Sustaining Results

_Institutionalization of Capacity Building_

Monitoring and Evaluation Report
Public Investment Capacity Building Project
September 2013

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1. EXECUTIVE SUMMARY

This is the third report in a series of reports produced by the external Monitoring and Evaluation Consultant engaged by the Ministry of Education of Azerbaijan under the PICB Project. The report establishes facts collected from a review of literature, academic management review of the four Master’s Programs, a survey of former trainees conducted in May 2013 and interviews with former trainees conducted in May and September 2013. Complementing these actions are consultations with international and national consultants and trainers to validate findings.

The main conclusion drawn from these activities is that the PICBP is a successful project that has imbedded the concept and system of capacity building in the government of Azerbaijan. There is no question that this has been accomplished. Importantly, there is also evidence that the trainees have benefited from the training and are applying the newly acquired skills at least at the personal operational level.

Crucially, the project’s approach has ensured the long view regarding sustainability. To that end, the project has established three Master’s Programs and has modernized one. Importantly, the project’s approach to training delivery has in effect developed the capacity of national providers, including national universities, in responding to training requests from public and private sector clients, in preparing and delivering good programs and in partnering with international firms and trainers to complement resident local knowledge.

The extension year provides the project with an opportunity to focus on consolidating gains to ensure sustainability. To that end, the project should and will focus activities on the following:

- Support the universities in consolidating the programs developed through PICBP and help them in developing long term international linkages.
- The World Bank is to support the request of the Cabinet of Ministers to develop a Management Information System for the IFI projects. Simon Groom’s output from the PICBP can provide some of the basic architecture of this MIS to ensure convergence of procedures.
- Expand the circle of consultations beyond the MoED for the work being conducted on the instructions and instruments produced by the PICBP Consultant.
- Converge activities and ongoing initiatives towards the PDO
- Continue to collect data on implementation and prepare for effective project closure.
- Support the Civil Service Commission in developing an effective Performance Management System.

2. PROGRESS TOWARDS OUTCOMES

There were no serious implementation challenges as evidenced by the progress of the project and by the level of participation of beneficiary agencies. There were, however, a number of factors have influenced the project’s ability, positively and negatively, to meet its outcomes. These are discussed throughout this report.
2.1 **PROJECT COORDINATION UNIT**

The Project Coordination Unit (PCU) is the driving force behind the project remaining on track and increasing in popularity among stakeholder organization. The PCU put in place an effective annual process of engagement with stakeholder organizations to solicit their training needs. The PCU also maintained a menu of set training subjects which were identified as necessary to enhance the assessment and implementation of public investment projects.

The PCU applied this process in a thoroughly consistent manner. In many cases, particularly on technical topics and for foreign training, the responses from the beneficiary organizations were well studied and responded to an actual need. In other cases, the absence of an effective public service performance measurement system continues to pose some challenges in the relevance of the requests for training as well as the selection of participants. The PCU has attempted to remedy this situation by providing all information, including posting on-line the actual course material for review by the prospective participants.

In the past year, the PCU has aggressively focused on sustainability and on application of learning. However, the uncertainty of the project’s extension made it quite difficult to plan effectively. Now that the extension is assured, the PCU is focused on consolidating gains and ensuring project sustainability.

2.2 **GOVERNMENT OF AZERBAIJAN INTEREST AND SUPPORT**

The project continues to benefit from the support of the Cabinet of Ministers and the Ministry of Education. In fact the Cabinet of Ministers has made a request to the World Bank to support the development of a Management Information System to track, monitor and evaluate IFI financed projects. The World Bank agreed to finance the development of a Management Information System under PICBP. The World Bank has also agreed to finance from its budget the individual IT consultant to support this activity.

2.3 **WORLD BANK TEAM SUPPORT**

The World Bank team has demonstrated commitment to the project in the manner it has provided support and showed openness to ideas generated through project implementation. The key factor in the past year has been the restructuring of the project which recognized the challenges of the original design and provided more concentrated focus on achievable and sustainable outcomes.

