

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: CWAE

TA No., Country and Name			Amount Approved: US \$400,000	
TA No. 4408-KGZ : A Study of the Impact of Land Reform on Agriculture, Poverty Reduction, and Environment			Revised Amount: US \$530,000	
Executing Agency Ministry of Agriculture, Water Resources and Processing Industry (MAWRPI)		Source of Funding Poverty Reduction Cooperation Fund	Amount Undisbursed: US \$76,337	Amount Utilized: US \$453,663
TA Approval Date: 12 October 2004	TA Signing Date: 12 January 2005	Fielding of First Consultants: 2 May 2004	TA Completion Date Original: 31 May 2006 Account Closing Date Original: 31 May 2006	Actual: 31 December 2007 Actual 16 May 2008
Description: Structural reforms helped agriculture sector to recover following independence in 1991. The land reform and farm restructuring reforms introduced in 1993 were some of the key measures that seem to have stimulated agricultural growth in the second half of the 1990s. In Central Asia, the Kyrgyz Republic was the forerunner in land reform and farm restructuring legislation and implementation. The reform measures, implemented through several phases, comprised the privatization of state and collective farms into privately owned farms, establishment of institutions to support the process, and introduction of a market-oriented land market. Privatization of the former state and collective farms was almost complete with 75% of the arable land reallocated to 243,294 private peasant and individual farmers on 752,656 hectares (ha) (Agriculture Census, 2002). Implementation of the land reform program was continuing and considerable challenges remained. A study in 2003 identified five major areas of concern: (i) the allocation, use, and local public management of the Land Redistribution Fund (LRF); (ii) lack of a pastureland policy framework, the increasing public management role on pasturelands by local governments, and the growing demand for pasturelands with the resurgence of the livestock sector; (iii) the need to assess the land market restrictions and property rights in terms of household land shares, family property, married women's rights to land ownership, and regional variations in lease rental markets; (iv) the need to accelerate the registration of farms and clarify technical issues; and (v) the rise of land-related conflicts and how best to address these disputes. The land-related institutions were still building their capacity and faced difficulties in meeting the demand for services at the same time as policy and legislation were undergoing amendment and harmonization. The aid community and nongovernment organizations (NGOs) have played a major role in assisting the Government in formulating and modifying policy and legislation and in implementing the land reform program. Neither the land reform process nor the impact of land reform had been systematically monitored and assessed. Experience elsewhere indicated a strong causal relationship between landownership (through land reform) and agriculture growth, primarily through increased productivity of smaller farms relative to large farms. Poverty incidence among land reform beneficiaries also tends to decline. Secure rights to land have likewise been linked to fostering environmental stewardship and use of sustainable farm practices. However, other studies also showed that the positive impact of land reform on agriculture growth, poverty reduction, and environment may be short-lived unless these one-time effects of land reform are accompanied with complementary institutional and additional legislative reforms, the establishment of input markets, and development of market- and productivity-enhancing infrastructure facilities. A comprehensive study of the Kyrgyz Republic's land reform program was considered timely. The study was to review the process from its origin, particularly the evolution of the policy, legislation, and institutions; and assess their impact on agricultural growth, poverty, and the environment. The study was to assist the Government in the next phase of the program, which would see a consolidation of policy, legislation, and institutions. At the same time, the study was expected to be useful to other transition economies, especially the Central Asian countries, by identifying the major lessons learned and good practice in formulating and implementing an efficient and effective land reform program.				
Expected Impact, Outcome and Outputs: The impact was for land reform in the Kyrgyz Republic and other transition economies is implemented more efficiently and effectively. The outcome was the process and impact of land reform in the Kyrgyz Republic are assessed comprehensively and recommendations for necessary changes provided. Four outputs were expected: (i) an assessment of the process of land reform; (ii) an assessment of the impact of land reform on agriculture, poverty reduction and environment; (iii) case studies of three regions to identify good practices in equality in implementation, participatory methods, gender aspects, and promoting understanding of farmer's rights; and (iv) findings of the study were to be disseminated through workshops.				
Delivery of Inputs and Conduct of Activities: Twelve person-months of international and 42 person-months of national consulting inputs were proposed over an expected duration of 18 months. The Consultant comprised				

personnel from academic institution and individual consultants. Implementation of the TA was delayed due to the political uncertainty following the revolution in March 2005. All international consultant inputs were suspended until the Presidential Election was held and the international team leader resumed field work on 6 September 2005. During the Inception Mission in October 2005, it was identified that the environmental impact needed a more comprehensive assessment, local consultants needed further guidance, the current budget was limiting the inputs of international and local consultants' participation in regional workshops, the scope of the statistical survey and the analysis of available statistical information, and the scope of the regional case studies and the special studies as originally envisaged, and transport and other related costs had increased. Additional funding of \$130,000 was approved on 25 January 2006. The team leader did not adequately guide the team, omitting to provide them with the detailed terms of reference and format for the final report and subsequently resigned just prior to the submission of the draft final report (DFR). Overall, the performance of the Consultant was not satisfactory. Implementation of the TA was extended by 19 months, including the period following the revolution. The performance of the EA was partially satisfactory as they did not comply with the original requirements for office facilities and provided limited comment on the various reports. ADB conducted missions in October 2005, April 2006, February 2007, and provided extensive comments on progress and various reports. There were some delays in comments due to the quality of the reports.

Evaluation of Outputs and Achievement of Outcome: The DFR was poorly written, with varying styles throughout the report; while following the proposed format, the structure was not well organized in terms of clearly identifying the issues to be addressed, which was partly related to the weak literature review and analytical framework; it lacked sufficient rigor and analytical context; and the overall presentation was poor. ADB requested the DFR to be completely rewritten. The second DFR was also disappointing. The Consultant invested their own funds and did make some improvements in the final report. However, in submitting the final report, the Consultant stated that they were not satisfied with the quality of the report. Not all outputs were satisfactorily delivered and the final report did not provide the comprehensive analytical study expected.

Overall Assessment and Rating: The TA is rated as unsuccessful in that it did not produce an adequately analytical and comprehensive report of the process and impact of land reform in the Kyrgyz Republic.

Major Lessons: The key lessons are: (i) the original duration was too short to undertake the level of analysis and expected coverage of the study; (ii) a more specific focused organization with extensive land reform experience may have been a more appropriate lead firm rather than a general consulting firm; (iii) stronger and more timely international guidance over the national consultants is necessary; and (iv) more ADB staff time is required to supervise and comment on these more analytical studies.

Recommendations and Follow-Up Actions: None.

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