

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: KARM

TA No., Country, and Name TA3550-KAZ: Preparing a Comprehensive Medium-Term Poverty Reduction Strategy		Amount Approved: \$830,000 Revised Amount: \$830,000	
Executing Agency: Ministry of Economy and Trade	Source of Funding: Japan Special Fund	TA Amount Undisbursed \$86,695.67	TA Amount Utilized \$743,304.33
Date of Report Approval Signing Fielding of Consultants 23 Nov 2000 20 Dec 2000 16 Apr 2001		TA Completion Date Original: 28 Feb 02 Actual: 31 Aug 03 <hr/> Closing Date Original: 28 Feb 02 Actual: 14 Aug 06	
<p>Description (Background and Rationale)</p> <p>Poverty in Kazakhstan is a result of the dramatic declines in output of industry and agriculture following the break up of the USSR. Although the main determinants of poverty are a lack of sufficient income due to unemployment and insecurity, it is also a structural problem. It arises due to problems of governance, rent-seeking, underdeveloped business skills and self-help attitudes, a weak NGO sector, inefficient delivery of social services and assistance to the poor by local authorities, and structural weakness of the economy and infrastructure. According to National Statistics Agency, as of February 2000, about 43% of the population lived under the poverty line, 15.4% of which living under "extreme poverty".</p> <p>On 3 June 2000 the Government approved a State Program on Fighting Poverty and Unemployment that envisaged (i) reduction of the number of persons living in poverty in three years from 2.3 to 2.1 million (14.2%) through employment creation and social assistance to vulnerable population groups, (ii) reduction of unemployment from 13.5% in 2000 to 9% by the end of 2002, and (iii) increase of budget allocations for social security and assistance from 0.8% of GDP in 2000 to 1% in 2001-2002. The program also targeted to create 400,400 new jobs in industry, agriculture, and through SME development.</p> <p>However, the Government realized the limitation of the State Program, as it focused only on employment and social assistance. Therefore, the Government was committed to address the full range of income, human, and governance aspects of poverty in a longer term framework. As result, it was agreed that the TA would focus on the preparation of the comprehensive medium-term poverty reduction strategy covering 2003-2005, while also facilitating implementation of the current State Program.</p>			
<p>Objectives and Scope</p> <p>The long-term goal of the TA was to reduce poverty in Kazakhstan through implementation of a comprehensive medium-term poverty reduction strategy.</p> <p>The TA comprised five components: (i) investigating specific aspects of poverty in Kazakhstan, (ii) developing an appropriate definition of poverty and extreme poverty, including participatory poverty assessment, (iii) institutionalizing poverty-oriented planning and monitoring at the central government level, (iv) promoting poverty reduction planning at selected local government levels, (v) enhancing the sense of ownership by other stakeholders, including institutionalizing Government-NGO councils for poverty reduction at the macro, sector, and local government levels.</p>			
<p>Evaluation of Inputs</p> <p>International and domestic specialists were engaged for 14 person-months and 50 person-months respectively. The TA was implemented in accordance with the terms of reference (TOR). TA consultants held 22 workshops and seminars for over 1200 central and local government officials, NGOs, and private sector representatives; and a public awareness campaign through radio, TV, and printed matters. TA consultants closely cooperated with staff Ministry of Economy and Trade (MOET), Ministry of Labor and Social Protection (MLSP), National Statistics Agency, and UNDP. ADB staff maintained close contacts with the Government and the consultants and provided regular guidance during review missions.</p>			
<p>Evaluation of Outputs</p> <p>Medium-term poverty reduction strategy document drafted:</p> <p>TA consultants conducted studies and surveys on specific aspects poverty, developed definitions of Poverty and Extreme Poverty, and prepared the Draft Poverty Reduction Program for 2003-2005. The Program was adopted by the Government and approved by Prime Minister's Decree on 26 March 2003.</p>			

Regulatory framework prepared and institutional responsibilities to implement the strategy identified, including institutionalization of participatory stakeholder consultative process initiated:

TA consultants (i) conducted workshops and on-the-job training for the Government agencies on the central, sector, and local levels, (ii) provided advisory services to MLSP on implementation of the State Program, (iii) disseminated poverty information through public information campaign, poverty website and bulletin board, and (iv) conducted workshops and conferences to establish participatory stakeholder consultative process for preparing, implementing, and monitoring the strategy

The final TA documents also included: (i) Overview of the TA, (ii) Poverty in Kazakhstan (poverty assessment, analysis recommendations), (iii) Small Towns Study, (iv) Study for Regional Program for Poverty Reduction (Jambyl Oblast), (v) Study for Regional Program for Poverty Reduction (Karaganda Oblast), (vi) Summary Report of Workshops, (vii) Proceedings of the Final Conference, (viii) State Program for Poverty Reduction for 2005-2005, (ix) CD containing the above listed materials, (x) Video on the Final Conference on Poverty Reduction, (xi) CD on the contest "Art Against Poverty", (xii) Recommendations for Improved Poverty Budgeting, and (xiii) brochures, posters, and calendars.

All outputs of the TA met the TOR requirements. The Government is highly satisfied with the outputs of the TA.

Overall Assessment and Rating

The TA was successful in completing all its tasks and preparation of relevant documents. The Government showed strong commitment and facilitated TA implementation by sharing information, participation in preparation of documents, and organization of training, seminars, and conferences. TA consultants closely cooperated with UNDP and World Bank to support the Government's poverty reduction efforts.

Major Lessons Learned

Some areas such as rural development were not properly studied due to lack of relevant consultants. Input of agricultural specialists could strengthen the TA.

Recommendations and Follow-Up Actions

Detailed discussions of the TA project with the EA, consultants, and TOR developers are recommended on the initial stage on TA implementation. More time should be allowed for selection of local consultants. There should also be closer coordination between international and local consultants.

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