



Kyrgyz Republic: Strengthening Government Capacity for Managing Development Projects

Project Name	Strengthening Government Capacity for Managing Development Projects	
Project Number	48038-001	
Country	Kyrgyz Republic	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 8783-KGZ: Strengthening Government Capacity for Managing Development Projects	
	Technical Assistance Special Fund	US\$ 600,000.00
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions	
Sector / Subsector	Public sector management - Economic affairs management - Public administration - Public expenditure and fiscal management	
Gender Equity and Mainstreaming	No gender elements	

Description

The TA will strengthen the management of development projects and improve the effectiveness and results of development interventions in the Kyrgyz Republic. Improved management of development projects will support the government's ongoing reform efforts in public financial management and enhance good governance in the public sector.

The outcome will be strengthened government capacity for managing development projects. The TA will support the outcome through the following four outputs:

Output 1: Policy guidelines and procedures for managing development projects improved. The TA will develop the government guidelines for development project management (GDPM), which will explain the main principles and operational procedures for managing development projects and provide clear guidance on the policies, processes, and mechanisms. It will contain appropriately detailed instructions and references to the national and international requirements to minimize conflicting interpretations. The GDPM will streamline existing procedures and make available practical templates and methodologies, where applicable, in all areas of the project cycle. In addition, it is expected that the GDPM will set the concepts for efficient use of institutional capacity and resources by optimizing roles and responsibilities of the government bodies involved in project planning, preparation, approval, implementation, monitoring, and result assessments. Upon approval by the government for its mandatory use, the GDPM will be converted to an electronic form and maintained by the Public Investment and Technical Assistance Department (PITAD) of the Ministry of Finance (MOF) on the ministry's official website.

Output 2: A sustainable training program for project management introduced to the Training Center of the Ministry of Finance. This output will help the government to establish a specialized training program for project management professionals and practitioners. The training program will be based on the government-approved GDPM and international and national best practices. It will include training curricula and learning materials for different aspects of project management functions included in the GDPM. The Training Center has been identified as the most appropriate training institution to develop and implement this training program on a sustainable basis. The Training Center will be supported in planning and conducting regular training in 2015-2016 on a contractual basis.

Output 3: National capacity for project management and monitoring improved. Based on outputs 1 and 2, the Training Center will launch a new training program containing certification courses to improve the practical knowledge and skills in both the public and private sectors for various aspects of development project management. In addition to government agencies, the private sector and civil society organizations directly involved or interested in project management; other institutions; and authorities with policy making, supervisory, and audit responsibilities will be able to strengthen their capacity and understanding of project management. The TA will also support on-the-job training and a training-of-trainers program for PITAD and Training Center staff before the launch of the program.

Output 4: Knowledge products for developing the local supply market capacity. The TA will fund 1_2 knowledge products to support the government in (i) assessing the capacity of the national construction industry and local contractors, suppliers, and consultants (engineering design and project supervision service providers); and (ii) identifying a medium- to long-term plan for construction sector development. Mapping and scoping the national construction industry can provide a deeper understanding of current policies and practices in the industry, including regulating technical standards and registration and licensing of construction companies and engineering firms.

Project Rationale and Linkage to Country/Regional Strategy

The Kyrgyz Republic's National Sustainable Development Strategy, 2013-2017 stated that increasing efficiency and ensuring good governance in the public sector is important for the successful development of the country. It emphasizes that the public investment program needs to focus on supporting and improving strategically important infrastructure and optimizing procedures to improve project implementation and results monitoring.

The increasing demand by the government and development partners for fast and quality results from development projects requires a sound and sustainable operational system that reinforces good governance in project management. Foreign assistance projects support the government in addressing the financial and human capacity constraints it faces in meeting its development objectives, but weak operational and management capacity continues in the central and sector agencies. Despite the risk mitigation measures built into all ADB operations in the country, the project implementation risk remains very high and keeps the overall portfolio performance weak, as reflected in indicators such as disbursement ratio, project start-up compliance, and average loan extension.

Outdated construction industry standards; an inadequate regulatory framework; and the limited number of qualified suppliers, contractors, and consultants in the local market are the other constraints, which increase the risks for implementing investment projects.

