



Technical Assistance Consultant's Report

Project Number: 38239-01

August 2007

Tajikistan: Improving Aid Coordination and Portfolio Management (Financed by the ADB's TA Funding Program)

Prepared by Peter Nelson

PDP Australia Pty Ltd.

Sydney, Australia

For Office of the President, Republic of Tajikistan
State Committee on Investments and State Property Management

This consultant's report does not necessarily reflect the views of ADB or the Government concerned, and ADB and the Government cannot be held liable for its contents.

Asian Development Bank

Asian Development Bank

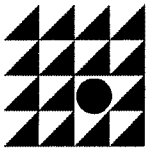
**REPUBLIC OF
TAJIKISTAN**

**IMPROVING AID
COORDINATION
AND PORTFOLIO
MANAGEMENT**

ADB-4546-TAJ

FINAL REPORT

AUGUST 2007



P.D.P AUSTRALIA PTY LTD

Prepared by

Peter Nelson, Vali Musaev, Nurali Sharifov, John Richardson and Irena Ramonova

Table of Contents

Abbreviations used during project	3
Summary	4
Project aims and objectives	5
Consultants recruitment	8
Project outputs	10
A. Review of General Order.....	10
B. Workshops on The Rules and Donor Coordination.....	11
C. Harmonised Project Management Manual	12
D. Attention to Joint Action Plan	12
E. Equipment issues	12
F. Web site installation	12
G. Foreign Aid Report and Development Partner Profiles.....	13
H. Training and Capacity Building	14
I. Donor Coordination	14
Reporting	15
Lessons learned	16
Conclusions	16
Recommendations	18
A. Review of The Rules	18
B. Workshop on the Rules.....	18
C. Web site installation	18
D. Foreign Aid Report and Development Partner Profiles.....	18
E. Harmonised Project Management Manual	19
Appendix 1: Draft responsibilities for follow up support	20
Appendix 2: The pages of the SCI web-site on aid coordination	24

Abbreviations used during project

ACPMS	Aid Coordination and Project Monitoring System
ACMU	Aid Coordination and Monitoring Unit (of SCI)
ACU	Aid Coordination Unit of the Executive Administration of the President of the Republic of Tajikistan
ADB	Asian Development Bank
DB	Database
DP	Development Partner
EA	Executing Agency
EAP	Executive Administration of the President of the Republic of Tajikistan
EDM	External Debt Management
EDP	Economic Development Program through 2015
GO	General Order
GoT	Government of the Republic of Tajikistan
IA	Implementing Agency
IP	Investment Project
LM	Line Ministry
MoET	Ministry of Economy and Trade
MoF	Ministry of Finance
MoFA	Ministry of Foreign Affairs
MoJ	Ministry of Justice
NGO	Non-Governmental Organizations
ODA	Official Development Assistance
PAD	Project Appraisal Document
PC	Project Cycle
PCD	Project Concept Document
PIP	Public Investment Program
PIU	Project Implementing Unit
PMU	Project Management Unit
PPIP	List of Priority Public Investment Projects
PPTA	Project Preparation Technical Assistance
QPR	Quarterly Progress Report (1,2-6)
RT	Republic of Tajikistan
RULES	Rules on attracting, using, coordinating and monitoring Foreign Aid in the Republic of Tajikistan
SB	State Budget
SCI	State Committee for Investment and State Property Management
TA	Technical Assistance
TOR	Terms of Reference
UNDP	United Nations Development Program

Summary

1. With this the Final Report of the Project, progress achieved during the closing stages is considered along with an overall review of project achievements against the initial objectives. The report covers the delivery and installation of the web design prepared to facilitate donor coordination not detailed previously as the final activity.
2. The project was mobilized on 15 August 2005 with an Inception Report submitted on 31 October of that year. Support thereafter continued for the Aid Coordination Unit under the office of the President under the Government of Tajikistan (ACU) until nearly the end of 2006. All TA activities were focused upon supporting that unit.
3. Following the December 2006 government major restructuring and realignment of Government Ministries and their functions creating some new Committees and agencies, and with the formation of the State Committee for Investment and State Property Management (herein after called SCI), the original ACU was transferred to the SCI. From that time the project was able to make a swift move forward. However this involved a major restructuring from the initial Aid Coordination Unit which the project was to support, and this had dramatic influences on the project's overall ability to deliver as regards the objectives.
4. With the mandate and functions of the ACU transferred to the SCI, considerable and immediate support was provided to the activities of the project with this new State Committee empowered to handle all aspects of State Investment including investment arising from aid and under its various divisions, it established an Aid Monitoring and Coordination Unit (AMCU). In effect the ACU became the AMCU but under a different agency.
5. The establishment of the SCI and its AMCU in many ways underscores the objectives of the project so that these have been met indirectly since the Technical Assistance was to facilitate the establishment and efficient functioning of such a unit. The facility now exists but not quite as envisaged in the initial project design.
6. Consequently the fixing of a central point for aid coordination has been cemented by the SCI establishment and the IT and support facilities have been provided for it to operate efficiently. This includes provision of furniture and equipment along with IT development and a new web design
7. However as a result of restructuring, the human resource development (HRD) aspects of the project have been restricted. Only one staff member of the old ACU transferred to the SCI and hence although some previous training had included line ministries, and since the SCI was formulated some added training has taken place, capacity building at SCI (AMCU) was seriously limited given that nearly a year and a half of the project period was taken in support and training of ACU personnel who now no longer exist in the new AMCU.

8. Since the project design was to facilitate aid coordination generally and institutional support, since the internal changes limited what this TA could deliver, and due to the fact that ADB no longer intends to support this sector, the project in the interests of sustainability assisted SCI in negotiations with UNDP to provide further ongoing TA support.

