

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: ECAE

<b>TA No. and Name</b> <b>TA No. 3439-KGZ: Capacity Building in the Ministry of Agriculture and Water Resources (Phase II)</b>			<b>Amount Approved:</b> \$585,000.00	
			<b>Revised Amount:</b> \$448,033.00	
<b>Executing Agency:</b> Ministry of Agriculture and Water Resources	<b>Source of Funding:</b> TASF		<b>TA Amount Undisbursed</b> \$16,549.97	<b>TA Amount Utilized</b> \$431,483.03
<b>Date</b>			<b>Completion Date</b>	
<b>Approval</b>	<b>Signing</b>	<b>Fielding of Consultants</b>	<b>Original</b> 31 August 2001	<b>Actual</b> 30 November 2003
<b>11 May 2000</b>	<b>28 July 2000</b>	<b>16 May 2001</b>	<b>Closing Date</b>	
			<b>Original</b> 29 December 2001	<b>Actual</b> 30 April 2005
<b>Description</b>				
<p>Agriculture is the leading sector of the country's economy. During the transition process the responsibility of the Ministry of Agriculture and Water Resources (now Ministry of Agriculture, Water Resources, and Processing Industry MAWRPI) has moved from controlling production and processing to supporting private sector development. This has required substantial capacity development while MAWRPI has been drastically reduced in size and has limited resources to undertake its functions effectively.</p> <p>Since 1995, ADB has provided continuous support to MAWRPI for capacity development. TA 2450-KGZ: <i>Reorganization and Strengthening of the Ministry of Agriculture and Water Resources</i>, was approved on 23 November 1995 and completed in September 1999 was rated successful. TA 3035-KGZ: <i>Capacity Building for the Ministry of Agriculture and Water Resources</i>, was approved on 29 June 1998 and completed in December 1999 and rated partially successful. These TAs resulted in: (i) the establishment of the Agricultural Project Coordination Unit (APCU); (ii) the development of a simple computerized project monitoring and reporting system; (iii) the establishment of a documentation center for project reports and legislation; (iv) initial development of an agricultural sector investment program (ASIP); and (v) in-country and overseas training in English and project planning, respectively. This capacity development has been undertaken in a transition economy where reforms have been continuous and substantial and where the Government has endeavored to respond to donor advice and conditions.</p>				
<b>Objectives and Scope</b>				
<p>The goal was to strengthen MAWRPI's capacity to support the development of a market-based agriculture sector. The purpose was to consolidate and expand a mechanism for preparing, implementing, and monitoring the ASIP. The TA comprised three components: (i) systems, methods and procedures for the preparation of an annual ASIP, integrated with the recurrent budget, and effectively monitored; (ii) organizational arrangements for effectively mainstreaming public investment programming, budget processing, and aid coordination including cooperation with the Ministry of Finance, Goscominvest, and oblast and raion level administrations; and (iii) staff training. The TA proposed to establish an interdepartmental committee within MAWRPI and an interministerial committee.</p> <p>The changes at Minister and First Deputy Minister level following fact-finding to TA commencement, precluded MAWRPI from developing the initial ownership necessary for successful implementation. During the course of the TA, several developments occurred in organizational aspects and capacity development. MAWRPI took responsibility for processing industry, a budget unit was created under the EUFSP, a new Department of Policy, Investment and Foreign Links (DPIFL) was established, the Agricultural Project Coordination Unit ceased to exist and its functions transferred to the Foreign Economic Relations and Investment Department of DPIFL, and a functional analysis of MAWRPI was undertaken by the EU/TACIS Civil Service Reform Project. In addition, SDC through their Policy Support Project provided assistance to agricultural policy formulation, including support for planning and implementing projects and aid coordination.</p>				
<b>Evaluation of Inputs</b>				
<p>There were difficulties in recruitment of the international economist-team leader following the decline by the first ranked candidate. The process went to the fifth ranked candidate who was rejected by MAWRPI, and subsequently decided to wait three months for the second ranked candidate to be available.</p> <p>The international economist was engaged for the required 15 months during 15 May 2001 to 1 November 2002, through GRM International. His performance was unsatisfactory in that no key outputs were achieved and he was not extended, MAWRPI sought more ownership and control over the TA and requested the recruitment of a local consultant. There was disagreement over ADB's selection of the consultant, who was hired through the domestic firm MNT Consulting. His performance was partially satisfactory in terms of requiring an extension of inputs, delays in submission of reports, and a final report that did not meet the TORs, plagiarized other documents, and lacked an adequate assessment of the institutional aspects within MAWRPI and recommendations for MAWRPI to establish an</p>				

ASIP. The report did not provide the direction for MAWRPI to achieve the TA outputs and objectives. MAWRPI had not supervised either the international or local consultant as they had been selected by ADB. The proposed local consultant (15 months) was not recruited. The international team leader sought to use the person-months for shorter term consultants but no requests were submitted for consideration. Neither the interdepartmental committee nor the interministerial committee was established by MAWRPI. The EA's performance was less than satisfactory.

