

TECHNICAL ASSISTANCE COMPLETION REPORT¹

Division: CWOC

TA No., Country and Name			Amount Approved: \$950,000	
TA 6158-REG: Capacity Building for Regional Cooperation in Central Asia			Revised Amount: n/a	
Executing Agency: ADB		Source of Funding: TASF	Amount Undisbursed: \$ 77,304.16	Amount Utilized: \$ 872,695.84
TA Approval Date:	TA Signing Date:	Fielding of First Consultants:	TA Completion Date Original: 31 July 2006	Actual: 31 July 2008
18 Dec. 2003	n/a	March 2004	Account Closing Date Original: 31 July 2006	Actual: 18 March 2009
Description				
The partnership between the Asian Development Bank (ADB) and countries in the Central Asia region to promote regional cooperation entered a new phase in 2002 with the establishment of a formal overall institutional framework (OIF) for the Central Asia Regional Economic Cooperation (CAREC) Program. ² The goal of the OIF was to strengthen the planning, coordination, and implementation of the Program. During the 2 nd Ministerial Conference on CAREC in November 2003, ministers highlighted the importance of the OIF in establishing sustainable institutional support for efforts to address regional issues. They underscored the need for strengthening the OIF by building capacity for regional cooperation at the country level, with a focus on improving countries' ownership of and role in the CAREC Program.				
Expected Impact, Outcome and Outputs				
The expected impact of RETA 6158 was improved economic growth and rising incomes through regional cooperation. The expected outcome was strengthened capacities of participating countries to assume greater roles and responsibilities in planning, coordinating, and implementing the CAREC Program under the OIF. The main outputs envisaged were: (i) a capacity building assessment plan; (ii) enhanced understanding of regional cooperation at higher levels in government; (iii) a functional regional cooperation support unit in each government; (iv) trained national officials involved in regional cooperation; and (v) enhanced information and knowledge exchange on regional issues.				
Delivery of Inputs and Conduct of Activities				
Capacity building is a long-term process requiring sustained commitment. The RETA adopted a flexible approach to capacity building initiatives, as stipulated in the RETA paper. This enabled some adjustment in activities and arrangements during implementation. First, the inclusion of Afghanistan in 2005 after it became the eighth ³ CAREC participating country. Second, extension of the RETA completion date from 31 July 2006 to 31 July 2008. This enabled the continuation of services by domestic consultants and advisors to CAREC National Focal Points (NFPs), and engagement of a CAREC Special Advisor.				
Five main activities were conducted under the RETA.				
1. <u>Development of a capacity building plan.</u> A capacity building plan was developed through country consultations. Common priorities included strengthening interest in and commitment to cooperation, improving information and data analysis, strengthening of NFPs, sharing of experience and international best practices, coordination and trade-offs across sectors, and training in skills related to regional cooperation. The assessment was endorsed by participating countries at the April 2005 Senior Officials' Meeting (SOM) and shaped subsequent capacity building activities.				
2. <u>Enhanced understanding of regional cooperation at higher levels in government.</u> The RETA financed the SOM and related seminar on 25-30 March 2007. The SOM focused on (i) the development of sector strategies for CAREC priority areas; (ii) approaches to the formation of the CAREC Institute; and (iii) options for strengthening the strategic management and direction of the CAREC Program. A learning program for senior CAREC officials entitled "New Ventures in Regional Cooperation" was held with the SOM to ensure a targeted audience of senior government officials involved in regional cooperation. The program examined perspectives on global experience with regional cooperation and integration, including ASEAN, Greater Mekong Subregion, and the European Union; and the roles of global value chains, private sector, public-private partnerships, and multilateral banks in regional integration.				

¹ In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

² The OIF consists mainly of an annual ministerial conference that provides overall guidance to the Program; senior officials' meetings that coordinate cross-sector issues and prepare inputs to the ministerial conference; and sector coordinating committees that coordinate sector-wide issues and implementation at the operational level. A National Focal Point in each country ensures effective coordination among concerned government ministries, agencies, and other interested parties in matters related to regional cooperation. ADB serves as secretariat for the OIF. In May 2003, six multilateral institutions—ADB, European Bank for Reconstruction and Development (EBRD), International Monetary Fund (IMF), Islamic Development Bank (IsDB), United Nations Development Programme (UNDP) and World Bank—agreed to work together to use the OIF as a platform for donor coordination in pursuing cooperation in the region and established a joint working group for this purpose.

³ Afghanistan, Azerbaijan, People's Republic of China (PRC), Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, and Uzbekistan.