Since the Second Monitoring and Evaluation Report “PICBP at the Cross Roads” (February 2012), the World Bank team has helped developed a proposal for the Institutional Development Fund in August 2012 to support Human Resources Management Reforms at the Civil Service Commission (CSC). Even though the proposal was not funded, it did provide very interesting ideas which are in part shaping the development thinking and actions of the Commission.
A mid-term review conducted jointly by the PCU and the World Bank team triggered a restructuring which allowed greater emphasis on achievement and sustainability of the PDO, on application of knowledge acquired through the training programs and on the imbedding of the three newly developed and one revised Masters’ programs. Couple with the extension in time, the restructuring created the conditions conducive for the successful completion of the project.

The changes to the Results Framework following the restructuring as follows:

<table>
<thead>
<tr>
<th>Pre Restructuring</th>
<th>Post Restructuring</th>
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<tbody>
<tr>
<td><strong>PDO</strong></td>
<td><strong>Project Development Objective (PDO)</strong></td>
</tr>
<tr>
<td>Improve the quality and efficiency of preparation and implementation of investment projects in key priority sectors especially infrastructure</td>
<td>Improve the quality and efficiency of preparation and implementation of investment projects in key priority sectors especially for infrastructure.</td>
</tr>
<tr>
<td>Improvement in the efficiency of implementation as measured in average project life for key projects based upon disbursement rates</td>
<td>Improvement in the efficiency of project implementation as measured by the reduction of average project life for key projects based upon disbursement rates</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Intermediate Result Component One</th>
<th>Intermediate Indicators Component One</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement in application of project management techniques.</td>
<td>Implementation of new procedures for managing projects.</td>
</tr>
<tr>
<td>Number of people trained in project management courses</td>
<td></td>
</tr>
<tr>
<td>Modernization of project management curriculum in relevant education institutions.</td>
<td>Adoption of a revised curriculum for general project management courses</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Intermediate Result Component Two</th>
<th>Intermediate Indicators Component Two</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement in effectiveness of supervision by government staff of project preparation and implementation</td>
<td>Adoption of certification and accreditation programs.</td>
</tr>
<tr>
<td>Number of people trained in specialized technical areas.</td>
<td></td>
</tr>
<tr>
<td>Modernization of the road engineering and water and sanitation curriculum.</td>
<td>Adoption of a revised curriculum.</td>
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</tbody>
</table>

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<tr>
<th>Intermediate Result Component Three</th>
<th>Intermediate Indicators Component Three</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adoption of an action plan on policy changes in capacity development issues.</td>
<td>Development and adoption of an action plan.</td>
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<thead>
<tr>
<th>Intermediate Result (Component One)</th>
<th>Intermediate Indicators Component One</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvement in application of project management techniques. Modernization of project management curriculum in relevant academic institutions</td>
<td>1) Application of new project management practices acquired through Project funded training for managing public investment projects</td>
</tr>
<tr>
<td></td>
<td>2) Number of people trained in project management courses in various disciplines</td>
</tr>
<tr>
<td></td>
<td>3) Establishment of new Master’s program in project management</td>
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</table>

<table>
<thead>
<tr>
<th>Intermediate Result (Component Two)</th>
<th>Intermediate Indicators Component Two</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhancement of technical capacity of government staff to execute public investment projects. Development of a new master’s program in solid waste management and updating the existing water and sanitation master’s program.</td>
<td>1) Application of technical skills acquired through Project funded training in executing public investment projects.</td>
</tr>
<tr>
<td></td>
<td>2) Number of people trained in specialized technical areas</td>
</tr>
<tr>
<td></td>
<td>3) Establishment of Solid Waste Management Master’s program and updating the Master’s program in Water and Sanitation</td>
</tr>
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<thead>
<tr>
<th>Intermediate Result (Component Three)</th>
<th>Intermediate Indicators Component Three</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparation of schemes for sustainable in-service training of public servants</td>
<td>1) Preparation of regulations for sustainable in-service training of public servants</td>
</tr>
<tr>
<td></td>
<td>2) Establishment of new Master’s program in Human Resources Management</td>
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</tbody>
</table>
2.4.1 Masters’ Programs: a key to sustainability

