been stated (either in ToR or Technical Proposal) in terms of specific inputs and activities and in which the Western trainer's task was to deliver a pre-determined curriculum in lectures from the rostrum, satisfied neither the expectations of beneficiaries nor the wider objectives set by Tacis.

5. OPERATIONAL RECOMMENDATIONS

The recommendations summarised in this section relate to the implementation of strategy. They therefore complement those offered in Section 3 above, which are designed as a contribution to formulation of future strategy. The references are to sections in the Final Report which provide the supporting argument, and the recommendations are set out at greater length in Chapter 5.

5.1. Programme targeting and design

- The dual strategy, aimed both at assisting flagship institutions and at initiating programmes which deal directly with managers, should be maintained (see Chapter 2 section 2.4, Chapter 5 section 1.2).

- In projects directed at management training institutions, the emphasis in future support should be on programmes which focus on the end-user, i.e. the manager (Chapter 5 sections 1.5). Training of trainers should focus on helping trainers work together with managers, on the actual issues faced in the enterprise (Chapter 3 section 1.2).

- The remit for Western trainers should require that they come into face-to-face contact with managers, and that part of their task should be to identify and respond to the most critical problems encountered in the managers' firms. This is in contrast to a policy of using them only to deliver training to trainers (Chapter 5 sections 1.5 and 2.1).

- The skills and experience which Western trainers possess in creating a market for management training, through promotional activities directed at both firms and individuals, should be recognised in ToR and employed in the course of project delivery (Chapter 3 section 1.2).

- In formulating future ToR, more emphasis should be placed on the objectives to be achieved and the ToR should be less prescriptive about the means for achieving them, than was the case for many of the early projects (Chapter 2 section 3.1.1, Chapter 5 section 3.3).

- In the choice of beneficiary, four factors should be given particular weight:
  – that the recipient institution or organisation is well-managed (Chapter 3 section 2.4);
  – that it has the cultural openness and flexibility to accept and promote change (Chapter 5 section 1.2);
  – that there will be a strong local programme manager (Chapter 2 section 3.2.3);
  – and that its environment is ready for the form of assistance which is proposed (Chapter 2 section 2.5, Chapter 3 section 2.6).

- For programmes of institutional support, a project duration of less than three years will usually be unrealistic, if sustainable changes are to be achieved (Chapter 2 section 1).

- There should be a greater investment of time and resource at the project preparation stage than had been feasible for these early projects (Chapter 2 section 3.1.1, Chapter 3 section 2.6, Chapter 5 sections 1.4, 3.1)

  Active involvement of the beneficiary at the project preparation stage should become normal practice (Chapter 2 section 3.1.1).

- In programmes of institutional support, ToR should be formulated in ways which would challenge existing institutional boundaries and practices more radically than was often the case in these early projects (Chapter 5 section 1.2).

- The issue of intellectual property rights, and ownership of training materials developed during a project's implementation, will require further attention and clarification in future (Chapter 2 section 3.2.5, Chapter 3 section 2.1).

- At the level of procedure, the following suggestions are put forward:
– Management Trainers in the recipient country should be recruited more widely than from Economics and Management Training institutes and departments (Chapter 5 section 1.2, Chapter 5 section 2.1);
– Explicit provision needs to be made, in any programme of institutional strengthening, for supporting the institution's administrative infrastructure (Chapter 3 section 2.3) and for building up a market for the institution's courses (Chapter 3 section 1.2 and 2.3, Chapter 5 section 1.5).

5.2. Project Cycle Management

- In order to deal with unforeseen or unusual problems, there should be provision for delegating specific authority, ad hoc, to a local panel empowered to make quick decisions (Chapter 5 section 1.9). Such a panel could also ease the burden on currently over-loaded task managers and hence make possible a more rapid response to Monitoring Reports on the part of Tacis (Chapter 2 section 3.2.2).

- In order to add force to the Statement of Endorsement, and to provide for having to negotiate any major changes, Tacis should make more use of conditionalities than was the case for these early projects (Chapter 5 section 1.7).

- The 'Rules of the Game' should be made clear to all participants: e.g. on the extent to which ToR might be modified during the inception phase, the procedure and lead times for gaining approval for any subsequent modifications, the conditions under which project extensions could reasonably be expected (Chapter 2 section 3.2.2, Chapter 3 section 4, Chapter 5 section 3.2).

- Tacis should make more use of a modular programme design: e.g. rather than a two-year programme with a somewhat vague understanding that the programme might be extended for a third year, there should be clear break points with explicit conditions to be met, with firm commitment that if they were met the project would be extended (Chapter 2 section 3.1.1).

- The beneficiary's views on the appropriate profile of contractor should be taken more fully into account than was the case for some of the early projects (Chapter 2 section 3.2.2).

- It would be greatly appreciated by beneficiaries if more streamlined methods of procurement could be devised, e.g. for the purchase of computing equipment, with provision for the beneficiary's close involvement in the process (Chapter 2 sections 2.2 and 3.2.5).

- An archive should be established, in which the history and lessons from each Tacis project would be recorded. This would allow the experience gained in managing one generation of projects to inform the selection, formulation and management of projects in the next generation (Chapter 5 section 3.6).

Chapter 1

Organisation of the work

1. THE PROJECT REMIT

1.1. Monitoring and evaluation in the management of Tacis projects

Since the establishment of Tacis, management training has been one of the key elements of its policies in the rapidly changing economic and political environment of the NIS. Conceived as a means for the development of new managerial skills in connection with the process of transformation to market economies and democratic societies, management training was implemented by Tacis mainly in the framework of its human resources development programmes.

Since 1993 a systematic and continuous monitoring exercise has been taking place during the implementation of Tacis programmes and projects, under the responsibility of the Monitoring and Evaluation section in DGIA of the Commission (see the standard format for M&E in Tacis, n.d.). The results of Tacis monitoring activities have been reviewed in November 1995 in a report by the Monitoring and Evaluation (M&E) Unit, highlighting a number of key issues related to general aspects of programme management and to specific observations on projects implementation.

A clear distinction was drawn between monitoring and evaluation functions in the 1995 report. Monitoring is defined as the regular overview of projects during their currency by specifically employed personnel who provide information based upon the agreed project planning and the reporting documentation and independently, for project management and other interested parties, ascertain that projects are «on course» and signal «early warning» of potential problems to allow adjustments to be made with the minimal disruption (Tacis, 1995b:1). Evaluation is instead "an independent objective examination (which in the case of Tacis takes place after the project has ended) of the background, objectives, results, activities and means deployed, with a view to drawing lessons that may be more widely applicable", using such objective criteria as sustainability and impact.

M&E activities have provided very important recommendations to the Tacis management in order to address at an early stage issues arising from an independent assessment of project implementation. These activities proved to be very useful also in the provision of specific recommendations in terms of lessons learned on the basis of the results on the ground.

M&E activities, however, were mainly justified by their feedback at the level of individual projects' implementation. As the 1995 review stressed, "monitoring activities were primarily project oriented, and the approach was designed to examine project performance. Adequacy and relevance of projects in relation to overall programme objectives was not as widely assessed. The confined nature of the initial M&E brief limited its ability to evaluate overall sector impact, while the relatively small number and early stage of projects restricted meaningful programme evaluation" (Tacis, 1995b:3).

M&E furthermore addressed general issues concerning the action of Tacis, without focusing on the specific issues related to management training policies.

For these reasons, a thorough assessment of the impact of management training activities supported by Tacis could not result from a synthesis review of M&E reports (though their findings would, and actually had, provided very useful information), but requested a more comprehensive and focused evaluation exercise.

1.2. Terms of reference of the evaluation

Given the importance assigned to the issue of management training, Tacis decided to address it more specifically in its evaluation programme. An independent ex post evaluation of management training activities financed by Tacis was therefore planned in 1996. The European Training Foundation (ETF) was given the task of carrying out such an evaluation, on the basis of the Terms of Reference (ToR) "Description of the Project: Evaluation of Activities in the Field of Management Training in the New Independent States" attached to the present report as Annex 1[1].

The ToR define the scope, objectives and focus of the evaluation, which is of crucial importance in order to make the evaluation exercise useful and to provide operational recommendations, in terms of lessons learned, to be incorporated into the decision-making process.

The main objective of the evaluation was to "undertake an analysis of impact of the projects at this stage, in order to obtain a global overview of the programme as a whole. The analysis will in particular identify key factors and conditions that facilitate the transfer of management training know-how and make it successful, with reference to suitability of contents and practices to local environment", with a view to contributing "to further develop the policy of the Tacis programme on the training field" (ToR, 1996:8).

As background to the evaluation of the impact of Tacis activities related to management training, the ToR also provided a survey of management training activities supported by other donors in the NIS.

The evaluation focus was specified as being "on Tacis programme, policies and strategies with the purpose to reach a «vue d'ensemble» (rather than on individual project performance); on relationships with economic reform needs and priorities (rather than on the increase of the training in itself); on the impact on normal cultural and political contexts (rather than on success reached in a niche position or under exceptional circumstances...); on concrete lessons learnt by Tacis and ETF... [and] on new needs emerging from the analysis" (ToR, 1996:9).

Though focusing on management training policies, the evaluation's basic unit of analysis was the individual project and its environment. Training being the focus of sectoral initiatives and, at the same time, a cross-cutting component of technical assistance programmes, the impact and relevance of Tacis policies in the field of management training could be assessed through an independent evaluation of both management training projects and management training activities within sectoral projects. The former typology of projects, furthermore, fell into two different categories: those aiming at strengthening local capacities within a training institution, and those aiming at delivering training services to an identified target group of trainees. The basic units of analysis were therefore three different types of projects:

- projects strengthening management training institutions;

- projects delivering management training to executives and other target groups;

- management training components of sectoral projects or sector-oriented training in applied management in such priority areas of Tacis action as agriculture, banking, industry, industry restructuring and privatisation.

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[1] Annex 1: Terms of Reference of the Evaluation.

A desk review of the M&E reports, as well as of any other documentation available both at Tacis headquarters and in the field, covering policy as well as programme/project levels, aimed at gathering not only data on implementation issues, but also information on Project Cycle Management (PCM) issues related to management training activities in Tacis.

2. TACIS POLICIES ON MANAGEMENT TRAINING: A BRIEF OVERVIEW

The Tacis Programme for transfer of know-how to support the transition towards market economies and democratic societies in the NIS and Mongolia, conceived in December 1990 and established by Council Regulations no. 2157/91 and no. 2053/93, "covers various sectors, including enterprise restructuring and privatisation, small-enterprise development, transport and energy, food production and distribution, and human resource development... Support in the field of training and education occupies a prominent position in the human resources development sector" (Tacis, 1994a:9).

Since its inception, Tacis considered the building of a different kind of manager and management style as a crucial issue in the transition period. Such an objective, beside being a priority in itself, was also considered to be a requirement for the achievement of effective and sustainable political and economic reforms in the NIS. This definition of management training is therefore composed of two interlinked facets: management training is seen at the same time as a means for reaching the objective of fostering a new and sustainable entrepreneurial environment in the NIS and as a necessary condition for the achievement of the objectives set forth by reformers in the transition period.

In 1991 Tacis investment in the training in the public and private sector amounted to ECU 103 million, or 31.07% of the total funds allocated in that year (ECU 331.5 million), the other four focal sectors being energy (ECU 115 million), food distribution (ECU 73 million), transport (ECU 43 million), and financial services (ECU 37.5 million).

In 1992 Tacis combined actions in priority sectors designing more integrated programmes with the aim of attaining a clearly identified objective or set of objectives (Tacis, 1993:11). The main intervention focus in the area of human resources development was management and economics training actions in public and private sectors, adding however that "wherever possible, these actions dovetail with programmes in other sectors. Emphasis has been placed on the building of modern and efficient public administrations, and the provision of advice to design essential social and education policies in conditions of severe budgetary stringency" (Tacis, 1993:11).

The 1993 Tacis report stresses that "when the Programme began, emphasis was placed on the creation of new skills, particularly in the field of management training, and also through the government advice programme. Whilst this remains a priority, two other major strategies were developed, one was concerned with the reform of public administration, and the other with social protection" (Tacis, 1993:24). A transition was therefore observed between 1991 Programme and 1992-1993 Tacis Action Programmes, whereas Tacis focus on training shifted from the area of management training "geared to support the liberalisation-privatisation policy" towards an increased inclusion of "a wide range of projects in support of public administration reform in most of the New Independent States" (Tacis, 1993:25).

In a 1994 policy paper, the strategy of the Tacis Programme in the field of training and education in the former Soviet Union is outlined (Tacis, 1994b). The document stresses that the reform process in the education sector calls for "a complete and coherent regulatory framework... based on regulation and the setting of standards". Emphasis is placed on decentralised management and the role of the private sector initiative "to replace central

edict". The complexity of the problems posed by such a reform is huge, first of all as regards the issue of "non-federal budget resources" in a situation of quick decline of federal funding.

In this context "management training was perceived at the beginning as the keystone for reform, and remains significant, particularly given the role of the private sector in the financing of the institutions concerned" (Tacis, 1994b:5). Many Tacis first generation training projects were concerned with management, initially concentrated in Moscow and afterwards spread throughout the NIS. A reason for explaining the priority given to management training at that stage is the fact that ministries of education and of higher education were initially unable to cope with new strategies consistent with the economic reform process, and with their impact on educational policies, so that "the easiest place to begin was in the independent and private management schools which were spawned by the first reforms" (Tacis, 1994b:8). The main objectives of these projects were "to strengthen the capacity of local institutes to deliver training courses, rather than to train the final users directly (managers, students, etc.)", identifying institution building as the main goal of the projects, "whose components typically include the following: development of business plans for institutes; development of curricula; training of trainers; development and dissemination of teaching material; training of administrative staff" (Tacis, 1994b:8).

As regards future orientations, based on lessons learned and on positive results of the first generation projects, the 1994 paper states that "particular attention is needed for management training, if only because it built up in so many heterogeneous ways". In this perspective, possible areas for action would include "the definition of several «standard» teaching packages as well as the dissemination of teaching material", the supply of advice to administrations in the field of certification of diplomas, and "the definition of standards and minimum requirements for accreditation of various categories of schools" (Tacis, 1994b:13).

Between 1991-1994 more than 40 major projects were financed in the field of management and economics, for a total budget exceeding ECU 100 million (Tacis, 1994a:9). Out of them, 15 projects were located in the Russian Federation, 3 in Kazakhstan, 3 in Ukraine and 15 in other NIS and Mongolia. Five of these projects covered more than one state (Tacis, 1994a:9).

The 1994 policy paper took into account some lessons learned from the experience of the first generation management training projects. It stressed that "since management training began in individual institutions, it has evolved to benefit from the multiplier effect offered by distance teaching and networking by schools" (Tacis, 1994b:11). Despite the lack of an independent sectoral evaluation in the field of management training, an awareness of the main issues at stake in this area can be acknowledged, mainly based both on the results of M&E activities and on specific brainstorming seminars and workshops, involving different stakeholders. In March 1994, for example, Tacis organised a workshop attended by over 80 participants, including representatives from NIS teaching institutions involved in Tacis 1991 and 1992 projects, their respective counterparts, representatives from NIS educational authorities, Tacis and Phare staff as well as independent EU training experts (Tacis, 1994a:9). The workshop focused on four major themes:

- project identification and preparation;

- staff development, including the training of trainers;

- training programme development;

- the future sustainability of the institutes supported by Tacis technical know-how.

The majority of the workshop conclusions and recommendations are relevant to the present evaluation, as they can be related to either an improvement of Tacis PCM, or to the evaluation criteria used in the present exercise. As regards PCM, mention is made of the

involvement of beneficiaries in the preparation of ToR, of the need for more flexibility in project implementation, of improved project monitoring.

Reference is also made to such issues as project sustainability (to be considered at the identification stage), relevance (particularly in terms of properly matching technical solutions provided by Tacis with local needs and national training/educational priorities), efficiency ("to make the most of limited resources, projects should be based on a «multiplier effect»", budget should be allocated for translation of training material), effectiveness (co-ordination, institutional support, involvement of partner institutions at various levels, partnership and networking with Western institutions, on cross-country exchange of information on best practices, ownership of projects (Tacis, 1994a:21-22). Many of these issues are dealt with in the following pages, on the basis of an in depth evaluation of a sample of completed management training projects.

3. OTHER DONORS' POLICIES ON MANAGEMENT TRAINING IN THE NIS

All of the major donor agencies active in the NIS have identified management training as a factor capable of influencing the speed of economic and social reform. They differ however in how they channel their support for management training. In some cases it is addressed as a component in more widely based programmes concerned with e.g. privatisation, banking reform, enterprise restructuring. In other cases assistance is given directly to institutions dedicated specifically to management training. Again, the donors divide into national agencies delivering bilateral aid, multilateral agencies and private donor agencies.

The donor agencies' activities in and policies towards management training in the NIS were reviewed in the course of preparing the present Report. A summary is presented in the Part Two of this report. At many points, these programmes complement those of Tacis.

Of the multilateral agencies, the World Bank and EBRD have been the most active in supporting management training in the NIS. The UN and the OECD have played lesser roles. The World Bank's main initiative in this field has been to establish the National Training Foundation (NTF) in Moscow, with the collaboration of Russian government and of private institutions and with financing in the form of a loan of $40 million, 80% of which is repayable out of the Federal Budget. The NTF provides training for managers in privatised enterprises and in the financial sector, and for officials in different fields of public finance. It now has three centres, in Moscow, Nizhny Novgorod and St. Petersburg.

The EBRD's training activities in the NIS are funded by the Technical Co-operation funds established by national donors. Much of its support has been for Bank Training Centres, notably in Moscow and Tashkent, and for Business Training Centres, 35 of which have been established in collaboration with the Russian Morozov Project. All of these projects have been undertaken with other partners, including Tacis, USAID and various bilateral donors. EBRD has been a major funder of the Joint Vienna Institute, which conducts courses in technical banking, finance and management of financial institutions.

Of the bilateral agencies, the German Agency for Technical Co-operation (GTZ) engages in developmental programmes in many countries. Central and East Europe account for 15% of its total 1996 budget of DM 1.6 billion. The expertise it supplies is aimed at improving organisational structures, management systems and inter-institutional relationships; in each case there is a significant management training component.

The UK Know How Fund (KHF) has chosen five "priority regions" in which to concentrate its assistance to Russia, with further projects distributed across the rest of the NIS. As with GTZ, management training usually appears as one component in programmes targeted at

specific sectors, for example at coal industry restructuring, food marketing, financial services. The KHF disbursed £26 million of technical assistance in Russia in the year to April 1996.

The United States Agency for International Development (USAID) has been a major provider of bilateral aid in Russia. It has focused on three "strategic assistance areas": economic restructuring, democratic transition and social stabilisation. Its main training programme in the NIS has taken groups of 15 to 20 senior or mid-level professionals to attend 2 to 4-week technical training courses in the US (the "NIS Exchanges and Training" Project). Follow-on activities were provided for 6-month periods after the participants returned to their home countries, with 2-day seminars, the development of alumni networks etc. The emphasis was on technical training, with management issues as a secondary topic. A total of more than 8,000 professionals from the NIS have taken part in these programmes.

A number of private groups and institutions have also provided assistance for management training in the NIS. A particularly effective initiative was funded by a group of five of the US's top business Schools in 1991-2, under the leadership of Harvard. 60 business school trainers were selected through interview, from across the countries of Eastern Europe and the NIS. They spent two months at Harvard, then returned for nine months to their own institutions and finally returned to the US to spend a further two months at one of the five Schools; each School had agreed to offer intensive tuition in one of five areas of specialisation. Important aspects of this programme were that the selection of candidates was in the hands of the US Schools, and that the Schools had full control over the content of their programmes. A number of important programmes were funded by the Soros Foundation at a very early stage of the reform process.

In all cases, the donors have conducted some form of evaluation in relation to their own objectives: on selection, on monitoring and on post-project analysis. Multinational agencies have recently been developing a more comprehensive set of criteria for post-project evaluation, with particular reference to impact analysis.

4. METHODOLOGY

4.1. General methodological issues

A background ETF paper on the methodological approach defined the focus of the evaluation exercise as being on ex post evaluation activities, by taking into account both the impact produced by Tacis projects and their sustainability (ETF, 1996). From a methodological point of view, two main elements must be considered in this regard:

- what is meant by "impact" in the present evaluation;

- the use of projects' impact analysis in order to provide relevant information for the assessment of management training policies.

4.1.1. An operational definition of impact

As far as the first element is concerned, an operational definition of «impact» is needed. Impact can be defined as the wider change brought about by a set of actions, which in the case of a project are organised in the framework of an intervention logic. It is important to stress that project activities might have brought about an unexpected change, even if they were not originally aiming at attaining that precise kind of change.

In principle, an ex post evaluation, with a focus on projects' impact, should take place after a sufficient length of time has elapsed since project completion (a «sufficient» time span

usually being held to be at least three years). In the present evaluation the impact to be analysed will mainly refer to the «first generation» Tacis management training projects, which have just been completed.

Given the short period of time since projects' completion, the evaluation adopted an operational definition of «impact», which included both the immediate (direct and/or indirect) effects of management training projects, as well as their wider impact, whenever the analysis has allowed for such an assessment.

4.1.2. Relationships between project evaluation and policy assessment

In assessing policy (as opposed to assessing the performance of individual projects) it is necessary to employ tools which relate the policy to the environment in which it was formulated, and not to use hindsight in assessing it against a subsequent policy environment.

In the present case, the decision was taken to use the individual project histories as the instrument for policy evaluation, relating the 'relevance' and 'fulfilment of project objectives' as observed in each project to the wider policies for management training which had been agreed with NIS authorities and followed by Tacis. Conclusions at the policy level were further grounded on the evidence provided by the impact analysis performed on the sampled projects.

4.2. Evaluation criteria

Some methodological aspects of the evaluation activities concerning Tacis projects, such as the basic structure of the study, as well as some remarks on both sequencing of activities and tools to be used in the fieldwork, were outlined in an ETF paper on the methodological approach (ETF, 1996). The criteria used in the evaluation exercise, in line with the recommendations given by the OECD/DAC on aid evaluation (OECD/DAC, 1993), include relevance, effectiveness, (developmental) efficiency, impact, and sustainability. A brief operational definition of each of them is given in the following Box 1.