9. During the final stages of the project all equipment was delivered.

10. The web design was also finalized and installation complete.

11. The question of finalization of the *Rules* (Rules on attracting, using, coordinating and monitoring Foreign Aid in the Republic of Tajikistan), which emerged from drafting of what earlier had been called The General Order, remains outstanding since only one Ministry of four circulated with the latest version have responded. On a positive note however, the SCI has contacted the principle donors for their comments on the latest draft *Rules*. It does however look as if no final version will be available for further comment by the project before the end of the project.

12. With the absence of final *Rules*, the design of a harmonised project management manual cannot be finalized before project's end. However the project has made suggestions for how the *Rules* when finalized can be transformed into such a manual.

13. Given the delays in ability to deliver due to changes in government structure and the nature of the unit the TA was supporting which effected training and provision of manuals, otherwise it would appear that most of the project objectives have been met but some of these indirectly. These are detailed further below.

Project aims and objectives

14. Under the ADB Technical Assistance to the current project, five areas were to be supported.

These were to –

(i) Strengthen the ACU as the main agency for Aid Coordination in Tajikistan. This component was to strengthen the responsibilities and authorities of ACU to improve coordination of activities of international organizations, inter-departmental cooperation, mechanism of implementation of Project Implementation Plans and monitoring of the projects, and implementation of joint actions of Government and donors, particularly the implementation of the Action Plan agreed between the Government and the Country Portfolio Review Mission in March 2004. The Plan indicated the need for a focal point in the Government with appropriate capability and authority for cross-agency coordination for better portfolio management. The role of ACU as the focal point was to be codified through relevant regulatory legal acts, which would strengthen its coordination authority, prevent duplication in the work of line ministries and agencies in the issues related to coordination and management of external aid. This component was also to streamline and strengthen the regulation of ACU and other ministries in terms of lines of authority and reporting arrangements, and data-sharing mechanisms between all stakeholders of the process of providing and using external aid.

In relation to this component, the establishment of the SCI accomplishes the objective. With the advent of the SCI and the AMCU within it, a stronger central focal point for aid coordination has been established with appropriate capability and authority for cross-agency coordination for better portfolio management. While the "regulatory acts" notably the Rules have yet to be codified, the systems are in place so the objective has been substantially achieved.

(ii) Provide a database and MIS system to facilitate the functions of the ACU. The TA was to standardize, strengthen and build upon the existing database and focus on the use of this data for economic analysis and further external aid coordination. Towards this end, the TA was to develop computer programs and tools to compile and analyze aid database and design, standardized reporting mechanisms for quarterly, semiannual or annual updates on project and program implementation progress, impacts and achievements. It was also to enhance ACU's website for customized viewing and demonstrate how its content can be leveraged to meet the needs of different audiences. The management information system was to be upgraded to strengthen the current system of aid coordination, monitoring planned and proposed projects; proposals in processing stage; loans and grants under implementation; progress of bids; contract awards; procurement; progress of project implementation; budget formulation and disbursements.

In relation to these objectives, the project has developed the computer programmes as envisaged and these are capable of providing annual, semi annual and even quarterly updates. The consultants have demonstrated that the Foreign Aid Reports (FARs) and Development Partner Profiles (DPPs) can be put together under the system in two months. The only problem remaining is in the availability of staff to make the data entries and to write the economic analysis accompanying the reports. The project's assistance in helping to draft an ongoing UNDP project following the existing TA should provide sustainability for this component. With the web site designed to integrate with an overall SCI web site, the web design has achieved the ability to reach different audiences.

(iii) Harmonisation of Donor Programmes with a national strategy. This component was to facilitate and promote policy dialogue between the Government and external agencies for adopting common programmatic approaches on processes and procedures. The TA was to devise simplified systems and procedures applicable to both the Government and donors in various program/project activities. It was intended to organize workshops to discuss and ascertain views of stakeholders on the proposed improvements to the procedures and institutional structure and to determine their information requirements for project management and monitoring.

This component is linked with the design of the Rules which emerged out of the General Order. While no completed government approved version of the Rules yet exist, they are now to incorporate donor comments. When such comments have been incorporated this will provide the structure onto which harmonization will be possible. Workshops have been held on Donor Cycles but in the advent of having no final Rules on which to train, this area has been limited. This harmonization objective was very widely framed in the original TORs and not very specific on how this would be achieved. However if donor comments can be built into the framework of operational procedures, harmonization will have been achieved.

(iv) Provide capacity building for ACU effective portfolio management. Key activities

relating to effective portfolio management were to include devising simplified systems and procedures including development of a portfolio performance management system. Portfolio management will be strengthened through development of a simplified monthly and quarterly reporting system to monitor project implementation and estimate disbursement requirements based on project progress; development of capacity in ACU to develop forecasts on physical progress, cash flow requirements for the next 6 to 8 quarters and integrate the entire system in fiscal planning and budgetary process. This was to help –

(a) streamline the system of internal clearances to ensure that project start-up delays are minimized.

With the formation of the SCI this aspect should now be addressed.

(b) devise procedures and systems for recruitment and retention of key project staff during project implementation.

Suggestions were offered to the client on recruitment in Quarterly Reports. The main recommendation here is that where there is capacity building, this should be directed towards permanent government staff rather than supporting Project Implementation Unit staff who dissipate at the end of the project and institutional memory is lost.

(c) expedite procurement and consultant selection through introduction of harmonized procedures acceptable to all donors.

Procurement and recruitment procedures were reviewed and proposals were offered by procurement specialist. The review could not extend to the new government Implementing Rules and Regulations, which were still under preparation and not completed before the end of this TA.

(d) devise simplified accounting and auditing manuals for use by project management units (PMUs) in accordance with financial management guidelines of various donors.

A simplified accounting manual was constructed and delivered as required. The delivery was accepted but as yet the government has not been seen to adopt the recommendation

(e) strengthen the monitoring system of portfolio performance by key project activities for sustained information flow among stakeholders.

