

ASIAN DEVELOPMENT BANK

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**SPECIAL EVALUATION STUDY
ON
ADVISORY AND OPERATIONAL TECHNICAL ASSISTANCE
IN
KAZAKHSTAN AND THE KYRGYZ REPUBLIC**

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ABBREVIATIONS

ADB	–	Asian Development Bank
AOTA	–	advisory and operational technical assistance
DMC	–	developing member country
TA	–	technical assistance

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EXECUTIVE SUMMARY

This study is in response to concerns raised in the Asian Development Bank (ADB) that progress has been slow in some advisory and operational technical assistance (AOTA) currently being implemented in Kazakhstan and the Kyrgyz Republic. There was also concern that the effectiveness of training and the sustainability of the benefits of training may have been jeopardized by the frequent restructuring of government units and the turnover of staff in the public sector of the two developing member countries (DMCs). Thus, the study reviews and assesses the design, implementation experience, and operational performance of ADB's institutional strengthening program in these countries and the contribution to capacity building with a view to providing feedback to improve ADB's current and proposed technical assistance (TA) operations. This study evaluates 16 AOTAs (5 to Kazakhstan and 11 to the Kyrgyz Republic) that were closed, operationally completed, or relatively advanced in their implementation in 1999. The AOTAs in the study focus on training in ADB policies and procedures (4), institutional strengthening/capacity building (8), and expert advice assistance (4).

The study found the following. The degree of success of TAs provided to Kazakhstan and the Kyrgyz Republic was closely related to the design of the TA. TAs that involved government participation in preparing and implementing the TA and obtained a high degree of government commitment had the greatest amount of success. Commitment includes aspects such as assurances that restructuring recommendations will be implemented and that trainees are identified early on in the processing of the TA and will be allowed sufficient time to attend training sessions. The study also found that ADB staff should better evaluate training needs of government staff during the preparation of the TA. Of critical importance in the evaluation is an assessment of English language skills. If the English language skills of training participants are insufficient, then the TA design should make provisions for adequate interpretation and translation services.

Implementation performance of AOTAs to Kazakhstan and the Kyrgyz Republic was generally satisfactory. Consultants performed well and ADB supervision was adequate in most cases. Restructuring and reorganization of the governments, which took place during the implementation of many of the AOTAs, did not have a significant effect on implementation. Although some delays occurred, these were no more than overall ADB experience in other DMCs, and in most cases, less.

Reports produced by consultants were rated as either good or high quality by governments and ADB staff. Policy recommendations were accepted and implemented in most cases. However, recommendations regarding institutional changes were met with less acceptance. In some cases, the recommendations were obsolete and not relevant because of the dramatic and often sudden restructuring that had taken place. In other cases, recommendations were not accepted because of insufficient consultation with the governments. As a result, the governments lacked a sense of ownership of the recommendations and commitment to their implementation.

Government restructuring had an impact on the training component of the AOTAs. Although all government units in Kazakhstan and the Kyrgyz Republic were downsized, the impact of the downsizing was not evenly distributed among those who participated in the training. In some ministries, most of those trained are still employed, while in other ministries, the opposite is true. However, the retrenchment of government staff with AOTA training should not detract from the overall training effort for two reasons. First, the marginal cost of training, especially through seminars or workshops, is likely low. Thus, the opportunity cost of a trained government staff member leaving government service would also be low. Second, downsizing of the government bureaucracy usually means that those still in the government's employ have greater responsibilities. Thus, the training of those still working for the government should also have a proportionately greater impact. This is likely the case in Kazakhstan and the Kyrgyz Republic because their government bureaucracies are characterized by a concentration of bureaucratic power at the top of the hierarchy, where ADB's AOTAs were often focused.

The overall assessment of the AOTAs is partly successful.

The findings of the study lead to some fairly simple recommendations that should improve the performance of AOTAs to the Central Asian DMCs. They are as follows.

- (i) AOTA design should carefully assess training needs, including the proficiency in the English language.
- (ii) AOTA design should ensure the active participation of the governments in developing recommendations regarding institutional reorganization and policy issues to build a better sense of ownership and commitment on behalf of the governments.
- (iii) AOTA design should provide sufficient resources for interpretation and translation services without duplicating translations done under other TAs.
- (iv) Training under AOTAs should encompass as many government staff members as possible, including senior officials, to mitigate the effects of staff attrition through retrenchment or other reasons.

I. INTRODUCTION

A. Background

1. Kazakhstan and the Kyrgyz Republic are two Central Asian countries that gained independence from the former Soviet Union in 1991. Subsequently, Kazakhstan became a developing member country (DMC) of the Asian Development Bank (ADB) in January 1994 and the Kyrgyz Republic in April 1994. As economies in transition, Kazakhstan and the Kyrgyz Republic have undergone extensive economic restructuring since independence that resulted in prolonged recessions and economic and social dislocation, as well as rapid and intensive institutional changes. ADB's response to these DMCs' call for assistance during these early years was to provide special assistance and policy-based loans, and a series of advisory and operational technical assistance (AOTA) grants in support of their efforts to strengthen institutions and build capacity. This assistance was also provided to support these two DMCs' longer term objective of transforming to market-oriented economies. Lending on a project basis followed shortly thereafter.

2. The provision of AOTAs to strengthen institutions and build capacity has been (and still is) an important feature of ADB's operations. Traditionally, the objectives of ADB's technical assistance (TA) have been to facilitate the flow and efficient use of development finance to its DMCs and enhance their development capacity. In support of ADB's policy on governance, these objectives have recently been refined to cover public sector management, legal and regulatory frameworks, participation, and in the economies in transition, movement toward a market economy.