The systemic issues which continue to hinder more effective implementation and improved results include (i) limited ownership and unsatisfactory supervision of investment projects, which weakens the accountability of executing and implementing agencies; (ii) poor project implementation because of the lack of capacity in executing agencies, implementing agencies, and project implementation units; (iii) weak policy and methodology for results monitoring and sustainability of project outputs; and (iv) lengthy internal government procedures for approving and ratifying project documents. Furthermore, a limited pool of qualified experts in the market, including project managers, procurement and financial management specialists, and monitoring and evaluation (M&E) experts, is a major factor contributing to weak or underperforming project implementation units. To address these issues, the government has been taking specific actions.

Although the efforts of ADB and development partners at various levels will continue to improve the government capacity to implement externally funded projects, a systematic approach is needed for sustainable results in building capacity more effectively at the national level. Drawing on the lessons of previous capacity development activities and considering current constraints, further support is required to (i) pursue a long-term solution for the systemic issues; (ii) institutionalize training in project management; and (iii) ensure sustainability of the guidelines, mechanisms, and training facilities and services developed. There is a need for an analytical study or mapping of the national construction industry that will facilitate the government efforts to address the sector issues through effective reforms. Consequently, this TA project is seen as an initial phase of a longer-term program of capacity development support in sustainable project management.

Impact	Improved governance and implementation effectiveness of development projects in key sectors
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Project Outcome

Description of Outcome	Strengthened government capacity for managing development projects
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Progress Toward Outcome	During the Inception mission, the DMF table was revised in consultation with MOF.
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Implementation Progress

Description of Project Outputs	Policy guidelines and procedures for managing development projects improved A sustainable training program for project management introduced to the Training Center of MOF Knowledge products for developing the local supply market capacity National capacity for project management and monitoring improved
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Status of Implementation Progress (Outputs, Activities, and Issues)	Draft Inception report has been submitted and approved by ADB and EA. The Second Draft Progress Report has been submitted to MOF and is currently being reviewed. The draft GDPM was prepared and submitted to MOF for review in September 2016. An assessment of the monitoring and evaluation for the education sector has been submitted and an assessment of the transport and energy sector is on-going. Consultations are on-going in order to assess training needs.
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Geographical Location	National level
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Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design	Relevant departments in central government agencies, project executing and implementing agencies were consulted during the portfolio review meetings and during the TA concept paper preparation and fact-finding missions. Separate consultations were conducted with development partners actively engaged in public financial management reforms in the country.
During Project Implementation	MOF assigned dedicated counterpart staff to support the implementation of the TA and integrate the TA outputs into the government internal systems. The Macro Economic and Investment Council, that includes representatives from the Prime Minister's Office and other core ministries, will provide strategic level inputs and coordinated recommendations on the TA implementation and outputs. The MOF will ensure all ongoing and future assistance on public sector reforms related to project management is consistent with the TA objectives and implemented in well coordinated manner to avoid duplication of efforts.

Business Opportunities

Consulting Services	The estimated international and national consulting inputs are 12 and 48 person-months, respectively. An international firm will be hired through quality and cost based selection (90:10). For the knowledge products under output 4, the TA will hire individual international (3 person-months) and national consultants (6 person-months) with skills and expertise relevant to the study topics. Consultants will be engaged by ADB in accordance with the Guidelines on the Use of Consultants (2013, as amended from time to time). The terms of reference for the individual consultants will be developed as and when the scope of each knowledge product is identified during TA implementation.
Procurement	Office equipment and hardware, such as computers, printers and office software will be procured through the shopping method according to ADB's Procurement Guidelines (2013, as amended from time to time).

Responsible Staff

Responsible ADB Officer	Paniagua, Maria P.
Responsible ADB Department	Central and West Asia Department
Responsible ADB Division	Kyrgyz Resident Mission
Executing Agencies	<i>Ministry of Finance Mr. Mirlan Baigonchokov, Deputy Minister, Ministry of Finance m.baigonchokov@gmail.com Public Debt Department Room 500 58 Erkindik Boulevard Bishkek 720040, Kyrgyz Republic</i>

Timetable

Concept Clearance	30 Jul 2014
Fact Finding	08 Oct 2014 to 28 Oct 2014
MRM	-
Approval	04 Dec 2014
Last Review Mission	-
Last PDS Update	30 Sep 2016

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
04 Dec 2014	25 Dec 2014	25 Dec 2014	31 Dec 2017	-	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
600,000.00	0.00	0.00	0.00	0.00	0.00	600,000.00	04 Dec 2014	209,947.95

Project Page	https://www.adb.org/projects/48038-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=48038-001

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