Box 1: Evaluation criteria

- *Relevance* is a criterion used in order to assess whether a project, a programme or a policy has been correctly focused on the removal of constraints hampering the achievement of a development objective. The assessment of relevance should verify whether the activities and outputs of a project are consistent with its mandate, whether they are plausibly linked to the attainment of the objectives and intended impacts and effects, and whether any significant outcome should therefore be realistically expected from the project.

  For the purpose of the present evaluation exercise, an analysis of the relevance of the projects has also led to an assessment of the relevance of management training policies supported through the Tacis programme in the NIS, taking into account also the sectoral policies supported by other donors in the same area.

Box 1: Evaluation criteria (continued)

The evaluation exercise at the project level was started with an assessment of relevance, as it helped in identifying different hypotheses to be tested in the next steps of the evaluation. In this regard, it was useful to analyse the assumptions (at the level of preconditions or conditions affecting the achievement of proposed activities, expected results, project purpose and overall objectives) singled out by the planners in the preparatory phases of the project, as reflected in the ToR prepared for each project. Such exercise was done whenever these assumptions were made explicit (for example, through the use of such planning tools as the Logical Framework). In the cases where they were not made explicit, an analogous exercise was tried by means of taking into account the problem analysis outlined in the relevant project documents justifying the main planning choices.

- *Effectiveness* analysis mainly aims at verifying the degree of achievement of the objectives set forth by a project, as well as the extent to which project results have contributed towards the achievement of project objectives. It is possible to carry out an effectiveness analysis when the project purpose and expected results are clearly defined and objectively verifiable.

  In the present evaluation, an assessment of the overall effectiveness of management training projects will be a main focus of the exercise. Such assessments should be done by comparing expected objectives and actual project results, and by analysing the (direct or indirect) factors that have influenced that achievement.

- *Efficiency's* main concern is to verify whether a project has used in the most efficient way the available (human, physical, and financial) resources in order to achieve its actual results on the ground, as well as the factors that have affected the level of efficiency (means, costs, organisation, management, monitoring, and intervention methods). An ex post evaluation can focus on efficiency at various levels, by comparing the resources identified in the planning stage and those actually made available through the project; the actual resources and the actual results; the expected results and the actual results.

  As the present evaluation exercise is focused more on effectiveness than efficiency, the analysis verified the global efficiency of the sampled projects, and in particular the relationship between expected results, on the basis both of ToR and project documents, and actual results.

- *Impact* is the main focus of the evaluation. In line with the operational definition of impact which was given in paragraph 4.1.1., the evaluation verified whether projects' execution brought about significant changes in the external environment, with reference both to the training system as a whole and to the expected users, particularly in the entrepreneurial environment. Beside direct and indirect effects, particular attention was paid to multiplier effects, that is the extent to which the projects have generated a rise in demand of management training and at the same time a capacity to adequately meet that demand.

- *Sustainability* is a criterion used to evaluate the actual flux of sustainable benefits which the project was able to produce for the expected beneficiaries after project completion. In other words, it addresses the analysis of the extent to which the project objectives will continue to be met after the project assistance is over. Both internal and external factors affecting the degree of sustainability were taken into account, i.e. institutional, social/cultural, technological, environmental, economic/financial factors.

- Other issues relevant to the evaluation exercise were also considered, i.e. aid co-ordination in the field of management training, and coherence of management training within overall training policies.

4.3. Project planning and PCM

The evaluation exercise depended, on one hand, on the level of specification of both problem analysis and intervention logic (i.e. a clear logical connection between general objectives, immediate objectives/project purpose, expected results, and activities) of each project included in the sample, on the basis of a desk review of documentation kept by the Commission services, and on the other hand on the quality of data and information collected during the fieldwork, both from primary and secondary sources.

The adequacy of the first level of analysis was linked to the actual availability of project documentation, which in some cases represented a constraint for the evaluation exercise. As far as the second level is concerned, the fieldwork, which reviewed individual projects, supported what was mainly a qualitative analysis. The selection of the sample of projects to be considered in the course of the fieldwork was stratified with the aim of deriving qualitative assessments at the policy level from the qualitative assessments conducted at the level of the project (which was the basic unit of the analysis).

As regards the intervention logic, a comment could be made on the level of standardisation of planning tools used in the Tacis PCM. In general terms, the use of such planning tools, as the Logical Framework, can help evaluators in analysing the choices, as well as their justifications, made by planners in the preparation stage. Even in the case of less formalised planning techniques, however, it is possible to gather data on this important aspect, by means of combining a structured analysis of project documentation and interviews with key people involved in the preparatory phase.

Furthermore, as far as the analytical importance of a Logical Framework approach in the project cycle is concerned, it could be stressed that *the Logframe should be regarded more as a planning tool than as a planning method.* It could therefore be possible to carry out an indirect analysis of the efficiency of the planning methods used in the project cycle even when no Logframe is actually used.

As regards the adaptability of the planning method to a rapidly changing environment, a useful distinction can be made between blueprint and process approaches to project design. The first approach involves the setting of objectives, well structured implementation procedures and predetermined outputs. The second approach allows for more flexibility in design, i.e. a procedure based on fixing wider objectives and project purpose from the outset, whereas project inputs and outputs are not rigidly established, but can develop as the project proceeds and lessons are learned from past experience. The process approach is particularly suited to projects implemented in an environment which requires full stakeholders' participation and a high capacity to react to changes during implementation. Given the particular features of the context of intervention, the present evaluation included an assessment of that capacity.

4.4. The evaluation team

The composition of the evaluation team (Annex 3[2]) reflected the need to combine specific expertise in the field of management training (with particular reference to the environment of the NIS, including experts with an in-depth knowledge of the local environment) and in the evaluation skills. The core team was led by a team leader - a senior management training specialist - and it was composed of one evaluation specialist, one management training specialist, one expert in technical assistance in the NIS, and one sociologist with research

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[2] Annex 3 provides names and roles of each team member, including ETF specialists who took part in the evaluation.

experience in the NIS. Each core team members participated in fieldwork activities, and was responsible for the drafting of at least two evaluation reports of individual projects, which are included in the Part Two of the present report.

The need to collect data in the field for a wide range of different projects in the NIS required the integration of the core team members with other evaluation and/or management training specialists, one of whom specifically dealt with the survey of other donors' activities in the same field. A total of eleven specialists were therefore involved in the evaluation.

A task manager from ETF, with extensive experience on transition economies, was responsible of the overall management of the evaluation activities as well as of the liaisoning with the Commission. Other ETF staff were also involved in seminars dealing with methodological issues and evaluation missions in the NIS. Co-ordination and background research was provided by a team at 'Scuola di Amministrazione Aziendale dell'Università di Torino' (SAA).

At the methodological level, the involvement of beneficiary institutions, and in general of beneficiaries, in the fieldwork was particularly important, as it strengthened the participatory nature, not only of data gathering but also of the evaluation exercise as a whole. A participatory approach to the evaluation exercise was therefore promoted, through the involvement of partner local institutions, both in the fieldwork and in the dissemination of evaluation results.

4.5. The evaluation workplan

The evaluation programme was planned to be carried out in four main phases: a desk study of management training activities financed and implemented by Tacis; evaluation fieldwork; synthesis and feedback of evaluation results in Tacis; dissemination of evaluation results within Western institutions concerned and within the NIS.

The workplan of the first phase of the evaluation included two parallel steps:

- *methodological framework* (two months: November 1996-January 1997): a first stage was devoted to the finalisation of the methodological framework of the evaluation. It included two two-day seminars aimed:

  - at defining a common methodological framework of the evaluation, including the adoption of common criteria for the desk review, the definition of criteria for selecting the sample, and the finalisation of the sample of projects;

  - and at preparing the survey tools to be used during fieldwork;

- *desk review* (three months: November 1996-February 1997): this stage included the collection and reproduction of all relevant documentation concerning the projects included in the sample, by means of missions to the Commission and through the Commission Evaluation Unit in DGIA; each sampled project was assigned to a sub-group composed of two team members, who jointly reviewed the available documentation before starting fieldwork.

The second phase included three main steps:

- *pre-testing mission* (two weeks: March 1997): the draft survey tools were tested in Russia during a mission which allowed also the finalisation of a protocol on the organisation of evaluation missions;

- *finalisation of evaluation tools* (two weeks: March 1997): following the results of the pre-testing mission, survey tools were commented upon and revised by the core team members, and their final version was released for fieldwork;

- *fieldwork* (three months: April-June 1997): the sub-groups of team members carried out joint field visits in the NIS for the evaluation of each sampled project, spending on average for each mission about two weeks and producing preliminary reports.

The third phase, whose main output is the present report, included two steps:

- *review of preliminary results of evaluation missions* (two weeks: June 1997): a brainstorming on the preliminary results of the evaluation missions allowed to agree on the format of evaluation reports and to single out the lessons learned and the main conclusions arising from the evaluation;

- *synthesis of evaluation results* (two months: July-August 1997): on the basis of the final versions of the evaluation reports, the synthesis report was produced.

The next step of the third phase will feedback the results of the whole evaluation exercise in Tacis, mainly through a seminar to be held in Brussels on the evaluation findings, both on policy implications in the field of management training and on possible areas for improving the Project Cycle Management.

In the final phase further actions of dissemination of the evaluation results are planned, both in the European Union and in the NIS.

4.6. Selection of a sample of projects

Thanks to a careful recollection of the available documentation on Tacis activities in the area of management training, a comprehensive picture of projects classified according to the three categories described in paragraph 1.2. (strengthening of MT institutions, delivery of MT services to specified target groups, and MT components of sectoral projects or training in applied management in other priority sectors of Tacis intervention, such as agriculture, banking, industry, industry restructuring and privatisation) was made. A full list of management training projects, ordered by typology, country, sector, amount of funding, year of start, and duration is attached as Annex 2.

A general outline of data on training projects funded by Tacis between 1991 and 1994 is provided in Table 1.1. The amount of funds allocated to a total of 76 training projects in that period is about 107 million ECU, out of which 63.8 million (59.7%) in the Russian Federation, 15.7 (14.7%) in Ukraine, 9.4 million (8.8%) in Inter-State programmes, 5.6 million (5.2%) in Kazakhstan and the remainder in other 6 NIS and in Mongolia. The average amount of funds per project over that four-year period is 1,408,026 ECU.

Table 1.1. Tacis training projects, 1991-1994

Country	Action Programme									Total	
	1991		1992		1993		1994			Total	
	#	ECU	#	ECU	#	ECU			#	ECU
Russian Fed.	39	28,903,000	3	15,300,000	8	12,150,000	4	7,500,000	54	63,853,000
Ukraine	5	5,900,000	1	2,500,000	1	7,360,000	0	0	7	15,760,000
Inter-State	2	8,397,000	0	0	2	1,000,000	0	0	4	9,397,000
Kazakhstan	2	4,900,000	1	700,000	0	0	0	0	3	5,600,000
Uzbekistan	0	0	0	0	0	0	1	3,900,000	1	3,900,000
Mongolia	0	0	0	0	0	0	2	2,600,000	2	2,600,000
Turkmenistan	0	0	0	0	0	0	1	1,800,000	1	1,800,000
Azerbaijan	0	0	0	0	0	0	1	1,300,000	1	1,300,000
Tajikistan	0	0	0	0	0	0	1	1,000,000	1	1,000,000
Moldova	0	0	1	950,000	0	0	0	0	1	950,000
Georgia	0	0	1	850,000	0	0	0	0	1	850,000
Total	48	48,100,000	7	20,300,000	11	20,510,000	10	18,100,000	76	107,010,000

Source: Elaboration based on Tacis, 1994b:14-16.

As regards sampling criteria, to ensure the representativeness of completed projects to be included in the evaluation, with respect to Tacis policies in the field of management training, the following four main criteria were taken into account:

- total budget, on the basis of the assumption that the impact evaluation should concentrate on project with an budget size above the average per training project estimated over the period 1991-1994;

- actual completion of project activities, to allow for a minimal time lag elapsed after the end of project implementation in order to assess both impact and sustainability;

- project type, to ensure the representativeness of the sample with regard to the entire range of management training projects financed by Tacis, such as strengthening of existing institutes or schools, provision of training to selected target groups, and management training components in sectoral projects;

- area or region of intervention, in order to fairly draw the sample with respect to the actual distribution of management training projects in the NIS.

Following a specific request from Tacis, some on-going projects were included in the sample, in order to gain comparative information also on «second generation» management training projects, and not only on «first generation» ones[3].

The result of the selection made according to the above criteria is a sample of 20 projects, whose evaluation findings are attached to the present report (See Part Two).

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[3]   It is the case, for example, of the 'Productivity Initiative Programme'.

The Commission decided not to include the "Officers' Retraining Programme" in the sample of the present evaluation. This project explains the very large figure shown for the Russian Federation, 1992 (Table 1.1.) and it has already received a mid-term evaluation.

Table 1.2. shows the breakdown of the sampled projects according to their typology and to their country.

Table 1.2. The sample of management training projects

Country	Project typology						Total			
	Strengthening of MT institutions		Delivery of MT services		MT components of sectoral projects		Total			
	#	ECU	#	ECU	#	ECU	#	%	ECU	%
Russian Fed	4	8,799,206	2	2,578,976	2	6,772,445	8	40%	18,150,627	33.2%
Ukraine	2	4,000,000	0	0	1	3,200,000	3	15%	7,200,000	13.2%
Inter-State	1	6,950,000	1	9,700,000	1	2,500,000	3	15%	19,150,000	35.1%
Kazakhstan	1	3,419,200	1	1,100,000	1	1,077,000	3	15%	5,596,200	10.3%
Uzbekistan	1	2,358,180	0	0	0	0	1	5%	2,358,180	4.3%
Moldova	1	1,224,064	1	0	0	0	1	5%	1,224,064	2.2%
Georgia	1	940,000	1	0	0	0	1	5%	940,000	1.7%
Total	11	27,690,650	4	13,378,976	5	13,549,445	20	100%	54,619,071	100%
	55%	50.07%	20%	24.5%	25%	24.8%	100%		100%	

Seventeen projects included in the sample were carried out in six countries (8, or 40% of the sample, in Russia alone), the remaining three have a regional focus (one in the Central Asian region, one in the CIS and the last one on the NIS and Mongolia). Eleven projects (55% of the total sample) were classified as institution strengthening initiatives, four (20%) as projects providing for the delivery of MT, and five (25%) as sector-specific training on applied management. The total value of the sampled projects was about 54.6 million ECU, with an average of 2,730,954 million ECU per project.

4.7. Evaluation tools

An important tool developed for the evaluation exercise was a common analytical grid used for the desk review, which is reflected in the common format of individual project evaluation reports (see Part Two).

Seven questionnaires were specifically designed to address different categories of project stakeholders, as a second set of tools prepared for the evaluation. These questionnaires were not meant to collect data to be analysed on a quantitative basis from a large and statistically representative sample of respondents, but they rather aimed at gaining qualitative insights on the project, taking into account the main evaluation criteria. The survey tools were:

- a questionnaire for deans and project managers (in the evaluation of projects aiming at institution strengthening/building or at training of executives, both deans and project

managers were interviewed; for projects where management training was only a component of a sectoral project, the questionnaire was used only for interviews with project managers);

- a questionnaire for teachers who took part in the Tacis training project;

- a questionnaire for participants in the training project, excluding teachers;

- a questionnaire for companies which took part in the management training activities;

- a questionnaire for companies which did not take part in the management training activities;

- a questionnaire for actors operating in the economic and political environment, i.e. key informants who could provide relevant insights on management training needs thanks to their position or role in the local context;

- a questionnaire for other donors concerning the main activities supported in the field of management training.

The questionnaires were organised in order to supply information on each main evaluation criteria (relevance, effectiveness, efficiency, impact, and sustainability). They were also used to collect or cross-check information on other donors' activities.

As a consequence of the decision to involve stakeholders in the evaluation (see paragraph 4.4.), questionnaires and other survey tools, prepared before launching fieldwork, were fine-tuned following the results of a pre-testing mission. This mission helped to identify the typology of key informants, focus groups and other stakeholders to be included in the exercise, which seemed to be particularly important for an analysis of "suitability of contents and practices to local environment". The pre-testing mission produced a protocol/guidelines for the execution of evaluation missions which was applied by each team member during the fieldwork (Annex 4)[4].

The questionnaire developed for the collection of information on other donors' activities was supplemented by telephone interviews and correspondence. Though this kind of information was not tested against results on the ground (the present exercise was not a joint evaluation), questionnaires were distributed to the main Western donors' operating in the field of management training in the NIS. Some of them supplied information on their own evaluation activities, which proved very useful for comparative purposes.

It is important to stress once again that the main focus of the present evaluation being Tacis policies in the field of management training, the assessment of individual projects should be regarded only as a means to gain knowledge on the policy impact on the ground.

In the final report of all evaluation mission, drafted according to an agreed basic format, each evaluator assessed the degree of achievement of the project analysed using a common rating system, by applying a four-score scale as regards the five evaluation criteria (relevance, effectiveness, efficiency, impact, and sustainability), as well as some key categories concerning Project Cycle Management. The use of such analytical tools to assess individual projects included in the sample contributed, on an aggregate basis, to draw general conclusions on the overall achievements of the activities supported by Tacis in the field of management training.

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[4]   Annex 4: "Protocol/guidelines for future evaluation missions".

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LIST OF ACRONYMS AND ABBREVIATIONS USED IN CHAPTER 1

ACP	Africa, Caribbean and Pacific
CU	Co-ordinating Unit
DAC	Development Assistance Committee
DG	Directorate General
DM	Deutsche Mark
EBRD	European Bank for Reconstruction and Development
ECU	European Currency Unit
ETF	European Training Foundation
EU	European Union
GTZ	Gesellschaft für Technische Zusammenarbeit
KHF	Know How Fund
£	UK pound
M&E	Monitoring and evaluation
MT	Management training
NIS	New Independent States
NTF	National Training Foundation
OECD	Organisation for Economic Co-operation and Development
PCM	Project Cycle Management
Phare	The EU initiative for economic integration of central and eastern Europe
$	US dollar
SAA	Scuola di Amministrazione Aziendale, Università di Torino
Tacis	The EU initiative to support transition to market economies and democratic societies in the NIS and Mongolia
ToR	Terms of Reference
UK	United Kingdom
UN	United Nations
US	United States
USAID	United States Agency for International Development

Chapter 2
Achievements

1. INTRODUCTION

The present chapter aims at assessing the impact of MT policies through an analysis of the basic information on achievements of sampled projects supplied by the evaluation reports, that are attached as Part Two of the present report.

As already stressed in the previous chapter, the ETF/Tacis evaluation exercise focused on Tacis management training policies as a whole. Resorting to the evaluation of a sample of MT projects is justified exclusively by the need to gather meaningful data, through fieldwork in the NIS, on the overall relevance and impact of Tacis policies in the area of management training, rather than by the aim of assessing individual projects' performance.

A brief overview of the sampled projects will introduce the review of major achievements according to the evaluation criteria described in Chapter 1. Table 2.1. provides a breakdown of sampled projects by average value, total duration, including the approved extensions, and project typology according to the three main categories described in Chapter 1.

Table 2.1. Sampled projects by typology, average value and average total duration

Project typology	No. of projects	Average value (ECU)	Average total duration (months)
Strengthening of MT institutions	11	2,517,332	30.82
Delivery of MT services	4	3,344,744	38.75
MT components of sectoral projects	5	2,709,889	34.20
Total	20	2,730,954	33.25

The average total duration of sampled MT projects is 33.25 months. The shortest duration is recorded by a MT institution strengthening project, 'Business School Conversion in Voronezh', Russia, with 17 months, while the longest one is recorded by a sector-specific MT project, 'Training and Education in the Region of Urals (KAMAZ)', Russia, with 51 months.

The average value of projects providing for the delivery of MT services is strongly influenced by the presence, in that category, of the 'Productivity Initiative Programme' (Inter-State), which is the project with the highest value (ECU 9,700,000) included in the sample.

An interesting feature of data provided in Table 2.1. is the comparatively lower averages, in terms both of budget allocation and of total duration, scored by projects aiming at the strengthening of MT institutions, despite the fact that this kind of initiative usually requires a longer time span - particularly in comparison to projects delivering MT services, which on the contrary has recorded the highest averages.

Table 2.2. shows the average project value by typology and total duration. On average, Tacis invested about 1 million ECU per year on the sampled MT projects. The project with the smallest budget (considering also project extensions) was the 'Management Training in Georgia', with ECU 940,000.

Table 2.2. Projects by typology, duration, and average value

| Project typology | Total duration (months) | | | | | |
| | <24 | | 24<36 | | >36 | |
	#	Average value (ECU)	#	Average value (ECU)	#	Average value (ECU)
Strengthening of MT institutions	4	1,228,408	5	2,645,404	2	4,775,000
Delivery of MT services	0	0	2	1,289,488	2	5,400,000
MT components of sectoral projects	1	1,077,000	2	2,386,223	2	3,850,000
Total	5	1,198,126	9	2,286,493	6	4,675,000

In Table 2.3. data on average values by project typology and Action Programme are provided. Even if we take into account the possible distortion brought about by the smaller number of projects classified in the second and the third typology, changes in average project budgets by 1991 and by subsequent Action Programmes seem to show a trend towards a reduction in institution strengthening projects and in MT components of sectoral projects, while an increase is recorded in the average value of projects delivering MT services.

Table 2.3. Projects by typology, Action Programme, and average value

| Project typology | Action Programme | | | | | |
| | 1991 | | 1992-1993 | | Total | |
	#	Average value (ECU)	#	Average value (ECU)	#	Average value (ECU)
Strengthening of MT institutions	6	2,453,068	5	2,594,449	11	2,517,332
Delivery of MT services	2	1,189,488	2	5,500,000	4	3,344,744
MT components of sectoral projects	1	4,500,000	4	2,262,361	5	2,709,889
Total	9	2,399,709	11	3,001,972	20	2,730,954

While projects classified under the other two typologies supported either national or local administrations, finance and banking institutions, companies or networks of companies, projects falling within the first typology had as the main beneficiary, of course, either management training institutions (a Business School, an Academy), or other higher education institutions, mainly Universities.