The four masters’ programs represent a key element of the sustainability of capacity building in Azerbaijan. The focus in the extension year is to help consolidate the programs through international cooperation, greater outreach to the employment sector to help provide practical on the job experience as well as developing the process of practical industrial research to help the government and corporations benefit from the knowledge creation that occurs through graduate research at universities. This last point will be clarified below.

The four programs include three new and one revised as follows:

<table>
<thead>
<tr>
<th>Program Title</th>
<th>Status</th>
<th>University</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid Waste Management</td>
<td>New</td>
<td>University of Architecture and Construction (UAC)</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Waste Water Management</td>
<td>Revised</td>
<td>University of Architecture and Construction (UAC)</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Project Management</td>
<td>New</td>
<td>Academy of Public Administration (APA)</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>Human Resources Management</td>
<td>New</td>
<td>Academy of Public Administration (APA)</td>
<td>0</td>
<td>10</td>
</tr>
</tbody>
</table>

The management of the programs at the two universities are distinct. All four programs were reviewed by the M&E Consultant in May-June of 2013. The review did not focus on the content of the courses but rather on the management of the programs and on the student experience. For the UAC review, the M&E Consultant met with the Dean, one professor and the three students of both programs. For the APA review, the M&E Consultant met with the Dean, four professors and 5 students.

The notes of the review by the M&E Consultant were communicated to the Academic Consultants, Larisa Shavinina (APA) and GertFoerch (UAC), who worked on the four programs for validation of the observations and findings.

It is clear from the review of the four academic programs that there is a distinct variation in approach by both universities. The Azerbaijani Universities require the leadership and vision of the Ministry of Education to be able to draw full advantage from these four programs. It is important that the leadership at the MOE, at UAC and APA direct the appropriate staff towards accomplishing these goals. Yet it is important to note that as they stand, the program do represent an important factor in the sustainability of the project’s outcomes in that there are four officially adopted programs that will graduate students who have passed through programs that are modern and internationally benchmarked.

Azerbaijan Public Administration Academy

The approach undertaken by the APA is characterized as proactive and responsive to the employment sector. Evidence of this can be found in how the APA has converted portions of the Project Management Masters’ program into a short term training programs for civil servants. In 2012 the APA delivered to 25 civil servants two programs:

- Introduction to Project Management
- Project Management in the Public Sector
The APA intends to deliver these and other programs in 2013 and will expand the list of short term programs as demand grows and the second Master’s Program, HR Management, develops.

But this is not enough. The APA must increase the number of students and, importantly, provide various mechanisms to allow working professionals achieve academic excellence. For example, the Azerbaijan Diplomatic Academy will be offering soon an Executive MBA program to working professionals that uses a combination of classroom and project approaches to award these working professionals with a credit bearing MBA. The APA can similarly provide working professionals with options that will allow them to improve their skills while accumulating credits. Other examples include awarding degrees through the accumulation of certificates. This is where a program is divided into three sections and each section ends with a certificate where the third certificate is the Master’s degree. The number of flexible mechanisms available through the most prestigious universities in the world can certainly apply here.

