Mi Bospo - Bosnie © Godong

LESSONS LEARNED AND RECOMMENDATIONS

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The Foundation has chosen to develop a team specialised in the coordination of technical assistance. The Foundation does not provide technical assistance services itself, to avoid any potential conflict of interest, but coordinates technical assistance for its partners in close cooperation with the Foundation's investment team.

Technical assistance helps strengthen the beneficiary institution's risk profile. The Foundation has thus always chosen to link technical assistance and financing and therefore provides this service only to its existing partners. In exceptional instances, we have coordinated technical assistance missions before financing an MFI to strengthen its operations, but these are very rare cases. As a general rule, we fund and then provide assistance missions.

The Foundation wanted to conduct an in-depth evaluation of its technical assistance to extract recommendations to improve its management. Eight years after the start of our technical assistance activities, we are drawing lessons from the model through a number of learnings on the whole process: internal procedures, intervention methods, involvement of beneficiary organisations, choice of the provider, reporting, post-mission monitoring. We share them through 10 key success factors:

1. FAVOUR AN APPROACH BASED ON AN INITIAL DEMAND EXPRESSED BY THE BENEFICIARY

Lessons learned

An explicit demand-driven approach, i.e., technical assistance in response to the expressed needs of the partners, is one of the keys to mission success and positive impact (as opposed to a catalogue of technical assistance activities with specific, predefined themes). While the "technical assistance catalogue" approach has advantages in terms of efficient coordination, there is a risk that it might lose flexibility and result in activities that are not finely tuned to the needs of the beneficiary organisations.

At the Grameen Crédit Agricole Foundation, technical assistance needs are first identified during due diligence, an institutional assessment conducted by an investment officer for a detailed analysis of an organisation and an assessment of its risk profile with a view to funding.

The needs of institutions are constantly changing, so it is essential to adopt a flexible approach guided by the needs expressed by the partners. This ensures the satisfaction of the beneficiary organisations and a good ownership of the technical assistance provided.

THE APPROPRIATENESS OF MISSIONS IS THE N°1 SATISFACTION FACTOR FOR BENEFICIARY INSTITUTIONS

The African Facility offers, in quite a unique manner, a long-term plan with flexible, bespoke actions. The content and themes of the missions can be revised according to the changing needs and demands of the institutions.

The crisis period ushered in by the COVID-19 pandemic is a good illustration of this need for flexibility. The majority of African Facility organisations faced a disruptive situation and were confronted with new challenges that had to be addressed in an emergency. A total of 40 missions were therefore reoriented from the initial programme defined for each partner, in particular to implement missions in liquidity management and digitalisation.

Recommendations

> Never impose a theme or activities

Proposing technical assistance programmes on a specific theme, such as digitalisation or microinsurance, is relevant in order to hone the skills of organisations in a particular field and to sustain the effects of missions. Care must however be taken not to impose a mission programme that does not really match the needs and strategy of the organisations.

This is the approach that has been favoured in the SSNUP programme, which focuses on strengthening the resilience of small producers. This approach covers a wide range of themes (product development, training, digitalisation) while offering complementary action modalities. Indeed, the SSNUP adopts a programme approach, but remains flexible since specific activities are not predetermined.

> Flexibility and listening must be the key principles of action

The needs of institutions are constantly changing. It is essential to remain attentive and to respond quickly in a flexible manner if new needs emerge because the context or the strategic priorities of the institution have changed. This principle of adaptability must be built into programme design.

2. HAVE ADAPTABLE AND AGILE INTERVENTION CAPABILITIES

Lessons learned

Microfinance institutions or impact enterprises are characterised by the diversity of their needs. Very often, the action of technical assistance providers alone is not sufficient to meet them.

This is particularly true for digitalisation projects where the needs are multiple and rapidly changing: defining a digital strategy, diagnosis of existing IT installations with the action of an IT expert, or training a key internal person who can work with the technical assistance provider and ensure the continuity of the project once the mission is over. In addition, for consolidating MFIs that do not have specialised staff in-house, co-financing the salary of a person for a limited period of time is sometimes a prerequisite to recruiting profiles with strong technical expertise. Finally, once the digitisation process is underway, institutions often need financial support for the acquisition of equipment or software, for example to modernize their information system or secure the network.

All these projects require different actions: consulting, training, co-financing of salaries, acquisition of equipment or IT solutions.