This was achieved by provision of IT support and the delivery and installation of the new data base and web site.

(f) provide training to ACU and PMU staff for implementing the new procedures devised under the TA for effective portfolio management.

Training on the new Foreign Aid Report (FAR) and Development Partner Profile (DPP) system and web management was carried out for the initial ACU and finally the SCI. Here again there were many changes in personnel during the life of the project with the effect that training was limited. Procurement training was not possible in the absence of the new Implementing Rules and Regulations.

(v) Development of ACU's human resources. Training seminars and workshops were to be organized to impart analytical and technical training to use the aid coordination procedures to staff of ACU, PIUs, line ministries, and departments. To develop local skills and make the process sustainable and cost effective, local consultants were to help develop training materials and impart training. This component was also to include training of trainers especially for resource staff at central and local levels who can later transfer their knowledge and skill to operating staff at raion or oblast levels. The training program will

ensure that the staff gain the requisite capacity to implement procedures and portfolio performance management systems approved by the Government and consented by donors. ACU staff will also be trained to measure and monitor progress in performance indicators in an indicative framework. Capacity building programs will be designed according to country preparedness and absorptive capacity.

If one considers the final aim of carrying out this objective “according to the country preparedness and absorptive capacity” then the objective was met since such absorptive capacity was low. Training of former ACU staff was made largely redundant when ACU was disbanded and only one staff member was transferred to the new SCI/ACMU. Prior to that some training had been undertaken for related and concerned Ministries and existing staff of ACU and also ongoing training had been conducted on the preparation of the data for the Foreign Aid Reports and Development Partner Profiles including staff of donor agencies, NGOs and ministries. By assisting the SCI to formulate an ongoing project from UNDP to continue HRD development, the objectives of this component are met.

15. In addressing these overall objectives against achievements it would appear that they have been largely achieved although in some cases indirectly, and not in the manner originally envisaged. If the main objective was to facilitate the government’s aim of coordinating donor aid, this has been achieved by the establishment of the SCI with its own ACMU replacing the initially supported ACU. This SCI is much stronger and capable and now in a position to better coordinate aid. It also has an appropriate data base and is in a position to harmonise donor assistance.

16. The aim of strengthening the originally envisaged ACU has on the other hand mixed results. SCI reported that only one staff member from the original ACU was transferred to the new SCI’s ACU. Consequently the support given to the initial staff of ACU and the training carried out has dissipated. The support and training carried out for the individuals collecting FAR and the DPP is also lost since the UNDP supplied these staff who have now demobilized after the project ended. Project consultants will also disappear after the project concludes. Only in the latter stages of the project has it been possible to offer real support to the SCI.

17. Consequently to ensure capacity building as a mandate of the project, given the insufficient time still remaining, the project assisted the SCI in formulation of a follow up project which has been accepted by UNDP. The capacity building which was initially envisaged under the fourth and fifth objective has therefore been achieved only partially by the current TA through no fault of the project but will be assured by the follow on assistance.

18. With the establishment of the SCI, strengthening the SCI (instead of original ACU) as the main agency for Aid Coordination in Tajikistan, this has been achieved, provision of a database and MIS system to facilitate the functions of the ACU (SCI) have been achieved, and the SCI are now in a position to harmonise donor programmes within a national strategy.

Consultants recruitment

19. The initial allocation of TA consultants was as listed below –

INTERNATIONAL CONSULTANTS

- **Harmonization, Aid Coordination, External Debt Management Specialist/ Team Leader** (5 person-months)
- **Project Management Specialist** (2 person-months)
- **Procurement Specialist** (2 person-months)
- **Database Management and Information Systems Specialist** (3 person-months)

NATIONAL CONSULTANTS

- **Harmonization, Aid Coordination, External Debt Management Specialist** (18 person-months)
- **Project Management Specialist** (7 person-months)
- **Procurement Specialist** (7 person-months)
- **Database Management and Information Systems Specialist** (13 person-months)

20. It is suggested that in hindsight the initial time allocation could have been applied differently to better facilitate a TA project which was aiming at achieving best global practices in aid coordination. With the project spread over 24 months on which a national consultant has 18 months input and an international team leader and coordination expert with only 5 months. In fact the input of the Team Leader was increased up to 7 person-months, the input of the international project management specialist – up to 3,17 person-months and the total input of the international consultants was increased up to 15,2 person-months. At the same time the input of the national coordination consultant was reduced up to 15,8 person-months. The majority of time of the national aid coordination consultant was taken up with activities on reviewing the situation in foreign aid, making functional analysis of key government bodies, reviewing Government documents, preparing proposals on improvement of the process of attraction of foreign aid, designing Project Cycle of the Government and developing a draft General Order further becoming the Rules. These activities were carried out in accordance with the Project ToR and they were approved by the Client and ADB.

21. The input from both the national and international Database Management and Information Systems Specialists working in close cooperation with the national aid coordination consultant, was put to good use. Valuable reports were furnished and the final outputs on IT design and Web structure were highly appreciated by the government through SCI¹.

22. On procurement, in late 2005, a comparison of procurement procedures was commenced, based on the 1997 Law of the Republic of Tajikistan “On State Procurement of Goods, Works and Services”, the procurement guidelines of the ADB (1981 version with updates in 1989, 1994, 1998, 1999 and 2004), and the procurement guidelines of the WB (2004 version).

23. Just as this work was completed, the Government of Tajikistan enacted a new procurement law in March 2006, developed with assistance from the WB and, on 1 April 2006, the ADB introduced a revision of its procurement guidelines. The new law expanded considerably on the previous 1997 law, while the revised ADB procurement guidelines contained several important changes. The new ADB guidelines are more closely harmonized with those of other DFIs such as the WB and they also allow greater flexibility and innovation in the procurement procedures of borrowers. Plainly, the comparison had

¹ Detailed separate reports included in QPR4.

to be reworked to take account of these changes and the first comparison was therefore not reported in the Quarterly Progress Report No. 1 for the period ending 31 March 2006.