The definition of "institution strengthening", instead of "institution building", implies that most of the beneficiary institutions supported by Tacis existed already before the start of the technical assistance, and that Tacis inputs aimed at improving their capacity to address specific training needs in the changing environment of transition economies. The challenging task of strengthening existing institutions, however, did require in many instances an actual re-building of the supported institutions, though, as we shall see, the management of some of them actually opposed the internal institutional reforms brought about by Tacis assistance.

In general terms, institution strengthening projects typically included such components as the training of trainers activities, the design of new curricula, the production of original educational materials (specifically adapted to the local context), and the development of business plans for the beneficiary institutions, besides other standard components characterising also the other project typologies, like the supply of publications and other educational material, the procurement of equipment, and the organisation of study tours in West European countries. Institutions visited during study tours ranged from educational establishments to companies, depending on the project typology.

The selection of European contractors was not linked to the project typology, therefore projects aiming at the strengthening of management training institutions could be (and actually have sometimes been) entrusted to contractors other than European management training institutions.

A final remark is necessary on the constraints under which the evaluation was carried out. Some constraints faced by field missions during the evaluation activities were mainly linked to the poor institutional memory at the local level, due in some projects to the high turn over of personnel in beneficiary institutions, that hampered the reconstruction of early stages of the project life. Another constraint, of a logistical type, was posed by the limited amount of time available in order to carry out field visits. In general, however, constraints were overcome thanks to the support provided by local beneficiaries and by Tacis Co-ordinating Units in assisting evaluators in their task. Some of them have been particularly supportive of the evaluation exercise as they felt its potential importance for improving the quality of Tacis aid.

The next sections provide the main findings on project achievements, according to the evaluation criteria and to Project Cycle Management (PCM), in order to draw some general lessons on management training at the policy level. The discussion is organised through a review of the key issues emphasised by evaluation reports, analysing common trends and main project achievements.

2. PROJECT ACHIEVEMENT IN RELATION TO TACIS OBJECTIVES

In order to review `achievements', the projects were grouped according to the project typology already introduced: Strengthening of MT Institutions, Delivery of MT Services, MT components of Sectoral Projects.

The ETF Evaluation Teams assessed each project on each of five criteria: Effectiveness, Efficiency, Sustainability, Impact, Relevance. The assessments were based on the information obtained in the course of the Teams' visits, using the same interview schema across all projects, and on the full written record including all available earlier monitoring reports.

For each project, achievement on each of the five main evaluation criteria was rated on a 4-point scale: very good/excellent; satisfactory/good; below standard; poor. For each criterion, Table 2.4 shows the percentage of projects scoring in the upper two categories.

Table 2.4. Project achievement on main criteria

Project criterion	% of sampled projects rated "very good/excellent" or "good/satisfactory"
Effectiveness	35%
Efficiency	35%
Sustainability	50%
Impact	45%
Relevance	70%

The paragraphs which follow indicate the specific aspects of project histories which were used in assessment for a particular criterion, and highlight the main issues faced in assessment.

It is noteworthy that some projects scored highly on one criterion but achieved low scores on others. The project on management training in Moldova was judged to have been effective, but not to be sustainable. The 'International Business School of Moscow' was seen as highly sustainable, but with low relevance to developmental objectives. The programme of assistance to the Tbilisi Business School was judged to be neither effective nor efficient, but the School's activities (which might have ceased had not Tacis helped it through a difficult period) were rated as both relevant and sustainable.

2.1. Effectiveness

On the total of 20 sampled projects, 7 of them (or 35%) scored well or very well on effectiveness, meaning that in each of these projects the objective set forth at the beginning was achieved entirely or almost entirely by the end of the project.

Among the projects of the 'Institution Strengthening' type, there were 4 which scored well or very well on effectiveness. These projects were found to have achieved the objective set forth at the beginning, according to the following positive facts which were observed by the evaluators. At the end of their respective projects the schools had increased their visibility and prestige among the companies, public authorities, and potential 'clients' which, in the words of the evaluator, considered them 'one of the best options for management training in the region' ('Strengthening of the International Management Institute of St. Petersburg', 'Strengthening and Development of the International Management Institute of Kiev'). The faculty members' management training know-how was up-graded, they became more competent in teaching modern management and they felt to be part of the school's corporate culture.

This latter dimension was particularly true for the 'Strengthening of the International Management Institute of St. Petersburg' project, which seemed to have achieved the most in this area (see also Box 2). The schools' international contacts were well established, the equipment was up-graded, the respective libraries far more complete and modern than before.

Not all the projects were equally effective in building a strategy development capacity in the schools, or in developing an autonomous status while maintaining the linkage with the parent institution (e.g. the local State University). A positive example under this respect, is again represented by the 'Strengthening of the International Management Institute of St. Petersburg', while the opposite situation was observed in the 'Business School Conversion in Voronezh' project, where the Business School failed to become independent from the Voronezh State University. These diverse situations seem to be the result of the institution's progressive-oriented management in the former case, and of the prevailing of an old-setting in the latter case.

> Box 2
> The IMISP case
> 'According to the IMISP Director, the main aim of the project was not to set up an MBA in IMISP, but rather to strengthen the institute, mainly through the development of its faculty. There is a clear understanding by IMISP management that the strengthening of the institute was strictly linked to the ability of the project to create a pool of human resources (faculty) which would allow it to provide a wide range of training services, including MBA. Despite the initial difficulties met in retaining trained faculty, the project was able to fully achieve this objective. One of the undeniable results of the project is the creation of a strong team within IMISP - people who share common goals, values and have quite definite ideas about management training.'

Another area which remained difficult also for the effective projects, was that of addressing managers as separate form regular courses for young graduates. There were two facets of this problem. On one side there was the difficulty to prepare classes which would be relevant for them, practically oriented and taught with the right approach (this was, for example, the experience of the 'Higher Commercial management School' in Moscow). The problem lay on the fact that the managers' demand was not effective yet, that is it was not evident or explicit. Also the form of the required assistance is not always clearly oriented towards either training or consultancy.

7 other 'Institution Strengthening' projects appeared to be less capable to meet their respective objectives, that is to say that the schools were not helped to establish themselves as centres of excellence well-known in their region, and attractive for trainees. Those are the cases where the expected outputs were not produced or were only partly realised. The up-grading of teachers was not completed as compared to the original plan ('International Business School of Moscow', 'Kazakhstan Institute of Management, Economics and Strategic Research'), the library remained insufficiently equipped or the provided equipment was not corresponding to real beneficiary's needs ('Management Training in Uzbekistan').

But most importantly, the schools' strategic capacity to analyse the demand for management training and to effectively respond to it was not improved: an MBA-style course was set up where no signs of demand for it were evident ('Management Training in Uzbekistan'), theoretical lectures were provided where the need was rather for practical oriented training and consulting ('Assistance to the Tbilisi Business School'), courses and materials were prepared but with no attention paid to who the end-users would be ('Management Training in Moldova').

> Box 3
> The EuroCIS case
> 'The project succeeded in terms of quantity and administrative effectiveness. […] However, it proved to be impossible for most of the business schools to spare more that 1-2 of its staff for a year's training. As a result an insufficient number of participants representing business schools was available. A large proportion of the participants in the ToT programme were not, and are unlikely ever to be, full-time faculty members in business schools. In this project the language criterion had in an immense influence on the targeting and selection process and prevented the project from reaching the right target group.'

In yet other cases, the projects were performing from a quantitative and administrative point of view, but failed to implement the activities in a way that could contribute towards the ultimate project goals ('EuroCIS' provides large evidence of it, see also Box 3). Alternatively were able to implement activities but achieving a different project objective as compared to the original one ('Management Training for Executives: Transbusinees').

Major factors which have contribute to the negative achievements were: choice of the beneficiary based on political grounds rather than on potentiality for future development, training of trainers based on theoretical assumptions rather that based on the demand of future students and trainees; selection of teachers based on (stated or non-stated) non-objective criteria, lack of market analysis for the school; scarce use of the flexibility allowed by the contract during project implementation; insufficient involvement of beneficiaries during implementation.

Of the 4 'Management Training Delivery' type of projects, 2 scored well or very well on effectiveness ('Productivity Initiative Programme' and 'Human Resources Development, Samara Oblast'). Not only did they produce the expected quantitative and qualitative outputs but they also always oriented the activities and outputs towards the achievement of the objective. These two projects, in fact, were able to actually reach the group of managers for which the training had been designed. The selection of individual participants within these groups was carried out professionally and on the basis of objective criteria, and this proved to be a major factor for success. Another factor which improved effectiveness was the training approach which combined active training, consultancy, on-the-job experience. In the Samara project, the

> Box 4
> The Samara case
> '[…] The main criteria choosing candidates for the participation in the programme were their professional level and their potential for the future development of their institutes. The quality of the selection performed is confirmed by the fact that almost all the faculty who underwent the programme of training are continuing to work in their universities as lead teachers, and are actively involved in management training and consulting companies. […] The groups of trainees were formed in strict accordance with ToR including both private and public sector companies playing a leading role in Samara. The idea to train managers of industrial and public enterprises together was a great success.
> […] The training programme provided some theoretical background about the market economy, but was primarily oriented toward modern management techniques and the special issues arising from company restructuring and the economic transformation process. […] Active methods used in the training courses made it possible for the trainees to apply the knowledge while solving the specific problems directly connected with their practical work. […] The organisation of the training course included sequence of one week's training followed by a one-week break during which the trainees returned to their work place. Such a schedule ensured the high level of participation of top managers, who comprised 69% of total participants.'

action-learning approach made it possible to involve a high number of top managers among the participants (see also Box 4).

The other 2 projects belonging to the same category were less successful in achieving their objective. The selection of participants was done on the basis of language skills more than previous management experience ('Training Courses in International Trade'); the courses' organisation was not suited to the participants; it was difficult to find EU enterprises willing to offer internship to NIS trainees. In the Kazakhstan's project ('Establishment of a Training Programme for Young Entrepreneurs') the group of small entrepreneurs which was intended to be the main target group was not reached at all by the project activities. In general, the results were only partially achieved and in any case with great delay. Similarly to the previous case, the selection of trainees resulted in people with the wrong skills participating in some of the training activities.

There were 5 projects falling under the 'MT Component of a Sectoral Programme' category, of which only 1 resulted to be good in terms of effectiveness, though with some limitations. This project, in fact, was an inter-state one and the results were better achieved in Uzbekistan (where the bulk of activities were based) as compared to the other countries covered by the project activities (Tadjikistan and Kyrgystan). The training provided there was mostly technical related to the banking sector, while the management training itself was only a component addressed to the sector's senior and middle managers. The project was a good example of how training can be successfully combined with other forms of technical assistance (consultancy, advice, institution building) and investment on infrastructure (refurbishment of premises) which in this particular case were provided by other donors.

The other 4 projects had fallen short of objective, their activities were only partly implemented and the results only partly produced ('Assistance to the GKI and Investment Funds'). The managers which were supposed to undertake re-training were not available or affected by high turn-over, and the content of the training could not be focused because of changed priorities within the supposed-to-be sectoral reform ('Assistance to the GKI and Investment Funds'). In another case, managers were simply uninterested in implementing the changes suggested by the training ('Training and Education in the Region of Urals'). The linkage between training and change implementation was also missing in the 'Development of Volosovo Sovkhoz Technikum of Besseda' project. The project's academic part was the only successfully implemented component while the results expected from the reform of the college farm were not achieved. The 'Establishment of the Ukrainian Finance and Banking School' project found itself in direct competition with a similar project sponsored by the USAID but not enough was done to improve the co-ordination. At the same time, not enough resources were devoted by this project to the aspect of institution building (team-building, corporate culture, marketing and public relations skills) which would have greatly contributed to build an effective capacity to understand the market

> Box 5
> The case of the UFBS
> 'In general, the contractor practically fulfilled the objectives as to the number of training weeks and the number of participants. Still, throughout the life of the project it was extremely difficult to attract enough participants. It became possible to reach the numbers required in the ToR thanks to the attendance of many of the seminars by the young trainers. […] While marketing efforts were intensified, this still did not bring the expected results. At the same time the training centre of the national Bank of Ukraine financed by the USAID offered very much the same kind of seminars but did not experience the same kind of problems. […] As time went by, other centres (created within the large local banks) appeared, thus stopping the co-operation of these banks with the UFBS and even this did not bring any changes in the format of the project.'

demand and adapt to it, therefore the problem of competition was not overcome (see also Box 5).

In conclusions, the following factors can contribute to a good effectiveness. The right choice of the partner institution (beneficiary); a sound analysis of the market for the school; the right choice of teachers to be (re)trained; a tailored (re)training offered to the teachers, including appropriate and relevant topics taught to them; the use of flexibility to adjust the programme to the changing conditions; the active involvement of the project partners (beneficiaries). Where all or part of these conditions were not met, the projects could not reach their objective.

2.2. Efficiency

The assessment of efficiency was not part of the original remit of this investigation (ref. ToR 2.1) and such an analysis would have required systematic review of budgets, accounting procedures and invoices. A substantial amount of data relating to efficiency was collected, however, in the course of the desk review and of the missions. The Evaluation Teams decided not to discard this information, but instead to present it with the proviso that this section of the Report merely highlights the extreme cases. It does not offer a comprehensive analysis, and it does not offer specific measures for efficiency.

In 7 of the 20 projects, the Evaluation Team formed the impression that efficiency was satisfactory or good; these were IMISP, 'Productivity Initiative Programme (PIP)', Besseda Training Programme, Samara, HCMS, Voronezh, 'Regional Bank Training Centre in Central Asia (RBTC)'. Evidence supporting these judgements included the appropriateness and good quality of purchased equipment, provision of suitable premises, capable management in the beneficiary institution. In the case of the 'Productivity Initiative Programme', administrative costs had been particularly low.

At the other extreme, certain projects were clearly inefficient. The project `Establishment of a training programme for new entrepreneurs in Kazakhstan' spent MECU 1.1 to very little effect. The support for 'Management Training for Executives: Transbusiness Kiev' turned out to have been for an institution which no longer existed; the trainees who benefited could probably have been trained at much less cost elsewhere. In other cases the Evaluation Teams deemed that a project's results had not been commensurate with its substantial budget (KAMAZ, 'Assistance to GKI and Investment Funds in Kazakhstan'). Administrative costs for the EuroCIS project and for the GKI project in Kazakhstan were thought to be excessive.

Issues concerning the purchase of equipment were a common source of complaint. In many cases the beneficiary claimed that he could have obtained much more for the money; in some cases the equipment provided was not what the beneficiary wanted (Moldova, Georgia). In some cases the procedures for choosing a supplier had led to selection of a firm without the capacity to provide servicing or spares (IMI Kiev).

The fact that the projects under review constitute the first wave of Tacis projects must go some way to explaining why the level of efficiency was so often perceived to be low. Again, even a comprehensive analysis of project efficiency would face the methodological problem that in period of rapid and turbulent change, the tasks to be undertaken at the time when ToR were prepared may well have become obsolete by the time the project begins. False starts and some redundancy of effort will be found even in well-managed projects. That is a further reason for restricting the analysis of efficiency, in the present Report, to identification of the extreme cases.

2.3. Sustainability

A rating of `good' or `very good' was given to 5 of the 11 Institutional Strengthening projects, to 1 of the 4 `Delivery' projects and to 3 of the 5 `Component' projects. 6 projects were rated `poor' on sustainability, of which 4 were in the category `Institutional Strengthening'.

In assessing whether the effects of institutional strengthening were likely to be sustainable, the ETF Evaluation Teams considered whether the particular institution had a credible prospect of attaining financial viability during the period when foreign assistance would taper off. Had it succeeded in building a `product' (typically, a set of fee-charging courses) and in developing its own market so that there would be a sufficient revenue stream for it to retain staff of high quality? Again, had links formed with foreign institutions continued to be used, following the project's completion? And very importantly, had the institution developed internal management structures capable of strategy formulation and staff development?

The projects at IMI St. Petersburg and at International Business School (IBS), Moscow were judged to offer very good prospects of sustainability on these counts. Programmes offered by both schools are attractive to customers, the faculties continue to up-grade the teaching materials and create new courses. The 'International Management Institute of Kiev' is also self-financing through its courses offered to both students and companies. It was notable in all three cases that the assistance had been given to progressive institutions with prior contacts in the West.

The Higher Commercial Management School, Moscow has a good potential for sustainability based on its potential for executive training and consultancy work. Its management proved the capacity to assess the trends of the market and of the public financing in a realistic way (see also Box 6). The Tbilisi Business School ('Management Training in Georgia') is sustainable thanks to the Tacis project, without which the school would hardly have survived through the very difficult period.

> Box 6
> The HCMS case
> 'There seems to be a cautious optimism on future prospects, even if the scarcity of state funds goes along with an increase in market competition. […] On the other hand, Tacis project has made HCMS a more structured and knowledgeable institution with a good potential in executive training and in consultancy work (they have got a consultancy contract from the Duma for a law project in leasing). The School has established a good network of contacts with Russian and foreign business schools and this will be extended.'

In the other 6 projects of the same category, future sustainability was hampered by the fact that the institution building aspect was not developed as it should - that is, the schools' strategy and staff development capacity was not improved. This was particularly evident in those cases where the strategic development of the institutions met the opposition of the management ('Business School Conversion in Voronezh' 'Management Training in Uzbekistan', 'Management Training in Moldova', partly at 'Kazakhstan Institute of Management, Economics and Strategic Research'), which also prevented the schools to acquire an independent status from their parent institutions. In one case, ('EuroCIS') the project focused more on the individuals, many of which have left the business field anyhow, than on the institution. For the 'Management Training for Executives in Ukraine: Transbusiness' project sustainability is not an

issue, since the institution was not existing. The consulting firm that took over the project, however, was still functioning. It is worth nothing that, for some of the above mentioned projects, sustainability was an unrealistic achievement if one consider the too short time frame given by the contract.

Where management training services were delivered directly to managers, evidence on sustainability was provided partly from subjective responses of managers and partly from indirect indicators. Former participants in the 'Productivity Initiative Programme' (which received the top rating for sustainability in his category) indicated that they were already applying lessons they had learned. On the individual level the programme has without doubt provided a large number of managers with new visions, new knowledge and deeper understanding of the market economy. Indirect evidence of sustainability included their formation of a network of programme alumni and their continuing relations with a number of the host companies. At company level, however, the limitations of the programme should be stressed. One, sometimes 2 or 3 employees from a company cannot be considered as a critical mass able to give impulse to lasting changes. The age criterion correctly set that participants should be between 30-50 years (senior managers) but, at least in 1996 as much as 15% of participants were below 30, and only 36% above 40 years of age. Nonetheless, many of the interviews in this evaluation gave excellent examples of how the programme had influenced the company.

In the other three 'MT delivery' projects, interviews provided evidence of the poor sustainability of the projects' results and benefit. The training centre of the 'Establishment of a training programme for young entrepreneurs' was not fully operational, there were no full time teachers nor entrepreneurs to train. Training activities were limited to short term English and computer courses. The sustainable benefits generated by the 'Training Courses in International Trade' project were mostly at the level of the 75 participants who acquired new vision and deeper understanding of a wide range of managerial subjects. At beneficiary institution level, on the contrary, the capacity to promote new courses and consequently generate new income did not last (see also Box 7). In the 'Human Resources Development, Samara Oblast' project the participation of top managers in the training was the most important aspect for future sustainability. The results produced in relation to improvement of local business schools (it was the other aspect of the project objective), instead, were not sustainable insofar as the 'gains' remained at individual teachers' level while the possibility to spread their knowledge and know how through future activities was not created.

> Box 7
> The AFT case
> 'Despite the fact that the original programme focused on the individuals, the Academy was very interested in retaining the benefit of the project activities. The programme tried to build a number of elements that could contribute to the implementation of institutional strengthening. […] Unfortunately, due to financial difficulties encountered by the partners, the opening of the International Business Training Unit was postponed. At present this unit exists only formally. […] The production and distribution of advertising during the project implementation contributed to benefit the Academy, but Aft was not able to fund this activity beyond the project and the activity was not therefore sustained.'

Where management training was a component in a sectoral project, the willingness of the ultimate client to pay for the training `product' was again a good measure of sustainability. In the case of 'Regional Bank Training in Central Asia', which received top rating for sustainability, it was evident that banks recognised that this training was worth paying for, although in the sustainability will require further efforts, on one side in marketing to increase the number of trainees, and on the other side in course up-dating to adjust according to the

(future) banking legislation. The sustainability of the 'Assistance to the GKI and Investment Funds' was mostly at individual level, while the insufficient involvement of local experts in the project activities influenced negatively the institutional sustainability. One of the important project results (the establishment of an Association) did not achieve financial viability yet. The now independent centre of the 'Training and Education in the Region of Urals' project was able to use the new skills and knowledge to offer training to and consultancy for all the organisations in the region, small businesses included. This expansion of their market beyond the former parent-company represents solid ground for future sustainability.

On the negative side, conservative attitudes towards activities which could have strengthened the sustainability were observed in the management of two beneficiary institutions. Financially viable initiatives could have been launched in order to tackle a situation of heavy financial crisis of the institution ('Development of Volosovo Sovkhoz Technikum of Besseda'). This lack of dynamism will certainly create problem for the future, even in situations where in the short-term the institution capable to survive ('Establishment of the Ukrainian Finance and Banking School', Box 8).

> Box 8
> The UFBS case
> The sustainability of the school is not obvious now because, while the school lived on the resources provided by the project, the idea that the times will inevitably change and it will be necessary to earn one's living and the sooner to start doing it the better, did not make deep roots. […] Now it is not clear how the school will survive and develop on its own. While there is not immediate fear that the school will cease to exist, it is quite probable that (unless there is a change in management) in the next years the school will to a great extent live off the resources of the project and will not significantly gain ground in the competition.'

2.4. Impact

In forming their assessments on Impact, the Evaluation Teams made extensive use of respondents who had had no immediate link with the project, in addition to project participants. Particular attention was given to individuals who were themselves playing an active part in the reform process.

