

**DFID  
REGIONAL PROGRAMME  
EVALUATION**

**CENTRAL ASIA,  
SOUTH CAUCASUS  
AND MOLDOVA**

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## OVERVIEW OF COUNTRY PROGRAMME EVALUATIONS

DFID has a rolling programme of Country Programme Evaluations (CPEs) with 5 or 6 evaluations of countries or regions per year. A synthesis report pulling together findings from 5 recent CPEs is also produced annually. CPEs are challenging evaluations attempting to provide an overview of the entire DFID programme over a 5 year time frame and evaluate whether DFID made appropriate strategic choices in the given context and delivered effectively. CPEs are ideally undertaken in the year prior to development of a new Country Assistance Plan, as they are designed to meet DFID's needs for lessons that can inform future strategy and programming, as well as accountability for funds spent at country level. CPEs are intended for a wide audience including DFID's country office staff and partners, senior DFID managers in the relevant regional divisions and members of the public/other stakeholders.

Each CPE is managed by DFID's Evaluation Department and carried out by 4-6 independent international consultants with a mixture of evaluation and development skills. The terms of reference for the CPE programme include a generic evaluation framework closely linked to standard evaluation criteria; this is customised a little for each individual evaluation (and annexed to the report). For CPEs, interpretation of each of the evaluation criteria is as follows:

**Relevance** – CPEs should provide high quality, well evidenced material and judgements on whether 'DFID did the right things'

**Effectiveness** – CPEs should examine key interventions and partnerships and identify and explain successes and failures

**Efficiency** – CPEs should tell a narrative around the allocation of resources (financial and staffing) to deliver the results DFID was hoping to achieve

**Impact** – CPEs cannot produce new information on impacts attributable to DFID, but should consider DFID's contribution to long term outcomes

**Sustainability** – CPEs should discuss evidence on progress towards sustainability in terms of ownership of reforms, capacity development and resilience to risks.

Typically CPEs comprise a one week inception mission to the country to make contacts, scope the boundaries of the evaluation, customise the generic evaluation matrix and make decisions around issues such as field visits. The main CPE fieldwork then takes place around a month later and lasts up to three weeks. DFID's Evaluation Department provides each evaluation team with a large documentary evidence base comprising strategies, project/programme information and context material sourced from a thorough search of paper and electronic files, DFID's intranet system and the internet. During the fieldwork the team interview stakeholders in country and current and past DFID staff. A list of people consulted is annexed to each study.

The views expressed in CPE reports are those of the independent authors. The country office can comment on these in a 'management response' within the Evaluation report. CPE reports are quality assured by an independent consultant who has no other involvement in the CPE programme.

**DEPARTMENT FOR INTERNATIONAL DEVELOPMENT**

Evaluation Report EV686

**Regional Programme Evaluation  
Central Asia, South Caucasus  
and Moldova**

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John Bennett and Charlotte Vaillant**

**March 2008**



## **Acknowledgements**

This Regional Programme Evaluation (RPE) was undertaken by a team drawn from the ITAD/Verulam consortium contracted by the Evaluation Department of DFID (EvD) to undertake the 2007-08 series of country and regional programme evaluations. In addition to the five authors the team was supplemented during the country visits with consultants and interpreters recruited through the International Center for Human Development (ICHD) in Yerevan, Armenia. These were consultants, Victor Parliakov and Leonid Rosca, and translator Jane Rosca in Moldova; consultant, Armen Galstyan and translator Christina Sargsyan in Armenia; and Shairbek Juraev consultant, and Svetlana Chirkova translator, in The Kyrgyz Republic. The contribution of these colleagues is acknowledged and particular thanks are due to Tevan J Poghosyan, Executive Director of ICHD for his personal contributions and for ensuring the quality of support. Research assistance particularly for the financial analysis was provided by Corrie Bell of ITAD. The evaluation was conducted under the overall supervision of Julian Barr study director for the consortium with quality assurance provided by Dr Hilary Thornton.

The DFID Central Asia, South Caucasus and Moldova (CASCMD) team in London and in the three countries visited provided advice and support throughout the evaluation and their cooperation and practical advice ensured that a complex visit programme and interview schedule was completed effectively – particular thanks go to Jim Maund and Emily Poskett for their help. Other Europe and Central Asia Department (ECAD) staff also provided advice and support. Thanks are due to them and especially to John Hogan who provided considerable assistance with the financial aspects of the review.

To ensure as full an understanding of the political and social context the authors are grateful to Dr Bhavna Dave, Lecturer in the politics of Central Asia and Chair of the Centre of Contemporary Central Asia and the Caucasus (CCCAC), at the School of Oriental and African Studies (SOAS), University of London, who provided an informal briefing at the outset of the evaluation.

Finally thanks are due to all those who the team met and interviewed in London, Moldova, Armenia and the Kyrgyz Republic and to those DFID staff now working in other programmes who were interviewed by telephone or email.

*Photographs courtesy of DFID offices in Georgia (Sustainable Livelihoods programme), Moldova (Rural Business programmes) and Tajikistan (Crisis Response Energy and Water services).*



## **Preface**

The evaluation of DFID's regional assistance plan (RAP) in Central Asia, South Caucasus and Moldova (CASCAM) is one of a series commissioned by DFID's Evaluation Department (EvD). The studies are intended to improve performance, contribute to lesson learning and inform the development of future strategy at regional and country level. Collectively the evaluations are important in terms of DFID's corporate accountability and enable wider lessons across the organisation to be identified and shared.

The evaluation was carried out by a team of independent consultants led by an ITAD/Verulam consortium. The process was managed by Iain Murray and Karen Kiernan of EvD. The evaluation was particularly challenging given the scope and variety of the DFID programme in five countries across a diverse region and EvD would like to acknowledge the contribution made by the evaluation team itself and thank DFID staff and development partners who engaged freely with the study.

EvD is encouraged that the CASCAM team found the evaluation findings and recommendations useful in planning for the next phase of programming in the region, which will be formed around country plans rather than another RAP. We will be following up on the recommendations to ensure that DFID, in CASCAM countries and Corporate Divisions, does give them due consideration.

Nick York  
Head of Evaluation Department



## **Executive Summary**

S1 The Central Asia, South Caucasus and Moldova (CASCAM) Regional Programme Evaluation (RPE) assesses the relevance, effectiveness, and efficiency of the Department for International Development's (DFID) programme in this 'region' between 2002 and 2007. The evaluation seeks as far as it is possible to identify the sustainability of the changes supported by DFID and the outcome of the objectives that were set. The evaluation draws conclusions and makes recommendations to inform DFID's delivery of programmes covering similar regional contexts both geo-politically and in terms of their development challenges. This evaluation is one of the periodic independent evaluations undertaken to support DFID's performance management system. The primary audience for these evaluations is the UK government and DFID senior managers including heads of country offices, though they may be of interest others interested in DFID's work.

S2 Large parts of Europe and Central Asia have undergone unprecedented political, economic, and social change since 1989, when the Soviet Union began to break up. The economic collapse plunged the newly independent countries into poverty and coupled with the challenges of moving towards more democratic models of governance this presented the rationale for substantial external support. Since 1997 DFID has been responsible for the UK's development assistance to these countries which by 2002 had reduced, as others improved their economic development, to a small group spread across this 'region' with little obvious synergy beyond their common recent history.

S3 By 2007 the group had reduced further to the current five CASCAM countries which are making differential progress towards Middle Income Country (MIC) status and thus DFID graduation with Armenia and Georgia having achieved MIC status, Moldova expected to by 2009, and the Kyrgyz Republic and Tajikistan expected to take considerably longer. Their identity is with the sub-region or country with little wider sense of 'region'. From a DFID perspective MIC graduation and programme closure has become the assumed trajectory with the two countries in Central Asia being the exceptions.

## **Strategic Development**

S4 The evaluation period is covered by two DFID strategy papers: the Central Asia and South Caucasus Strategy Paper (CASCSP) 2000 - 2003 and the Moldova Country Strategy Paper (CSP) 2000; followed by the CASCAM Regional Assistance Plan (RAP) 2004 -2007. The evaluation focuses primarily on period covered by the RAP as it is the most recent and complete strategy.

S5 The RAP was based on sound and thorough analysis seeking common themes to link the disparate elements across the five countries with three country level and two regional level objectives. However it sought to impose an artificial sense of region without addressing the underlying differences and similarities amongst the group which fall into three distinct sub-regions – two in Central Asia, two in the South Caucasus and Moldova as an outlier. As a result the RAP has, in practice, been permissive providing a framework and principles with country level planning based on a subset of the five RAP objectives.

S6 For this evaluation the five RAP objectives were taken as the strategic basis for

analysing the programme – its strategic relevance, efficiency and effectiveness, impact and sustainability. It should be noted that in addition to the programme covered directly by the RAP DFID also provides substantial multilateral investment through the World Bank and more specifically the European Commission (EC) and European Bank for Reconstruction and Development (EBRD). These investments are taken into account but are not covered as comprehensively in the evaluation as is the bilateral programme.

### **Relevance**

S7 The evaluation concludes that the three RAP Country Level Objectives – governance/institutions; pro-poor growth; and conflict prevention/peace building – were relevant to the problems of all the CASC countries when the RAP was prepared and their relevance has continued. The evaluation also found that the two RAP Regional Level Objectives – HIV/AIDS, and trade/regional development – were relevant at country and regional level and their relevance has increased over the intervening years.

S8 There is little sense of region about the programme with the one common element – Russia – the elephant in the room. This omission presents a paradoxical gap in the relevance of the RAP – at the level of context Russian is seen as the single critical unifying link between the five CASC countries and yet in terms of its contemporary role in trade, investment, migration, and political influence it is not given prominence in any of the objectives.

S9 The evaluation concludes that at the level of strategy the RAP has substantial relevance across the ‘region’ though this is at the level of a ‘lowest common denominator’, setting a baseline of individual country strategies and not addressing the sub-regional and wider geopolitical elements. In terms of delivery (interventions and approaches) however relevance is much more significant at country, sub-regional and regional level.

S10 The RAP objectives appear to be based on the assumption that the CASC countries followed a similar trajectory – from Soviet Republic to Commonwealth of Independent States (CIS); followed by a period of fragile state building, absent civil society, and economic crisis; then emerging statehood leading to Middle Income Country (MIC) status. The evidence suggests that these transitions are not linear processes and countries have followed different routes. Was there a model for transition behind the CSPs/RAP? What understandings informed the strategic approach?

S11 In practice there appears to have been a shift in project and programme emphasis from livelihoods to public administration and from general civil society support to more focused public accountability/demand side promotion. The five objectives still stand as appropriate pillars but beg some key questions – what is pro poor sustainable growth? Is public administration reform poverty focused? How much support is required to promote democratic processes in countries where civil society development has been severely neglected and non state actors excluded?

S12 The types of intervention and engagement became more ambitious and complex as confidence grew. For example the Strategic Impact Funds (SIF), project based technical assistance (TA), joint investments, sector wide programmes, and policy influence at country level. There was differential experience of this mix between countries but all were present

across the region and some good practice emerged.

S13 Partnership experience seems to be uneven. The best examples were where DFID ensured sustainable change in partner practice (e.g. water in The Kyrgyz Republic) or has empowered Government leadership in new ways of working (e.g. Medium Term Expenditure Framework, Public Sector Reform, and regional planning in Armenia). The latter examples were not dependent on joint projects though all have informed DFID's contribution to harmonised working.

S14 Programme development since the early support to the CIS seemed to reflect DFID adviser cadre strengths – livelihoods, giving way to governance/social development as the balance of adviser skills changed. More recently a country focus has dominated with an emphasis on governance/public sector management.

S15 Overall there was sound activity to output monitoring and effective project management. However the attempt to implement monitoring of the objectives at strategy level through the RAP Monitoring Framework proved cumbersome. The outputs were not used for planning or refocusing at regional level so there was little incentive for staff to invest the time. Nevertheless the monitoring data was useful and the framework could have been more supportive for the programme.

## **Effectiveness and Efficiency**

S16 There is evidence of good partner engagement and a range of interventions that were used effectively. The CASCM team seemed very responsive to changing objectives and priorities at country level.

S17 The pro-poor growth theme was not well defined or developed during the RAP period despite some well established good practice at earlier stages.

S18 Limiting conflict prevention and peace building activity to the Global Conflict Prevention Pool (GCPP) reduced the potential effectiveness. Synergies could have been built with other civil society initiatives and DFID programme resources used to complement the small scale projects. Lessons could have been learnt from experience elsewhere (i.e. the Africa Conflict Prevention Pool – ACP) and deeper links could have been developed with the other Departments involved.

S19 The impact of the sub-regional HIV/AIDS objective suggests limited effectiveness to date as the programme is only just becoming established. Although the Central Asia HIV/AIDS Programme (CARHAP) is highly strategic from an epidemiological perspective, it could benefit from stronger linkages between prevention and treatment/care and by addressing mobility, including cross border movement, for high risk groups.

S20 Both the regional objectives have not been given priority. In part this is a function of the country focus and in part the lack of management commitment to the regional agenda. AIDS mainstreaming has not been taken on and there is limited effectiveness on trade and regional development. Mainstreaming HIV and AIDS was actually not an appropriate objective given the low/concentrated epidemic situation and was only included to try to push the HIV and AIDS envelop at the time. This was identified but not made

explicit. It is important to ensure objectives are appropriate and achievable and to record changes in strategic focus.

S21 Modest in-country human and financial resources have delivered high profile and effective interventions. There is a need to empower and support in-country teams in order to maximise the benefits and flexibility they bring. Where CASCAM has invested that support it has been effective.

S22 Managing a regional programme with a split between country based administrative teams largely comprising staff appointed in country (SAIC) and advisers mainly London based is not straightforward. At times the London programme management and adviser group seem to have worked independently of the in-country teams and work pressures have reduced communication across disciplines and country experience. As a consequence there has not been sufficient emphasis given to cross region learning and the development of positive synergies around regional identity.

S23 The division of support for the livelihoods portfolio between governance and social development inputs has resulted in a loss of coherence in the growth stream and some loss of momentum on rural and regional development. This has added to the imbalance with the governance and institutional development objective dominating all country programmes.

S24 There has been some efficient use of consultant inputs where synergies between international and national expertise has been built and smaller teams have operated flexibly. Larger consultancy inputs with 'blue print' models did not take account of contextual diversity and they have had less impact and do not seem to have been cost effective.

## **Impact and Sustainability**

S25 There is clear evidence of impact in terms of capacity building across all projects and programmes. In particular the evaluation found significant impact in relation to Government public administration, financial management and planning systems. The benefits were more focused and realistic than in larger Public Sector Reform (PSR) initiatives which need to be longer term and are more sophisticated and complex and therefore less appropriate as a programme draws to a close.

S26 Beneficiary impact in terms of income poverty, health, AIDS was much less clearly identifiable. For small scale programmes operating in challenging contexts achieving such impacts at scale is overambitious and more specific and targeted gains are more relevant.

S27 The evaluation questioned the degree of adherence to Paris principles in such small programmes where there is not wide donor involvement. A more pragmatic approach with trade-offs in favour of project level impact, individual donor accountability, and DFID wide priorities (e.g. achievement of the Millennium Development Goals - MDGs) may have been more efficient and realistic given the timescale as DFID moved towards graduation.

S28 The use of civil society institutions as an entry point to conflict prevention and reduction requires improved monitoring to assess impact. Outcomes are primarily at the process level, which though appropriate need a distinct set of indicators. It was therefore less

easy to assess the impact of much of the conflict related investment or comment on the sustainability of what often appear as a disconnected set of small scale interventions.

S29 Sustainability is the biggest issue facing a programme with so much graduation in process. Ambitious programmes and consultants' desire for extensions detract from the imperatives of closure. More attention is required on influencing future donor partner programmes and Government policy. Scaling up for graduation requires more administrative resources to concentrate effort on ensuring continuity and the policy focus rather than more or new project level activity.

S30 Preparation for programme closure should have started even earlier than has been the case in CASCM. As soon as graduation is anticipated exit strategies need to be built into all programme/project designs to ensure programme sustainability as well as prepare for graduation. The sustainability of policy influence through multilateral investments is more critical than short term project performance and this should be reflected in programme direction.

## CASCM Strengths and Weaknesses

### Strengths:

S31 Some **excellent practice at country level** – competent and capable staff in country offices supported by technical and policy expertise through advisers and consultant TA. Clear evidence of value for money at the country level.

S32 **Strong project management skills** in London and within country teams that have ensured effective delivery of a range of project interventions.

S33 A **valiant attempt to use a results based monitoring framework** for the RAP that has been monitored and reported against consistently with the framework used as the basis for some sound lesson learning.

S34 A **clear country led approach** being adopted across the region grounded in the alignment principle of responding to partner government led agendas.

S35 **Strong, honest and open relationships** developed with partner governments and development partners. Early warning of and clear communication around graduation decisions have been given well in advance and have been understood and accepted – if reluctantly by some.

S36 **DFID is valued for its flexibility and its ability to respond** to other development partner agendas. This includes its ability and willingness to support analytical work and in health, the challenging aspects of HIV/AIDs.

S37 A **good record of working with Other Government Departments** especially, but not solely, through the GCPP process. DFID is particularly valued for its conflict analysis regionally and within the GCPP partnership.

S38 The CASCM programme has included **some exemplary practice that can inform other MICs/small scale programmes**. These include flexibility, country focus, strong government engagement and a select and limited range of interventions. The evaluation found a select and limited range of interventions that are clear, well targeted, time bound and effectively delivered. These interventions often achieved an impact beyond the scale of DFID's programme.

### Weaknesses:

S39 **The concept of the 'CASCM Region' proved aspirational and was never realised**. The emphasis on a country and project approach resulted in the synergies, lesson learning and complementarities of the region not being fully developed or realised.

S40 **The over complex nature of the results framework, limited ownership by the team, and the lack of application at management level reduced its impact**. However the sustained attempt to apply a model that was able to be implemented across the region did yield lessons that can be applied to similar regional programmes.

S41 **Harmonisation needs to move beyond joint projects**. The influencing role with

other Development Partners could have built more on the resources within the Europe and Central Asia Department (ECAD) and on cross regional experience. In some cases excess effort was put into donor coordination and in others sustainability of investments were not ensured.

S42 **The involvement of advisers in London in regional and country development has not always been well structured** resulting in differential support and weak communication. Staff turnover has also impacted on communication and programme effectiveness.

S43 **Country engagement could have been even better with more cross region learning and linkages** including increasing understanding of cross border concerns such as migration – of particular importance when considering the transmission of HIV/AIDs and in addressing conflict.

## Lessons Learnt

S44 **A strategic mix of interventions in small country programmes appear to be the most effective way of delivering aid.** These interventions including joint donor strategy; small scale strategic impact fund; stand-alone programmes and policy influence were implemented by DFID with selective consultancy support. Relationships and continuity are more important than in larger programmes and this should be taken into account in assessing administrative costs and staffing.

S45 **Early graduation planning builds a positive atmosphere for exit and effective strategies for continuity.** Good practice includes honest and open dialogue with Government and development partners, attention to the sustainability of strategic interventions and impact as well as project level continuity, and effective engagement with the multilateral agencies that will be the vehicles for continued DFID investment. The continuity of the policy level relationship directly and through multilaterals needs more attention than project and office closures. Graduation is most effective where it is seen as a strategic process and managed accordingly.

S46 **SAIC staff can be very effective professionally and are cost effective but they need consistent support and supervision if these benefits are to be optimised.** Direction and delegation of authority can be undermined if approaches to working with local staff are not consistent. Ensuring SAIC colleagues are full team members with the knowledge and understanding to represent and influence effectively makes a significant impact on programme performance.

S47 **Small in-country teams comprising a mix of SAIC and UK staff with delegated authority are cost effective and deliver significant impact.** Such teams can have greater potential than UK based teams given the capacity to work flexibly, responding to local demands. This requires **sensitive** and effective management support from colleagues in London.

S48 **Well regarded implementing consultants promoting DFID objectives can add technical strength to SAIC offices without advisers.** Management of small country programmes with SAIC leads in-country works well at project level but less so at more

strategic levels where regular support and supervision is essential.

**S49 Adviser capacity can be over-stretched where their responsibility covers a significant number of small country programmes.** More flexible working, team working, and increased attention to policy level working, influencing, and the development and maintenance of strategic partnerships is essential.

**S50 Stand alone programmes are effective for targeted technical changes, less so for more complex and lengthy strategic development** – such as PSR – which requires joint donor activities and longer term engagement for extra leverage. A platform approach to PSR, as currently being tested in the Kyrgyz Republic, seems to allow for adequate sequencing of reforms and government buy-in.

**S51 Lessons from good practice at country level (e.g. around harmonisation in the Kyrgyz Republic, Public Administration Reform – PAR in Moldova and Armenia, regional development in Armenia) have been significant and meaningful.** There are excellent examples of counterpart learning at individual and systemic levels; influencing and developing donor partnerships; and engagement at policy level. These lessons should be recorded and disseminated as part of regional/departmental learning.

**S52 Political will is essential where investment and presence is limited.** In the absence of government buy-in focus on projects and programmes that can stand alone and guarantee some success. Development partners including DFID should consider whether they should step back from ambitious corporate objectives in such cases and provide assistance only where there is strong (and genuine) government demand.

**S53 PSR in transition countries is not a ‘one size fits all’ approach.** Similarities in PSR approaches in CASCAM point to the replication of similar models and suggest that previous lessons learnt, context or appropriateness of models have not been taken into account. A deeper appreciation of the political context and history together with an awareness of the political economy and political processes is required during design and implementation.

**S54 Strategic Funds (SIF in CASCAM) can be an effective lever in small country programmes.** CASCAM has demonstrated some successes though there can be a risk of NGOs becoming dependent on the small SIF grants

**S55 In emerging/young democracies** support for civil society to develop systems, processes and skills for accountability and responsiveness in service delivery and wider governance processes requires more sustained investment

**S56 Conflicts are local and specific; regional approaches are not always relevant.** More local (sub-regional) analysis, integrated planning, and coordination around specific country level inputs would be an asset.

**S57 Sector wide approaches can be successful even in difficult contexts and benefit from sequenced and integrated development with bespoke supportive TA** – demonstrated by the Health Sector Wide Approach (SWAp) in the Kyrgyz Republic in combination with the Health Programme Analysis Project (HPAP). It would be useful to explore the importance of HPAP for the success of the SWAp and whether similar HPAP

projects should be developed alongside SWAs.

S58 If a 'region' composed of a number of small country programmes is to be more than an administrative unit then **the synergies, diversity and socio-economic links need to be more effectively taken into account not only in developing regional plans and strategies but also in the management of the programme.**

## Major Recommendations

S59 The recommendations arising from the evaluation can be grouped under four broad headings – managing graduation and exit; graduation policy; working with MICs and small programmes; and recommendations for the team managing the CASCAM region as it moves to a new phase.

S60 **To improve the Management of Graduation and Exit we recommend that managers in DFID offices and programmes approaching graduation:**

- Plan and begin the graduation or exit strategy at least three years in advance as this fits with programme cycles and ensures effective resource management as well as early attention and engagement with Government and other partners.
- More emphasis should be given to engagement with Government and Development Partners in preparing for graduation at country, strategic, and impact levels in addition to individual project and programme planning.
- Manage the budget as graduation approaches in an effective way, maintaining/increasing the level of investment and utilising resources to ensure policy level continuity and project/programme sustainability through partnerships with multilaterals, and high profile exit vehicles.
- Strengthen, mandate, and support country offices to focus on the graduation process as a priority. As graduation approaches additional staff resources focused on ensuring continuity and building policy synergies with multilateral partners may be required – the assumption of a 'wind down' as programmes reduce can undermine the benefits of past investments.
- Use management links to multilaterals (i.e. ECAD links to EC in the case of CASCAM), regional experience and other DFID entry points to support the process.

S61 **To improve graduation policy we recommend that DFID senior management:**

- Strengthen capacity for policy advocacy towards multilateral institutions before, during and after graduation. Although DFID will continue its support to MIC countries through its multilateral contribution, there is a strong scepticism in some CASCAM countries that multilateral institutions will not fill the gap that DFID leaves behind. Addressing these concerns is part and parcel of effective graduation.
- Acknowledge that poverty is multi-dimensional and that the level of national income alone is not representative of a country's state of development. Graduation strategy

should be adjusted accordingly to take into account MDGs and DFID's overall recognition that poverty is a multidimensional problem.

**S62 To support work with MICs and regional groups of small country programmes we recommend that responsible DFID geographic departments:**

- Develop a range of policy/impact indicators not just the MIC status to track progress as a country approaches MIC – income poverty, inequality, civil society development, democratisation and participation. This will ensure that the programme reflects actual needs and decisions are based on a comprehensive view of current and future development.
- Keep to a country focus and engagement with development partners rather than high cost involvement in harmonisation structures for developing influence and policy leverage – a value for money approach – especially where graduation is likely to be a short-medium to term possibility.
- Refrain from frontloading aid money through budget support or large technical assistance projects unless there is enough guarantee that such interventions will support greater efficiency and effectiveness.
- Take a strategic and flexible approach utilising small scale (e.g. Strategic Fund) investments and project level opportunities that have clear and specific impact.
- Use partnerships to effectively maximise investment, achieve leverage and build for the sustainability of programme objectives.
- Develop simple output based monitoring systems for regional strategies, learning lessons from the CASCAM RAP monitoring framework, integrating them with other reporting cycles related to the Directors Development Plan (DDP) and Public Service Agreements (PSAs), with lines of accountability at management level clearly defined.

**S63 Specific to the CASCAM Region we recommend that the CASCAM Team Leader/Head of ECAD:**

- Commission a study and lesson learning exercise for the group of Regional Development Programmes that builds on their experience and the collective insights from this approach to pro poor growth.
- Focus on preparing for the transition (through linkages to EC and WB projects) and policy continuity in Georgia and Armenia, rather than just the practical aspects of project administration and office closure; resourcing the country team to deliver the sustainability of DFID's contribution at objective and strategic level not just the effective closure of project interventions.
- Review and revise the Moldova graduation/exit plan now with a stronger focus on strategic engagement, the continuity of DFID objectives and sustainable investment through multilaterals.

- Develop a strategy for the continuity of support for the Central Asia programmes in Tajikistan and the Kyrgyz Republic taking account of the fragile state context and the sub regional linkages in addition to the pro-poor country led model that has been established. The strategy should address the need for appropriate management beyond the CASC/ECAD era with a long term commitment to scale up support.
- Appoint a sub-regional coordinator to oversee and monitor conflict within CASC as part of the GCPP implementation learning lessons from similar approaches elsewhere and linking to wider DFID and Other Government Department policy and programme activity at country level.



## Abbreviations

ACPP	Africa Conflict Prevention Pool
ADB	Asian Development Bank
APSREP	Armenia Public Sector Reform Programme
AR	Annual Review
ARDEP	Armenia Regional Development Programme
ARV	Antiretroviral
CA	Central Asia
CAAP	Central Asia AIDS Programme
CAP	Country Action Plan
CARHAP	Central Asia HIV/AIDS Programme
CARS	Central Asia Republics
CASC	Central Asia and South Caucasus
CASCM	Central Asia, South Caucasus and Moldova
CASCSP	Central Asia and South Caucasus Strategic Plan
CCCAC	Centre of Contemporary Central Asia and Caucasus
CDS	Country Development Strategy
CIP	Country Implementation Plan
CIS	Commonwealth of Independent States
CLEAR	Country-Led Approaches
CoA	Court of Accounts
CPE	Country Programme Evaluation
CPI	Corruption Perception Index
CRF	Country Results Framework
CSEED	Central and South East Europe Department
CSO	Civil Society Organisation
CSP	Country Strategy Paper
DAC	Development Assistance Committee
DDP	Directors Delivery Plan
Defra	Department for the Environment, Food and Rural Affairs
DFID	Department for International Development
DP	Development Partner
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECAD	Europe and Central Asia Department
EECAD	Eastern Europe and Central Asia Department
EEWH	Eastern Europe and Western Hemisphere
EfE	Environment for Europe
EGPRSP	Economic Growth and Poverty Reduction Strategy Paper
EITI	Extractive Industries Transparency Initiative

ENP	European Neighbourhood Policy
ENPAP	European Neighbourhood Policy Action Plan
ENPI	European Neighbourhood and Partnership Initiative
ETC	Early Transition Country
EU	European Union
EvD	Evaluation Development
FA	Financial Assistance
FCO	Foreign and Commonwealth Office
FSU	Former Soviet Union
GCPP	Global Conflict Prevention Pool
GDP	Gross Domestic Profit
GF	Global Fund
GNI	Gross National Income
GSAC	General Structural Adjustment Credit
HMG	Her Majesty's Government
HPAP	Health Programme Analysis Project
HR	Human Resources
HQ	Head Quarters
ICHD	International Centre for Human Development
IDA	International Development Assistance
IDU	Injecting Drug User
IFI	International Finance Institution
ILO	International Labour Organisation
IMF	International Monetary Fund
IRAI	IDA Resource Allocation Index
JCSS	Joint Country Support Strategy
KHF	Know How Fund
LMIC	Lower Middle Income Country
MANAS	Health Programme (Kyrgyz Republic)
M & E	Monitoring and Evaluation
MCA	Millennium Challenge Account
MDG	Millennium Development Goal
MDRI	Multilateral Debt Relief Initiative
MDTF	Multi-Donor Trust Fund
MIC	Middle Income Country
MoD	Ministry of Defence
MTEF	Medium Term Expenditure Framework
NGO	Non-Government Organisation
OECD	Organisation of Economic Cooperation and Development
OGD	Other Government Department

OPR	Output to Purpose Review
PAR	Public Administration Reform
PBB	Poverty Based Budgeting
PBP	Programme Budgeting Project
PCR	Project Completion Report
PEFA	Public Expenditure and Financial Accountability
PER	Public Expenditure Review
PHC	Public Health Centre
PFM	Public Financial Management
PPG	Pro Poor Growth
PRBS	Poverty Reduction Budget Support
PSA	Public Service Agreements
PSR	Public Sector Reform
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
PUSS	Permanent Under-Secretary of State
RAP	Regional Assistance Plan
RDC	Rural Development Centre
RD	Rural Development
RPE	Regional Programme Evaluation
RWSS	Rural Water Supply and Sanitation
SAIC	Staff Appointed in Country
SDC	Swiss Development Corporation
Sida	Swedish International Development Cooperation Agency
SIF	Strategic Impact Fund
SLAAR II	Sustainable Livelihoods in Adigeni and Adjacent Rayons Phase 2
SME	Small and Medium Enterprise
SOAS	School of Oriental and African Studies
SoS	Secretary of State
SWAp	Sector Wide Approach
TA	Technical Assistance
TACIS	Technical Assistance to the Commonwealth of Independent States
TPAC	Third Party Arbitration Court
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UPE	Universal Primary Education
VIP	Village Investment Programme
WB	World Bank
WHO	World Health Organisation



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# 1. Introduction and Methods

## Introduction

- 1.1 This evaluation examines the performance of the programme of United Kingdom development assistance provided by the Department for International Development (DFID) to Central Asia, the South Caucasus and Moldova (CASCAM) during the five year period from April 2002 to March 2007. DFID's performance management system is supported by periodic independent evaluations at project, programme, sector and thematic level. The primary audience for these evaluations is the UK government and DFID senior managers including heads of country offices. The purpose of this evaluation was to assess the relevance of DFID's strategies to individual country policies and DFID's own corporate objectives; the choices of aid interventions and their effectiveness; and DFID's added value as a development partner and the impact of its programme on poverty.
- 1.2 Currently support to the five CASCAM countries, Tajikistan, the Kyrgyz Republic, Georgia, Armenia and Moldova, is managed by a single DFID team and treated as a 'region' for administrative purposes. The CASCAM region previously included most of the 12 members of the Commonwealth of Independent States (CIS) receiving support from DFID. The size of the group has reduced as poverty has declined and as economies have improved. DFID expect that bilateral support will in future focus only on Moldova, Tajikistan and the Kyrgyz Republic, and that the current strategy, the Regional Assistance Plan (RAP) for the CASCAM region, will be the last. Lessons from this evaluation are therefore particularly pertinent for DFID support to similar groups of small country programmes, economies achieving Middle Income Country<sup>1</sup> (MIC) status, and programmes where DFID is planning to close its bilateral programme.
- 1.3 The evaluation of CASCAM is the first of two regional evaluations amongst the 2007-08 series of independent Country and Regional Programme Evaluations (CPEs and RPEs) commissioned by the Evaluation Department (EvD) of DFID. EvD is responsible for four or five such evaluations each year in support of DFID's performance management system. During 2007-08 five evaluations are proposed and the consortium led by ITAD has been contracted to provide the evaluation teams.

## Approach

- 1.4 The CPEs and RPEs undertaken during 2007-08 follow a standard approach (Annex 1) drawing on the evaluation criteria (Box 1) developed by the Development Assistance Committee (DAC) of the Organisation of Economic Cooperation and Development (OECD). A generic evaluation matrix has been developed by the evaluation consultants and EvD. This matrix groups 40 questions under the five DAC criteria together with a section for lessons and recommendations. These are 'light touch' evaluations with three weeks for collecting data on effectiveness, impact and sustainability through documentation review and interviews. No

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<sup>1</sup> The World Bank defines middle-income countries as having a per capita income of between US\$1,025 and US\$6,055 for fiscal 2007

projects or programmes were visited in the field and no primary data collection took place. Whilst the independent evaluation team are responsible for the assessment the process has been as participatory as possible with EvD and the CASC team involved throughout in finalising the matrix and in feedback sessions to test emerging conclusions and share findings.