24. While the new ADB procurement guidelines were available immediately, it took until 1 June 2006 to obtain a reliable English translation of the new procurement law. The new comparison is now complete based on these documents:

- The Law of the Republic of Tajikistan “On Public Procurement of Goods, Works and Services” passed by resolution of Majlisi Namoyandagon, Majlisi Oli of the Republic of Tajikistan, on 15 February 2006 and signed by the President of the Republic of Tajikistan on 6 March 2006.
- Procurement Guidelines of the Asian Development Bank, dated April 2006.
- Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers, dated January 2005
- Guidelines – Procurement Under IBRD Loans and IDA Credits, dated May 2004
- Guidelines – Selection and Employment of Consultants by World Bank Borrowers, dated May 2004

25. A comprehensive matrix and a summary of key points, was presented in the report on Review of Government of RT and Donor Literature.

26. The seven months for a national procurement specialist reviewed the current law and procedures. Unfortunately the law as indicated above was subsequently revised after his term and no English version was available to the project at that time leaving the international consultant to finalise the review.

Project outputs

A. Review of General Order

27. As part of the specified activities of the Project in regard to drafting some legal document to coordinate donor assistance, the project assisted in drafting a document entitled the *General Order*². On 10 July 2006 this *General Order* was submitted to the original ACU and to ADB where it was accepted by the latter.

28. From the initial structure of this *General Order*, the then director of the ACU instructed further revision and introduced some further concepts which he indicated the government had requested. Consequently the *General Order* became the “**Rules on attracting, using, coordinating and monitoring Foreign Aid in the Republic of Tajikistan**”, (*The Rules*).

29. These new *Rules* were commented on by the project and some changes made as a result. ADB also offered some comments but not all of the project’s nor ADB’s comments were incorporated in the next version of the *Rules*. These were never the less circulated to 18 Ministries and agencies of the government and comments solicited. Project staff were

² General Order was first introduced in QPR1.

directed to follow through collating the comments. Since the draft included some recommendations on which the project and ADB did not agree, the consultants should not have been directed to promote the draft but the national consultants had no recourse but to follow out instructions from the ACU director. The final version of the *Rules* incorporating government comments were signed off by end October 2006 and ready for official review.

30. Further consideration of the *Rules* was suspended in November 2006 pending the major restructuring of Ministries by the Government. With the advent of the formulation of the new State Committee on Investments and State Property Management (SCI), advice was that the Government now wished to update these *Rules* further to accommodate the changes and realign the activities of the various Ministries and Committees.

31. During the Team Leader's mission in March 2007, the project furnished a new draft of the Rules attempting to incorporate the new ministry structure. The new draft submitted to SCI was circulated to four Ministries. As at mid July 2007 however, only one Ministry had supplied comments. Consequently it has to be assumed that a final version is not going to be available in the immediate future.

32. At end July, the SCI sent out a letter and copies of the last version of the *Rules* in English to four major international organizations: ADB, WB, UNDP, and Swiss Cooperation Office asking for comment. This at least demonstrates that the process is moving forward and the project has achieved its aim of having the major donors in a position to influence the final version of this donor aid coordination process. It would be hoped that some final resolution will be forthcoming.

33. However in the absence of comments on the last submitted draft of the Rules available since the last submitted draft, the consultants are not able to complete any further work within the timeframe of this TA.

34. Although no further comment is possible from the consultants, and possibly the final version of the Rules will not now be delivered before the end of the project, it should be noted that the consultants have contributed considerably to the development of the emerging *Rules* through drafting suggestions on the initial *General Order*. Furthermore, it has to also be noted that earlier advice was not taken in its entirety and recent changes in ministerial structure have again moved the goal posts. This despite the fact that by November 2006 and just prior to the ministry restructuring, a version of the *Rules* on which the consultants had input had been approved by all ministries and agencies and was ready for government approval. Hence arriving at yet another final version of the *Rules* has been outside the consultant's control.

35. The main issue remains that the Donors' comments should now be fully integrated into a final version of the *Rules* and consequently harmonization will be achieved meeting the project's objectives.

B. Workshops on The Rules and Donor Coordination

36. While no further formal workshop has been held on the *Rules*, the earlier almost final draft has been further discussed internally within the SCI.

37. The SCI has indicated that it will hold its own workshops with concerned parties on the final versions when available.

38. As indicated above, donor comments are finally to be incorporated into the next draft of the *Rules*.

C. Harmonised Project Management Manual

39. No further work was carried out on redrafting the suggested Harmonised Project Management or Standard Operational Procedure (SOP) Manual during the period awaiting the final outcome of The *Rules*.

40. It was hoped that this might still be completed before the end of the TA timeframe but this now would appear unlikely.

41. The consultants had however previously suggested that when the final version of the *Rules* are accepted, these can be formatted into a Harmonised Manual. The outline for how this can be achieved has been included in the Quarterly Progress Reports.

D. Attention to Joint Action Plan

42. Previous Quarterly Progress Reports have drawn attention to the earlier drafted Joint Action Plan (JAP) stating that while other aspects of the JAP are on line, the question of “capacity” within (the then) ACU still remains unresolved. Under the revised structure with SCI it would appear that implementation of the Action Plan agreed between the Government and the Country Portfolio Review Mission in March 2004 has now been substantially resolved.

43. During the Team Leaders mission in March 2007 a further Joint Action Plan was produced up until the end of the project, agreed with SCI and ADB and will be completed.

E. Equipment issues

44. The equipment lists previously worked on and agreed with the ACU had been held in abeyance in light of foreshadowed the ministerial restructuring at end 2006.