9 of the 20 projects (or 45%) were judged to have made a high or moderately high impact, with one score of `high' in each typology-grouping.

In the category 'Institution Strengthening', it was observed that project impact was positive (good or very good) in three cases ('Strengthening of the International Management Institute of St. Petersburg', 'International Business School of Moscow' - see Box 9, 'Strengthening and Development of the International Management Institute of Kiev'). At school level, this positive impact was measured in relation to the acquired capacity to define a development strategy for the institution itself. At level of individual teachers, some of them had been able to improve their career as a consequence of the up-graded skills ('International Business School of Moscow', see also box 9). As far as the external environment is concerned, the projects had an effect on the management training market. The IBS, Moscow and the IMISP, St. Petersburg were able to occupy a precise position, that is to meet the demand of a precise market segment by designing tailored training products. Their stronger presence in the market generated an indirect effect on other educational institutions, which felt the competition and tried to improve their own programmes. The impact on the enterprises was also an indirect one, realised through the managers sent for training or through the teachers invited by the enterprises for ad hoc in-house short training.

In the remaining 8 'Institution Strengthening' projects, the impact was assessed as non positive or at least as different from the expected one. This was the case of the projects where the trainers left the institution for other (better) jobs ('Management Training in Georgia', 'Co-operation between the Higher Commercial Management School and a European Management School', 'Management Training in Moldova'). In other cases the positive effects were limited to the level of individuals, while the capacity to design and implement a new development strategy for the whole institution remained low ('EuroCIS', 'Management Training for Executives in Ukraine: Transbusiness', 'Business School Conversion in Voronezh'). In certain settings the gradual introduction of newer approaches to school management were rejected by old-style institution directors ('Management Training in Uzbekistan', 'Business School Conversion in Voronezh'). In yet other cases the institutions were not able to enhance their position in the training market, that is to design training course which were known and attractive to a given segment of the demand ('Management Training in Uzbekistan', 'Co-operation between the Higher Commercial Management School and a European

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Box 9
The IBS case
'The market research implemented in the project presented an important overall survey of the market of educational needs for the major companies in the Moscow region. In respect of defining the "IBS Product Portfolio" it became possible to reconsider an effective supply of newer and more differentiated educational products, both in terms of catalogue products and of customised units. As for the standard courses for entrepreneurs and managers (Russian and foreign) the increasing interest that many international companies showed towards business in Russia has created a new market segment for the IBS. Some new teaching "ad hoc" initiatives (marketing, human resources, finance) have been included in the IBS Catalogue and were launched in April 1995. […] One of the drawbacks of Russian business education are the weak links business. The development of the IBS from the point of view of potential offer, reliability and efficiency of its structure had an impact on the market, namely, in terms of new market segments reached and a new programme, Catalogue, new teaching techniques and material.'

The PIP case
'The impact of the programme has primarily to be evaluated in relation to the number of participants. Until now 490 managers have undertaken a 3-month on-the-job training programme in Europe. […] Furthermore a number of CEOs have visited Europe and the host companies, no less than 118 in 1996, contributing to the impact of the programme. Finally it is estimated that 15% of EU companies have sent their managers to visit Russian companies within 3-6 months after the internship. […] The results of the 6-months follow-up after returning home indicates the impact of the programme, but no effective or systematic follow up methods on impact have been established.'
The Samara case
'In the opinion of the CEOs of companies interviewed, the programme was useful and seriously influenced their behaviour. […] The business plan worked out during the project and the provided consultations found their future practical application, especially in the development of marketing activity and personnel management. […] Practically all the managers interviewed spoke about their desire to continue studying. Some participants of the project applied for participation in the other EU-Tacis "Productivity Initiative" project.'

Management School', 'Management Training in Moldova'). The impact on enterprises was diminished by the fact that many of this group of projects were not capable to reach directly managers and more in particular executives. The schools' effect on the enterprises, therefore, was confined to the one generated by the individual young graduate which were employed by these enterprises and whose number, moreover, never reached that critical mass which could eventually promote changes ('Kazakhstan Institute of Management, Economics and Strategic Research', 'Co-operation between the HCMS and a European Management School', 'Management Training in Uzbekistan').

The 'MT Delivery' type of projects were considered successful in terms of impact when evidence suggested that a change had been effected in individuals' outlook. Such changes in outlook must be a pre-condition for institutional change; the actual change processes in their parent companies may be expected, as in Western companies, to build up momentum over a longer time period. In the light of this, an important measure of impact was also the capacity to involve the CEOs of the companies, from whom the initiation of a change process may more likely be expected. A verification of the two indicators was found in the 'Productivity Initiative Programme' and possibly even more in the 'Human Resources Development, Samara Oblast' project (Box 10). In other two cases, instead, the projects could only train young people being not really in a position to generate change in their parent companies. In one case some of the trainees were not working in the targeted sector ('Training Courses in International Trade'), and in another even worst case the targeted sector was virtually not existing in the country ('Establishment of a Training Programme for Young Entrepreneurs in Kazakhstan').

Of the projects which were 'Components of sectoral programmes', 4 out of 5 scored well or very well on impact, and the 'Regional Bank Training in Central Asia' achieved the top rating. The bank training centre gained the leading position in the market, and major firms were sending their employees for training. An unintended effect was that some of the trainers left the institution to be employed by large banks, therefore remaining in the same sector. There was an indirect effect on other training institutions belonging to the same sector, in so far as they were improving their offer of training as a result of the competition. The banking training centre established de facto the standards for a quality banking training. This was also the case for the new curriculum produced under the 'Development of Volosovo Sovkhoz Technikum of Besseda' project, which was then introduced by the State authorities in to similar Russian educational institutions.

The impact of the 'Training and Education Centres in the Region of Urals' has primarily to be evaluated in relation to the sheer number of participants in the training. In this project addressed to the cadre of the regional enterprises, a very high number of managers were trained, including a good deal of younger executives that are now in relatively high positions. Among the several thousands of individuals trained there also were people in the small business.

In a project to support the privatisation process, instead, the impact of the technical assistance was quite low. The intended results coincided with sets of recommendations which had no or little influence on the implementation of the privatisation programme. As long as the management training is concerned, this component was reduced as compared to the initial design, bringing about only limited impact.

2.5. Relevance

14 of the 20 projects were rated `high' or `moderately high' on relevance; the top scores were for IMISP and 'Human Resources Development in the Samara Oblast'.

The issues faced in making these assessments are similar to those raised in the earlier discussion (see 2.1) of assessing the `effectiveness' of these projects. It is clear that in the early 1990's there was a pressing need for management training throughout the enterprises and institutes of the NIS. Respondents were in no doubt that management training was highly relevant to their enterprises and their economy. What they meant by `management training' differed widely, however, from one set of respondents to another. Management training is not a homogeneous commodity, and what is highly relevant to one set of circumstances can be inappropriate in other contexts. Relevant `circumstances' would include: awareness of the market on the part of enterprise managers, extent to which reforms have progressed in the country's economy and its legal framework, extent to which power has shifted from the former industrial elite. Mismatches show up sharply in those cases where, in the judgement of the Evaluation Teams, relevance was relatively low. The idea of launching a programme for young entrepreneurs in Kazakhstan was probably inspired by the successes of small business in Western countries as employment creators and sources of dynamism. Transported to a profoundly different cultural context, and without careful prior groundwork, the training fell flat. Again, the programme of assistance for Investment Funds in Kazakhstan found that economic environment was not yet ready for such an initiative. The management training project in Uzbekistan and the large EuroCIS project brought together heterogeneous groups of trainers and gave them standard, Western-style courses; little account was taken of the different kinds of training needed by different groups of final users.

The deeper forces with which a project has to cope, if it is to make an effective contribution with direct relevance to the reform process, may be illustrated by considering one case in more detail. The project `Training and Education in the Region of the Urals', which was classified as a component in a sectoral programme, was given a rating of `moderately high' for relevance. The project was conducted in the Training Centre of the truck manufacturing enterprise KAMAZ, in the Tatarstan Region. This is a giant company which had been the main provider of employment and of social services in its city and region.

The project's broad objective was to promote improvement in the levels of productivity and competitiveness in the enterprise and in its industrial hinterland. This was to be undertaken through the means of training the personnel of the Training Centre and working alongside them to train managers from KAMAZ and other enterprises.

The ETF Evaluation Team concluded that the project had been both effective and relevant in giving the staff of a training institute access to Western methods and experience. On the wider question of helping raise the levels of productivity and competitiveness it did not appear, however, that the project had come to grips with the actual problems facing the enterprise. Visiting KAMAZ in mid-1997, the Team listed a number of apparent contradictions:

- On the one hand KAMAZ was cutting overheads with an eye to raising productivity: the number of staff in its central administration had fallen by a factor of 60%. On the other hand, there appeared to have been little change in organisational performance: in the words of one respondent "if you have business with KAMAZ you have to run round for a week from one office to the next, to no avail; nobody is able to tell you where the decisions are made".

- On the one hand, the documentation in managers' offices on how Western companies undertake Total Quality Management was comprehensive and up-to-date. On the other hand, there was little evidence of any change in actual operating practice.

- On the one hand, KAMAZ had moved to short-time working (24 hours/week) in response to the decline in effective demand. On the other hand, KAMAZ facilities were heavily used at weekends by work teams which were finding a ready market for components they produced and sold on their own account.

Respondents suggested that the relevance of the training programme would have been much greater if the contractors had been given the scope to use their skills pragmatically, seeking out openings where Western systems might be accepted and might demonstrate their worth. It was felt that a highly respected and experienced contractor firm had not been used to best advantage. Instead of delivering pre-determined training packages, developed in a profoundly different business culture, it could have been given the remit of first identifying critical problems and of then supplying problem-related training. The Evaluation Report on the KAMAZ project concludes that little or no account had been taken of the residual habits of Soviet mentality and culture; these factors had simply not been addressed. For example, the contractor had been asked to provide instruction on `organisational restructuring' as that is understood in a large Western firm. The training was not directed at identifying and dealing with the many intervening factors which for a firm in the NIS impose constraints at each stage in a restructuring plan.

3. ACHIEVEMENTS IN PROJECT CYCLE MANAGEMENT (PCM)

The next paragraphs deal with Project Cycle Management, focusing on the capacity of the aid agency to take into account, along the project cycle, specific concerns arising from both project appraisal and - during implementation - the adaptation of the project to changes proposed as a result of the feedback mechanism established by Tacis through monitoring activities.

Achievements in PCM are analysed with a special reference to the issue of flexibility, that regards Tacis structure as a whole, at both central and peripheral levels. Such flexibility can be mainly appreciated in terms of actual implementation of recommendations, made by monitoring teams, concerning any major changes of the original project design, suggested after the start of project implementation in order to cope with changing conditions in the environment. It can also be noted in terms of both contractors' capacity to adapt to local conditions during implementation, and beneficiary institutions' capacity to understand - and adapt to - Tacis procedures in the management of technical assistance.

In general, the overall achievements in PCM have been good or very good for 8 out of the 20 projects included in the sample. Out of the other 12 projects, 10 were judged to have experienced a PCM below standard, and the remaining 2 were considered to be very poor in PCM. Targeting and feedback presented serious problems in 4 projects, and design in 2 projects, while at least some problems were recorded in 5 and 8 cases, respectively.

Among the other weak areas identified by project evaluations, it is worth mentioning dissemination, with very poor or virtually no achievement in 9 projects, and co-ordination with other donors, assessed as a shortcoming in 12 cases.

3.1. Project preparation and appraisal

3.1.1. Project design and formulation of ToR

For the sake of the present analysis, project design includes the entire process ranging from the preparation of ToR, to the adjustments made at the Inception Report stage, and to the final reaction of Tacis. According to individual evaluation reports, achievements concerning project design were assessed as very good for 2 projects, good for 6, below standard for 10, and very poor for 2.

There was a clear relationship between good design, a problem analysis stemming from an accurate analysis of local conditions, an objective-oriented project planning, and good overall project achievements, as in the case of the projects 'Strengthening of the International Management Institute of St. Petersburg','Productivity Initiative Programme', and 'Management Training for Public and Private Sectors in the Samara Region'.

In some instances, like for example in the project 'Management Training in Uzbekistan', a biased design (not only in the preparation of ToR, but also at the Inception Report stage) was possibly the result of a mechanical reproduction of approaches mainly based on the provision of services, irrespective of the particular conditions of the local context.

Beneficiary's involvement in project preparation, since the ToR stage, proved to be a factor contributing to success, as in the case of the projects 'Strengthening of the IMISP' and 'Human resources development in the Samara Region'. In the latter initiative, special mechanisms for project management and quality control were included in project design with the active involvement of local beneficiaries, and they have been positively assessed by the evaluation. On the other hand, the lack of any involvement of beneficiaries was considered to be a factor affecting overall project achievements, to the extent that local beneficiaries did not feel any ownership of the project, at least at the initial stages. Lack of involvement of the beneficiary institution in the selection of contractor contributed to the need of changing project design at the Inception Report stage, as in the projects 'Development of Volosovo Sovkhoz Technikum of Besseda' and 'International Business School of Moscow'[1].

The issue of beneficiary's involvement should not be underestimated at any phase of the project cycle, however, it seems to be particularly relevant in the project preparation stage. As the report on the 'Management Training in Georgia' stressed, "a number of deficiencies in the project's design can be traced back to inadequate involvement of the beneficiary in preparation and modification of ToR".

Another important aspect in project design is that the programme should have separable modules. This was assessed as a positive factor for the achievements reached by the projects 'Productivity Initiative Programme' and 'Regional Bank Training in Central Asia'. On the other hand, the lack of modularity represented one of the main problems for the 'EuroCIS' project. As regards this project, it is worth noting that, though the evaluation considered its design as a "theoretically advanced" one, at the same time it remarked that in many respects

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[1]   In the Besseda Technikum project, the design of the project was done without any initial appraisal. In the 'International Business School of Moscow' the contractor observed that the initial project design was neither based on an analysis of the actual and future needs of the beneficiary, nor did it take into account the profound changes the beneficiary was going to face.

it was not possible to implement it[2], thus stressing that a formally correct project design is no guarantee of good project achievements, if it is not coupled with a proper problem analysis.

In some cases, ToR did not pay sufficient attention to sustainability issues, as in the projects 'Regional Bank Training in Central Asia' or in the project 'Management Training for Executives: Transbusiness, Kiev'. In the Transbusiness project, in particular, the ToR described, as main beneficiary of an institution strengthening initiative, an institution that had completely changed by the time project implementation started. Even in a project whose ToR were assessed as being clear and well designed, sustainability was not sufficiently taken into account ('Training Courses on International Trade' at the Academy of Foreign Trade in Moscow).

Sometimes ToR are reported as being too optimistic. This could be the case of ToR that overestimated the training potential of the institution to be supported, at the same time underestimating the volume of resources needed to achieve the expected outputs, thus requiring adjustments at the Inception Report stage, as in the case of the project 'Training and education centres in the region of Urals (KAMAZ)'. It could also be the case of well written ToR, planning realistic and relevant activities, but within a too short project duration, as in the project 'Business School Conversion in Voronezh'.

Some ToR were too prescriptive, particularly with regards to quantitative targets, which brought about the need to achieve those targets at the cost of facing some initial difficulties, for example, in retaining trained faculty ('Strengthening of the IMISP'). Other ToR were "quite vague and by far too ambitious taking into consideration the relationship between proposed activities, strategic orientation and the duration of the project" ('Management Training in Moldova'). The same applies to the project 'Establishment of a training programme for young entrepreneurs' in Kazakhstan, whose "very loose" design "disappears from the later progress reports". Other ToR were at the same time too detailed on some components, allowing for little or no flexibility at all, and too vague on other components[3], as in the case of the project 'Establishment of the Ukrainian Finance and Banking School'.

The main general remark on the issue of project design is that preliminary studies have not always been adequate, both in terms of focus on the context and on its problems, and in terms of beneficiaries' involvement at an early stage. As preliminary studies should have led to the choice of an appropriate intervention logic, their inadequacy affected the subsequent definition of a project design. Documentation on project preparation was generally not available, apart from the ToR, of course, which form an integral part of the tender documents. However, some Monitoring Reports underline the absence of such documentation, particularly as regards MT projects of the first generation, which have apparently been designed under heavy time constraints, thus leaving little room for an in-depth analysis of local contexts.

3.1.2. Targeting, choice and appraisal of beneficiary

The targeting issue covers at least three different problem areas: targeting at the institutional level; targeting at the individual level; and dual targeting, institutional and individual, in projects addressing both levels.

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[2]   In this respect, a role was also played by the changes in the context, as the project 'EuroCIS' was initially designed for the USSR, and its expansion to the CIS implied a multiplication of local co-ordinators, therefore increasing the difficulties related to the overall project co-ordination.

[3]   Namely, the distance learning programme and the component on long term training of trainers.

When targeting at the institutional level, the importance of a political endorsement of local beneficiary at the highest level has to be recognised, as in the case of the 'Kazakhstan Institute of Management Economics and Strategic Research (KIMEP) MBA Program'. The evaluation has pointed out, however, that some projects faced problems which can partly be connected to the fact that the choice of beneficiary institution (or institutions) was influenced by political decisions. This could be the case of the projects 'Development of Volosovo Sovkhoz Technikum of Besseda' (a former Director of the Technikum had become Peoples Deputy in the Supreme Soviet of the Russian Federation), 'Management Training in Uzbekistan' (3 different institutes were chosen at a political level as beneficiaries of a project covering two separate issues, management training and language training; furthermore, out of the beneficiary institutions, 2 were direct competitors[4]), and 'Management Training for Executives: Transbusiness, Kiev' (the beneficiary institution, chosen at the political level, was a branch of the Institute of Management and Self Management under the Cabinet of Ministers; at a later stage it was transformed in a privately owned joint-venture).

Implicit in the targeting of an institution is the choice of a strong individual to be project leader, with some assurance that he or she has sufficient power within the institution. This was found to be highly important in a large number of cases.

An example of poor targeting is provided by the 'Establishment of a training programme for young entrepreneurs' in Kazakhstan, where few linkages to governmental policies, many changes in partners, the choice of a controversial partner, and other limiting factors affected the overall relevance of the project.

On the other hand, good examples of targeting at the institutional level are provided by projects like 'Strengthening of IMISP', 'International Management Institute, Kiev', and 'Training and education centres in the region of Urals'.

As regards targeting at the individual level, a positive example was recorded by the 'Productivity Initiative Programme'. The evaluation has shown that proper targeting at the individual level can be affected not only by selection criteria, like the age of participants, their language proficiency, their status, but also by factors inherent to project design, like the duration of training activities abroad, sometimes too long for those who would have been best qualified to attend (EuroCIS), at other times too short.

Examples of a targeting which was only partially correct are given by the project 'Management Training in Georgia', with a right institutional targeting coupled with poor targeting of individual trainers, and by the 'Ukrainian Finance and Banking School', where the choice of the region was good, while the choice of the beneficiary "was not the best" one, as the institution selected was "very conservative" and not best placed to introduce new management concepts and new teaching methods and practices.

A potentially correct targeting was hampered in the project 'Management Training in Moldova' by the lack of involvement of beneficiaries since the identification stage, as "their knowledge of the local situation and understanding of the aims and means to achieve them could have influenced the whole project".

In some cases there seems to have been misplaced expectations from beneficiary institutions, that apparently asked for much more control over project resources than that permitted by Tacis rules ('International Management Institute, Kiev').

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[4]   The evaluation recorded a good choice of the region, and at the same time a wrong choice of the beneficiary, as "it was potentially dangerous to put together two competitors and try to develop two identical programmes" in a narrow market.

The evaluation of the project 'Management Training in Moldova' stressed the need to make known to beneficiary institutions the process of introducing changes to ToR. This recommendation has a general relevance, as "targeted" institutions did not always fully understand Tacis procedures and basic rules concerning Project Cycle Management (see also the case of the project 'Management Training in Georgia').

In conclusion, the choice of beneficiary seems to be an important aspect of pre-appraisal activities. An appraisal of the proposed beneficiary institution should be performed and completed before a final decision is made on targeting issues. This kind of appraisal could also provide useful information for the fine tuning of tools for agreement with beneficiaries, like the "Statement of endorsement".

Such a more in-depth institutional appraisal would probably require a longer time in project preparation, but it could contribute to a more effective choice, by targeting projects on the basis of an informed knowledge of local institutions that are more committed to the reform process, thus increasing the potential sustainability of project benefits.

3.2. Project implementation

3.2.1. Selection of contractors

The importance of paying greater attention to previous co-operation with foreign institutions in selecting European contractors emerged quite clearly from the evaluation of the 'Co-operation between the Higher Commercial Management School of Moscow and a European Management School', but the same issue was stressed by other evaluations, like those of the projects 'Management Training in Georgia', 'Management Training in Uzbekistan', and, on a positive side, 'Management Training for Public and Private Sectors in the Samara Region' and 'Strengthening of the IMISP' (in the latter case, a particular mention should be made of the level of networking with European institutions allowed by the choice of the contractor).

Another issue is the definition of technical and institutional requisites of the expected contractor, which should be adequately reflected in project design through a profile of the executing body and of its roles and responsibilities. When this is not properly appraised, the tender could result in selection of a contractor which, though qualified for tendering, would not actually meet the needs of beneficiary institutions.

In several cases, for example, a main contradiction was recorded between the beneficiary institution's expectations, as an academically oriented educational establishment, and the contractor's possibility to provide for its requirements ('International Business School of Moscow' and IMI Kiev). In the IBS project, furthermore, the contractor's corporate instability had an adverse effect on project implementation.

In another case, a certain mismatch seemed to emerge between the contractor's capacities, with more experience in executive training than in MBA development, and the aims of the project ('Kazakhstan Institute of Management Economics and Strategic Research (KIMEP) MBA Program').

3.2.2. Monitoring and feedback mechanisms

- *Contractors' reporting*. On the average, contractors' reporting matched the requirements set forth by Tacis, though some reports (in particular Project Completion Reports, and some - very few - Inception Reports) were delivered with delay.