### Box 1: OECD DAC Evaluation Criteria

**1. Relevance**—(“Did we do the right thing?”) The extent to which the objectives of a development intervention are consistent with beneficiaries’ requirements, country needs, global priorities and partners’ and donors’ policies.

- To what extent are the objectives of the intervention still valid?
- Are the activities and outputs consistent with the overall goal and its attainment?
- Are the activities and outputs consistent with the intended impacts and effects?

**2. Effectiveness**—(“Did we do what we said we would?”) The extent to which the development intervention’s objectives were achieved, or are expected to be achieved, taking into account their relative importance.

- To what extent were the objectives achieved / are likely to be achieved?
- What major factors influenced the achievement or non-achievement of the objectives?

**3. Efficiency**—(“Did we make good use of funds, staff and time?”) “A measure of how economically resources/inputs (funds, expertise, time etc.) are converted to results.

- Were activities cost-efficient?
- Were objectives achieved on time?
- Was the intervention implemented in the most efficient way compared to alternatives?

**4. Impact**—(“Results”) Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.

- What has happened as a result of the intervention?
- What real difference has the intervention made to the beneficiaries?
- How many people have been affected?

**5. Sustainability**—(“Will positive results endure?”) What are the expected continued benefits of a development intervention after it is completed and the probability of continued long-term impact? The resilience to risk of the net benefit flows over time.

- To what extent did the benefits of the intervention continue after donor support ceased?
- What were the major factors which influenced the achievement or non-achievement of sustainability of the intervention?

Sources: The *DAC Principles for the Evaluation of Development Assistance*, OECD (1991), Glossary of Terms Used in Evaluation, in 'Methods and Procedures in Aid Evaluation', OECD (1986), and the *Glossary of Evaluation and Results Based Management (RBM) Terms*, OECD (2000).

- 1.5 For the CASC RPE a three day inception visit to the London based DFID team was made in June 2007 to plan the evaluation, collect documentation, and conduct briefing interviews. During this visit additional questions from the CASC team were integrated into the generic matrix and adjustments were made to the evaluation approach based on these questions and issues raised by DFID staff. An inception note was issued summarising the approach to be taken and incorporating the final matrix to which a further six questions were added and other amendments made (the CASC RPE matrix is at Annex 2 with the changes shown in red).
- 1.6 During July 2007 the evaluation team undertook the main documentation review and held interviews with DFID staff and other key informants in London. Groups of three team members visited Moldova, Armenia, and the Kyrgyz Republic for three days in each case and

met with as wide a range of stakeholders as possible (Annex 3 lists all those interviewed and Annex 4 summarises the findings from the three country visits). In addition, telephone conference calls were held with the DFID staff in Tajikistan and Georgia, thus ensuring participation from the DFID teams in all five countries supported under the CASC region.

## **Methodology**

- 1.7 The documentation review focused on the annual reports, and formal reviews of all the projects and programmes undertaken during 2002-2007. These contemporary assessments of effectiveness and impact were reviewed with reference to the objectives in the strategies that covered the evaluation period. The strategies themselves, any evaluations or studies undertaken in the preparation of the strategies and file records indicating decisions taken to change or adjust the strategic direction were also reviewed. The RAP Monitoring Framework developed in 2005<sup>2</sup> provided country level and organisational effectiveness reports which were reviewed. The experience of using the framework and other elements of self evaluation were discussed with the CASC team. Finally financial data was analysed to assess spending levels throughout the period and administrative costs during the final year.
- 1.8 Interviews and discussions with individuals and groups of DFID staff, donor representatives, Government officials, contractors, civil society representatives and service users gave qualitative assessments of the perceived impact and effectiveness of DFID's programme and presence in the CASC region. The findings from semi structured interviews were triangulated with findings from other sources to build up a comprehensive view of the ways in which the strategic objectives had been pursued through projects and programmes, policy engagement, influence and representation. Emerging findings were shared with the CASC team to test hypotheses and understandings.

## **Report Structure**

- 1.9 The remaining chapters of this report present the findings of the CASC RPE. **Chapter 2** describes the political, economic and social context; the role of external support and the level of development assistance are then reviewed together with the history of DFID's assistance since 2002. **Chapter 3** presents the findings with respect to the relevance of DFID's strategic objectives, their alignment with corporate policy, and that of Government and other partners; how risk was assessed, and how resources were allocated and results gathered. **Chapter 4** looks at the dual aspects of programme effectiveness and efficiency. The focus is on the delivery of the strategies, the results achieved; efficiency in application of financial and human resources; and achievements in terms of aid effectiveness. **Chapter 5** reviews the impact and sustainability of the outcomes at country and regional level with respect to the objectives set in the RAP and other strategies and with regard to reform and change. Finally **Chapter 6** presents the conclusions of the evaluation and a set of lessons and recommendations.

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<sup>2</sup> The Framework was developed through a negotiated process by the CASC Country and London teams, supported by the PARC (Performance Assessment Resource Centre), over an initial 8 month time frame in 2005, and refined in 2006.



## 2. Context

2.1 This chapter provides the context for DFID's assistance in the CASC region. It starts with an overview of the situation in the countries covered by the CASC region then describes the pattern of development aid provided to these countries 2002-07. Finally DFID's support within that context is summarised.

### The CASC Region

2.2 The broad set of nine countries that comprised DFID's 'CASC region' in 2002 were the former Soviet republics of Armenia, Azerbaijan, Georgia, Kazakhstan, The Kyrgyz Republic, Moldova, Tajikistan, Turkmenistan, and Uzbekistan (Figure 1).

**Figure 1. Map of countries in the CASC region**



2.3 From 1997 to 2003, support was under the auspices of the Eastern Europe and Western Hemisphere division (EEWH), covered by two departments: the Eastern Europe and Central Asia Department (EECAD) and the Central and South Eastern European Department (CSEED) who were responsible for programmes including those in Central Asia, the South Caucasus and Moldova (EECAD), and the Western Balkans (CSEED). The two departments were merged in January 2003, shortly after the first wave of accession countries graduated from DFID support. The merger created the Europe and Central Asia Department (ECAD) department, which currently encompasses three teams: CASC, Western Balkans, and European Neighbourhood.

2.4 Following the break-up of the Soviet Union in late 1991 the nine countries in CASC, together with Russia, Ukraine, and Belarus formed the Commonwealth of Independent States (CIS)<sup>3</sup> The CASC programme has generally focused on the poorest seven of the CIS countries – what the international finance institutions called the CIS-7<sup>4</sup>. However, precisely

<sup>3</sup> Turkmenistan is now only an associate member.

<sup>4</sup> The CIS-7 are Armenia, Azerbaijan, Georgia, Kyrgyz Republic, Moldova, Tajikistan, and Uzbekistan.

which of the nine CASC countries the programme has concentrated on, and organisationally how the country programmes are managed within the DFID structure has varied over time.

2.5 During 2000-03 a regional programme covered the Central Asia and South Caucasus (CASC) countries, with the Moldova programme having its own country strategy. The Regional CASC Strategy separated the eight countries into three levels of engagement:

- Focal countries: Armenia, Georgia, Kyrgyz Republic
- Limited activity<sup>5</sup>: Azerbaijan, Kazakhstan, Turkmenistan, Uzbekistan
- Monitoring: Tajikistan (activity dependent on the security situation)

2.6 In 2002, prior to the departmental merger, there was discussion as to whether the Central Asian Republics (CARs) should be part of Asia Division or remain in EEWH/ECAD<sup>6</sup>. They stayed within ECAD. During the 2003 CASC strategic review, Moldova's position was also reviewed, to assess whether it sat better within a New Neighbours/Wider Europe initiative or with the CIS countries<sup>7</sup>. It joined the CASC cluster to form the current CASC grouping.

2.7 Thus for the Regional Assistance Plan (RAP) period (2004-2007), Moldova was included, and the levels of engagement with the different countries were revised:

- Bilateral programmes, and focal countries for the current 'CASC region': Armenia, Georgia, Kyrgyz Republic, Moldova, Tajikistan<sup>8 9</sup>
- Constructive engagement: Uzbekistan (economic & political reform), Kazakhstan (EITI<sup>10</sup> & HIV/AIDS), Azerbaijan (monitoring oil development)
- Watching brief, through multilateral: Turkmenistan

## Political, Social and Economic Country Context

2.8 CASC is geographically broad, spanning Asia and Europe; the CASC countries however all share the common heritage of being formerly part of the Soviet Union. They attained independence in 1991, following the break-up of the Soviet Union, and joined the CIS. They all faced similar challenges, primarily related to state-building in new nations: to develop democratic and pluralistic governance; to address the low domestic managerial and decision-making capacity; to implement transition to a market-based economy, and to re-establish economic growth after the most severe and prolonged economic collapse of the 20<sup>th</sup> Century<sup>11</sup>.

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<sup>5</sup> 'We believe that in the conditions that currently prevail our efforts towards poverty elimination would have a limited impact' (CSP, 2000).

<sup>6</sup> Memo from PS to Management Board (30/11/01)

<sup>7</sup> Background paper (n.d.) produced for the 2003 CASC strategic review

<sup>8</sup> This grouping of the five poorest CIS countries might be considered a CIS-5, or 'the RAP 5'.

<sup>9</sup> There were in fact full bilateral programmes in Kazakhstan and Uzbekistan at the start of the RAP period and DFID maintains a role in Uzbekistan through the regional HIV/AIDS programme

<sup>10</sup> Extractive Industries Transparency Initiative

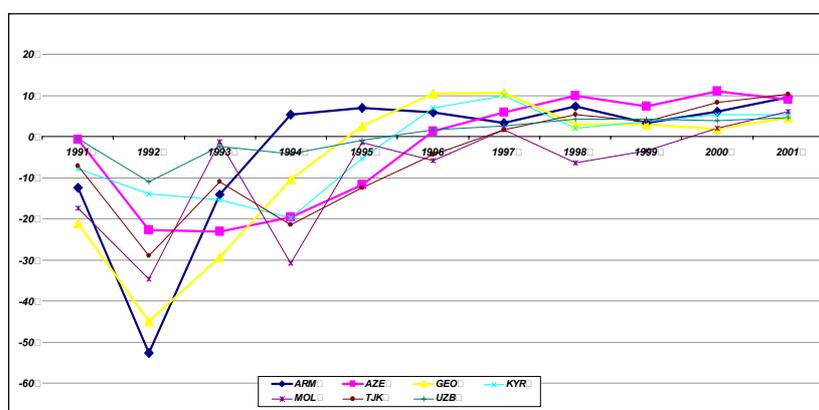
<sup>11</sup> OPM, 2003

A further challenge was to reduce poverty in the wake of this economic decline<sup>12</sup> and the collapse of the comprehensive social welfare systems that operated under the Soviet regime.

2.9 All the CASC countries have small populations - only Kazakhstan and Uzbekistan are in excess of 10 million people (Table 1). They all suffered from large input and output losses after independence and the Russian economic crisis (Figure 2). While GDP growth recovered by the middle of the 1990s, it has taken longer to achieve pre-1990 levels, except for those countries with oil and gas reserves (Azerbaijan, Kazakhstan, Turkmenistan, and Uzbekistan). However, despite this shared heritage, the CASC countries vary considerably in size, culture, natural resources and economic potential, and have demonstrated divergent attitudes to economic and democratic reform.

2.10 According to OECD DAC criteria, the CASC countries are either in 'Other Low Income Country' (OLIC) or 'Lower Middle Income Country' (LMIC) bands, based on per capita Gross National Income (GNI) in 2004<sup>13</sup>. The OLICs, Kyrgyz Republic, Moldova, Tajikistan, and Uzbekistan, are poor countries with high levels of inequality and per capita GDP, ranging from \$1,202 to \$1,935. Armenia, Azerbaijan, Georgia, Kazakhstan and Turkmenistan are all classified as LMICs. They also have significant levels of inequality and per capita GDP that varies greatly ranging from \$2,844 in Georgia to \$7,440 in Kazakhstan in 2004 (Table 1). The proportion of the population living on less than \$2/day ranges from less than 2% in Azerbaijan to nearly 64% in Moldova. Nonetheless, of the 'RAP-5' countries, Armenia and Georgia were reclassified to Middle Income Country (MIC) status by the DAC from January 2006, and Moldova is expected to follow in January 2009.<sup>14</sup> By contrast in 2005<sup>15</sup> the Kyrgyz Republic was judged to be some 25 years away from gaining MIC status and Tajikistan 45 years away.

**Figure 2. Growth of GDP (%), in the decade after the collapse of the Soviet Union**



Source: DFID's Central Asia, South Caucasus and Moldova Programme: Strategic Review. OPM, 2003

<sup>12</sup> In 1989, in these transition economies, about 14 million people were living under a poverty line of \$4/day. By mid-1996, it increased to about 147 million or one person in three. The sharp increase in poverty was caused by falling growth and rising income inequality. Source: Economic Well-Being IDT, DFID (2000)

<sup>13</sup> These categories are applicable for reporting on aid flows 2005-2007. Source: Statistical Annex of the 2006 Development Co-operation Report, OECD DAC.

[http://www.oecd.org/document/9/0,3343,en\\_2825\\_495602\\_1893129\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/9/0,3343,en_2825_495602_1893129_1_1_1_1,00.html)

<sup>14</sup> Senior Level Meeting of the Development Assistance Committee, held in Paris on 6-7 December 2005

<sup>15</sup> Analysis based on WB World Development Indicators – EMOTP

- 2.11 With the exception of Kazakhstan, all the countries have Poverty Reduction Strategy Papers (PRSPs) in place; most were produced in 2003-2004. In 2003 the Overseas Development Institute found that equitable growth, employment and social welfare are generally higher priorities than ‘poverty reduction’<sup>16</sup>, and that there was uncertain ownership by governments of the PRSP process. Subsequently some CASC countries have produced second generation PRSPs that are more operational and have greater government ownership.
- 2.12 While the CASC countries share a common history, their future continues to be influenced by the large geopolitical players in the region. The European Union (EU) has continued to expand; with Romania acceding in 2006, Moldova, the poorest country in Europe, and now on the eastern border of the EU, has accession aspirations. The EU presents political and economic opportunities not available to the Central Asian countries which are in a ‘geo-strategic’ position between the three ‘giants’ - China, India and Russia<sup>17</sup>. Russia and China in particular are increasingly influential in Central Asia<sup>18</sup>; China as an aid provider, and Russia as a destination for economic migrants. Remittances are important across the region; for example, nearly 40% of Moldova’s and Tajikistan’s gross domestic product (GDP) are accounted for by remittances (Table 1).
- 2.13 Conflict, posing threats to both national and regional stability, is evident throughout the region. Many of the conflicts can be traced to the imposition of borders early in the Soviet era that did not reflect ethnic or geographical boundaries. Others, such as the Transnistria conflict in Moldova reflect post-independence political differences and allegiances, with Russia having an important influence. From the UK perspective, conflict prevention<sup>19</sup> is dealt with as a tripartite cross-Whitehall issue through the Global Conflict Prevention Pool, which involves DFID, the Foreign and Commonwealth Office (FCO), and the Ministry of Defence (MoD).
- 2.14 All countries in the region have had to face the challenge of instituting new systems of governance. Many are following western parliamentary and market-based systems and these are slowly acquiring legitimacy. However, the process is slow, requiring new relationships between central and local government, the private sector, civil society and the individual. At present all the countries are placed towards the bottom third of Transparency International’s Corruption Perception Index (CPI), with four amongst the worst performers (Table 1) - these countries face the challenge of overcoming high levels of endemic corruption. Traditionally civil society has not been proactive within the region, and relationships between civil society actors and the State are not well developed. However experience varies and there are signs of development encouraged by participatory initiatives during the period of the evaluation.
- 2.15 According to the International Labour Organisation<sup>20</sup> (ILO), across the CIS, women have generally reached a higher level of education, professional training, high economic activity and active participation in public life than men. However, as economic restructuring continues and the labour market becomes more competitive, employers in some sectors and especially in

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<sup>16</sup> ODI (2003). *Experience with PRSPs in Transition Countries*. Synthesis Note 6. PRSP Monitoring Project

<sup>17</sup> Verena Fritz (2007). *Central Asia: Governance, geopolitics and development challenges*. Briefing Paper 20. ODI.

<sup>18</sup> The formation of the Shanghai Cooperation Organisation (SCO) in 2001 is indicative of the influence of China and Russia in Central Asia. (<http://www.secsco.org/html/00026.html>)

<sup>19</sup> Terrorism and migration are also cross-Whitehall issues in the region.

<sup>20</sup> Gender Equity section of the ILO Sub-regional Office for East Europe & Central Asia: <http://www.ilo.ru/gender/cisgnrl.html>

Central Asia, tend to preferentially hire male employees. Generally, women are paid 30% to 50% less than men, and unequal pay is the top priority issue in all the CIS countries. Access to justice for women is deficient in the region, as well as the information on rights and legislation. Equality between women and men is constitutionally guaranteed in all CIS countries. At the same time, there is a huge gap between theory and practice of implementation of basic equality standards. There is neither specialised anti-discriminatory legislation existing nor the institutions to make justice accessible. In general, one may state that there is a considerable high-level resistance across the CIS to a gender equality issue and its interpretation, partly because there is a view that equality between men and women was achieved during the soviet era. However the ILO considers that compared to most countries of the world, the CIS states are reasonably advanced in issues related to equal possibilities for men and women in the world of work.

- 2.16 There is a looming HIV/AIDS epidemic in Central Asia, linked to injecting drug use, and the region as a whole suffers from the environmental legacy of Soviet central planning, which used low-level technology and disregarded environmental protection. The Aral Sea is an extreme example of environmental damage caused by centrally-planned agriculture, and parts of Azerbaijan are among the most polluted in the world.

**Table 1. Development Indicators for CASCM countries<sup>21</sup>**

	Armenia	Azerbaijan	Georgia	Kazakhstan	Kyrgyzstan	Moldova	Tajikistan	Turkmenistan	Uzbekistan
Total population (millions), 2004	3.0	8.4	4.5	14.8	3.3	3.8	3.4	2.5	14.0
Proportion living below \$1/day, 2003±	2.0	3.7	6.5	2.0	2.0	2.0	7.4	-	2.0
Proportion living below \$2/day, 2003±±	39.5	4.7	84.6	16.4	18.6	31.1	84.6	-	2.4
GDP per capita (PPP \$), 2004	4,101	4,153	2,844	7,440	1,935	1,729	1,202	4,584	1,869
GDP per capita annual growth rate (%), 2004	-	-	-4.2	-	-2.3	-6.1	-6.8	-	-
ODA as % of GDP, 2004	8.3	2.1	6.1	0.7	11.7	4.5	11.6	0.6	2.1
Total debt service as % of GDP (2004)	3.5	2.8	4.2	21.5	7.3	9.6	4.9	-	7.1
Remittances as % of GDP (2006)†	18.3	4.0	6.4	0.2	27.4	36.2	36.2	-	-
Public expenditure (as % of GDP)									
- on health (2003-04)	1.2	0.9	1.0	2.0	2.2	3.9	0.9	2.6	2.4
- on education (2002-04*)	3.2	3.3	2.9	2.4	4.4	4.9	2.8	3.9	9.4
- on military (2004)	2.6	1.8	1.4	1.0	2.9	0.4	2.2	-	-
- on debt servicing (2004)	3.5	2.8	4.2	21.5	7.3	9.6	4.9	-	7.1
Corruption Perception Index ranking, 2006**	93	130	99	111	142	79	142	142	151

Sources: HDR, 2006, and UNSTATS MDG statistics

± UNstat, 2003

±± World Bank Global Monitoring Report 2005

† Migration and Remittances Factbook. (2006). Dilip Ratha & Zhimei Xu, Migration and Remittances Team, Development Prospects Group, World Bank.

\* Turkmenistan and Uzbekistan, 1990

\*\* Transparency International; 1 = least corrupt, 163 = most corrupt

<sup>21</sup> The quality and availability of statistics is a challenge in the region, and DFID has been addressing this through a series of projects supporting the National Bureaux of Statistics. However, statistics do need to be treated with caution.

## Development Assistance

2.17 Between 2001 and 2005, UK aided countries in the CASCAM region received nearly \$9 billion in foreign aid, \$114 million of this from the UK – an average of \$2.5 million per country per year (Table 2). Annex 5 gives full breakdown by donor source.

**Table 2. Net Official Development Assistance Flows to CASCAM countries 2001-2005**

Year	All figures in £ millions sterling						Total	% of total
	2001	2002	2003	2004	2005			
Recipient								
Donor								
<b>Armenia</b>								
UK	2.38	1.67	3.15	6.56	6.22	19.98	1.68%	
All Donors	198.39	293.46	248.75	253.79	193.27	1187.66	100%	
<b>Azerbaijan</b>								
UK	1.15	0.47	0.29	0.16	0.04	2.11	0.16%	
All Donors	231.96	349.31	300.57	175.96	223.43	1281.23	100%	
<b>Georgia</b>								
UK	5.69	3.87	3.41	3.12	3.34	19.43	1.33%	
All Donors	299.99	312.51	225.62	314.49	309.77	1462.38	100%	
<b>Kazakhstan</b>								
UK	0.85	1.13	1.88	1.76	1.65	7.27	0.66%	
All Donors	147.88	188.24	269.97	267.71	229.23	1103.03	100%	
<b>Kyrgyz Republic</b>								
UK	2.39	4.47	7.07	6.29	9.36	29.58	2.68%	
All Donors	188.91	185.62	199.84	261.09	268.45	1103.91	100%	
<b>Moldova</b>								
UK	2.53	3.32	5.31	4.86	2.96	18.98	2.74%	
All Donors	122.36	141.68	117.94	119.5	191.75	693.23	100%	
<b>Tajikistan</b>								
UK	0.93	3.27	1.09	1.52	4.4	11.21	1.16%	
All Donors	169.27	168.32	147.84	243.15	241.37	969.95	100%	
<b>Turkmenistan</b>								
UK	0.12	0.24	0.67	0.11	0.05	1.19	0.58%	
All Donors	71.76	40.52	27.16	37.24	28.25	204.93	100%	
<b>Uzbekistan</b>								
UK	0.76	1.37	0.59	1.45	0.55	4.72	0.49%	
All Donors	153.13	189.25	194.55	245.63	172.33	954.89	100%	

At Current prices

Source OECD.Stat. Data extract 23/08/07

2.18 The five current CASCAM countries were all partly dependent on aid (Table 1) in 2004<sup>22</sup>, reflecting their recent difficult fiscal positions, and lack of significant natural resources. The situation is changing in some cases with Armenia and Moldova no longer viewed as aid

<sup>22</sup> ODA as % of GDP (2004) between 4.7% and 11.7%, though remittances are more significant

dependent. Key donors/lenders include the World Bank (WB), the EC and the United States, with particular bilateral donors being important in individual countries (e.g. the US in Moldova). The US's Millennium Challenge Account (MCA<sup>23</sup>) operates in Armenia, Georgia, the Kyrgyz Republic, and Moldova. Although only the Kyrgyz Republic is classified as a heavily indebted country, Armenia, Moldova and Georgia qualify for debt relief under the UK Multilateral Debt Relief Initiative (MDRI).

- 2.19 EC aid has focused on the Technical Assistance to the CIS (TACIS) programme, a project based instrument. In 2007, the EC introduced the European Neighbourhood and Partnership Initiative (ENPI), the assistance programme for the European Neighbourhood Policy (ENP), which aims to share the benefits of the EU's 2004 enlargement with neighbouring countries. This instrument covers only European countries while Central Asian countries are covered by the Development Cooperation Instrument, the EC instrument that provides assistance to all developing countries in Latin America, Asia and Africa.
- 2.20 Donor involvement in the region is relatively recent (less than 15 years). During the 1990s, donors were over-optimistic in predicting how quickly legislative and regulatory reforms would have positive development impacts. Donor co-ordination has until recently been poor, a problem exacerbated by governments that have not been able to strongly define their own poverty reduction priorities. However, significant progress is now being made on donor co-ordination, for example with joint donor fora in the Kyrgyz Republic and Tajikistan, and development of Joint Country Support Strategies, for example with WB, the Asian Development Bank (ADB), the Swiss (SDC) and DFID in the Kyrgyz Republic.

## DFID Assistance

- 2.21 DFID allocations to the region have stabilised at about £20 million per annum (Table 3), though this masks changes in the allocations to individual countries (Annex 6). Allocations to Azerbaijan and Turkmenistan are limited (less than £20,000 per annum), and allocations to Kazakhstan and Uzbekistan are small and declining (£802,000 and £277,000 respectively in 2005/06, and £37,000 and £11,000 respectively in 2006/07<sup>24</sup>). Allocations to Armenia, Georgia, Moldova, and Tajikistan have grown from about £1 - £2 million per annum to stabilise at £2.5 - £3.5 million per annum. The allocation to the Kyrgyz Republic has seen rapid growth from £2 million to £7 million per annum over the evaluation period. Similar growth in the aid framework is now planned for Tajikistan.

**Table 3. DFID Allocations to CASC and EMAAD 2001/02 to 2006/07<sup>25</sup>**

Outturn (£ million)	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07 (estimate)
CASC	10.4	14.9	15.3	18.2	20.1	19.8
Total Europe/Central Asia	86.2	82.9	68.5	55.8	46.6	43.6
Total EMAAD	247.0	226.8	445.9	259.1	218.3	184.6
CASC as % of ECAD	12%	18%	22%	33%	43%	45%
CASC as % of EMAAD	4.2%	6.6%	3.4%	7.0%	9.2%	10.7%

Source: DFID Department Report 2007 Annex 2, Table 4.

<sup>23</sup> [www.mca.gov](http://www.mca.gov)

<sup>24</sup> DFID (2007) Statistics in Development 2007.

<sup>25</sup> A fuller table with a breakdown by country is presented in Annex 6

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- 2.22 DFID's assistance to the region can be traced through three stages: the Know How Fund (KHF) (1989 – 1997), London-based programmes, and programmes run from in-country offices<sup>26</sup>. The latter two stages can both be seen as divided into two parts:
- (i) London-based programmes captured first in the Support for Transition Countries: a New Strategy (1998), and then in the CASC CSP (2000) – progression to DFID country offices started to occur during this period
  - (ii) Country offices mainly with staff appointed in-country (SAIC); the exceptions being the Kyrgyz Republic where there has been a UK appointed head of office since April 2004, Tajikistan with a UK appointed head since January 2006, and very recently two UK appointed advisers covering Central Asia and based in Tajikistan (Governance) and the Kyrgyz Republic (Social Development) together with a SAIC economist also based in Tajikistan.
- 2.23 The KHF was a programme of bilateral technical assistance provided by the UK Government for the countries of Central and Eastern Europe and Central Asia after the break-up of the Soviet Union. It aimed to support the process of transition to a pluralist democracy and a market economy in a way which promoted and recognised the interests of all levels of society. The KHF provided technical assistance and capacity development in a projectised form, and was characteristic of aid in the mid-1990s in that it funded many relatively small activities. Its core sectors were finance/banking, privatisation, employment/small business development, and management training. Key features included: speed of response; deploying UK expertise, supporting UK investment, and emphasising the UK's comparative advantage; openness to outside requests and ideas from a variety of sources; more emphasis on flexibility in implementation than on detailed initial design; and avoidance of government processes, but a willingness to work with reformers inside and outside government (Faint, 2004).
- 2.24 There was concern that the KHF was too free-market oriented, insufficiently targeted towards poverty and social issues, and that it worked in sectoral silos. Hence DFID began working on a new regional strategy for transition countries. Thus, since the KHF, DFID's aid to the region has been outlined in country and regional strategy papers. While the portfolio continues to include small project-shaped activity (such as Strategic Impact Funds), it has evolved to become more programmatic, with larger programmes, and some sector and general budget support. Following the progression through the three stages of assistance outlined above, the focus of DFID's programmes in the region has followed a similar trajectory. Its activities have progressed from the capacity building orientation of the KHF; through an emphasis on economic growth through rural development and livelihoods assistance, and support to nascent civil society during the CSP era; to support to reforms in public administration, public financial management, social assistance services, regional (or local) development and continued support to reduce conflict during the current RAP period. The focus on growth switched from promoting livelihoods to helping governments "to develop and implement policies that promote sustainable, broad-based growth", as it was felt that other development partners were better placed to support private sector activities.

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<sup>26</sup> Faint, T. (2004). Review of DFID/ODA's Programmes in Accession Countries. Evaluation Report EV650. DFID



### 3. Relevance of DFID's Strategy for CASC

3.1 The evaluation period 2002-2007 is covered by the latter part of the two 2000-2003 strategies set out in the Central Asia and South Caucasus Strategy Paper (CASC SP) and the Moldova Country Strategy Paper (CSP); together with the 2004-2007 Regional Assistance Plan (RAP). Beneath the RAP are Country Implementation Plans (CIPs) that set out annual country level plans. This chapter presents the findings of the evaluation with respect to the relevance of these strategies – addressing the question – how far did DFID's strategic approach allow it to remain relevant?

#### The Developing Strategy

3.2 The CASC SP set a country level focus on i) good central and local public administration with a focus on social protection and community based social cohesion ii) enabling environment for economic growth, rural development and environmental protection & iii) health systems with a poverty focus. Regionally, democracy, rights and civil society development were prioritised alongside regional integration and stability. (CASC SP p.9, E2, 3 and 5)

3.3 A review conducted as part of the RAP preparations (OPM 2003) focused on the CIS-7 grouping of the poorest countries. The review saw DFID as well regarded, successful at project level, effective and under pressure to expand from Governments. However, it also found a lack of coherence, partner confusion over intent, weak linkages with Embassies, the potential of country offices not realised and ineffective communication.

3.4 The OPM review presented options for the future which highlighted the lack of logic in what had emerged as a region based on the CIS-7 poor countries. Central Asia, South Caucasus and Moldova are three distinct geographic areas with increasingly less in common as the distance from the CIS increased in time, and as their distance from Brussels increases. (Facletti et al 2002).

3.5 Both the CASC SP and the Moldova CSP took a more strategic approach than the earlier KHF which set as its central objective support for the process of political and economic transition – from command to market based economies and from totalitarian systems to pluralist democracies (Faint 2004 Para 4.2). The strategy papers were in line with DFID policy as set out in the 1997 White Paper and the analysis reflected the increase in poverty following the economic collapse of the 1990s, the internal and regional conflicts, the pressures of independence and the varying economic situations. The strategy was one of cautious programme expansion in selected cases moving from the broader scale of the KHF to more country specific and country based programming.

3.6 The pre-RAP review recommended a strategy of engagement, no sector restrictions but no increase in total aid, a focus on impact, flexibility and an improved role for country offices. It suggested that budget support was not appropriate for DFID but they should consider a focus on strengthening public expenditure management processes etc in those countries where a high level of aid dependence is likely to continue. (OPM 2003 p26). The RAP followed this approach with a bilateral focus on the five core countries and with engagement but less investment in the remainder of the CIS-7.

- 3.7 The RAP focused on five objectives which the RPE took as the strategic basis for analysing the programme. These five objectives comprise three country level themes: i) governance and institutional environment for poverty reduction; ii) pro-poor growth and iii) conflict resolution and peace building; together with two regional themes: a) HIV/AIDS and b) trade and cooperation (Annex 7). These objectives are broadly similar to those of the CASC SP (Annex 8) showing a level of continuity of objectives. Thus the RAP built on the developments of the CSP period and was based on sound and thorough analysis seeking common themes to link disparate elements. The lessons of stronger engagement utilising effective country teams were taken on board and just as the CASC SP and Moldova CSP sought to build the country presence the RAP set out to strengthen it further.
- 3.8 The focus of the first country theme '*improving governance and the institutional environment for poverty reduction*' was to help governments in the CASCM region to improve the formulation and implementation of policy through improved planning, prioritising, and budgeting and more participatory approaches. DFID has also continued its support for sustaining and enhancing the provision of basic public services (notably health) in a number of CASCM countries, based on pre-RAP activities. The second country theme '*pro-poor growth*' (PPG) begs the question 'what is sustainable Pro-Poor Growth?' as there is no clear single exposition of what PPG means for CASCM, or an analysis of how it was to achieve it at the programme level. It is not explained in the RAP and is confounded by several programmes in the governance theme having PPG aspects. The third country theme was to '*strengthen the UK's contribution to conflict resolution and peace building*'. However the only programmatic tool was the Global Conflict Prevention Pool (GCPP). In Moldova and South Caucasus DFID took a 'lead administrative' role on the GCPP whilst in the remainder of the RAP countries it held a watching brief.
- 3.9 For the first regional theme, '*HIV/AIDS*', the RAP specified the mainstreaming of HIV/AIDS within each of DFID's country programmes and the development of a sub-regional HIV programme in Central Asia. Both were meant to mitigate the possible negative impact of HIV on reform and poverty reduction in CASCM. In the event the focus has been on the sub-regional programme. The second regional theme '*regional trade and cooperation*' is the least evidenced of the five objectives with slow development and little continuity with previous initiatives. By 2005 DFID concluded that economic cooperation and trade facilitation would be better left to multilateral institutions and the EU in particular. This built on the RAP priority on 'working with EU partners to ensure that EC policies on the New Neighbours Initiative and TACIS contribute more effectively to political and economic reforms' (RAP, 2004, 11). The relevance of a regional approach was initially deemed strong in Central Asia but across CASCM the regional approach was quickly lost, possibly due to the absence of regional organisations as potential partners, but also in the case of Central Asia, misguided expectations that countries like The Kyrgyz Republic, Tajikistan, and Uzbekistan would welcome some cross-border initiatives.
- 3.10 Thus the rationale, relevance and level of implementation varied across the five objectives and across the five core countries. However the RAP set out a stronger strategic framework than had been suggested during its preparation and was over ambitious in expecting a level of coherence amongst the five priority countries. An artificial sense of region was promoted alongside the enhanced country level focus

introducing a tension that was potentially unsustainable. In seeking to impose a unity across a set of quite divergent countries the RAP undermined its own strengths. Further, the single common factor – the Russia dimension – is presented in the RAP simply as context. Despite being central to political and economic development in all five countries Russia does not feature in the country or regional trade and cooperation objectives.

