TECHNICAL ASSISTANCE COMPLETION REPORT

Division: CWOD-PSS

TA No., Country and Name			Amount Approved: $1,800,000	
TA 8367-REG: Prevention and Control of HIV/AIDS and Other Communicable Diseases in Central Asia Regional Economic Cooperation Countries			Revised Amount: N/A	
Executing Agency: Asian Development Bank	**Source of Funding:** Cooperation Fund for Fighting HIV/AIDS in Asia and the Pacific[1] ($1,500,000); People's Republic of China Regional Cooperation on Poverty Reduction [2] ($300,000)		**Amount Undisbursed:** $1,790,580.67	**Amount Utilized:** $9,419.33
TA Approval Date: 9 May 2013	**TA Signing Date:** 9 May 2013	**Fielding of First Consultants:** 30 September 2013	**TA Completion Date** Original: 31 December 2015 **Account Closing Date** Original: 31 December 2015	Actual: 15 September 2014 Actual: 15 September 2014

Description

The TA, which was first conceptualized in May 2012, sought to leverage ADB's comparative advantage in supporting regional public goods, specifically the control of communicable diseases, and the cross-border nature of health, in the context of increasing mobility and connectivity within the Central Asian region. The TA was a collaborative initiative of CWRD and RSDD, and was aligned with the Central Asia Regional Economic Cooperation (CAREC) 2020 Strategic Framework, which—while emphasizing infrastructure development and trade facilitation—also promoted building capacity and strengthening the knowledge base on regional public goods, such as communicable disease control and disaster risk management. The TA also followed the ADB's Regional Cooperation and Integration Strategy (RCIS) 2006, specifically ADB's operational plans for health and transport, as it intended to mitigate the adverse health impacts of infrastructure and trade projects and strengthen knowledge management to learn from and scale-up good practices. The TA built on lessons learned from ADB's regional Grant Assistance for the Prevention and Control of Avian Influenza in Asia and the Pacific Project, which was also implemented in Central Asia. The TA aimed to contribute to regional health security by strengthening implementation of the International Health Regulations (IHR) in Central Asia and to support the implementation of the European HIV/AIDS Action Plan. Four countries (Tajikistan, Kazakhstan, Kyrgyz Republic, and Uzbekistan) agreed to participate in the TA.

Expected Impact, Outcome and Outputs

The envisaged impact of the TA was to decrease the incidence of communicable diseases in participating Central Asian countries, particularly HIV/AIDS and vaccine-preventable diseases, such as measles, rubella, polio and tuberculosis in key population groups at risk. The intended outcome was strengthened core capacity for surveillance and response to communicable diseases in pilot countries in line with the IHR. Strengthening capacities for the IHR was identified as the best way to strengthen national and regional health systems to achieve improved HIV/AIDS and communicable disease surveillance and control. Expected key outputs included (i) mapping of communicable disease vulnerability and response in each participating country, (ii) improved and standardized communicable disease surveillance and control, (iii) improved coordination and collaboration among participating countries and development partners in planning for and responding to communicable diseases.

Delivery of Inputs and Conduct of Activities

The planned activities under the abovementioned output areas were not implemented with the cancellation of the RETA due to a combination of factors, including a protracted but ultimately failed negotiation with World Health Organization (WHO), and a subsequent consulting firm recruitment period, which was much longer than anticipated. Given the technical requirements of the TA, the plan was to recruit the WHO Regional Office for Europe as services provider based on single source selection method, since WHO is the technical agency responsible for guiding countries to implement the IHR and the HIV/AIDS Action Plan.

Shortly after TA approval, WHO was notified of the start of the recruitment process for consulting services. WHO started uploading the needed information in the consultant management system (CMS) on 20 June 2013 with guidance from ADB's OSFMD. On 16 October 2013, an invitation was sent to WHO, through CMS, for contract negotiations. Subsequently, a revised draft contract agreement was sent to WHO on 12 November 2013 for review. The draft contract agreement followed a 2006 template which was designed for service agreements between ADB and UN agencies. At that stage in the negotiations, the most outstanding issues that WHO sought to be resolved were (i) how to include in the proposed budget WHO's 13% Program Support Costs, and (ii) how to break down staff costs in the categories provided by CMS. WHO articulated that the underlying problem for all outstanding issues at that point was that "WHO is a UN organization with its own rules, immunities and statutes." Further clarifications provided to WHO by ADB's OGC resulted in the drafting of a new