3. As of 31 December 1998, Kazakhstan had received 18 AOTAs, and the Kyrgyz Republic had received 19 AOTAs (see Appendix). The objectives of these AOTAs can be broadly classified into one of three categories: (i) training in ADB policies and procedures, (ii) institutional strengthening/capacity building, and (iii) expert advice assistance. These AOTAs were provided to a broad range of sectors without any specific focus, as the need for advice in all sectors was acute at the time. A more focused approach to the provision of TA followed after a strategy for each country was developed and more experience was gained.

B. Objectives and Methodology of the Study

4. This study is in response to concerns raised in ADB that progress has been slow in some AOTAs currently being implemented and that the effectiveness of training and the sustainability of the benefits of training may have been jeopardized by the frequent restructuring of government units and the turnover of staff in the public sector of the two DMCs. The study reviews and assesses the design, implementation experience, and operational performance of ADB's institutional strengthening program in these countries and the contribution to capacity building, with a view to providing feedback to improve ADB's current and proposed TA operations. The study focuses on the impact of selected AOTAs and the sustainability of their benefits given the restructuring within government and other institutional changes. The study assesses the AOTAs on an aggregate level rather than evaluating each TA individually.

5. This study evaluates 16 AOTAs (5 to Kazakhstan and 11 to the Kyrgyz Republic) that were closed, operationally completed, or relatively advanced in their implementation in 1999. Table 1 and the Appendix provide details on the 16 AOTAs evaluated. The AOTAs in the study focus on training in ADB policies and procedures (4), institutional strengthening/capacity building (8), and expert advice assistance (4). These 16 AOTAs represent most of the TAs provided early in ADB's operations in these DMCs. The sectoral distribution of the selected AOTAs mirrors the distribution of subsequent lending to these countries: agriculture, education, transport, and the public sector. The study is based on a review of ADB documents, files, and consultants' reports; discussions with ADB staff; and surveys of and discussions with officials of the governments of Kazakhstan and the Kyrgyz Republic, the executing and recipient agencies, and other funding agencies operating in these countries.

Table 1: AOTAs Evaluated

TA No.	TA Title	TA Type		Date Approved	Project Division	Executing Agency	Approved Amount (\$)	Status
		Processing Category	Functional Category					
Kazakhstan								
2174	Seminars on Bank Policies and Procedures in 1995 and 1996	SSTA	APP	28 Sep 1994	PE3	NAFI	100,000 ^a	Completed Apr 1998
2222	Institutional Support for Procurement and Disbursement	With Loan 1337/1338	APP	6 Dec 1994	IEFI	NAFI	554,000	Completed Sep 1996
2356	Strengthening the Implementation of Agriculture Reforms	Stand-Alone	IS/CB	4 Jul 1995	AEFN	Ministry of Agriculture	600,000	Completed Apr 1998
2419	Aid Coordination and Management	Stand-Alone	IS/CB	6 Oct 1995	PE3	Committee for Utilization of Foreign Capital	600,000	Closed in Jul 1999
2631	Institutional Strengthening of the Road Sector	With Loan 1455	IS/CB	27 Aug 1996	IETC	Department of Roads	750,000	Completed Apr 1998
Kyrgyz Republic								
2175	Seminars on Bank Operational Policies and Procedures in 1995 and 1996	SSTA	APP	28 Sep 1994	PE3	Goscominvest	80,000	Completed Aug 1998
2220	Strengthening of the Banking System	Stand-Alone	EAA	12 Jun 1994	PSG	National Bank of Kyrgyzstan	600,000	Completed Jun 1997
2226	Institutional Support for Procurement and Disbursement	With Loan 1342	APP	8 Dec 1994	IEFI	Goscominvest	476,000	Completed Jun 1998
2290	Education and Training Master Plan	Stand-Alone	EAA	17 Jan 1995	AEEH	Ministry of Education	900,000	Completed Oct 1996
2297	Industry and Trade Sector Study	Stand-Alone	EAA	3 Feb 1995	IEFI	Ministry of Industry and Trade	600,000	Completed Sep 1997

AEAR = Agriculture and Rural Development Division East, AEEH = Education, Health and Population Division East, AEFN = Forestry and Natural Resources Division East, APP = ADB policies and procedures, IS/CB = institutional strengthening/capacity building, EAA = expert advice assistance, EIA = environmental impact assessment, ENVD = Environment Division, IEF1 = Financial Sector and Industry Division East, IETC = Transport and Communication Division East, KNEHC = Kyrgyz National Energy Holding Company, NAFI = National Agency for Foreign Investment, PE3 = Division East 3, PSG = Private Sector Group, SSTA = small scale technical assistance.

^a The original approved amount was \$85,000. On 14 May 1996, a supplementary amount of \$15,000 was approved for a total of \$100,000. Thus, TA 2174-KAZ: Seminars on Bank Policies and Procedures in 1995 and 1996 comprises two TAs, the original and a supplementary TA.

Table 1: AOTAs Evaluated (continued)

TA No.	TA Title	Kind of TA		Date Approved	Project Division	Executing Agency	Approved Amount (\$)	Status
		Processing Category	Functional Category					
2397	Strengthening Environmental Institutions and Improving Procedures for EIA	Stand Alone	IS/CB	13 Sep 1995	ENVD	State Committee on Environmental Protection	556,000	Completed Oct 1997
2450	Reorganization and Strengthening of the Ministry of Agriculture and Food	With Loan 1407	IS/CB	23 Nov 1995	AEAR	Ministry of Agriculture and Food	1,324,000	Completed Aug 1998
2451	Building Capacity for the Formation and Management of Water Users Association	With Loan 1407	IS/CB	23 Nov 1995	AEAR	Ministry of Water Resources	861,000	Completed Feb 1998
2473	Strengthening the Ministry of Economy	Stand-Alone	IS/CB	14 Dec 1995	PE3	Ministry of Economy	850,000	Completed Feb 1999
2542	Reevaluation and Tariff Study for KNEHC	Stand-Alone	EAA	13 Mar 1996	EIFI	KNEHC	310,000	Completed Oct 1997
2587	Institutional Strengthening of the Road Sector	With Loan 1444	IS/CB	13 Jun 1996	IETC	Ministry of Transport	800,000	Completed Aug 1997

