



# Completion Report

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Project Number: 46255-001  
Technical Assistance Number: 8251  
June 2016

## Myanmar: Capacity Building Support for Project Identification

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TA Number, Country, and Name:			Amount Approved: \$1,500.000	
TA 8251-MYA: Capacity Building Support for Project Identification			Revised Amount: Not applicable	
Executing Agency: Ministry of National Planning and Economic Development (merged with Ministry of Finance effective 1 April 2016 and became the Ministry of Planning and Finance)		Source of Funding: Technical Assistance Special Fund (TASF-others)	Amount Undisbursed: \$154,506.97	Amount Utilized: \$1,345,493.03
TA Approval Date: 10 Dec 2012	TA Signing Date: Feb 2013	Fielding of First Consultants: 7 Mar 2013	TA Completion Date Original: 30 Jun 2014      Actual: 30 Jun 2015  Account Closing Date Original: 30 Jun 2014      Actual: 30 Sep 2015	
<p><b>Description</b> The technical assistance (TA) was to support key sector ministries to outline a methodology for prioritizing selection of potential projects, identify feasible investment projects, and initiate the preparation of pre-feasibility analysis of pilot projects in the agreed sectors to improve their capacities using practical tools and methodologies. The sectors agreed in the TA were: agriculture, natural resources and rural development (agricultural policy, institutional and capacity development); energy (electricity transmission and distribution); transport (non-urban road transport); and urban development (urban water supply and other urban infrastructure and services).</p> <p><b>Expected Impact, Outcome, and Outputs</b> The expected impact was the successful processing, implementation, and monitoring of investment projects in four sectors in line with stipulated standards. The expected outcome was the improved capacity of the participating ministries to identify and prepare projects. Four expected outputs were envisaged for the TA: Output 1: Viable projects for the transport sector identified. Output 2: Viable projects for the energy sector identified; Output 3: Viable projects for water supply and other municipal infrastructure and services identified; and Output 4: Viable projects for agriculture and natural resources identified. Each output included activities to develop suitable project development methodologies, to carry out pre-feasibility studies, and to implement capacity development.</p> <p><b>Delivery of Inputs and Conduct of Activities</b> The TA was appropriately formulated to mainstream project identification, formulation and implementation in key ministries functions and work programs. At the time of TA approval in December 2012, the Thailand Resident Mission (TRM) was providing support for Myanmar operations and as such had initial administrative responsibility over the implementation of TA 8251. On 26 March 2013, the administration and monitoring of the TA was transferred to the Extended Mission to Myanmar (EMMYA) and subsequently to the Myanmar Resident Mission (MYRM) upon its establishment in April 2014. The MYRM provided effective and efficient monitoring of implementation. The performance of ADB is assessed as <i>satisfactory</i>.</p> <p>Discussions were held with participating ministries and departments to agree on the scope of the TA from April to September 2012. The Ministry of National Planning and Economic Development (MNPED), now known as the Ministry of Planning and Finance, was the executing agency. Although the government provided counterpart support in the form of counterpart salaries and office space, and other in-kind contributions, initially, it was challenging to coordinate with the government counterparts, especially between the project executing agencies, the Foreign Economic Relations Department (FERD), MNPED, and other line ministries and departments. There were sub-committees made up of senior officials from participating agencies coordinating the TA activities. These served as valuable forums for exchanging lessons learned in capacity development for project identification, prioritization, and cooperation among ministries. A TA focal point in each participating ministry provided administrative support for the conduct of all activities; ADB representatives attended these meetings as observers. The performance of executing agency is assessed as <i>satisfactory</i>.</p> <p>The TA commenced on 7 March 2013 with the mobilization of international power consultants to work with the Ministry of Electric Power in evaluate the requirements for rehabilitating and expanding the country's power transmission and distribution network. The mobilization of consultants for the transport, urban, and agriculture sectors followed in the 3rd and 4th quarters of 2013. The mobilization of consultants for the agriculture sector was delayed to the first half of 2014 due to delays in securing government concurrence. Consultants performed their</p>				

tasks adequately in terms of (i) providing the expected expertise; (ii) supporting capacity development by working closely with staff of participating ministries and providing on-the-job training; (iii) submitting reports on a timely basis; and (iv) completing their assignments as required. In general, the consultants performed well, and sustainable capacity was developed in core agencies. The performance of consultants is assessed as *satisfactory*.

**Evaluation of Outputs and Achievement of Outcome** Outputs were achieved for the four components. For the agriculture sector component, feasibility studies were prepared for subprojects involving existing irrigation systems for possible inclusion in the proposed Irrigation Command Area Development Project. The proposed project is in the process for approval in 2016. For the energy sector, a feasibility study was prepared for the rehabilitation of power distribution networks in four project areas. The project was approved in 2013 and is currently being implemented. A grid code and distribution code were also developed in preparation for the entry of the private sector in the development and operation of the power sector. A template was also developed for a connection agreement to the grid. For the transport sector, the project feasibility was prepared for the Maubin–Phyapon road rehabilitation work. The study was used as the basis for the project, which is currently being implemented after its approval in November 2014. The feasibility study also included a resettlement plan and an initial environment examination. For the urban development sector, a strategic city development plan for Mandalay was produced that provided the input for the formulation of the Mandalay Urban Services Improvement Project, which was approved in November 2015.

When assessed against the performance targets in the TA's design and monitoring framework, the transport and energy sectors were able to meet their targets of identifying and formulating one project each. The urban and agriculture sectors fell short of the target of two projects each. Overall, the TA was useful in carrying out the preparatory activities for viable investment projects in transport, energy, urban, and community-based rural development projects.

The expected impact of the TA was achieved and the project leveraged significant capacity-building assistance from other development partners. The relevant government agencies strongly appreciated the TA and the subsequent projects that were successfully approved. The TA greatly improved coordination among government counterpart agencies; however, further follow-up and capacity building will be necessary as more projects are being implemented. Strengthening the government ministries and the departments acting as executing agencies for ADB projects will be crucial.

**Overall Assessment and Rating** The TA is assessed as successful, with the formulation, approval and implementation of the investment loan projects in the four sectors of transport, energy, urban development, and agriculture and rural development that were covered under the TA. The TA was also fully aligned with and supported the institutional capacity building and selected thematic and crosscutting areas of the Myanmar Interim Country Partnership Strategy, 2012–2016.

**Major Lessons** Before commencing project preparation work, ADB project staff need to conduct a thorough assessment of the abilities of their government counterparts as many have very little experience, especially on project development, processing, implementation, and in following the guidelines and procedures of external institutions. Basic computer skills and business-English language skills are often lacking. Accordingly, it is important for ADB and other development partners to include in individual projects a component for project capacity building and skills development covering the full project cycle (processing, procurement, disbursement, monitoring, and implementation). In particular, the TA identified the need to coordinate closely with FERD, the ADB focal point.

**Recommendations and Follow-Up Actions** Many of the line ministries and agencies have requested further capacity building for staff, including overseas training as well as in-house training programs in project implementation, including procurement, disbursements, and other elements of the project cycle. At the request of the government, ADB conducted a targeted one-day workshop for senior and mid-level staff of FERD on the project cycle. Further related assistance has been requested and such support will be crucial for satisfactory implementation of ADB projects in Myanmar, especially with the new ministry structures created after 1 April 2016.

TA = technical assistance.