



Implementation Completion Memorandum

Project Number: 39034
Grant Number: 9078
April 2010

TAJ: Community-Based Rural Road Maintenance
(Financed by the Japan Fund for Poverty Reduction)

JAPAN FUND FOR POVERTY REDUCTION (JFPR)
IMPLEMENTATION COMPLETION MEMORANDUM (ICM)

I. BASIC INFORMATION			
1. JFPR Number and Name of Grant: 9078-TAJ: Community-Based Rural Road Maintenance Project			
2. Country (DMC): Republic of Tajikistan		3. Approved JFPR Grant Amount: \$1,800,000	
4. Grant type: [x] Project / [] Capacity Building		5-A. Undisbursed Amount Total: \$140,824 \$71,207 (savings from total commitment of \$1,730,382) \$69,617 (uncommitted TA funds)	5-B. Utilized Amount \$1,659,173
6. Contributions from other sources:			
Source of contribution: JFPR	Committed Amount: \$1,800,000	Actual Contributions: \$1,659,173	Remarks – Notes:
Government	\$245,956	\$94,440	The Government provided offices, drivers for day-to-day project operations
Other Donors	-	-	
Private Sector	-	-	
Community/Beneficiaries	\$254,044	\$106,640	In kind contributions were better than expected
7-A. GOJ Approval Date: October 2005	7-B. ADB Approval Date: 4 Nov 2005	7-C. Date the LOA was signed (Grant Effectiveness Date): 8 Nov 2005	
8-A. Original Grant closing Date: 30 April 2009	8-B. Actual Grant closing Date: 21 Sep 2009	8-C. Account closing Date: 30 April 2010	
9. Name and Number of Counterpart ADB (Loan) Project: Loan 2062: Dushanbe-Kyrgyz Border Road Rehabilitation Project (Phase 1) Loan 2196: Dushanbe-Kyrgyz Border Road Rehabilitation Project (Phase 2)			
10. The Grant Recipient(s): The core grant recipients comprised 34 jamoats (towns) in 4 rayons (districts): Faizabad (9), Ragun (3), Nurabad (6), and Rasht (14). Two more rayons (Varsob (1) and Vahdad (1)) were added during implementation.			
11. Executing and Implementing Agencies:			
<u>Executing Agency</u> Olimjon Boboyev Minister Ministry of Transport and Communications (MOTC) Aini Street 14, Dushanbe, Tajikistan, Telephone No. +992 372 221 5673 Fax No.: +992 372 221 5673 Email: mtrt@tajmail.tj		<u>Implementing Agencies</u> Nizom Hakimov PIU Executive Director, MOTC Aini Street 14, Dushanbe, Tajikistan, Direct Telephone Number: 407, 734042 Telephone No: +992 372 221 5673 Fax No.: +992 372 221 5673 Email: piurr@tojikiston.com	

II. GRANT PERFORMANCE ASSESMENT

12. Description (Background rationale):

The civil war, lack of resources, highly centralized government, and challenging geography (mountainous, landlocked with high conflict and poor neighboring nations, and generally low capacity in civil service, few natural resources) hampered Tajikistan's economic development. Tajikistan is considered the most fragile and vulnerable country in Central Asia. Inadequate funding and extreme climatic conditions (floods, snow, and landslides) have left the rural roads poor to impassable, which constrains the rural population's access to basic services and economic opportunities.

13. Grant Development Objective and Scope:

The objective is to alleviate rural poverty and raise living standards for rural communities through increased access. The outcome is promotion of a sustainable, cost-effective, and decentralized community-based road maintenance system. The project components are (i) rural road maintenance planning system development, (ii) capacity building in community-based maintenance work, (iii) community-based rural road maintenance works, and (iv) project management, monitoring, and evaluation.