AEAR = Agriculture and Rural Development Division East, AEEH = Education, Health and Population Division East, AEFN = Forestry and Natural Resources Division East, APP = ADB policies and procedures, IS/CB = institutional strengthening/capacity building, EAA = expert advice assistance, EIA = environmental impact assessment, ENVD = Environment Division, EIFI = Financial Sector and Industry Division East, IETC = Transport and Communication Division East, KNEHC = Kyrgyz National Energy Holding Company, NAFI = National Agency for Foreign Investment, PE3 = Division East 3, PSG = Private Sector Group, SSTA = small scale technical assistance.

^a The original approved amount was \$85,000. On 14 May 1996, a supplementary amount of \$15,000 was approved for a total of \$100,000. Thus, TA 2174-KAZ: Seminars on Bank Policies and Procedures in 1995 and 1996 comprises two TAs, the original and a supplementary TA.

C. Rationale, Objectives, and Scope of the AOTAs

6. AOTAs for training in ADB policies and procedures were among the earliest TAs to Kazakhstan and the Kyrgyz Republic. ADB TA operations in both DMCs started with one AOTA for seminars on ADB policies and procedures and one on institutional support for procurement and disbursement procedures (an AOTA associated with the Special Assistance loans¹ that were provided to each country as a first loan). The objectives of these AOTAs were to (i) enable government officials dealing with ADB to have a basic understanding of ADB's policies and procedures, improve the governments' use of ADB aid, and communicate with ADB more

¹ Loan 1338-KAZ: *Special Assistance*, for \$20 million, approved on 6 December 1994; and Loan 1342-KGZ: *Special Assistance*, for \$20 million, approved on 8 December 1994.

effectively; and (ii) strengthen government capacities in the administration of ADB projects, especially procurement and disbursement operations, with a view to expediting the use of ADB assistance. This latter objective was especially important for implementing the Special Assistance loans as disbursements from these loans were critical given the severe economic contraction experienced in both countries at the time. The scope of the AOTAs was relatively uniform across all the TAs in this category and included seminars for high- and mid-level government officials, translation of ADB documents, training in ADB policies and procedures, and provision of office equipment.

7. AOTAs for institutional strengthening/capacity building became a necessity when ADB identified the strategic sectors in Kazakhstan and the Kyrgyz Republic in which it felt it had a role to play. Before ADB resources could be allocated to these sectors, it was necessary to ensure that the governments had the absorptive capacity and the ability to implement the programs and projects under consideration. Thus, the objectives of these AOTAs included strengthening institutional capacities to (i) manage, coordinate, and use aid; (ii) effectively monitor the economy and provide policy analysis of issues; and (iii) manage agriculture, road, and environment sector reform programs. The scope of these AOTAs included (i) providing advice on institutional and organizational matters; developing legal frameworks, including reviewing/drafting legislation and regulations; and reviewing/preparing policy documents; (ii) developing and establishing regulatory, technical, operational, management, financial, cost recovery, and benefit monitoring and impact measurement systems; (iii) developing and implementing human resource development plans and training/operational manuals; and (iv) providing facilities, such as computer equipment and software.

8. AOTAs that provided expert advice assistance were in response to the need to improve the governments' and ADB's knowledge base in particular sectors and to provide advice on policy issues and institutional changes. These AOTAs reviewed sector performance; identified specific issues; and prepared plans, guidelines, and recommendations to provide a sound basis for policy dialogue. However, these TAs did not contain a training component and did not transfer technical know-how to host country staff to any great extent.

II. AOTAs FOR TRAINING IN ADB POLICIES AND PROCEDURES

9. Four AOTAs on ADB policies and procedures are reviewed in this chapter. These AOTAs are discussed together because of their similarity in objectives, outputs, and implementation in Kazakhstan and the Kyrgyz Republic.

A. Technical Assistance Design

10. All four AOTAs in this group were primarily designed to conduct seminars for high- and mid-level government officials on ADB policies and procedures by either ADB staff or international consultants. These seminars were generally of short duration, ranging anywhere from a half-day session to two-day sessions. The seminars were conducted in English with the assistance of domestic consultants to provide interpretation services in the Russian language. The two AOTAs associated with the Special Assistance loans (footnote 1) also provided the governments with logistical and other support for imprest account operations and liquidation of advances. All AOTAs in this group provided funds for the translation of ADB documents into the Russian language. TA funds were also used to finance the operation of ADB liaison offices in Almaty and Bishkek.

11. The provision of translation services in each of the AOTAs has led to an apparent duplication of translation as each TA seems to be translating the same ADB documents into Russian. For example, ADB guidelines for procurement and disbursement were translated under the TAs associated with both Special Assistance loans. Some of these documents have also been translated under the other TAs in this group. Obviously, the translation of any ADB document should be done only once, after which it may be used in any Central Asian DMC. An inventory of documents including the standard parts of the ADB loan agreements translated into Russian should be maintained at ADB headquarters for future use. With more Central Asian countries joining ADB, there will be a need for translated documents, and these should be readily available.

B. Implementation Performance

12. Consultants were engaged in accordance with ADB's *Guidelines on the Use of Consultants*. However, for TA 2174-KAZ and TA 2175-KGZ, both entitled Seminars on Bank Operational Policies and Procedures in 1995 and 1996, ADB staff members were used with the assistance of domestic consultants. Generally, the consultants performed well.