The APA has also led the way in the subject of active practical research at the graduate level which serves the interests of the industrial and employment sector. As a result of a recently completed UNDP-APA project entitled “Strengthening the capacity of educational Institutions for teaching and applying human development concepts” it was shown how students at the graduate level undertook research that was directly related to industrial development in Azerbaijan. Of the six research papers sample two stand out for special attention:

- The use of alternative and renewable energy as a way of sustainable development in Absheron region
- Innovative regional development: improving financial support of regional development

Both these research papers are critically important to project designers in the Government of Azerbaijan: they provide relevant, locally contextualized and internationally benchmarked knowledge. The APA intends to continue this tradition in the two new Masters’ Programs. This will be enhanced however when such research is conducted in the field and not just through desk research. It is for this reason that the APA needs to increase its interaction with the employment sector.

University of Architecture and Construction

Conversely, the UAC has been sluggish both in creating the conditions necessary for the progressive development of its two programs and in linking with the employment sector. Below are the three main observations resulting from the review of the two programs.

1) There is no practical or laboratory work for the students in the first year and even in the second year it very limited. The missing practical and laboratory work in the master programmes of ecological Engineering limits the quality of the programme, e.g. the quality of teaching and learning, as engineering programmes - like solid waste processing - are focusing on engineering solutions for burning social and economic problems it is a mistake when teaching is merely based on textbook knowledge. Students have to learn - in an ever changing world - to understand real world problems and to design solutions for them. This is not possible when learning is largely class-room based.

2) There is no serious interaction with the public or private sector which will employ these students once they graduate or allow them access to real life experience during their educational program. This is a major concern from the academic view, since major issues of the subject are left out: how can one understand the functioning of a solid waste dump and the necessity for modern design and operation if the students were never taken to a dump and
made their hands dirty; when they never visited the laboratories necessary for monitoring effluents from the dump for example. It is a concern from an overall educational standpoint as it is a mistake to leave society (ordinary people, administration, production etc.) out of the classroom. Students need to learn from exposure to and exchange with the real world. In fairness the dean claimed to take field trips but these are not a replacement for internships or cooperation with industry or potential employers of the graduates. The faculty claims to be working on an agreement with AZERSU however no mention of a similar agreement with Tamiz Shahar or Amelioration JSC is mentioned. Such outreach help in securing employment for these students as well as provide them with practical real life experiences in the field.

Furthermore, interaction with potential employers will enrich the academic program and learning experience. The University claims that it cannot act without the consent of the Ministry of Education. It would be a big step forward if experts from outside academia could be engaged as visiting or part-time lecturers, which is a normal feature in Western Europe and North America. For example, at Dutch Universities out of 5 lecturers in an engineering department four are part time lecturers from industry to maintain contact and quality of content.

3) There are no internships or cooperative education opportunities. (though there is a claim of an agreement with Azersu). Internships and cooperative education schemes are necessary for enriching the programme and maintaining quality: without such provisions, in reality and not just on paper, the request for international accreditation will fail.

**International University Linkages**

During the extension year, it is necessary for both institutions to reach outside of the Azerbaijani borders to learn from international universities with similar programs and to develop linkages with those universities for future cooperation, exchanges and joint research and programming.

To their credit, the UAC has already signed a Memorandum of Understanding (MOU) with the University of Northampton in the UK and is, in October 2013, undertaking a study tour supported by the PICBP. While this is an important first step, it is certainly not enough. The UAC will need to activate the MOU and support professorial exchanges and joint activities.

The APA on the other hand, is at the point of concluding a MOU with Carleton University and its School of Public Administration. The administration of APA is currently developing a short proposal to the PICBP to support a study tour and training visit in 2014 to Carleton University for key professors. This set of activities would be an important step forward for APA particularly as the chosen partner, Carleton University, has a well-established presence in the former Soviet Union and a long and fruitful engagement with the Russian Academy of Public Administration.
Industrial Cooperation

As noted above, cooperation with the employment and industrial sector is critical for the effective development of the programs.