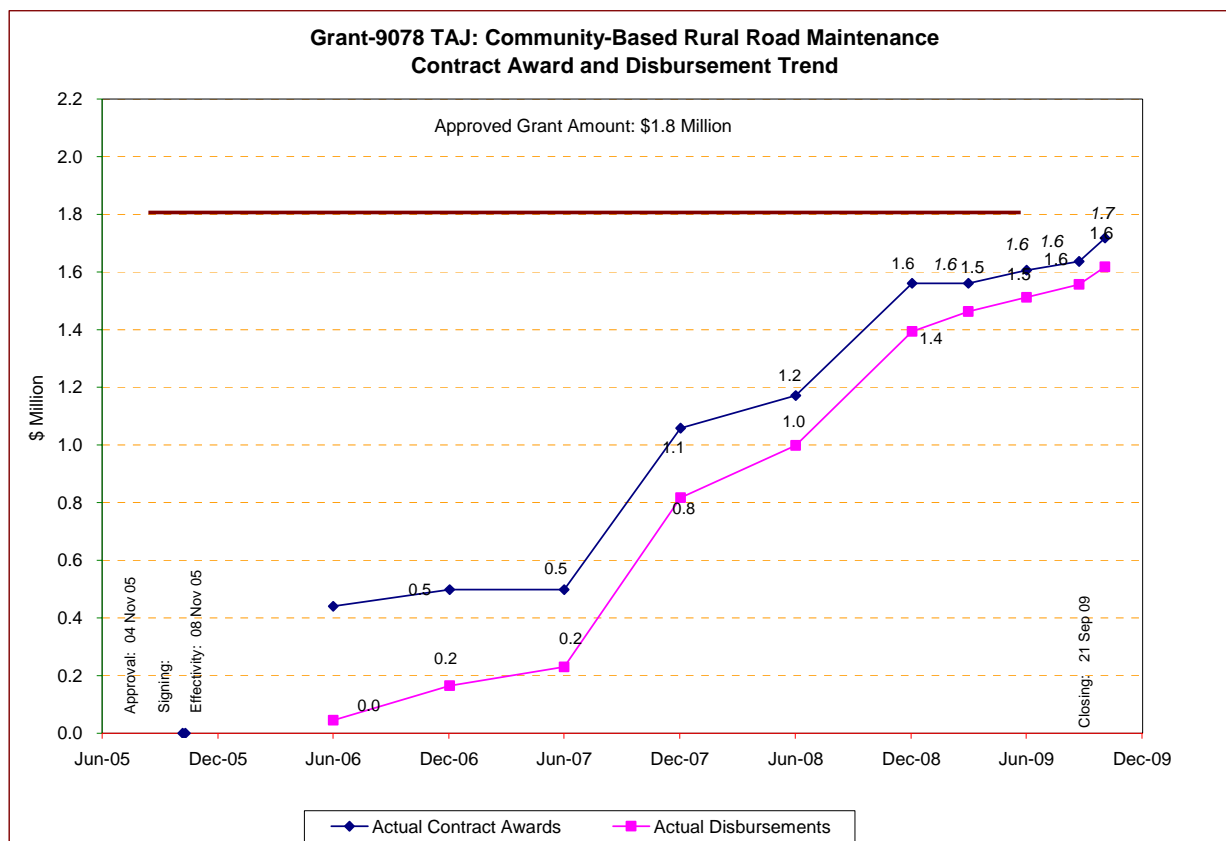
14. Key Performance Indicators	Accomplishments Rating (HS, S, PS, U ¹)	Evolution of Each Indicator
70,000 person-days of employment created	HS	<ul style="list-style-type: none"> 85,000 persons-day employed 2,200 person-days women employed Jobs created in 34 jamoats in 6 rayons
The number of poor households reduced by 10%	S	<ul style="list-style-type: none"> Number of poor households reduced by 21% More cash crops sold
350 km rural road network restored	HS	<ul style="list-style-type: none"> 381.2 km improved Road associations established in 22 jamoats Village maintenance funds set up in 34 jamoats Safety equipment procured and distributed
25 small-scale contractors' capacity developed	HS	<ul style="list-style-type: none"> 55 local private contractors trained 6 GUSADs (Road Maintenance Units) trained 104 civil works contracts involved Rural road maintenance handbook (5 volumes) distributed 13 seminars conducted (exceeded the required minimum 5 seminars)
Travel time to markets, schools, and healthcare facilities reduced by 20%	S	<ul style="list-style-type: none"> Traffic speed increased from 20 km/hr to 40 km/hr Number of travel increased (lower transport cost) Higher crop value induced (reduced travel time)

14a Financial Performance

JFPR Funds Utilization

	Category No	Latest Allocation	Utilized	%
Civil Works	1	1,135,375	1,130,975	99
Equipment	2	90,140	84,116	93
Training	3	39,880	18,809	47
Consulting Services	4	313,000	277,516	88
Project Management	5	219,363	147,757	67
Contingencies		2,242	0	0
Total		1,800,000	1,659,173	92

14b Contract Award and Disbursement Profile



15. Evaluation of Inputs:

A Preparation and Planning stage (2005-2006)

Input Productivity: 11% implemented (76% disbursed to consultants, 3% to contractors).