Recommendation

> Provide a wide range of methods for action

When devising a technical assistance programme, it is essential to plan for as wide a range of methods for action as possible (consulting missions, co-financing of salaries, equipment, enrolment in external training, peer-to-peer exchanges, etc.).

3. INVOLVE PARTNERS AT EACH STAGE OF THE MISSION

Lessons learned

The success of a technical assistance mission depends to a large extent on the involvement of the beneficiary organisation in defining its needs and in developing the terms of reference and selecting the technical assistance provider(s). This often requires educational work and the transfer of skills to the beneficiary organisations. At the beginning of the programme, some organisations do not have the internal skills to manage technical assistance programmes. Under the African Facility, for example, the TA team worked closely with the people responsible for technical assistance within the MFIs so that they could become autonomous in drafting terms of reference and assimilate the methodology for selecting a technical assistance provider. The Foundation has always favoured a participatory approach so as to ensure that the missions are properly appropriated and that the choice of service providers is truly adapted to the needs and institutional culture of the beneficiary organisations.

> **"I particularly appreciate the selection process because the choice of the expert is not imposed on us. We are truly considered as partners"**
>
> **MFI, Rwanda,**
> beneficiary of the African Facility

Involving the partner helps to overcome any reluctance that may exist in any change management project and to ensure that the content of the mission is fully in line with the institution's needs. The participation in the selection of the service provider is seen as important added value by many partners, and thus differentiates the Foundation from other technical assistance coordinators.

The involvement of partners varies depending on the profile of the institutions, their maturity, the investment of their governance and management as well as the presence of an internal person with the time and skills to work on the elaboration of terms of reference. Thus, the success of the participatory approach depends entirely on the willingness of partners to be involved in the delivery of the technical assistance programme.

Recommendations

> Adopt an approach that involves the beneficiary organisations at every stage of the mission.

> Factor in, from the outset of the programmes, the time needed to train the beneficiary organisations on the processes and help them define their needs.

FATEN (Palestine) (c) Godong

For small, immature institutions, time for training and education (explaining project management processes and methodologies) is essential to ensure their full involvement and to help them define their needs. This investment guarantees a proper appropriation of the mission and its success.

> **"It helps us a lot when the Foundation draws up the terms of reference together with us"**
>
> **MFI, Malawi,**
> beneficiary of the African Facility

4. PROVIDE FOR A FINANCIAL CONTRIBUTION FROM THE BENEFICIARY ORGANISATIONS TO ENSURE CONTROL AND INVOLVEMENT

Lessons learned

Under all technical assistance programmes managed by the Foundation, a financial contribution (between 10% and 50% of the total amount of the mission) is systematically requested from beneficiary organisations. This financial contribution ensures that the mission meets a real need and that the institution therefore considers it essential to benefit from it. It is also a way to ensure the partner's involvement and commitment to the project.

However, this model has several limitations:

1. **When technical assistance providers are involved,** the organisation has to cover a range of additional costs that are not usually included in their co-financing (transport, training room rental, etc.). The co-financing from the organisations is therefore often underestimated compared with their actual contribution.
2. **The contribution is solely financial** and the time spent by the institution's team with the technical assistance provider is not valued. The success of a technical assistance mission is closely linked to the availability and involvement of the teams.
3. **For small institutions** that have not yet achieved operational self-sufficiency, co-financing can represent a significant financial burden, and can become an impediment to launching missions that are necessary for their consolidation.

Recommendations

> Provide, from the outset of the programme, a variety of financial contribution methods adapted to the profiles of the recipient organisations

The contribution must be adapted to the profile and maturity of the organisation, so as not to block small institutions from launching larger missions.

> "Co-financing is a good principle. People say it represents 10%, but in reality we are always above that. For example, we pay for the teams to travel for the consultant's presentation [of the mission's conclusions"
>
> **MFI, Burkina Faso,**
> beneficiary of the African Facility

5. ENSURE THE INVOLVEMENT OF GOVERNANCE AND THE FORMAL COMMITMENT OF THE EXECUTIVE MANAGEMENT TO MAKE THE MOST OF THE MISSION

Lessons learned

For an institution to appropriate a technical assistance mission, and for it to have lasting results, it is critical that the members of management and governance be involved in and drive the change process.

For example, an institution in Mali was supported by the Foundation to develop microinsurance products. The institution's priorities changed during the course of the mission, and the launch of microinsurance products was no longer seen as a strategic priority by management and governance. As a result, the operational teams did not mobilize to promote the product and the results were far below the initial objectives, with only a few policies sold.

