

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: PE3

TA NO./NAME: TA No. 2771-UZB: Improving Aid Coordination and Management			TA AMOUNT APPROVED: \$600,000 (JSF)	
EXECUTING AGENCY: Department for Coordination of External Economic Activity (DCEEA)			REVISED AMOUNT: —	
DATE: 18 March 1997			TA AMOUNT UNDISB.: \$79,969.54 ¹	TA AMOUNT UTILIZED: \$520,030.46 ¹
APPROVAL:	SIGNING:	FIELD:	CLOSING :	
	21 March 1997	21 October 1997	ORIGINAL: November 1998 ACTUAL: January 1999	

TA DESCRIPTION (Background and Rationale)

Aid coordination and management is essential to facilitate the transition to a market economy in Uzbekistan because the country's economic reform requires substantial external assistance. However, there were two major weaknesses in aid coordination and management in Uzbekistan. First, the capacity of DCEEA, the key government agency responsible for aid coordination and management, was weak due to (i) the inadequate experience of staff in managing external assistance, (ii) the lack of an institutional linkage on aid coordination between DCEEA and other government agencies, (iii) language barriers, and (iv) poor telecommunication and other office facilities. Second, there was a lack of appropriate systems and procedures for developing a multiyear rolling Public Investment Program (PIP) that was both consistent with the country's development priorities and closely linked to the Government's budget. In recognizing these weaknesses, in October 1996 the Government of Uzbekistan requested the Bank to provide an advisory technical assistance (TA) to strengthen its capacity for improving aid coordination and management.

TA OBJECTIVES AND SCOPE

The primary objective of the TA was to strengthen the institutional capacity of the Government for improving aid coordination and management. Specifically, it was designed to enhance capacities of (i) DCEEA in the planning, coordination, monitoring, and utilization of external assistance; and (ii) the Ministry of Macroeconomics and Statistics (MMS) to develop a multiyear PIP that was both consistent with the country's development priorities and closely linked to the Government's budget. The TA comprised three components: (i) advisory services through two international consultants on aid coordination and management and PIP formulation, (ii) training of government officials, and (iii) financing for training and office equipment that supported the objective of the TA.

TA INPUTS EVALUATION

The TA was adequately designed to address the Government's two major weaknesses in aid coordination and management. The TA paper was well prepared as the objective of the TA was clear, the terms of reference were concrete, the methodology was appropriate, and the implementation schedule was feasible. TeamWork International Consultants Pte Ltd, Singapore conducted services largely in compliance with the contract and work program. The international consultants were fielded on schedule and provided a total of 15 person-months of inputs. They selected five competent domestic consultants in consultation with the Executing Agency and developed good relations with DCEEA and MMS. The work of the consultants was efficient and in good quality. DCEEA and MMS also made satisfactory arrangements for TA implementation, including appointing the Project Coordinator and providing consultants with necessary counterpart facilities. Major inputs provided by the consultants included (i) reviewing organizational structure of DCEEA and MMS and making recommendations on institutional restructuring, (ii) helping to develop appropriate systems and procedures for improving aid coordination and management and preparing a multiyear PIP, (iii) assisting the MMS to prepare a PIP for 1999-2001, (iv) setting up the relevant database, (v) training government officials to improve their expertise in aid coordination and management, and (vi) procuring and installing required training/office equipment and furniture. Overall, the consultants satisfactorily implemented the TA.

TA OUTPUTS EVALUATION

The TA produced substantive and desired outputs within the period of TA implementation. (i) The Government adopted most of the consultants' recommendations on organizational restructuring. (ii) A planning systems framework was developed and based on this framework, a Public Investment Program for 1999-2001 was formulated. (iii) An Aid Coordination and Management Manual and a PIP Manual were produced. (iv) A new PIP database and a temporary foreign aid database were set up and based on these databases, the consultants assisted the Government to produce two documents: *Foreign Aid Review for Mid-Year 1998* and *Development Partner Profiles*. (v) About 30 training courses were conducted to improve expertise of government officials in aid coordination and management and PIP formulation; these courses were well received by participants. (vi) A number of training/office equipment (e.g., computers, printers, fax machines, photocopiers) and related furniture were procured and furnished to DCEEA and MMS upon the TA completion. The consultants met reporting requirements; the final report was received in December 1998 and found to be well prepared. At the final tripartite meeting, the Government stated that in a relatively short period much had been achieved under the TA, which it neither would have predicted a year ago nor had benefited from similar assistance of other donors. Overall, the TA outputs were delivered according to the implementation schedule envisaged and the objectives of the TA were substantially attained.

¹ Balance as of 28 January 1999; the amount is tentative and subject to the closing of TA account.

TA OVERALL ASSESSMENT/RATING

The TA was timely provided to meet the Government's priority needs and has significantly improved its capacity in aid coordination and management, which would contribute to the economic transition and development in Uzbekistan. The TA is rated to be generally successful.

MAJOR LESSONS LEARNED

There are two major lessons learned from the TA. First, project ownership of the Government is the key for the success of the TA. The Government actively participated in the TA formulation and provided strong support for the TA implementation. The Director of DCEEA personally acted as the Project Coordinator and a Monitoring Council comprising representatives of the Cabinet of Ministers, MMS, the Ministry of Finance, and the Central Bank of Uzbekistan were established to oversight the TA activities. The Government's strong support and close cooperation with the Bank ensured that the problems or issues that arose during implementation were resolved promptly and the TA was successfully completed. Second, selection of the capable international consultants is essential to realize the objective of the TA. TeamWork International Consultants Pte Ltd. had extensive background in improving aid coordination and developing public investment program in transition economies. Prior to this TA, it had provided consulting services in the Bank's similar projects in Cambodia and Lao PDR and the performance was reported to be very satisfactory. Based on the strong project-related experience of the proposed team and its detailed proposal, the company was selected to implement the TA. The consultants worked closely with the counterpart agencies and extended excellent services, which were highly commended by the Government.

FOLLOW-UP ACTIONS AND RECOMMENDATIONS

The Government has requested follow-up assistance from the Bank to consolidate the progress made under the first TA and further improve aid coordination and management. The Government's request is deemed reasonable because its capacity, although considerably improved, needs to be further strengthened so as to accelerate structural reform and promote economic and social development in Uzbekistan. Accordingly, a technical assistance grant in an amount of \$800,000 has been included in the 1999 program for Uzbekistan for further strengthening and upgrading aid coordination and management.

Prepared by: Hong Wang

Designation: Senior Economist