45. During March 2007, the national IT consultant along with SCI revised the equipment list to align with new priorities and also updated the specifications of some of the equipment where later models had since come on the market.

46. Procurement has now been effected through the cooperation of the SCI and efforts of the national consultants.

F. Web site installation

47. As reported under QPR4 and QPR5, the International IT consultant and the National expert having designed the requirements for the web installation, the ACU Director was about to sign the contract with the ADB approved supplier and installation was to have commenced prior to November 2006. In light however with the restructuring of ministries and the creation of the SCI to which transfer of ACU function was designated, the web design and procurement were suspended. During the second week of March 2007, the design was however reviewed once more by the SCI with the consultant’s national IT expert and new “Expression of Interest” documents were prepared.

48. By mid July the national aid coordination consultant carrying out the overall control over the web-site development had assisted the SCI and the web designers in developing several “maquettes” of the site. These and the draft logos were discussed with the SCI Chairman and further amendments made. On direction it was suggested to consider the issue of integrating the new aid coordination site with the main SCI site. In the time remaining on the project the national aid coordination consultant is working on the preparation of materials for the information section of the web-site and keeping constant contacts with designers to form different sections and pages of the site.

49. Due to approval and funding delays in providing the web site installation, the work on this could only commence in June 2007 but is now nearing completion with only adjustments remaining and the same information being made available in two languages. The contracted lead time given was nine weeks so the system should be operational before the end of the TA timeframe. In view of a large volume of information and as the site should be bilingual, the factual amount of work is very big and requires additional efforts and time. In accordance with the contract signed for the web-site development, after the site is formatted and launched the designers should provide for two months of technical support and training for the SCI staff in maintaining and updating the site.

50. The main pages of the SCI web-site on aid coordination developed under the ADB TAJ-4546 TA Project are attached in Appendix 2

G. Foreign Aid Report and Development Partner Profiles

51. Despite the problems with production of the FAR and for year 2005, when the process dragged on for 10 months of 2006, the FAR 2006, needed for the Consultative Group (CG) Meeting of 2 June 2007, was produced within two months.

52. It should be noted here once more that the TORs of the project only included rendering assistance to the design and functioning of the IT system to back the FAR reports, with the actual collation and production being the responsibility of a separate UNDP project in collaboration with ACU staff.

53. To facilitate production of the FAR 2006 in time for the CG meeting, which seemed an impossible task at the time, the Team Leader during his mission in March 2006 had obtained firm assurances from the UNDP funded ACU assistance project that they would make staff available for the data collection as previously undertaken by their project. In fact this support never materialised and the work was left for the project TA staff, who had to extend their mandate under the TORs (justified by requirement to offer the client any necessary assistance) and they did manage to bring out these publications. The extra effort and long hours input of TA national staff was funded by PDP ex-TA budget in the interest of client satisfaction.

54. The demonstration that a FAR could be produced on time indicates that it should be possible to publish subsequent annual FAR and DPP reports on schedule and it would be hoped that the SCI would carry this on beyond the termination of this TA. To ensure the sustainability of this activity, the Project drafted functional responsibilities of the SCI staff providing use of the Project results. The draft functional responsibilities are given as Appendix 1.

55. Otherwise the project has demonstrated that it has fulfilled its obligation under this TOR.

H. Training and Capacity Building

56. Under training and capacity building objectives in the project TORs, it was intended that local consultants would help develop training materials and impart training, including training of trainers, especially for resource staff at central and local levels who could later transfer their knowledge and skill to operating staff at *raion* or *oblast* levels. The training program was to ensure that staff gained the requisite capacity to implement procedures and portfolio performance management systems approved by the Government and consented to by donors. ACU staff were also to be trained to measure and monitor progress in performance indicators in an indicative framework. Capacity building programs were to be designed according to country preparedness and absorptive capacity.

57. In relation to these objectives, the TA has been hampered by the restructuring of the ACU given the year and a half of ACU existence under the project before its functions were transferred. Initially as reported in QPR1, a number of educational seminars were conducted to a wide range of NGOs, Donors and Government departments in relation to both donor and matching government cycles as well as on the construction of data collection for the FARs. Training also included ACU personnel. On move to the SCI, there remained no one who had been trained earlier. With little time remaining in the project to carry out this training or having anyone available to train as trainers to take this down to decentralised level, the objective has been difficult to achieve. The project did however prepare some Power Point training material on a number of topics including one on Training of Trainers (TOT).

58. In the time available after the establishment of the SCI, the national project experts did manage to train some of the staff of the new SCI on the mode of data entry for the FARs and DDPs and instruct on their importance for establishing a donor schedule on priority investment projects. The problem however remains that project national consultants were left to write the economic analysis backing the data. Demonstrating this activity which illustrates to SCI what is required does not insure that anyone in SCI will be able to undertake this task subsequently. While there is to be a UNDP follow up TA which should be able to handle this activity (Appendix 1), it should be insured during the time of that TA that SCI staff and not only the PIU be trained.

59. To facilitate the need for rapid action on data collection for the FAR and the time line for the CG meeting, a number of training sessions were also held outside SCI for Donor Partners on filling out the required Data collection sheets.

60. Consequently the training as initially envisaged which was never very specific was probably not fully achieved, but instead training on the data base and the foundation for a coordination system was carried out and now a follow on TA has been arranged to complete the work.

I. Donor Coordination

61. Donor coordination was continued with UNDP during the course of the TA and cooperation received. The coordination also led to UNDP agreeing to a follow on TA to

support the work developed by the ADB TA. Coordination also continued by e-mail between the Team Leader and the EC (Takis) project which has now been transferred to the office of the President NCU Director Mr. Sharfov working with the National Economic Coordinator Mr. Davlatov.

