

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: ECSS

TA No. and Name 14186-KAZ: Institutional Strengthening for Rural Water Supply and Sanitation Services			Amount Approved: \$350,000	
			Revised Amount: -	
Executing Agency: Water Resources Committee of Ministry of Agriculture		Source of Funding: JSF	TA Amount Undisbursed¹	TA Amount Utilized \$269,418
Approval 29 September 2003			Completion Date Original 30 April 2004	
Signing 9 March 2004			Actual¹	
Date 04 May 2004			Closing Date Original 30 April 2004	
Fielding of Consultants			Actual¹	
Description				
<p>The technical assistance (TA) was processed in conjunction with the Rural Area Water Supply and Sanitation Sector Project.² The TA was designed to support the loan project by (i) improving management systems for basic infrastructure services development, and (ii) preparing a model for community-based water consumers groups (WCGs). The TA was intended to (i) prepare and implement institutional strengthening programs for local governments and community-based organizations; and (ii) assist WCGs and village local governments to improve their organizational structures and capacities, including strengthening their systems for planning, budgeting, operation and maintenance, and billing and collection.</p>				
Objectives and Scope				
<p>The main objectives of the TA were to strengthen the sector institutions and create appropriate management systems for the smooth implementation of the loan project. The TA was designed to (i) develop systems for involving the community role in identifying needs for basic infrastructure services and planning the level of services to be provided, and (ii) propose a model for the management of water supply systems by the WCGs. The TA was intended to help strengthen the capacity at both the central and provincial government levels to manage the project. This included developing and undertaking (i) training for project procurement, and (ii) training for the project performance monitoring system. The TA design, objectives, and scope were considered relevant to the sector's needs.</p>				
Evaluation of Inputs				
<p>The Executing Agency of the TA was the Water Resources Committee (WRC) of the Ministry of Agriculture (MOA). The TA provided for 11.75 person-months of international and 25 person-months of domestic consultants for training in (i) project management, (ii) institutional development and community participation, (iii) water supply and sanitation systems, (iv) community development and participation, (v) financial procedures and systems, (vi) procurement procedures, and (vii) improved sanitation and hygiene practices. The level and quality of the inputs provided by the consultants was considered fully satisfactory.</p>				
<p>The TA was conducted in close collaboration with the ADB staff concerned. A regular exchange of information, through seminars and informal meetings was kept with participating government institutions including (i) the central project management unit (CPMU), oblast project management units (OPMUs), MOA, Ministry of Economy and Budget Planning, Ministry of Environmental Protection, Ministry of Finance, and Ministry of Health. Administrations of the villages included in the core subprojects and of the relevant rayons (districts) were involved in the preparation and delivery of the training workshops. All activities were coordinated with the WRC, the administrations of the oblasts (provinces) of Akmola, North Kazakhstan, and South Kazakhstan, and the relevant OPMUs. Nongovernment organizations (NGOs) registered in the project oblasts were actively involved in the preparation and delivery of workshop seminars addressed to village, rayon, and oblast administrations, as well as to the future WCG leaders. The performance of both the WRC and ADB is considered satisfactory.</p>				
Evaluation of Outputs				
<p>The TA has developed good implementation practices using the four core subprojects (two in North Kazakhstan oblast and two in Akmola oblast) studied under the project preparatory TA.³ The final report included recommendations on arrangements for project implementation as well as recommendations and training programs on (i) standard design criteria and procedures, (ii) procurement of services and goods in accordance with ADB and national guidelines, (iii) financial management, (iv) subproject economic and financial analysis, (v) community development, and (vi) hygiene and sanitation</p>				

¹ The account has not been closed, pending settlement of final claims.

² ADB. 2003. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Republic of Kazakhstan for the Rural Area Water Supply and Sanitation Sector Project*. Manila.

³ ADB. 2000. *Technical Assistance to the Republic of Kazakhstan for Rural Water Supply and Sanitation Sector Project*. Manila.

education. The findings and recommendations of the consultants were of a satisfactory professional standard. All reports were well written and translated into Russian. Outputs of the TA were assessed by the WRC and were considered to be useful to all concerned. The reports were relevant and accessible to users, in particular since they were translated into Russian so that they could be distributed and understood easily.

