

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: CWAE

TA No. Country and Name			Amount Approved: US\$800,000	
TA 3347-KGZ: Institutional Strengthening in Planning and Management of Agricultural Development			Revised Amount:	
Executing Agency: Chui Oblast Administration		Source of Funding: TASF	TA Amount Undisbursed US\$113,377.11	TA Amount Utilized US\$686,622.89
Date			Completion Date	
TA Approval	TA Signing	Fielding of First Consultants	Original	Actual
20 December 1999	18 January 2000	12 March 2001	30 June 2002	31 January 2006
			Closing Date	
			Original	Actual
			30 September 2002	26 April 2006
Description				
<p>The Government pursued a process of decentralization and has devolved many responsibilities to the oblast, raion, village administrations and farm-level institutions, which lack the necessary capacity and resources to perform their functions adequately. As the implementation of many aid-assisted projects is focused at the oblast level, these agencies need to be strengthened both to coordinate project support and deliver the services necessary for the effective implementation of these projects. The support for this was given through this technical assistance (TA) which was piggy-backed to <i>Loan No. 1726-KGZ: Agriculture Area Development Project (AADP)</i> whose impact is to increase the incomes of farmers in Chui oblast and outcome is to increase productivity and profitability of farm and non-farm enterprises. The Executing Agency (EA) was Chui Oblast Administration (COA).</p>				
Expected Impact, Outcome and Outputs				
<p>The impact was to improve the performance of the agricultural development activities managed by COA. The outcome was to improve the capacity of COA to design, develop, implement and monitor agricultural development projects, in particular AADP. The TA was to focus on (i) developing an approach to planning and management that is appropriate to the institutional and resource capacity of COA; (ii) developing coordination strategies and arrangements to optimize the effectiveness of development activities in the region; and (iii) developing systems and procedures for planning, budgeting, and monitoring financial and implementation activities. This focus was translated into five outputs in the design and monitoring framework following the first review in 2001: (i) institutional development; (ii) coordination mechanisms; (iii) financial management systems; (iv) planning, implementation, and monitoring systems; and (v) institutional arrangements for training.</p>				
Delivery of Inputs and Conduct of Activities				
<p>The TA commenced in March 2001, a delay to coincide with the delayed start-up of AADP. An international team leader/regional planner and national agricultural economist were initially recruited. The team leader was transferred to team leader of AADP in September 2002 and the national agricultural economist became the team leader. This allowed the TA to be substantially extended. In addition an international budgeting and financial management specialist (3.5 months) and international project monitoring specialist (2 months) were provided. The performance of all consultants was highly satisfactory. While the inputs were relatively stable the TA underwent substantial changes during its almost four year implementation. These changes included: (i) the Chui oblast department of agriculture, a subdivision of the national Ministry of Agriculture, Water Resources, and Processing Industry (MAWRPI), with 13 staff was abolished in 2001 and an Agrarian Unit of six staff established under COA. This was eventually reduced to 4 and all staff replaced after COA moved from the capital to the regional center. Subsequently, in early 2005, the Agrarian Units were abolished and the former oblast department of MAWRPI reestablished; (ii) there were four Governors and five deputy Governors, three complete turnovers of staff, and two physical relocations of the office during the TA; (iii) in February 2003, the design and monitoring framework was changed: impact and outcome remained the same, the outputs were reduced to two (financial management systems and institutional development), and performance targets and activities revised to provide more focused support for COA and MAWRPI departments in Chui Oblast; (iv) in June 2004, the financial management systems component was declared very successful by MAWRPI and the review Mission and extended to an additional 13 departments of MAWRPI and COA Finance Department; and (v) in early 2005, due to the lack of commitment from senior management of COA, the institutional development component was closed and the TA focused on financial management systems component to the end of the TA. The TA had six extensions between September 2002 and December 2005 reflecting the changes above and the difficulties in getting COA commitment.</p>				

Evaluation of Outputs and Achievements of Outcome

The TA generated 19 progress reports, three international consultant's reports on financial management and project monitoring, and several technical reports on training for Chui Oblast departments, functional reviews, budget process, administration guidelines for COA Agrarian Unit, and regional agricultural policy paper. The financial management systems component was the ultimate main focus of the TA and has been highly successful. It comprised reviews of budgeting systems, computer training, and installation and training in the 1C accounting software. Results by the end of the TA had shown 50-100% improvement in time for budget planning, executing and reporting, more transparent budget execution and reporting process, improved internal audit controls with protection of the accounting systems from interference and unauthorized access, and more accurate reports on planned and actual expenditure in the 18 departments supported. Due to this success, the 1C accounting system and associated training package have been adopted under another ADB TA in the Ministry of Transport in the Kyrgyz Republic.

The proposed activities under the TA for the institutional development component were all implemented to varying levels as influenced by the changes noted above. Despite the challenges, the TA: developed and trained staff in the management of an agriculture project database; reviewed and made recommendations on the functions and responsibilities of the Agrarian Unit, but the COA senior management showed no commitment; introduced a proper recording and filing system; and reviewed agricultural information systems and made recommendations for the removal of duplication of collection of parallel statistics by COA already collected by the National Statistics Office. However, the recommendations were not adopted by COA. This component is rated as partially satisfactory on the basis that the TA undertook all the activities, made recommendations, and implemented some key aspects to support the administration of the Agrarian Unit.

While all activities were carried out and the majority of outputs achieved to develop the capacity of COA to design, develop, implement, and monitor agricultural development projects, overall the outcome has not been achieved. This is no fault of the TA inputs and activities and not necessarily the fault of COA senior management. The changes in COA management and the changes to the oblast department of agriculture to the agrarian unit and back again, are all external factors that have affected the limited achievement of the outcome. In retrospect the outcome of the TA should have been changed to reflect more accurately the focus on the financial management systems component.

Overall Assessment and Rating

The TA is rated successful. The financial management systems component has been highly successful as demonstrated by the expanded introduction of the 1C accounting software to 18 departments in MAWRPI and COA and to the Department of Transport. It is also being widely used by other projects in the Kyrgyz Republic. While the institutional development component is only partially successful, the expanded success of the financial management systems component beyond the original expectation, outweighs this partial success.

Major Lessons Learned

The major lessons are: (i) flexibility in TA administration is essential in transition economies where there is constant change, particularly at institutional level; (ii) capacity of institutions should be more thoroughly assessed and TAs designed accordingly; (iii) minimize delays from ADB in administration of TAs to ensure limited effects on implementation; (iv) TAs should be of sufficient duration and adequately resourced if effective capacity development is to be achieved; and (v) the TA has demonstrated that improvements in governance can be achieved by small improvements of basic functions such as in budget planning and execution.

Recommendations and Follow-Up Actions

For future TAs at oblast level in the Kyrgyz Republic, a more thorough assessment of institutional capacity is essential. The expected outcome and outputs should be more appropriately designed in line with this capacity and appropriate levels of resources and time should be allocated for effective capacity development. Given the external influences that can affect TAs, it is essential that a flexible approach to TA administration and a willingness to amend designs is adopted. It is further recommended that where possible, the 1C accounting package should be introduced into projects and departments of the Government of the Kyrgyz Republic.

If considered desirable by ADB to expand the introduction of 1C in the Kyrgyz Republic or even other Central Asian countries, a follow-up review of the 18 departments under this TA would be appropriate.