- **ADB and Executing Agency (EA).** Consultant recruitment took 2.5 months after approval, and the Louis Berger Group (LBG, the Consultant) mobilized in 3 weeks. Fifteen person-months were allocated for the team leader to cover the 36-months project duration. The Consultant coordinated efficiently with PIU staff and committees from the project area.
- **LBG.** Consultations with jamoats, NGOs, community-based organizations (CBOs), road maintenance units, and MOTC officials were held. The Consultant introduced the participatory concept and identified potential project sites. The Consultant was dedicated towards establishing rural maintenance system, preparing maintenance handbooks, and building road maintenance capacity among CBOs and RMUs. Potential rural road networks were identified and selected using multi-criteria analysis. 640 km rural roads inventory was compiled. Sub-network officials and managers from four districts were trained on

maintenance, health and safety, road funds creation, and winter maintenance. Total preparation time took 8 months, resulting in nil civil works contracts during this period. Lack of suitable local contractors delayed the required works.

B Implementation stage (2007-2008).

Input Productivity: 86% works undertaken. 84% disbursed to consultants, and 67% to contractors.

- **ADB.** Project design included over 350 km of maintenance works. These were designed for small and very small contractors with an average length of 3–5 km per road with contract ceiling of \$10,000. The staff experienced difficulties in remotely monitoring over 100 small contracts and equivalent number of rural roads. ADB and PIU incurred high administration and transaction time and costs for the project. Heightened monitoring and supervision coincided with the triggering of works progress: 9 review missions were taken during this period compared to 2 review missions at the preparation stage.
- **EA.** PIU took initiatives with a wider remit while LBG inputs dissipated. The EA received positive feedbacks from local communities. This triggered numerous additional rural road requests, not covered in the original road inventory.
- **LBG.** Lack of professional inputs in project management, monitoring, and evaluation. LBG requested one variation to its contract. The staff faced difficulties accommodating minor contract variations, where OAGI clearance was required each time. Frequent replacement of local staff was noted. The team leader lacked supervision skills, and had little control over project progress. Poor quality of the submitted report was conveyed, but had not been significantly improved.

C Winding-up stage (2009)

- Civil works component fully disbursed for a cumulative amount of \$1,130,975 with overall savings of \$140,824.
- **ADB.** The activities level upped to complete the remaining inputs: ADB responded quickly to additional work requests if the selection criteria are met with additional justifications. Additional works (22.4 km) included emergency repairs of maintained roads from the flood damages of May-June 2009. To verify the works, an independent individual consultant was mobilized for 3 person-months.
- **EA.** Strong positive feedbacks from local communities prompted additional maintenance requests from rayons not included in the original project scope. Early start-up, better planning and financial control could have accommodated the additional rural road maintenance requests.
- **LBG.** Little inputs were provided. The team leader's contract expired in April 2009: local office remained open until the grant closing. LBG (international and local team) had little grasp of the project scope and the civil works contracts status: the activities were neither well supervised nor coordinated. ADB repeatedly requested for better time management and quality report. The report submission was delayed by 4 months (final report and poverty impact assessment). The draft final report reflected little depth, consideration, and needs of readers, and had to be revised.

Bank Performance:

Satisfactory on timeliness, flexibility, and monitoring. The project exceeded the target without cost overruns and delay. There was a great teamwork among CWTC, CTL, TJRM, and PIU to process total 109 contracts within budget and on time. The project design led to lengthy preparation at the start up and caused the heavier disbursement at the end of the project cycle. A rural road inventory had to be compiled and selected before the start of civil works. The staff responded to rectify implementation bottlenecks (e.g. permitted nearby local contractors to participate in bidding if insufficient number of local contractors available) and flexible approach (additional rural road requests were accommodated based on justification and rural road selection criteria). More frequent review missions further spurred the progress. It is deemed **less satisfactory on the project design** for not reflecting the implementation challenges of overseeing over 100 project sites and small contracts: administrative costs per contract were high due to contract ceiling of \$10,000. A wider geographic coverage made all site visits virtually impossible, and random checking method had to be applied. The project could have been better monitored if readily accessible on-site administration guidance had been provided: the proposed project hand-over to the resident mission was decided too late in the implementation stage, and failed to materialize.

Client Performance:

Highly Satisfactory on visibility and coordination. The EA played a critical role in delivering results and positive local responses. Planning and organizing skills could be improved: a lack of integrated and time resource planning and management resulted in (i) several unplanned and ad hoc requests for additional maintenance works delayed at the last minute of grant closing, and (ii) shortage of the Team Leader's inputs, which were exhausted early in the project implementation. Although 8 Project Implementation Unit (PIU) staff were engaged for the project, the large number of contracts was overwhelming to handle. Especially the PIU accounting staff's weak capacity in managing a large number of contracts fuelled confusion in contract awards and disbursements. The withdrawal applications had to be resubmitted on several occasions contributing to payment delays. The weakness is apparent in the inconsistencies of JFPR financed portions of earlier endorsed rural roads vs the latter ones where earlier rural roads were paid only 90% of civil works contract amounts and the latter ones 100%. The inconsistencies were neither flagged nor mentioned in auditor's report(s) or consultant's progress reports.