62. In addition, as reported under the *Rules*, the project has facilitated these for circulation to major donors for comment. This now provides donor direct input, which was difficult to achieve under the old ACU system.

Reporting

63. During the life of the project the following milestones and reports were submitted to ADB after approval by the Client –

QUARTER	REPORT TYPE	LODGED	COMMENT
	Mobilisation	01 August 05	
	Inception	31 October 05	
	Donor Literature	12 August 06	Review of all GT and Donor Literature with Legislative, Normative and Legal Bases.
Jan-Mar 06	Quarterly Progress Report 1	03 June 06	Contains initial draft of GO
		10 July 06	Draft GO submitted ADB
		21 July 06	Draft <i>Rules</i> circulated
Apr-Jun 06	Quarterly Progress Report 2	23 August 06	Contains procurement review
Jul-Sep 06	Quarterly Progress Report 3	06 Nov. 06	<i>Rules</i> revision included along with suggested Harmonisation SOP Manual
Oct-Dec 06	Quarterly Progress Report 4	30 January 07	FAR and DPPs for 2005
Jan-Mar 07	Quarterly Progress Report 5	31 March 07	Previous <i>Rules</i> revision
		04 April 07	Last version of <i>Rules</i> circulated to Ministries and Donors
Apr-Jun 07	Quarterly Progress Report 6	15 July 07	Final delivery of equipment and Web design

64. The TA for the project envisaged general support for ACU towards donor coordination and consequently its deliverables were confined to a review of Donor Literature and thereafter in Quarterly Progress Reports (QPRs).

65. QPRs included other support items as Appendices such as the suggested standard accounting manual, Power Point Teaching materials and detailed reviews and proposals for IT development and web site design.

66. As can be seen from the table of submitted QPRs, there was a progression and development from draft legislation which commenced as the *General Order* which was accepted by ADB. This was later converted into the *Rules* by the ACU with project assistance (although all advice was not taken) and subsequently revised once more by the project. The final version has now been circulated to Ministries and to Donors for comment.

Lessons learned

67. In respect of the project objectives aimed at enhancing the capacity of the ACU (in its original form) the lesson learned is to ensure, in the case of institutional capacity building, that support is given to staff of the organisation rather than training of individuals in a Project Implementation Unit. In this instance, as regards to the UNDP support project which initially supplied the staffing for data collection for the FARs and DPPs, when the project finished the trained staff left. Under the ADB TA, ACU staff had also been trained in IT requirements and Data collection but when the ACU transferred to the SCI, only one staff member was transferred. Consultants of the ADB TA will leave at the end of the project and hence their experience would be lost. The project has however helped facilitate an ongoing UNDP TA which should allow training of more personnel. If part of capacity building includes provision of furniture, provision of high speed internet or web based facilities, then this part was achieved. On HRD support, a large part of the training benefit was lost through no fault of the consultants.

68. The scheduling of the original TORs had some problems, in that training was specified too early in the TA time frame before Government decisions were made that influenced development of the training material.

Conclusions

69. Looking at achievements of the project overall it is difficult to define cost benefit. On the other hand, if a final workable version of the *Rules* can be adopted with accepted Donor input, then this in itself should justify the project.

70. Ancillary benefits are the support for creating the SCI which can now be fully functional with the TA providing this Committee with the necessary furniture, equipment and web site facilities to carry out its mandate.

71. As mentioned in the five previous Quarterly Progress Reports, the scheduling of tasks within the TORs had some of the required activities listed too early in the TA. These were activities such as the training, capacity building and production of a Harmonised Project Management Manual. These were all dependant on first a structure for the ACU and official acceptance or promulgation of a final version of aid coordination structure as highlighted in the *Rules*. The TORs had the training scheduled before there was something on which to base training. With the change in ministry structure and with the establishment of the SCI, a fresh approach has been brought to aid coordination and a new level of cooperation established as between SCI, ADB and the project.

72. While from now under the new structure, activities have been moving ahead effectively, it needs to be recognised that many of the scheduled TA activities have been delayed through no fault of the consultants, and some activities were requested by the client although not provided for specifically under the TORs. In other cases, advice was given on best practices but advice was not taken. Specifically:

- a. While the TORs envisaged the project supporting the IT design and operational aspects of the data collection under the FAR, along with training on filling in the forms, the actual collection and verification process was supposed to be provided to ACU under a UNDP project. In fact this UNDP project wound down during last year (2006) eventually leaving only one person employed on this function, and eventually even that person left. Consequently, in order to get the FAR 2005 out at all, the project had to assist ACU beyond the IT requirements and training thereon as specified under the project TORs.
- b. Part of the assistance to the ACU's preparation of the FAR also involved in-house training at most of the donor offices where project staff went to each donor explaining the data collection forms and modifying these to client specifications. While this could be considered part of "training", or "capacity building", it was in fact more part of data collection and outside the project TORs. Over time the staff at donor offices change and hence this has been an ongoing, not single operation.
- c. As part of Donor Coordination, the project provided extensive advise to the then ACU on the design of the original GENERAL ORDER (GO) following the review of Donor Literature. The GO was again revised and then became the *Rules*. The ACU then added their own requirements and did not take into consideration all of the consultant's (or ADB) suggestions. The project did not agree with all of the ACU's proposed interventions but could only advise on best practices.
- d. For the *Rules*, since this was what the ACU director had said was wanted, the project national consultants went to each Ministry and authority explaining the *Rules*, collected and collated comments and then put these into a second version of the *Rules*. This was again a request from the client and as such justified on the grounds of capacity building but was not specifically designated as an activity under the TORs.
- e. The second version of the *Rules* were again delivered personally to each ministry and signing off signatures were collected by the project. Again this was on client demand but not an activity envisaged under the TORs.
- f. Following arrival at a final version of the *Rules* accepted by all ministries, MOJ then made still further suggestions which the project helped integrate into another "final" version. Here again the project staff assisted on the revision on instructions from the client.
- g. In reorganization of the ministries and the formation of the State Committee on Investment and State Property Management (SCI), the broad outline of the consultants' many suggestions on previous lack of capacity within ACU have been addressed.
- h. To facilitate the extra demands on the project, an extra amount of time for the Team Leader and national consultants was provided by PDP.
- i. With the many changes within ACU, Ministry reorganization and the various versions of The Rules which were suspended in November pending rearrangement of ministries, the project was always aiming at a moving target. Consequently