3. Institutionalizing regional cooperation. The RETA engaged national consultants as regional cooperation coordinators and advisors to strengthen the offices of the NFP. Consultants served as advisors to the NFPs for Afghanistan, People's Republic of China (PRC), Kyrgyz Republic, Tajikistan, and Uzbekistan. They provided assistance in (i) planning, implementing, and monitoring regional cooperation activities; (ii) developing information channels within and across countries; (iii) preparing NFPs and other key government officials for CAREC meetings, including preparation of background materials, position papers, and speeches; and (iv) organizing in-country training and outreach seminars. To support the work of the NFP offices, computers and related equipment were provided in accordance with ADB's Guidelines for Procurement.

4. Building capacity. The RETA supported in-country workshops in six CAREC countries during May-July 2006 to prepare a Comprehensive Action Plan for the Program. The workshops were designed to strengthen the constituency for regional cooperation in each country and improve the capacity of NFPs to coordinate more effectively and assume a greater role in planning and implementing the CAREC Program. To achieve this, NFPs, assisted by their CAREC advisors and regional cooperation coordinators, led all workshop arrangements. Two planning meetings of NFP advisors in 2007 helped shape approaches to regional sector strategies, proposed content of training and research activities, and the CAREC Institute concept.

5. Creating and sharing knowledge. The RETA supported a number of activities aimed at facilitating exchange of information, experience, and knowledge on regional cooperation. Four Trade Policy Outreach Seminars were conducted in 2006 to disseminate information on the work of the TPCC and implications for CAREC countries. A CAREC Outreach Seminar was conducted in Bishkek, Kyrgyz Republic, in May 2007 to raise awareness of the Program's role and objectives among government officials. The RETA co-financed a Regional Conference on Anti-Money Laundering in Central Asia on 18-20 May 2006 in Almaty, Kazakhstan, providing government officials opportunities for exchange of information on anti-money laundering legislation in neighboring countries and to build networks with counterparts. The RETA engaged country panelists and resource speakers for the CAREC Business Development Forum (BDF) in Urumqi, Xinjiang Uygur Autonomous Region, PRC, in October 2006. The BDF brought together business leaders and policymakers in Central Asia to explore investment opportunities in the region and the potential for partnerships between private and public sectors.

Activities were supported by consultants and resource speakers engaged under the RETA, including regional cooperation coordinators and advisors to the NFP in five countries, and a CAREC Special Advisor who provided strategic inputs on Program development and outreach. The consultants' performance was satisfactory and carried out in accordance with ADB Guidelines on the Use of Consultants.

Evaluation of Outputs and Achievement of Outcome

The main outputs of the RETA were a strong OIF supported by a functional office of the CAREC NFP in CAREC countries and enhanced understanding of regional cooperation at the policymaking and operational levels. These outputs were supported by the RETA activities, including the development, adoption, and implementation of a capacity building plan; the provision of support to the office of the NFPs; high-level outreach activities; and the sharing of experience and knowledge among CAREC countries through a variety of seminars, workshops and forums. RETA activities and efforts of participating country teams led to a substantial improvement in the content, quality, and depth of CAREC Program meetings. NFPs in each country are now central in planning, coordinating, and implementing the CAREC Program. In particular, the NFPs played a crucial role in coordinating inputs from concerned ministries and agencies during formulation and finalization of the CAREC Comprehensive Action Plan (endorsed 2006) and the strategies and action plans for the CAREC priority sectors (endorsed 2007 and 2008).

Overall Assessment and Rating

The RETA was successful in strengthening the OIF and the capacity of participating countries to assume greater responsibilities in implementing the CAREC Program, and consequently increasing country ownership and capacity to participate in regional cooperation. The NFPs are now central players in the planning and implementation of the CAREC Program. This has deepened country engagement in the development of strategy documents that drive the CAREC Program.

Major Lessons

- Effective in-country coordination is both time intensive and critical to efficient regional dialogue and cooperation.
- In participating countries, high-level engagement in and support for Program activities is an important catalyst for expert-level cooperation.
- Country National Focal Points play a key role as coordinator and champion for the CAREC Program.

Recommendations and Follow-Up Actions

- Support to the offices of the NFP should be continued to enable efficient implementation and monitoring of the sector strategies and action plans adopted at the 6th and 7th Ministerial Conferences. Support for these offices is being provided by RETA 6409 (Strengthening CAREC, 2007-2009).
- Capacity development and knowledge sharing initiatives should be integrated with the goals and work programs of sector committees and Senior Officials to ensure complementarity. RETA 6488 (CAREC Institute, 2009-2012) is supporting professional development, research, and outreach activities in close coordination with the CAREC Program.
- As the Program pursues greater interaction with the private sector the BDF may provide an important venue for focused discussion and exchange of information. A second BDF is planned for 2009.