



Completion Report

PUBLIC

Project Number: 53408-001

Small-scale Knowledge and Support Technical Assistance Number: 9934

May 2022

Kyrgyz Republic: Enhancing Knowledge and Capacity for Project Management in the Kyrgyz Republic

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TECHNICAL ASSISTANCE COMPLETION REPORT

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| TA Number, Country, and Name: TA 9934-KGZ: Enhancing Knowledge and Capacity for Project Management in the Kyrgyz Republic | | Amount Approved: \$225,000 | |
| | | Revised Amount: N/A | |
| Executing Agency: Ministry of Finance of the Kyrgyz Republic | Source of Funding: Technical Assistance Special Fund-VI | Amount Undisbursed: \$36,594 | Amount Used: \$188,406 |
| TA Approval Date: 5 December 2019 | TA Signing Date: 5 December 2019 | TA Completion Date | |
| | | Original Date: 31 December 2021 | Latest Revised Date: N/A |
| | | Financial Closing Date: 14 March 2022 | Number of Extensions: N/A |
| TA Type: Knowledge and Support | Nature of Activity: Capacity development | TA Arrangement: Small-scale Technical Assistance (TA) | |

Description

Despite ongoing support and assistance to executing and implementing agencies in the Kyrgyz Republic, the overall performance of the portfolio remained poor in 2019. The disbursement ratio for the Kyrgyz Republic declined to 4% and the contract awards ratio thereof fell to just 2% as of 30 September 2019. To improve these ratios, several large contracts needed to be efficiently awarded and ongoing contract management must improve. Continuous staff turnover is a major issue at executing agencies (EA), implementing agencies (IA), and project implementing units (PIUs) which necessitates continuous capacity building and training on procurement, project management, financial management and monitoring. Technical assistance (TA) is needed to provide rapid hands-on support for project implementation and management and develop and deliver training and capacity building to improve performance.

Expected Impact, Outcome, and Outputs

The technical assistance is aligned with the following impact: more efficient implementation of public investments in the Kyrgyz Republic. The TA will have the following outcome: improved performance of the ADB portfolio in the Kyrgyz Republic.

The TA will have the following outputs:

Output 1: Direct support for project implementation. The TA will improve procurement processes by providing direct, hands-on support for executing and implementing agencies during significant procurements and consultant selections.

Output 2: Enhanced government knowledge and capacity for planning, financing and implementing development projects. The TA will support the development and delivery of training programs, workshops, and outreach sessions to improve capacity of the government and local partners to plan, develop, implement and manage ADB-financed projects.

Implementation Arrangements

Implementation arrangements were in line with the approved TA Memo. ADB administered the TA. Ministry of Finance (MOF) of the Kyrgyz Republic was the EA and was responsible for coordination with relevant government agencies and organizations. The consultants submitted reports to ADB and MOF as scheduled in the design and monitoring framework. All reports by the consultants were provided in English and translated into Russian. The TA was implemented over 24 months from December 2019–December 2021 as initially planned. The TA planned about 7 person-months of international and 12 person-months of national consulting services. In fact, the TA used 4.5 person-months of international and 13.3 person-months of national consulting services.

Conduct of Activities

Output 1: Direct support for project implementation. The Output was achieved. As of 31 December 2021, 8 national consultants (transport, gender, 2 environment, law, water supply, education and support consultants) and four international (3 procurement specialists, including an e-procurement specialist, and wastewater expert) consultants were recruited to provide direct support for ADB-financed projects implementation. In addition, consulting firm was recruited to support the financial bid evaluation and preparation of bid evaluation report under an ADB-financed energy project. ADB recruited a resource person (gender expert) to develop the gender action plan(s) and provide overall support for the gender dimensions of ADB's coronavirus disease (COVID-19) emergency assistance projects. These activities helped achieve the outcome by improving the performance of the ADB portfolio in the Kyrgyz Republic.

Output 2: Enhanced government knowledge and capacity for planning, financing and implementing development projects. The Output was achieved. ADB conducted 12 events under the TA including 10 trainings for staff of public authorities involved in implementation of projects financed by ADB: 1) Workshop on Legal Aspects of Safeguards held on 20 February 2020; 2) Training for Chamber of Accounts on Financial Management, Audit and

Procurement issues held on 27 February 2020; 3) Joint online training with CTL on Beneficiary Registration Facility for Kyrgyz Counterparts financial managers conducted on 4 August 2020; 4) Procurement Training for Tender Committees on 9 March 2021, 5) Financial Management Training for Executing and Implementing Agencies on 8–9 July 2021; 6) Disbursement Training for Executing and Implementing Agencies on 12 October 2021; 7) Forum on Successful Project Design and Implementation conducted on 9–11 November 2021; 8) Roundtable on Wastewater Treatment conducted on 26 May 2021, 9) Seminar on Wastewater Treatment Standards on 5 November 2021; and 10) Business Opportunity Seminar for the Private Sector held on 19 November 2021. Two Country Portfolio Reviews in 2020 and 2021 were also financed under the TA budget to review portfolio and project implementation performance, set implementation, contract award and disbursement targets and agree on action plans for the year. These events contributed in achieving the outcome.