As to the quality of reporting, sometimes ('EuroCIS') an overall lack of a "problems and lessons learned" approach in project reporting was observed, while other evaluations remarked a tendency on putting more emphasis either on results rather than on lessons learned (KAMAZ) or on problems encountered ('Assistance to GKI and Investment Funds' in Kazakhstan), or on quantitative, rather than qualitative information ('Training Courses in International Trade'). Sometimes insufficient attention was paid to the issue of the sustainability of project results ('Management Training in Uzbekistan').

Some reports were filled with "technicalities about the training aspects of the project, but [were] poor of insights about the real problems the training had to respond to" (KAMAZ).

In other cases the reporting was quite satisfactory and even advanced with respect to qualitative assessment of project implementation as well as to lessons learned ('Development of Volosovo Sovkhoz Technikum of Besseda', 'Management Training for Public and Private Sectors in the Samara Region').

- *Monitoring teams' reporting*. Some critical remarks on monitoring activities are related to the overall effectiveness of such an exercise: some Monitoring Teams did not always critically consider the results of the project ('Management Training n Moldova'); a thorough monitoring does not guarantee an understanding of the project, its objectives, achieved results and impact (EuroCIS); in a project, Monitoring Teams came in too late ('Management Training in Uzbekistan'); sometimes they do not monitor the use of budgets, which is important in order to properly assess project efficiency and effectiveness ('Productivity Initiative Programme'); in one case ('Assistance to GKI and Investment Funds' in Kazakhstan) the contractor reported that no monitoring reports were made during project implementation.

  The evaluations stressed that the monitoring approach should be capable of being adapted to changed conditions, rather than having to require that the project comply with original ToR irrespective of the actual changes which had taken place meanwhile and which should have led either to stopping the project, or to deeply modifying it ('Management Training for Executives: Transbusiness, Kiev'). A greater capacity to react to monitoring inputs should be put in place in the project environment. Sometimes, though the Monitoring and End-of-project Assessment Reports were of high quality, "none of the parties - contractor, School or Task Manager - took the initiative in proposing substantial modifications in the ToR that could have brought them into line with contemporary reality" ('Management Training in Georgia').

  Having said this, it should be noted that the average quality of Monitoring Reports is good, that since the launch of systematic monitoring activities a wealth of information on project implementation has been gained by Tacis, that Tacis sometimes required from Monitoring Teams a specific assessment on a request of extension (thus making use of monitoring services even beyond narrowly defined monitoring tasks), and that in some cases an effective use of the logical framework format was made. In one case, a specific section was devoted to PCM ('Development of Volosovo Sovkhoz Technikum of Besseda'), providing very useful insights, not only into project implementation, but also on the management approach of Tacis.

- *Tacis reaction.* Tacis reaction to monitoring inputs has on the average been good, but sometimes it was insufficient or late, in particular in those cases were urgent action was requested in order to redirect or even stop project implementation.

To give an example of this, the evaluation of the project 'Assistance to GKI and Investment Funds' in Kazakhstan stressed that "the lack of results, the poor project implementation, the lack of governmental support, the lack of recipients or 'customers', the problems with the partner, etc. have all been noted in the different monitor reports... no real changes have still been made". Procedures should be introduced to stop such projects, and other ones which provide clear signals of major difficulties, like the project 'Management Training for Executives: Transbusiness, Kiev'.

Similarly, procedures should be devised in order to adapt specific project components, whenever the changed conditions of the context suggest that an alternative use of the related budget could be more effective ('Development of Volosovo Sovkhoz Technikum of Besseda').

In other cases, there was poor Tacis feedback to Monitoring Reports, and even Contractor's Reports remarks, on difficulties being faced by the project ('Kazakhstan Institute of Management, Economics and Strategic Research MBA Program'), or no reaction to some important information on difficulties related to some project activities (such as the poor attendance of courses) or on the competition with other donors ('Ukrainian Finance and Banking School').

3.2.3. Issues related to technical assistance

The presence of long term resident experts was seen as a factor contributing to project success ('Development of Volosovo Sovkhoz Technikum of Besseda', 'Training Courses in International Trade', 'Management Training in Moldova', 'Management Training for Public and Private Sectors in the Samara Region', 'Assistance to GKI and Investment Funds' in Kazakhstan). This conclusion is supported by many Monitoring experts, and it is confirmed also by the positive assessment of a USAID project in Georgia which had a resident manager ('Management Training in Georgia').

On the other hand, the absence of a representative of the project in the field was considered as an negative factor ('International Management Institute, Kiev'). Similarly, a high turn over of contractor's project managers negatively influenced project achievements ('International Business School, Moscow').

Some evaluations suggest that a smaller number of consultants could be posted for a longer period - without any major changes to the overall budget size - in order to improve project effectiveness ('Management Training for Public and Private Sectors in the Samara Region', 'International Management Institute, Kiev', 'Development of Volosovo Sovkhoz Technikum of Besseda', 'Strengthening of the IMISP').

Good relationships among expatriate staff and local staff are very important for good project achievements ('Development of Volosovo Sovkhoz Technikum of Besseda', 'Strengthening of the IMISP', 'Management Training for Public and Private Sectors in the Samara Region'). In one case, difficult relationships of expatriate staff with local bureaucracy were recorded ('KIMEP MBA Program').

The evaluation stressed the need to identify a local programme manager, who can guarantee continuity to the project ('Training Courses in International Trade', 'Management Training in Moldova'), or even become a factor for its success. A turnover of such a key person had

negatively affected projects like 'Development of Volosovo Sovkhoz Technikum of Besseda' and 'Management Training in Moldova'.

3.2.4. Co-ordination with other donors

Co-ordination seems to be a largely underestimated issue, both by Tacis and by other donors. Apart from some exceptions, relationships between different projects is based on individuals' networks, rather than on institutional networks and effective co-ordination mechanisms.

Donors' co-ordination was a key factor of success in the multi-donor project 'Regional Bank Training in Central Asia', given the weakness of the institutional support from the Tacis side.

Some evaluations have recorded co-ordination as "a major problem despite some recent improvements" (KIMEP), others have stressed that a lack of co-ordination was among the reasons justifying many of the project difficulties ('Management Training in Moldova' and 'Ukrainian Finance and Banking School'). In this regard, the negative impact of donors' competition was recorded in the projects UFBS and 'Assistance to GKI and Investment Funds' in Kazakhstan.

3.2.5. Other issues

Tacis procurement procedures were not fully understood by beneficiary institutions, and many problems were mentioned during the evaluation missions concerning the lack of a clear understanding of the "rules of the game". The possibility of introducing local procurement was seen as a means to achieve a more efficient, cost-effective way of using the available resources, bearing in mind the need for ensuring an easier maintenance of equipment through local procurement.

A greater effort is needed in order to clarify roles and responsibilities of the partners involved in a project, as regards, for example, the rights on material or immaterial goods and resources made available through the project (i.e. dissemination and copyright on teaching material)

LIST OF ACRONYMS AND ABBREVIATIONS USED IN CHAPTER 2

GKI	Gosudarstvenny Komitet dlja Imuscestva
	(State Committee for the Property)
IBS	International Business School of Moscow
IMI Kiev	International Management Institute of Kiev
IMISP	International Management Institute of Saint Petersburg
KAMAZ	Kamsky Avtomobilny Zavod, Naberezhnye Chelny, Tatarstan
KIMEP	Kazakhstan Institute of Management, Economics and Strategic Research
MBA	Master in Business Administration

MECU   Million ECU

MT   Management Training

PCM   Project Cycle Management

RBTC   Regional Bank Training Centre of Central Asia, Tashkent, Uzbekistan

ToR   Terms of Reference

UFBS   Ukrainian Finance and Banking School

USAID   United States Agency for International Development

Chapter 3

Discussion of Common Themes and Issues

1. PERCEIVED NEEDS

1.1. The need for management training in countries of the Former Soviet Union, as seen by individuals actively engaged in the reform process

Was management training perceived, in the recipient countries, as an important component in the reform process? Did managers and policy-makers in these countries endorse the decision by Tacis to include management training as one of its initial five priority areas?

To answer this question, part of each Evaluation Visit was reserved for interviewing relevant individuals who had had no direct involvement in the particular project. The interviewers looked for individuals who were seen locally as leading advocates for the reform process. Respondents included top business executives, a Minister of the Economy, top oblast officials, individuals from the Education ministries, journalists and academic writers. Within the business sector, managers from a cross section of institutions were interviewed: from small and medium sized firms, from new as well as newly-privatised firms, from public enterprises, foreign firms, entrepreneurs' associations, chambers of commerce.

Every respondent agreed that a shortage of well-trained managers had been, and continued to be, a serious hindrance to the reform process. The need was for managers who could move beyond their own specialisms, which had usually been differentiated according to the particular engineering technology in which the individual had been trained (metallurgist, electronic engineer etc.) On the one hand, roles such as marketing manager, finance director, company treasurer, service manager assumed a new importance for a firm operating in market conditions, on the other hand the job of general manager now covered issues of business strategy which in previous times either had not arisen, or had been the responsibility of ministry officials. In each case, new skills and systems were required for which there had been no need under the command economy. Again, managers would greatly benefit if they could exchange experience with others facing similar problems, who could be employed in widely different sectors. Training institutions focused on management rather than on a specific technology could provide a framework within which .these contacts and exchanges would take place.

There was general agreement on how the training should be targeted. It should focus on two groups: on key middle managers and on the ablest of the young specialists or graduates at the start of their business careers. The endorsement of top management would be critical to the success of any change process within the company, including the training process, and for this reason the interest of top managers should be captured at an early stage.

It was also generally recognised that for the training to be sustained beyond the period of Western support, it should have an institutional base both in sector-specific training institutes (e.g. in banking, in agriculture) and in business schools. This implied that strengthening, or in some cases creating, training institutions should be part of the programme for reform.

Beyond these points of agreement, responses varied according to local circumstance. Outside the major cities (Moscow, St. Petersburg, Kiev) the over-riding need was seen to be for short, practical programmes aimed at key middle managers and for strengthening local institutions so

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that these could provide such programmes in future. In some cases the courses would be sector-specific, in other cases they would focus instead on a theme which crossed sector boundaries (e.g. Human Resource management, Company information systems, quality management). Short familiarisation courses for top managers, probably centred on visits to Western companies, would be useful in winning understanding and support for these middle management courses.

Respondents in Moscow, St. Petersburg and Kiev considered that the jobs market was well enough developed to absorb younger recruits who had added a diploma from a longer business-studies course, and a second language, to their earlier academic qualifications. These respondents saw the need for creating a small number of flagship training institutions which would offer longer courses (of e.g. two years part-time or one year full-time) for these young recruits as well as short, high-level courses for practising managers. These institutions would serve as standard-setters for the management training sector.

In short, respondents considered that where the local economy was relatively well-developed, there would be a need for all kinds of management training, while in regions where market reform was still at an early stage it would be premature to launch long Diploma or MBA courses and expect them to be sustained.

Strong views were expressed on managers' need for very practical training, based on the specific problems they faced every day. Managers did not want courses of lectures on Western methods and practices, they wanted to be shown how these could be used in solving actual current problems. Where Tacis projects had targeted managers rather than trainers, short working placements had usually been arranged with companies in Western Europe, with an academic institution playing a supporting role in co-ordination and follow-up. These programmes, when well run, were seen to meet the real needs.

1.2. The forms of management training best suited to meeting end-users' needs, as perceived by local respondents involved in the project

On each Evaluation Visit, interviews were held with managers who had taken part in the training courses (in those cases where managers had been trained), with Deans or Directors of the training institute (the `Beneficiary') and with trainers who had themselves undergone training in the course of the project.

The nature of the management training needs, as perceived by these separate groups, is summarised below.

Participant managers expressed the need for practical courses, based on their own business situations, and preferably in modular form (e.g. in blocks of three or four days separated by periods of three or four weeks back at the firm). On-the-job, problem-solving training was the preferred method. They wanted to have direct contact with experienced Western trainers. When the Western trainer had conducted a working visit to a participant's company, and had provided individual consultations, this had been greatly appreciated. Work placements with Western firms were usually rated highly, although in some cases this had been rather hit-and-miss.

The projects `Regional Bank Training in Central Asia' and `Productivity Initiative Programme' appear to have met the needs of managers. In both cases the ToR focused on the needs of the end user, i.e. the manager, and allowed enough flexibility for practical changes to be made in the course of the project. In the case of PIP, the contractor was able to build on prior relationships which many of the participant firms had established with Western firms, to set up effective company placements.

Certain other projects provided a broad training for groups of trainers ("Training the Trainers") without any clear specification of the target groups whom these trainers would go on to train, or of the future willingness of these groups to undergo - or pay for - particular kinds of training. The project `Management Training in Moldova' proposed that a training institution, to be set up from scratch, should provide a wide spectrum from general to specialised management courses, for a variety of target groups: a remarkably ambitious goal for a newly-formed institution to reach in one year. By the project's end the most promising customers appeared to be not the cadre of active executives, but unemployed managers whose fees would have to be paid from public funds. The project `Establishment of a training programme for new entrepreneurs in Kazakhstan' was intended to assist managers of small and medium-sized enterprises (SME's) but in practice these turned out to be difficult to recruit. In the words of the Evaluation Report, the relevant population of SME managers appeared to "lack business culture but seem not eager to acquire it". In neither case did the project definition start from an estimation of the end-user demand which might sustain these institutions in future.

Without exception, Deans and Directors saw the need to develop marketable products, i.e. fee-earning short courses which could attract practising managers or longer courses for younger management students, again charging fees. If experienced Western trainers were seen to take part in developing, and teaching on, these courses, that would make it much easier to sell the courses to talented managers and to charge realistic fees. Given the drastic decline in government funding, the first priority for all of the institutions was seen to be development of fee-earning courses. Deans and Directors also saw the need to train a cadre of teachers to continue to deliver the courses after the termination of the one-off injection of Western assistance.

Trainers who had themselves undergone training in the course of one of the Tacis projects expressed views on their own training needs which varied with the institution and the business environment in which they were working. In the case of Samara Oblast Training, the trainers were selected for the programme according to their knowledge of business and their potential capacity to engage in part-time consultancy activities as well as in teaching. The institutions and faculties from which they came were also selected as having well-defined categories of student to train. In these cases the trainers recognised that they needed to acquire new skills in the methodology of teaching and new tools, such as business games, which they could apply in training. They also recognised their need for more exposure to the practical problems of their local firms, and they found that focused visits to Western firms helped them to appreciate what questions they should ask. Again, they used the contacts with colleagues in Western training institutions to determine where their own teaching was or was not up to date, with consequent gains to their self-assurance.

The ambitious EuroCIS project set out to provide business and management education programmes for trainers from at least 12 NIS management training institutions. In the event, about 35% of the trainers were found from the business schools; the rest came from a wide range of University departments, ministries, companies etc. The heterogeneity of the group posed formidable problems. A focused programme specifically designed, for example, to convert able individuals who combined both practical and academic experience into management teachers could have been very useful, but this hastily assembled group of potential trainers was not chosen

according to such a plan. Again, there was no clear specification of the target groups of end-users, i.e. managers, who might in future pay fees to attend courses conducted by these trainers.

Many of the Deans, trainers and managers interviewed in the course of the Evaluation Visits were of the opinion that to conduct courses for trainers, without first assessing the requirements of the managers who would be the end-recipients of training or the existence of a well-defined group of future students, was to put the cart before the horse. The arrangement would be effective only in those cases where a very specific technique was to be taught: e.g. teaching someone how to use Excel software, or a discounted cash flow.programme The successful project `Regional Bank Training in Central Asia' was a case of this kind where the training needs were clear, and had a high technical content. A project which did start from a consideration of the needs of managers, the 'Productivity Initiative Programme', brought the participants into contact with companies in Western Europe where they could encounter a wide variety of business problems; they learned how to draw selectively from Western business experience in addressing these problems. Respondents from all three groups had concluded that the most important lesson from Western management training was to be found in its way of combining practical and classroom experience. At best, the problems encountered in the field supplied the motivation for spending time on the analytic methods studied in the classroom, and classroom discussion brought a range of experience and knowledge to bear on the practical problems.

2. ISSUES IN INSTITUTION-BUILDING

Institutional strengthening (and in some cases institution creation) figured in the ToR of all the projects. In some cases the project provided concentrated assistance to build up a single institution (IMISP, IMI Kiev, KIMEP, Voronezh State University). In other cases Tacis assistance focused on improving the knowledge and skills of groups of individuals (e.g. trainers) with the expectation that their parent institutions would benefit (EuroCIS). In yet other cases, a project which started with institutional strengthening as a main objective ended by achieving only the upgrading of its individual trainees: the individuals were well satisfied but the institution had ceased to exist (`Transbusiness Kiev', `Management training in Moldova', Training for young Entrepreneurs in Kazakhstan').

The importance of institution-building was stressed by virtually every one of the respondents involved in the wider programmes of reform. In most institutions, and notably in training institutes, many individuals occupying positions of authority and many of the trainers would be people who had spent their formative years in a highly centralised command economy. There was a real possibility that the transfer of `know how' would be interpreted in a formal and mechanistic way in some institutes, that they would make no more than cosmetic changes to their organisation and that didactic styles of classroom teaching would prevail. Tacis had been well placed to promote organisational change as well as changes in curriculum content.

Respondents emphasised the following issues in the context of institution-building.

2.1. Competition

In most cases where Tacis provided institution-specific support, the institution was already operating in competitive markets: notably for the best students and managers, for fee-paying students and managers, for the best faculty members. In these cases, Tacis support gave the institution a competitive edge over its rivals.

This in turn puts a premium on Tacis's having made the best choice of beneficiary. In most of its `flagship' projects it was generally agreed that Tacis had made the right choice (IMISP, IMI Kiev) and in these cases it was accepted that the disadvantages from introducing a market distortion were outweighed by the merits of having a flagship institution capable of setting high standards. In some cases the question of competition hardly arose (KIMEP), and local political support appeared to be strong enough to secure a future for the chosen institution. Where a leading institution also enjoyed political support, the two factors (institutional competence and political support) were mutually reinforcing; on the other hand, some of the least successful projects were ones where there had been heavy political influence on the choice of beneficiary but the institution itself had not gone on to establish professional credibility (Transbusiness Kiev, Management Training in Moldova). In yet other cases a curious market evolved where an institute in which donor A was helping to develop fee-earning courses found that these were in direct competition with courses which another institution was offering for free, thanks to the largesse of donor B (Moldova, Ukraine Finance and Banking School). The need for co-ordination between donors was frequently mentioned, in the context of institution-building.

The fact that a training institute will have to compete in a market economy raises further questions. `Dissemination' of the teaching materials produced in the course of a project appears, as a worthy objective, in the ToR of many projects. For the individual institution however there is an understandable reluctance to hand over its materials to any fly-by-night training consultant offering cut-price courses. A further problem arises because of the still shaky foundations in the NIS for intellectual property rights. In the West it is relatively simple to set up contractual agreements covering the use of teaching materials such as case studies by other institutions. In the absence of a sufficient legal framework, institutions in the NIS are unlikely to make their best material available even to reputable organisations. This means that in particular, there is a need for clarification of the conditions under which materials developed with Tacis support should be made available.

2.2. Retaining high-quality staff

This was cited by many of the Deans and Directors as the most difficult issue they had faced. Individuals who are well-trained in a business discipline, especially if they speak a second language, can usually command much higher salaries in business than are on offer in the training institutes.

This dilemma has already been faced in Western training institutes and business schools, and there is evidence that some of the Tacis-supported Schools such as IMISP and IMI Kiev have begun to follow the same route as their Western counterparts. As an institute gains in reputation and as its faculty members become better known, individual faculty engage in consulting assignments which add depth to their teaching while supplementing their basic salaries. Again, new kinds of academic appointment are introduced, which allow for part-time teaching by individuals who are also active in business; some of whom will have come from previous careers as full-time academics.

Most of the training institutes included in the Evaluation Study had found it more difficult than IMISP or IMI to build up a portfolio of consultancies. Most of these institutes reported a heavy staff turnover, concentrated among their best teachers. The Deans and Directors argued that this problem could have been solved by allocating quite a small portion of a project budget to some form of salary enhancement, and that this would only be required for the two or three years while other sources of earnings built up. Two of the Evaluation Reports indicate that without such

support, the training institutes might retain only a core of elderly trainers with little capacity to teach the courses which managers need (Bank training in Central Asia, Management Training in Uzbekistan). These are questions of timing. In the medium term it will not be difficult for staff members in competent training institutes to earn good incomes. For many training institutes, however, the short-term problem is acute, and there are worries that besides losing their best staff these institutes may allow remuneration systems to develop which are neither transparent not consistent.

2.3. Building the institutional infrastructure

Without exception, Deans and Directors indicated that much more was involved in institution building than simply the training of teachers. Administrative backup was required for establishing productive links with firms so that project work could be brought into the classroom. It was also important that a senior person should take clear responsibility, with the explicit allocation of time, for the institute's own business operations: the fact that at Kiev Finance and Banking School the responsibility rested with an individual totally unused to running courses for profit was cited as a major reason for that failure in institution-building. Again, the foreign contractor had an important role to play in providing contacts with international firms as well as with other training institutes, and this again required an allocation of time. The relevance of these points to the present Report is that in most cases, no explicit budgetary provision had been included for these ancillary activities in a project's ToR (e.g. KIMEP).

2.4. The institution's decision-making structure and lines of authority

Several of the institutions lacked any clear plan for the groups they would target in their training, the revenues to be earned, the salaries to be paid. There was also a more fundamental problem: there appeared to be no clearly-understood procedures and structures for developing such plans. It would have been a useful condition for any project to meet before approval, that well-understood planning and decision-making procedures should already be functioning. This would be a suitable component to require in any programme of institution-building. Instead, some consultants were asked to prepare a business plan for their beneficiary institute as part of the project task; but there was little evidence that these had been used or that structures had been put in place to generate and agree further plans.

What is needed is not the production of a formal document to satisfy external requirements, but rather the installation of a planning process, extending through the organisation and on a yearly cycle, where assumptions about prices, trainee numbers, staff wages etc. are brought together and tested.

