

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division : CWGF

TA 4191-KAZ: Strengthening Government Program Performance			Amount Approved: \$200,000		
			Revised Amount:		
Executing Agency Ministry of Economy and Budget Planning (MEBP)		Source of Funding TASF, Governance Cooperation Fund	Amount Undisbursed: \$9,890.88	Amount Utilized: \$190,109.12	
TA Approval Date:	TA Signing Date:	Fielding of First Consultants:	TA Completion Date Original: 31 October 2004      Actual: 30 March 2007		
06 October 2003	05 October 2004	16 May 2005	Account Closing Date Original: 31 October 2004      Actual: 30 March 2007		
<b>Description</b>					
<p>Following a Presidential Decree issued in June 2003,<sup>1</sup> the Ministry of Economy and Budget Planning (MEBP) was charged with the responsibility of developing a strategy and methodology for monitoring and evaluation (M&amp;E) of state and sector programs.<sup>2</sup> This initiative aimed to address two key weaknesses that undermined the quality of public service delivery. First, line ministries and agencies lacked the capacity and incentive for effective M&amp;E of the programs they administered. Programs were either evaluated on the basis of inadequate or inappropriate criteria, or not evaluated at all. Moreover, the central authorities had not established a mechanism for systematic M&amp;E, and for incorporating performance criteria in budget allocation decisions. Programs were typically evaluated only when specific problems arose during implementation or when expenditure limits were breached.</p> <p>During 2001–2002, the Asian Development Bank (ADB) provided assistance to strengthen government capacity to formulate and implement sound public investment programs (TA 3595).<sup>3</sup> Subsequently, ADB also supported the development of meaningful target indicators for poverty reduction (TA 4072).<sup>4</sup> The Governance Assessment (TA 3747)<sup>5</sup> highlighted the need for further improvement in program implementation, and proposed ADB support in this area.</p> <p>The TA was therefore consistent with the Government's priorities and complemented ADB's other activities in Kazakhstan at the time.</p>					
<b>Expected Impact, Outcome and Outputs</b>					
<p>The TA aimed to improve public service delivery through effective program implementation. To this end, the TA sought to develop and pilot-test an M&amp;E system for the education and agriculture sectors. Outputs envisaged included (i) an M&amp;E system with clearly identified goals and performance indicators, and (ii) capacity building for effective implementation of the M&amp;E system.</p>					
<b>Delivery of Inputs and Conduct of Activities</b>					
<p>The TA was highly relevant and well formulated in close consultation with the Government and other development partners.</p> <p>However, TA implementation was delayed substantially. Initial delays were due to the need for a Government Resolution authorizing MEBP to sign the TA letter on behalf of the Government. The TA became effective in October 2004—one year after approval date. Partly as a result of these changes, delays were encountered later due to difficulties in engaging qualified consultants.</p> <p>Subsequently, at the Government's request, agriculture sector was replaced by transport sector as one of the pilot sectors. In addition, three more sectors—roads, health, and e-government—were added as pilot sectors at the request of the Government. The changes reflected changing needs and priorities during the time that had lapsed between TA formulation and TA implementation.</p>					

<sup>1</sup> *Rules of State Program Development and Implementation in the Republic of Kazakhstan*. Presidential Decree No. 1099. June 2003.

<sup>2</sup> State programs are aimed specifically at addressing national strategic priorities and development needs. They are approved by the President. Sector programs are related to the development of specific sector of the economy and are approved by the Government.

<sup>3</sup> ADB. 2001. *Technical Assistance to Kazakhstan for Capacity Building for Public Investment Programming*. Manila.

<sup>4</sup> ADB. 2003. *Technical Assistance to Kazakhstan for Capacity Building of National and Local Governments to Implement the Poverty Reduction Program*. Manila.

<sup>5</sup> ADB. 2001. *Small-Scale Technical Assistance to Kazakhstan for Governance Study and Capacity Building for Administrative Reform*. Manila.

The TA engaged an international M&E expert/team leader for five person-months, and two national consultants for 9 person-months. The inputs of all three consultants were satisfactory. The international consultant, in particular, was highly responsive to the Government's needs. The terms of reference were fully met, and the inception and final reports were submitted in a timely manner.

TA implementation by MEBP (Executing Agency) and the Ministry of Transport, Ministry of Health, Ministry of Education, and Agency for Information and Communication (Implementing Agencies) was highly satisfactory. MEBP in particular, demonstrated strong ownership both during TA formulation and TA implementation.

Supervision by ADB was less than satisfactory. Limited staff resources hindered close supervision and policy dialogue from Headquarters. However, support from the Kazakhstan Resident Mission, qualified and dedicated consultants, and strong Government ownership ensured that TA objectives were met.

### **Evaluation of Outputs and Achievement of Outcome**

TA outputs were satisfactory, and contributed significantly to the TA objective.

The TA supported the development of an M&E system for five sectors: roads, railways, health, education and e-government. For each sector, a problem tree analysis was conducted and a detailed M&E system incorporating relevant international best practice principles was developed. The M&E system aimed to enhance performance orientation and customer service dimension of the programs, and included target indicators and monitoring mechanisms. A user's guide/manual for the implementation of M&E was also prepared.

In line with the terms of reference, a small scale beneficiary survey was developed for the roads sector. A survey manual was also prepared to facilitate the design of similar surveys and feedback mechanisms for other sectors.

The capacity building component was based on a thorough needs assessment. In addition to providing on-the-job training to the relevant staff of MEBP, a two-day workshop was conducted for MEBP, Ministry of Health, Ministry of Education, Ministry of Transport and the Agency Information and Communication, and the Presidential Administration.

### **Overall Assessment and Rating**

The TA is rated as successful.<sup>6</sup> The TA was in line with the Government's priorities, and well-formulated in close consultation with the Government and other development partners. Government procedures delayed the signing of the TA letter, which in turn delayed TA implementation. However, this did not undermine TA effectiveness, and the TA objectives were met.

### **Major Lessons**

A key lesson that emerged from this TA is that government ownership is crucial for project effectiveness. Despite capacity constraints, the MEBP took the lead in TA implementation, guiding the reform process and garnering support from stakeholders.

Notwithstanding the significant achievements, TA outcomes and sustainability would likely have been enhanced with closer ADB involvement. While the TA reports and capacity building activities were designed to promote the replicability of the M&E systems in other sectors, there was no policy dialogue regarding the need for further assistance to support wider use of M&E system across government programs. The TA therefore highlights the importance of ADB staff commitment for continuity in policy dialogue and reform momentum.

### **Recommendations and Follow-Up Actions**

The TA made a significant contribution by designing a comprehensive M&E system for five sectors. However, this is only the first step in the process of improving program performance and public service delivery. The full realization of the benefits of the M&E system will require effective implementation of the system and the development of a mechanism for linking program performance and the budget process. Follow up discussions and assessments will be required to evaluate the need for further support.

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<sup>6</sup> Using OED's criteria for overall performance based on relevance, efficacy, efficiency, sustainability, institutional development and other factors outlined in *Guidelines for the Preparation of Project Performance Audit Reports*. September 2000.