Another lesson learned by the Foundation is that missions aimed at honing existing skills often have a greater impact than missions aimed at creating new skills within an institution. This is especially true for digitalisation missions, which often require technical knowledge that few employees possess. Having resource people in the organisation with a minimal knowledge base on the subject of the mission is essential to asking the right questions and interpreting the proposals of the technical assistance provider, but also to ensuring the continuity of the technical work once the mission is over.

Finally, the presence of a competent and committed management team and governance is essential to the success of a mission so that the recommendations, action plans, and strategies developed can bear fruit.

Recommendations

> Secure the involvement of governance

Before launching any mission, verify the motivation, commitment, and skill level of the governance to drive the changes brought about by the engagement.

> Secure the existence of a minimum knowledge base and hone existing skills as a matter of priority

Make sure that there is at least one internal person with the skills and previous knowledge to implement the changes. If necessary, plan an "upgrade" mission in advance. Co-funding salaries so that the institution can recruit key people internally can also be a relevant approach.

> Assess the risk of non-appropriation of the mission from the outset

Prior to the mission, asking the following questions to the beneficiary organisation will help assess the risk of non-appropriation of the mission in order to adjust the approach and the post-mission follow-up:

- Is the subject new to the partner or do internal skills already exist?
- Is there a contact person trained on the subject within the institution who can provide an informed opinion to the technical assistance provider?
- Is the mission supported by the Board of Directors, the General Manager, the management team?
- Does the institution's resource person have sufficient time to implement and monitor the action plan after the mission?

6. PARTNER WITH THE TEAMS IN CHARGE OF THE FUNDING TO OPTIMISE THE DRAFTING OF THE MISSION'S SPECIFICATIONS

Lessons learned

The Foundation has chosen to adopt a technical assistance model in which the coordination is carried out by a specialised TA team that works alongside the investment team. The latter are in particular involved in the technical assistance needs analysis, which begins with due diligence. This is seen by the partners as a valuable step in identifying precise needs through a complete review of procedures, operations and the internal structure of the organisation.

The technical assistance offered also enables the investment team to get to know their partners from a different angle than that of risk.

Recommendations

> Involve the investment team in the management of technical assistance

The contribution of the investment team is vital for that technical assistance to respond to the institutional challenges of partner institutions and to ensure proper appropriation of the missions and monitoring in the field. The Foundation promotes a model in which this involvement of investment officers in technical assistance activities is included in their responsibilities.

> Factor in time for discussions between investment officers and the TA team

This approach presupposes having a place to discuss and ensure a fluid and regular flow of information between the TA and investment teams. These collective moments are an opportunity to take stock of the actions taken and the lines of satisfaction and improvement, and to create a positive emulation. Bilateral discussions should also be scheduled prior to a due diligence in order to identify the elements to be monitored during the mission.

> "[The Solidarity Bankers programme] allows us to strengthen our relationship with the MFI. It gives us another perspective on the MFI. It makes us different"
>
> **Investment officer,**
> Grameen Crédit Agricole Foundation.

7. OPT FOR LOCAL TECHNICAL ASSISTANCE PROVIDERS WHO KNOW THE SPECIFICITIES OF THE AREAS OF INTERVENTION

Lessons learned

Since 2013, the Foundation has had the opportunity to work with many technical assistance providers, consulting firms and independent consultants and thus to build a large pool of experts, with many local profiles, particularly in sub-Saharan Africa. Under the African Facility programme, a large majority (approximately 70%) of the missions were conducted by local service providers. The Foundation therefore relies mainly on local experts and wishes to contribute to the development of the local ecosystem.

Satisfaction surveys conducted with beneficiary institutions show that the satisfaction rate varies very little depending on whether the service provider is local or international, each having different strengths and weaknesses. The main weaknesses identified when international service providers proceed with their action, are time management, with missions considered too short, particularly the time spent on site, and a lesser capacity for post-mission follow-up. On the other hand, poor knowledge of local and field realities is almost never mentioned, which can be explained by the fact that a very good knowledge of the context and previous experience in the region are major criteria for the selection of providers. When local service providers are used, a lack of experience is sometimes mentioned, as well as a lower quality of deliverables, but they seem to be more flexible and available. The main element of satisfaction for the institutions in all cases however, is the skills and expertise of the providers on the subject of the mission.

Recommendation

> Remain flexible in the choice of technical assistance providers

The key factor of success for a mission and the satisfaction of beneficiary institutions boil down to the expertise of the providers, irrespective of their origin. The Foundation nonetheless opts for local providers wherever possible in order to promote local expertise.