2.5. The institution's continuing relations with West European counterparts

In every case, Deans and Directors put a high priority on establishing and maintaining good contacts with business education institutions in the West. It was a frequent complaint that where the lead contractor had been a consultant rather than a training institute, contact had ceased when the project came to an end (IMI Kiev, Tbilisi Business School, Voronezh State University). The same outcome could occur, however, even where the partner was a training institute (Management Training in Uzbekistan). Again, in cases where a training institute was included as sub-contractor, its contribution to the project had often been no more than a marginal activity for its own staff and in these cases, relations had not usually continued after the end of the project.

Where the beneficiary institute worked with a Western counterpart of similar profile, however, many ways had been found to maintain good communication after the project's end (IMISP). One Dean suggested that a small part of each project's budget should be reserved to pay for a limited number of visits and exchanges after the project's end.

2.6. Matching the project to the local stage of development

It was evident that different cities or regions had fundamentally different requirements for business training. For example, in places where the reform process was still at an early stage, the needs differed from those in Moscow or St.Petersburg.

In many cases the Evaluation Teams noted a mismatch between aspirations expressed in the ToR and conditions prevailing on the ground. In Kazakhstan a training programme for SME managers found few takers; it appeared that government policy had been inimical towards SME's, and that survival rather than training was the issue exercising their managers. In Moldova, a training programme for managers in newly-privatised firms failed to take off; the Evaluation Team noted that while Moldova had conducted a privatisation programme, 60% of the stock of privatised companies still remained in government hands and enterprise managers saw no pressing need for change. At the KAMAZ plant, the assistance programme appeared again to have been ahead of its time. It had generated a busy set of activities but these had been insulated from the urgent problems, and working life, of the giant enterprise itself. Another programme in Kazakhstan had been designed to assist a new breed of Investment Funds. The programme was subsequently re-oriented in recognition of the fact that Kazakhstan's immature financial markets were not yet ready for Investment Funds. Again, even in Moscow the conditions were not yet ripe for launching a programme of distance learning: a project based at IBS Moscow was later reshaped as a more conventional programme of institutional support.

A clear lesson is that preparing the ToR for a training programme tailored to the local conditions would appear to require a greater investment of time and resource than was made available in these cases. A degree of wishful thinking was evident in each of these ToR's. allied to an over-hasty assessment of the local situation. For example, a local respondent, commenting on the Kazakhstan Investment Funds project, found this to be "far from reality". It was "a European idea, which was never implemented in reality". In different circumstances, the same comment could have been made about training for SME managers or about distance learning. There are implications too for the tendering process. A well-informed potential contractor with sufficient knowledge of the local situation to know that the ToR were impracticable may have decided against tendering. A less well-qualified contractor, winning the tender, may then have needed to use up time and credibility in negotiating project re-definition.

While rapid change took place during this period in all countries of the NIS, the nature of the change varied profoundly from place to place. In some countries political change took place while little change took place in the economy; in others the case was just the reverse. Again, change in the internal organisation of institutions often failed to keep up with changes in the wider economy. It was difficult for Tacis, in the start-up conditions of 1991-92, to read correctly just what type of management training was suitable to which local environment. It would appear that in several cases (e.g. Kazakhstan SME, Moldova) its advisors over-estimated the readiness of the local market for anything beyond the most basic training.
While `matching' of this kind will continue to be a major theme, the experience which Tacis and other donor agencies have gained in each country in the intervening period , with fuller information both on employment markets and on institutional capabilities, would suggest that mismatches will be much less likely to happen in future.

3. THE EFFECT ON CAREERS

Evidence was collected during the Evaluation Visits on how the careers and career aspirations of those participating in the projects had subsequently changed. The results can be categorised as follows:

- teachers becoming better teachers (IMISP, IMI, Voronezh)
- teachers becoming consultants (e.g. Transbusiness)
- managers moving to other firms (PIP)
- managers taking on more responsibilities within their own firm (PIP, RBTC).

It appeared that in virtually all cases the trainees had moved to good jobs and that the projects had contributed to development of the market in management talent. Whether the projects had been the most effective way of achieving this result must remain a question. Again, in many cases the programme participants reported that the benefits derived from the project were in exposure to new contacts and opportunities. Mastering a new body of knowledge had been important in instances where the knowledge had immediate application, as was the case with bank training; and in many cases new `knowledge' had followed from the attempt to solve practical problems which they would not have faced in the conditions of the command economy.

Trainers interviewed in the course of the Evaluation Visits considered that their professional competence as teachers had been enhanced in three principal ways. They had learned from their Western colleagues how to conduct a classroom session in a participative manner, where before they had typically lectured from the rostrum. They had been helped to establish working links with their own local firms, via student projects, case study writing and consultancy. They had linked in to the international network of professional teachers of management. In each of these ways their career prospects had been advanced, whether or not they were to remain in the management training field.

4. PROJECT IMPLEMENTATION IN A RAPIDLY CHANGING ENVIRONMENT

These projects were undertaken at a time when profound changes were taking place in the economies of the recipient countries: hyperinflation, banking crises, the collapse of many product markets, the new phenomenon of unemployment. It was particularly difficult to plan and deliver projects in these circumstances within the timetables and structures with which Tacis had to operate. For example, a typical lead time between project identification and project start was 18 months. In that interval, the effective demands of some of the target groups changed radically, local funding for some of the identified beneficiaries was cut off, other institutions appeared with funding from other donors. For Tacis strategists it was important to lose no time in giving help to reformers who were themselves under pressure to show results; at the same time Tacis was committed to using planning cycles long enough to permit consultation with and accountability to the member governments.

Timing had been a major theme for every project.   The problem for task managers, contractors and beneficiaries had been how best to introduce the practical modifications in project delivery that would keep a project targeted on its wider objectives as circumstances altered, and how to seek and win approval for these modifications

The means available to project managers and beneficiaries for adjusting to the changes were (i) to negotiate updates in the ToR at the stage of preparing the Inception Report; (ii) to obtain agreement to further changes following receipt of the Monitoring Reports. Different projects handled the problem in different ways.

In the project `Bank Training Central Asia' the ToR allowed scope for the contractor to work out the details of each training course in close consultation with personnel from the banks. The Inception Report was used to make practical revisions in the ToR. The case of IBS Moscow was similar: again the Inception Report was used as the occasion for agreeing changes in the ToR.

The Ukrainian Finance and Banking project presents a contrast. Here the ToR were very prescriptive. 200 weeks of seminars were to be provided, and exact titles were specified. By the time the project began, several of the major local banks had started their own training programmes. The contractors did their best to adapt the courses within the constraints of the ToR, fulfilling their commitments despite very low attendance at the courses. Tbilisi Business School had a similar story to tell. Here again the contractor had provided detailed curricula and detailed commitments for the production of teaching material. The School saw the ToR, for the first time, more than a year after the one-week visit by a Tacis representative. Meanwhile a civil war was raging, and most of the firms in which the ToR had envisaged that work placements would take place no longer existed. The faculty members, several of whom had spent time in Western business schools, saw no feasible market for these particular courses.

A problem common to both the Ukrainian Banking and the Tbilisi projects was that neither beneficiary had a clear idea of the rules of the game under which Tacis operated. For example, the Georgians made no attempt to use the Inception phase to change the ToR, because they were afraid that this might lead to cancellation of the project. Survival was the priority at that time, their share of the Tacis funding was a lifeline, and they applied themselves to meeting the formal requirements of the ToR to the best of their abilities, letting the contractor get on with preparing teaching materials which privately they considered to be neither novel nor necessary and which were not subsequently used.

A third response to a changing environment was demonstrated in the Transbusiness project in Kiev. The project's objective was to support a new business school, Transbusiness, as a branch of the Institute of Management under the Cabinet of Ministers, and to train its trainers. By the time the project started, Transbusiness was no longer the entity described in the ToR. With neither staff nor premises, its only remaining activity was the training programme to be provided by the contractor. As a result, the contractor provided training, as specified, to a group of professors who went on to form, at their own initiative, not a business school but a new consultancy firm. It is an interesting feature of this case that while in the actual project the contractor and the trainees did adapt to a changed situation, in their project reporting and in the monitoring a project is described which is still attempting to adhere to the original ToR (i.e. the creation of a business school).

It was a general observation that the rather long gestation period of Tacis projects did create special problems in situations where the environment was undergoing rapid change. The machinery for revising ToR to reflect changed conditions existed, in the Inception Report phase, but contractors and beneficiaries were unclear as to how to make use of it and about the implicit rules for what degree of revision would be regarded as reasonable. They were also unsure as to where the decision on a revision would be made: did the task manager have discretion to make it, if so would he or she have time for a special visit, if not how long would it take for a decision to be forthcoming. In some cases this led to an over-cautious adherence to ToR which ought to have been changed, in other cases to an element of fantasy in the project reporting.

It is evident from these cases that the theme of timing posed some of the most intractable problems for these projects. These are systemic problems, of a type familiar in many other contexts: how to track a rapidly-moving market when the organisation's own planning and decision-making is required to operate on a long cycle. Well-tested arrangements have been developed in other organisations for addressing the dilemma and some of these have been adopted by Tacis in the period since these projects were undertaken.

LIST OF ACRONYMS AND ABBREVIATIONS USED IN CHAPTER 3

IMI Kiev   International Management Institute, Kiev

IMISP   International Management Institute, St Petersburg

KIMEP   Kazakhstan Institute of Management and Economic Planning

NIS   New Independent States

PIP   Productivity Initiative Programme

SME's   Small and Medium-sized Enterprises

ToR   Terms of Reference

Chapter 4

How Project Cycle Management has influenced outcomes

The aim of this chapter is to assess how the Tacis aid management system has worked as regards technical assistance in the field of management training in the NIS. First of all the results of a review of the Project Cycle Management (PCM), as stated by Tacis procedures since 1991, are presented. Four issues of general relevance are then taken into account, namely the time factor, the role of beneficiaries, the intervention logic used by the planners, and the degrees of flexibility shown by the system.

1. PROJECT CYCLE MANAGEMENT IN TACIS

The 1995 review of Tacis programme, based on M&E observations, points out that, due to the rapidly changing political and economic situation in the former Soviet Union, "the Tacis programme was launched without some of the normal preparatory factors that are a feature of large technical assistance projects" (Tacis, 1995:2). In this regard, due account should be taken also of the time constraints and the huge pressure imposed by the European political environment in starting the programme. The Tacis review report, however, assessed the programme as "remarkably successful", adding that it "demonstrated flexibility and adaptability as it adjusted to a changing environment" (Tacis, 1995:2).

When the Council adopted its regulation n° 2157/91 of 15 July 1991, the need to promptly react to the quick changes underway in Eastern Europe and Central Asia could not allow to design a comprehensive and structured PCM system before starting technical and administrative procedures connected to the Tacis programme. Technical assistance was concentrated in five focal sectors following an Indicative Programme agreed between the European Community and the central authorities of the former Soviet Union. At this initial stage, the focus of Tacis was mainly on individual projects jointly identified in order to achieve broad objectives established in sectoral Action Programmes in the fields of training in the public and private sectors, energy, transport, financial services, and food distribution.

After 1991 a shift towards country focus took place as a consequence of the establishment of the Commonwealth of Independent States. Whereas in that year an Indicative Programme was negotiated for the whole territory of the former Soviet Union, since 1992, with the emergence of new national states, national Indicative Programmes were agreed upon.

In 1992 an effort was also made at improving the overall effectiveness of Tacis through the definition of integrated programmes in the areas of support to enterprise, human resources development, food production and distribution, and networks (transport, telecommunications and energy, including nuclear safety), for a total amount of 450 million ECU. Action Programmes, initially "designed for replication across regions and countries" (Tacis, 1995b:4), had to be consistent with national Indicative Programmes and, in line with a more concentrated approach, they included "fewer and larger actions" (Tacis, 1993:12).

From the point of view of aid management, the first two years of Tacis have therefore been marked by an emphasis on efficient disbursement through quick procedures of project identification, preparation, and financing, in order to launch tenders, sign contracts with executing agencies and start implementation in the shortest time span. The solution to the organisational problem posed by the need for a quick allocation of the available funds (about 400 million ECU in 1991 and 478 million ECU in 1992) was a wide use of external consultants across project cycle, and particularly in project identification. As regards project monitoring,

as we have seen in the first chapter, the establishment of a M&E system within the management of Tacis took place in 1993, mainly resorting to the services of external consultants.

According to the 1995 review of Tacis, which took into account all the intervention sectors, including management training, the Action Programmes for 1991 "were essentially a quick response to perceived problems" drafted in a critical situation for the former Soviet Union. They were characterised by "a totally ad hoc approach... based on consultants and industry-generated proposals which were then screened by Tacis-appointed consultants and the Co-ordinating Units" (Tacis, 1995b:4), as well as Tacis services themselves. The Action Programmes for 1992 were assessed to lack "the necessary sectoral focus and priority actions... As a result aspects of the programme may very well have focused on symptoms of problems rather than the problems themselves" (Tacis, 1995b:4).

The new regulation n° 2053/93 approved by the Council on 19 July 1993 provided for many innovative elements, the most important of which were, for the sake of the present discussion, the extension of activities to the republic of Mongolia (as of 1994) and the introduction of multi-annual programming, which brought the Commission to prepare, in consultation and co-ordination with the authorities of the NIS and Mongolia, Indicative Programmes for the period 1993-1995. Though Indicative Programmes started to comply with a multi-annual cycle, Action Programmes continued to be approved on an annual basis, reflecting the system enforced by the Commission of an annual allocation of funds. Given the constraints posed by this approach, which compelled management to identify projects within the end of each annual budgetary cycle, for some countries Tacis services started to test, at an operational level, a biennial action programming system.

The 1994 Tacis policy paper on training and education reform in the former Soviet Union describes the procedure used to identify activities on the legal basis of the Council regulation n° 2053/93. It states that "projects which lead to concrete support are identified by the Commission's services in close co-operation with the authorities of the NIS partner countries on an annual (or - in some smaller Central Asian and Caucasian countries - a biennial) basis" (Tacis, 1994b:6). Co-ordinating Units, "which are attached to the administrations of the different NIS and whose staff is supported by Western experts", assist both parties during the identification phase, by collecting project proposals submitted by potential NIS partner organisations and by advising on their selection.

Different actions are brought together in national action programmes, and some of them, bearing a regional interest, can fit "multi-country action programmes". Action Programmes must be endorsed by a Management Committee consisting of representatives of EU Member States, before the Commission decides on financing them. After the approval of Action Programmes, "projects are further elaborated in consultation with the partner countries in order that a clear identification of the activities is achieved. When this has been agreed by the partner countries, tenders are organised to select the most competitive operator to support the implementation of the process" (Tacis, 1994b:6). Projects are monitored by the Commission "to guide their implementation while maintaining a real degree of discretion and flexibility" (Tacis, 1994b:6).

The Council regulation n° 1279/96 of 25 June 1996 has finally established a four-year national indicative programming cycle with biennial Action Programmes, with the only exception of the Russian Federation and Ukraine, which continue to keep annual Action Programmes.

The shift from an emphasis on sectoral projects to a country focus, and the introduction of a national programming cycle, have brought the action of Tacis in the NIS and Mongolia closer to the approach applied by the Commission in the management of EU aid in other regions, at

the same time complying with the need for smoother procedures. Among the main differences between the management of Tacis and that of other EU aid programmes, those which have played a role in project cycle management are:

- the structure of the Commission services managing the Tacis programme, much smaller in comparison to the structure of other services (such as DGVIII), and characterised by simpler procedures and greater flexibility in terms of staffing, organisation and management of work, imposing, at the same time, a heavier workload on task managers;

- the lack of a network of delegations in the NIS and Mongolia, whereas in other areas, such as the ACP regions, delegations play a crucial role in aid management, and therefore the lack of a decentralised presence at the country level; when Tacis started, the only existing delegation was the one established in Moscow between 1990 and 1991 for the whole former Soviet Union[1];

- the functions assigned to Co-ordinating Units at the country level, though important in the programming phases (CUs have been playing a crucial role in the choice of beneficiaries), thereafter mainly focus on liaisoning tasks rather than on an active involvement in the feedback mechanism of monitoring findings and recommendations, both at the policy and project levels;

- the lack of a unifying legal framework for the co-operation between the Commission and the NIS and Mongolia, establishing also some key principles, such as partnership and ownership, of the development policies pursued under the management of aid, as negotiations on political, economic and commercial partnership and co-operation agreements were necessarily launched in parallel to the implementation of the Tacis programme;

- the focus on technical assistance as the main instrument of aid pursued in the NIS and Mongolia, while in other regions a wider range of aid instruments was involved.

The report on a training workshop organised in March 1994 provides information on some aspects of PCM as perceived in Tacis at that time. First of all, though no systematic presentation of a formalised project cycle is made, the report emphasises the preparatory phases of project identification and formulation, with a specific reference to the importance of addressing local needs. Mention is made of the logical framework approach, "currently in use for the preparation of Tacis projects", which "provides useful guidelines" for such phases (Tacis, 1994a:10). The Tacis project documents, identified as the terms of reference, are defined as "a guide for project management as well as project monitoring and evaluation" and as "a basis for agreement between all partners involved in the project and as to who is responsible for what" (Tacis, 1994a:10).

As we shall see, ToR are used more as technical documents in tendering procedures than as a project documents resulting from a complete and thorough project appraisal. On the average, they lack the degree of detail that is necessary in order to perform a monitoring activity. Furthermore, in the practice of PCM what could be seen as an equivalent of a project document is more properly the Inception report rather than the ToR, not only because it usually adjusted (often substantially) the project design outlined by the ToR, but also because Inception reports proved to be the result of a more in-depth fieldwork, covering the first two-four months of project implementation, in comparison to the average time span of

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[1]   As of 1997, beside the one in Moscow, three other delegations of the Commission are working in the NIS: one is based in Almaty (Kazakhstan), for the region of Central Asia; another is in Kiev (Ukraine); a third delegation, a very small one, is in Tblisi (Georgia). "The Commission works through the delegations... wherever they exist, as well as with the local authorities, mainly through the Co-ordinating Units", where they don't exist (Tacis, 1994b:6).

few weeks required for the preparation of ToR. In principle, however, the Inception report cannot be formally equated to a project document, because of their different logic. The former is a document produced by a contractor, therefore it tends to cover subject areas which imply amendments to the contractual terms binding the contractor to the Commission. The latter is, or rather should be, the result of a negotiation between two official bodies representing the Commission and the public administration of a NIS and Mongolia, therefore it reflects the terms of an agreement which should include any provision or obligation of the two parties in order to ensure a smooth implementation of the project and to contribute to the sustainability of its benefits.

Other important issues raised in the 1994 workshop are the need for greater flexibility, both in ToR and in project implementation, for speeding up procedures and shortening the period prior to project implementation, for considering previous experience of working in the NIS and Mongolia when selecting qualified EU counterparts, for a proper project targeting (also by means of a consultation of ultimate target groups), for an early consideration (since the design stage) of sustainability issues, for an increased emphasis on (joint) monitoring and a gradual transfer of responsibilities to the partner institutes during implementation (Tacis, 1994a).

Based on the findings of about two years of M&E activities, the 1995 review report (Tacis, 1995b) provides important elements of diagnosis on PCM concerning all the sectors of Tacis action. The main problem areas analysed by the report include the following:

- *general issues:* the review reported that 66% of completed Tacis projects (as of September 1995) had no major problems, and 20% "scored highly in all areas of criteria"; the small number of projects judged as total failures were all among the early projects; it also assessed an improvement in project design, preparation of ToR, and involvement of beneficiaries in project planning, as well as a positive impact of the introduction of M&E activities;

- *programming issues:* the review stressed the need for immediate improvements in the choice of beneficiary/recipient, for a clearer analysis of project scope and duration in relation to its sustainability, for reducing misunderstanding of project objectives as outlined in ToR, for improving co-ordination, both within Tacis (inter-sector and from previous annual programmes) and with other donors ;

- *project issues:* though most of the elements discussed in the review are sector-specific, some issues are relevant for the present analysis, and namely: the programme design was not conducive to encouraging contractors to establish long term bases in the area; contractors attitude to take "a short term view" and the related poor record in terms of sustainability and dissemination of results; projects scored poorer on the issue of sustainability than on actual project implementation; the need for a careful selection of trainees; the problem of language and communication skills.

In conclusion, from the review of available documentation on PCM in Tacis it emerges that the genesis of such initiative, conceived as a quick response programme to the needs of a rapidly changing environment, seems to have contributed to shaping an organisation of a particular PCM system, of which the same Tacis recognised strengths and weaknesses. Among the former we can mention the degree of flexibility allowed for by a relatively light bureaucratic organisation, the efficiency shown in a timely allocation of available funds to management training projects, and the introduction of a systematic monitoring system. Among the latter, we can stress the need for improving project appraisal, for involving beneficiaries in project identification and preparation, for clarifying with beneficiaries - both Governments and individual institutions - their roles and responsibilities, for assigning more

importance to issues of sustainability and impact, rather than considering concentrating only on implementation.

The next paragraphs will analyse the main results of the evaluation of Tacis activities in the field of management training as regards PCM. In the analysis due account will be given to the specific remarks made in the overall Tacis 1995 review report, pointing out the extent to which any changes were assessed in those subject areas where the M&E function identified room for improvements.

A preliminary remark on PCM issues is the need for a proper institutional memory of the projects inside the Commission, through a more effective archive where all the basic information and documentation on a given initiative can be stored and easily retrieved by the concerned parties. One of the initial difficulties the present evaluation had to face was indeed the collection of documentation on Tacis projects on management training, which represented the first step for the desk review.

For some of the projects included in the sample it was not possible to gather all the relevant documents (some inception reports, progress reports or monitoring reports), for others basic documents were provided by the contractors. Information on identification stages is very scarce and it often consists only of the ToR, for many of which it is impossible to assess the precise date of preparation. The lack of such data, which would have provided valuable information on early stages of PCM, could not be complemented with interviews to such key informants, as Task Managers in charge at the time of project identification, due to the high staff turn over rates registered in the Commission services.