- 3.11 In the event the RAP became permissive, providing only a framework and principles with country level planning based on a small subset of the RAP objectives. The critical strategic choices that followed in 2005 and 2006 were determined more by corporate priorities than a CASC regional perspective, they were:
- i.) speedier progress towards graduation in line with MIC status and in response to the DFID 90/10 policy (Medium Term Plans documents 2005);
  - ii) support for Poverty Reduction Budget Support (PRBS) which did not seem to take account of the analysis behind the RAP, fragile state policy, Millennium Development Goal (MDG) progress, or other country specific factors;
  - iii) the emphasis on longer term engagement with the Kyrgyz Republic and Tajikistan which shifted interest away from the South Caucasus to the poorer Central Asian countries despite the fragile political context; and
  - iv) selected sector engagement, advocated as a way of limiting investment yet at odds with the view of the pre-RAP assessment that there ‘does not appear to be a strong case for pre-defining or limiting the sectoral scope of the programme ... DFID’s approach should be to focus on identifying strategic opportunities’ (OPM 2003, p26)
- 3.12 Despite the lack of regional coherence and the deviation from the original strategic direction, strategies and objectives were increasingly aligned with the development needs and policy priorities of the constituent countries, especially at project level.
- 3.13 The CSAC SP and Moldova CSP both summarise the intended approach, but in neither case did they continue to provide effective guidance on priorities, nor do they appear to have been referred to in subsequent decision-making. They also lacked a framework of objectives and indicators that could facilitate evaluation of the effectiveness of the programme. In practice the national programmes developed within the Programme Areas are set out in the three Country Annexes (Armenia, Georgia and the Kyrgyz Republic) to the CASC SP and in the Moldova CSP.
- 3.14 This increased country level focus continued into the RAP period, though it depended on the capacity of the individual country offices which continued to rely largely on SAIC staffing (except in Central Asia where UK appointed staff have been placed).

## **Project Orientation**

- 3.15 In practice, a pattern of project based programming, well informed by country level engagement emerged, influenced in some cases by specific adviser interest. The heavy emphasis on Objective 1 (the governance and institutional environment for poverty

reduction) and within that a focus on government budgeting and public administration reform initiatives has skewed the RAP strategy. Country level developments have been retro-fitted into the RAP rather than a strong regional strategic direction being set.

- 3.16 The net result, reflected in the CIPs which are essentially project related, was a country/project directed strategy based more on short/medium term country level perceptions than any deeper analysis. MDG performance does not appear to have had a major influence on the strategies or the CIPs. The RAP records the expected MDG performance quoting World Bank data (*World Bank 2003*) which suggested that the deterioration in education provision threatens the Universal Primary Education (UPE) MDG in a number of countries, and that none of the countries appears likely to achieve the objective of halting and reversing HIV/AIDS. Performance on maternal and child mortality also provides little grounds for anticipating that these MDGs will be achieved. Moldova and Tajikistan were judged the least likely to achieve halving of the incidence of income poverty and hunger. However with the exception of the health programmes, this evidence does not seem to have influenced programme developments and MIC status seems to have become the main criterion for graduation.
- 3.17 Alignment with PRSPs was given priority within the RAP and has been monitored as part of the RAP Monitoring Framework. Whilst it is unclear how far PRSP achievement was an active aspect of programme management decisions and supervision, at individual country level support for PRSP development and donor policy dialogue have contributed to the strengthening of countries' PRS commitments. Annex 9 shows the progress achieved in each country between the start of the RAP in 2004 and the most recent monitoring reports in 2007.

## **Corporate Priorities**

- 3.18 Corporate sector strategies in relation to Public Finance Management (PFM), PRSP support, health sector reform and HIV/AIDS are evident in project and programme development. As noted above (para.3.16) corporate policy around middle income status became the major factor in moving towards graduation and planning the exit from individual countries. In addition the work on conflict, implemented exclusively through the GCPP, follows DFID guidance and has examples of good practice in influencing the development of a more strategic approach.
- 3.19 In the Kyrgyz Republic and Tajikistan Paris principles have been used to endorse an emphasis on donor harmonisation, particularly evidenced in the development of Joint Country Support Strategies (JCSS) and the endorsement of Country Development Strategies (CDS). In other countries, as well as an emphasis on PFM and support to MTEF, PRSP related budgeting has put DFID in a lead role in terms of donor coordination and government alignment.
- 3.20 The actual regional strategies (both the CASC SP and the RAP) were clearly in line with corporate strategies and guidance in that they followed White Paper, Pro-poor, PFM, HIV/AIDS and conflict strategies and guidance. As noted the strategy in practice (implementation) became dominated by MIC policy in London, with government alignment especially around budgeting and PFM processes being the dominant strategy at country level.

- 3.21 The main changes in strategy were (prior to the evaluation period but significant to it); the coherent DFID approach following the move from KHF to CSP; the focus on 4 and subsequently 5 key countries which started during the CACS SP period and has been refined during the RAP period; the enhanced attempt at a coherent regional strategy through the RAP and the corporate pressure, in line with a strict interpretation of the MIC policy to limit the programme and move systematically to graduation.
- 3.22 Adaptations, especially to the CASC SP and RAP implementation, were in line with practice found through other evaluations where CSPs/CAPs/RAPs tend to have reduced impact once the team that were involved in their development move on. In addition they have been seen to become subsumed in terms of strategic influence by corporate policy and senior management/political imperatives. Changes were pragmatic in terms of country level issues but increasingly influenced by factors beyond the region. Sub regional factors do not seem to have played a major role except in staffing in Central Asia. The response to Central Asia has been different but apart from the sub-regional AIDS programme there seems no distinctive sub-region wide strategy.
- 3.23 In essence what began as an attempt to impose cohesion on a small but diverse group of countries was unsustainable and has defaulted into a set of country level plans with a resource framework and programme timeframe determined at the centre. A key issue is whether a CASC RAP should have been attempted. With so little sense of region and staff relating more to sub-regions and individual countries greater emphasis should have been placed on country level planning within a looser grouping that related to the common UK management unit. However these countries do share the soviet experience and the post-soviet poverty, economic collapse and consequent state fragility. This argues for greater synergies, shared approaches and learning across the region. This has not been exploited to the extent that might have been.
- 3.24 We conclude therefore that the DFID programme and strategy (particularly focusing on the RAP) was relevant to the region in the context of individual countries and that specific objectives relate well to identified need. However some activities were largely based on pre-RAP experience with little consistency at the regional level and no mechanisms for cross country learning. The benefits of creating the CASC region were therefore not realised at the regional level.

## **Risk Management**

- 3.25 Fiduciary risk was given high priority by both DFID and other development partners, reflecting donor concerns that their money does not go missing. Sound public finance management is of course also needed to support poverty reduction goals through an efficient use of public money. DFID systematically assessed the external risks attached to Public Sector Reform (PSR)-related programmes in their annual reviews.
- 3.26 For example the two programmes in Armenia, the Armenia Public Sector Reform Programme (APSREP) and the Armenia Regional Development Programme (ARDEP) were assessed as medium risk in the project memoranda and in the annual reviews. The main risks to APSREP were identified as lack of government buy-in and lack of assistance in the roll-out of pilot experience from the World Bank project. DFID was not successful in taking appropriate actions to minimise these risks and it was decided not to extend the programme beyond early 2007.

- 3.27 Operational risks are also well addressed in the sector wide programmes. For example in the health sector programme in the Kyrgyz Republic risks are discussed at each bi-annual summit and solutions proposed. A risk mitigation framework, whose design and implementation was led by DFID, is regularly updated and facilitates the strengthening of fiduciary risk mitigation where DFID is providing support to the government in strengthening fiduciary issues and financial management systems.
- 3.28 Overall, there was no systematic attempt to assess the external risks (i.e. political governance, economic and fiduciary) and the internal factors influencing country and/or regional strategy. Political governance risks were nonetheless assessed more thoroughly in the more fragile environments of Central Asia. In the Kyrgyz Republic, the Poverty Reduction Support Credit (GSAC) Programme was rated as high risk, reflecting 'political and administrative uncertainty and increasing donor activities in PFM, which, whilst welcomed in principle, may lead to duplication and complications if not managed well'. DFID was able to maintain momentum for the programme through high-level policy dialogue and work on a PFM Action Plan to coordinate activities with other donors.
- 3.29 In relation to conflict related activities risk assessments are not documented in the same way as development programmes, however regional dynamics have the potential for a major impact on security. This is particularly true in the Ferghana valley region, which though in the south of the Kyrgyz Republic also encompasses parts of Uzbekistan and Tajikistan with problems of political cooperation, border management and inter-ethnic accord. There are concerns that any overspill of conflict in Uzbekistan could upset the ethnic balance in the Kyrgyz Republic part of the valley. In 1999-2000 for instance, there were a series of incursions by Islamist militants, from their bases in Tajikistan.
- 3.30 At regional level, the RAP sought to identify the 'foreseeable risks to successful reforms and poverty reduction in CASCM countries' and appropriate measures to mitigate these risks. One of the foreseeable risks was 'political instability, insufficient government capacity and lack of political commitment'. In CASCM countries, resistance to change is as much political as institutional – for example, any changes in selected Ministries need to be supported by new rules and regulations. The slow pace of reforms was inevitable yet the risk that this entailed was not fully taken on board by DFID. DFID's ability to influence policy also varied greatly from one country to another – evaluating DFID's ability to influence policy at an early stage of the project cycle is important in order to minimise the risks, or stimulate revision of the logframe.
- 3.31 Overall the risk assessment at project and programme level seems appropriate compared to similar interventions and country contexts. Regional risk assessment and monitoring was less thorough and frequently did not extend beyond country office reporting. More generally, country based SAIC staff played a key role in monitoring the political context and in identifying likely risks due to political changes, movement of key champions etc. This contributed to a comprehensive country level perspective which was effectively drawn on at all levels.

## **Portfolio Profile**

- 3.32 Whilst the current portfolio follows the five RAP objectives which are clearly linked with the earlier objectives in the CASC CS and Moldova CSP (Annex 7), DFID's

programme and financial recording systems use sector based categories which do not clearly identify which projects and programmes relate to which objective (Annex 10, Table A). This has implications for planning and monitoring and reinforces more country based project approaches. Whilst some of the allocations by objective were presentational to a degree the resource allocation and expenditure data, (reviewed in Chapter 4 and set out in detail in Annex 10) suggests that over 75% of the CASCM Programme (public administration, basic services and accountability) falls under country Objective 1 with relatively low commitments under Objective 2 and negligible spending under Objective 5. As Objective 3 is delivered through the GCPP instrument the budget does not appear within the DFID data; Objective 4 – HIV/AIDS is only delivered in Central Asia.

- 3.33 The Armenia programme is almost completely under the public administration aspects of Objective 1 with additional GCPP projects. Other non project interventions include support for aid effectiveness and work around European integration. Georgia has a similar emphasis with 85% of project commitments under Objective 1 (public administration and basic services, primarily health) with GCPP and European Neighbourhood support. Moldova has a broader project spread but again most falls under Objective 1 given that the regional development initiatives here as in Armenia are essentially related to planning and regional governance.
- 3.34 In Central Asia both country programmes are expanding and the portfolio is more varied. The programme in the Kyrgyz Republic which accounts for 30% of the overall CASCM commitment covers all five objectives. However around 70% still falls under Objective 1. Tajikistan currently accounts for 12% of the total programme; this portfolio is also more varied. There is a clear trend over the five years of growth in Objective 1 (governance) and a marked decline in Objective 2 (pro-poor growth) with the balance amongst the other three remaining much the same.
- 3.35 Specific interventions related to **improving governance and the institutional environment for poverty reduction** (country Objective 1) are:
- **Moldova** – administrative governance (Medium Term Expenditure Framework (MTEF), Central Administration Reform, Court of Accounts, Improving Social Agricultural Statistics, Regional Administrative Reform); budget support (Poverty Reduction Structural Credit); accountability (Expert Grup and Adept)
  - **Armenia** – administrative governance (Armenia Public Sector Reform Programme - APSREP), Programme Budgeting Project); regional administrative reform (Armenia Regional Development Programme - ARDEP); accountability (ARDEP)
  - **The Kyrgyz Republic** – administrative governance (Public Finance Management (PFM)); basic services (Bishkek Hospital Re-organization, MANAS Health Reform/Health Programme Analysis Project - HPAP, Manas Taalimi, Sector Wide Approach programme - SWAp, Rural Hygiene, Rural Water and Sanitation); accountability (Village Investment Programme - VIP)
  - **Georgia** – administrative governance (PFM, Support to Social Statistics, Civil Society Public Policy Reform, Civil Registry and Documentation); basic services (Georgia Health II, primary health care (PHC))

- 3.36 The **pro-poor growth** (country Objective 2) portfolio has two main elements: specific growth related interventions at country level and a set of policy level interventions to support the engagement of International Finance Institutions (especially WB) and multilateral donors (EBRD) with PRSPs giving higher priority to social and poverty impacts. In addition there is a stream of London based work, mainly with the EC, under the infrastructure adviser.
- 3.37 The specific growth interventions mainly support economic development in rural areas through enterprise promotion and working on the enabling environment. There was a set of livelihoods projects across the wider region (including Russia and Ukraine), under the former Livelihoods Adviser. These were followed by a suite of further enterprise support and regional development projects. Thus we have:
- **Moldova** - Sustainable Rural Livelihoods Pilot Project (SRLPP), Support to the Rural Investment and Services Project (S-RISP), Support to the Loan Guarantee Fund (LGF), Moldova Social Investment Fund (MSIF) the growth element of the Regional Development Programme though this is primarily an administrative governance programme and the new Social Assistance Project (co-financed by the Swedish International Development Cooperation Agency - Sida) - though again this is actually under Objective 1.
  - **Armenia** – ARDEP though this is more specifically regional governance capacity development for local level planning for growth and the delivery basic services.
  - **The Kyrgyz Republic** – Aspects of the support to VIP though the main thrust is community development for accountability and thus the project primarily relates to Objective 1, Sustainable Livelihoods for Livestock Producing Communities
  - **Tajikistan** - Zarafshan Valley (combination of district planning and support to agriculture (especially micro-loans), Third Party Arbitration Courts
- 3.38 The interventions in support of **conflict prevention and peace building** (country Objective 3) are limited to activities supported through the GCPP (Box 2). Strategy is developed collectively by the three partners, DFID, MoD and the FCO, and administered centrally. Each partner acts as the lead agency in assigned countries. For DFID this comprises:
- **Moldova - Peace Building Framework (PBF)** (2003 – 2007). The programme had four key components: strengthening the NGO sector in Moldova, and in turn CBOs in Transnistria and Gagauz Yeri; supporting, training and monitoring journalist outputs in Moldova and Transnistria; raising peace building and awareness among national and international actors; and encouraging conflict debate e.g. through exchanges and website.
  - **Armenia, Azerbaijan, Nagorno-Karabakh - Consortium Initiative (CI)**, (2003-2006 plus one year extension). CI has three elements, each led by a UK-based NGO: (1) political, through the South Caucasus Parliamentary Initiative (SCPI); (2) civil society capacity building, through three NGO coalitions in Armenia, NK and Azerbaijan. (3) media development, exchange and public awareness

**Box 2: Global Conflict Prevention Pool**

1. The Global Conflict Prevention Pool and the Africa Conflict Prevention Pool were set up in 2001 by the UK government with the aim of reducing the number of people around the world whose lives are affected by violent conflict and, ultimately, of cutting the number of conflicts that occur. It was born out of the 'joined-up government' initiative, which encourages departments to integrate their policy-making and programme delivery. The Pool has brought together the conflict prevention work of the Foreign and Commonwealth Office (FCO), Ministry of Defence (MOD) and Department for International Development (DFID), helping them increase the impact of what they do through better coordination and common Strategies. Each department shares a common Public Sector Agreement target: 'Improved effectiveness of the UK contribution to conflict prevention and management, as demonstrated by a reduction in the number of people whose lives are affected by violent conflict and a reduction in potential sources of conflict, where the UK can make a significant contribution.

2. Both Pools are overseen by Cabinet committees comprising the Foreign Secretary, the Secretary of State for International Development, the Defence Secretary and the Chief Secretary to the Treasury. DFID chairs the Africa Pool, the FCO the Global Pool. Each Pool is managed at working level by a joint steering team made up of officials from each department. These Pool steering teams prepare an agreed view of priorities for UK work on conflict prevention, recommend budgets for delivering programmes and develop processes for Pool management.

3. The GCPP has 12 geographical or thematic strategies, plus three further strategies aiming to strengthen the conflict prevention capabilities of European and international organisations. The GCPP initially (2002) comprised contributions from each department (MoD, FCO and DFID), plus a contribution from the Treasury. After the first year, this was changed and now GCPP is funded entirely from the Treasury. Therefore, DFID's total departmental spending on conflict prevention in 2007 (£40.17 million, of which £12.59 million was for Global allocations -i.e. after subtracting sub-Saharan Africa and PCRU)<sup>27</sup> is *in addition to* the GCPP.

The GCPP budget 2006/07 amounts to £74 million, the largest proportion of which is spent by the MoD on peacekeeping operations.

- **South Caucasus, Moldova - Crisis Management Initiative (CMI)** £194,000 (plus co-funding). Began September 2006. CMI leads the Civil Society Participation in European Neighbourhood Policy – A Regional Approach to Conflict Resolution.

3.39 The CASCM team in London attends inter-departmental policy meetings and is responsible for the 'lead' agency portfolio of GCPP projects (Moldova, Armenia, Georgia). In addition, DFID pays for a consultancy post within the FCO that administers and reports on the GCPP portfolio for Russia and other Former Soviet Union (FSU) countries. This consultancy has also had a much appreciated input into improving the M&E systems for the GCPP. However this objective seems to have little interface with the rest of the CASCM programme with limited involvement in-country except where DFID has the lead responsibility and no coordination with other interventions notably those that relate to civil society.

<sup>27</sup> Annual Report 2007: Development on the Record, DFID, pp.266-267

- 3.40 Regional Issue 1 – **counter the spread of HIV/AIDS** (Objective 4) has two aspects within the RAP – a sub-regional intervention in Central Asia and the mainstreaming of the HIV/AIDS agenda across the region. The latter has not been implemented and the interventions therefore comprise:
- The Central Asia HIV/AIDS Programme (CARHAP) in The Kyrgyz Republic, Tajikistan and Uzbekistan (2005 – 2009) mainly focused on harm reduction; and
  - The World Bank/DFID Central ASIA AIDS Project (CAAP) in the Kyrgyz Republic, Tajikistan, Uzbekistan and Kazakhstan focused on regional coordination, policy development and service delivery.
  - The strengthening of UNAIDS in Almati including funding two positions - an M&E officer and a Policy Officer, although the latter position was not filled.
- 3.41 Regional Issue 2 – **regional trade and cooperation** (Objective 5) has the smallest number of interventions. Regional initiatives over recent years have included: work around the environment linked to the European Bank for Reconstruction and Development (EBRD) Project Preparation Committee and the Extractive Industries Transparency Initiative (EITI); transition (early transition countries initiative) again linked to EBRD; education; and NGO/civil society support. With regard to the promotion of EITI in Central Asia, the closure of DFID office in Kazakhstan – by far the main oil producer– means that momentum to promote this initiative on a regional basis has declined. DFID, however, continues to support the EITI Secretariat in Azerbaijan. Trade initiatives have focused on EU accession and neighbourhood status together with WTO accession. Central Asia has a different set of trading partners than the South Caucasus with Russia the only common link. An assessment of regional working was carried out and has informed the emphases indicated and the pattern of work with Russia but this does not justify the very low priority that has continued to be given to this aspect of the programme.

## **Choice of Interventions**

- 3.42 KFH was a project based model and interventions at the pre-evaluation stage were all similar Technical Assistance (TA) and Financial Assistance (FA) projects. During the CSP period larger and more comprehensive TA projects were developed but the intervention span remained relatively conservative. During the RAP period sector support (Health SWAp in the Kyrgyz Republic) and moves towards budget support through pooled arrangements (contribution to the World Bank's Poverty reduction Support Credit - PRSC - in Moldova and Structural Adjustment Credit in Georgia) introduced a wider range of interventions. Nevertheless the mix of interventions varied from one country to another. Not all countries had access to the short-term strategic impact fund. The bulk of medium-term DFID assistance was technical assistance, although capital investment was also delivered in some of the regional development and social statistical projects. In most countries a joint donor approach was actively promoted.
- 3.43 A significant change in DFID strategy was its renewed consideration for the delivery of direct budget support in the region. Until 2005, DFID had not provided budget support to CASCM countries taking the view that:

- Budgets have not been big enough to merit consideration of PRBS;
- High levels of fiduciary risk, coupled with a lack of consensus amongst donors and within host country governments on how to improve;
- The fragile political environment of many CASCM countries.

3.44 Following this new strategic priority, budget support for Armenia and Georgia was ruled out on the basis that too little time was left before graduation. In Moldova, where fiduciary risk was high but declining, it was agreed that DFID would contribute £3m through the World Bank PRSC MDTF. Initial steps (e.g. sector support and TA support to WB budget support in the Kyrgyz Republic) are being taken in Central Asia although stronger government commitment to poverty reduction and sound public finance management is required.

3.45 In terms of non project/programme interventions the country offices in the Kyrgyz Republic and Tajikistan have taken a strong leadership role in donor harmonisation (the JCSS developments) and alignment with government planning and development (the CDS support). To a lesser extent where SAIC heads of country offices were well established (Armenia until Dec 2006, Georgia until mid 2006) influencing interventions amongst the donor partners and through close liaison with government were in evidence. Thus there were clear differences between Central Asia – budget support, sector support; South Caucasus - no new project initiatives beyond 2005, but strong influencing role through existing programme; and Moldova - no new initiatives.

3.46 Comprehensive diagnostic studies of the strengths and weaknesses of public administration in CASCM countries, except perhaps for Moldova, seem to be lacking. As a result PSR interventions do not seem to differentiate between countries or the political economy/governance context with political fragility, growth, movement to MIC status and MDG performance varying but the interventions being similar across the board. Design and implementation appear heavily consultant influenced rather than context specific. That doesn't necessarily lead to problems but difficulties have occurred where pace of change, political will, resource flows etc. (all of which are political economy of governance related) result in delays. Consultant frustration seems more a factor of "they don't appreciate what we're doing" than of sensitivity to context.

3.47 Accountability based interventions also do not seem to take account of context, including the post soviet responses of the public and weak civil society. Artificial NGOs created to deliver programmes replicate models which are more relevant to contexts where civil society is able to respond and take up challenges. In this regard, recent public accountability interventions do not seem to have built on the earlier democratic transition experience especially in Central Asia where the capacity building work undertaken by INTRAC<sup>28</sup> could have been developed further.

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<sup>28</sup> INTRAC is a UK based NGO that works as an International NGO Training and Research Centre strengthening civil society through consultancy research and training. INTRAC was contracted by DFID to provide capacity building support in Central Asia and has also undertaken other research and consultancy in the region.

- 3.48 The portfolio clearly fits with the objectives set out in the RAP. However there is little sense of regional awareness in the design or delivery of interventions and little by way of cross country sharing and learning. The balance is skewed towards Objective 1 and the regional agenda has weakened over time. Whilst there is cohesion at country level there does not appear to have been a strong enough focus on building synergies and balance across the region.

## **Partnership Working**

- 3.49 The RPE found good evidence of long term relationship building with governments. This has been a feature throughout the evaluation period with OPM reporting in 2003 that during the CSP DFID was 'well-regarded as a donor – and despite the small size of the national programmes, is generally seen as the, or one of the, most effective donor agencies...[there is] a strong demand for continuation from national governments'.
- 3.50 Government partners in the three countries visited during the evaluation expressed similar appreciation. The depth of relationships (institutional and personal); sensitivity to government needs; quality of TA support; access; and responsiveness/flexibility were all commented on. This enabled movement from small scale projects, through major TA interventions to sector support (in the Kyrgyz Republic, health sector support moved from hospital improvement through sub-sector planning to a SWAp); and good practice in linking up small scale budget related TA (MTEF development) to broader policy based budgeting around the PRSP and PSR (Armenia). The only evidence of local government linkages being made was with the regional administration under ARDEP where government officers showed clear appreciation of the project purpose and outputs suggesting good practice by consultants and DFID; and some successful attempts to involve local authorities in the Kyrgyz Republic PFM programme.
- 3.51 Government ownership was encouraged during the implementation of most programmes, requiring DFID and its consultants to be responsive to the specific requests of government counterparts. For examples, an output of the Kyrgyz Republic GSAC TA logframe was dropped on the Chamber of Account request. In Armenia, the Terms of Reference of the Programme Budgeting Project (PBP) were revised to reflect the government's preferences for a "deepening approach" rather than "broadening – whole of government approach" to introduce programme budgeting. In Georgia, adjustments were made to the Health Programme to reflect demands of the new government.
- 3.52 Evidence was found of sound graduation planning with good communication to government partners. The approach is articulated in the Communication Strategy for its medium term engagement developed by CASCM in early 2006 (1/01/06). In addition CASCM shows a clear position on informing UK Parliament and Ministers, in a series of submissions to the Permanent Undersecretary of State (PUSS) and the Secretary of State (SoS).
- 3.53 Civil society linkages and understanding were well developed particularly under the capacity building activities undertaken by INTRAC in Central Asia. However, there is less evidence of effective project and programme practice where quasi-NGOs were developed through projects (Rural Development Centre –RDC- and WB VIP in the Kyrgyz Republic). There was some good accountability work in Armenia and evidence

of civil society connections for GCPP work. Civil Society contacts in all three countries visited were positive about DFID though they wished for more and continued civil society support explaining in one case that 'economic development is not the same as democratic development'. (Young Lawyers Association in Yerevan)

- 3.54 Apart from the key implementing agencies themselves, NGOs are largely artificial communities of interested citizens, generally viewed either as natural opposition movements to government or as simple service delivery agents. Developing a more productive relationship with government and donors would require a broader range of activities in monitoring service delivery, researching popular needs, and developing potential policy agendas. For example, in the Kyrgyz Republic DFID might consider assisting NGOs and state institutions to provide more protection to migrants. Also, in Tajikistan, a recent case study highlighted the comparative advantage of funding NGOs or think tanks that would have the flexibility to respond to diverse issues connected with livelihood, political and economic rights and wellbeing of migrants<sup>29</sup>.
- 3.55 There is regular contact with the EC and the World Bank (WB) across the region. DFID also works closely with the ADB in Central Asia (notably in the Kyrgyz Republic) and with EBRD through London Head Quarters (HQ). Engagement with the EC seems to be more difficult where EU accession/neighbourhood status is less significant. DFID has been actively involved in promoting multi donor coordination but individual bilateral relationships are more confused e.g. an unclear definition of silent partnerships with Sida. Relationships often depend on individual contact by the head of office and with staff changes (Georgia and Armenia) this has been disrupted. Similarly changes in WB teams have weakened a previously strong relationship in Armenia and created a potential hiatus in the Kyrgyz Republic.
- 3.56 DFID did not work with any key regional institutions – most of them being either dormant, or covering different regional boundaries. The relevance and effectiveness of a regional approach to development assistance when there is no potential regional institutional framework is questionable.
- 3.57 Relationships with the FCO at country level are generally positive. However where DFID is co-located within the Embassy differences in employment practices and levels of delegation to SAIC staff can hamper good communication. Enhanced teamworking across departments and stronger support from London could enhance joint working.
- 3.58 At Whitehall level beyond security, conflict and peace building CASCM has the usual cross department relationships with some good practice in relation to the environment.
- 3.59 Donor coordination has been given a high priority in all CASCM countries; in Moldova where working relationships with the EC have priority; in South Caucasus where EC, WB, UN and bilateral links are strong; and in Central Asia where they also engage with the ADB. DFID country teams play a key role in coordination and have been particularly pro-active in the Kyrgyz Republic and Tajikistan, where coordination extends to a lead role in both harmonisation (JCSS) and alignment (CDP) initiatives.

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<sup>29</sup> Case Study: Migration and Poverty Reduction in Tajikistan (author: Jones, undated)

Here there is a clear strategic imperative and harmonisation and alignment (Paris Principles) are part of emerging country level post RAP strategies. In Georgia and Armenia the engagement in harmonisation has been affected by staff changes. Coordination mechanisms are extensive in Armenia with multiple theme groups convened by UNDP but there seems little harmonised activity beyond information exchange. In Moldova (see country note) the investment in harmonisation seems excessive and may not be cost effective given the graduation trajectory. There is little region wide harmonisation with other donors not sharing the CASCM administrative unit. However there could be scope at sub regional level for more joined up strategy and harmonised engagement.

- 3.60 There is evidence of good communication in-country with development partners reporting a clear understanding of DFID direction and intent. DFID's graduation policy was less well appreciated or understood but this may be the way communication was received rather than how it was given reflecting a desire by development partners to encourage DFID to stay. London based management and Departmental and Divisional Directors have been effectively used to convey difficult messages to government and development partners and to engage at senior levels.

## Cross Cutting Strategies

- 3.61 DFID does not seem to have had strategies for mainstreaming cross cutting issues within the CASCM region beyond those set at corporate level. Whilst there may be no significant regional and country level issues that require a specific approach this suggests a lack of emphasis and priority which seems to be reflected in practice.
- 3.62 There was no discrete **Gender Strategy** in the Moldova CSP or CASC SP. The RAP includes a gender perspective to its analysis of inequality but there is no explicit prioritisation of gender in terms of mainstreaming or gender policy although it was given prominence by the social development advisers and key members of the in-country teams.
- 3.63 Alongside the HIV/AIDS regional programme in Central Asia, the mainstreaming of **HIV/AIDS** was also specified in the RAP objectives. However, there was no initial follow up and following the decision in 2005 to limit the scale of the whole CASCM regional programme no further action on mainstreaming was taken. At country level, some discussion has taken place, i.e. in the Kyrgyz Republic the mainstreaming of HIV/AIDS has been explored as part of sector wide working but no action has resulted.
- 3.64 In the current low and concentrated epidemic situation, mainstreaming of HIV is not a top priority. Putting mainstreaming on DFID's agenda around 2003/2004 was intended to stimulate discussion and ensure that HIV/AIDS would be looked at systematically.
- 3.65 The **environment** is a significant issue in the region; mainly 'brown' environmental issues - soil erosion, and 'gray' issues – industrial/urban pollution part of the Soviet legacy. Earlier in the period there were specific country focused environmental initiatives but now DFID's assistance, which focuses on moving to clean(er) energy, is largely channelled through European initiatives. These include the EC Central Asia Strategy for Water; Department for Environment, Food and Rural Affairs (Defra) *Environment for Europe* (EfE), channelled through DFID; Project Preparation

Committee as part of EfE advice on environmental investments; Partners for Environmental Cooperation in Europe (PECE); and the EBRD Sustainable Energy Initiative (SEI). The cross-Whitehall working with Defra, and European-scale initiatives are very appropriate responses. With Defra facing budget and headcount cuts, and CASC ceasing to exist as an entity, ECAD must ensure that sufficient momentum is maintained in these areas.

## **Resources**

- 3.66 The DFID Aid Framework for CASC, as set out in the CASC SP and the Moldova CSP, showed a total commitment to the CASC region of £8.75m in 2000/01 rising to £10.25m in 2002/03. The allocation for 2002/03 was subsequently revised to £13.84m. Allocations continued to rise to £14.7m in 2003/04, £16.1m in 2004/05, and £22.8m in 2005/06 before dropping to £19.7m in 2006/07. The increased resources were provided as part of the general increase in DFID budgets. Budgets were not known when the CASC SP and the Moldova CSP were drafted but increases were expected when the RAP was prepared.
- 3.67 Of this allocation spend in Moldova, Georgia, Armenia and Tajikistan remained within the RAP planned limits whereas that in the Kyrgyz Republic grew; doubling in 2005/06 with a commensurate cut in the expenditure on regional activities.
- 3.68 Since the budget allocations were not linked to the RAP objectives it is not possible to say how far the strategies were appropriate to the level of resources anticipated. Country level strategies including the decision to limit developments in the South Caucasus and Moldova prior to expected graduation and the decision not to pursue regional work are reflected in the allocations and the expenditure.
- 3.69 Based on the financial information provided by CASC the evaluation team analysed the levels of spending and the financial performance of the programme. Table A in Annex 10 sets out the spend by sector and each country's proportion of overall spend in the sector 2004/5 - 2006/7. The notes in the annex summarise the analysis of the trends which supports the conclusion that over 75% of the programme is under Objective 1 (para. 3.32).
- 3.70 It appears that the CASC SP and the Moldova CSP were adequately resourced and this supported the move from the KHF multi-project financing to a more coherent country focused programme. However all the CASC country programmes remained relatively small, and a huge gap existed between the resources anticipated and the ambitious objectives of the RAP. Similarly the 2005 decisions to restrict spend and headcount and hasten graduation were appropriate in a pragmatic sense as well as being responsive to corporate pressures. These decisions effectively set new priorities for CASC within which the RAP objectives took lower priority. The modified strategy was more appropriate to the level of resources and the changing corporate context. However at individual programme level there is some evidence that DFID assistance may have been "too much too soon". For example disbursing £3.3m over three years on social assistance in Moldova (with Sida acting as a silent partner) seems excessive – given the limited absorption capacity of the Ministry in charge.