13. The AOTAs were implemented without any difficulty, although a modest delay was experienced in TA 2222-KAZ: Institutional Support for Procurement and Disbursement because of organizational changes to the recipient agency, the National Agency for Foreign Investment. From March 1995, this agency was reorganized as the Committee for the Utilization of Foreign Capital, then as the Committee for External Loans, and finally as the Agency for Strategic Planning and Reform in 1998. The last reorganization was accompanied by a substantial reduction in staff (from 200 to 85). A delay of about two years in the implementation of TA 2732-

KAZ: Seminars on Bank Operational Policies and Procedures in 1997 and 1998² (not part of this study) was also experienced for the same reason. This TA will only be implemented in 2000, although it was approved in late 1996. ADB supervision of the implementation of TA 2174-KAZ and TA 2175-KGZ was not necessary as ADB staff members were involved in conducting the seminars. The two TAs associated with the Special Assistance loans (footnote 1) were adequately supervised along with the loans to which the TAs were attached.

C. Evaluation of TA Output and Impact

14. The seminars under these AOTAs were implemented satisfactorily, except under TA 2226-KGZ: Institutional Support for Procurement and Disbursement, which was held too late, when procurement activities under the Special Assistance loan (footnote 1) were nearing an end. The executing agency does not have any record of the participants who were trained under TA 2175-KGZ: Seminars on Bank Policies and Procedures in 1995 and 1996. Nevertheless, training manuals were produced for government officials for future use and extra copies were left behind in the executing agency. However, these extra copies (and the vehicle and office equipment provided under the TA) cannot be accounted for. Under TA 2222-KAZ cannot be accounted for either. Interpretation services in the seminars were not of an expected standard because of the lack of familiarity at the time with ADB procedure. However, the consultant's final report produced under this TA was of good quality.

15. All government staff members in Kazakhstan who attended seminars provided by the AOTAs were traced by the study (Table 2). More than half continue in the employ of the Government despite the substantial restructuring and downsizing the Government underwent when it shifted its capital from Almaty to Astana in early 1998. This indicates that the selection of candidates for these seminars was done in a judicious manner and that the knowledge imparted by these seminars largely remains in the Government. As a result, key officials in the Government are familiar with ADB's policies and procedures. This has been demonstrated with the successful drawdown of funds from two subsequent program loans. It also demonstrates that it is possible to select participants for training who have a high probability of remaining with the government service when downsizing of the government is expected.

Table 2: Training under ADB Policies and Procedures AOTAs

No. and Name of TA	Staff Members (no.)				
	Trained	Traced	In Public Sector (using training skills)	In Private Sector	Other ^a
Kazakhstan					
A. 2174-KAZ: Seminars on Bank Operational Policies and Procedures in 1995 and 1996					
1. Two-day seminar on ADB policies and procedures	30	30	12	16	2
2. Half-day seminar for ministers and deputy ministers	13	13	9	3	1
B. 2222-KAZ: Institutional Support for Procurement and Disbursement					
1. One-day seminar on procurement	9	9	5	4	0
2. One-day seminar on disbursements	12	12	7	4	1
3. Regional seminar on project implementation and administration					

² TA 2732-KAZ: *Seminars on Bank Operational Policies and Procedures in 1997 and 1998*, for \$85,000, approved on 24 December 1996.

at ADB headquarters	2	2	2	0	0
Kyrgyz Republic					
A. 2175-KGZ: Seminars on Bank Operational Policies and Procedures in 1995 and 1996					
1. Two-day seminar on ADB policies and procedures	—	—	—	—	—
2. Two-day follow-up seminar	—	—	—	—	—
B. 2226-KGZ: Institutional Support for Procurement and Disbursement					
1. One-day seminar on procurement	—	—	—	—	—
2. One-day seminar on disbursement	—	—	—	—	—
3. Regional seminar on project implementation and administration at ADB headquarters	—	—	—	—	—

— = not available.

^a Includes staff members who have retired, have died, or are on training abroad, and miscellaneous categories.

16. The whereabouts of all of the participants in the seminars given in the Kyrgyz Republic could not be traced (Table 2). Of the few that were found, most are not in the employ of the Government. It is generally believed that the majority had either moved to other government units or had left government service altogether. In either case, the AOTAs have not been effective in achieving their objectives in the Kyrgyz Republic. A key weakness of these AOTAs is the attempt to train too few from too wide of a selection of ministries, rather than concentrating on more staff members from fewer ministries. If the intent was to cover a wider range of ministries and to maximize the probability that knowledge from the seminars would not dissipate, then a larger AOTA should have been approved. In short, a better assessment of training needs and a more selective process in identifying trainees were required.

III. AOTAs FOR INSTITUTIONAL STRENGTHENING AND CAPACITY BUILDING

17. Eight AOTAs for institutional strengthening and capacity building are discussed in this chapter. Because of the differences in factors affecting the performance and outcomes of AOTAs in the Kazakhstan and the Kyrgyz Republic, this group of TAs are discussed on a country level.

A. Kazakhstan

1. Technical Assistance Design

18. Two of the three AOTAs were attached to loans, TA 2356-KAZ: Strengthening the Implementation of Agricultural Reforms and TA 2361-KAZ: Institutional Strengthening of the Road Sector, while TA 2419-KAZ: Aid Coordination and Management was a stand-alone TA. The main purpose of the attached TAs was to provide expert advice on policy issues in the sector with training as a secondary component. Development of government staff was the primary aim of TA 2419-KAZ. However, it was the training component that had the greatest weakness in the design of these TAs. Either training was not carried out as required by the TA or trainees were not properly identified and selected.² This weakness was the result of inadequate identification of training needs and the lack of ownership of the TAs by the host government and, in the case of TA 2419-KAZ, the unclear and undefined responsibilities of the executing agency. For TA 2356-KAZ and TA 2631-KAZ, this resulted in a poor commitment on the part of government participants in the training sessions and, for TA2419-KAZ, incomplete implementation. The statement in the TA 2419-KAZ paper that "it is not possible to anticipate accurately the precise purpose for which domestic consultants will be required" illustrates the weakness in the design. Although it may be argued that government restructuring had a part to play in the weak design, better identification of training needs, and ownership would have mitigated this factor and increased the chances of a more desirable outcome.