Another general observation emerging from the evaluation of individual management training projects is the insufficient beneficiaries' awareness of the management process enforced for the identification, formulation, implementation and monitoring of the Tacis programme. This could explain not only the misunderstandings which eventually occurred, but above all the underestimation, particularly by local partners, of the roles and responsibilities of each party involved in the management training activities for the achievement of project objectives and sustainability.

The main general issues, arising from the results of the evaluation missions, touch upon four main problem areas:

- how the time factor affected effective project design in a rapidly changing environment;

- how the involvement of beneficiaries at various stages contributed to project achievements;

- how the (implicit/explicit) planning approach has influenced project achievements;

- how flexibility was conceptualised and affected results.

2. THE «TIME FACTOR»

Of an initiative launched with an explicit acknowledgement of the importance of time, as marked by the continuous reference to the process of «transition» in any policy, programme or policy document produced by Tacis, the highest consideration of the time factor in aid management should be expected. Bearing in mind the relatively simpler procedures adopted by Tacis in PCM in comparison to those applied by other services of the Commission, the evaluation fieldwork has paid attention to the assessment of how the time spent between phases along the project cycle has affected the overall performance.

As regards indicative programming, though specific information in that regard is not available, it is quite clear that the pressure put on a quick allocation of funds - especially in the first year of Tacis, in 1991 - brought about a shortened appraisal procedure. A first critical area is represented by the time spent between the project identification, which can be placed at the country action programming stage, and the project preparation or formulation, which in Tacis procedures, as we have previously seen, consists mainly of the drafting and approval of the ToR of a given initiative.

Data on identification, particularly as regards first generation MT projects, i.e. those comprised in the 1991 Action Programmes, are lacking. While gathering documentation for the desk review, it clearly appeared that the bulk of information on the identification of a given project coincides with the project identification sheet included in Action Programmes.

We do have the ToR for each project, nevertheless, documentation on project preparation is not available in such an extent to analyse the process by means of which such ToR were produced. It should be stressed, however, that such an analysis was beyond the scope of the present evaluation. An in-depth study of this process would have required information on issues related to the management of the project formulation phase, such as the professional profile of the consultants who prepared the ToR; the contents of the specific ToR on the basis of which did they perform the task; the period spent on project formulation in the field; the people met during the field visits; the analytical tools used in order to assess local needs; the activities carried out during project preparation in order to chose a specific intervention logic; the different alternatives analysed before proposing a specific technical option; the different levels and types of appraisal carried out by the consultants; and the contents of the assessments made by the Task Managers, and in general by the Commission services, of the consultants' proposal, before the ToR took their final shape. All these elements are not available for the analysis, neither is it possible to trace them back, except for those cases when a clear information in that respect was given by a key informant in the Commission or during the fieldwork.

More information is available on the time spent between project identification (i.e. the year of Action Programme), project preparation (i.e. completion of the ToR, which usually took place in a short period of time after identification), the start of project activities, and the approval of the final project design (i.e. approval of the Inception Report). Based on this information, Table 4.1. provides data on the relationship between MT project typology, the time elapsed between identification and the Inception Report, and the introduction of major adjustments to the project design at the Inception Report stage. Adjustments were considered as major ones whenever they implied substantive changes at the level of specific objectives and/or outputs.

Table 4.1. Management training projects by typology, time spent between ToR completion and Inception Report, and changes in project design at the stage of the Inception Report

Project typology	Time spent between completion of ToR and Inception Report					
	6 <12 months		>12 months		Total	
	Major change in design	No major change in design	Major change in design	No major change in design	Major change in design	No major change in design
Strengthening of MT institutions	2	2	2	5	4	7
Delivery of MT services	0	2	2	0	2	2
MT components of sectoral projects	1	0	3	1	4	1
Total	3	4	7	6	10	10

Table 4.1. depicts some interesting trends: half of the projects (10 out of 20) requested a major adjustment to the original design, and this was particularly true for sector-specific management training projects (4 out of 5 had to adapt their design at the Inception Report stage).

The present analysis aims at verifying basically two different aspects of what we have called «the time factor». First of all, we can assess the administrative efficiency of Tacis procedures by taking into account the rate of projects whose Inception Report (which was due, on average, 2-4 months after actual project start) was completed within 12 months since the preparation of ToR, to the total number of projects included in the sample. In this regard, Table 4.1. shows that the quick disbursement approach used by Tacis allowed for a relatively rapid start of many MT activities.

If we take into account the ratio of projects that started their activities within 12-18 months since identification (as referred to the approval of an Action Programme), we notice that 13 out of the 20 sampled projects fall in this category. It should be stressed that this accounts for an unusually short completion of the sequence identification-formulation-financing-start of implementation. On the average, a period of two years from identification to the actual beginning of implementation could be considered as a standard in most international aid agency. The need to react promptly to a rapidly changing environment played a role in this regard.

Secondly, we can try to assess whether a delay in implementation has seriously affected the validity of the original project design. This element seems to be confirmed in Table 4.1. by the fact that the majority of the projects which required a major adjustment (7 out of the 10 that had their basic design changed) at the Inception Report stage were among those that had a longer implementation delay with respect to completion of ToR.

3. BENEFICIARIES' INVOLVEMENT

The 1995 review report on the M&E observations on the whole of Tacis activities stressed that the choice of beneficiary (not only at central, governmental level, but also at the local one) was among the most urgent issues at stake[2], bringing about difficulties in terms of expectation gaps, insufficient financial or managerial capacity to absorb the project, more interest in equipment supply than in technical assistance.

First of all we have to stress that the discussion on the involvement of beneficiaries we are going to make refers mainly to the early participation in project design, and subsequently in project implementation, which does not imply participation or any kind of involvement in other aspects of project management, such as tendering or procurement procedures.

We should also bear in mind that we are not addressing at this stage the issue of the choice of beneficiaries. In other words, the reference is here made to formal, local institutional partners of management training projects, or to institutions which were supposed to be the main beneficiary of an institution strengthening initiative.

An assessment of beneficiaries' involvement provides first of all information on the style of management of Tacis as regards activities in the field of MT. If coupled to an analysis of project achievements, then it can support more general conclusions on the effectiveness of a PCM open to the contribution of project stakeholders to the identification, design, and implementation of projects.

The experience of international aid agencies shows that the emphasis placed on involvement of beneficiaries, as a specific issue of the participation discourse, implies a criticism of formal and structured models of project cycle management applied in the decades between the sixties and the eighties. A constraint to beneficiaries' involvement, usually found in those models, is the longer time required by the consultative process, as opposed to the quite rigid rules and procedures enforced by aid bureaucracies.

This factor has played a dual role in the case of Tacis. On one hand, the lighter procedures used for the management of the overall initiative allowed more room for a less formal and bureaucratic approach, especially if the Tacis case is compared to that of other Commission services, therefore opening up some opportunities for a greater degree of participative approaches in project planning. On the other hand, the pressure put by EU Member States and the European Parliament on the Commission, in order to quickly commit the available funds within the planned time frame, was a constraint which worked against a participative management style, as it is well known that beneficiaries' consultation and involvement require time.

In Table 4.2. the sampled MT projects are classified according to their typology, the degree of overall achievements assessed during the evaluation, and the active involvement of beneficiaries, namely:

- an involvement favoured since project preparation, assessed whenever beneficiaries had an influence on drafting ToR, thus increasing their sense of ownership of the project;

- an involvement of beneficiaries which took place since the preparation of the Inception Report and during project implementation, regardless of whether the Inception Report had - or had not introduced - any major changes to the design of the project agreed in the ToR;

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[2] "To date there have been no clear guidelines for choice of recipient and non developmental issues have often dictated the choice" (Tacis, 1995b:7).

- no involvement at all, at no stage of the project cycle.

Table 4.2.: Management training projects by stage of involvement of local beneficiaries and success rating in achievements

Project typology	Beneficiary involvement					
	Since ToR preparation		Since Inception Report		No involvement	
	rate 1-2	rate 3-4	rate 1-2	rate 3-4	rate 1-2	rate 3-4
Strengthening of MT institutions	1	4	2	0	4	0
Delivery of MT services	1	0	0	2	1	0
MT components of sectoral projects	0	0	2	2	1	0
Total	2	4	4	4	6	0

The rating system applied to assess achievements was: [1] Very poor; [2] Below standard; [3] Good; [4] Very good/excellent.

The picture provided by Table 4.2. seems to support that the involvement of beneficiaries at an early stage of the project cycle was associated to a good level of project achievement. Out of the 6 cases of projects where beneficiaries' involvement took place since the preparation of ToR, 4 had a high achievement record; an increase in the number of projects with low achievement rates (4) is noticed when analysing the case of beneficiaries' involvement at a later stage; while all the 6 projects which did not involve at all the expected beneficiaries had low achievement rates.

The Table shows also, however, that though a late involvement of beneficiaries was clearly a contributing factor to poor achievements, an early involvement alone has not guaranteed the success of the projects, possibly because by its involvement in a project, a beneficiary does not necessarily subscribe to an involvement in its own organisational change, which implies also changes in management values and attitudes.

Another possible explanation is represented by the difficulties faced by many beneficiaries, despite their early involvement in the project design, to understand the administrative process, bureaucratic procedures, and related constraints underlying the management of aid in the Commission.

4. INTERVENTION LOGIC

The evaluation has shown that the use of planning tools such as the Logical Framework was quite fragmentary. ToR were prepared following in broad terms the general headings of a logframe, but the only reference to «logframe summaries» in Tacis documents is usually found in some monitoring report as an add-on to the basic format, which in fact did not compel to attach a logframe summary (Tacis, n.d.). A few contractors used logframe summaries in their reports, though even that seems to be an independent choice, rather than an obligation requested by Tacis. However, the use of a logframe in the implementation phase, as a support to monitoring activities, is an entirely different task than the use of a logframe as a tool in the planning process, therefore as a support to decision making in early stages of the project cycle, i.e. identification and/or formulation.

As regards the definition of the intervention logic, the main distinction is made between projects whose specific objectives were expressed in terms of flows of benefits for a given group of beneficiaries, and projects whose specific objectives were expressed in terms of outputs (expected results) or even activities. In general, the former projects are basically demand-driven and based on a flexible approach, while the latter ones are more supply-driven and focus more on the delivery of services, rather than on their actual impact on the perspective beneficiaries.

Despite the lack of a homogeneous and systematic use of logframe, it is possible to assess in general whether objective- or output-oriented intervention logic, as they appeared after having reviewed the available project documentation, were related to a specific typology of management training initiative. It is equally possible to assess whether there is evidence of a relationship between a particular intervention logic and project achievements as resulting from evaluation data gathered in the field.

In Table 4.3. the sampled projects are classified according to the typology and to the respective explicit/implicit intervention logic, defined either as an objective-oriented planning approach or as an activity-oriented one.

Table 4.3.: Management training projects by typology and planning approach as emerging from the intervention logic

Project typology	Planning approach			
	Objective-oriented		Output-oriented	
	rate 1-2	rate 3-4	rate 1-2	rate 3-4
Strengthening of MT institutions	0	1	7	3
Delivery of MT services	0	2	2	0
MT components of sectoral projects	0	0	3	2
Total	0	3	12	5

The rating system applied to assess achievements was: [1] Very poor; [2] Below standard; [3] Good; [4] Very good/excellent.

Data presented in Table 4.3. support the hypothesis of a relationship between a demand-driven, objective-oriented planning approach and good project achievement rates. As far as projects adopting a supply-driven, output-oriented planning approach are concerned, the numerous cases of poor project achievement rates (12 out of 17) should be regarded as an indicator of the risks linked to the provision of goods and services without a clear analysis of local management training needs.

Another remark concerns the considerably high proportion of projects classified under the output oriented category. All the MT components of sectoral projects, half of the projects delivering MT, and virtually all the projects aiming at strengthening MT institutions (with only 1 exception) focus more on the supply than on the demand. The emphasis on supply-driven projects, however, cannot be entirely considered as a result of planning approaches in the Commission, in view of the fact that - as shown in Table 4.2. - at least 6 projects (out of which 5 are institution strengthening projects) recorded some degree of involvement of beneficiaries in the ToR preparation.

5. FLEXIBILITY

Some degrees of flexibility are deemed to be an important feature of technical assistance projects, particularly when such initiatives are designed in a rapidly changing environment. By flexibility, however, different things are meant. The evaluation has provided evidence of two main definitions (and corresponding practices) of flexibility experienced in Tacis management training activities:

- a first kind of flexibility is defined as the capacity to change some major components of the design of the project, before starting implementation of project activities, in order to adapt the intervention strategy to the changing conditions of the context - it can be assessed in terms of actual changes of the project design outlined in the ToR, made by the contractor, in agreement with local partners, at the Inception Report stage;

- a second kind of flexibility is a built-in mechanism, explicitly foreseen by the project design, which shaped the intervention logic of a demand-driven initiative, conceived in such a way that it can adapt to the needs of the beneficiaries, whose involvement is requested for the definition of activities and outputs - it can be assessed in terms of "process" vs. "blueprint" project design.

Table 4.4. shows the breakdown of the projects included in the sample according to the two types of flexibility and to the level of overall achievement assessed by the evaluations.

Table 4.4.: Management training projects by kind of flexibility and overall achievement rates

Project typology	Kind of flexibility					
	No flexibility		Adaptation to changes in the environment		Built-in mechanism	
	rate 1-2	rate 3-4	rate 1-2	rate 3-4	rate 1-2	rate 3-4
Strengthening of MT institutions	5	1	2	3	0	0
Delivery of MT services	1	0	1	1	0	1
MT components of sectoral projects	1	1	2	1	0	0
Total	7	2	5	5	0	1

The rating system applied to assess achievements was: [1] Very poor; [2] Below standard; [3] Good; [4] Excellent.

Flexibility seems to be related to overall project achievements. From the data presented in Table 4.4. it appears that a low degree or lack of flexibility is related to a low level of overall project achievement, as 7 out of 9 projects which did not allow for any degree of flexibility marked low achievement rates. On the other hand, flexibility defined as the capacity to actively react to changing conditions in the local environment, though seemingly an important factor, perhaps it is not a decisive one for the success of projects. Only 5 out of the 10 projects that have adapted to the changing conditions of the environment reached good levels of achievement on the ground.

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LIST OF ACRONYMS AND ABBREVIATIONS USED IN CHAPTER 4

ACP	Africa, Caribbean and Pacific
CU	Co-ordinating Unit
DG	Directorate General
ECU	European Currency Unit
ETF	European Training Foundation
EU	European Union
M&E	Monitoring and evaluation
NIS	New Independent States
PCM	Project Cycle Management
Tacis	The EU initiative to support transition to market economies and democratic societies in the NIS and Mongolia
ToR	Terms of Reference

Chapter 5

Conclusions and Recommendations

1. MANAGEMENT TRAINING IN RELATION TO POLICY OBJECTIVES

The present chapter draws together the Report's implications for how Tacis might choose to use management training as a component in its future strategy. As noted in chapter 1.1, a main purpose of the investigation was to help Tacis evaluate the wider impact of its assistance in the field of management training. A review across the set of projects started in 1991-93 and subsequently completed provides evidence about the degree of success not just of individual projects (which is a function of the project-specific monitoring reports) but also of this component of a broader Tacis policy promoting human resource development in the countries undergoing transition.

1.1. The relevance of management training

The relevance of management training to wider developmental objectives was confirmed strongly on all sides, in the course of the visits by Evaluation Teams: by government officials, political figures, business leaders, foreign business representatives. In many cases, Tacis' interventions in support of business training were seen to have been well-targeted and effective. Even in those cases where achievement was seen to have fallen short of expectations, respondents were not inclined to revise their assignment of a key role to management training. Shortcomings in project design and delivery provided lessons for the management of future projects. They did not throw into question the key role of business training in the reform process.

It is clear that in the early 1990's there was a pressing need for management training throughout the enterprises and institutes of the NIS. Respondents were in no doubt that management training was highly relevant to their enterprises and their economy. What they meant by `management training' differed widely, however, from one set of respondents to another. Management training is not a homogeneous commodity, and what is highly relevant to one set of circumstances can be inappropriate in other contexts. Relevant `circumstances' would include: awareness of the market on the part of enterprise managers, extent to which reforms have progressed in the country's economy and its legal framework, extent to which power has shifted from the former industrial elite. A major lesson from these early Tacis projects is that fundamentally different kinds of assistance are required according to the situation of the beneficiary Where achievement fell short of expectations, this was attributed to a mismatch between the type of training provided in a particular project and the needs of the local business environment. Even in these cases, management training, properly tailored to local needs, was considered to be closely relevant to wider policy objectives.

Recommendations

At Programme level. Building on these responses, a strong recommendation can be made to the Member States, to the effect that management training should continue to have a place in future Council Regulations, related to the Tacis Programme, as one of

the Programme's means of intervention in the NIS. Management training was, and still is an activity which can significantly contribute to the reform process, influencing attitudes and mind-sets on the one hand and organisational effectiveness on the other.

Concerning <u>individual projects,</u> a finer discrimination will be necessary than was evident in the past, to recognise the wide differences in the kinds of management training appropriate to different locations and circumstances. It is recommended that clearly differentiated `packages' (of terms and content) should be offered to different categories of potential recipient. The polar cases are:
- in environments where there is already a commitment to reform;
- in environments where there are some reform-minded individuals but where an old-style, rigid institutional setting still prevails.

In settings where old-style hierarchies still dominate, the first task must be to identify proponents of institutional reform, whether in training institutes, enterprises or governmental agencies, and then to help them through practical, situation-specific management training.

1.2. The forms of training

Tacis's strategy of applying its assistance partly to strengthening key training institutes and partly to the direct training of managers, had been a wise one. It had resulted in significant impacts and it had generated extensive comparative experience from which further lessons could be drawn. Creating some institutional flagships had been particularly important as a means of setting high standards, developing new educational 'products' for which professional managers and their firms would be prepared to pay realistic fees and building a cadre of experienced trainers capable of sustaining the initiative. Focusing some other programmes directly on the end-user, i.e. the manager, ensured that the needs and preferences of those coping with managerial problems and pathologies, some of which had had no close parallels in the West, would be given full attention in the implementation of these programmes.

For the new forms of training to be sustainable beyond a project's completion, it was important that the training institutions themselves, no less than their client enterprises, should be open to reform. Tacis support helped a number of beneficiary institutions to develop or enhance their training programmes, and others to survive, at a time when state-provided funding was in sharp decline. In some cases, however, these developments took place without concomitant changes in the beneficiary's own institutional structures. This was the case particularly for the institutions offering State Diplomas to students at the start of their careers. It was much easier for an institution to insert some new, international material into an existing course structure than it would have been to construct a new short course for hard-to-please business executives. When the easier route was taken, an opportunity was lost to initiate more fundamental reforms in the institution. It appears that in these cases the impact of the project was low; given the turnover of teaching staff the effectiveness would also appear to have been low.

Recommendations

- Tacis's dual strategy, aimed both at assisting flagship institutions and at initiating programmes which deal directly with managers, should be maintained (see Chapter 2 section 2.4).

- Tacis should continue to allocate a part of its resources, in the next phase, to selected `flagship' institutions which had benefited from support in the past and which had been able to achieve high standards of quality; on the grounds that this was still necessary if their success was to be sustained.

- Terms of reference, in the case of support for older, well-established training institutions, should address the possibility that existing institutional boundaries and practices may need to be shifted.

1.3. On the choice of beneficiary

It was particularly important that Tacis should choose the right institutions to support, since Tacis assistance would give a competitive edge to an institute operating in a competitive market; the wrong choice would put other perhaps more competent institutions at a disadvantage.

The Evaluation Team concluded that for most of its 'flagship' institutions Tacis had made the right choice. Key institutions had been chosen, the choice of institution was endorsed in the local business and academic community, there was a competent project leader with effective backup and the institution's future prospects had been enhanced by the support from Tacis.

In other cases, project failure raises delicate questions about the locus of decision-making concerning the choice of beneficiary. Some of the least successful projects were ones where the choice had been subject to heavy local political influence (examples are cited in Chapter 3 section 2.1). Political support had also been an important factor in selecting the successful 'flagship' institutions; the record of achievement indicates that while political support is an important contributory factor to project success it is by no means a sufficient condition.

Recommendations

- More resources should be applied during a <u>project's preparatory stages</u> than were available to most of the projects reviewed, in order to provide for a fully informed choice of beneficiary and an adequate understanding of local circumstances.

- The choice of beneficiary is such an important factor in a projects' success, that Tacis should also be ready to pull back from commitment to a particular beneficiary even at <u>a later stage</u>, (after the approval of the Action Programme or the ToR, or during implementation) if the organisation proves to be inappropriate (see also sections 1.7 and 1.9 below).

Operational steps by which these recommendations might be implemented are outlined in sections 3.1 and 3.2 below.

1.4. On involvement of beneficiaries

There was compelling evidence that active involvement of the beneficiary at the project preparation stage had been closely associated with project achievement (Chapter 2 section 3.1.1 and Chapter 3 section 3). "Active involvement" amounted to regular consultation where the beneficiary took part in decision-making, as opposed to having only a formal presence. Where the beneficiary had been actively involved in formulation of the ToR and subsequently in implementation this had made a difference on all counts: effectiveness, efficiency, sustainability, impact, relevance.

Recommendations

- Active involvement of the beneficiary at the project preparation stage should become normal practice (Chapter 2 section 3.1.1).

1.5. Targeting the end-users

It was evident in the experience of the Evaluation Teams that there was a burgeoning demand for business training. This was being only partly met by local institutions, which were offering usually textbook-based courses rather than courses able to address the actual concerns and problems of their business participants.

Among those Tacis project which supported training institutions in the NIS, the greatest impact had been achieved in cases where the external consultant had started by helping to convert latent demand into effective demand through undertaking market analyses together with the recipient organisation and through carrying out energetic promotional campaigns for the institution's new courses. This was in an environment where managers and enterprises were not yet accustomed to paying realistic fees for management training. In many of the other cases considered by the Evaluation Teams, it was evident that the skills of the contractor would have been better used if his first task had been to help generate effective demand, and to help staff in the partner institution to identify the problems of immediate concern to managers, rather than providing lecture material on Western practice.