- 3.71 In terms of human resources the geographic spread of adviser inputs covers not only CASCM but the whole of ECAD for some disciplines (statistics, health, and infrastructure/environment.). Whilst the project workload may not appear excessive, travel and the need for knowledge of a wide range of countries has stretched capacity, reinforcing the country and adviser focus and reducing the space available for regional and country level work.
- 3.72 Prior to 2004 most programmes were managed from London with limited in-country presence provided by SAIC teams. Despite the low levels of programme expenditure quite a large London based team was need to cover all countries in the region.
- 3.73 Task allocation changed significantly over the 2002-07 period, as country office staff spent more time on processes (donor dialogue) and less time on project management. This required new skills, such as influencing, as well as support from the CASCM team in London. Access to more advisers, notably governance advisers, would have helped in this regard. A further issue impacting on country offices was staff turnover in London; this seems to have the most significant effect on Armenia.
- 3.74 One of the limitations in the allocation of resources at regional level was not so much about the level of resources available but the absence of a systematic approach to share experience across similar programmes in the region. The location of advisers in London and the relative imbalance of adviser and programme management staffing aggravated this and weakened capacity to respond to the challenges of the strategy.

## **Results focus**

- 3.75 Good logframes and attention to results in Output to Purpose Reviews (OPRs) and Annual Reviews (ARs) show that project interventions are results focused and monitorable. Interviews with contractors and project partners revealed that they acted on the recommendations and follow up actions in OPRs and ARs, making adjustments to refocus in line with programme objectives. In specific cases the results orientation in ARs was confirmed by partners and contractors (e.g. APSREP, ARDEP, and RWSS).
- 3.76 Design, direction and resources at project level have been revised based on these well carried out reviews. However there is less evidence of revision at programme, country or regional level. For example the slow results in APSREP and ARDEP could have led to revision of other reforms, a different role for country based staff, adjustments to projects of other donors requiring revision of staff time, and may have led to reconsideration of the ambitious nature of similar reforms elsewhere in the region. We conclude that CASCM manages well at project level but does not utilise these results and lessons for higher level learning and management decisions.
- 3.77 The RAP monitoring framework was a well-conceived initiative not seen in most country or regional programmes, but it was over designed and underused. The monitoring framework design process was lengthy and the framework over complex. For example Version 2 of the Users' Guide, produced in December 2006 with only a year of the RAP left, is far too lengthy; a 186 page guide to monitor a RAP that is 30 pages long. The Country Results Frameworks were completed well (possibly due to good progress chasing) and are coherent with programme performance at country level. The reporting and discussion at In-Weeks provided a structure for peer review but

comparison across countries is only documented once and it appears that aggregation at regional level was never attempted. This process provided added value for country teams but there is little evidence of the monitoring framework results informing management decisions. The organisational effectiveness data was also well recorded and covered key issues but there seems to have been no related management decisions.

- 3.78 The continued use of the monitoring framework indicates a level of diligence and commitment that was not reinforced. The framework enabled country decisions to be tracked and provided a monitorable narrative of progress. It could have been used more effectively for regional level decisions and as the basis for support to country teams and for resource decisions.
- 3.79 Graduation – exit of DFID – is a decision that is informed by Government Policy (Foreign Policy as well as Development Policy), the stage of economic development (MIC status), the presence of alternative development support (EC and other EU member states in particular), as well as the results of DFID's programme performance. The graduation decisions for CASCM, though triggered by MIC indicators, clearly took account of other donor activity and poverty impact (*Mid Term Options and Submissions 2005*). However the final decisions seem to have been driven by managerial pressures to reduce the ECAD programme.



## 4. CASCM Programme Effectiveness and Efficiency

- 4.1 One of the key performance measures of any development programme is its success in engaging with the processes of change and development within the country or countries concerned and the delivery of results in a timely and efficient manner. An assessment of the extent to which the DFID CASCM Programme achieved these objectives is presented in this chapter.

### Delivering the Strategy

- 4.2 The RAP monitoring framework shows a significant number of ‘green’ milestone scores (45) for Country Objective 1 compared to ‘orange’ (7) and ‘red’ (14) for 2006/07 and the scores for preceding years show a similar trend. Progress was weaker under ‘basic services for the poor’ and this under-achievement is in part due to the overambitious nature of the objective (Armenia), government performance (linked to donor coordination in Moldova) and project level factors (Armenia and Kyrgyz Republic). For Objectives 2 and 3 there is much less data, reflecting the lower programme content. There is even less content in the framework related to regional objectives with no activity in relation to HIV/AIDS outside the sub-regional programme and regional cooperation limited to EC, ENP and conflict related activity. Table B of Annex 11 summarises the reported position as at April 2007.
- 4.3 The programme bias towards Objective 1 was predictable and to an extent was informed by corporate emphases. However, country level decisions and adviser interest played a part and the programme could have been managed with greater emphasis on pro-poor growth (objective 2) and non-GCPP activity related to conflict (objective 3). At regional level the country emphasis under the CSPs was followed with a regional commitment at the start of the RAP period but this was not sustained. The Monitoring Framework results should have alerted management to the trends in performance and country level orientation but this does not seem to have happened.
- 4.4 As time elapsed the RAP became less significant to advisers and country level staff as project management became a more important priority for the former and as future planning for graduation in Moldova and the South Caucasus and scaling up in Central Asia dominated attention. The view expressed by many advisers is that after an initially strong momentum at design stage, the RAP monitoring framework fell down the list of priorities, in large part because there was no clear lines of accountability at management level and because the RAP was not linked to other reporting cycles such as the Directors Delivery Plan (DDP) and Public Service Agreements (PSA).
- 4.5 DFID has responded well to the shift in emphasis, from the KHF CIS wide project approaches, through a country focused CSP, to a more strategic RAP and now to graduation/scaling up as the main strategic thrust – the latter largely determined by senior management and ministers rather than country or regional issues. Political risks at country level notably in Central Asia were also managed well, though the fragile state nature of Tajikistan and the Kyrgyz Republic do not seem to have led to a differential approach to programme development aside from the decision, based on internal studies by the CASCM team, not to pursue budget support.

- 4.6 At country level DFID has been surprisingly influential, given the small size of the programmes, through its commitment to harmonisation and coordination activity. The collective endorsement of PRS and MTEF models has coalesced Development partners' commitments especially for other EU bilaterals and the World Bank, less so for the EC. DFID has responded to WB priorities in Moldova and the South Caucasus by providing TA support to WB lending. Government policy in the governance sphere seems to have been aligned to DFID interest (as much as vice versa) in Moldova and the South Caucasus. This is possibly a function of weaker bureaucrat and technical development which has been more susceptible to TA influence throughout the post soviet era. In Central Asia the DFID role in the development of JCSS and CDS has been significant, especially in the Kyrgyz Republic where it has played a sensitive catalytic role with both other development partners and Government.

## **Results**

- 4.7 Of 87 purpose level scores assessed by ARs, OPRs and Project Completion Reports (PCRs) during the 2002-07 period, 10% scored 1, 46% 2, and 33% 3<sup>30</sup>. (see Table 4 for country level details). This gives 56% at 2 or above compared with 81% in the 2006/07 period (*RAP Monitoring Framework Organisational Effectiveness Report*).
- 4.8 This divergence seems to be due to the decline in the number of interventions as the programme reduces in scale and increased attention given to reviews. A further factor is the loss of weaker performing activities in the South Caucasus where there was a larger proportion of lower scores. Overall results have been good and have improved during the period being evaluated. There are a significant number of 3's for PSR programmes reflecting the particular difficulties encountered.
- 4.9 Overall comments in the reviews suggest that performance is good with the apparent poor results being due to more complex interventions being adopted and interventions requiring longer timeframes before they become effective.
- 4.10 The key features that influenced performance were:
- a) PSR is complex and difficult to implement especially where Government is new or where their capacity is weak as in these emerging states.
  - b) Objectives became more ambitious shifting from relatively focused technical assistance to sophisticated and comprehensive changes that required a higher level of political will and more sustained leadership/championing.
  - c) Continuing from the KHF there was a pattern early in the evaluation period of recruiting individual consultants for serial short term contracts. This shifted to more substantial contracts awarded through competitive tender to larger internationally experienced companies. Governments welcomed this as it brought higher quality

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<sup>30</sup> Under the DFID OPR Scoring system: 1. = Likely to be completely achieved. 2. = Likely to be largely achieved. 3. = Likely to be partly achieved.

expertise. However, individual counterparts commented that they preferred individual consultants who gave continuous coaching and consistent senior consultant inputs rather than multiple short term inputs by consultant firms. Also individual consultant support was bespoke and less formulaic which they feel is more appropriate.

d) Planned and sequenced interventions are required to ensure continuity of reform. This was not always evident.

e) Good practice in engaging with lead Ministries (ARDEP in Armenia) and cross Ministry working (GSAC in Kyrgyz Republic); less effective engagement with civil society; synergies with other Development Partner programmes especially the World Bank was variable and depended excessively on maintaining personal relationships.

**Table 4. Annual Review Purpose Scores**

Country	Frequency of Scores						Total
	1	2	3	4	5	6	
Uzbekistan	1	2	1 (100%)				4
Turkmenistan			1 (100%)				1
Tajikistan	1 (17%)	1 (17%)	3 (50%)			1 (17%)	6
Moldova	1 (11%)	6 (67%)				2 (22%)	9
Kyrgyz Republic		13 (62%)	6 (29%)	2 (10%)			21
Kazakhstan	1 (33%)		2 (67%)				3
Georgia		2 (20%)	6 (60%)	1 (10%)		1 (10%)	10
Regional		10 (83%)	2 (17%)				12
Azerbaijan			3 (100%)				3
Armenia	5 (28%)	6 (33%)	5 (28%)			2 (11%)	18
<b>Total</b>	<b>9 (10%)</b>	<b>40 (46%)</b>	<b>29 (33%)</b>	<b>3 (3%)</b>		<b>6 (7%)</b>	<b>87 (100%)</b>

Scores taken from the DFID recording system (PRISM) show the purpose level scores given by Annual Reviews. According to the DFID system these scores reflect the following:

1. = Likely to be **completely** achieved. The outputs /purpose are well on the way to completion (or completed)
2. = Likely to be **largely** achieved. There is good progress towards purpose completion and most outputs have been achieved, particularly the most important ones.
3. = Likely to be **partly** achieved. Only partial achievement of the purpose is likely and/or achievement of some outputs.
4. = Only likely to be achieved **to a very limited extent**. Purpose unlikely to be achieved but a few outputs likely to be achieved.
5. = **Unlikely** to be achieved. No progress on outputs or purpose
6. = Too early to judge. It is impossible to say whether there has been any progress towards the final achievement of outputs or purpose. This should be used sparingly.

4.11 Over the evaluation period, there was a switch from hiring short-term international consultants to hiring long-term international consultants, supported by a team of local consultants. This was welcomed by governments in the region. PSR and PFM programmes for example often require ‘constant coaching’ to monitor the real impact of interventions and in the case of MTEF and PBP to introduce technical changes. Similar process approaches were adopted in the rural development and water sectors in the Kyrgyz Republic and are also evident in the health sector. These changes were matched by flexibility in amending and adjusting the logframes as programmes developed further demonstrating a sensitive approach to programme management.

4.12 Even though relatively small programmes the synergies within the DFID interventions were significant. Government counterparts often saw the programmes as a whole package rather than a set of separate interventions. As a result each programme gained

- in relevance and efficiency. There are examples across the region from the Kyrgyz Republic where G-SAC TA provides cross sector links and support to health initiatives; to Armenia, where strong links existed between the MTEF, APSREP, and ARDEP.
- 4.13 In the latter case the decision not to renew the APSREP in its final year may have been short-sighted. APSREP could have capitalised on the introduction of programme budgeting to show success in turning Ministries into policy-making entities. Similarly, the programme could have capitalised on DFID's successful lobbying in introducing new directions for public sector reforms in the second PRSP. APSREP was over-ambitious in its scope yet, its achievements in terms of changing mentality and creating enough momentum for government counterparts to be willing to continue the programme of reforms with or without DFID remain significant.
  - 4.14 Incorporating capacity building and accountability by working with both civil society and government has contributed to the successes even though, with the soviet inheritance of weak civil structures and little tradition of rights, it has been difficult. There are examples of good practice in Armenia around public access and civil society engagement in local level planning (APSREP and ARDEP) and in the rural development and local government initiatives in the Kyrgyz Republic. Continued support for this broader capacity building of democratic civil society could have profitably continued alongside the more project specific demand side initiatives.
  - 4.15 Some changes are technically easier to introduce. For example, introducing MTEF is a relatively simple task. On the other hand, introducing programme-based budgeting is more complex as it needs to involve line ministries. Similarly, trying to link the MTEF to the PRSP makes little sense in the absence of comprehensive operational plans. In Moldova, their first PRSP was not operational enough to be linked to the MTEF. Their new PRSP, National Development Plan, is now more operational and could feed into the MTEF but ideally requires continued support.
  - 4.16 Similarly, some changes are less politically sensitive to implement. In Moldova, where DFID contributes to a WB-managed MDTF to support the government's Central Administration Reform programme, the government selected some interventions – downsizing of central administration – without first introducing more complex measures, such as a merit-based approach to promotion. As a result, the number of staff in some Ministries has been reduced, but the quality of staff has failed to improve. In this context, discretionary actions can undermine the effectiveness of PSR programmes, as much as a general lack of political will.
  - 4.17 The Georgia Social Statistical Project – which scored 2 in the first three years of its implementation – is a good example of a clashing agenda between the Development partners and the government. As written in a Back to Office Report in December 2006 'the major achievement of the project, the Integrated Household Survey, has come under question for the quality of the data. Latest data shows that poverty has increased over the past year, despite economic growth; and the Prime Minister and Minister of Economy have questioned the validity of the data'. As the project stalled, it was agreed to close it down and it is now very unlikely that developments will be sustained.
  - 4.18 The success of individual projects also depended on London staff time and project allocation. The advantage of a single adviser being responsible for similar programmes across the region is the opportunity of sharing experience and identifying best practice.

Programmes in support of the statistical offices in the Kyrgyz Republic, and until recently, Georgia, Armenia and Moldova, were relatively successful – in part because London staff were able to learn and share lessons from one programme to the next. However the pressures of a wide span of responsibility often mitigate against such learning and its extension across the wider CASCM team.

- 4.19 Assessing results with respect to GCPP presents a particular problem. Reporting the effectiveness of GCPP projects entails a high level of trust in the perceptions of the primary partners. The very nature of cross-border, civil society projects in countries without a highly developed civil society is that they require a considerable level of sub-contracting to entities without a capacity for full accountability. The GCPP operates ‘at scale’ – in other words, it prefers to disburse large grants through London-based NGOs. These in turn subcontract national NGOs who then often sub-contract again to sub-national entities. With budgetary constraints across all UK departments, only cursory project monitoring is possible.

## **Efficiency**

- 4.20 Disbursement in 2004/05 was 7.5% above framework; in 2005/06 it was 8% below the framework figure and in 2006/07 even closer. This suggests that disbursements were in line with expectations and plans. There is no data on financial performance by objective or sector and little at project/programme level but overall financial management within CASCM at project, country and London levels seems sound.
- 4.21 The recent effective devolution of responsibilities to the country office in the Kyrgyz Republic and currently to Tajikistan are further indicators of the good team working around administrative and financial tasks. It does however beg the question as to whether greater delegation could have been possible earlier and to what extent the level of staffing was appropriate for the workload.
- 4.22 There are no available comparative figures for the levels of administrative cost for similar programmes or the staffing level of programme management teams. Geographic diversity, the mix of instruments and interventions and many other factors make such comparisons difficult. In particular only a small number of groups of countries managed from London remain and they have their own challenges and requirements. Nevertheless the level of programme management support seems generous.
- 4.23 The RPE team worked closely with the Department Finance Officer (DFO) and managers within ECAD to build up a model of the administrative costs to enable some comparisons within CASCM itself. Table 5 shows a summary of administration costs for country offices and the London based CASCM team based on actual spend for each of the last three years of the RAP. This information together with the programme expenditure data provided the basis for the model. Overall administrative cost as a proportion of programme spend was 12% which gives an indication of the efficiency of the CASCM team. During these three years the proportion of the administration costs spent in-country was 41%, 36.4% and 41% respectively (see table 5). However these figures do not take account of how the London costs vary between the five CASCM countries. Table 6 attempts this analysis for 2006/07 using the data provided by ECAD.

**Table 5. Administration costs for CASCM country offices and London based team 2004/5 - 2006/7**

	2004-05	2005-06	2006-07
<b>Country office Costs</b>			
Armenia	118,702	96,790	123,071
Georgia	55,015	113,999	86,561
Kyrgyz Republic	179,236	203,309	265,653
Moldova	136,942	114,412	84,896
Tajikistan	136,761	81,452	206,744
	<b>626,656</b>	<b>609,962</b>	<b>766,925</b>
<b>London Costs</b>			
CASCM Regional Teams	40,752	113,580	86,019
CASCM Team London	813,527	894,797	938,585
London General*	43,186	56,311	70,223
	<b>897,465</b>	<b>1,064,688</b>	<b>1,094,827</b>
<b>Total</b>	<b>1,524,121</b>	<b>1,674,650</b>	<b>1,861,752</b>

\* This cost is 10% of the total admin for London (excl salaries)

- 4.24 Using an apportionment of adviser time provided by ECAD and of programme management time based on the self reporting of staff time combined with other costs, the table shows the notional overall administration cost, London based costs and total administration cost as a proportion of programme spend for each country.
- 4.25 The administrative cost per country as a proportion of total administration cost is close to the 12% overall average for Moldova (13%), Georgia (11%) and the Kyrgyz Republic (11%). Armenia is higher due to the declining scale of the programme and Tajikistan due to the number of UK appointed staff in a growing programme. The proportion of London costs to country administrative costs for the Kyrgyz Republic and Tajikistan is a consequence of the devolution of these two programmes. Similarly the larger share of total admin costs is a result of the number of UK appointed staff but country based staff supporting these programmes. The conclusion the RPE draws is that a small devolved country office with a mix of UK appointed and SAIC staff is able to be at least as efficient as similar programmes where the support is based in London.
- 4.26 This conclusion does not detract from the positive findings with respect to the programme and administrative support within the CASCM team but it does suggest that the conventional wisdom that UK based staff in-country are expensive may mask efficiency savings. At the very least the need to carry out further analysis across similar programmes is indicated.
- 4.27 The RPE found good project/programme management led by the London based programme management team and supported by advisers together with well maintained OPRs and PCRs and strong corporate reporting – all indicative of the priority given to project/programme work. Influencing and Government/Development Partner liaison/coordination led by country teams was especially strong in Central Asia where there were UK appointed heads of office. In Moldova and South Caucasus the strength of the engagement depended on the experience and confidence of the head of office and the extent of supervision and support from London (with some impact from the FCO where differential views of capacity/role of locally engaged staff was evident).

**Table 6. Administration costs for each CASCM country 2006/07**

The table shows administration costs for 2006/7 for each of the CASCM countries including notional salary costs for the London based team of programme managers and advisors; and apportioning non salary administrative costs between countries and London.

<b>Administration Costs</b>	<b>Moldova</b>	<b>Armenia</b>	<b>Georgia</b>	<b>Tajikistan</b>	<b>Kyrgyz Rep</b>	<b>Total</b>
Salaries - Advisors <sup>1</sup>	£56,136	£21,876	£39,581	£97,553	£91,641	£306,786
Salaries - London CASCM Team <sup>1</sup>	£58,934	£57,666	£57,666	£50,199	£50,199	£274,664
Office costs - London <sup>2</sup>	£234,914	£229,861	£229,861	£200,096	£200,096	£1,094,827
Office costs - in-country <sup>3</sup>	£84,896	£123,071	£86,561	£206,744	£265,653	£766,925
<b>Total</b>	<b>£434,879</b>	<b>£432,474</b>	<b>£413,669</b>	<b>£554,592</b>	<b>£607,588</b>	<b>£2,443,202</b>
Spend on Projects <sup>4</sup>	£2,978,117	£1,776,201	£3,319,292	£3,188,062	£5,129,932	£17,705,115
<b>Total Spent (Projects + Admin)</b>	<b>£3,412,996</b>	<b>£2,208,675</b>	<b>£3,732,961</b>	<b>£3,742,654</b>	<b>£5,737,520</b>	<b>£20,148,317</b>
Proportion of total spent on Admin	13%	20%	11%	15%	11%	12%
Proportion of London CASCM salary costs <sup>5</sup>	21%	21%	21%	18%	18%	
Proportion of Total CASCM admin costs	18%	18%	17%	23%	25%	

**Note**

<sup>1</sup> Calculations based on annual salary divided between countries based on estimates of time spent working in each.

<sup>2</sup> London costs include a) CASCM team b) regional costs and c) 37% of admin in London (based on size of CASCM team)

<sup>3</sup> Costs of administering country offices, including salaries of staff appointed in country (SAIC).

<sup>4</sup> The total spend includes £1,313,511 spent regionally in addition to spend in each country.

<sup>5</sup> Percentage used to apportion administrative costs of London CASCM team to individual countries.

- 4.28 The turnover and relative inexperience of some advisors, coupled with advisory responsibilities across more of ECAD and in some cases all ECAD countries, has significantly increased the number of projects advisors are responsible for, leading to a reduction in capacity for policy and influencing. The more experienced project based programme management/administration team focus more on project/programme work with the more experienced advisers, in-country heads, and Team Leader/Deputy Team Leader leading on influence and policy. Generally there seems to be a lower priority given to non project work. Recent decentralisation has shifted project work to country offices without increasing non project work in London. In part this is a factor of the declining morale as some team members prepare to leave and graduation approaches.
- 4.29 Most UK appointed staff are London based with country teams predominantly SAIC. The skill mix of advisers ‘slipped’ from growth to governance when the long term livelihoods adviser/consultant left and her programme responsibilities shifted to and was split between the Social Development and Governance Advisers. Consequently programme emphasis moved from livelihoods to social protection and governance/institutions. There was a deliberate attempt to bring lessons from livelihood projects into new regional programmes focusing on the wider governance context.
- 4.30 During KHF long term consultants were used as ‘advisers’ in key sectors providing a degree of continuity which continued into the CSP with more long term involvement than the usual 2-3 year term for a DFID advisor. More recently staff turnover has increased and continuity has been disrupted. With fewer programme posts in London there is a limited pool of interested people who are willing or able to work on London based programmes like CASCM. Age and experience are thus lower in the CASCM and wider ECAD teams at present.
- 4.31 This increases the need for appropriate staff development, supervision and work planning to meet the new more strategic challenges facing DFID and the importance of influence, continuity of impact and lesson learning as programmes move to graduation. Smaller programmes in MICs need more than efficient programme management if these limited inputs are to have maximum impact. Closer Development Partner and Government relationships that go beyond project level harmonisation need to be developed and the team may not have had the skills to make these contributions across such a broad spread of countries.
- 4.32 Prior to 2004 there was the usual pattern of small in-country development sections within the Embassies, line managed by the FCO. The RAP and the OPM review proposed a stronger in-country role with more flexibility and delegation. The CASCM team leader proposed increasing in-country teams (from 19.5 to 25 in all) to give 4 staff in focus countries including at least one adviser post and a reduction of the London team from 20 (9 advisers/11 admin) to 14 (8 advisers, 6 administrators). Given the 2004 Resource Allocation/Spending Round restrictions the DDP 2005-08 proposed reducing the number of country programmes and limiting expenditure on MICs. The impact on CASCM was to catalyse the graduation debate and limit administration cost increases. Thus by 2007 the London team had reduced to 15 (6 advisers, 9 administrators) and country teams stabilised to 17 with the increase to 4 per country only in Central Asia, the other focus countries remaining at 3 SAIC staff. The RAP challenges were thus appreciated by the Team Leader and EMAD Director but the proposals to strengthen the organisational structure were not implemented. London based management and weaker country teams continued until 2006 when devolution to Central Asia began.

The imbalance of London based programme management compared to advisers perpetuated quality programme management at the expense of a strong country led policy and influencing approach.

- 4.33 The net result was efficient management but given the decisions to graduate more country level flexibility and delegation would have been useful to embed lessons and deepen relationships prior to closure. The decision of some staff to leave prematurely in Georgia and Armenia was an expected and inevitable risk but more country level authority and an enhanced role with specific responsibilities may have increased continuity at this critical stage. More time from London based managers during the pre-graduation period is needed to address the continuity, influence and lesson learning and to establish patterns for future relationships which focus more on the practical aspects related to human resources, project and office closure.
- 4.34 In addition to GCPP there has been good cross-Whitehall working with Defra in relation to the environment (para 3.65), around Central Asia policy with the Foreign Office, and in relation to EU issues. Currently CASCM countries are of limited geopolitical interest compared to others within EMAD (e.g. Russia and the EU accession/pre-accession countries) and as a consequence there comparatively less cross-Whitehall engagement. For GCPP the appointment of a consultant (funded by DFID though working to all three partners – DFID, MoD, FCO) has improved programme strategy and administration and given DFID increased leverage. The programme management and adviser inputs are modest compared to other parts of the CASCM programme.

## Aid Effectiveness

- 4.35 The RPE found **a surprisingly broad mix of interventions given the size and scale of the programmes** – with joint donor strategies (e.g. JCSS in Central Asia), stand alone major projects (e.g. APSREP and ARDEP in Armenia), small scale strategic funds (especially as utilised in the Kyrgyz Republic and Moldova), sector support (health sector SWAp in the Kyrgyz Republic and Georgia) and PRBS through pooled finance (e.g. PRSC in Moldova). The shift towards budget support was encouraged by management (Management Board and Divisional Director Jan/April 2005) despite the caution in the OPM review. Also a narrowing of sector focus and a restriction of new initiatives was encouraged as a way of limiting investment.
- 4.36 On the one hand this mix of interventions appears an effective way of delivering effective aid in small country programmes. However the selection does not always appear to have been sensitive to country context or the influencing and graduation context. Budget Support is a long term intervention and is of doubtful effectiveness in Moldova as DFID moves towards graduation. Similarly to opt for policy based interventions in Central Asia with its level of fragility goes against Fragile State policy.
- 4.37 The classic aid effectiveness arguments seem to have been followed with the development of expected larger and longer term support in Central Asia – PRSP, MTEF, sector support, joint donor working and Government alignment behind the Country Development Strategies (CDSs). There is however a concern as to how effective this level of alignment is given the fragile state context. In the remaining countries the level of influence and visibility of DFID seems variable and depends

more on staffing and Development Partner/Government relations than the mix of interventions. For example DFID often relied on senior government officials to champion their programmes within Ministries. Targeting the mid/high-level civil servants is relevant to ensure continuity outside the political cycle. There is, however, a risk attached to assimilating champions or forward-looking government counterparts as “the government” should there be a change in leadership at the top.

- 4.38 DFID also worked with selected sectors to promote PSR. In Armenia, selected Pilot Ministries were involved in the PSR Programme. Targeting specific sectors to promote what should be in essence whole-of-government reforms also entails a risk. Working with Pilot Ministries does not guarantee government buy-in at the top. This is particularly the case in Armenia, where an all-party government is in place.
- 4.39 The relative failure of APSREP calls for lessons to be learned for similar programmes supported by DFID elsewhere. DFID should have awaited clear signals of support from the World Bank to start such an ambitious programme; close relationships with top decision makers and flexibility with the logframe would have also helped to influence and accompany the process, by focusing on a selected number of components more likely to succeed.
- 4.40 The OPM review comment, ‘DFID should have a general strategic bias towards selecting activities that are in themselves short-term (and that can achieve impact without requiring future government financial commitments that may not be forthcoming), but that work within a longer-term context and understanding of change processes affecting a sector, and that are designed to be complementary to programmes that are providing greater financial resources’ (OPM 2003), suggests a more flexible short term opportunistic approach. The MTEF support in Armenia fits this model but the more substantive PSR TA that followed may be less effective given the imminent graduation – more time was needed for the more ambitious investment and a stronger emphasis on influencing other Development partners (EC and WB) may have been more effective than large TA projects which ideally need further phases of support.
- 4.41 The evaluation found complementary approaches in terms of the range of interventions in most countries but raised concerns over whether some aspects of context (fragility, graduation, future role of other Development partners) were always taken into account. Synergies and learning across the region is less evident – for example, did the PSR interventions learn from each other? Even where a single contractor is responsible differences in timeframe and context do not seem to have been taken into account.
- 4.42 **Harmonisation has been given a high priority across the region.** In part this is in response to the management steer (April 05) following the RAP and 2004 Spending Round where joint programming and shared offices were seen as efficiency gains rather than part of aid effectiveness. This ‘broad brush’ approach has not been sensitive to the country and sub-regional differences especially in terms of DFID’s own strategy of quick graduation (South Caucasus), medium term graduation (Moldova), and expansion (Central Asia). The exception is The Kyrgyz republic where DFID has played a strategic and catalytic role in the harmonisation process including the selection as a pilot country by OECD/DAC for a joint donor country strategy – the JCSS – and the joint support to the CDS.

- 4.43 **EC and other EU bilateral donors** are the main donors for DFID to influence in Moldova and the South Caucasus since they provide the best investment for continuation of DFID programming and for continued influence through EC and EU networks (e.g. EBRD). Engagement at country level has been mixed depending on the capacity and openness of the delegation. In Georgia and Moldova DFID was able to support advocacy activities by CSOs on promoting the EU Action Plans. DFID has also been able to provide support to the Government of Georgia to help them implement their commitments under the EU-Georgia Action Plan – notably the proposal to select an adviser on ENP implementation to the State Minister in charge of European Integration. Moldova, Georgia and Armenia have now drafted action plans to engage with the EU under the new European Neighbours Policy Instrument. These examples highlight the rationale for DFID engagement, areas of overlapping interests and actions for future engagement. The effectiveness of these interventions in shaping the EU Action Plans has been weakened by the lack of complementary support in Brussels. CASCM countries did not benefit from the experience of the EU team in London and remained isolated. The CASCM visit to Brussels in April 2006 and the follow up in November 2006 were rather late in the process to complement the in-country activity.
- 4.44 The effectiveness of **World Bank** engagement has been mixed and dependent on specific programme and project synergies. The responsiveness of individual staff and heads of WB programmes has been a critical factor with changes of personnel on both sides causing some disruption which may have been mitigated by higher level engagement.
- 4.45 The above discussion confirms the view that *coordination* at project/programme level alone is less stable. The process is more effective where there is more complete *harmonisation* as in the Kyrgyz Republic and Tajikistan where DFID investment in the JCSS process has ensured more effective partnerships that have begun to build broader bases of Development Partner involvement with effective harmonisation and alignment involving WHO, UNICEF, World Bank, EC, SDC, ADB, and DFID in Tajikistan and formally ADB, WB, SDC and UN in the Kyrgyz Republic.
- 4.46 Similarly alignment with Governments has been given priority with substantial formal effectiveness in Central Asia (CDS processes) as part of longer term strategic development. In Moldova and South Caucasus relationships continue to be positive with DFID seen as flexible, responsive and supportive. However the effectiveness in terms of DFID's agenda is less clear with the emphasis on aspects of country Objective 1 of the RAP and less effective delivery in Objective 2, and the regional objectives.
- 4.47 The **effectiveness of civil society engagement** has been limited by need to develop democratic social organisation in the post soviet environment and the need for sustainable funding and support. DFID has been unable to deliver the latter in Moldova and South Caucasus though its project level engagement (e.g. PBF Moldova, APSREP and ARDEP Armenia) and small scale investment has been good and are based on sound analysis (INTRAC in Central Asia), relationships maintained by country teams and the GCPP process. In Central Asia more substantial investments have been possible (e.g. VIP, RDP) though the extremely weak and underdeveloped nature of civil society has limited what can be achieved.
- 4.48 The Evaluation found good working relationships with **other parts of the UK Government**. However reactions to graduation from development programmes are

mixed, as the UK has reasons for engaging with countries that extend beyond development. Balancing the range of needs requires good communication especially as working relationships become closer. More sharing of policy priorities would enhance mutual understanding, and addressing the differences in approach to delegation to, and autonomy of locally engaged staff would improve teamworking, especially where the DFID head of office is locally engaged. The networking and insights of DFID SAIC teams could also contribute to a more strategic approach to GCPP.