2. Implementation Performance

19. Consultants were engaged in accordance with ADB's *Guidelines on the Use of Consultants*. Although the consultants performed overall satisfactorily, there were some difficulties during the initial stages of the TAs in the long time taken to familiarize them with the sector because of a lack of experience in the region. These initial problems were eventually overcome.

20. TA 2356-KAZ and TA 2631-KAZ achieved the TAs' intended objectives and were relatively on schedule. Training under these TAs was according to the terms of reference.

² A notable exception was training of staff belonging to the State Road Authority and Oblast Road Authority.

However, TA 2419-KAZ was unsuccessful as the major part of the TA, the fielding of the aid coordination expert, has not been implemented. The main reason for this is the absence of a successor agency to the Executing Agency, the Committee for the Utilization of Foreign Capital, after its restructuring (para. 13). No progress could be made to complete the implementation of the AOTA, so it was closed in July 1999.

21. ADB supervision of TA 2356-KAZ was intensive, while supervision of the other two TAs was adequate.

3. Evaluation of TA Output and Impact

22. The final report of TA 2356-KAZ: Strengthening the Implementation of Agricultural Sector Reforms was of high quality, addressing the most important issues in the sector, and providing the Government with sound policy advice. The TA's recommendations are being used as the basis for the policy content of a follow-up sector development program loan to the agriculture sector. Thus, this TA should have a substantial impact on the sector. Seminars and training workshops were held according to the terms of reference of the TA. About 30 Ministry of Agriculture staff members were trained (Table 3) although lists of training participants were lost during the move of the ministry from Almaty to Astana. However, training under this TA had some difficulties, as ministry staff members of longer service had little appreciation of the importance of training. This is a result of the inadequate identification of training needs during TA preparation. It is believed that all, if not most, of the trainees left the government service during the downsizing of the ministry.

23. The final report of TA 2631-KAZ: Institutional Strengthening of the Road Sector was also of high quality and provided the Government with sound policy advice. Many of the policy recommendations proposed under this TA have been implemented, although the main recommendations regarding organizational changes in the ministry responsible for roads have not been considered. The move of the Ministry of Transport, Communication, and Tourism to Astana, the large budget cuts, and the downsizing of ministry staff in the past year have made these recommendations obsolete. The equipment provided under this TA is being used for the purpose intended. This TA also provided training in contract management and institutional strengthening for 69 out of the planned 75 staff members. Out of the 69 staff members trained, 60 have remained with the Ministry of Transport, Communication, and Tourism. Therefore, it may be concluded that the training component of the AOTA has had a positive impact, but the extent of the impact cannot be determined.

24. The part of TA 2419-KAZ: Aid Management and Coordination, that was completed, provided training and workshops on the legal aspects of international agreements. However, there is no information about the numbers trained or whether any of the trainees have remained in the government service. Although the implementation of this TA was incomplete, it can be concluded that its impact was minimal.

Table 3: Training Under Institutional Strengthening/Capacity Building AOTAs
Staff Members (no.)

No. and Name of TA	Trained	Traced	In Public Sector (using training skills)		
			In Private Sector	Other ^a	

A. 2356-KAZ: Strengthening the Implementation of Agriculture Sector Reforms

	Seminars/workshops	30	—	—	30	—
B.	2361-KAZ: Institutional Strengthening of the Road Sector					
	Seminars/workshops	69	60	60	9	—
C.	2419-KAZ: Aid Coordination and Management					
	Seminars/workshops	—	—	—	—	—

— = not available.

^a Includes staff members who have retired, have died, or are on training abroad, and miscellaneous categories.

B. Kyrgyz Republic

1. Technical Assistance Design

25. The design of the AOTAs for institutional strengthening/capacity building in the Kyrgyz Republic followed ADB's traditional approach to such TAs by providing support for policy work, institutional reform, and human resource development. This approach is well tested and appropriate in the case of the Kyrgyz Republic. Nevertheless, the design of these AOTAs demonstrated two weaknesses that should be corrected in future TAs. First, several of the AOTAs did not adequately assess the English language skills of government staff and did not provide sufficient resources for interpretation and translation facilities. English language skills in the Kyrgyz Republic are weak at best and nonexistent in many cases. Thus, some of the English-only training material produced under these TAs is of limited value. Without the adequate provision of these interpretation and translation facilities, the quality and sustainability of training will suffer.

26. Second, the assessment of training needs and commitment to training from the government need to be improved. The implementation of some AOTAs has revealed that there often exists a conflict between participation in training and the exigencies of work. This has resulted in a lesser commitment to training by some participants. Also, there were instances where candidates with sufficient English skills could not be found for international training and, in several cases, trainees did not complete satisfactorily the international courses in which they participated. During the preparation of TAs, training needs must be better identified and a commitment from the government should be secured to allow staff to participate fully in training.

2. Implementation Performance

27. Consultants were engaged in accordance with ADB's *Guidelines on the Use of Consultants*. Their performance was generally satisfactory, although some difficulties were encountered on two TAs with specific consultants who were not appropriate for the task assigned. However, the scale of these problems is not exceptional compared with overall ADB TA experience.