before the government had determined its own structure it was only possible to offer advice on what that structure should be. This in fact the project did do, by suggesting as discussed with ADB that the ACU in its then present form was not the desired medium for coordinating aid and the ACU should be a “custodian of a Unified Data base on foreign aid” and should not cover a much wider range of “management” type of activities. The consultants managed to get this message back into the final draft *Rules* after the change to SCI.

- j. Further change for the ACU to the new structure of the Government according to which new Ministries and Departments were created and functions redistributed amongst them, this reorganization has taken up much of the ACU’s time and focus over the period and has detracted from other activity.

73. In development of the *Rules*, the project has helped the introduction of an accepted aid coordination mechanism, and while not all the consultant’s nor ADB’s comments and suggestions have been incorporated, mainly in relation to duplication and lack of capacity, the main concerns have been addressed.

74. Otherwise the TORs of the project are being followed and should be completed on schedule.

Recommendations

75. For continued sustainability of the aims under the project, the following areas will require attention.

A. Review of The Rules

76. While the *Rules* have not been accepted yet, as indicated in this report, further review is now necessary for the last revised version of the draft Rules where there are still areas which could be improved. It would be hoped that further review of the *Rules* by the SCI after receiving donor comments would be possible in the near future. Since in over a month only one of four ministries circulated with the latest copy of the *Rules* has offered a comment, it does not appear that this issue is having priority. The SCI should work to ensure this opportunity of coordination is not lost and follow up on soliciting comment.

B. Workshop on the Rules

77. As soon as a final draft of the *Rules* is available, the SCI have agreed that there will be workshops for both Donors and Government on how they can be best applied.

C. Web site installation

78. Web site installation is in final stages. Final adjustment only is now required.

D. Foreign Aid Report and Development Partner Profiles

79. The systems for FARs and DPPs are now available. It would be hoped that the SCI can provide the personnel to continue with data collection and production of these reports as

well as providing the economic analysis required to interpret the data. The new UNDP TA should provide the initial support in this area but SCI personnel in addition to PIU personnel need to be trained.

E. Harmonised Project Management Manual

80. While this still has to wait until a final version of the Rules is accepted officially, the Draft of a Harmonised Manual has been offered. The final Rules can be incorporated into this draft where the *Rules* become the Manual.

81. In the final draft of such a manual, the project has suggested that this be integrated with a Financial Manual and a Procurement Manual.

Appendix 1: Draft responsibilities for follow up support

Responsibilities of the SCI staff on the work with Database, updating its information, interacting with international organizations, preparing the guides «Development Partner Profiles» and «Foreign Aid Report »

Responsibilities of the Specialist General on Aid Coordination:

- Interacting with international organizations on the issues of aid provision, keeping contacts with responsible persons of these organizations;
- Organizing regular informative meetings to encourage relations between donors, executing agencies and public agencies;
- Regularly participating at meetings at least in one sector coordination group;
- Analyzing and summarizing information on international organizations working in Tajikistan;
- Analyzing the existing mechanism of collecting information from development partners and delivering advice on the mechanism improvement;
- Coordinating work on exploitation, support and update of information of the ACPMS database and its upgrade;
- Analyzing the process of providing foreign aid by donor countries and developing suggestions on its improvement;
- Analyzing efficiency of the process of attracting and using foreign aid, working out suggestions on its improvement;
- Developing mechanisms and procedures of interaction with Development Partners;
- Coordinating and monitoring activities of international organizations with regard of assistance they provide;
- Preliminarily preparing potential assessment of the State Committee on Investments and State Property Management;
- Developing and implementing proposals on providing the SCI Investment Department with additional information services for the Government, donors and international organizations;
- Coordinating activities on improving information support for the process of providing and using foreign aid;
- Coordinating activities on the SCI staff training;
- Coordinating activities on maintaining the SCI aid coordination web-site;
- Exercising control over preparation and publication of information guides «Development Partner Profiles 2008» and «Foreign Aid Report for 2007»;
- Making potential assessment of the State Committee on Investments and State Property Management;
- Coordinating works on preparation of the draft Working Plan for 2008 on information services of the SCI;
- Working out a project proposal for future support of the SCI Investment Department;
- Making a request for donor support for the project proposal on the future donor assistance for the SCI.

Responsibilities of the Specialist on Technological Tools, Computer and Information Technologies (Database Administrator)

The main task of this Specialist is exploitation and proper maintenance of the ACPMS Database and the SCI foreign aid web-site.

Besides, the IT Specialist should have the following duties (but not limited to):

- Maintaining the SCI Aid Coordination and Project Monitoring Database, its improving and developing;
- Proper maintaining the local computer network of the SCI Investment Department, computers, technical tools and other computing techniques and office mechanization facilities;
- Developing proposals on improving Database, local computer network and hardware of the SCI Investment Department and providing their promotion;
- Upgrading systematic and application software of the SCI Investment Department;
- Ensuring entering and update of the database information on international organizations profiles;
- Ensuring entering and update of the database information on the projects funded and implemented by international organizations;
- Ensuring entering and update of information on investment projects;
- Providing information support of project monitoring through the Database;
- Participating in preparation of reports on foreign assistance projects funded by international organizations;
- Technical and software support for preparation of investment projects reports;
- Providing operational extraction of any project information from the ACPMS Database;
- Ensuring entering, processing and storing of all information on foreign aid provided to the Republic of Tajikistan;
- Organizing activities to support and update the SCI foreign aid web-site in Internet;
- Participating in preparation of annual publications of the guides «Development Partner Profiles» and «Foreign Aid Report»;
- Bearing responsibility for the proper condition of computer techniques, other technical tools, systematic and application software, local area network, as well as use of Internet and e-mail;
- Organizing and conducting training for the SCI Investment Department staff to enhance computer literacy.