- 4.49 In conclusion DFID has followed Aid Effectiveness Principles but may have overdone the emphasis (i.e. in Moldova) investing a disproportionate effort in donor coordination given the level of overall investment without being sensitive to the transaction costs. Generally there has been good practice in adopting Paris Principles of harmonisation and alignment linked to exit (Armenia and Georgia) and scaling up (Kyrgyz Republic and Tajikistan). MIC policy has been part of graduation/exit planning though it is unclear how far plans have been shared with other donors. Fragile State understandings have not been as influential, for example the level of emphasis given to Government led processes in The Kyrgyz Republic is a risk given the level of stability and less commitment to alignment at this stage would have been more effective. Similar cautions apply to Tajikistan.
- 4.50 Internally, half yearly ‘In-weeks’, which provided a forum for lesson learning and reviewing the monitoring framework results, focussed on country level frameworks and were used to establish and endorse any changes of direction in programme delivery. At sector level, learning tended to be more project oriented, since it mainly appears to have taken place during project and programme reviews and depended on the extent to which individual advisers exchanged information and ideas. Learning within the department (ECAD) does not seem to have been very strong, for example the engagement with the EC by individual teams does not seem to have been shared. Communication generally has focused on the supply side – conference papers, events, media coverage – with only limited attempts at reputation benchmarking

## Cross Cutting Themes

- 4.51 **Gender** is not overt in any of the governance and institutional interventions. Public Administration Reform (PAR) in particular seems heavily male dominated in terms of consultants and counterparts. The VIP programme in the Kyrgyz Republic and some of the earlier civil society analysis (INTRAC) does take a more gender sensitive approach but even here it could be stronger. **Social exclusion** is more prominent with ARDEP and VIP being strongly poverty focused and the PAR interventions, MTEF and PBP all having a strong pro-poor approach.
- 4.52 **HIV/AIDS** has not been effectively mainstreamed throughout the programme other than in the sub-regional programme in Central Asia. Even here integration within the wider health sector is only at the discussion stage.
- 4.53 **Environmental protection** has been limited to the rural development interventions evident at the beginning of the evaluation period and more recently in VIP and the water supply investments. The delivery on the environment has been at two levels; the operational level where some good practice has been noted as in the environmental appraisal at the start of VIP and the policy level through European initiatives, mainly

with Defra. The latter approach has demonstrated good cross-Whitehall working, closely tied to EC and multilateral strategies. A diverse range of topics were covered including solid waste (Armenia), alignment with the EU Water Directive (Moldova) and environmental management for nuclear waste in Kazakhstan. However, initiatives were mostly environmental ‘bolt-ons’ to existing projects, and hence not very strategic with contractors seeing them as just extra money for the project.



## 5. Development Impact of DFID's CASC M Programme

5.1 In this chapter, the development impacts that the support from DFID has helped to achieve are reviewed and the role of DFID support in strengthening the policy and governance environment evaluated. The overall development performance of countries in the CASC M region is discussed, including progress towards achieving the MDGs and PRSP achievements. The sustainability of the development changes and reforms supported by DFID is assessed along with the likelihood of the agenda being continued by other development partners. Finally the evaluation reviews the value added by DFID through gains in aid effectiveness.

### Impact of the five RAP Objectives

- 5.2 **Objective 1: Governance and the institutional environment for poverty reduction.** DFID has helped CASC M governments to make and implement policy, by primarily focusing on processes. One salient question is to what extent the governments own, and are truly committed to, the package of reforms that DFID and other development partners support. All have publicly stated their intent to pursue Objective 1 and have pushed through reforms, albeit slowly and partially. The impact that this may have on effective policy implementation and eventually, progress towards poverty reduction is hard to measure. There are nonetheless claims that improved governance has translated into higher economic growth in the region. Overall, however, implementation capacity remains very weak and longer term investment is required.
- 5.3 Evidence of the contributions made by DFID includes the fact that MTEFs are in place, pro-poor budgeting models are being adopted in all five countries, and progress in administrative reform in Moldova and Armenia has been made. There is also evidence of incremental improvements in governance and institutional capacity in Moldova, Armenia and the Kyrgyz Republic. Based on RPE visits, ARs and Country Results Frameworks (CRFs) there is evidence of impact in terms of service delivery in health and water in the Kyrgyz Republic and emerging evidence in Tajikistan.
- 5.4 One of the most tangible impacts that government counterparts specifically identified in the PSR interventions was DFID's contribution to *changing mindset* and *introducing new ways of working* within public administration. As one senior official said 'Ministries may be re-organised every 5-10 years, yet old habits remain entrenched, and patronage and clientelism continue'. Although organisational changes may be necessary (and this is often where there are the most delays – because of vested interest and lack of political will), what is needed in CASC M countries is a stronger focus on raising awareness, introducing new tools, and changing mindset. Hence, the main success of the APSREP has been linked to its work on redefining the role and responsibility of the country's civil service. All government counterparts involved in DFID programmes highly appreciated the series of seminars held during the implementation of the project – especially those involving regional exchanges – as well as the provision of guidelines and other written materials.
- 5.5 There is evidence of impact under **Objective 2: pro-poor growth**, from the rural and regional development programmes developed during the CSP periods when for example, S-RISP contributed to the establishment of 1285 new rural businesses; a 40%

average increase in incomes for owners of new rural businesses; creation of 12 permanent Third Party Arbitration Court (TPAC) offices; and the establishment of 12 new Savings and Credit Associations. It was a resource intensive 'project-shaped' model that was difficult to take to scale and that did not lend itself to making sufficient regional social and economic policy impact. Subsequently there has been less impact as the programme under this objective has declined.

- 5.6 The slow start to the regional development initiatives (ARDEP in Armenia and Moldova), which as noted focus more on governance reform than growth, and the limited growth impact of the civil society initiatives (VIP in the Kyrgyz Republic) have resulted in little significant contemporary impact with respect to the growth objective.
- 5.7 The key impact of **Objective 3: resolution of conflicts and peace building** is at strategy level with cross Whitehall management of GCPP. Otherwise impact is at the individual GCPP project level; However, there are no specific indicators in places to show process impact at this project level. UK inter-departmental linkages (MoD, DFID and FCO) and the development of common approaches through the GCPP have been exemplary. The danger is that graduation to a watching brief only and/or the 'regionalization' of instruments and staff inputs may result in setbacks in-country. Lessons derived from the specificities of Moldova and South Caucasus may not easily translate into new approaches within bilateral programmes in the Kyrgyz Republic and Tajikistan. Nevertheless, at the policy level (conflict analysis and the newly developing monitoring tools) the GCPP has the potential for lasting impact.
- 5.8 For the first regional issue and **Objective 4: HIV/AIDS**, the number of people (IDU, sex workers and their clients and Men have sex with Men (MSM)) actually benefiting from prevention and treatment services provided are quite small compared to the estimated number of these sub-populations. Also antiretroviral (ARV) therapy is not available in most countries, meaning that HIV positive IDU, sex workers and MSM, mostly do not have access to ARVs. In terms of policy and strategy development, CARHAP/DFID has been able to influence the national strategic plans for HIV and AIDS so that harm reduction has been reflected in the plan. DFID also has been able to influence the Global Fund (GF) and WB projects through the provision of TA and through participation in the development, management coordination bodies and supervisory activities of these programmes.
- 5.9 Wider impact across the region has suffered through the failure to mainstream HIV/AIDS beyond Central Asia. With respect to health more generally, whilst as the delivery of basic services this falls under Objective 1, it is appropriate to mention here that it is questionable how much the sector support to health in the Kyrgyz Republic has impacted on health outcomes. However, the health sector reforms have contributed to improved accountability and responsiveness and the health SWAp in the Kyrgyz Republic is a model for the rest of the region. DFID, together with other development partners, has been instrumental in reaching this stage of a national owned health strategy, donor harmonization, and a joint Monitoring and Evaluation (M&E) framework. However DFID made a strategic choice to support a sector wide approach in this sector as it was more open to collaboration and had less problems with corruption than other sectors.
- 5.10 Under the second regional theme, **Objective 5: regional trade and cooperation**, there is little impact in either. Despite the key role of regional rural development work and

more recently the reported successful role in Brussels (see RAP Monitoring Report 2006) the limited investment of resources, and blocks to regional links have prevented much impact.

## **Policy and Governance Environment**

- 5.11 The main international data sources that can be used to monitor progress under governance are the World Bank's International Development Association Resource Allocation Index (IRAI, formerly CPIA). Other sources include the World Bank's Doing Business Report and Transparency International's Corruption Perception Index (TI CPI), International Monetary Fund (IMF) Country Reports, as well as Public Expenditure Reviews (PERs) and PEFAs.
- 5.12 Evidence from these sources suggests that the heavy investment in governance and public institutional frameworks may have resulted in some capacity improvement. The new TI CPI report shows improvements for CIS states where EU accession has made an impact. This is the case of Armenia and to a greater extent Georgia however the CPI scores for Moldova, Tajikistan and the Kyrgyz Republic have marginally declined. Other indicators, confirmed by discussions during the evaluation, suggest that the policy and governance environment is improving as a result of the effect of increased alignment and harmonisation, both strongly advocated by DFID. Beyond this it is difficult to attribute impact in this area to the DFID interventions.
- 5.13 Overall the policy and governance environment in Moldova, Armenia and Georgia is heavily influenced by the possibility of EU accession and neighbourhood status whereas in Central Asia it is informed by the regional roles of Russia, China and the group of western development partners.

## **Progress towards development outcomes, MDGs, and PRSP achievements**

- 5.14 Given the size and scale of the DFID programmes in all the CASC M countries it is unwise to attribute any progress towards major development outcomes. As set out above it is possible to identify impacts under all five objectives where the DFID contribution is significant. In particular the impact of the governance and institutional support under Objective 1 is evident in all five core countries and wider impact in the health sector, as a consequence of alignment and harmonisation efforts, is evident in Central Asia. DFID is punching well above its weight. However the stage of development, particular contextual issues, the decisions to graduate from most of the region, and the relative size of the DFID programmes all mitigate against DFID being able to claim to have made a major contribution to development overall.
- 5.15 Reporting against MDGs in the CASC M region brings a number of problems. These are discussed in an ECAD How to Note<sup>31</sup>, and are summarized in Box 3. There are four main sources of information used to report progress: countries' own MDG Progress

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<sup>31</sup> ECAD (Sept 2006). How To: Report on Progress Towards the Millennium Development Goals, in Europe and Central Asia. DFID.

Reports – these do not facilitate regional comparisons as targets are nationalized; the World Bank Europe and Central Asia (ECA) department's assessment<sup>32</sup> - these do permit comparisons, but are based on single indicators per target; the UN Statistics Division MDG statistics<sup>33</sup>, which are patchy in places; and annual assessments made by DFID's Country-Led Approaches (CLEAR) team, using these and other sources – these are designed for internal decision making purposes, not publication.

5.16 Figure 3 shows the summary from the World Bank assessment of progress. Further detail of the data on achievements is given in Annex 12.

### Box 3: MDG reporting CASC M

In summary, the problems for reporting progress towards MDGs in region are:

- Using a 1990 baseline conceals a period immediately after this when social indicators dipped dramatically. Also the CASC M countries were then soviet republics, and soviet statistical systems did not measure MDG-type indicators. Data continues to be unreliable in some countries
- Being a region with very cold winters, a higher poverty line (e.g. \$2/day) is needed to account for heating and other costs
- Gender inequality is skewed against men in some places for some indicators such as life expectancy and post-primary education
- The HIV/AIDS indicators are more tailored to epidemics driven by sexual behaviours and are less relevant for the concentrated epidemics in Central Asia where transmission is primarily through injecting drug users.

5.17 The key headline is that none of the CASC M countries except Azerbaijan is likely to halve poverty by 2015 (MDG1). The lower income countries face particularly difficult challenges in achieving the MDGs<sup>34</sup>. Notably, Moldova is unlikely to meet four MDGs, Georgia five and Tajikistan six.

5.18 The health MDGs present the largest challenge. The region is facing a rapid increase in HIV/AIDS, as well as TB. Denial, stigma, and the institutional challenges of providing services to marginalised and vulnerable groups remain serious obstacles to progress in stemming the numbers of people living with, and dying from AIDS related diseases. As Box 3 explains the primary HIV/AIDS indicators do not reveal the depth of the epidemic in the region, but infection rate data shows the scale of the problem in Moldova<sup>35</sup> and Uzbekistan.

5.19 The most encouraging achievements are for the MDG3 - gender equality in education. This is due to the tradition in the region of equal access to education and does not seem directly related to any development partner activity.

5.20 MDG performance is clearly poor across the region. In the short term the DFID support to governance and institutional capacity will not have an immediate impact on the delivery of basic services. Only the HIV/AIDS interventions can be expected to contribute to improvements in the expected MDG outcomes. It is more likely that

<sup>32</sup> World Bank (2005). MDG Progress and Prospects in Europe and Central Asia.

<sup>33</sup> <http://mdgs.un.org/unsd/mdg/default.aspx>

<sup>34</sup> World Bank (2005)

<sup>35</sup> Where DFID isn't involved in HIV/AIDS

DFID's investment in alignment and the development of strong pro-poor CDS and budgeting systems will contribute to change in the longer term.

**Figure 3. Prospects of CASC M countries achieving the global MDGs**

	MDG1	MDG2	MDG3	MDG4	MDG5	MDG6	MDG7
	Income poverty	School enrollment	Gender equality in school	Maternal mortality	Maternal mortality	HIV/AIDS, malaria and other diseases	Water access
Armenia	Orange	Green	Green	Orange	Orange	Red	Orange
Azerbaijan	Green	Orange	Green	Orange	Orange	Red	Orange
Georgia	Red	Red	Green	Red	Red	Red	White
Kyrgyz Rep	Orange	Orange	Green	Orange	Red	Red	Orange
Kazakhstan	Orange	Green	Green	Red	Red	Red	Orange
Moldova	Orange	Red	Green	Red	Orange	Red	Red
Tajikistan	Orange	Red	Red	Red	Red	Red	Red
Uzbekistan	White	Green	Green	Green	Orange	Red	Orange

	MDG target likely to be achieved
	To difficult to tell whether MDG target will be achieved
	MDG target unlikely to be achieved
	Inadequate data to tell whether MDG target will be achieved

Source: World Bank (2005). MDG Progress and Prospects in Europe and Central Asia<sup>36</sup>.

- 5.21 As discussed above support to the development of pro-poor policy and budgeting has been a priority across the region. The impact in terms of PRSP progress (Annex 9) cannot be attributed solely to DFID inputs but given the emphasis and the specific focused TA and other support, together with the role played by DFID in coordinating with other development partners, their role is clearly significant.
- 5.22 Table B of Annex 9 shows not only the progress achieved in each country but also the role of DFID. This evidence confirms the conclusion drawn earlier in the evaluation that this was a critical strategic contribution of DFID. It also suggests that progress with PRSP and related budgetary and administrative reforms is a major impact of the DFID CASC M programme overall.

## Sustainability

- 5.23 Sustainability within the CASC M region needs to be looked at from two perspectives. For those countries expected to graduate in the foreseeable future the concern is with maintaining continuity; firstly through other development partners providing future support that builds on and extends what the DFID support has achieved, as well as DFID continuing to provide support through multilateral channels, notably the EC. In those countries where DFID expects to continue to provide bilateral programme support beyond the CASC M RAP period (Central Asia) sustainability needs to be seen

<sup>36</sup> Turkmenistan is not reported on here.

in terms of the viability of the continuing programme and the sustainability of the impact of specific interventions.

- 5.24 In Moldova, Armenia and Georgia government capacity has been built through project interventions and there seems a sufficient degree of stability at senior levels for this to be sustained. However the slow start to some work (e.g. ARDEPs) is putting substantial pressure on the remaining time and it is doubtful whether significant capacity will be built to be sustainable. Some linkages to EC and WB projects are in place but the different modalities and styles of TA may limit the transfer of knowledge and skills and thus sustainability.
- 5.25 There is a risk that things could be left unfinished when DFID wraps up its programmes. Some tools (MTEF, PBP, M & E) have just been introduced and need to be tested and adjusted to the country's context. In other cases the scaling up of the reform agenda (e.g. APSREP) as the programme draws to a close may have been overambitious and certainly requires planned and coordinated integration with any future support. Without access to international expertise, the slow but steady transformative process may stall. Handing over DFID's programmes (and the country and project management experience) to other development partners is essential.
- 5.26 In the Kyrgyz Republic and Tajikistan the reforms are yet to show major impact but the expected continued involvement of DFID will build sustainability if the degree of harmonisation is maintained and the political fragility does not disrupt the political leadership and bureaucratic capacity. Both programmes show a thoughtful and strategic development of programme support that is giving high priority to the principles of alignment and harmonisation. More investment in civil society and the application of lessons from other fragile state programmes will ensure that both programmes continue to develop effective and sustainable pro-poor support.
- 5.27 Overall knowledge and know-how transfer needs to be institutionalised for TA to have a sustainable impact. In most CASC M countries, local experts are unlikely to stay in public administration after the project comes to an end. This is because there is little incentive for them to stay (low salary and no merit-based promotion system). In many CASC M countries, TA projects drive public policy. This means in effect that local administrative capacity to make and implement policy has not necessarily improved.
- 5.28 Most programmes have tried to work on institutional development through training and organisational changes. A good example is the Policy Development Group at the Ministry of Finance in the Kyrgyz Republic where civil servants are selected to work on policy issues on a rotating basis. Organisational changes such as APSREP can also be beneficial.
- 5.29 For PSR and PFM programmes to have a sustainable impact, DFID and other development partners need to stop avoiding some of the structural issues. Public administration in many CASC M countries will remain weak unless it can attract highly-qualified and motivated people. This means providing higher salaries. This is all the more pressing given that the next generation of young people is likely to be less well educated than former generations, as a result of a decline in education standards. Another challenge is corruption. Tighter budgeting procedures and tracking, as well as automation, can support the reduction of institutionalised corruption but ultimately behavioural changes are needed. On low salaries, civil servants will continue to seek

other means of livelihood, and when possible use their position to make extra revenues. Schemes which involve some topping up of salaries by donors can be considered.

- 5.30 The impact of supporting advocacy, accountability and voice activities by civil society has been significant and could be sustained, if efforts are made to disseminate their work. CSOs are often urban, elite-based and close to governments. Identifying independent CSOs is crucial and their effort to make the government more responsive, transparent, and accountable should be encouraged. Development partners including DFID, by promoting inclusive dialogue around PRSP and EU Action Plans, have created new channels of communication which include CSOs.
- 5.31 These efforts towards sustainability focus attention on the graduation and pre-graduation process. Preparing for the closure of a programme should start as earlier as possible. Rather than winding down towards the end there is often a need for increasing involvement – in particular the presence of UK appointed staff to ensure leadership and visibility in the transition process. In Armenia and Georgia the graduation planning has been very effective particularly in communicating the decision to government and in preparing for the practical processes of ending projects/programmes, closing offices and addressing human resource issues. However, more could have been done at the strategic level working with partners to ensure continuity at the strategic level and sustainability in the critical areas of DFID impact. For example strengthening the future EC relationships, and raising strategic questions about subsequent phases of work which will now be developed without DFID involvement. A more comprehensive and strategic graduation plan and process – including actions at project, programme and strategic impact levels - would ensure all these challenges are met.
- 5.32 The evaluation found more uncertainty amongst development partners than within government. Clearly seeing DFID preparing to graduate raises questions about the rationale for their own programme as well concerns over who or how the DFID ‘void’ will be filled. Giving time to address these issues in a sensitive way with relevant DFID involvement presents another opportunity to ensure continuity and sustainability, not just of interventions but also of ideas and approaches.
- 5.33 With government there are possibilities to celebrate the transition and use that process to give messages and reach agreements leading to lesson learning and discussion around policy issues as a way of building for the future as an ex-bilateral donor.
- 5.34 These suggestions around graduation fall naturally out of this evaluation since the decision and process have been such an integral part of the RAP period. Sustainability of the UK interest in the region since the post soviet support began in the early 1990’s and DFID’s development contribution in particular has a wider regional dimension and presents a further opportunity for CASC M learning and transition beyond country level graduation.

## **Gains in Aid Effectiveness**

- 5.35 Aid effectiveness can make a major contribution to sustainability ensuring project and programme continuity through support from other development partners and ensuring synergies amongst development partners around common policy agreements reached with governments. In the case of CSACM where DFID expects to graduate from three

of the five countries in the near future it is project and programme sustainability that may be most significant alongside the maintenance of a strong policy relationship with the EC. Wider investment in harmonisation may not be as productive especially given the limited number of development partners present. Tajikistan and the Kyrgyz Republic are different as DFID and other development partners notably the World Bank and ADB are likely to remain engaged for longer. Here sustainability and impact can be enhanced through effective harmonisation, alignment and other Paris principles.

- 5.36 DFID has played a significant role in leading the development partner interest, harmonisation and alignment in the Kyrgyz Republic and effectively facilitating the process. This has been very successful with little evidence of any negative reaction. Tajikistan is beginning to move in a similar direction. The UK appointed heads of office and the longer timeframe are features of both programmes and the aid effectiveness gains are significant and can be built on.
- 5.37 In the remaining three countries DFID has been a strong voice for harmonisation and has committed resources but no clear leadership seems to be emerging and continuity is a worry, as is the level of investment as the programme draws to a close. In Moldova the evaluation considered that the investment in coordination and harmonisation may not have been fully justified or cost effective. In Armenia and Georgia staff changes have disrupted relationships but the DFID role is still critical.
- 5.38 DFID has been an advocate for a Paris based approach at country level within the region amongst other development partners both bilateral and multilateral. This contribution has been complemented by engagement with the EC and with EU member states. ECAD has not always worked in a fully coordinated way around this aspect of aid effectiveness and the good practice at country level especially within CASC M does not seem to have been drawn on sufficiently. Just as the evaluation began with questions about the nature of the region as a coherent geographic unit we conclude with questions about the degree of country, region and department links and the synergies these bring to aid effectiveness in this unique and fascinating context.
- 5.39 Overall we conclude that in a diverse context of small country programmes a strict adherence to Paris principles needs to be balanced with a sense of proportionality and an awareness of the timeframe of DFID's engagement. Where engagement is likely to be of limited duration shorter term goals that relate directly to programme impact should have priority. Where a longer term relationship is expected then alignment and harmonisation may be given more emphasis but even here they need to be balanced with other policy considerations – notably the range of wider development partner involvement, the degree of political and development fragility, and the approach to poverty reduction. Given the role of the EC and other EU member states in all CASC M countries a more strategic approach to aid effectiveness with a stronger European perspective would have been advisable with stronger leadership from the London team around the approach to aid effectiveness and the implications from programme direction.

## 6. Lessons and Recommendations

6.1 This final chapter draws on the evidence of the evaluation as presented earlier in the report to highlight the strengths and weaknesses of the DFID CASCM Programme, the lessons that have emerged and to make recommendations for the CASCM team as the programme reduces, the wider ECAD management as it takes forward DFID's support within this region and others within DFID with responsibility for similar programmes.

### Strengths of the DFID CASCM Programme

6.2 The CASCM programme has achieved a great deal in a relatively short period with a reducing set of partner countries and priorities. During some fifteen years from the break up of the Soviet Union to the present support has been provided to the group of emerging independent countries. Over the five years of the evaluation the programme focus on the remaining five countries has reduced further as DFID has concentrated on improvements in social and economic performance with a pro-poor perspective.

6.3 The key strengths identified by the evaluation include:

- **Some excellent practice at country level** – competent and capable staff in country offices supported by technical and policy expertise through advisers and consultant TA. Clear evidence of value for money at the country level.
- **Strong project management skills** in London and the country teams that have ensured effective delivery of a range of project interventions.
- **A valiant attempt to use a results based framework** for the RAP that has been monitored and reported against consistently with the framework used as the basis for some lesson learning.
- **A clear country led approach** being adopted across the region grounded in the alignment principle of responding to partner government led agendas.
- **Strong, honest and open relationships** developed with partner governments and development partners. Early warning of and clear communication around graduation decisions have been given well in advance and have been understood and accepted – if reluctantly by some.
- **DFID is valued for its flexibility and its ability to respond** to other development partner agendas. This includes its ability and willingness to support analytical work and in health, the challenging aspects of HIV/AIDs.
- **A good record of working with Other Government Departments** especially, but not solely, through the GCPP process. DFID is particularly valued for its conflict analysis regionally and within the GCPP partnership.
- The CASCM programme has included **some exemplary practice that can inform other MICs/small scale programmes**. These include flexibility, country focus, strong government engagement and a select and limited range of

interventions. The latter clear and well targeted interventions that are time bound and effectively delivered have often achieved an impact beyond the scale of DFID's programme.

## **Weaknesses of the DFID CASCM Programme**

6.4 Areas where the evaluation found room for improvement and challenges not adequately met include:

- **The concept of the 'CASCM Region' proved aspirational and was never realised.** The emphasis on a country and project approach resulted in the synergies, lesson learning and complementarities of the region not being fully developed or realised.
- **The over complex nature of the results framework, limited ownership by the team, and the lack of application at management level reduced its impact.** However the sustained attempt to apply a model that was able to be implemented across the region did yield lessons that can be applied to similar regional programmes.
- **Harmonisation needs to move beyond joint projects.** The influencing role with other Development Partners could have built more on the resources within ECAD and on cross regional experience. In some cases excess effort was put into donor coordination and in others sustainability of investments were not ensured.
- **The involvement of advisers in London in regional and country development has not always been well structured** resulting in differential support and weak communication. Staff turnover has also impacted on communication and programme effectiveness
- **Country engagement could have been even better with more cross region learning and linkages** including increasing understanding of cross border concerns such as migration – of particular importance when considering the transmission of HIV/AIDs and in addressing conflict.

## **Lessons**

6.5 The main lessons identified are:

- 6.5.1 **A strategic mix of specific, well targeted interventions appears to be the most effective way of delivering aid in small country programmes.** These interventions including joint donor strategy; small scale strategic impact funds; stand-alone programmes and policy influence; are best implemented by DFID directly with selective consultancy support. Relationships and continuity are more important than in larger programmes and this should be taken into account in assessing administrative costs and staffing.
- 6.5.2 **Early graduation planning builds a positive atmosphere for exit and effective strategies for continuity.** Good practice includes honest and open dialogue with

Government and development partners, attention to the sustainability of strategic interventions and impact as well as project level continuity, and effective engagement with the multilateral agencies that will be the vehicles for continued DFID investment. The continuity of the policy level relationship directly and through multilaterals needs more attention than project and office closures. Graduation is most effective where it is seen as a strategic process and managed accordingly.

- 6.5.3 **SAIC staff can be very effective professionally and are cost effective but they need consistent support and supervision if these benefits are to be optimised.** Direction and delegation of authority can be undermined if approaches to working with local staff are not consistent within DFID and across Other Government Departments. Ensuring SAIC colleagues are full team members with the knowledge and understanding to represent and influence effectively makes a significant impact on programme performance.
- 6.5.4 **Small in-country teams comprising a mix of SAIC and UK staff with delegated authority are cost effective and deliver significant impact.** Such teams can have greater potential than UK based teams especially given the capacity to work flexibly, responding to local demands. This requires sensitive and effective management support from colleagues in London.
- 6.5.5 **Well regarded implementing consultants promoting DFID objectives can add technical strength to SAIC offices without advisers.** Management of small country programmes with SAIC leads in country works well at project level but less so at more strategic levels where regular support and supervision is essential.
- 6.5.6 **Adviser capacity can be over-stretched where their responsibility covers a significant number of small country programmes.** More flexible working, team working, and increased attention to policy level working, influencing, and the development and maintenance of strategic partnerships is essential.
- 6.5.7 **Stand alone programmes are effective for targeted specific technical changes, less so for more complex and lengthy strategic development** – such as Public Sector Reform – which requires joint donor activities and longer term engagement for extra leverage. A platform approach to PSR, as currently being tested in the Kyrgyz Republic, seems to allow for adequate sequencing of reforms and government buy-in.
- 6.5.8 **Lessons from good practice at country level (e.g. around harmonisation in the Kyrgyz Republic, PAR in Moldova and Armenia, regional development in Armenia) have been significant and meaningful.** There are excellent examples of counterpart learning at individual and systemic levels; influencing and developing donor partnerships; and engagement at policy level. These lessons should be recorded and disseminated as part of regional/departmental learning.
- 6.5.9 **Political will is essential where investment and presence is limited.** In the absence of government buy-in focus on projects and programmes that can stand alone and guarantee some success. Development partners including DFID should consider whether they should step back from ambitious corporate objectives in such cases and provide assistance only where there is strong (and genuine) government demand.

- 6.5.10 **PSR in transition countries is not a ‘one size fits all’ approach.** Similarities in PSR approaches in CASCAM point to the replication of similar models and suggest that previous lessons learnt, context or appropriateness of models have not been taken into account. A deeper appreciation of the political context and history together with an awareness of the political economy and political processes is required during design and implementation.
- 6.5.11 **Strategic Funds (SIF in CASCAM) can be effective levers in small country programmes.** CASCAM has demonstrated some successes though there can be a risk of NGOs becoming dependent on the small SIF grants.
- 6.5.12 **In emerging/young democracies** support for civil society to develop systems, processes and skills for accountability and responsiveness in service delivery and wider governance processes requires more sustained investment.
- 6.5.13 **Conflicts are local and specific; regional approaches are not always relevant.** More local (sub-regional) analysis, integrated planning, and coordination around specific country level inputs would be an asset.
- 6.5.14 **Sector wide approaches can be successful even in difficult contexts and benefit from sequenced and integrated development with bespoke supportive TA –** demonstrated by the Health SWAp in the Kyrgyz Republic in combination with HPAP. It would be useful to explore the importance of HPAP for the success of the SWAp and whether similar HPAP projects should be developed alongside SWAPs.
- 6.5.15 If a ‘region’ composed of a number of small country programmes is to be more than an administrative unit then **the synergies, diversity and socio-economic links need to be more effectively taken into account not only in developing regional plans and strategies but also in the management of the programme.**

## **Recommendations**

- 6.6 The recommendations arising from the evaluation can be grouped under four broad headings – managing graduation and exit; graduation policy; working with MICs and small programmes; and recommendations for the team managing the CASCAM region as it moves to a new phase.
- 6.7 **To improve the Management of Graduation and Exit we recommend that managers in DFID offices and programmes approaching graduation:**
- Plan and begin the graduation or exit strategy at least three years in advance as this fits with programme cycles and ensures effective resource management as well as early attention and engagement with Government and other partners.
  - More emphasis should be given to engagement with Government and Development Partners in preparing for graduation at country, strategic, and impact levels in addition to individual project and programme planning.
  - Manage the budget as graduation approaches in an effective way, maintaining/increasing the level of investment and utilising resources to ensure

policy level continuity, linkages with future multilateral; projects/programmes, support for joint programmes, and high profile exit vehicles.

- Strengthen, mandate, and support country offices to focus on the graduation process as a priority. As graduation approaches additional staff resources focused on ensuring continuity and building policy synergies with multilateral partners may be required – the assumption of a ‘wind down’ as programmes reduce can undermine the benefits of past investments.
- Use management links to multilaterals (i.e. ECAD links to EC in the case of CASCAM), regional experience and other DFID entry points to support the process.

**6.8 To improve graduation policy we recommend that DFID senior management:**

- Strengthen capacity for policy advocacy towards multilateral institutions before, during and after graduation. Although DFID will continue its support to MIC countries through its multilateral contribution, there is a strong scepticism in some CASCAM countries that multilateral institutions will not fill the gap that DFID leaves behind. Addressing these concerns is part and parcel of effective graduation.
- Acknowledge that poverty is multi-dimensional and that the level of national income alone is not representative of a country’s state of development. Graduation strategy should be adjusted accordingly to take into account MDGs and DFID’s overall recognition that poverty is a multidimensional problem.

**6.9 To support work with MICs and regional groups of small country programmes we recommend that DFID geographic departments:**

- Develop a range of policy/impact indicators not just the MIC status to track progress as a country approaches MIC – income poverty, inequality, civil society development, democratisation and participation. This will ensure that the programme reflects actual needs and decisions are based on a comprehensive view of current and future development.
- Keep to a country focus and engagement with development partners rather than high cost involvement in harmonisation structures for developing influence and policy leverage – a value for money approach – especially where graduation is likely to be a short-medium to term possibility.
- Refrain from frontloading aid money through budget support or large technical assistance projects unless there is enough guarantee that such interventions will support greater efficiency and effectiveness.
- Take a strategic and flexible approach utilising small scale (e.g. Strategic Fund) investments and project level opportunities that have clear and specific impact.
- Use partnerships to effectively maximise investment, achieve leverage and build for the sustainability of programme objectives.
- Develop simple output based monitoring systems for regional strategies, learning lessons from the CASCAM RAP monitoring framework, integrating them with other reporting cycles related to the Directors Development Plan and Public Service Agreements, with lines of accountability at management level clearly defined.

**6.10 Specific to the CASC Region we recommend that the CASC Team Leader/Head of ECAD:**

- Commission a study and lesson learning exercise for the group of Regional Development Programmes that builds on their experience and the collective insights from this approach to pro poor growth.
- Focus on preparing for the transition (through linkages to EC and WB projects) and policy continuity in Georgia and Armenia, rather than just the practical aspects of project administration and office closure; resourcing the country team to deliver the sustainability of DFID's contribution at objective and strategic level not just the effective closure of project interventions.
- Review and revise the Moldova graduation/exit plan now with a stronger focus on strategic engagement, the continuity of DFID objectives and sustainable investment through multilaterals.
- Develop a strategy for the continuity of support for the Central Asia programmes in Tajikistan and the Kyrgyz Republic taking account of the fragile state context and the sub regional linkages in addition to the pro-poor country led model that has been established. The strategy should address the need for appropriate management beyond the CASC/ECAD era with a long term commitment to scale up support.
- Appoint a sub-regional coordinator to oversee and monitor conflict within CASC as part of the GCPP implementation learning lessons from similar approaches elsewhere and linking to wider DFID and Other Government Department policy and programme activity at country level.