Areas of potential cooperation that both universities should consider and explore are:

1. Joint Research for new methods and approaches and to solve specific problems.
2. The employment and industrial sector facilities could provide a “living” laboratory and classroom for students - this would likely enhance the quality of the educational experience and improve the ability of students to undertake useful projects as part of their learning.
3. Students can complement their studies as summer interns to provide them with real-life experiences which will enhance their theoretical knowledge and improve their employment prospects.
4. Senior staff could be guest lecturers at the University to address specific practical real-life issues.
5. Employers could be part of the student thesis evaluation committee to provide input from the perspective of industry expertise.
6. The University can provide in-service training to industry and employers.
7. The University could be commissioned to undertake R&D.

The major outcomes of such a relationship can be summarized as follows:

1. **For academia:** by encouraging academics to interact with employers they will be gaining up-to-date and relevant knowledge from the industry. Experience obtained will be incorporated into their teaching, learning, research and possibly consultancy activities;
2. **For employers:** by offering resources such as expertise, equipment and facilities to enhance the learning process of future potential employees and experts and gain valuable new knowledge from research to enhance operations;
3. **For Azerbaijan:** a more effective and efficient use of public resources and ensuring that both the academic milieu and the industrial sector support each other for the growth and development of Azerbaijan which will invariably enhance the quality of life for its citizens.

2.5 High Level of Participation

2.5.1 Total Training

The total number of trainees trained under the PICBP is at 1777 as of September 2013. The total number of trainees planned for the same period is 1470. This means that the Project has exceeded its target by more than 20%.

These figures should be complemented by the fact that the Azerbaijan Public Administration Academy is providing, as a direct result of the project, training to Public Servants in the areas of Project Management then the actual number of professionals upgrading their skills is even slightly higher.

The notion of in-service and pre-service training can be said to have taken hold in Azerbaijan. This can be directly attributed to the PICB Project as evidenced by the numbers and the previous section.
The graph on the left shows the number of total trainings against total number of planned training per year. For Year 4, it is to be noted that 420 professionals are planned to be trained by the end of the year. As of September 2013, 155 have already been trained and numerous training programs are currently underway. There is a high degree of confidence that the project is well on its way of achieving the training targets for 2013.

The graph represents an appropriate curve for this sort of project. In Years 1 and 2 the focus was on delivering training. However, in years 3 and 4 the project began to emphasise application of learning and to focus more resources on consolidating the training into PDO achievement.

2.5.2 Current Year - 2013

In this current year it is planned to hold training for 420 participants. Up to and including September, 150 participants were slated to attend training and in actuality, 155 participants attended. The intensity of the training programs will increase now that summer vacation is over and the project appears slated to achieve the objective.

The distribution of the planned training is as follows: 330 for Component 1 and 90 for Component 2.

2.5.3 Total Training by geographic distribution

The total distribution of training since the start of the project appears to be heavily based in Baku. However, it is to be noted that training in Nakhchivan began only in 2012. If we compare the figures of 2012 and 2013 only we find that the percentage increases dramatically as follows:

<table>
<thead>
<tr>
<th>Location</th>
<th>2012-2013</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nakhchivan</td>
<td>248</td>
<td>31%</td>
</tr>
<tr>
<td>Baku (&amp; other)</td>
<td>540</td>
<td>69%</td>
</tr>
</tbody>
</table>

Calculating the totals in this way shows that the distribution between Baku and Nakhchivan is more reasonably split and, given the population differential, reflects intensity in Nakhchivan that is not commensurate with the size of its population at 418,000 (Min. of Foreign Affairs, Nakhchivan AR Dep’t) compared to the total population of Azerbaijan at 9.3 Million (World Bank Data)

International training appears to have a very small share of the total training but given the cost per person of international training the project maximizes the impact of training activities by encouraging international trainers, who delivered the majority of the sessions, to work alongside national providers.
The result of this approach has been to develop the capacity of national training organizations not only in delivering training but in preparing course material and in responding to international requests for proposals. Evidence of this can be seen in how the Azerbaijan Risk Professionals Association has partnered with a Dutch firm to bid on and win an assignment for capacity building and advisory work with the Chamber of Accounts of Azerbaijan in the area of performance audits.