Where a Tacis project focused directly on managers rather than on a training institution, promotional activities again proved to be critically important. For example, the Productivity Initiative Programme (PIP) targeted practising managers, providing ten-week internships in West European firms. In the project's initial stages, a major campaign was undertaken, directed at managers and enterprises across Russia, in order to generate applications. This was followed by a process of competitive selection through screening and testing. Factors which appear to have been associated with the success of this programme include selection criteria which took account of the manager's participation in the decision-making process of his or her enterprise and the requirement for producing concrete plans for organisational development on completion of the programme.

Recommendations

- Attention should be given, in formulating ToR, to helping NIS trainers not just to deliver better training, but also to generate the effective demand for their courses through promotional campaigns, screening of applicants etc. Budgetary provision should be allocated for these activities.

Operational steps by which this could be implemented are outlined in section 2.2 below.

1.6. The time factor

The long phase-length of Tacis's planning cycle created serious difficulties for the conduct of projects carried out in a fast-changing environment.

On one side the quick-disbursement approach used by Tacis allowed for a relatively rapid start in many management training activities. In these cases the administrative efficiency of Tacis appears to have been good. On the other side, in many cases delays in implementation seriously affected the appropriateness of the original project design. In fact most of the projects which required major adjustment at the stage of Inception Report were ones which had experienced long delays either before or after completion of their ToR. There was evidence that time and effort spent in the earliest stages of project preparation, with built-in flexibility in project design, paid ample dividends in terms of time subsequently saved.

Recommendations

- Some reduction in the time between completion of the ToR and preparation of the Inception Report should be sought. Particularly the time spent in tendering and contracting procedures should be shortened.
- In contrast, there should be a greater investment of time and resource at the project preparation stage than had been feasible for these early projects (Chapter 2 section 3.1.1, Chapter 3 section 2.6).

1.7. On a pro-active role for Tacis in negotiating conditionalities and major changes

Many respondents suggested that the considerable powers which Tacis possessed, as controller of the purse strings, could have been used proactively: in some cases to impose key conditions on the beneficiary institution, in other cases to negotiate major changes during the lifetime of a project.

Examples where conditions could usefully have been imposed include*:*

- Voronezh State University, where the new Business School was given only limited autonomy within the University. Nearly all decisions were left with the Dean of the Economics Faculty, rather than with the Director of the School. In the words of the Evaluation Report, "the attitude towards the Business School as a subordinate structure capable of bringing in additional revenues is just the opposite of what the

project aimed at". Contrast this with the case of IMISP, where the School was linked to the University but with ample operational independence.

- In some projects, it appeared that a beneficiary favoured by local power-brokers had been chosen in preference to an institution more clearly committed to the reform process. For the better choice to have been made in these cases, the local Tacis representative would have needed very strong backing from Tacis, to the point of being prepared to switch the support to another city or region.

In a number of projects (Tbilisi, Moldova, Transbusiness Kiev, Kazakhstan SME) the economic or political conditions had changed fundamentally in the period between project identification and project inception. The Evaluation Report on the Transbusiness project makes the following comment:

"There is no `forum' where the contractor, the monitor, the beneficiary, Tacis administration, can jointly take the responsibility of a major change in the project direction when this is needed. As a consequence, the task manager may feel that major changes, though needed, are outside the scope of his/her powers. A more formally organised committee could be set up to deal with major evolution in the projects, with the power to make fundamental changes. This is particularly obvious in the case of this project, where major decisions were necessary, and which instead appears to have been conducted according to the original ToR."

Recommendation

- In such cases, negotiated re-definition of the project should take place: both to align the project more closely with developmental objectives and to demonstrate Tacis's sensitivity to the local environment.

1.8. On flexibility

The Evaluation Reports provide evidence on two distinct kinds of flexibility experienced in Tacis management training activities: flexibility of "blueprint" and flexibility of "process".

Flexibility of blueprint is the capacity to change some major components of the project design prior to the start of implementation, so that the intervention strategy may adjust to changes which have taken place in the surrounding conditions. Evidence of this kind of flexibility is exhibited in changes made at Inception Report stage with the agreement of contractor and local partner

Flexibility of process is found where there is an explicit provision in the project design to allow an on-going project to adapt to the evolving needs of its beneficiaries. This intervention logic is particularly important in ensuring that a project which aims to be demand-driven can successfully track demands which may change rapidly. Appropriate safeguards can be put in place so that the project will still address its wider objectives.

The Evaluation Reports demonstrate that where either type of flexibility was present, project achievement was relatively high.

The Reports also show that contractors and beneficiaries were often unclear about the nature and extent of flexibility permitted in the conduct of Tacis projects. It is possible that some of those preparing ToR might also welcome clarification on specific points.

Recommendations

- It should be made clear to all participants what changes would be permitted, and under what circumstances, at each stage from tendering through to implementation.

Operational steps by which this might be undertaken are outlined in section 3.2 below.

1.9. On improving feedback mechanisms

The heavy work-load in Tacis's central administration had often resulted in a slow response to requests for authority to make changes in the particular means to be used in achieving a project's objectives.

Recommendations

These difficulties could be met, within the existing parameters of the project cycle, if specific responsibilities were to be devolved (with suitable safeguards and appropriate resource provision) to an authority which is closer to the life of the project. For example, there could be an ad hoc panel convened by the EU Delegation at the request of monitor, beneficiary or contractor. Its membership might include representatives from the Delegation, the Technical Office, the Co-ordinating Unit, the Monitoring Team, with a representative from each of contractor and beneficiary in attendance, as appropriate depending on the conditions in each country. Important provisions would include:

- specified authority for the panel to make speedy decisions about project modifications and to have prior commitment from Tacis on the conditions under which project extension would be granted;

- the panel to be empowered to impose conditions, following a monitoring report, so that some intermediate-level controls would be available between the two extremes of letting a project continue unchanged, and taking the `nuclear option' of terminating it;

- concomitant with the extra authority for the panel, safeguards to be introduced to ensure that its decisions are consistent with Tacis policies.

Such a panel could also ease the burden on currently over-loaded task managers and hence make possible a more rapid response to Monitoring Reports (Chapter 2 section 3.2.2) and to unforeseen or unusual problems on the part of Tacis.

2. OPERATIONAL CONCLUSIONS: LESSONS FROM THE EARLY PROJECTS

2.1. On effective teaching strategies for `Training the Trainers'

In implementing the strategy of `Training the Trainers' it was evident that different kinds of training had been appropriate, depending on the prior experience of the participants and their institutions and on the needs of the final user of the training. Some institutions had had extensive dealings already with Western counterparts, and these institutions were able to make good use of the Tacis partners to help build training strengths in areas for which they themselves did not yet have adequate cover (IMISP St. Petersburg, IMI Kiev). Some other institutions started from a very low base, with little prior international exposure and with staff members who had had very little contact even with their own local enterprises (e.g. Voronezh State University, Tashkent State University, Moldova Centre for Training).

The first lesson to be drawn is that `trainers' in different institutes often start from quite different bases. The type of training needed by those already familiar with practical problems is widely different from that needed by those with no experience outside the education sector. It is important that these differences should be reflected in situation-specific ToR.

Recommendations

- The content of the training should be adapted to the starting level of the teachers. To help the less experienced trainers to master modern methods of training, the first step should be to set tasks which bring them together with managers to address actual current problems. Providing them with curricula and texts without this prior exposure would do little to bridge the divide between the classroom and the world of business.
- Training in these cases needs to be conducted in a participative mode, and to be based on the actual issues faced in the enterprise. It can be enhanced through well-planned work placements in other companies, and local trainers can learn to conduct training of this kind by working alongside their Western colleagues. Lectures from the rostrum, Soviet-style, are unlikely to be effective in these settings, whatever the content of the lecture.
- A third lesson for the future is that in choosing the trainers to train, a project should not confine itself to the current staff of the so-called `Management' or `Business' department or institute. In the light of the importance of direct experience of companies' reality, an engineer or a scientist may prove to be a better choice to be trained as a business teacher than some members of a Business faculty.

2.2. On best use of consultants' expertise

The most effective Western trainers were those who devised practical exercises and projects outside the classroom, using class sessions for feedback and discussion. Those who interpreted their task as teaching to a prescribed classroom curriculum earned little thanks from participants (see also Conclusion n° 2.1).

A very effective way of strengthening a local institution can be to involve it in a task which requires that it works closely with indigenous businesses; many of the other projects considered by the Evaluation Team would have done well to start in this way, rather than jumping directly to questions of curriculum, books and equipment.

Recommendations

- The remit for Western trainers should require that they come into face-to-face contact with managers, and that they work both with managers and local trainers on problems encountered by the managers' firms. This is in contrast to a policy of using the Western trainers to deliver training only to trainers.
- To tap the wealth of accumulated experience which many of EU contractors possess on company re-alignment, internal re-organisation and on the effective management of these changes. This is a field where the experience of Western firms, in constant organisational flux, contrasts most sharply with that of the static Soviet enterprise.
- The skills and experience which Western trainers possess in creating a market for management training, through promotional activities directed at both firms and individuals, should be recognised in ToR and employed in the course of project delivery so that they can help to create effective demand where previously no market for training had existed. (Chapter 3 section 1.2).

2.3. Building on success

An important change, during the period since 1991-3, has been in the creation of an indigenous cadre of capable management trainers, well able to take over much of the teaching previously provided by foreign experts. This does not mean that the need for external assistance has ended: the demands and needs are still far beyond the capacity of local trainers to supply. It does however suggest a shift in emphasis in the use of foreign trainers: for example, rather than providing training in Western accounting methods and conventions, a topic now fairly well-rooted in many parts of the NIS, it may be appropriate to provide training in the use of accounting data (e.g. cost accounting data) in managerial decision making on product pricing, competitor analysis etc. Again, besides offering skills in teaching, the foreign trainer can give practical guidance on how to create effective demand for management training, in situations where no market for training had existed.

The justification for still allocating one portion of the assistance budget to `flagship' institutions is that even in the best cases, local markets for training are still fragile. Just as in Western experience, training institutions and their markets have had to grow in parallel, step by step. A number of institutions in the NIS are set fair to become leaders in their sectors, demonstrating high standards, training managers to become effective implementers of reform and providing a product for which professional managers are

prepared to pay. For Tacis, a strategy of building on the successful institutions (most of which will have received some previous support from Tacis or other donors) will make a better contribution to developmental objectives than one of leaving these institutions to get on with it while directing the aid to remedying deficiencies in a second tier.

Recommendations

- In planning future projects, attention should be given to using the individuals from the NIS who have taken part in earlier, successful Tacis programmes and who have relevant skills.
- A shift in emphasis in the use of foreign trainers is recommended, away from topics where indigenous competence has built up (e.g. in teaching Western accountancy methods) and towards topics such as organisational design, competitive strategy etc.

2.4. Dissemination

Little dissemination has taken place in most of the TACIS projects of the "first generation". The impact of the Tacis projects on institutions or companies which were not directly involved in the projects' activities has only been an indirect one. The new and more stable position in the management training market, acquired by beneficiary institutions through taking part in the project, has generated competition which has in turn stimulated other institutions to improve their own programmes.

In this context, the issue remains for Tacis of not re-inventing the wheel with each new generation of projects. However, some lessons can be drawn for a pragmatic approach in future projects.

Recommendations

- At the stages of identification and beneficiary-appraisal, some preference might be given to institutions which have branches in different regions of the country, or to (small) consortia of institutions.
- Mechanisms for dissemination of the individual project results should be foreseen at ToR formulation stage. If plans for dissemination are not agreed by stakeholders as part of a project's remit, dissemination will not be easily realised at a later stage.
- A "soft dissemination" of Tacis of management training material could be obtained through the creation of an easily-accessible TACIS database which includes project descriptions (objective, content, participants and their addresses, results achieved, etc.). This information would lead to better use of the results of previous projects in the formulation and implementation of new projects. In addition, networking-building and the exchange of information and materials would benefit.
- "Soft dissemination" should also include promotion activities, follow-up in the form of seminars, conferences etc., usually after completion of a project. Explicit budgetary allocations should be earmarked for this purpose.

- The issue of intellectual property rights, and ownership of training materials developed during a project's implementation, will require further attention and clarification in future (Chapter 2 section 3.2.5, Chapter 3 section 2.1). This has been an obstacle to the type of "hard dissemination" which had been hoped for.

2.5. On a realistic length for projects

The time-frame within which fundamental changes were expected to take place was often unrealistic. This was particularly evident in projects aimed at institutional strengthening. In these cases the agenda included up-grading of staff, modification of attitudes and outlook, new management structures in the institution, creation of new markets for management training, new linkages with local enterprises. Changes of this kind take time to implement; they are not made in sudden jumps.

Recommendations

- For programmes of institutional support, a project duration of less than three years will usually be unrealistic, if sustainable changes are to be achieved (Chapter 5 section 3.2, Chapter 2 section 1). Major projects will require a time frame of 4-5 years for results to be sustainable in the long term.
- Tacis should make more use of a modularity: e.g. rather than a three-year contract with a somewhat vague understanding that the programme might be extended afterwards, there should be clear break points with explicit conditions to be met, with firm commitment that if they were met the project would be extended (Chapter 2 section 3.1.1). A practicable framework could be a first three-year contract, in which the possibility for an extension is envisaged upon fulfillment of given conditions. If those conditions are met at the end of the three years, an extension is granted for 1-2 year more.

3 OPERATIONAL CONCLUSIONS: PROJECT CYCLE MANAGEMENT

3.1. The preparatory phase

It was widely suggested that more resources should have been applied during a project's preparatory stages than had been available to most of the projects reviewed.

The following recommendations are put forward:

Recommendations

At <u>identification stage</u> , a greater investment of effort and resource should be devoted to selecting the right beneficiary and to negotiating terms and conditions, with appraisal of the strengths and weaknesses of a number of potential beneficiaries. In performing the selection, the following four factors should be given particular weight:

- that the recipient institution or organisation is well-managed (Chapter 3 section 2.4);

- that it has the cultural openness and flexibility to accept and promote change;
- that there will be a strong local programme manager (Chapter 2 section 3.2.3);
- that its environment is ready for the form of assistance which is proposed (Chapter 2 section 2.5, Chapter 3 section 2.6).

The subsequent formulation of the ToR should then reflect the results of the appraisal and provide information on the actual situation of the beneficiary.

3.2. On the status of Terms of Reference and Inception Report

Many of the issues raised in the course of the Evaluation visits bore directly on the preparation of the ToR and on the subsequent different uses or functions served by ToR. In one aspect, ToR are the document on the basis of which tenders are launched. In another aspect, they are the formal document sealing the agreement between the Commission and the beneficiary institution. A beneficiary or contractor may wish to change some component in the ToR during the implementation phase; it important that each party should understand what kinds of change would be legitimate.

Recommendations

The function served by ToR should be clearly specified to all of the parties concerned; i.e. to
- the bidders, so that they understand if, and how far, the ToR may be challenged, and in what ways it would be acceptable to add to the ToR in making the Technical Offer;
- the partner institutions (project recipients), which will be best placed to know how far the ToR could usefully be extended or developed during implementation and particularly during the Inception-Report stage;
- both the partner institutions and the contractors so that they can be aware of how far the external monitoring of their projects will be carried out against the ToR and how far against the Inception report.

In particular, the following issues appear to require clarification:

- what types of flexibility can be built within the ToR?
- what types of flexibility can be expected at the tender stage? Can the bidder propose modifications to the ToR, and if so, to which extent?
- What types of changes are admissible between the contracting and the Inception phase? Specifically, to what extent can the Inception Report modify (a) the ToR (annex A of the contract), (b) the Technical Offer (annex B of the contract)
- What type of specifications (as distinguished from modifications) are expected from the Inception Report, as compared to the contract?
- What type of modifications can be acceptable after the approval of the Inception Report, during the life of the project?

3.3. On the preparation of Terms of Reference

ToR were variously described as too prescriptive, too optimistic, too superficial. In some cases, criticisms directed at the ToR could more appropriately have been aimed at the Technical Proposal: some consultants, eager to display their credentials during the tendering process, provided documents which specified inputs and activities in much more detail than had been required in the ToR.

The discussion in Chapter 2 distinguished between Objective-oriented projects and Output- or Activity- oriented projects. With Objective-oriented projects, flexibility was permitted in the choice of the means by which an objective would be achieved. Pragmatic changes of method could be made, in response to changing circumstances, provided the objective did not change.

A clear result from assessment of the early projects is that the most successful projects were those which had been defined in terms of their objectives, with scope for variation in method; while the least successful had worked to a detailed and inflexible specification of inputs or activities, with little regard to the objectives to be served.

In too many cases the TOR appear to have been prepared in too short a time, a situation which made impossible to carry out first an appraisal of the beneficiary, secondly a proper problem analysis conducted together with the stakeholders, and consequently an objective analysis and strategy selection.

As already emphasised in sections 1.3 and 1.6, if any economy of time were to be sought in the Tacis programming cycle, the project preparation including ToR formulation would be the last place where cuts should be made.

Recommendations

- Guidelines for those writing ToR should be prepared by the Commission; they should explain the role of ToR in the Tacis project cycle, the approach and protocol to be followed by ToR writers, in what ways to involve the beneficiary.

- In formulating future ToR, more emphasis should be placed on the objectives to be achieved and the ToR should be less prescriptive about the means for achieving them, than was the case for many of the early projects (Chapter 2 section 3.1.1, Chapter 5 section 3.2).

- In all cases, an objective-oriented formulation of the ToR should be preferred.

At the identification stage, the end-users group to be targeted should be identified in broad terms, e.g. by sector and typology. Those preparing the ToR should assess the evidence that the group so identified would be amenable to management training, and should accept part of the responsibility if this judgement proved later to be mistaken. The more detailed specification of the target group of end-users and of their needs should be left for further elaboration, after selection of the contractor, by recipient and contractor working together.

At <u>tendering stage</u>, bidders should be requested to provide a realistic plan first for analysing the (effective) demand for training in the given geographical area and in the given sector and then for how the courses would be marketed to prospective participants.   Appreciation of this important aspect of the bidders' proposals should be reflected in the tender evaluation criteria.

3.4. Co-ordination with other Tacis projects

A lack of contact with on-going projects in other sectors (e.g. Privatisation, Support to SMEs) was observed. Opportunities for creating synergy between experts directly working on specific problems faced by NIS enterprises and those focusing on management training had not been exploited.

Recommendations

- Contractors should be made aware of other Tacis projects in their localities, budgetary provision should be made for occasional joint working seminars and positive encouragement should be given for developing some joint training activities across projects. For example, there is a management training component in any re-structuring programme, and examples of re-structuring provide excellent pedagogic material in any management training course.

3.5. On co-ordination with other donors

There had been little or no co-ordination with other donors in the planning and conduct of these projects.   Where co-ordination had happened, it had taken the form of spontaneous collaboration developed by those working in the field.   The lack of co-ordination played an important part in two cases.   In Moldova, the beneficiary institution attempted to launch short fee-paying courses for managers.   The attempt failed because other similar courses appeared at about the same time, sponsored by other donors and available for free.   In Kazakhstan, both Tacis and USAID provided consultants for the Privatisation Project with a wasteful overlap in the provision of legal experts; again, the beneficiary seems to have been unclear about the respective roles of different donor agencies in relation to the Mass Privatisation Programme.

The one example of successful co-ordination was the Regional Bank Training Centre in Uzbekistan.   This Centre was also receiving support from a parallel project jointly managed by EBRD and the Turkish Bankers' Association (TBA) with active local representation of both bodies. Good working relations developed between this and the Tacis project.

Given the long planning cycles of Tacis, and of some of the other donors, it is probably inevitable that effective co-ordination will be difficult to achieve.   There were many cases where, at the time of project identification, the proposed Tacis beneficiary had been operating in near isolation, while by the project's start date other similar institutions had sprung up with donor support.

Recommendation

The pragmatic lesson to be drawn is that the high probability that local adjustments will be required should be recognised in advance. Tacis should be prepared to fine-tune its

projects in consultation with the local representatives of other donors through a quick decision-making mechanism (in that respect, see 1.9. above, on delegation of responsibilities). Given that long planning cycles are a fact of life for Tacis, local flexibility would appear to be more realistic as a solution than the alternative of attempting detailed co-ordination at the planning stage.

3.6. Institutional memory

Further detailed comments on project cycle management are contained in earlier sections of this Report. A wider recommendation relates to using the experience gained in managing one generation of projects, in order to inform the selection, formulation and management of projects in the next generation. It is evident that this process exists, but it would appear to rely more on individual initiative than on systematic prescription. No archive exists, in which the history of and lessons from each of Tacis project would be recorded. This makes it difficult for Tacis itself to operate as what, in the management jargon, is known as a 'learning organisation'. The case for creating such an archive would appear to be compelling. The present Report could perhaps then serve as one among its many building blocks.

The review of other donors' activities highlights one further conclusion which carries an important message for the present investigation: namely, that the institutional archive and memory of certain other donors (e.g. EBRD, USAID) appears to be more fully developed, and more systematically referred to, than is that of Tacis.

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LIST OF ACRONYMS AND ABBREVIATIONS USED IN CHAPTER 5

ETF	European Training Foundation
IMISP	International Management Institute, St Petersburg
NIS	New Independent States
PIP	Productivity Initiative Programme
SAA	Scuola di Amministrazione Aziendale, Università di Torino
SME	Small and Medium-sized Enterprise
TBA	Turkish Bankers Association
ToR	Terms of Reference
USAID	United States Agency for International Development

Annex 3

The Composition of the Evaluation Team

The Core Team

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5.   Establishment of a training programme for young entrepreneurs

6.   Kazakhstan Institute of Management, Economics and Strategic Research

7.   Assistance to the GKI and Investment Funds

8.   Management Training in Moldova

9.   Agricultural training in Russia: Development of Volosovo Sovkhoz Technikum of Besseda

10.   Cooperation between the Higher Commercial Management School of Moscow, and a European school of management

11.   International Business School of Moscow

12.   Training Courses in International Trade

13.   Human resources development, Samara Oblast

14.   Strengthening of the International Management Institute of St. Petersburg

15.   Training and education in the Region of Urals

16.   Business school conversion in Voronezh

17.   Bank and Insurance Training in Ukraine: Establishment of the Ukrainian Finance and Banking School

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