8. SIMPLIFY THE PROCEDURES AND REPORTING TO IMPROVE THE QUALITY OF COORDINATION

Lessons learned

Reporting to funders as well as audit and assessment processes, and administrative management, are essential in order to ensure the proper coordination of a technical assistance programme. The time spent on these tasks, however, can be disproportionate in comparison with the amount of grant under management or with the final use of reports. Improving the reporting and streamlining the information monitored and requested would thus enable to better involve funders and to make the analyses more legible.

Recommendations

> Simplify the reports while making them useful to internal teams and donors

It is possible to consider reporting with only a few key elements, in the form of a dashboard:

- Pre- and post-mission identity card of the institution, based on elements usually tracked internally;
- List of deliverables produced;
- Assessment of the mission in a few key points;
- List of areas of improvement for the institution and for the technical assistance programme as a whole.

> Capitalize on the reports produced

Share the report systematically with the staff and donors, in the form of a quick workshop, to draw some key lessons and identify areas for improvement. Objective: the ongoing upgrading and better use of the information gathering and summarizing work.

> Respect a principle of proportionality between the amounts committed and the audit and evaluation requirements

> Simplify the administrative procedures

Opt for pre-defined lump sums for the reimbursement of small amounts or for certain activities (travel, communication, etc.), rather than for reimbursements against receipts.

9. STRENGTHEN POST-MISSION FOLLOW-UP

Lessons learned

An analysis of mission assessments conducted since 2013 reveals that not enough time is spent on post-mission follow-up for many organisations that have received technical assistance. The technical assistance providers also deplore this lack of time dedicated to follow-up and consequently reduced visibility on medium-term results and on the effective implementation of recommendations.

Monitoring by the TA and investment teams partially alleviates this problem. For example, thanks to the regular monitoring of these two teams, a microfinance institution located in Burkina Faso (a beneficiary of the African Facility) was able to benefit from a series of complementary missions, over a total period of eight years, which enabled it to carry out its digitalisation projects. It benefitted from a first mission to diagnose its information and management system, then a second to improve the system in question. Three years later, the company was assisted again, this time to migrate to a brand new, more modern, cloud-based system, and was able to offer new services to its customers as a result. Finally, it benefitted from a mission relating to the security of its computer system and the confidentiality of its clients' data.

This follow-up however cannot replace the task of the technical support providers. The series of online training sessions on liquidity management for some of the Foundation's partner institutions in 2020, at the height of the COVID crisis, underscores this point: one year later, few partners are regularly using the tools developed during these sessions. This low level of ownership is linked to the fact that too little time was set aside during the design of the mission for the follow-up and support of beneficiaries in the medium term.

Recommendations

> Integrate a post-mission follow-up into the design of the missions

The technical assistance provider should provide advice and guidance to the institutions in the medium term to ensure that the knowledge and tools are appropriated. This can take the form of a one-off follow-up by the service provider with one or two-day progress reviews 6, 12, and 18 months after the end of the mission.

Diversifying the formats of feedback and deliverables from technical assistance providers can also allow for longer-term follow-up with the beneficiary (e.g., a provider hotline to answer questions after the mission, regular webinars, etc.).

> Integrate the post-mission follow-up into the design of technical assistance programmes

Even though it is legitimate for donors to seek funding for activities that are time-efficient and have quick results, it is important that post-mission monitoring be built into programme design, with sufficient time and budget dedicated to medium-term monitoring by the programme coordinator, the recipient institutions, and technical assistance providers.

10. PROMOTE A MODEL FOR MEASURING THE DIRECT IMPACT OF TECHNICAL ASSISTANCE ACTIVITIES

Lessons learned

The assessment conducted by CERISE sought to identify a link between institutional performance and technical assistance activities. Quantitative analyses revealed an overall strengthening of institutions, but could not isolate the precise role of technical assistance missions in this process. Qualitative analyses, based primarily on partner perceptions, indicate that technical assistance has contributed to positive changes in terms of structuring and has honed individual skills as well as the relationship between the Foundation and its partners.

However there are no sector benchmarks or methodology at this stage that can be applied systematically to measure objectively the direct impact of technical assistance missions on beneficiary institutions. Nevertheless, the Foundation would like to see changes quantified to a greater extent where possible, with a list of indicators starting from the level of effort provided and going up to the perception of the direct impact of the technical assistance on the beneficiary organisation.