Interestingly, the inclusion of public universities in the eligible list of training providers we have witnessed the additional unplanned result of helping universities develop in-service training programs for working professionals. A case confirming this is how the APA has delivered project management training to working civil servants and in the Azerbaijan State Economic University delivering training in Baku and later in Nakhchivan on statistical analysis.

These two results, unintended in the original design, are strong indicators of sustainability which should not be overlooked during the final project review. To that end, this consultant intends to gather qualitative and quantitative data on this result for presentation in the next reporting period. It is to note that this project has elevated the status and spread the value of capacity building across the government, academia and private providers.
2.5.4 **Total by organization Baku**

Of the 26 agencies participating in the project, three (3) have sent more than 200 participants and seven (7) have sent 100 or more (Amelioration was included in this figure at 98 participants). Despite the high number of beneficiaries, it is evident that the bulk of the users are institutions which are involved in Public Investment Projects and therefore the most directly relevant to the objectives of the PICBP.
2.5.5 *Total by Organization Nakhchivan*

Conversely, in Nakhchivan the users are more evenly distributed among the beneficiary organizations, most of which are involved in Public Investment Projects and therefore of direct relevance to the project’s objectives. Interestingly, the Ministry of Finance of Nakhchivan seems to be far more involved in the project at 28 participants than the sister ministry in Baku at only 3 participants – it would be interesting to explore and understand this phenomena.
2.5.6 **Total training by component**

**Component 1**

Component 1 offers training in project management and its various components as well as general management issues that will help the public service employees improve their performance and the performance of their projects.

The figures show that there is a tremendous degree of interest in these topics particularly by young and recent entrants into the labour force. At the heart of this component is the professionalization of the project management discipline in Azerbaijan. Coupled with the Master’s in Project Management at the Azerbaijan Academy of Public Administration, the project can be said to have set the course to achieve this objective. Interestingly, many of the topics covered in this component can be found in modules of the Master’s Program. For example, Project Risk Management, Procurement Planning and Controls, Statistical Analysis, Team Management (HR) etc.

In terms of real figures, the PICBP exceeded its overall target by 17%. This means that the total number of planned participants was 990 but training was delivered to 1156 participants (166 additional participants were trained).

*Sample training programs (note many were held in Baku and in Nakhchivan – some topics are merged for brevity)*

- Public Private Partnership
- Computer Networks and Information Technologies
- Procurement under Azerbaijani Legislation and IFI standards
- ISO 14001; ISO 9001-2008; and ISO 50001
- Statistical analysis
- Project Risk Identification
- Human Resources Management
- Monitoring and Evaluation
- Feasibility Studies and Cost-Benefit Analysis
- Interpretation of FIDIC Contract Conditions for Construction Supervision
- Project Management
Component 2

Technical training has about half the participation of general project management related training. This is to be expected as there are practical factors driving the numbers. Considering the nature of the subject matter and the target audience it is easy to understand that the target audience for this training is significantly smaller than the target market for the general project management and management subjects. Furthermore, the participants trained exceeded this planned target by 15%.

Sample training programs (note many were held in Baku, Ganja and in Nakhchivan and also in international locations – some topics are merged for brevity)

- On-the-job training for effective operation and maintenance of Hovsan Aeration Station
- Operation and maintenance of water supply treatment plants
- Interpretation of European Directives and selected international standards for designing water supply and wastewater systems
- Management of Used Water (Singapore)
- Environmental safeguards and Environmental Management Plan
- Essential road maintenance work methods
- Regulation of international freight and passenger traffic
- Maintenance of concrete roads
- Land acquisition for state needs and resettlement
- Low cost road safety improvement measures
- Bridge maintenance and supervision
- Flexible pavement technology
- Maintenance of city streets
- Specific geotechnical features for road construction and maintenance in Azerbaijan
- Practice on use of HDM-4 2 (France)
- “TRANSCAD” software
- Laboratory testing techniques for roads (Turkey)
- Urbanization and enrichment of biodiversity in industrial landscapes
- Cadastral estimation of lands
- Application of alternative energy sources
- Development of ecological investment projects
2.6 A Fair Degree of Application of Knowledge

Two activities were conducted between May and September of 2013 to determine the extent of application of knowledge following the training program. The first was a short survey to past participants and the second was focus group sessions with AzerRoadService, Ministry of Economic Development and AzerSu.