## **7. Management Response**

- 7.1 We welcome the main findings of this evaluation and they have already influenced our planning in the Europe and Central Asia region. In particular we welcome the confirmation that our programme objectives were relevant to the countries covered, and that the quality and impact of our programme management and country level work are high. We are pleased with the confirmation that we have maintained strong and open relationships with governments and partners, and also across Whitehall. This is reflected in examples of policy influencing and joint working. The report also confirms the value for money of our relatively small programmes using modest programme and human resources.
- 7.2 The report's comments that the concept of a CASCAP RAP region was aspirational are fair. These countries are separated by large distances and political and cultural contexts. But they face similar challenges in terms of building effective states and moving towards functioning market economies. Hence the shared objectives were appropriate. However the programme was not truly regional in its approach and we agree that that the RAP Monitoring Framework was over-ambitious. Looking beyond the RAP period, we are developing new strategies in Moldova and Central Asia which take account of the lessons learned from this evaluation as well as some key recommendations.
- 7.3 The report provides useful advice on country graduation issues. We accept that the emphasis as graduation approaches should be on programme sustainability and working closely with donor partners. We agree that programme management issues should not dominate preparations for graduation, although in practice there is not necessarily a rigid distinction. Since the evaluation we have made encouraging progress in Armenia on this issue and are working to ensure similar success stories elsewhere.
- 7.4 We do not accept the observation that graduation decisions were dominated by progress towards MIC status. DFID has a corporate commitment to spend 90% of its money in Low Income Countries (LICs). When a country is approaching MIC status, we make judgments over whether UK bilateral support should continue. We consider a range of indicators, including governance, social dimensions, comparative advantage and other donor activity, particularly the multilaterals.
- 7.5 We also believe that the lead-in time for graduations should be decided on a case by case basis and we do not accept that resources should automatically increase in the run up to graduation. What we increasingly try to do is ensure that our existing staff strike the right balance between managing the administration of exiting and managing relations for sustainability.
- 7.6 We consider the comments that we ignored Russia's regional impact to be overstated. Some attempts were made to address this issue but we accept that progress was limited. We have since refocused our attention on this agenda via our new approach to our partnership with Russia.
- 7.7 The report's comments that we neglected the RAP's pro-poor growth objective does not take full account of our work in the region. For example, we are supporting regional development programmes in all five countries. These aim to promote growth in more deprived areas. The report does not take full account of our work with the European Bank for Reconstruction and Development (EBRD) in the region either. For example, we actively support the EBRD's Early Transition Countries Initiative which promotes private sector development in all CASCAP countries.

- 7.8 We would have liked the report to have said more about our strategies for increasing our engagement with the European Commission to promote aid effectiveness. This is central to our approach in the European Neighbourhood countries in particular.
- 7.9 We accept that we have not implemented the original RAP objective of mainstreaming HIV/AIDS in all our programmes. This is because we took a decision to focus on Central Asia where the epidemic is fastest growing and where key sections of the population can be targeted. Similarly the RAP trade objective was not pursued because early in the RAP period we concluded we did not have a comparative advantage in this area.
- 7.10 We are currently developing a new strategy for Central Asia, taking account of fragile states contexts and sub-regional linkages. We have already strengthened our in-country staffing and devolved the management of our programmes from London to country offices in support of this.
- 7.11 The report's recommendation for a sub-regional conflict coordinator is already being taken forward in the South Caucasus through the Conflict Prevention Pool mechanism.
- 7.12 The report makes a number of recommendations for Middle Income Countries and small bilateral programmes which are helpful. We endorse the recommendations on small scale strategic impact funds and the building of partnerships. The report advises against budget support and large TA programmes in small countries. We acknowledge the need for caution, although we have found that this can sometimes be a useful way of engaging with key reform programmes and in developing constructive relationships with the multilaterals. We also recognise the need for caution in becoming too involved in promoting aid effectiveness principles, especially where staffing resources are limited. However, donor harmonisation is at the heart of our approach in Central Asia, in line with fragile states working principles.

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## ANNEX 1: TERMS OF REFERENCE

### EVALUATION OF DFID COUNTRY/REGIONAL PROGRAMMES - 2007-08

#### 1. Introduction

- 1.1 DFID's performance management system is supported by periodic independent evaluations at project, programme, sector and thematic level. Evaluation Department (EvD) carry out four to five Country or Regional Programme Evaluations (CPEs or RPEs) annually. These terms of reference (ToRs) set out the scope of work for the 2007/08 period.
- 1.2 The C/RPEs provide important accountability and lesson learning functions for DFID. The primary audience for the evaluations is the UK government and DFID senior managers including heads of country offices. All evaluation reports are published externally.
- 1.3 Countries/ Regions proposed for evaluation in 2007/08 are Central Asia, South Caucasus and Moldova (CASCAM) region, Pakistan, West Balkans Region, Zambia and Sierra Leone. Each evaluation will use the countries' most recent Country Assistance Plans (CAP)/Regional Assistance Plans (RAP), and related policy documents.
- 1.4 While country-led approaches are central to the way that DFID works, socio-political and environmental contexts will influence the progress and form of the development process. The C/RAPs articulate the country offices' plans for operationalising corporate objectives within the country context, and in most cases they will build upon or reflect the national Poverty Reduction Strategy Paper (PRSP). These plans are therefore the logical starting point for the evaluation.

#### 2. Overarching objectives

- 2.1 The main objectives of the country programme evaluations are to assess:
  - Country strategy and links to poverty outcomes and DFID's corporate objectives
  - Choice of aid instruments, other interventions and aid effectiveness
  - DFID's role as a development partner
- 2.2 The C/RPEs will assess the DFID country/regional programmes in terms of standard criteria although these may be customised to a degree for individual studies. The generic evaluation matrix can be seen at Annex A37. It is based on DAC evaluation criteria and considers:
  - The **relevance** of country programme objectives and the logic behind them, given domestic policy objectives for poverty reduction, as well as DFID's own corporate level objectives
  - The **effectiveness** of the overall programme in achieving the objectives set out in the country strategy, including DFID's choice of aid instruments, harmonisation with other stakeholders, policy dialogue and influencing
  - The **efficiency** with which programme plans are translated into activities, including human resource and office management, collaboration and harmonisation with other stakeholders, policy dialogue and influencing, the use of financial instruments
- 2.3 And to the extent possible:
  - **Sustainability** – are the reforms/ changes supported by DFID's country programme moving in the right direction and are they likely to be sustained? Has local capacity been built? Has transparency and accountability improved?
  - **Outcome** – What did the country/regional programme achieve the objectives set? Did the positive outcomes DFID achieved justify the financial and human resources used in the programme?

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<sup>37</sup> Annexes to the ToRs are not attached. The Matrix for the CASCAM RAP follows as a separate annex.

- **Attribution** – Given the direction of travel and external factors, overall how far did the country/regional programme make a positive contribution to poverty reduction? How good a development partner was DFID?
- The success with which the programme had mainstreamed the cross-cutting issues of poverty, gender, HIV/AIDS and environment in all of its activities. What were the variables influencing the process of inclusion? What was the impact on the achievement of wider programme objectives?

### 3. Methodology, Outputs & Timing

- 3.1 The consultants will produce one study report and executive summary for each country or region. The report shall be approximately 30-40 pages long (excluding annexes) and will include lessons and recommendations for both the country programme and DFID corporately. The evaluation summary (EvSum), should be approximately 4 pages, and will include the response from the relevant DFID office/Department, which EvD will obtain.
- 3.2 The other outputs required from this contract include:
- Inception reports detailing the way in which each individual C/RPE is to be carried out and showing the customised evaluation matrix.
  - A presentation of preliminary findings to country offices before the end of the fieldwork for each study.
  - A publishable synthesis report pulling together findings across individual C/RPEs; this may cover all countries in the year, but is likely to attempt to synthesise like-studies (e.g. regional programmes or ‘fragile states’).
  - DFID also requires access to the evaluation team’s interim evidence summaries, e.g. completed matrices, although it is not expected that these should be of publishable quality.
- 3.3 Each evaluation will involve an ‘inception visit’ and ‘fieldwork mission’. EvD and the consultant team leader will undertake the inception visit. A team of 3-6 consultants will undertake the fieldwork, generally involving up to 3 weeks in each country/region. In the case of regional programmes, the inception phase may be undertaken in the UK and the fieldwork may be organised a little differently to visit a number of countries.
- 3.4 The ‘inception visit’ has four key objectives:
- i. Ensuring staff in the DFID country office are fully informed about the evaluation, its purpose and how it will work;
  - ii. Ensuring country/regional office staff have an opportunity to feed in key questions they want the evaluation to address and decide whether they wish to undertake self-evaluation as part of the process.
  - iii. Determining the exact nature of the individual evaluation and resolving key methodological / practical issues.
  - iv. Ensuring the evaluation team has access to all relevant contacts - including all those who have worked in the country/ regional programme over the fieldwork period and all relevant partners.
- 3.5 Between the inception visit and fieldwork the consultants will amend the standard evaluation framework for the study, to address any country-specific issues raised during the inception visit. An inception report containing this matrix will be signed off by the country/regional office.
- 3.6 If the DFID country office does wish to undertake self-evaluation they may be encouraged to produce a log-frame for the entire country/regional programme, detailing the logic of their interacting projects and programmes and assessing what has been achieved. If the country office does not undertake this work, the evaluation team may attempt to create a similar log-frame as part of the evaluation approach.
- 3.7 EvD will provide supporting documentation relevant to each C/RPE to the consultants in good time. This will include project documentation and relevant documentation about the design, implementation and monitoring/ evaluation of the country/ regional strategy and individual programmes (but not background policy information). Prior to undertaking fieldwork, the evaluation team need to be familiar with the DFID programme, the country context and the full range of DFID policy papers that are relevant to the country programme.

- 3.8 The consultant is responsible for identifying and engaging a team of consultants appropriate to each country/regional context from within the consortium. Across the team, there must be good evaluation skills, understanding of DFID and the local context, and ability in the languages of the country/ies. The team should cover all the major sectors or thematic areas of the country/regional programme and should include at least one locally based consultant as a full team member. The consultant is responsible for setting up and planning the main field visit. If EvD wish DFID staff members to accompany the consultant C/RPE team, additional terms of reference specifying the roles and responsibilities will be developed.
- 3.9 During the main fieldwork the sector specialists and evaluation team leader will interview DFID staff (current and past) and partners (in government, multilaterals, other donors, civil society, etc.) about all aspects of the programme over the five year evaluation period – using checklists and stakeholder matrices as appropriate. Web based surveys of staff and other stakeholders (e.g. other donors and NGOs) will also be trialled on a pilot basis. The evaluators will systematically scrutinise the available documentation and supplement this where possible, and then use all evidence gathered to complete the evaluation matrix. One matrix should be completed for each sector and the evaluation team leader (and deputy) will use these to compile the final report. Fieldtrips outside the capital city are not a standard part of a C/RPE but may be used if applicable.
- 3.10 Before leaving each country the evaluation team should discuss findings with the Head of Office/Team Leader or their nominated representative, make a presentation to the country office on emerging findings.
- 3.11 Within 4 weeks of the fieldwork finishing, a high quality draft report of 30-40 pages (excluding annexes and with an Executive Summary) will be submitted to EvD. Following initial checks within EvD this will be sent to the country office and staff there invited to correct any factual errors and make comments. Although country/regional offices may challenge findings they disagree with, and sometimes have additional information to support a claim, EvD will support the evaluation team to ensure that the report remains a true independent evaluation. A second draft report and evaluation summary will be produced taking account of relevant comments. These will be subject to external quality assurance against agreed criteria.
- 3.12 The consultants will highlight for EvD any information collected pertinent to the questions in the methods note for the ‘multilateral effectiveness summaries’.
- 3.13 The Synthesis Report will be guided by a workshop, scheduled for late 2007/ early 2008, focused on emerging themes.
- 3.14 The consultants will work to the strict deadlines set out in Annex B and the timeliness of the delivery of reports is of the essence. Any changes to these deliverables must be agreed in advance with EvD. Team composition and timelines will be agreed prior to commencement of each of the country studies, including the necessity of any follow up visit to the country if major issues remain unresolved. The consultancy should start in May 2007.
- 3.15 An ‘optional extra’ within the C/RPE programme is the possibility of producing short papers for a couple of key areas of interest to the country/regional office. These recognise that the evaluation will gather more detailed information than will be presented in the final report. Such ‘sector papers’ will be agreed during the inception visit and produced by individual sector specialists at about the same time as the first draft C/RPE report. The costs of this work are supplementary to the main contract.

#### **4. Competence and Expertise Required**

- 4.1 One consultancy organisation or consortium will be appointed to deliver the outputs described above.
- 4.2 A managing consultant with extensive evaluation experience and a track record of managing country/strategic level evaluations will be required to manage the planning and delivery of the C/RPEs. This individual will be expected to have strong written and oral communications skills as he/she will play a role in communicating lessons learned both to country programme personnel and to a wider DFID audience.
- 4.3 Each C/RPE should have a named team leader with expertise in evaluation methodology and monitoring and performance management issues. This must include understanding of the complexities of country/regional programme evaluation. The Team Leader must also have up to date knowledge of

DFID policies and performance, planning and data systems. Access to our online systems will be provided.

- 4.4 Each C/RPE team will be made up of a combined skill set covering governance, economics, social and institutional development and human resource management and the number of team members will be appropriate to the country programme. There is not one model that will work for each country/ region being evaluated, so flexibility in team composition is essential. The team members for each country evaluation will need expertise in evaluation methodology and familiarity with development issues in the C/RPE countries. They should also have up to date knowledge of DFID policies and systems and relevant experience in cross-cutting issues like gender mainstreaming, HIV and AIDS and the environment. The team must include a strong national/regional component.
- 4.5 The consultancy team will have responsibility for:
- maintaining ethical standards in implementing the evaluation
  - the timely production of evidence based conclusions, lessons and recommendations to demanding quality standards
  - managing logistics in each country/region

## **5. Reporting and Dissemination**

- 5.1 The consultants will report to the Country Programme Evaluation Team Leader or the Deputy Programme Manager in DFID Evaluation Department.
- 5.2 Reports will be published and distributed, electronically and in hard copy, to a wide ranging internal and external audience. The consultants should be prepared to present their findings to DFID staff and others as appropriate. Specific disseminations arrangements will be determined on completion of each country report and synthesis.

DFID Evaluation Department May 2007

## ANNEX 2: EVALUATION MATRIX CASCM V3

Region covered in this matrix: Central Asia, South Caucasus and Moldova (DFID Region within Europe and Central Asia Department)

EVALUATION CRITERIA		KEY QUESTIONS				Findings and Evidence Base	
<b>(Chapter 1: Introduction and Methods)</b>							
<b>Context</b> - Period is 2002-2007							
<i>The political situation. Key events over period including factors beyond control of development partners, MDG progress (and variation by gender, rural/ urban, ethnic group etc.), importance of aid to the individual countries and the region and no. of donors active in each country within the region (including the role of China and Russia as donors) key strategies/ reviews/documents that influenced DFID's work at country and regional level</i>							
I. <b>Relevance</b> - How far did DFID's strategic approach allow it to remain relevant?							
<b>Overall rating of programme relevance</b>		<b>6. Excellent</b> <sup>38</sup>	<b>5. High</b> <sup>39</sup>	<b>4 Substantial</b> <sup>40</sup>	<b>3. Modest</b> <sup>41</sup>	<b>2. Low</b> <sup>42</sup>	<b>1. Poor</b> <sup>43</sup>
Justification for rating (one sentence max.):							
Overall strategy and areas/sectors selected for intervention	<ol style="list-style-type: none"> <li>Throughout the evaluation period and as the context evolved, did DFID have clear and focused regional, country, and (where relevant) sector strategies that explained the rationale for interventions supported? (e.g. options considered, analysis done, choices made and why, etc.) Was the regional strategy relevant to this group of countries and how far was regional definition/identity taken into account? Did DFID contribute to wider strategic thinking?</li> <li>Over the period, how far were strategies (and their constituent objectives) aligned with development needs and policy priorities of each of the countries within the region, (e.g. aligned with the PRSP where available? Related to off-track MDGs? etc.); how far were strategies owned by country offices and aligned with the strategies of other DPs?</li> <li>How far were strategies based on a realistic analysis of each of the countries and the regional situation / PRS? (What evidence is available for this? –key studies, etc)</li> <li>To what extent were strategies in line with corporate priorities? (e.g. Fragile states policy, Conditionality paper, Middle Income Country Strategy, cross-Whitehall working and relevant sector strategies, and where relevant other corporate guidance, such as working in conflict and working with the conflict prevention</li> </ol>					RAP (and earlier CSPs), Country Strategies (CIPs and Joint Country Strategies where relevant), PRSP, Govt. Strategies, DFID Policy Papers	

<sup>38</sup> Excellent - This means the performance exceeds expectations – thus fulfils all requirements and moves beyond with reflection and good lessons – a model programme

<sup>39</sup> High - In line with all expectations – thus meets the requirements in all aspects with some reflection

<sup>40</sup> Substantial – Meets most criteria but there are some areas for development and identifiable gaps in performance

<sup>41</sup> Modest - some criteria but marked areas for development/gaps in performance with limited evidence of lessons learnt

<sup>42</sup> Low - Meets few criteria and has larger areas where improvement is required

<sup>43</sup> Poor - Does not any meet criteria, no lesson learning or reflection on programme performance

EVALUATION CRITERIA	KEY QUESTIONS	Findings and Evidence Base					
	<p>pools)</p> <p>5. Were changes to strategies appropriate given the context or were there too many/ too few adaptations? <b>Did changes take account of country, sub-regional and regional issues?</b></p>						
Risk Management	<p>6. How systematically did DFID assess the external risks (i.e. political governance, economic and fiduciary) and the internal factors influencing the country / regional strategy?</p> <p>7. How comprehensive were plans to minimise the identified risks?</p>	Risk annexes of RAP (and previous CSPs), evaluations, etc					
Portfolio profile	<p>8. What interventions did DFID support over the evaluation period? (did these fit with the strategic priorities?)</p>	Brief description of interventions					
DFID's choice of interventions	<p>9. What mix of <b>interventions</b> was intended and how did this change over the evaluation period? Was there a sufficient balance between use of long term and shorter term instruments? What differences were there between countries?</p> <p>10. To what extent did choices about <b>interventions</b> and approaches reflect the political economy and governance context of each of the countries, the region overall, and DFID policy?</p>						
DFID's partnership working	<p>11. How did DFID approach working with: a) Government (central and local), b) civil society, c) other individual donors – both bilateral and multilateral? d) key regional institutions e) cross Whitehall working (were there explicit strategies?, what was the basis of any influencing agenda?, was the balance right? Any highlights in ways of working?)</p> <p>12. To what extent did DFID seek to strengthen harmonisation across the donor community <b>in each of the countries and across the region?</b></p> <p>13. How well did DFID consult with and communicate its aims and objectives to development partners <b>at country and regional level?</b></p>	<p>IDP agreements</p> <p>DFID consultation process records and Publications</p>					
DFID's approach to cross-cutting themes	<p>14. Did DFID have a strategy for mainstreaming cross-cutting issues such as gender, social exclusion, HIV/AIDS and environmental protection? (was this consistent with corporate policy issues?)</p>	Written or unwritten strategies					
Level and allocation of resources	<p>15. Were strategies appropriate to the level of resources anticipated?</p> <p>16. How far did planned spending and use of staff time reflect strategic objectives?</p> <p>17. Was geographic coverage to narrow / wide for resources available?</p>	<p>RAP Part 3, Staffing levels &amp; gaps</p> <p>Regional finance data from Finance Officer</p>					
Results focus	<p>18. How far were DFID's planned interventions sufficiently results-focused and monitorable?</p> <p>19. How far were the results of reviews used to reconsider design/ direction of work and resourcing and staff allocation priorities?</p> <p>20. <b>How relevant and effective was the RAP monitoring framework and how were its results used?</b></p> <p>21. <b>How far were results (including MDG progress) taken into account when taking decisions on graduation / scaling up?</b></p>	<p>PRISM documents</p> <p>Monitoring Framework outputs</p>					
<p>II. <b>Effectiveness</b> and III. <b>Efficiency</b> - How successful was DFID in terms of engagement in development processes and delivering results in a timely and efficient manner?</p>		To form <b>Chapter 4</b> of the report: <b>Programme Effectiveness &amp; Efficiency</b>					
<b>Overall rating of programme effectiveness</b>		<b>6. Excellent</b>	<b>5. High</b>	<b>4 Substantial</b>	<b>3. Modest</b>	<b>2. Low</b>	<b>1. Poor</b>
Justification for rating (one sentence max.):							
<b>Overall rating of programme efficiency</b>		<b>6. Excellent</b>	<b>5. High</b>	<b>4 Substantial</b>	<b>3. Modest</b>	<b>2. Low</b>	<b>1. Poor</b>
Justification for rating (one sentence max.):							
Delivering on strategy	<p>22. How far were objectives set out in strategies achieved in practice (<b>CSP/RAP/CIP performance</b> objectives, and other strategic outcomes)? What explains any areas of divergence? To what extent were these</p>	File records on programme strategy, interviews in Country Office and					

EVALUATION CRITERIA	KEY QUESTIONS	Findings and Evidence Base					
	<p>predictable?</p> <p>23. How effectively did DFID respond to new policy directives and manage strategic risks that emerged at <b>country and regional levels</b>?</p> <p>24. <b>How effectively did DFID respond to changing objectives at country level (Govt and other DPs)?</b></p>	London RAP monitoring framework outputs					
Results	<p>25. How far were the objectives and performance indicators for individual DFID interventions achieved (drawing on data from project, programme reviews, PRISM scores, RAP monitoring data, etc)?</p> <p>26. What explains key successes and failures with regard to programme objectives?</p>	PRISM /Quest RAP monitoring framework outputs					
Efficiency	<p>27. Was DFID's actual disbursement in line with expectations and plans? Were there any significant changes or delays?</p> <p>28. How was staff time spent? (influencing/ policy work, Project/ programme work, field work, corporate reporting/ activities)</p> <p>29. <b>Was the skill mix, SAIC/UK mix, continuity of staffing, and training/staff support, appropriate to the country/ regional context and strategy?</b></p> <p>30. <b>Was the organisational structure informed by the RAP and its delivery? In particular were country office/London relationships efficiently managed?</b></p> <p>31. <b>How efficient was cross department and cross DFID working?</b></p>	Disbursement record from PRISM Finance Officers data Possible web survey of staff; specific focus in all DFID interviews; DPs' views. HR Mission (2004) and subsequent actions/policies					
Aid effectiveness	<p>32. How effective was the mix of interventions (investment modalities/aid instruments, policy influence, 'silent partnerships' etc.) in achieving objectives? Were the different interventions used sufficiently complementary <b>at country and regional level</b>?</p> <p>33. How effective has DFID been in pursuing its development agenda with partners including other parts of the UK Government (especially FCO and MOD around GCPP), National Government, other donors, IFIs and Multilateral Agencies, Civil Society, NGOs?</p> <p>34. Has DFID operated in accordance with principles of aid effectiveness? (and emerging principles of aid effectiveness <b>in fragile states/middle income country contexts where appropriate</b>)?</p> <p>35. How well has DFID communicated its results / lessons/ good practice internally and externally?</p>						
DFID's delivery on cross-cutting themes	36. How well were issues of gender, social exclusion, HIV/AIDS and environmental protection (including climate change) actually integrated across the programme?						
IV – VI. <b>Impact and Sustainability</b> - What are the key impacts DFID has helped achieve?		To form <b>Chapter 5</b> of the report: <b>Development Impact</b>					
<b>Overall rating of programme impact</b>		<b>6. Excellent</b>	<b>5. High</b>	<b>4 Substantial</b>	<b>3. Modest</b>	<b>2. Low</b>	<b>1. Poor</b>
Justification for rating (one sentence max.):							
<b>Overall rating of programme sustainability</b>		<b>6. Excellent</b>	<b>5. High</b>	<b>4 Substantial</b>	<b>3. Modest</b>	<b>2. Low</b>	<b>1. Poor</b>
Justification for rating (one sentence max.):							
Outcomes and sustainability	<p>37. <b>What are the key impacts of each of the five objectives across the region (i.e. by country and sub region)?</b></p> <p>38. To what extent has the policy and governance environment (e.g. accountability, action on corruption) been strengthened?</p> <p>39. What is the evidence to show that DFID has helped contribute to specific development outcomes and PRSP achievements? (PSA/ DDP/ direct project/ programme impacts and 'indirect' benefits around policy dialogue)</p> <p>40. <b>Are the development changes or reforms supported by DFID's country/ regional programmes likely to be sustained/ difficult to reverse? (To what extent has local capacity been built? To what extent will the DFID</b></p>						

EVALUATION CRITERIA	KEY QUESTIONS	Findings and Evidence Base
	agenda be continued by other donors especially EC and EU partners?) 41. Has DFID added value through gains in aid effectiveness? E.g. contributing analysis/ tools/ support on harmonisation?	
<b>Lessons and Recommendations</b>	- What lessons can DFID draw from the evaluation for informing future country, regional or corporate planning and operations?	To form <b>Chapter 6</b> of the report: <b>Lessons and Recommendations</b>
Strengths and weaknesses of DFID	42. What are the key strengths demonstrated by the <b>CASCM region and its country offices?</b> 43. What are the key weaknesses demonstrated by <b>CASCM and its country offices?</b>	
Lessons	44. How well have lessons been learned and used within the region? 45. What lessons (from positive and negative findings) can be drawn for DFID's future work in these countries/this region? <b>I.e. lessons related to graduation – graduation decisions and the process of implementation, working in Embassies and with SAIC only staffed offices, work in MICs and LICs with small programme investments, scaling up in Central Asia?</b> 46. <b>Are there distinctive lessons from this region that are relevant more widely for DFID?</b>	
Recommendations	What recommendations should be made based on the evaluation findings?	

Evaluation matrix CASCM v3 Inception Note 5<sup>th</sup> July 2007

## ANNEX 3: PEOPLE INTERVIEWED

Name	Designation
<b>DFID</b>	
Pauline Hayes	Head of ECAD
Ian Thomas	Internal Audit Team Leader
John Hogan	ECAD Departmental Finance Officer
Bill Kilby	Team Leader
Robin Gorna	South Africa previous Head of HIV/AIDS Team in Policy Division (by phone)
<b>CASCM</b>	
Jim Maund	Team Leader
Roy Trivedy	Former Team Leader (by phone)
Melissa Harrold	Deputy Head
Teresa Dumasy	Former Deputy Head/GCPP Consultant
John Carpenter	Deputy Programme Manager
Carol Norman	Deputy Programme Manager
Brian Penny	Deputy Programme Manager
Felicity Malcolm	Programme Officer
Matt Lesslar	Programme Officer
Andrea Membry	Assistant Programme Officer
Darren Bush	Assistant Programme Officer
<b>Kyrgyz Republic</b>	
Jason Lane	Head of Office
Aida Tashirova	Programme Manager
Esen Turusbekov	Programme Officer
Kunnura Raiymbekova	Programme Officer
Anara Ashiralieva	Programme Assistant
<b>Tajikistan</b>	
Dylan Winder	Head of Office (by phone)
Mirza Jahani	Governance Adviser (by phone)
Sobir Kurbanov	Economics Adviser (by phone)
<b>Moldova</b>	
Alla Skvortova	Head of Office
Silvia Apostol	Development Officer
Natalia Murahovschi	Development Assistant
<b>Georgia</b>	
George Katcharava	Head of Office (by phone)
<b>Armenia</b>	
Artashes Darbinyan	Head of Section
Ara Hovsepyan	Ex-Head of Section/Chief Executive Officer Millennium Challenge Account
Armenak Darbinyan	Governance Sector Manager/Director Economic Research Institute
Viktoria Gevorgyan	Development Officer
Yekaterina Mamayeva	Development Assistant
<b>CASCM Advisers</b>	
Valsa Shah	Economic Adviser
Magdalena Banasiak	Infrastructure and Engineering Adviser
Freddie Carver	Assistant Governance Adviser
Natasha Mesko	Health Advisor
Emily Poskett	Statistics Adviser
Satyendra Prasad	Governance Adviser
Teresa Durant	Social Development Adviser
Sam Yates	Social Development Adviser (currently on maternity leave)
Jill Fletcher	Former Statistics Adviser (by phone)
Gwyneth Chittleborough	Former Economist (by phone)
Angelika Brustinov	Consultant/Project Manager Legal Empowerment of the Poor UNECE

Name	Designation
<b>LONDON</b>	
Mike Nawarynsky	Deputy Director PDRN, Ministry of Defence
Teressa Dumasy	Strategic Advisor GCPP, based in FCO
Andrew Page	GCPP Committee FCO
Dr Bhavna Dave	Chair Centre of Contemporary Central Asia and the Caucasus
Dr Anna Matveeva	Visiting Fellow Crisis State Research Centre LSE
James Montgomery	Project Manager, GRM International London
<b>MOLDOVA</b>	
John Beyer	Ambassador, British Embassy
Andrei Popov	Director, Association for Foreign Policy
Boris Popadiuc	Executive Director, Moldova Social Investment Fund
Andrew Bird	Principal Consultant, Mokoro
Elena Nikulina	Senior Economist Public Sector and Institutional Reforms, World Bank
Valeriu Prohnițchi	Director General, Expert Grup.
Alex Oprunenco	Director Programme International Relations, Expert Grup
Gheorghe Cojocari	Member, Court of Accounts
Elisaveta Foca	Vice-president, Court of Account
Igor Boțan	Executive Director, Adept
Igor Grosu	National Consultant Participation Policies Secretary EGPRSP Participation Council, UNDP/MoE
Natalia Catrinescu	Head of Macroeconomic Department, Ministry of Economy
Nicolae Beșliu	Manager, Social Network of NGOs
Liviu Gumovschi	Executive Director and Manager of Rural Investments and Services Project, Consolidated Agriculture Projects Managements Units (CAPMU)
Tatiana Udrea	Deputy Head, Division for Technical Assistance Coordination, Ministry of Economy & Trade
Sergen Neicovcen	Development Manager, CONTACT
Margaritta Mămăligă	Previous Manager, Peace Building Framework
Pavel Cabacenco	Deputy Manager, Peace Building Framework
Vitalie Valcov	Director General, Bureau National of Statistics
Martin Kasper	1 <sup>st</sup> Secretary, European Commission.
Cristina Moșneaga	Programme Manager, European Commission
Oleg Cara	Vice Director General, Bureau National of Statistics
Nina Lupan	Vice President, Ministry of Finance
Viorel Gherciu	Loan Guaranteed Fund
<b>ARMENIA</b>	
Anthony Cantor	UK Ambassador UK Embassy, Armenia
Richard Hyde	Deputy Head of Mission UK Embassy
Artsvi Minasyan	MNA
Arevik Petrosyan	MNA, Chairperson Standing Committee on Human Rights Defence and Public Affairs
Aram Badalyan	Deputy Head of Staff Deputy Minister
Pavel Safaryan	Deputy Minister, Ministry of Finance and Economy (MFE)
Vache Terteryan	Deputy Minister Minister of Territorial Administration (MTA)
Bagrat Yesayan	Deputy Minister Ministry of Education and Science (MES)
Hovhannes Azizyan	Head, PRSP Secretariat
Salpi Ghezarian	Special Assistant to the Minister of Foreign Affairs MoFA
Lilit Saroyan	Head of Dept of the International Cooperation Ministry of Territorial Administration
Svetlana Davtyan	Head of Staff, Tavush Regional Administration
Vahag Bazikyan	Deputy Head Gegharkumik Regional Administration Armenia
Consuelo Vidal	UN Resident Coordinator/UNDP Resident Representative
Alexander Avanesov	UNDP Deputy Resident Representative
Aristomene Varoudakis	Country Manager World Bank
Naira Melkumyan	Senior Operations Officer World Bank
Aghassi Mkrtchyan	Economist World Bank
Vigen Sargsyan	External Affairs Officer World Bank
Susanna Hayrapetyan	Senior Health Specialist World Bank
Anahit Aghabalyan	Expert, GTZ
Karlen Avetisiyan	Representative Nogorno Karabkh in Armenia

<b>Name</b>	<b>Designation</b>
Karen Zadoyan	President Association of Young Lawyers of Armenia, Civil Society
Maya Barkhudaryan	Civil Society Institute Resource Centre, International Alert Consortium Initiatives
Armen Keshishyan	Country Director OPM/DFID Armenia Regional Development Programme
Ian Wylie	Structure and Organisation Adviser, PWC/DFID Public Sector Reform Programme
Armen Khudaverdyan	Deputy Team Leader, PWC/DFID Armenia Public Sector Reform Programme
Garik Khachikyan	Structure and Organisation Specialist, PWC/DFID Public Sector Reform Programme
Vache Qalashyan	President Union of Armenian Government Employees
Dzonik Margaryan	Head of Staff, Ministry of Labour and Social Issues
Karl Fickenscher	Country Director, USAID
Kathryn Ennis	Consulting, ATOS
Tevan Poghosyan	Executive Director International Centre for Human Development
Armen Galstyan	Head of Project International Centre for Human Development
<b>KYRGYZ REPUBLIC</b>	
Ainura Ibraimova	Deputy Minister, Ministry of Health
Sabyrjan Abdikarimov	Deputy Minister, Ministry of Health
Azmat Dikambaev	Head of Economic and Social Policy Department, President's Administration
Nurmamat Mullakeldiev	Head of Dept. for Rural Water Supply, Ministry of Agriculture, Water Resources and Processing Industry
Ainagul Isakova	Head of the Unit for Coordination and Monitoring in HIV/AIDS area, the Government's Office of the Kyrgyz Republic, CMCC
Carina Skareby	Charge d'Affaires, Delegation of the European Commission
Roger Robinson	Country Manager World Bank
Ashraf Malik	ADB Country Director
Hanspeter Maag	Country Director Swiss Cooperation Office
Tim Schaffter	Representative UNICEF
Ken Mc Namara	Acting Country Representative USAID
Daniyar Ilebaev	Project Management Specialist/Office of Economic Growth, USAID
Jyldyz Ourbaeva	Donor Coordination Specialist, The Donor Community in the Kyrgyz Republic
Chinara Jakypova	Director Institute for Public Policy former Minister of Education
Elmira Ibramova	Executive Director ARIS
Michael Hall	Director, Central Asia Project, International Crisis Group
Dr Tim Epkenhans	Director OSCE Academy
Bolotkan Sydykanov	National Coordinator, CARHAP, Soros-The Kyrgyz Republic Foundation
Melitta Jakab	Resident Health Policy Advisor, World Health Organization.
Pravona Jijny	Aids Facility NGO
Talgat Subanbaev	Programme Manager GFATM AIDS component, GFATM
Zamirbek Malabekov	Programme Coordinator, DFID GSAC support project
Mark Sillins	Budget and Audit Manager, DFID GSAC support project
Zulfiya Tairova	Regional Monitoring and Evaluation Advisor, GRM International
Altynai Altybaeva	Regional Programme Assistant, GRM International
Baktybek Shamkeyev	Director RDC-Elet Public Foundation
Ularbek Turdubekov	Service Promotion Manager, RDC-Elet Public Foundation
Aibar Sultangaziev	Director, "Right to Life" trust-point
Nigora Abidjanova	CARHAP National Coordinator, OSI Tajikistan
<b>Others</b>	
Patricio Marguez	CAAP, Team Leader, World Bank, Washington (by phone)

## ANNEX 4: COUNTRY VISIT NOTES

As feedback to the CASCM team the RPE team prepared contemporary brief visit notes following each of the three country visits. These notes record the main issues raised during the visits and focus more on the current situation leaving the main report to set the historical and wide policy context. Full interview notes were not available when these visit notes were prepared so the complete picture, in particular the views of the key interviewees from Government, development partners and civil society contacts are not incorporated.

