

TECHNICAL ASSISTANCE COMPLETION REPORT

Division : ECID

TA No. , Country, and Name 3065-KGZ: Policy Support in the Transport Sector	Amount Approved: \$600,000 Revised Amount: -
Executing Agency: Ministry of Transport and Communications (MOTC)	Source of Funding: ADB Amount Undisbursed: \$16,004.09 Amount Utilized: \$583,995.91
Date of Report Approval: 10 Sep 1998 Signing: 11 Dec 1998 Fielding of Consultants: 03 Apr 1999	TA Completion Date Original: 30 Sep 2000 Actual: 25 Sep 2000
	Account Closing Date Original: 30 Sep 2000 Actual: Aug 2002 ^a
Description Under Loan 1444-KGZ (SF): Road Rehabilitation Project, the Government committed to implementing market-based reforms in the road sector. This commitment was translated into a set of specific policies and guidelines through the Transport and Road Sector Policy Statement, prepared with the assistance of TA 2587-KGZ: Institutional Strengthening of the Road Sector. The Government requested TA 3065-KGZ to assist in the formulation and implementation of key aspects of the restructuring and strengthening process in the road sector. The TA was attached to Loan 1630-KGZ(SF): Second Road Rehabilitation Project.	
Objectives and Scope The objective of Part A of the TA was to strengthen MOTC through (i) providing advisory assistance for transport policy, and (ii) strengthening the financial management system of MOTC. The objective of Part B was to assist in (i) refining the organization structure and roles of the Department of Roads (to be succeeded by the Transport Policy Department (TPD)) and the Planning, Design, and Construction Department (PDCD) and establishing initial operational systems; and (ii) capacity building through training of MOTC staff and private road contractors.	
Evaluation of Inputs The TA required 18 person-months of international and 10 person-months of local consulting services, which were adequate. The TA was completed within the budget.	
Evaluation of Outputs The consultants provided advisory assistance for transport policy and suggestions for improving MOTC's Transport Sector Development Plan for 1999-2010. The consultants recommended systems and procedural changes in financial objectives and policies and financial function organization structure as well as specific changes concerning data collection and analysis, computerization, and management structure. Implementation of specific financial organization reforms recommended by the TA is a covenant of Loan 1853-KGZ (SF): Third Road Rehabilitation Project. However, implementation of the TA's recommendations regarding the road fund were not possible due to IMF opposition to operating an off-budget road fund. The consultants addressed the structure, roles, and operating systems of TPD and PDCD by recommending that TPD undertake the role of a Multimodal Coordinating Unit and suggesting a revised organizational structure for PDCD. The consultants recommended provision of technical assistance to improve road-sector data collection, road maintenance, the road user charging system, and sector planning. They also prepared sample prequalification and bidding documents and recommended strengthening the capability of the local contracting industry. The consultants conducted workshops and seminars on prequalification of bidders, tendering, and contract management to staff from MOTC and joint stock company road contractors.	
Overall Assessment and Rating The TA is rated partly successful. While the TA made useful recommendations in some areas, particularly financial organization of MOTC, its recommendations concerning the road fund could not be implemented. The Government's delay in establishing TPD and PDCD limited the effectiveness of the consultants in strengthening these agencies. Also, the interaction between MOTC and the consultants was less cooperative than expected.	
Major Lessons Learned Close supervision is necessary to ensure that the consultants focus their work on realistic recommendations and that the Government meets its obligations in a timely manner.	
Recommendations and Follow-Up Actions Implementation of the TA's recommendations regarding financial organization reforms should be followed up through monitoring of the covenants of Loan 1853-KGZ(SF): Third Road Rehabilitation Project.	

^a Closing of the TA account was delayed due to the consultant's failure to submit on time the required documentation and clarifications for the statement of final billings.

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