A total of 138 past participants responded to the survey. 116 had participated in the General Training Programs and 22 of the respondents had participated in the Technical Training Programs.

Analysis

Respondents were asked, among other questions, whether they applied the new knowledge in their work and whether they observed an improvement in performance. They were asked to provide a percentage in both cases along a scale of 25%, 50%, 75% and 100%. The results shown here capture all those that claimed to apply 75% or more of the new skills and 75% or more improvement in performance in their job: these are 42% and 46% respectively. We captured only those that claimed to have applied new skills at 75% or more for the simple reason of conservatism and because we suspected that the focus group interviews will temper these results. In fact, those that claimed to have applied the new skills would increase the number to 105 of 138 thus increasing the percentage to 76%. As noted, we opted for conservatism in our reporting, however, as we learned from the focus group sessions, the vast majority of application of knowledge occurred at the individual level as such, an application rating of 76% is not wholly unreasonable.

Given the level of confidence we felt for the written responses in the survey and the suspicion that either the question was not understood or the responses inflated, it was important to follow the survey with a set of focus group interviews with randomly selected former trainees. The results of the focus group meetings temper the results of the survey to some degree specifically, we it shows an application rate of 42% and 46% respectively. The focus group sessions also revealed evidence of the higher than expected degree of application of newly acquired skills and the nature of application of these skills, discussed below.

In the focus group meetings, the respondents were asked similar questions to the survey but were asked to provide specific examples if and when they responded positively to the questions. Below are some of the examples:

- It helped us better understand and assess the external consultant reports
- It helped us better prepare and assess projects.
- It helped us better understand the sector.
- Helped us establish a monitoring and evaluating system (this is a particular case because there was support post training)
- Introduced new techniques in the preparation of 2020 strategy
- Improved planning and prioritizing
• Technical side is more easily applicable than other topics.

The focus group sessions also revealed two very important findings.

a) Technical training is more easy to apply as it rarely requires policy changes
b) Application of learning occurred at the personal level not at the institutional level

The first of these findings, that technical training is more easily applied, comes as no surprise as most institutions, even the most ossified, are apt to adopt technical and technological changes and adapt to these quite easily. However, the general topics that PICBP offered concerning Project Management, Project Assessment, Monitoring and Evaluation, Risk Assessment, Cost Benefit Analysis etc require a measure of process and policy changes that cannot be triggered only by training staff within ministries. It is for this reason that there is a high degree of application of newly acquired skills at the individual, or desk, level and not at the institutional level. Changing personal professional behaviour and applying tools and techniques that make ones work more efficient and effective does not require approval from superiors nor policy changes.

It must be noted however that policy changes have taken place in the project; these are discussed below.

2.7 **INSTITUTIONAL CHANGE**

The PICBP designers appeared to make the assumption that delivering training on the one hand and working directly with the Ministry of Economic Development to put in place project assessment, management and evaluation structures would converge to achieve the Developmental Outcome of the Project. This assumption was not fitting for two reasons. First is that a project of this size and scope cannot hope to change deeply imbedded processes in a government structure of this or any size by the adoption of one policy document and the training of a critical mass of professionals. And second academic and practical literature on capacity building make the case that training alone is not capacity building but that capacity building requires an integrated approach that includes training, coaching and mentoring in the application of newly developed skills. It also requires negotiations within the target institution and with its interlocutors within government.

