

# Executive Summary

## Background

The market for consultants in international cooperation is very heterogeneous and manifold, and has to continuously adapt to changing conditions, new thematic and geographic foci and requirements of international cooperation. *cinfo* – the Center for Information, Counselling and Training Professions in International Cooperation – has initiated a study to better analyse the Swiss market for consultants in international cooperation and to review its own already existing offers for consultants.

The study presents a stock-taking and analysis of the Swiss market for consultants in international cooperation, based on interviews with selected actors (clients and consultants) and on the analysis of existing documents and contract award statistics of clients. The demand on the part of clients and the supply on the part of consultants for consulting services are analysed with a special view to conceivable market trends in the future.

## Actors in international cooperation in Switzerland

In the international cooperation market miscellaneous actors operate on different levels as clients and consultants:

- The side of the clients is composed of multilateral organisations, bilateral aid agencies, NGOs, universities, and the private sector. Most contracts awarded to Swiss consultants are from the Swiss bilateral development cooperation and the cooperation with Eastern Europe and the Commonwealth of Independent States via SDC and SECO. The most important client for many Swiss consultants in international cooperation still is SDC.
- Consultants in international cooperation – either as single consultant or employee of a consulting company, NGO or university institute – for the most part have a university degree and several years of professional experience. Careers of consultants often are not straightforward: Changes between being self-employed and a permanent employment (or vice versa) are no curiosity. Normally, consultants specialise thematically and methodically. Most important working areas are infrastructure, environment and social development. Most important working methods are the provision of support in project management or during the project cycle, and capacity building.

## Contract volumes, contract award, and acquisition

The demand of SDC and SECO for consulting services amounts to CHF 100 Mio. in 2006. Together with other clients, in particular foreign bilateral aid agencies, international organisations and NGOs, total demand for consulting services in Switzerland amounts to approximately CHF 120-130 Mio. However, this should not be understood as being the market *potential*.

Contract volumes of SDC and SECO tend to decrease, the number of contracts however is strongly increasing since 2003, particularly at SDC (1'400 contracts in 2006). Costly project implementations in the field are decreasing in the same period. Thus, contracts are decreasing in terms of the volume and in terms of duration of the contract.

According to legal contract award procedures of SDC and SECO a high share of direct or open contracting prevails. At SDC, directly contracted follow-on phases of projects are the most important category in terms of contract volume; in terms of numbers, they decrease. Follow-on phases are increasingly being publicly tendered – a trend which is supposed to be intensified. All in all, publicly tendered contracts (with competition) are very rare. This makes market entry for new consultants or beginners extremely difficult.

The decline of the Swiss private sector (single consultants and consulting companies) in consulting in international cooperation is striking: In 2006, the private sector is barely carrying out 15% of all contract volumes. In return, the share of foreign consultants has become equally strong. Swiss NGOs could continuously enlarge their share of consulting contracts.

Several criteria play an important role in the acquisition and the award of contracts in international cooperation: Trust between clients and consultants, and a match of values seem to be most important non-measurable criteria. Professional competence, familiarity with the developing country, and the price are other important criteria. And finally, maturity plays an important role, in particular to find acceptance as a consultant in the field.

## **Future market trends**

The market for consultants in international cooperation is changing. Following trends can be observed or are emerging:

- Harmonisation and alignment efforts in development cooperation (key words: donor coordination, budgetary assistance, strengthening of multilateral organisations, focussing on countries and themes, shifts in competence and responsibility) directly influence the market for consulting services: The importance of project management in Switzerland is decreasing.
- However, the increase of multilateral assistance is also providing new chances for Swiss consultants, if they realign and if they acquire new thematic and methodical skills, and new institutional knowledge.
- International competition will continue to increase and compete against Swiss consultants with attractive offers in terms of price, and thematic and methodical skills.
- New themes and skills are demanded, in particular in the areas of energy, climate, environment and telecommunications. „Soft“ skills (such as e.g. organisational development, coaching, back-stopping, evaluations) and especially economic and finance-related know-how gain importance.
- The development of networks and partnerships with other consultants and institutions in the North, South and East as well as working in consortia becomes probably more important.
- Client diversification is further aspired, in particular towards international organisations.

Politics and consultants are continuously claiming for more transparency in the award of contracts and grants. Also voices are raised for taking better care of the „Swissness“, i.e. to at least partially protect the market for Swiss NGOs and consultants and thus preserve the values of Swiss development co-operation.