Responsibilities of the Donors and Bilateral Organizations Relations Specialist

The main task of this Specialist is developing relations and ensuring effective cooperation of the SCI with Donors and Bilateral International Organizations, updating information of the ACPMS Database concerning these organizations.

Besides, the Donors and Bilateral Organizations Relations Specialist should have the following duties (but not limited to):

- Interacting with donors and bilateral international organizations on the issue of providing foreign aid, maintaining contacts with responsible officials of these organizations;
- Analyzing and generalizing information related to Bilateral Organizations and their activities in Tajikistan;
- Coordinating and monitoring bilateral international organizations' activities with regard of assistance they provide;
- Monitoring of implementation of projects funded by Bilateral International Organizations including the PIP projects;
- Entering into the Database and updating information on the Bilateral International Organizations profiles, implementation status of the projects they finance and disbursements they make and others;
- Formatting database on foreign aid provided by Bilateral International Organizations;

- Analyzing the state of things in the sphere of foreign aid provision by bilateral international organizations and developing recommendations on the analysis improvement;
- participating in preparation of the annual publications «Development Partners Profiles» and «Foreign Aid Report».

Responsibilities of the Multilateral Organizations Relations Specialist

The main task of this Specialist is developing relations and ensuring effective cooperation of the SCI Investment Department with Multilateral International Organizations, updating information of the ACPMS Database concerning these organizations.

Besides, the Multilateral Organizations Relations Specialist should have the following duties (but not limited to):

- Interacting with multilateral international organizations on the issue of providing foreign aid, maintaining contacts with responsible officials of these organizations;
- Analyzing and generalizing information related to Multilateral Organizations and their activities in Tajikistan;
- Coordinating and monitoring multilateral international organizations' activities with regard of assistance they provide;
- Monitoring of implementation of projects funded by Multilateral International Organizations;
- Entering into the Database and updating information on the Multilateral International Organizations profiles, implementation status of the projects they finance and disbursements they make and others;
- Formatting database on foreign aid provided by Multilateral International Organizations;
- Analyzing the state of things in the sphere of foreign aid provision by Multilateral International Organizations and developing recommendations on the analysis improvement;
- participating in preparation of the annual publications «Development Partners Profiles» and «Foreign Aid Report».

Responsibilities of the NGOs Relations Specialist

The main task of this Specialist is developing relations and ensuring effective cooperation of the SCI Investment Department with NGOs, updating information of the ACPMS Database concerning these organizations.

Besides, the NGOs Relations Specialist should have the following duties (but not limited to):

- Interacting with NGOs on the issue of providing foreign aid, maintaining contacts with responsible officials of these organizations;
- Analyzing and generalizing information related to NGOs and their activities in Tajikistan;
- Coordinating and monitoring NGOs' activities with regard of assistance they provide;
- Monitoring of implementation of projects funded by NGOs;
- Entering into the Database and updating information on the NGOs' profiles, implementation status of the projects they finance and disbursements they make and others;
- Formatting database on foreign aid provided by NGOs;
- Analyzing the state of things in the sphere of foreign aid provision by NGOs and developing recommendations on the analysis improvement;
- Participating in preparation of the annual publications «Development Partners Profiles» and «Foreign Aid Report».

Responsibilities of the Engineer-Monitor

The main task of this Specialist is monitoring the implementation of investment projects, controlling quality of works and services.

Besides, the Specialist on technical means, computer and information technologies should have the following duties (but not limited to):

- Monitoring the investment projects implementation;
- Carrying out control over the quality of construction of buildings and other objects in accordance with approved designs, technical specifications, construction standards and rules;
- Sample quality control over construction of buildings and other objects;
- Organizing expertise, research and testing of specified constructions, articles and materials if appropriate;
- Visiting objects of investment projects;
- Carrying out control over timely and correct drawing up, keeping and proper custody of technical documents including building journals, acceptance certificate of building materials and other documents;
- If appropriate involving workers of construction and erection organizations, technical and designer supervision over construction, laboratory technicians, specialists of scientific research and design institutes, organizations and enterprises for participation in testing quality of objects construction as well as quality of production of enterprises of building materials industry and of building industry;
- Participating in tenders on procurement of materials and equipment, selection of contractors for implementation of works and services;
- Participating in technical audits, testing and other similar arrangements;
- Participating in technical and state commissions on acceptance of buildings and other completed objects.

Responsibilities of a Translator Specialist

The main task of this Specialist is to provide for oral and written translations from English into Russian and vice versa.

Besides, the Translator Specialist should have the following duties (but not limited to):

- Working with incoming and outgoing documents and correspondence in English;
- Written translations of documents from English into Russian and vice versa;
- Interpreting during meetings, negotiations and other arrangements;
- Reviewing and translating mass media materials in English;
- Translating corresponding materials, certificates and other documents prepared in the AMCU of the SCI Investment Department;
- Translating materials into English and maintaining English version of the Web-site of the SCI Investment Department;
- Organizing and controlling the conduction of training on improving knowledge of English of the SCI Investment Department staff.
- Translating the annual guides «Development Partner Profiles» and «Foreign Aid Report» into English.

Appendix 2: The pages of the SCI web-site on aid coordination

(AVAILABLE upon REQUEST)