28. The restructuring and reorganization of ministries that acted as executing agencies for these AOTAs had some effect on the implementation of the TAs. Implementation was slowed in

most cases, although not seriously. In some cases, the terms of reference had to be modified to take into consideration the changing circumstances. Nevertheless, in all cases, the major outputs required from the TA were realized. This was partly the result of good supervision of the TAs by ADB staff, except in the case of TA 2473-KGZ: Strengthening of the Ministry of Economy, where the merger of the Ministry of Finance and the Ministry of Economy was not adequately followed despite regular ADB missions to the DMC. In the case of TA 2451-KGZ: Building Capacity for Formation and Management of Water Users Association, the Ministry of Agriculture and Water Resources was closely involved in much of the TA's implementation.

3. Evaluation of TA Output and Impact

29. The degree of success in reaching the TAs' objectives was mixed. TA 2397-KGZ: Strengthening Environmental Institutions and Improving Procedures for Environmental Impact Assessment and TA 2587-KGZ: Institutional Strengthening of the Road Sector produced good quality reports that were accepted by the Government. Office equipment (such as computers) provided under the TAs is being used appropriately. Institutional changes recommended by the TAs were implemented and, in the case of TA 2397-KGZ, the State Committee for Environmental Protection was upgraded to ministry level as a result of the TA. Training under these two AOTAs was satisfactory and, in the case of TA 2397-KGZ, the skills acquired were immediately put into use. The new Ministry of Environment employs more than half of the staff members trained under this TA. The same is true regarding those trained under TA 2587-KGZ. These TAs seem to have had a positive impact on the respective ministries.

30. The results of TA 2473-KGZ: Strengthening the Ministry of Economy are not satisfactory. Although the statistical information system was successfully developed and implemented, the consultant's report on the reorganization of the ministry was made obsolete when the Ministry of Economy merged with the Ministry of Finance to become the Ministry of Finance and Economy. Only half of the training participants (about 30) successfully obtained certificates of completion from the training course. The follow-up training course was poorly attended as work demands and the downsizing of the new ministry interfered with the training. Following the merger of ministries, 54 of the 65 training participants remained in the new ministry (Table 4). Nevertheless, the overall impact of this TA on the Ministry of Finance and Economy is negligible. The training participants felt that the seminars were less than satisfactory because of the theoretical nature of the courses.

Table 4: Training Under Institutional Strengthening/Capacity Building AOTAs

No. and Name of TA	Staff Members (no.)				
	Trained	Traced	In Public Sector (using training skills)	In Private Sector	Other ^a
A. 2397-KGZ: Strengthening Environmental Institutions and Improving Procedures					
1. International study tours	4	4	4	0	0
2. Seminars/workshops	34	26	15	5	6
B. 2450-KGZ: Reorganization and Strengthening of the Ministry of Agriculture and Food					
1. International training	5	5	4	0	1
2. Seminars/workshops	23	23	18	5	0
C. 2451-KGZ: Building Capacity for Formation and Management of Water Users Association					
1. International study tours	11	11	10	0	1

2.	Seminars/workshops	—	—	—	—	—
D.	2473-KGZ: Strengthening the Ministry of Economy					
1.	Seminars/workshops	65 ^a	65	54	4	7
2.	International training	7	7	4	0	3
E.	2587-KGZ: Institutional Strengthening of the Road Sector					
1.	Seminars/workshops	22	22	18	0	4
2.	International training	6	6	6	0	0

— = not available.

^a Includes staff who have retired, have died, or are on training abroad, and miscellaneous categories.

^b Of these, 30 received completion certificates.

31. The two TAs, TA 2450-KGZ: Reorganization and Strengthening of the Ministry of Agriculture and Food and TA 2451-KGZ: Building Capacity for Formation and Management of Water Users Association were attached to Loan 1407-KGZ: Agriculture Sector Program.³ The consultant's recommendations under TA 2450-KGZ regarding the restructuring of the Ministry of Agriculture and Water Resources were only partially accepted by the Government. The training, under the TA was not completely effective, particularly the international training, as suitable candidates with sufficient knowledge of English could not be found. As a result, computers provided under the TA are underutilized. Of the 28 ministry staff members trained, 22 are still employed by the ministry. Nevertheless, the intended impact of this TA has not been fully achieved.

32. Draft legislation, pilot water users association projects, and various reference manuals were produced under TA 2451-KGZ: Building Capacity for Formation and Management of Water Users Association. The Government did not accept some of the institutional reforms proposed under the TA because the ministry was not given the opportunity for comment on the draft final report. Moreover, the computer and other office equipment provided by the TA arrived several months after the consultant's departure. There was little information on the number of persons trained under the TA. Most of the more than 100 participants came from outside the ministry, many from the regional offices. The international study tour was successful, and with 10 out of 11 participants still in their same positions. Despite the difficulties, the TA had a substantial and positive impact on the ministry, primarily from the successful nontraining components.

³ Loan 1407-KGZ: *Agriculture Sector Program*, for \$40 million, approved on 23 November 1995.

IV. AOTAs FOR EXPERT ADVICE ASSISTANCE

33. Four AOTAs for expert advice assistance are discussed in this chapter. Only AOTAs from the Kyrgyz Republic are included because no suitable AOTAs from Kazakhstan could be found for the study.

A. Technical Assistance Design

34. Expert advice assistance AOTAs to the Kyrgyz Republic were generally well designed. The objectives and scope were well defined and clear. During TA preparation, there was an effort to ensure the Government's commitment through active participation of Government staff members in TA implementation. Interpretation and translation facilities were also adequately arranged to minimize language problems.

B. Implementation Performance

35. Consultants were engaged in accordance with ADB's *Guidelines on the Use of Consultants* and performed well. The consultants were successful in establishing a good rapport with government staff members, including counterparts and senior officials. In one case, a steering committee was formed to coordinate implementation. The TA projects were generally implemented on schedule, and ADB provided good supervision of the TAs.