[1] Financing partner: the Government of Sweden. Administered by the Asian Development Bank.
[2] Administered by the Asian Development Bank.

contract agreement in December 2013. The new contract agreement, while still following the same template, was in line with the recent contract between ADB and UN Women. While generally welcoming revisions, WHO expressed concern that it was being seen as a service provider rather than a technical partner, and proposed further revisions. However, those revisions were not acceptable to ADB as they were not in line with the key earlier understandings: (i) the need for ADB's prior approval of the consultants to ensure that the ones selected meet ADB's requirements; and (ii) that procurement of equipment should be done in accordance with ADB's Procurement Guidelines. Consequently, the negotiations were cancelled amicably with the understanding that WHO would still act as a technical partner, but not as an implementation partner. Following the cancellation of negotiations, in December 2013, CWRD approved a minor change in TA scope to allow recruitment of a consulting firm using quality- and cost-based selection (QCBS) method, instead of direct selection of WHO.

A consulting services recruitment notice requesting expressions of interest from consulting firms was published on 7 January 2014, with the deadline for submission of 5 February 2014, which was subsequently extended to 12 February 2014. With the inclusion of an international nongovernment organization in the short list, the selection method was changed from QCBS to quality-based selection (QBS). The request for proposals was issued to the six shortlisted firms on 7 March 2014. The proposal submission date was extended three times until 2 May 2014, due to various requests from shortlisted firms. The consultant selection committee meeting was held on 27 May 2014. The invitation for contract negotiations was issued subsequently to the top-ranked consultant, via CMS. The consultant was given two weeks to upload documents required for negotiation, including replacement of one team member. At the same time, RSDD advised that TA funds ($1.5 million) provided under the Cooperation Fund for Fighting HIV/AIDS in Asia and the Pacific must be disbursed by December 2014 (when the trust fund would close). With this advice, two options were considered by ADB: (i) radical reduction in the TA scope or (ii) TA cancellation. With due consideration of (i) time required for the TA scope reduction (including obtaining confirmation from the two cofinanciers) and subsequent negotiation of reduced TA activities with a consultant, and (ii) decreased likelihood of achieving key TA results under significantly reduced TA scope; it was decided to cancel the TA. Subsequently, on 30 June 2014, CWRD advised OSFMD to terminate contract negotiations with the top-ranked consulting firm.

Evaluation of Outputs and Achievement of Outcome
Due to TA cancellation, TA outcome and outputs were not achieved.

Overall Assessment and Rating
The TA was unsuccessful.

Major Lessons
Engaging development partners like WHO or other UN agencies should be guided not only by project-based service agreements but preceded by an umbrella memorandum of understanding (MOU), which would address the sensitivities of each party, and may include provisions for seeking Board waiver for ADB's procurement guidelines. As international organizations are guided by their own rules and regulations, negotiating the legal, financial and administrative details will be less tedious and time consuming if there is a pre-existing basic document that defines the status of each party and harmonizes their respective rules and regulations (e.g., consulting services recruitment and management, prior approval for procurement of equipment, and agreed requirements before contract signing) in a way that satisfies the mutual needs for transparency and accountability.

With a funding source that has a narrow timeline, it is important for ADB and the financier to agree on specific milestones in TA implementation period (e.g., consulting services recruitment), with failure to meet these specific milestones triggering joint re-examination of the merits of continuing with the TA. Strict utilization deadline from the Cooperation Fund for Fighting HIV/AIDS in Asia and the Pacific (contributing to more than 80% of the TA resources) led to cancellation of the TA, as start-up delays (due to failed negotiation with WHO and subsequent new consulting firm recruitment) left less than 6 months for fund utilization.

Recommendations and Follow-Up Actions
An institutional MOU should be agreed upon between ADB and all relevant UN agencies[3] so that project-based service agreements will be easier to negotiate in the future. Utilization of two funding sources with distinct own program priorities requires specific considerations during the design stage.

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[3] The MOU between ADB and WHO was drafted by ADB and shared with WHO. WHO is discussing the MOU internally since October 2014.