The primary purpose (outcome) of the TA was to improve the overall performance of the ADB portfolio in the Kyrgyz Republic. This outcome was achieved with all portfolio measures improving from their lowest levels in many years in 2019 prior to TA implementation to their highest levels in more than 6 years in 2021, the final year of the TA implementation. As most of the activities under the TA addressed procurement delays, contract awards performance showed the greatest improvement from an all time low contract awards ratio of only 4% in 2019 to 38.3% in 2021. This improvement is directly related to the use of the TA consultants in the preparation of major bid evaluations to support the contract awards for the Uch-Kurgan Hydropower Plant Modernization Project and the Central Asia Regional Economic Cooperation (CAREC) Corridors 1 and 3 Connector Road Project. The latter project was identified as having the shortest time between advertising and contract award of any project in the Central and West Asia Department with a value over \$10 million in 2021. Despite the problems with shipping and border crossing delays, disbursement performance also improved to the highest level in many years with the disbursement ratio rising from 8% in 2019 to nearly double that level at 14.4% (excluding Policy-based lendings (PBLs) in 2021. High disbursements were facilitated by more rapid contract awards and associated advance payments and initiation of high value works and goods deliveries. The TA was implemented in time with no delays. The TA budget utilization percentage is 83.74%.

Technical Assistance Assessment Ratings

| Criterion | Assessment | Rating |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Relevance | Portfolio performance in the Kyrgyz Republic has been a long term concern for CWRD and the government. Kyrgyz Republic had been one of the worst performing countries in CWRD and ADB overall. Improved portfolio performance was a high priority for both CWRD and the government to enable ADB projects deliver more project benefits faster than in the past. Regarding three key principal dimensions: (i) the TA was strategically aligned with and appropriate to the country's development needs and ADB's Strategy 2030 as it helped improve implementation of the projects, which were highlighted in respective reports and recommendations of the President as having high development impacts; (ii) it was relevant in terms of its design as implementation of its two outputs and related activities significantly improved implementation of projects in the country; appropriate in terms of designing the configuration of its outputs and technically sound to achieve the envisaged development results as it envisaged direct, fast and successful support to the executing agencies in project implementation; and (iii) the choice of the TA type proved to be relevant as it facilitated a timely and effective response to the acute needs of executing agencies. | Relevant |
| Effectiveness | The TA directly contributed to the rapid and sustained improvement in the ability of the government to manage procurements and award contracts as well as accelerate implementation performance. All portfolio performance measures improved from their worst levels to the highest levels achieved in nearly a decade. The Kyrgyz Republic's portfolio performance is now comparable to ADB and CWRD averages and well positioned to continue performing well. | Effective |
| Efficiency | The TA was successfully completed on time and within its budget. | Efficient |
| Overall Assessment | The TA is rated successful. All outputs were substantially completed despite the impacts of COVID-19 which complicated the implementation of the training program. Nearly all planned trainings, events, and seminars were successfully conducted, TA consultants successfully contributed to several major procurements, accelerating contract awards, implementation and disbursements. The Kyrgyz portfolio performance improved markedly during implementation and is expected to continue its impressive gains. | Successful |
| Sustainability | The TA succeeded in achieving its outcome, yet continued ADB support is likely to be needed to build on the gains. The TA provided international consultants to support bid document preparation, bid evaluations, train tender committees. Yet such | Likely sustainable |

| Criterion | Assessment | Rating |
|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| | capacity is not yet readily available on each project in the Kyrgyz Republic and the systematic incentives of tender committees remain difficult to manage under ADB's procurement guidelines. Further, there remains institutional and political resistance to hiring international experts due to cost and other considerations. ADB will likely need to continue its support through staff and TA resources to ensure these gains are sustainable in the medium to long term. | |