ADB's supervision was intermittent due to restrictions on travel and availability of budget to conduct missions at more regular intervals, particularly during 2002. Review missions were conducted in November 2001, October 2002, November 2003. Follow-up meetings were held with MAWRPI senior staff during other missions to Kyrgyzstan. ADB's performance was satisfactory.

#### **Evaluation of Outputs**

Of the three key outputs, the focus was on staff training. Despite repeated efforts to reorient the TA from training to the ASIP and organizational development, there was no change in focus. The ASIP was not prepared, the SDC Policy Support Project took responsibility for the project monitoring system, and although an ASIP manual was prepared, there was no comment or interest from MAWRPI. No progress was made in organizational development purportedly because the EUFSP were undertaking a functional analysis to reorganize MAWRPI. The focus on training provided seminars on agriculture policy, and project planning and management. The Consultant spent substantial time with MAWRPI staff preparing two case studies on project formulation, neither of which were completed or submitted to ADB. In addition, computer skills training for 45 staff, English language training for 41 staff, a study tour to New Zealand, and funding of two MAWRPI staff to Turkey to participate in a course on agriculture sector planning were funded, although these were not in the original TA design. The training and study tour provided some insights into the functioning of a market oriented agriculture sector but there appears to have had little influence on MAWRPI operations. There was also no further outcome from the study on agriculture processing completed by a local consultant MAWRPI also sought to use the TA to computerize the Ministry but this was not approved.

#### **Overall Assessment and Rating**

The TA is rated unsuccessful because key outputs were not achieved. Neither MAWRPI nor the international consultant addressed the recommendations of the various review missions, and there appears to have been very little interaction between them other than for the international study tour, purchases of equipment, and funding of training and visits overseas. Despite efforts by ADB to allow the Ministry to take more control and direct the TA by submitting a proposal to ADB, nothing was submitted. The TA was finally closed on 30 April 2005.

This assessment can be attributed to: (i) the absence of a review of the objectives and scope of the TA in view of the delay between TA approval and fielding of consultants, and the commencement of the SDC and EUFSP programs; (ii) the lack of understanding of the objectives and scope of the TA by senior MAWRPI staff and the insufficient attention to ensuring the consultant was delivering on his terms of reference; (iii) the Consultant's lack of assertiveness and persistence in engaging senior staff to comment and interact in order to achieve his terms of reference; and (iv) the limited guidance and feedback provided to the Consultant by ADB's task manager, including the conduct of a review earlier in 2002, which was beyond his control.

#### **Major Lessons Learned**

This program of three TAs has been implemented over a period of tumultuous change in Kyrgyzstan, generally and particularly for agriculture and MAWRPI. Substantial capacity development of MAWRPI is still required in many areas for it to be able to provide the required support for a market-based agriculture sector. However, the scale, nature, and duration of the capacity development requires human resource development and organizational strengthening of MAWRPI and broader civil service reforms, which are beyond the capacity of individual TAs. A framework for capacity development combined with effective coordination and cooperation amongst donor agencies is necessary for effective capacity development. Also ADTAs, especially for capacity development, require more intensive and regular supervision than is normally provided because of ADB time and resource constraints. More effective supervision with the assistance of resident missions should be investigated for future TAs. Obtaining and maintaining ownership by senior MAWRPI staff in a constantly changing staff environment is difficult to address. Allowing more control over the budget and selection of consultants will require stronger governance controls in MAWRPI. Under normal circumstances the TA should have been stopped earlier in the process. However, given the transition nature, the substantial ongoing reform program, and the limited capacity of MAWRPI, the TA was maintained to endeavor to provide continued support to the Ministry

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

It is recommended that future capacity development TAs be formulated within a broader capacity development needs framework that is more effectively coordinated with other donor partners. The ongoing TA 4409-KGZ: *Agriculture Strategy Formulation* should include a review of capacity development needs for MAWRPI. Any further capacity development assistance should have more clearly stated roles and functions of MAWRPI including for senior staff.

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