Consultant Performance:

Unsatisfactory on supervision and report quality. The team leader had a total input of 15 months over 36 months. All resources were provided at the preparation stage and the team leader had insufficient resources to oversee the maintenance works where a significant proportion (52.3%) of funds was allocated. Proper rationing of the Consultant's inputs was poorly estimated in its work schedule. Most of the rural road maintenance works component was driven by the PIU, which was not properly supervised. Coupled with deficient resources planning, LBG's status under the ADB anticorruption sanction list hampered regular processing of contract variations. Its performance slacked in 2008-2009, resulting in poor management, monitoring and supervision. This transpired to poor quality and late submission of reports: there were little creative and quality assurance measures on sustainability of village maintenance funds after several requests. The original disbursements schedule of 33% each in year 1, 2, and 3 was not met; the actual annual disbursements were 11% in year 1, 33% in year 2, 33% in year 3, and 11% in year 4 (refer to graph with cumulative figures). An accountable and responsible team leader could have achieved the original disbursements targets, completed works ahead of schedule, and accommodated additional roads requests and trainings.

16. Evaluation of Outputs and Results

The project outcome was captured through a baseline survey at inception and final survey at the end of the project. The poverty impact assessment report indicates modest effects of improvements (21%) in jamoats among the poorest households from the project. It was successful on capacity development and community-based maintenance works, and less successful in integrating rural road maintenance system. Despite this, the project earned visibility, and succeeded in winning remarkable positive responses from local communities and villages. The project outputs exceeded the original targets (refer to key performance indicators). The three special features of project, innovativeness, participatory approach and sustainability were maintained, except some reservation over sustainability. The project contributed to increasing demand for additional rural road works requests. The establishment of village maintenance funds is moderately successful: 63% of total project jamoats created one. All the rural roads were improved according to technical specifications, majority of which were under \$10,000 per contract per road.

17. Overall Assessment and Rating

The project is rated highly successful. It is highly successful in improved rural access with some reservations over benefit sustainability: voluntary contribution to village maintenance funds is likely to be insufficient to maintain the maintained rural roads, and its functioning capacity was not tested during project implementation. The fundamental issue of resources availability for continuing the minimum level of maintenance in the project areas was not addressed as part of the project, and remains uncertain.

18. Major Lessons Learned

- Community-based projects are better managed on-site (for proximity), and small-scale over concentrated geographical area: (i) verification and monitoring of over 100 project sites were unfeasible, and (ii) administration and transaction time and costs were high relative to the project size.
- Project design needs to reflect potential implementation challenges and complexities of planning and

coordination.

- While the rural poor directly benefited from the project, it failed to identify fundamental financial resources for the future maintenance of treated rural roads: village maintenance funds lack the power to command minimum contribution necessary to perform routine maintenance.

19. Post-completion Follow-up by PIU :

- Monitor routine maintenance of the project rural roads to ensure benefit sustainability.
- Road inventory to be periodically updated.
- Coordinate with CBOs/NGOs to ensure continued technical support to project communities.
- Roll out community based maintenance to other villages.
- Periodically monitor village maintenance funds.

19. Recommendations and Follow-up Actions (for ADB's completion):

- Replicate the project concept of community-based maintenance in other project(s) with rural road component.
- Periodically track the treated rural roads to assess its sustainability: 3-year post completion inspection.

20. Additional Remarks, Comments and Suggestions:

- The project inputs, mainly consulting services, could have been re-aligned (e.g. extension or replacement) early in the implementation to meet the needs of the project.
- The project has additional 200 km of road inventory ready in hand; any potential donor can take up the remaining.
- MOTC's direct control over rural road maintenance is recommended to be minimized over time: MOTC is a custodian on international and national roads, and rural road management must be decentralized to the lower administrative level as specified under the current law and regulation.

III. PREPARATION AND APPROVAL

Prepared by:	Name of Person and designation/ Name of Institution/ Signature	Date
1. Representative of the Executing Agency:	Nizom Hakimov, PIU Director, MOTC	01.05.2010
2. Project Officer, ADB:	Hee Young Hong, Financial Analysis Specialist, CWTC	19 APR 2010

Approved	Name of Person and designation/ Name of Institution/ Signature	Date
1. Head of the Department, ADB:	Juan Miranda, Director General, CWRD	APR 23 2010
2. Head of the Division, ADB:	Hong Wang, Director, CWTC	20/04/2010
3. Head of the Executing Agency	Olimjon Boboyev, Minister, MOTC	