The intention of the notes was to give immediate feedback to the CASCM team enabling them to comment on the impressions gained. Following presentation and circulation of these notes the CASCM team provided a full response which has been used to clarify and correct factual errors. Otherwise the notes are presented here as they were prepared as working documents from the evaluation team.

### Armenia Visit Note

#### RELEVANCE

Evidence of economic and political transition though there is still a way to go. Civil society weaknesses and inequality especially in rural areas where poverty is endemic and structural.

- Strategy
  - CSP – RAP – Graduation. A clear direction pursued through programme focusing with reducing portfolio. 3 key programmes all with a governance focus on support to public sector planning and management
  - GCPP as vehicle for both programmes is appropriate, given that both will continue beyond DFID closure in Armenia/Georgia.
- Analysis
  - Little evidence of new analytic work – role is to manage well to graduation rather than opening up new questions
  - Project level analysis (especially ARDEP and Programme Budgeting) technically strong
- Interventions
  - SIF less well used and not seen as a strategic instrument, TA solid and contractor dominated (as opposed to stronger DFID hand in The Kyrgyz Republic), office less evident – ‘lost’ in the Embassy, staff changes have broken continuity in some areas (e.g. DP engagement).
  - Both GCPP (CMI and CI) programmes go some way to meet RAP Objective 3 - “contribute to the resolution of conflicts and peace building”. However, for these programmes, conflict resolution is more a goal than an objective; their prime objective is to change perceptions of stakeholders from all sides of the conflict through enhanced opportunities for dialogue.
  - The ‘broad church’ civil society approach to dialogue, involving NGOs, journalists, analysts and think tanks, coupled with an open forum dialogue among parliamentary politicians from all sides, is strategically appropriate. There has been no breakthrough in the Minsk negotiations. Also, this is one of the few opportunities to involve Nagorno-Karabakh stakeholders in a dialogue often perceived as simply bilateral (Azerbaijan-Armenia)

- Harmonisation
  - Joint working is weaker than elsewhere (e.g. DFID/WB PSR approach not joined up; ARDEP and the EC still following different models though some synergies have been built), there is good liaison but coordination has suffered from staff changes on all sides)
- Alignment
  - Well aligned and highly appreciative response from Govt partners
  - DFIDs past and current role seen as critical; a loyal and trusted partner; graduation accepted but concerns about continuity

#### EFFECTIVENESS & EFFICIENCY

- Delivery
  - Main medium is the three substantive TA projects, content and process has become more sophisticated moving from tools and techniques (MTEF) to more challenging systemic contributions (e.g. regional planning, programme budgeting)
  - Project-focused approach undermined wider strategic thinking and possible synergy within TA projects, despite strong conceptual and operational links. PSR Programme could have capitalised on PBP and emerging priorities in PRSP II
  - PSR Programme lacked contextual analysis to be effective – no links with the demand side of governance (eg. The Kyrgyz Republic), delivery of technical assistance too hands off given the scope of the project, too much focus on organisational changes rather than institutional capacity building.
- GCPP Specifics
  - Some partners (and, indeed, the FCO in Yerevan) expressed doubts over the extent to which a programme such as CI has ‘regional’ significance, and whether there has been too-great an emphasis on a coordinated approach through Tbilisi (e.g. regional briefings/meetings/training/etc). Apart from generic lessons, each conflict is distinct, requiring dedicated resources and unique analysis.
  - There are differing views over the efficacy of the political strand of CI (i.e. the Parliamentary Initiative led by LINKS). The May 2007 Annual Review reports positively on this, in contrast to views held by FCO Armenia that this strand adds little to what is already underway through regular political channels. The evaluation finds that greater clarity of purpose and outcome may have been achieved through having one agency and/or in-country coordinator to more closely link the three central strands of the CI. As it was, these strands were mutually independent, rarely met, and lacked strategic guidance over the interrelationship between them.
  - Both CI and CMI are ‘process’ projects; yet there is no established logframe with tangible indicators of progress, other than the generic logframe. Breaking the project into its constituent parts and establishing set targets for each would avoid the apparent habit of glossing over the weaker links of CI.
  - Retaining a balanced, neutral approach to the analysis and methods used by CI and CMI may require closer supervision by DFID than has previously been the case. Civil society partners are sometimes dominated by strong individuals, with many years experience as interlocutors and ‘spokespersons’ for one or another point of view over the conflict. This is understandable, but the latitude they have, for instance, in choosing

implementing partners, project expenditure etc., is substantial, with little monitoring, supervision or consultation with DFID-Armenia beyond the original project formulation.

- Efficiency
  - Office
    - Deep roots with good institutional memory but some loss of confidence and direction with changes of staff
    - FCO do not view locally engaged staff in the same way as DFID so there are different attitudes to confidential material and delegated authority
    - Early decision for designing stand-alone TA projects undermined Office's ability to play a more substantive policy role with other DPs and Government – yet good success in influencing PSR in PRSP II.
    - Seen by most DPs as 'part of Embassy' positive integration but some role confusion around conflict and graduation
  - Staff
    - Skilled and committed, though some inconsistencies and signs of not being open to change
    - Need for more support to ensure confident and proactive approach to graduation process rather than project administration
  - TA
    - Strong contractor identity, some evidence of frustration at solutions not being accepted without question and irritation at high expectations that cannot be met within the timeframe
    - Results focused but (especially PSR) somewhat formulaic in approach
  - GCPP
    - Some confusion over respective roles of DFID-Armenia, FCO and DFID-London with respect to project liaison and reporting. DFID is the designated GCPP "lead" for both CI and CMI, but the key partners within these programmes often report either directly to FCO (London) or to DFID-London. DFID-Armenia staff have not received clear instructions as to what their responsibilities are with respect to the GCPP, although their broad remit is to 'monitor' projects.
  - Effectiveness
    - Given increased complexity and high expectations there is a concern at effectiveness within DFID and amongst consultants but a much more positive response from Govt partners. A more realistic appreciation of what has been achieved may enable more effective delivery in the final months
    - Are you experiencing premature grieving over closure that is blocking effective graduation planning?

#### IMPACT & SUSTAINABILITY

- Evidence of impact in terms of government systems and more efficient planning and financial management processes
- Positive evidence of benefits of alignment principle with strong endorsement of DFID approach and contribution from all GoA interviewees
- Civil society impact may be less strong and more sustainable support to stand alone civil society developments may have been more appropriate

- Sustainability will depend on government ownership, programme continuity and consistency – Some success in influencing PSRP II – good government momentum to continue PSR, more is needed to integrate elements of TA projects into other DPs programme.

### LESSONS

- Scaling up to graduation is possible but increasing complexity and sophistication of inputs needs careful planning
- MIC status is not the only indicator of development progress. Even with a positive decision to graduate poverty, civil society strength, and democratisation are features to address
- Conflict is best addressed specifically and in a coordinated way. Conflicts are situation specific and a regional instrument may be appropriate but regional delivery is not.

### RECOMMENDATIONS

- A more proactive approach to the graduation process is required. It has been accepted – the issue now is effective implementation of a closure plan that moves beyond the present sound and appropriate practical arrangement to prepare for an effective closure, continuity of relationship and sustainability of key contributions.
- There will be little change at project level in the last year the focus at country level needs to be on continuity, harmonisation and alignment for the future. Deep engagement with EC, World Bank and other partners as necessary with a strengthening of the Yerevan Office to achieve this.
- For GCPP in situations like this there is a role for a dedicated coordinator (possibly co-funded by DFID/FCO/partner NGO) to oversee and monitor the CI for Armenia-Azerbaijan-NK at a process and operational level and a more sophisticated logframe with ‘process’ performance indicators assigned to each of the three elements within CI (and for CMI).

### **The Kyrgyz Republic Visit Note**

#### RELEVANCE

Good Given Context – Fragile State, Poor Country, High levels of corruption and criminality, strong economic role of China (even more significant in Tajikistan) and continued significances of Russia and Kazakhstan, reducing significance and role of West

- Strategy
  - CIP and RAP subordinate to declared country led approach; CDP and JCSS determine strategic approach tho’ both donor/DFID influenced
  - Apparent broad balanced programme but underneath clear selection of sectors where change is possible – health, rural dev, finance, water
  - Long term commitments – health, rural livelihood/development.
  - Focused TA for policy level capacity and competence building within multi-donor – institutional development not just technical
  - **PPG:** VIP and SLLPC – Sound and appropriate design
  - **Gov:** Health and Economic Development, Public Finance Management, civil society – accountability and voice with an approach well informed by the INTRAC
  - **Conflict:** No Focus – despite relevance

- **AIDS:** (Sub) Regional Programme
- **Regional Development:** No Focus
- Analysis
  - ‘hands on analysis’ ‘analysis in practice/action’ i.e. analytic support to harmonised developments (JCSS) and Govt leadership (CDS)
- Interventions
  - SWAp, TA Projects, joint investments, policy role
  - Institutional Development NOT JUST technical
  - Integration of project level TA with policy level role of Office
- Harmonisation
  - Very strong facilitating role.
  - Endorsement and appreciation from Govt and DPs
  - Role in development and implementation of JCSS
- Alignment
  - Priority given to programme being Country Led
  - CDS seen as guiding current and future work

#### EFFECTIVENESS & EFFICIENCY

- Delivery
  - Range of interventions – Strategic Fund, TA Projects, Investment with/parallel to other DPs, TA,
  - High visibility – combining strong expertise with high-level policy engagement through multi-donor framework
  - Again a strategic and country focused approach
  - Strong role of country office in project management and TA linkages
- Efficiency
  - Office
    - Efficient and well regarded
    - Seen as playing a critical role by DPs and Govt
  - Staff
    - Identity and role of head of office has high profile not personally but as DFID which strengthens the presence and creates a strategic direction
    - Personalities are key but strength of team is evident
    - No Embassy presence and DFID identity is as development agency not part of UK PLC
  - TA
    - Well integrated with the programme
    - Strong sector management
    - Contractor identity less evident (than Armenia and Moldova), national consultants integrated and (e.g. RDC) sustainable role
    - Communications issues for Contractors who are not devolved (GRM)
    - Efficient use and coordination of adviser inputs in-country. However is this a function of devolution or independence
  - Overall
    - Donor coordination essential to compensate for crowding effect and avoid duplication of work
    - DFID facilitation of coordination, harmonisation and alignment is highly effective
- Effectiveness
  - Sector engagement pursued very well
  - Pro-active programme adjustment to new country and donor priorities

- Health long term effective delivery, gradually moving up stream with solid DP engagement leading to SWAp
- RWS harmonisation and technical support merging to excellent effect with a ‘single’ WB/ADB project and a 10 Year Govt strategy
- Similar strategic development in support for finance and economic management

### IMPACT & SUSTAINABILITY

- Impact
  - Strongest impact at policy and policy capacity level
  - Some concern at quality of M&E for measuring beneficiary impact (especially for HIV/AIDS interventions and to a lesser degree wider poverty impact) though evidence of good practice in RWSS sector and with VIP
  - Impact assessment at country and across sub region for HIV/AIDS needs to be developed at project and (3-Ones) country level
  - Sector selectivity could have impact and sustainability distortions but other DPs seem to balance this
- Sustainability
  - Some sub optimal practices at activity level – artificial NGOs, top up salaries, ex politicians as consultants – but acceptable as short cuts within the current context
  - Need for long term investment by western donors given the fragility at political levels
  - Support for mid/senior level bureaucrats is appropriate and embeds policy capacity but sustainability is a risk

### LESSONS

- Model of policy level capacity building demonstrates good practice
- Achievements only possible because of strong understanding of the context.
- Sector and champion identification ensures sustainability in a fragile environment
- Long term commitment to a sector yields benefits
- Harmonisation and alignment achieved but with a focus on clear change targets

### RECOMMENDATIONS

- Need for a post RAP and Sub-Regional vision and DFID focused direction to support the country level focus
- More attention to impact through JCSS and CDS monitoring (with other DPs) and at project level to complement the strength of policy capacity and harmonisation
- Maintain the sector focus and clarity but explore the development of support to civil society to increase accountability and voice across sectors

### **Moldova Visit Note**

### RELEVANCE

- Strategy
  - There has been increasing relevance in the Moldova programme as it has moved from the KHF → CSP → RAP. The CSP was, by its own

admission, more ‘niche’ and also more project-shaped, with a particular focus on rural livelihoods initiatives. It did however intend to use these as demonstration model that could be scaled up +/- or inform policy.

- The RAP is less ‘niche’, but more focused on big economic development and governance (state machinery) themes. To a large extent, this is an easier call now, as GoM has the policy documents in place to which DFID can align (EGPRSP/NDP). Also strong pull of EU helps point everyone in the same direction (though EC not always coordinating well with other donors).
  - Increasingly focused & strategic portfolio
  - Increasingly aligned to GoM priorities & harmonised with DPs
  - Reflects status of Moldova’s transition.
  - RAP not so clear to stakeholders/partners who were clearer about DFID’s aim and plans with the CSP. RAP is shallow on M.
  - DFIDM felt the RAP less flexible than the CSP (previously more able to respond to Govt – BUT flipside less coherent programme)
- Europe – is one of the key issues in M. There is a strong desire to integrate and eventually accede. The EU-Moldova Action Plan maps out a route towards this. It invites M “*to enter into intensified political, security, economic and cultural relations with the EU, enhanced cross border co-operation and shared responsibility in conflict prevention and conflict resolution. One of the key objectives of this action plan will be to further support a viable solution to the Transnistria conflict.*” DFID supports this through all its projects, especially those with a focus of creating a modern public sector. DFID also supporting civil society consultations on the Plan. These are high relevant activities.
- **PPG**: in the first ~3 years of the period to 05/06 relevant support to rural economy; then perceived switch to social assistance (coincided with change of adviser) – lost some support from GoM. (this comment from RISP/CAPMU, who are continuing the work with WB and Sida finding. Interesting that Sida plugging gap left by DFID. Sida also plugged gap left by DFID in MSIF). Some unsustainable activities (MSIF – parallel lower level structures; S-RISP – TPAC 100% DFID support)
- Now RDP...Feeling in the M office that rural did drop out of the programme. Regional development law passed in Dec ’06 – provided the springboard for the regional development programme. At PCN stage.
- **Gov**: Very relevant & targeted programmes: Promotion of effective & transparent PFM through MTEF and CoA, ISAS, Joined up activity with WB (CAR, PRSC) less convincing – genuine commitment to comprehensive Central Administration Reform? Why budget support?
- Large area of work under Governance relates to “Statement of Intent 3. Improving national and local capacity to provide services to poor.” This relates to the rural/ regional programmes such as RISP/SRISP and the livelihoods programme, which can (are?) also seen as PPG programmes.
- Early on saw civil society as important and provided funding to strengthen (but sustainable?)
- **Conflict**: DFID is “lead “agency on the PBF (2003-07). This is an umbrella for 4 projects/components (a fifth was dropped in 2<sup>nd</sup> year). Strategy to combine civil society interface, training, conflict debate, media support and ‘young leaders’ seminars has proved relevant & innovative.

- Analysis
  - Relevant programmes, built on national priorities and good diagnostic studies (e.g. Briefing papers for new social assistance project very well received. [OPM]. CV: MTEF, ISAS, etc)
  - SCA is a DFID strength, and work on TN issue seen as relevant and ground-breaking (1st donor)
  - As with most FSU states, Moldova had elements of fragility. Hence in the CSP, and now under the RAP, Saw civil as relevant & appropriate entry point, and decided to support
  - DFID's recognised strength is conflict analysis and M&E. SCAs conducted twice for PBF. Good participative process
  - DFID has (through SCAs) recognised differences in the political milieu of Transdnistria, opening the possibility for 'regime change' and using civil society as an inroad. Meanwhile, major capacity constraints in the Ministry of Reintegration (only 12 persons) which lacks a clear strategy.
- Instruments
  - Appropriate mix of interventions: TA + Strategic Fund (CSOs, TA) – but doubt on relevance of BS under PRSC
  - Shift towards programmes that support move towards EU integration is relevant. But working with EU as a donor slows and constrains activity.
  - DFID is recognised for being able to mobilise small amounts of funding for strategic purposes, such as TA to draft TORs for a new programme. However, DFIDM were concerned that the SIF didn't result in them becoming other donors' fire brigade.
  - PBF has been flexible in initiating new ideas. Good learning opportunities for NGOs, civil society institutions.
- Harmonisation
  - Discussions started in 03/03. Formalised as Dev P'ship F/W in late 2005 with Sida's impetus. UNDP have been supporting secretariat, but probs – funing stopped in Feb '07.. No one else stepping fwd to lead.
  - Coordination mainly at sector level
  - Better coordination of 'big donors' evident, but DFID less visible. (EU flet coordination not working [eg in PFM progs], though he was very new)
  - this is a relatively high transaction cost activity in its own right. We are unsure about harmonisation for its own sake as the programme moves towards graduation. DFID has rightly (and unusually) decided not to lead on this in M. The question is whether staff time would be better spent on more visible activities
  - We believe that across the whole of CASC, DFID is not meant to solo-fund any projects. Joint-funding is only one element of harmonisation, but brings its own challenges – e.g. DFID might have
  - Bank prefers DFID to do some stand alone projects (e.g. PFM programme) – all pooled finding can be constraining.
  - DFID has a good relationship with the FCO in-country
- Alignment
  - EGPRSC & EU integration – main drivers, DFID involved ad supporting, e.g. civil society participation in EGPRSP
  - Moldova has agreed an ENP Action Plan. It has considerable resources attached (EUR 200?). DFID support to its implementation...

- Donor Group on Civil Society meets every 3 months. DFID funded administrator for this in 2003/04 (from Strategic Fund). Also, two NGOs funded in support of EU inception, but duration (3 months) was too short.
- Appointment of EU Special Representative to Transdnistria (2005) accelerated interest in PBF, including presentations in Brussels Conference in November 2005
- Through the ENI, EU has committed to EUR2 million for ‘apolitical’ (!) Transdnistria projects, using some PBF organisations. Good ‘leverage’ by PBF/DFID
- Donor coordination in general may be weakened by being intra-donor, excluding government. Also lacks coordination at sectoral levels, including M&E.

#### EFFECTIVENESS & EFFICIENCY

- Delivery
  - CSP, RAP programmes to date, and SIF, mostly good, but slowing? New regional development and social assistance programme have had long design phases (since 2005?)
  - Slow turnaround on ‘PBF Mark 2’ (one year in the making), causing continuity problems. GCPP funding cannot allow project staff, so GOF must now cover this.
  - Doubts that BS an efficient way of supporting poverty reduction strategy – GoM does not need aid money. To do with frontloading?
- Efficiency
  - Office
    - DFID moved into M in 2000 (1st from Moscow, then Bucharest). Office opened in embassy in 2002. Evidence is that a country-presence gives good contacts with Govt and partners. Fingers well on pulse.
  - Staff
    - professional, well-recognised and well-respected; facilitatory approach
    - balance UK and Moldova demands
    - under-resourced office (esp post-CASCM with less London support). Additional resourcing pressures brought by more harmonised and less project-based working. E.g. Silvia as ‘gender champion’
    - Initial weaknesses between PBF and higher-level political dialogue (through Ambassador); no regular briefings. But now DFID is invited to inter-departmental meetings
  - TA
    - professional, understood needs, results-focused
    - Training, materials, and regional seminars most valued
- Effectiveness
  - RAP has been pursued well
  - SIF has been use very effectively, e.g. funding 1 urgent mission for TA for development of NDP, under slower moving WB programme. However, need to avoid being a fire brigade and also being driven into ‘short-termism’ (esp in NGO arena – Expert Group: 3 months for civil society consultations on NDP)

- DFID themselves had some concerns about the poverty orientation in RISP. This coincided with RAP and change in adviser, but also possibly demonstrates unclear thinking about how PPG objective can be obtained.
- DFID did not fund 2<sup>nd</sup> phase of MSIF due to concerns about parallel structures. However, this was the right approach at that stage of development of post-soviet governance systems.
- Ground-breaking peace-building work in TN has opened space for other donors, e.g. ENPI support to TN NGOs (JBT?)
- Unclear that harmonisation has improved efficiency (high transaction costs, slower responses)
- Multi-donor funds: DFID loses some visibility, transaction costs, donors & Govt values DFID of funds seed funds to kick-start. General acceptance that ‘visible’ projects have multiplier effects which may be lost as DFID graduates.
- ENPI vs. PRSC
- some problem with sequencing – and sub-objective (linking MTEF with PRSP when the latter is no way operational – downsizing public administration, but no measures to address staff retrenchment)

#### IMPACT & SUSTAINABILITY

- Impacts mainly evident from projects supported earlier in the period, and being rural livelihoods and capacity development projects, results evident more quickly: nos. of businesses, jobs, created, etc. (RISP)
- 44 community development plans from MSIF.
- However the impacts from these programmes limited to local level – eventually hard to scale as Govt institutions for the regions not in place (only now [Dec ‘06]).
- GCPP/DFID is the only donor project in Transdnistria, a rare platform for dialogue and inclusiveness at regional and national levels. The approach is to obtain ‘critical mass’ in solving the conflict, which is why civil society is so important.
- The ‘soft’ approach has inherent weakness of poor process impact indicators.
- With six well-developed NGOs in Transdnistria (through CONTACT component of PBF), a question arises over sustainability since these NGOs are still fragile. Institutional development is critical to avoid simple project delivery by NGOs, but realignment of PBF may not capitalise on gains already made.

#### LESSONS

- Conflict analysis strong at ‘centre’ of PBF, but skills not transferred to partners, as no TA component (for capacity development & skills transfer)
- Some structural issues may undermine gains (e.g. staff turn-over in Govt) – sequencing, e.g. PSR before PFM capacity building
- Work on institutional memory has been successful, e.g. manuals & library in ISAS – needs to be bankrolled in all TA projects, given high staff turnover in public administration
- TA projects leaving too soon: often capacity substitution rather than capacity development (local consultants)
- New programmes (e.g. SAP) may be too much too soon – Qs about absorptive capacity in GoM. Consultants out-number civil servants (ditto in Ministry of Re-integration – 12 people).

- Long-term perspective on civil society OD & capacity building not always evident. Also need to understand impacts of funding gaps (e.g. PBF 1 → 2)

#### RECOMMENDATIONS

- Strategic Impact Fund
  - Clearer link between SIF and PBF (even though PBF is GCPP). 2 civil society funding streams, while civil society is one set of issues (capacity related)
  - DFID's ability to respond rapidly & flexibly is a key strength. The SIF epitomises this. Some of its features constrain. Suggest revise the '3 month limitation'
- Need to map out alternative support to NGOs & link to other donors → smooth transition (NGOs need advance notice e.g. Contact)
- Planning
  - Donors, and most Govt knew of plans to graduate, in general sense. Everyone keen to learn more
  - Bank will miss grant funds and expertise. Not quite clear to Bank why exiting – they just change the terms of engagement (different loan rates) as country's status improves.
  - Need for post-RAP document: a Moldova CAP / mini-CAP? Not worth investing in a JAS type document.
- Mix of aid instruments:
  - Short-term, high impact, visible projects/TA
  - + PRSC
  - Question about impact of PRSC: small portion of GoM budget (and DFID loses visibility)
- PBF momentum, included robust M&E system, requires a 'hands-on' approach – i.e. in-country coordinator. Should not be delegated to regional post because of particularities of each conflict.

## ANNEX 5: NET OFFICIAL DEVELOPMENT ASSISTANCE FLOWS TO CASCM COUNTRIES 2001-2005

Total Annual Net Official Development Assistance Disbursements (million US\$)							
Year	2001	2002	2003	2004	2005	Total	% of total
<b>Recipient</b>							
Donor							
<b>Armenia</b>							
EBRD	0.47	0.23	0.76	1.37	0.16	2.99	0.25%
Sweden	0.86	1.05	1.61	2.32	1.57	7.41	0.62%
Switzerland	1.77	2.3	2.2	3.07	2.23	11.57	0.97%
<b>UK</b>	<b>2.38</b>	<b>1.67</b>	<b>3.15</b>	<b>6.56</b>	<b>6.22</b>	<b>19.98</b>	<b>1.68%</b>
Japan	5.18	11.36	7.02	4.68	5.37	33.61	2.83%
Netherlands	7.86	7.18	9.91	9.22	11.64	45.81	3.86%
EC	10.17	28.88	16.44	28.23	23.42	107.14	9.02%
IDA	55.03	66.11	77.39	77.75	31.39	307.67	25.91%
United States	77.95	114.3	74.19	73.14	53.63	393.21	33.11%
All others	91.75	126.49	133.47	125.2	89.03	565.94	47.65%
All Donors	198.39	293.46	248.75	253.79	193.27	1187.66	100.00%
<b>Azerbaijan</b>							
<b>UK</b>	<b>1.15</b>	<b>0.47</b>	<b>0.29</b>	<b>0.16</b>	<b>0.04</b>	<b>2.11</b>	<b>0.16%</b>
Sweden	0.07	0.36	0.31	0.47	1.16	2.37	0.18%
EBRD	1.08	2.08	2.3	3.05	2.44	10.95	0.85%
Switzerland	0.99	5.65	2.53	3.05	5.58	17.8	1.39%
Netherlands	2.59	4.06	3.86	3.5	5.47	19.48	1.52%
EC	12.78	22.37	24.56	10.61	26.02	96.34	7.52%
United States	30.91	61.53	49.27	47.58	44.12	233.41	18.22%
IDA	27.56	56.92	74.74	49.17	45.63	254.02	19.83%
All others	53.86	54.03	62.89	48.73	84.72	304.23	23.75%
Japan	100.97	141.84	79.82	9.64	8.25	340.52	26.58%
All Donors	231.96	349.31	300.57	175.96	223.43	1281.23	100.00%
<b>Georgia</b>							
EBRD	1.72	1.87	1.83	2.68	1.38	9.48	0.65%
Sweden	1.99	2.02	2.42	4.12	4.19	14.74	1.01%
<b>UK</b>	<b>5.69</b>	<b>3.87</b>	<b>3.41</b>	<b>3.12</b>	<b>3.34</b>	<b>19.43</b>	<b>1.33%</b>
Switzerland	2.3	4.51	6.92	8.01	5.88	27.62	1.89%
Netherlands	3.3	8.89	5.03	7.53	11.99	36.74	2.51%
Japan	15.48	18.6	16.42	10.59	7.33	68.42	4.68%
EC	23.48	10.86	28.31	36.15	35.86	134.66	9.21%
IDA	63.11	58.88	43.46	64.38	59.23	289.06	19.77%
All others	88.58	69.7	42.87	85.65	107.27	394.07	26.95%
United States	94.34	133.31	74.95	92.26	73.3	468.16	32.01%
All Donors	299.99	312.51	225.62	314.49	309.77	1462.38	100.00%
<b>Kazakstan</b>							
IDA	..	..	..	..	..	0	0.00%
Switzerland	0.28	0.12	0.29	0.09	1.04	1.82	0.17%
Sweden	0.58	0.48	0.51	1.15	0.8	3.52	0.32%

<b>UK</b>	<b>0.85</b>	<b>1.13</b>	<b>1.88</b>	<b>1.76</b>	<b>1.65</b>	<b>7.27</b>	<b>0.66%</b>
Netherlands	2.15	2.01	2.51	3.32	2.36	12.35	1.12%
EBRD	3.09	3.34	2.84	2.93	2.1	14.3	1.30%
EC	4.41	5.7	6.87	10.23	7.42	34.63	3.14%
United States	56.01	74.01	47.81	56.39	57.11	291.33	26.41%
All others	36.58	71.32	70.99	61.08	90.58	330.55	29.97%
Japan	43.93	30.13	136.27	130.76	66.17	407.26	36.92%
All Donors	147.88	188.24	269.97	267.71	229.23	1103.03	100.00%
<b>Kyrgyz Republic</b>							
Sweden	0.9	0.84	0.97	2.53	2.52	7.76	0.70%
EBRD	0.95	1.82	1.95	2.65	2.28	9.65	0.87%
Netherlands	1.79	1.66	4.76	3.07	3.12	14.4	1.30%
<b>UK</b>	<b>2.39</b>	<b>4.47</b>	<b>7.07</b>	<b>6.29</b>	<b>9.36</b>	<b>29.58</b>	<b>2.68%</b>
Switzerland	4.9	13.85	8.6	10.42	9.31	47.08	4.26%
EC	11.24	12.83	10.05	22.94	17.99	75.05	6.80%
Japan	23.15	8.12	31.23	26.69	20.95	110.14	9.98%
IDA	26.66	33.4	31.85	24.1	35.51	151.52	13.73%
United States	28.08	51.66	40.06	39.9	41.4	201.1	18.22%
All others	88.85	56.97	63.3	122.5	126.01	457.63	41.46%
All Donors	188.91	185.62	199.84	261.09	268.45	1103.91	100.00%
<b>Moldova</b>							
EBRD	0.28	0.24	0.47	0.73	0.71	2.43	0.35%
Switzerland	1.97	2.15	3.27	3.22	5.33	15.94	2.30%
<b>UK</b>	<b>2.53</b>	<b>3.32</b>	<b>5.31</b>	<b>4.86</b>	<b>2.96</b>	<b>18.98</b>	<b>2.74%</b>
Japan	8.15	5.91	4.3	3.33	3.71	25.4	3.66%
Sweden	2.55	4.57	4.55	7.22	8.52	27.41	3.95%
Netherlands	15.15	3.47	4.91	5.6	8.3	37.43	5.40%
EC	4.64	11.27	8.48	10.04	40.44	74.87	10.80%
IDA	14.16	21.87	15.9	17.68	24.78	94.39	13.62%
United States	43.51	56.91	41.7	32.76	30.49	205.37	29.63%
All others	29.42	31.97	29.05	34.06	66.51	216.41	31.22%
All Donors	122.36	141.68	117.94	119.5	191.75	693.23	100.00%
<b>Tajikistan</b>							
Netherlands	0.57	0.58	1.11	1.19	0.89	4.34	0.45%
EBRD	0.62	0.72	1.34	1.53	1.42	5.63	0.58%
<b>UK</b>	<b>0.93</b>	<b>3.27</b>	<b>1.09</b>	<b>1.52</b>	<b>4.4</b>	<b>11.21</b>	<b>1.16%</b>
Sweden	0.97	2.02	1.78	3.12	4.56	12.45	1.28%
Switzerland	6.97	5.23	13.41	17.04	9.95	52.6	5.42%
Japan	4.61	26.96	4.77	6.58	9.93	52.85	5.45%
EC	28.89	12.81	25.29	21.76	35.96	124.71	12.86%
IDA	34.76	9.61	13.43	54.97	36.69	149.46	15.41%
United States	40.41	75.88	47.1	47.5	57.55	268.44	27.68%
All others	50.54	31.24	38.52	87.94	80.02	288.26	29.72%
All Donors	169.27	168.32	147.84	243.15	241.37	969.95	100.00%
<b>Turkmenistan</b>							
IDA	..	..	..	..	..	0	0.00%
Netherlands	0.21	0.04	0.07	0.04	0.01	0.37	0.18%
Switzerland	..	0.01	0.78	..	..	0.79	0.39%
Sweden	0.96	..	..	..	..	0.96	0.47%