A total of 16 workshops (with a total participation of 424 persons) were conducted, comprising (i) seven for community leaders (235 persons); (ii) three for NGOs (60 persons); (iii) two on project preparation and practices (50 persons); (iv) two on procurement procedures and practices (41 persons); (v) one on loan disbursement procedures (18 persons); and (vi) one on project financial management (20 persons). The training activities undertaken included (i) establishing procedures for standard criteria and preparation of subprojects; (ii) providing examples on establishment of bills of quantities for the procurement of works and materials; (iii) introduction of CPMU, OPMUs, design institutes, and contractors to standard bidding documents; (iv) introduction to methodologies for project economic and financial analysis; (v) initiation to project budgeting and accounting; (vi) testing realistic cost-recovery models; (vii) initiation of local and rayon administrations, and NGOs to community development practices; and (viii) testing of NGOs to participatory processes in the frame of community mobilization programs. A project performance monitoring system was developed, and procedures for project financial management systems were presented in a workshop.

Under the TA, emphasis was given to the creation of WCGs in the core subproject areas. A special workshop on the constitution of WCGs, including initiation of participatory approaches for the election of WCG management board members, was conducted. The TA also provided training for NGOs interested to be community developers and trainers. The training program covered initiation to (i) the benefits expected from improved water supply and sanitation facilities, (ii) optimum use of water for hygienic purposes, and (iii) basic cost recovery as a means of understanding the need for setting tariff and bill collection. Basic training programs for the implementation of the hygiene and sanitation education program being implemented under the loan project were also developed.

Overall Assessment and Rating

The TA fully accomplished its objectives to strengthen the sector institutions, and create sustainable management systems to support the smooth implementation of the loan project. The TA is rated as successful.

Major Lessons Learned

Outstanding institutional issues concerning project implementation arrangements, institutionalization of WCGs at village level, and differences between national and ADB procurement practices were addressed and debated at the one-day final workshop that was held in Astana on 27 October 2004. The registration of the WCGs as legally recognized entities remains a major outstanding institutional issue. The problem has been addressed at various stages of the development of the TA, mainly by proposing a draft charter and draft agreements between WCGs and OPMUs on one side, and WCGs and water users on the other side. Further, during the workshops in project preparation it has become evident that design institutes staffed mostly by engineers are not familiar with current procedures in economic and financial analyses of projects recommended by the ADB. There is a need for strengthening the capacity of design institutes to conduct economic and financial analysis at the planning (feasibility) stage of subprojects. The TA has recommended to consider the implementation of focused training and workshops in project feasibility financial and economical analysis to be addressed primarily to the design institutes being involved in the project and also to the OPMUs.

Recommendations and Follow-Up Actions

To assist with further information dissemination regarding project principles and concepts relating to the establishment and operations of the WCGs, a project handbook is being published under the TA. In addition, thirteen different manuals related to specific issues have been prepared and are mainly intended for the use by facilitators. It is recommended they be reproduced as needed for distribution to each subproject village included in the Project. The topics in the manuals are (i) procedures for project preparation, (ii) design criteria, (iii) comparison between national procurement regulations and ADB procurement guidelines and procedures, (iv) sample of prequalification documents for contractors, (v) minimum criteria for passing the prequalification selection, (vi) procedures for selection of contractors, (vii) standard bidding procedures and documents for contractors, (viii) economic and financial case study, (ix) guidelines for the economic and financial analysis of water supply projects, (x) guidelines for economic and financial analysis, (xi) guidelines for establishment of WCGs, (xii) guidelines for WCG management boards, and (xiii) guidelines for facilitators. It is recommended that at least the elected members of the WCGs' management boards participate actively in the most important phases during the construction works. On-the-job training is seen as the most effective method for local communities to familiarize themselves with all components of the renovated supply systems. Further, there is a distinct need to provide strengthening to the CPMU and OPMUs in procurement practices at all level of the project implementation with particular concern and priority to (i) selection of consultants, (ii) prequalification of contractors, and (iii) procedures for the procurement of contractors and goods according to ADB guidelines. There is a corresponding significant need to provide engineers from design institutes and contractors with more in-depth introduction to procurement guidelines and sample tender documents to be used under ADB financed contracts. The WRC is undertaking these follow-up actions.