Recommendations

> Formulate the objectives to achieve through the technical assistance mission

Prior to the mission, it is paramount to ensure that the mission meets precise specifications, formalised in the terms of reference of the mission. This document sets out the general objective(s) of the mission, the activities to carry out and the expected achievements. Finally, beyond the direct results after the mission, it appears also necessary to define some key indicators to measure the attainment of the set objective(s) and, thus, better measure their impact.

> Systematize the monitoring of indicators used to qualify the perception of those involved in technical assistance activities:

- **The overall institutional satisfaction** measured annually, disaggregated by technical assistance recipient and non-recipient, for comparative purposes.
- **The post-mission assessments** to measure the organisational response to and satisfaction with the missions carried out.
- **An assessment of the technical assistance** provider's perceptions of the partner's ability to take ownership of the action plan as well as the areas of concern during post-mission follow-up.
- **A follow-up at 6, 12 and 18 months** to evaluate the appropriation and the level of skills transfer following the technical assistance (tangible changes, application of new skills, etc.) through a questionnaire on the perception of change.
- **Regular monitoring of investment officers'** perceptions of the qualitative effects of technical assistance missions through a questionnaire completed during due diligence or follow-up missions.

CONCLUSION

There is no "recipe" for success in technical assistance activities. After eight years of coordinating various programmes, we are nevertheless able to identify certain key success factors.

To have a strong direct impact, a mission must be in line with the needs of the beneficiary organisations thanks to a thorough diagnosis and an understanding of the institutional culture. It must involve the partners in defining the scope of the missions and choosing the technical assistance providers. It must also strongly involve governance. It is thus based on a relationship of trust and equality with the partners. Its success is linked to the professionalism, responsiveness and the ability to listen of the TA team. Finally, a competent service provider, with a good knowledge of the local context, is a determining factor.

An approach based on an initial request from the beneficiary seems to us to have real added value. This approach is nourished and governed by the serious and complete analysis made at the time of the due diligence. The investment officer indeed plays an essential role through his/her institutional diagnosis, the gateway to technical assistance.

In order to apply this approach fully and to respond as closely as possible to the needs of our partners, we have designed several tailor-made technical assistance programmes since 2013. Based on this experience, we identify several key success factors at the programme design stage:

1. **A long-term action with multi-year programmes,** to maximize the impact of the support and the sustainability of the actions once the programme is over;
2. **Flexibility in the themes covered,** to be able to adapt actions to the needs of the institutions quickly;
3. **Diversified technical assistance funding methods** (including funding for equipment and salaries) to respond to all the needs of the organisations and the realities on the ground;
4. **Streamlined and optimized reporting and auditing procedures and requirements,** so that time can be spent on tasks with high added value for the beneficiary organisations.

Donor support for this approach is essential. Flexibility and adaptability are two principles to be taken into account when designing a technical assistance programme in order to ensure that the support offered addresses the needs of the organisations but is also in line with an efficient administrative management for all stakeholders.

SUMMARY OF RECOMMENDATIONS

1. **FAVOUR AN APPROACH BASED ON AN INITIAL DEMAND** EXPRESSED BY THE BENEFICIARY
2. **HAVE ADAPTABLE AND AGILE** INTERVENTION CAPABILITIES
3. **INVOLVE PARTNERS** AT EACH STAGE OF THE MISSION
4. **PROVIDE FOR A SIGNIFICANT FINANCIAL CONTRIBUTION** FROM THE BENEFICIARY ORGANISATIONS TO ENSURE CONTROL AND INVOLVEMENT
5. **ENSURE THE INVOLVEMENT OF GOVERNANCE** AND THE FORMAL COMMITMENT OF THE EXECUTIVE MANAGEMENT TO MAKE THE MOST OF THE MISSION
6. **PARTNER WITH THE TEAMS IN CHARGE OF THE FUNDING** TO OPTIMISE THE DRAFTING OF THE MISSION'S SPECIFICATIONS
7. **OPT FOR LOCAL TECHNICAL ASSISTANCE PROVIDERS** WHO KNOW THE SPECIFICITIES OF THE AREAS OF INTERVENTION
8. **SIMPLIFY THE PROCEDURES AND REPORTING** TO IMPROVE THE QUALITY OF COORDINATION
9. **STRENGTHEN POST-MISSION FOLLOW-UP**
10. **PROMOTE A MODEL FOR MEASURING THE DIRECT IMPACT** OF TECHNICAL ASSISTANCE ACTIVITIES