C. Evaluation of TA Output and Impact

36. The final reports resulting from the TAs were of high quality and the Government, in all cases except one, accepted the recommendations of the consultants. The tariff revision recommended under TA 2542-KGZ: *Reevaluation and Tariff Study for Kyrgyz National Energy Holding Company* was not implemented by the Government, at least not immediately and not to the level recommended. However, this is not unusual as electricity tariffs are a sensitive political issue in many DMCs.

37. The restructuring of government had no impact on the implementation of the TA recommendations. In fact, in several cases, TA recommendations advised on restructuring options that were eventually implemented.

V. CONCLUSIONS AND RECOMMENDATIONS

38. This study reviewed 16 AOTAs (5 to Kazakhstan and 11 to the Kyrgyz Republic) to determine whether the extensive restructuring of the governments during the mid-1990s had any effect on the implementation of the TAs and to assess the AOTAs' impact. The AOTAs under review were classified as (i) training in ADB policies and procedures; (ii) institutional strengthening/capacity building; and (iii) expert advice assistance. The focus of the study was to determine whether changes in the government structures affected the implementation of the AOTAs' recommendations and the usefulness of training of government staff. The study found the following.

A. Technical Assistance Design

39. The degree of success of TAs provided to Kazakhstan and the Kyrgyz Republic is closely related to the design of the TA. TAs that involved government participation in preparing and implementing of the TA and obtained a high degree of government commitment to the TA were ones that had the greatest amount of success. Commitment includes aspects such as assurances that restructuring recommendations will be implemented and that trainees are identified early on in the processing of the TA and will be allowed sufficient time to attend training sessions. The establishment of a coordination committee comprising government staff members and the consultant to oversee the implementation of the TA would enhance government commitment. This approach has had some good success in the past.

40. The study also found that ADB staff members should better evaluate the training needs of government staff members during the preparation of the TA. Of critical importance in the evaluation is an assessment of English language skills. This aspect of training has diminished the value of training in the past, particularly of international training. If the English language skills of training participants are insufficient, then the TA design should provide for adequate interpretation and translation services. ADB has already translated many of its documents into the Russian language, so materials for translation should be judiciously selected in the future.

B. Implementation Performance

41. Implementation performance of AOTAs to Kazakhstan and the Kyrgyz Republic was generally satisfactory. Consultants performed well and ADB supervision was adequate in most cases. Restructuring and reorganization of the government, which took place during the implementation of many of the AOTAs, did not have a significant effect on implementation. Although some delays occurred, these were no more than overall ADB experience in other DMCs, and in most cases, less. There were some instances where the terms of reference of the TA were modified to take into account the changes in governments.

C. TA Output and Impact

42. Reports produced by consultants were rated as either good or high quality by governments and ADB staff. Policy recommendations were accepted and implemented in most cases. There were some instances when policy recommendations were not implemented because of political considerations, such as increasing power tariffs. However, this is not unusual in ADB's DMCs.

43. Recommendations regarding institutional changes were met with less acceptance. In some cases, the recommendations were obsolete and not relevant because of the dramatic and often sudden restructuring that had taken place. In other cases, recommendations were not accepted because of insufficient consultation with the governments. As a result, the governments lacked a sense of ownership of the recommendations and commitment to their implementation.

44. The restructuring and reorganization of the government has been a long and arduous process for Kazakhstan and the Kyrgyz Republic. In the case of Kazakhstan, this process has been exceptionally intense as it was accompanied by a shift of the capital and the government bureaucracy from Almaty to Astana. The question that consequently arises is whether the AOTAs could have been better designed or implemented to mitigate the effects of government restructuring. One measure that could be taken to mitigate these effects would be to ensure greater government involvement in the development of recommendations for institutional strengthening. But, even with the benefit of hindsight, there are no other obvious measures that could be taken to ensure that institutional strengthening recommendations are relevant and implementable during times of restructuring.

45. Government restructuring has had a significant impact on the training component of the AOTAs. Although all government units in Kazakhstan and the Kyrgyz Republic were downsized, the impact of the downsizing was not evenly distributed among those who participated in the training. In some ministries, most of those trained are still employed, while in other ministries, the opposite is true. However, the retrenchment of government staff with AOTA training should not detract from the overall training effort for two reasons. First, the marginal cost of training, especially through seminars or workshops, is likely low. Thus, the opportunity cost of a trained government staff member leaving the government service would also be low. Second, downsizing of the government bureaucracy usually means that those still in the government's employ have greater responsibilities. Thus, training should also have a proportionately greater impact. This is likely the case of Kazakhstan and the Kyrgyz Republic because their government bureaucracies are characterized by a concentration of bureaucratic power at the top of the hierarchy, where ADB's AOTAs were often focused.

46. In summary, the overall assessment of the AOTAs is partly successful. Although some of the TAs were satisfactorily implemented and many policy recommendations were accepted by the governments, the training components had significant design weaknesses. Many of the institutional changes were also not accepted by the governments.

D. Recommendations

47. In general, more attention to details is needed in the preparation of TAs. Experience shows that of the three types of TAs, the Expert Advice TAs have been the most successful. It may be that they were more focussed, have a targeted audience in mind and their results are easily accessible in terms of reports produced and actions taken. ADB may consider focussing its attention more on the provision of Expert Advice TAs in the region rather than dissipating its

efforts on training an increasingly large number of government officials. To the extent that training is required, TAs can focus on training the trainers. For training programs in specific sectors, it is recommended to enter into partnerships with local academic institutions, which assist in the logistical implementation of the TA and eventually incorporate the TA course curriculum into their routine curriculum. In this way the benefits of the training are not limited to the initial participants and there is an element of sustainability built into the design of the TA. For TAs related to training in ADB procedures, ADB may consider requesting its main counterparts in Government to form an ADB division within the relevant ministry which can continue to provide training to new staff as they join the ministry, rather than wait for the next seminar conducted by ADB consultants. The findings of the study lead to some fairly simple recommendations that should improve the performance of AOTAs to the Central Asian DMCs. They are as follows.