Lessons Learned and Recommendations

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|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Design and/or planning | The purpose of the TA was straightforward and the outcome easy to measure with metrics regularly produced and monitored by ADB. The design of the TA was flexible enough to respond to needs as they arose which enabled consultants to be quickly mobilized to address problems. |
| Implementation and/or delivery | The impact of the COVID-19 pandemic initially resulted in the postponement and redesign of many training programs. Trainings needed to be converted to online mode and the TA needed to shift to a greater focus on direct support for project implementation. |
| Management of staff and consultants | The TA implementation benefited from the recruitment of the team of experts that could be assigned to support projects as problems arose. This design enabled rapid response by ADB and enabled several project EA's and IA's to achieve much more rapid procurement times than was typical in the past. |
| Knowledge building | Significant resources were expended to improve the knowledge and capacity of tender committees. Manuals in Russian language were prepared to guide tender committee members through the procurement and bid evaluation processes. However, it remains very difficult to recruit tender committee members and there is a strong resistance to making decisions and even participating in tender committees. This results in a rapid turnover of members and the need to continue knowledge building activities in the future. It is recommended that a new TA be prepared to enable continued support to the procurement process in the Kyrgyz Republic. Such small scale resources can support major gains in portfolio performance as demonstrated by this TA. |
| Stakeholder participation | The resources of this TA were available upon request to any EA or IA that required support for procurement and project implementation. All major procurements were provided with significant consultant support through this TA and all project implementing units and tender committees participated in and benefited from the trainings. However, the lack of staff and tender committee member continuity and rapid turnover imply that similar support will continue to be needed going forward. |
| Replication and/or scaling up | A similar TA should be prepared to enable continued support for project implementation by Q3 2022 to provide consultant support to the projects that will become effective in 2022 and those now in the pipeline for 2022 approval. |
| Other lessons | The TA implementation benefited from the recruitment of the International and National environment experts that could support water project by development of suggested revisions to the water quality standards to better align with international practices, by development of the draft legal acts in water sector and supported the Department of Drinking Water Supply and Sewage Development in presenting draft regulatory legal acts in the field of surface water quality standards and wastewater treatment standards. |

Follow-up Actions

The outcome of this TA to improve the portfolio performance in the country has been highlighted in the CPS final review. KYRM is considering to begin preparing another similar TA to provide resources to continue the gains achieved under this TA.

Prepared by:

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Designation and Division:

Alternate PAU Head, KYRM, CWRD

DESIGN AND MONITORING FRAMEWORK

[illegible]

| Results Chain | Performance Indicators with Targets and Baselines | Achievements |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Sector held on 19 November 2021. Two Country Portfolio Reviews in 2020 and 2021 were also financed under the TA budget to review portfolio and project implementation performance, set implementation, contract award and disbursement targets and agree on action plans for the year. |
| Actual Key Activities with Milestones Output 1: Direct support for project implementation 1.1 Identify projects, procurements and consultant selections for direct support beginning in Q1 2020. Since the beginning of 2020 ADB has already identified projects, procurements and consultant selections for direct support. Thus, since February 2020 ADB started hiring consultants for projects financed by ADB in the Kyrgyz Republic. 1.2 Recruit and field international and national consultants as needed. First International consultant (e-procurement expert) was recruited on 17 February 2020. There were recruited 4 consultants including one firm during 2020 and additional 10 consultants during 2021. 1.3 Executing and implementing agencies and project implementation units supported by consultants during procurement and consultant selections. There were 2 international procurements consultants engaged under the TA to support EAs/IAs. Also one international e-procurement consultant supported Public Procurement Department. 1.4 Identify supplementary trainings required to be implemented under Output 2. There were 4 seminars and workshops conducted by ADB (Training for Chamber of Accounts on Financial Management, Audit and Procurement issues; Workshop on Legal Aspects of Safeguards; Joint online training with CTL on Beneficiary Registration Facility for Kyrgyz Counterparts financial managers; and virtual Financial Management training) and 2 trainings on procurement were conducted by International procurement consultant. Output 2: Enhanced knowledge and capacity for planning and implementing development projects 2.1 Develop training and capacity building program in conjunction with executing and implementing agencies. As mentioned in Article 1.4 above there were 4 seminars and workshops conducted by ADB in accordance with the requests submitted by the public authorities. 2.2 Recruit and field international and national consultants and resource persons to conduct the required training. Two trainings on procurement were conducted by International procurement consultant. The topics of the trainings were proposed by EAs/IAs. 2.3 Conduct training programs, seminars, workshops, portfolio performance reviews, and other capacity building activities throughout the life of the TA. There were 6 portfolio reviews covered by the TA, including 2 annual portfolio reviews and 4 quarterly reviews. | | |
| Actual Inputs Asian Development Bank: \$188,406 | | |

Source: Asian Development Bank.

TECHNICAL ASSISTANCE COST**Table A2.1: Technical Assistance Cost by Activity**
(\$'000)

| Item | Amount | |
|------------------------------------------|-----------------|----------------|
| | Original | Actual |
| 1. Consultants | 166.0 | 166.414 |
| 2. Training, seminars and/or conferences | 40.5 | 19.993 |
| 3. Surveys | 1.0 | 1.999 |
| 4. Miscellaneous TA administration | 1.0 | 0.000 |
| 5. Contingency | 16.5 | 0.000 |
| Total | 225.0 | 188.406 |

Source: Asian Development Bank estimates.

Table A2.2: Technical Assistance Cost by Fund
(\$'000)

| | ADB TASF (VI) | Total Cost |
|-------------|--------------------------|-------------------|
| 1. Original | 225.000 | 225.00 |
| 2. Actual | 188.406 | 188.406 |
| 3. Unused | 36.594 | 36.594 |

Source: Asian Development Bank estimates.