<b>UK</b>	<b>0.12</b>	<b>0.24</b>	<b>0.67</b>	<b>0.11</b>	<b>0.05</b>	<b>1.19</b>	<b>0.58%</b>
EBRD	1.03	0.31	0.23	0.11	0.05	1.73	0.84%
EC	2.63	2.34	1.9	0.29	0.97	8.13	3.97%
Japan	16.42	11.37	6.8	2.22	0.13	36.94	18.03%
United States	14.12	12.14	6.51	6.54	9.55	48.86	23.84%
All others	36.27	14.07	10.2	27.93	17.49	105.96	51.71%
All Donors	71.76	40.52	27.16	37.24	28.25	204.93	100.00%
<b>Uzbekistan</b>							
<b>UK</b>	<b>0.04</b>	<b>0.14</b>	<b>0.14</b>	<b>0.37</b>	<b>0.96</b>	<b>1.65</b>	<b>0.17%</b>
EC	1.12	0.71	1.12	0.66	0.49	4.1	0.43%
Netherlands	0.76	1.37	0.59	1.45	0.55	4.72	0.49%
Sweden	1.34	1.54	2.58	2.92	2.54	10.92	1.14%
Switzerland	..	..	0.21	4.51	7.11	11.83	1.24%
United States	1.28	3.43	5.87	9.9	6.6	27.08	2.84%
EBRD	6.11	7.36	5.08	3.1	9.18	30.83	3.23%
All others	61.32	60.27	47.38	61.73	52.92	283.62	29.70%
Japan	30.92	40.16	63.22	99.75	54.44	288.49	30.21%
IDA	50.24	74.27	68.36	61.24	37.54	291.65	30.54%
All Donors	153.13	189.25	194.55	245.63	172.33	954.89	100.00%

data extracted on 23/08/2007 from OECD.Stat  
At current prices

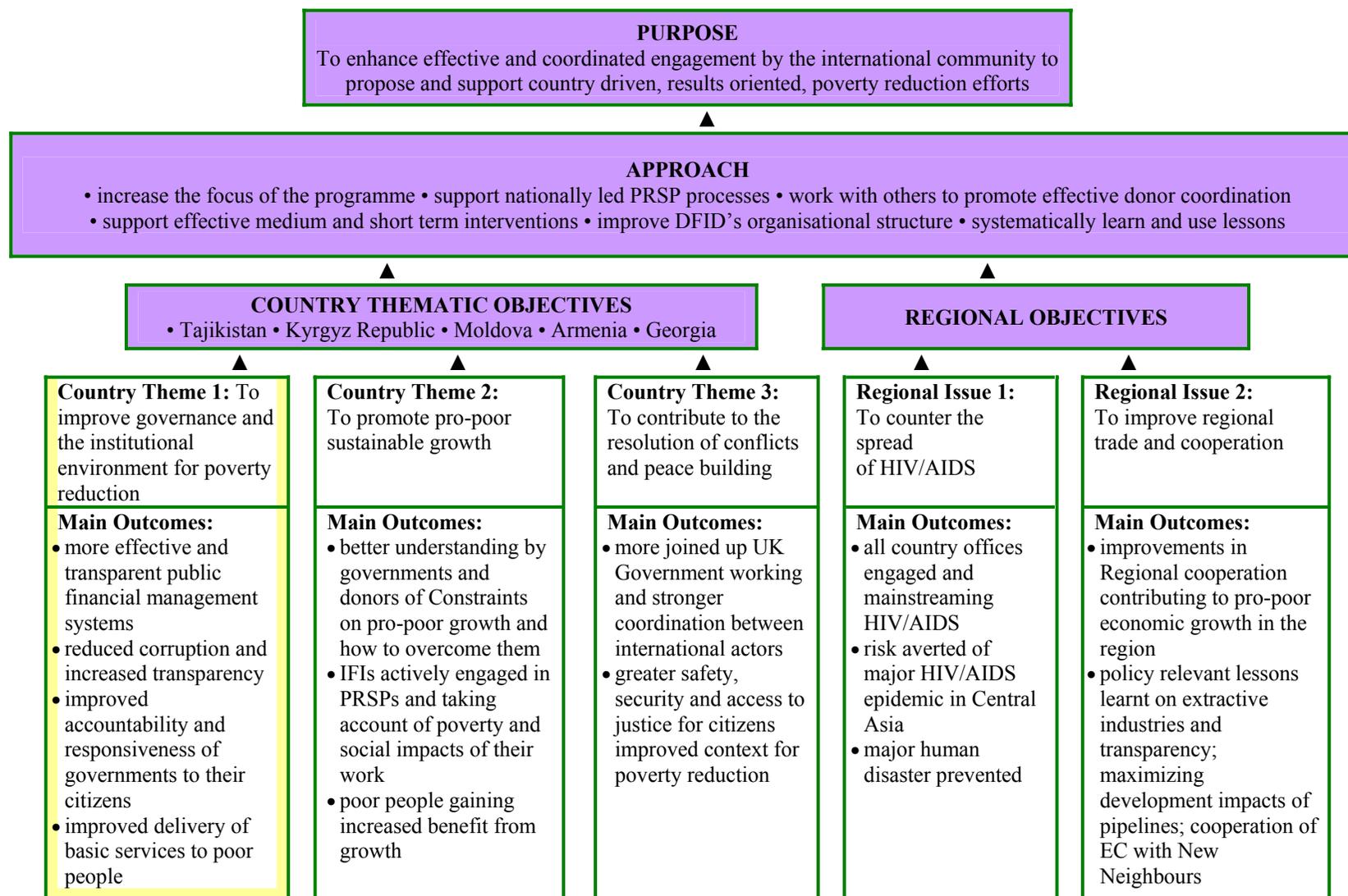
## ANNEX 6: DFID BILATERAL AID TO CASCM COUNTRIES 2001/02 TO 2005/06

Amount (£, thousands)	2001/02	2002/03	2003/04	2004/05	2005/06
<b><i>Central Asia Republics</i></b>					
Kazakhstan	612	716	1,230	672	802
Kyrgyz Republic	1,829	3,456	4,200	4,487	7,162
Tajikistan	1,978	358	688	1,359	2,766
Turkmenistan	59	161	36	28	20
Uzbekistan	397	490	559	613	277
<b><i>Total Central Asia Republics</i></b>	<b>4,875</b>	<b>5,182</b>	<b>6,713</b>	<b>7,160</b>	<b>11,027</b>
<b><i>Total Asia<sup>44</sup></i></b>	<b>488,921</b>	<b>542,787</b>	<b>784,456</b>	<b>807,385</b>	<b>943,120</b>
<b><i>Europe</i></b>					
Armenia	1,479	1,178	2,746	3,453	3,887
Azerbaijan	367	259	159	49	14
Georgia	2,446	2,349	2,087	1,741	2,438
<b><i>Total South Caucasus</i></b>	<b>4,292</b>	<b>3,786</b>	<b>4,992</b>	<b>5,243</b>	<b>6,339</b>
Moldova	1,584	3,354	2,433	2,571	1,498
<b><i>Total Europe</i></b>	<b>96,183</b>	<b>84,502</b>	<b>70,440</b>	<b>59,858</b>	<b>42,054</b>
<b>TOTAL CASCM countries</b>	<b>10,751</b>	<b>12,321</b>	<b>14,138</b>	<b>14,973</b>	<b>18,864</b>

Source: DFID Department Report 2007 Annex 2, Tables A3.3 and A3.4.

<sup>44</sup> In DFID's 2007 Annual Report table A3.3, Asia includes: Middle East, South Asia, Far East, Central Asian Republics, and Asia Regional programmes.

## ANNEX 7: SCHEMATIC SUMMARY OF CASC M RAP



## ANNEX 8: COMPARISONS OF CASC SP AND RAP OBJECTIVES

2000-03 CASC OBJECTIVES	2004-07 RAP OBJECTIVES
<b>CASC SP country level objectives:</b>	<b>RAP country level objectives</b>
good central and local public administration, with a focus on social protection systems, and the development of community-based solutions to reinforce social cohesion	To improve governance and the institutional environment for poverty reduction <ul style="list-style-type: none"> <li>• more effective and transparent public financial management systems</li> <li>• reduced corruption and increased transparency</li> <li>• improved accountability and responsiveness of governments to their citizens</li> <li>• improved delivery of basic services to poor people</li> </ul>
an enhanced enabling framework for economic growth including measures to encourage sustainable rural livelihoods, while ensuring access to essential services for the poorest, and adequate environmental protection	To promote pro-poor sustainable growth <ul style="list-style-type: none"> <li>• better understanding by governments and donors of constraints on pro-poor growth and how to overcome them</li> <li>• IFIs actively engaged in PRSPs and taking account of poverty and social impacts of their work</li> <li>• Poor people gaining increased benefit from growth</li> </ul>
health systems which provide affordable quality health care to all levels of society, particularly the poorest.	To contribute to the resolution of conflicts and peace building <ul style="list-style-type: none"> <li>• more joined up UK Government working and stronger coordination between international actors</li> <li>• greater safety, security and access to justice for citizens</li> <li>• improved context for poverty reduction</li> </ul>
<b>CASC SP regional objectives</b>	<b>RAP regional objectives</b>
democracy and respect for human rights, in particular through strengthened civil society, to help empower citizens in both rural and urban areas	To counter the spread of HIV/AIDS <ul style="list-style-type: none"> <li>• all country offices engaged and mainstreaming HIV/AIDS</li> <li>• risk averted of major HIV/AIDS epidemic in Central Asia</li> <li>• major human disaster prevented</li> </ul>
the integration of the countries of the region into global economic frameworks	To improve regional trade and cooperation <ul style="list-style-type: none"> <li>• improvements in regional cooperation contributing to pro-poor economic growth in the region</li> <li>• policy relevant lessons learnt on: extractive industries and transparency; maximising development impacts of pipelines; cooperation of EC with New Neighbours</li> </ul>
improved regional stability through measures to prevent and reduce conflict	

## ANNEX 9: PRSP PROGRESS IN CASCM COUNTRIES

**Table A: CASCM Countries Progress with PRSP Process in 2004**

Country	Stage of PRSP	Lead Authority	PRGF?	MTEF?
Armenia	Full PRSP	Ministry of Finance	Yes	Yes
Azerbaijan	Full PRSP	Ministry for Economic Development	Yes	Yes
Georgia	Full PRSP	State Chancellery	Yes	No
Kazakhstan	Poverty Reduction Programme 2003-2005	Ministry of Economy and Budget Planning	No	No
Kyrgyz Republic	Full PRSP	Ministry of Finance/ Presidency	Yes	Underway
Moldova	Full PRSP	Ministry of Economy	No	Underway
Tajikistan	Full PRSP	Presidential Working Group	Yes	MTBF
Uzbekistan	Comprehensive Strategy for the Improvement of Living Standards of the People of Uzbekistan	Cabinet of Ministers and Ministry of Economy	No	No

RAP Table 3 page 9.

**Table B: Current CASCM PRSP Status**

Country	Stage of PRSP	Current Status	DFID Role
Armenia	PRSP linked to three year MTEF and national budget to be performance based across Govt.	Approval of 2007-09 MTEF delayed due to May 2007 elections	Key role through project support to MTEF and Poverty Based Budgeting since 2000 linked to APSREP and ARDEP
Georgia	National Development Plan/PRSP reflected in budget with MTEF	2007-2010 MTEF approved Oct 2006, increased capacity of MoF	With other DPs, coordinates and monitors
Kyrgyz Rep.	MTBF approved and linked to annual budget with unified submission process, second NPRS not yet linked to budget	Unified budget submission process further improved; next task JCSS/CDS joint monitoring	S-GSAC project supporting MoF at technical level; DFID (joint) donor lead on coordination of PFM
Moldova	MTEF extended and sustained by GoM in line with EGPRSP	2007-09 MTEF drafted and approved by Govt.; civil society participation	Short term consultancies, coordination with GoM and other DPs
Tajikistan	PRSP developed, effective monitoring system in process	PRSP2 approved work on linking to MTEF continuing	Consultant support to MoF to roll out MTEF and for PRS preparation, support to SSC through basket fund with WB and Sida

2007 Country Results Framework

## ANNEX 10: CASCM SPEND BY SECTOR 2004/5 – 2006/7

Table A: Spend by sector/countries as a proportion of overall spend in the sector

	2004-5	%	2005-6	%	2006-7	%	Total 2004-7	%
<b>FRAMEWORK</b>	16,110,000		22,786,000		19,687,000		58,583,000	
<b>SPEND</b>	17,318,624		20,878,775		17,838,732		56,036,131	
<b>SECTORS</b>								
<b>Agriculture</b>								
Kyrgyz Republic	567,107	33%	696,529	38%	1,618,298	80%	2,881,934	52%
Moldova	806,103	47%	801,930	44%	20,359	1%	1,628,392	29%
Georgia	288,962	17%	330,820	18%	391,521	19%	1,011,303	18%
Tajikistan	44,633	3%					44,633	1%
<b>Total</b>	<b>1,706,805</b>		<b>1,829,279</b>		<b>2,030,178</b>		<b>5,566,262</b>	
<b>Business and Financial</b>								
Regional	2,109,272	65%	2,562,578	63%	1,081,826	67%	5,753,676	64%
Armenia	460,659	14%	972,693	24%	532,284	33%	1,965,636	22%
Tajikistan	483,495	15%	463,817	11%			947,312	11%
Moldova	176,616	5%					176,616	2%
Georgia			78,000	2%			78,000	1%
<b>Total</b>	<b>3,230,042</b>		<b>4,077,088</b>		<b>1,614,110</b>		<b>8,921,240</b>	
<b>Conflict and Humanitarian</b>								
Regional	54,000	79%	19,330	100%	46,392	100%	119,722	90%
Azerbaijan	7,103	10%					7,103	5%
Tajikistan	6,903	10%					6,903	5%
Armenia	10	0%					10	0%
<b>Total</b>	<b>68,016</b>		<b>19,330</b>		<b>46,392</b>		<b>133,738</b>	
<b>Education</b>								
Regional	58,838	100%					58,838	100%
<b>Total</b>	<b>58,838</b>						<b>58,838</b>	
<b>Energy</b>								
Kazakhstan	293,682	53%	117,193	56%			410,875	54%
Kyrgyz Republic	253,538	45%	81,085	39%			334,623	44%
Regional	1,016	0%	11,313	5%			12,329	2%
Azerbaijan	9,245	2%					9,245	1%
<b>Total</b>	<b>557,481</b>		<b>209,591</b>				<b>767,072</b>	
<b>Environment</b>								
Regional	432,513	100%	265,927	100%	79,926	100%	778,366	100%
<b>Total</b>	<b>432,513</b>		<b>265,927</b>		<b>79,926</b>		<b>778,366</b>	
<b>Health and Welfare</b>								
Kyrgyz Republic	1,583,877	62%	3,966,088	73%	1,834,804	66%	7,384,769	69%
Georgia	776,229	31%	1,443,559	27%	927,773	34%	3,147,561	29%
Moldova	92,116	4%	1,189	0%			93,305	1%
Uzbekistan	72,524	3%					72,524	1%
Regional	17,441	1%	534	0%			17,975	0%
<b>Total</b>	<b>2,542,187</b>		<b>5,411,370</b>		<b>2,762,577</b>		<b>10,716,134</b>	

<b>Misc Community</b>								
Tajikistan	171,199	15%	1,400,740	92%	2,090,911	56%	3,662,850	57%
Moldova	990,248	85%	128,463	8%	1,612,771	44%	2,731,482	43%
<b>Total</b>	<b>1,161,447</b>		<b>1,529,203</b>		<b>3,703,682</b>		<b>6,394,332</b>	

<b>No Project Specific</b>								
Uzbekistan	49,274	15%	276,300	63%			325,574	43%
Tajikistan	63,471	20%	13,119	3%			76,590	10%
Georgia	30,931	10%	32,976	8%			63,907	8%
Kyrgyz Republic	42,028	13%	20,959	5%			62,987	8%
Kazakhstan	23,273	7%	34,690	8%			57,963	8%
Armenia	32,014	10%	21,604	5%			53,618	7%
Turkmenistan	28,082	9%	20,485	5%			48,567	6%
Azerbaijan	29,038	9%	13,823	3%			42,861	6%
Moldova	20,129	6%	3,610	1%			23,739	3%
<b>Total</b>	<b>318,240</b>		<b>437,566</b>				<b>755,806</b>	

<b>Public Administration</b>								
Armenia	2,091,494	40%	1,678,599	37%	1,243,917	19%	5,014,010	31%
Kyrgyz Republic	768,093	15%	1,384,082	30%	1,366,841	21%	3,519,016	22%
Georgia	580,002	11%	522,359	11%	1,999,998	30%	3,102,359	19%
Moldova	204,880	4%	403,312	9%	1,344,987	21%	1,953,179	12%
Tajikistan	233,919	5%	324,994	7%	497,151	8%	1,056,064	6%
Kazakhstan	355,406	7%	233,477	5%			588,883	4%
Regional	456,560	9%	6,755	0%	105,367	2%	568,682	3%
Uzbekistan	491,579	9%	343	0%			491,922	3%
<b>Total</b>	<b>5,181,933</b>		<b>4,553,921</b>		<b>6,558,261</b>		<b>16,294,115</b>	

<b>Statistics</b>								
Tajikistan	195,482	27%	85,000	37%	600,000	100%	880,482	56%
Kyrgyz Republic	338,486	46%	143,671	63%			482,157	31%
Moldova	200,000	27%					200,000	13%
<b>Total</b>	<b>733,968</b>		<b>228,671</b>		<b>600,000</b>		<b>1,562,639</b>	

<b>Tourism</b>								
Kyrgyz Republic					309,989	100%	309,989	96%
Regional	14,581	100%					14,581	4%
<b>Total</b>	<b>14,581</b>				<b>309,989</b>		<b>324,570</b>	

<b>Water</b>								
Kyrgyz Republic	1,014,529	100%	695,856	100%			1,710,385	100%
<b>Total</b>	<b>1,014,529</b>		<b>695,856</b>				<b>1,710,385</b>	

<b>Social Development</b>								
Regional			514,104	100%	394,385	100%	908,489	100%
<b>Total</b>			<b>514,104</b>		<b>394,385</b>		<b>908,489</b>	

Notes:

1. Public Administration accounts for the highest proportion of the spend (30%) in the region over the three year period followed by health and welfare (20%) and business and financial (16%). Annual totals for spend in public administration increase over the three year period by 40% while totals in most of the sectors fluctuate.

2. Only two other sectors experience increases over the three year period. Spend in miscellaneous community projects more than double over the period and overall this sector accounts for 12% of total spend. Agriculture accounts for a slightly smaller proportion (10%) but also experiences an increase over the 3 year period.

**Table B: Spend by sector and proportion of total spend in each CASC country**

	2004-5	%	2005-6	%	2006-7	%	Total 2004-7	%
<b>Armenia</b>								
Public Administration	2,091,494	81%	1,678,599	63%	1,243,917	70%	<b>5,014,010</b>	71%
Business & Financial	460,659	18%	972,693	36%	532,284	30%	<b>1,965,636</b>	28%
No Project Specific	32,014	1%	21,604	1%			<b>53,618</b>	1%
<b>Total</b>	<b>2,584,167</b>		<b>2,672,896</b>		<b>1,776,201</b>		<b>7,033,264</b>	
<b>Georgia</b>								
Health & Welfare	776,229	46%	1,443,559	60%	927,773	28%	<b>3,147,561</b>	43%
Public Administration	580,002	35%	522,359	22%	1,999,998	60%	<b>3,102,359</b>	42%
Agriculture	288,962	17%	330,820	14%	391,521	12%	<b>1,011,303</b>	14%
Business & Financial		0%	78,000	3%			<b>78,000</b>	1%
No Project Specific	30,931	2%	32,976	1%			<b>63,907</b>	1%
<b>Total</b>	<b>1,676,124</b>		<b>2,407,714</b>		<b>3,319,292</b>		<b>7,403,130</b>	
<b>Kyrgyz Republic</b>								
Health & Welfare	1,583,877	35%	3,966,088	57%	1,834,804	36%	<b>7,384,769</b>	44%
Public Administration	768,093	17%	1,384,082	20%	1,366,841	27%	<b>3,519,016</b>	21%
Agriculture	567,107	12%	696,529	10%	1,618,298	32%	<b>2,881,934</b>	17%
Water	1,014,529	22%	695,856	10%		0%	<b>1,710,385</b>	10%
Statistics	338,486	7%	143,671	2%		0%	<b>482,157</b>	3%
Energy	253,538	6%	81,085	1%		0%	<b>334,623</b>	2%
Tourism		0%		0%	309,989	6%	<b>309,989</b>	2%
No Project Specific	42,028	1%	20,959	0%		0%	<b>62,987</b>	0%
<b>Total</b>	<b>4,567,658</b>		<b>6,988,270</b>		<b>5,129,932</b>		<b>16,685,860</b>	
<b>Moldova</b>								
Misc Community	990248	40%	128463	10%	1612771	54%	<b>2731482</b>	40%
Public Administration	204880	8%	403312	30%	1344987	45%	<b>1953179</b>	29%
Agriculture	806103	32%	801930	60%	20359	1%	<b>1628392</b>	24%
Statistics	200000	8%		0%		0%	<b>200000</b>	3%
Business & Financial	176616	7%		0%		0%	<b>176616</b>	3%
Health & Welfare	92116	4%	1189	0%		0%	<b>93305</b>	1%
No Project Specific	20129	1%	3610	0%		0%	<b>23739</b>	0%
<b>Total</b>	<b>2490092</b>		<b>1338504</b>		<b>2978117</b>		<b>6806713</b>	
<b>Tajikistan</b>								
Misc Community	171,199	14%	1,400,740	61%	2,090,911	66%	<b>3,662,850</b>	55%
Public Administration	233,919	20%	324,994	14%	497,151	16%	<b>1,056,064</b>	16%
Business & Financial	483,495	40%	463,817	20%		0%	<b>947,312</b>	14%
Statistics	195,482	16%	85,000	4%	600,000	19%	<b>880,482</b>	13%
No Project Specific	63,471	5%	13,119	1%		0%	<b>76,590</b>	1%
Agriculture	44,633	4%		0%		0%	<b>44,633</b>	1%
Conflict & Humanitarian	6,903	1%		0%		0%	<b>6,903</b>	0%
<b>Total</b>	<b>1,199,102</b>		<b>2,287,670</b>		<b>3,188,062</b>		<b>6,674,834</b>	
<b>Regional</b>								
Business & Financial	2,109,272	67%	2,562,578	76%	1,081,826	63%	<b>5,753,676</b>	70%
Social Development		0%	514,104	15%	394,385	23%	<b>908,489</b>	11%
Environment	432,513	14%	265,927	8%	79,926	5%	<b>778,366</b>	9%
Public Administration	456,560	15%	6,755	0%	105,367	6%	<b>568,682</b>	7%
Conflict & Humanitarian	54,000	2%	19,330	1%	46,392	3%	<b>119,722</b>	1%
Ed	58,838	2%		0%		0%	<b>58,838</b>	1%
Health & Welfare	17,441	1%	534	0%		0%	<b>17,975</b>	0%
Tourism	14,581	0%		0%		0%	<b>14,581</b>	0%
Energy	1,016	0%	11,313	0%		0%	<b>12,329</b>	0%
<b>Total</b>	<b>3,144,221</b>		<b>3,380,541</b>		<b>1,707,896</b>		<b>8,232,658</b>	

Notes:

1. Spend in public administration accounts for either the largest or the second largest proportion of spend in each of the CASC countries. Over the three year period, its proportion has increased in each of the countries, with the exception of Tajikistan. In Armenia it accounts for the majority (70%) of the overall spend.
2. Over the three year period, health and welfare account for just over 40% of spend in Georgia and the Kyrgyz Republic. However, there has been no spend in this sector in Moldova since 2004/05 and none at all in Armenia or Tajikistan. Miscellaneous community projects account for greatest proportion of spend in Moldova and Tajikistan, 40% and 55%, respectively.
3. Agriculture spend varies tremendously from 60% of the overall spend in Moldova in 2005/6 to Tajikistan where it accounts for 1% of spend over the three years and Armenia where there has been no funding in this sector. Agriculture is the sector with the third highest spend in Georgia, the Kyrgyz Republic and Moldova but over the three year period it never accounts for more than a quarter of the overall spend.
4. Business and Financial projects account for 70% of regional projects over the three years. In Armenia it is the sector with the second highest spend and in Tajikistan the third. Regionally, the second and third highest spend sectors are social development and environment which have no funding in individual countries.

## ANNEX 11: MONITORING FRAMEWORK

**Table A: Statements of Intent for each RAP Objective**

<b>Country Objective 1:</b> To improve governance and the institutional environment for poverty reduction	<b>Country Objective 2:</b> To promote pro-poor sustainable growth	<b>Country Objective 3:</b> To contribute to the resolution of conflicts and peace building	<b>Regional Objective 1:</b> To counter the spread of HIV/AIDS	<b>Regional Objective 2:</b> To improve regional trade and cooperation
1.1 Promote effective and transparent public financial management	2.1 Multi-laterals and IFIs are actively involved in government led PRS processes (or equivalent) taking into account the poverty and social impact of their work	3.1 Support to peace building initiatives in country	4.1 Ensure that in Central Asia (3 countries) HIV/AIDS programmes/projects are aligned to national government responses, spending resources effectively and in accordance with 3 1's principle.	5.1 Ensure EC policies (in particular the ENP and TACIS) contribute more effectively to political, social and economic reforms (across the region).
1.2 Improve the accountability and responsiveness of government to their citizens.	2.2 Promote equitable sub-national development.			5.2 Governments adopt market-led economic growth policies to facilitate their integration into the multi-lateral trading system
1.3 Improve national and local capacity to provide ( <i>basic</i> ) services to poor people.				5.3 More effective DFID activity and engagement in selected regional programmes and cross-border activities
1.4 Support to prioritising, implementing, co-ordinating and monitoring nationally led strategies.				

Table B: Status of RAP Objectives by Country as at March 2007 as reported in CRF July 2007

Objective Country	Country Objective 1: To improve governance and the institutional environment for poverty reduction	Country Objective 2: To promote pro-poor sustainable growth	Country Objective 3: To contribute to the resolution of conflicts and peace building	Regional Objective 1: To counter the spread of HIV/AIDS	Regional Objective 2: To improve regional trade and cooperation
<b>Armenia</b>	1.1 Poverty Based Budgeting (PBB 1.2 PBB, ARDEP, APSREP 1.3 Minimal role of ARDEP, limited role of APSREP & PBB 1.4 PRSP Monitoring Working Group	2.1 Contribution to WB PER in health, monitoring of EBRD etc. 2.2 To early for RDP impact, ARDEP role in regional development section of PRSP	3.1 Approved project on ENP Action Plan under GCPP, Consortium Initiative to disseminate results	nil	5.1 Joint work with EC on ENPI 5.3 Approve Project by Eurasia Foundation. Project on Waste management submitted to Defra
<b>Georgia</b>	1.1 Support to MoF for Budget and expenditure monitoring, DP coordination 1.2 Support to civil registration reform; Sustainable Livelihoods in Adigeni and Adjacent Rayons Phase 2 (SLAARII) Ext supports civil society participation; Components of PSFM RSP on hold, TI Georgia presents Govt efficiency study 1.3 Support to PHC model development. But slow progress; PHC service delivery model	2.1 EBRD financing instruments contribute to Govt led pro-poor growth 2.2 n/a	3.1 GCPP post committee plays greater role in selection and monitoring – committee meets on regular basis; CMI project progressing well; IA, BBC, IWPR and other DCP projects contribute to this output; influence FCO to organise meetings with other stakeholders.	n/a	5.1 DFID/FCO support thro' recommendation of ENP consultant; civil society and media engagement in ENP process; DFID ENP engagement plan; info shared on GCPP by DFID as and when but FCO lead and main EC contact. 5.2 n/a 5.3 n/a

<b>Georgia cont'd</b>	strengthened but not endorsed by GoG.; OPM support to Public Health Dept. in health promotion, policy and strategy. 1.4 Donors aligned with Govt owned development strategy				
<b>Moldova</b>	1.1 2007-09 MTEF drafted and approved by GoM; consultant to Court of Accounts; co-ordination of GoM and donors involved in strengthening budget and Public Expenditure Mgt. 1.2 Support to participation in EGPRSP 1.3 Joint Social Assistance system development PM and logframe approved. 1.4 Contribution to improved co-ordination and harmonisation with other donors; budget support to GoM through PRSC; lead on SWAP in social protection	2.1 Study on relationship between poverty and migration; regular contribution with EBRD, WB and EC; influence thro' joint projects – PAR, PFM, PRSC, SA, RD, Court of Accounts (CoA), Early Transition Country Initiative (ETC). 2.2 Design of regional development. Project; national conf. disseminates good practice	3.1 PBF contribution to EU actions on strengthening civil society; lessons made available to civil society; some cross Whitehall engagement lessons shared thro' GCPP June conf.; SCA implemented.	4.1 nil	5.1 DFID programme activities are in cooperation with EC, communication with EC, info shared with EUSR on PBF. 5.2 nil 5.3 nil
<b>Tajikistan</b>					

<b>Tajikistan Cont'd</b>	<p>1.1 TA to MoF/WB, updating Fiduciary Risk Assessment.</p> <p>1.2 Support to PRS prep. Support to SSC through basket funding with WB and Sida.</p> <p>1.3 Beneficiary impact Assessment showed positive outcomes. GoT not to take IDA financing for NSIFT so DFID will not fund either. TPAC project continues to support.</p> <p>1.4 Support to PRS monitoring and aid coordination/effectiveness. JCSS to be agreed by end 2007.</p>	<p>2.1. TA thro' 3 sets of consultants to support development of PRS, joint donor/Govt dialogue, consultants on MTEF.</p> <p>2.2 ETC to sharpen poverty focus of EBRD, ADB/DFID working on TA to state investment committee., possible joint project on rural roads</p>	<p>3.1 DFID/GCPP support by NGOs through GCPP Russia/CIS strategy</p>	<p>4.1 nil</p>	<p>5.1 nil 5.2 nil 5.3 nil</p>
<b>Kyrgyz Republic</b>	<p>1.1 S-GSAC supports MoF – now extending to 8 ministries; DFID (joint) donor lead on PFM; Strategic Fund (EITI) data delayed due to audit delays.</p> <p>1.2 Civil society involvement in regional HIV/AIDS project; civil society partners active in NPRS engagement; NPRS M&amp;E framework good; strategic fund joint work with FCO</p>			<p>4.1 See under 1.2</p>	

<b>Kyrgyz Republic Cont'd</b>	1.3 Health Sector Strategy on SWAp principles; RWSS strategy owned by Dept. with strong donor co-ordination. 1.4 Joint donor/Govt dialogue with active DFID role; JCSS approved by WB and to go to ADB				
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## ANNEX 12: PROGRESS AGAINST MDGS IN CASCM COUNTRIES

MDG	Indicator	Armenia	Azerbaijan	Georgia	Kazakhstan	Kyrgyz Rep.	Moldova	Tajikistan	Turkmenistan	Uzbekistan
1	Eradicate extreme poverty and hunger	1. Proportion of population below \$1 (1993 PPP) per day *	2.0	3.7	6.5	2.0	2.0	2.0	7.4	2.0
		Population below \$2 a day (\$ 1993 PPP) - 2003 ‡	39.5	4.7	84.6	16.4	18.6	31.1	84.6	2.4
2	Achieve universal primary education	6. Net enrolment ratio in primary education †	86.2	84.6	93.1	99.0	94.6	88.2	97.4	
3	Promote gender equality and empower women	9. Ratio of girls to boys in primary, secondary and tertiary education †	1.04	0.98	1.01	0.99	0.99	0.99	0.99	0.99
4	Reduce child mortality	13. Under-five mortality rate †	29	89	45	73	67	16	71	104
5	Improve maternal health	16. Maternal mortality ratio per 100,00 live births ±	9.3	19.9	45.1	50.0	53.5	33.6	45.0	26.9
6	Combat HIV/AIDS, malaria and other diseases	People living with HIV, 15-49 years old, percentage †	0.1	0.1	0.2	0.1	0.1	1.1	0.1	0.1
		Infection rates per million people #	9.5	13.9	19.5	48.4	25.3	60.5	6.7	70.4
7	Ensure environmental sustainability	30. Proportion of population with sustainable access to an improved water source, urban and rural +	92	77	82	86	77	92	59	72

Key:

Exceptions:

\* - UNstat 2003

MDG1 - Azerbaijan 2001

MDG3 - Uzbekistan 2004

+ - UNstat 2003

MDG2 - Georgia 2004

MDG5 - Kazakhstan 2001

† - UNstat 2003

‡ - World Bank (2005) Global Monitoring Report 2005: Millennium Development Goals; From Consensus to Momentum. (cited in WB ECA Progress Report)

± - TMD TransMONEE Database (2002); UNICEF Innocenti Research Centre, Florence, Italy (cited in WB ECA Progress Report)

# - European Centre for the Epidemiological Monitoring of AIDS (2003)





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ISBN: 1 86192 930 7