AOTAs designed for training should be preceded by a thorough training needs assessment.

AOTA design should ensure the active participation of the governments in developing recommendations regarding institutional reorganization and policy issues to build a better sense of ownership and commitment on behalf of the governments.

TA design should provide sufficient resources for interpretation and translation services without duplicating translations done under other TAs.

Training under AOTAs should encompass as many government staff members as possible, including senior officials, to mitigate the effects of staff attrition through retrenchment or other reasons.

Given the delays in implementation, the improper maintenance of records and the missing vehicles and office equipment, it is essential that closer monitoring be done during the implementation of the TAs. However, it is not always logistically possible for staff at headquarters to track the situation as closely as is required in some cases. It is recommended that the Resident Missions take an increasing role in TA administration and liaise with the government counterparts to ensure timely resolution of problems as they occur.

ADVISORY AND OPERATIONAL TECHNICAL ASSISTANCE TO KAZAKHSTAN AND THE KYRGYZ REPUBLIC
As of 31 December 1998

TA No.	Project	Type	Amount	Approved
Kazakhstan				
2174	Seminars on Bank Operational Policies and Procedures in 1995 and 1996	APP	85,000	28 Sep 1994
2174	Seminars on Bank Operational Policies and Procedures (Supplementary)	APP	15,000	14 May 1996
2222	Institutional Support for Procurement and Disbursement	APP	554,000	6 Dec 1994
2308	Education and Training Sector Study	EAA	895,000	7 Mar 1995
2356	Strengthening the Implementation of Agriculture Sector Reforms	IS/CB	600,000	4 Jul 1995
2419	Aid Coordination and Management	IS/CB	600,000	6 Oct 1995
2420	Financial Sector Advisory	EAA	600,000	11 Oct 1995
2448	Study on Market Reform in the Agriculture Sector	EAA	1,044,000	23 Nov 1995
2449	Study on Rural Credit and Savings	EAA	470,000	23 Nov 1995
2553	Strengthening Social Services Delivery and Finance	EAA	600,000	8 Apr 1996
2631	Institutional Strengthening of the Road Sector	IS/CB	750,000	27 Aug 1996
2732	Seminars on Bank Operational Policies and Procedures in 1997 and 1998	APP	85,000	24 Dec 1996
2829	Enhancing Pension Management and Information System	EAA	100,000	23 Jul 1997
2872	Strengthening Educational Administration and Management at the Central and Local Levels	IS/CB	600,000	24 Sep 1997
2910	Capacity Building for Pension Reform	IS/CB	1,000,000	12 Nov 1997
2945	Financial Sector Capacity Building to Support Pension Reform	IS/CB	680,000	15 Dec 1997
2946	Institutional Development and Policy Reforms for Improving Water Management	IS/CB	600,000	17 Dec 1997
3082	Public Information and Education in Support of Pension Reform	EAA	840,000	1 Oct 1998
Kyrgyz Republic				
2175	Seminars on Bank Operational Policies and Procedures in 1995 and 1996	APP	80,000	28 Sep 1994
2220	Strengthening of the Banking System	EAA	600,000	5 Dec 1994
2226	Institutional Support for Procurement and Disbursement	APP	476,000	8 Dec 1994
2290	Education and Training Master Plan	EAA	900,000	17 Jan 1995
2297	Industry and Trade Sector Study	EAA	600,000	3 Feb 1995
2397	Strengthening Environmental Institutions and Improving Procedures for Environmental Impact Assessment	IS/CB	556,000	13 Sep 1995

APP = ADB policy and procedures, EAA = expert advice assistance, IS/CB = institutional strengthening/capacity building.

ADVISORY AND OPERATIONAL TECHNICAL ASSISTANCE TO KAZAKHSTAN AND THE KYRGYZ REPUBLIC (continued)

TA No.	Project	Type	Total	Approved
2450	Reorganization and Strengthening of the Ministry of Agriculture and Food	IS/CB	1,324,000	23 Nov 1995
2451	Building Capacity for the Formation and Management of Water Users Association	IS/CB	861,000	23 Nov 1995
2473	Strengthening the Ministry of Economy	IS/CB	850,000	14 Dec 1995
2542	Revaluation and Tariff Study for Kyrgyz National Energy Holding Company	EAA	310,000	13 Mar 1996
2587	Institutional Strengthening of the Road Sector	IS/CB	800,000	13 Jun 1996
2712	Preparation and Implementation of Guidelines on Best Practice in Corporate Governance	EAA	100,000	13 Dec 1996
2876	Strengthening the Economic Policy Making and Monitoring Capabilities of the PMO	IS/CB	800,000	25 Sep 1997
2879	Strengthening of Education Planning and Administration	IS/CB	930,000	29 Sep 1997
2934	Environmental Monitoring and Management Capacity Building	IS/CB	598,000	11 Dec 1997
2982	Seminars on Bank Operational Policies and Procedures	APP	114,000	23 Jan 1998
3035	Capacity Building in the Ministry of Agriculture and Water Resources	IS/CB	470,000	29 Jun 1998
3065	Policy Support in the Transport Sector	EAA	600,000	10 Sep 1998
3106	Institutional Strengthening for Social Service Delivery and Finance	IS/CB	634,000	27 Nov 1998

APP = ADB policy and procedures, EAA = expert advice assistance, IS/CB = institutional strengthening/capacity building, PMO = Project Management Office.