The PICBP has attempted to do both of these things with a measure of success. These two initiatives are distinct; one can be seen as demonstration pilot that may be replicated as in the case of Tamiz Shahar and the other, an effective engagement in policy dialogue and practical support in policy implementation as in the case of the Ministry of Economic Development and the work around instructions and annexes containing detailed processes and templates for assessment, management and monitoring of public investment projects.

These two initiatives are highlighted below.

2.7.1 **Tamiz Shahar**

Unique among all the training in this initiative is that it actually implemented the effective cycle of capacity building. In this case, following the training, Tamiz Shahar (TS) requested support from the project in applying the newly acquired skills. As noted earlier, this is the approach promoted by all professional capacity building literature and practitioners. The support was provided through the project and the Consultant began working with the TS team to develop an effective Monitoring and Evaluation System.
The system is now in place and has, in fact, had an impact on other initiatives within TS including the development of internal procedures and policy related to data collection and M&E. One notable impact is that it helped inform the architecture of the Management Information System developed for TS with the support of another project. The system has produced two reports, both of which submitted to the Chairman of the organization. In this case, we see the complete trajectory of effective capacity building from training, to individual change to institutional change. Change has stopped at the individual level in all other beneficiary organizations.

Despite the apparent success of this initiative, it remains under threat as it is not given a sufficiently high priority within the organization and has not become an integral part of the planning cycle. There are several factors creating this phenomena, the first is that TS is in a hyper aggressive development state and is undertaking projects at a fast pace – the staff are focused on these new projects and not on reflection and analysis of operation. The second is that the function of M&E is not given a sufficiently high priority as in other countries, for example, in Canada, M&E is under the Treasury Board of Canada, a body that reports directly to Parliament whereas in the UK it is guided by the Treasury department. Yet in Azerbaijan, M&E functions are relegated to relatively new and inexperienced professionals without the necessary support and whose function is merely to provide reports that comply with both internal task and output based requirements or with conditions and formats of financing entities.

2.7.2 Ministry of Economic Development

The work with the Ministry of Economic Development MoED is another example of effective capacity building. In this case, while the PICBP trains a critical mass of professionals, it is also working with the key ministry in developing procedures, instructions and instruments to help assess, manage and monitor projects. The consultant, Simon Groom, after delivering a series of options and proposals has produced and submitted a set of instructions and instruments to the MoED for its evaluation, approval and implementation. It is important to recall that this work is being done under an existing government policy and approved by Presidential Decree (“Republic State Investment Program formation, implementation, monitoring and evaluation” confirmed with the decree (17.03.2010 #239) by the president of the Azerbaijan Republic.). As such, there is no need to engage in policy dialogue; at this point, it is whether the line Ministries, particularly MoED can find a satisfactory implementation mechanism to roll out across the whole civil service.

It is quite likely that the submitted material will be approved as a consulting output, but it seems unlikely that the procedures they contain will be adopted and executed by the MoED and by the other ministries within the government of Azerbaijan in the absence of continued consulting support through the implementation, inter-ministry negotiations and high level championing.
2.8 A STRUCTURAL GAP: ABSENCE OF NEEDS ANALYSIS

One of the biggest challenges for the PICBP is the absence within government of an effective performance management system which captures the training needs of public servants. Human Resources Departments continue to operate as recruitment centres and have little to no input into the actual staff management or performance.

The Civil Service Commission (CSC) is said to be instituting a Performance Management System and that this system will be in place within 18 months. However, this consultant has not been able to assess the nature of the purpose of the system being designed by the CSC.

It is important that the CSC be advised to develop a constructive approach to performance appraisal and management rather than a punitive approach. The former will provide important information about performance, position and progression whereas the latter will simply not.

3.0 CONCLUSION

As designed the project continues to perform very well and will meet all its targets as outlined in the restructured Results Framework. This report provides an integrated view of this complex project and demonstrates how the various intersections between the components are shaping the current and future activities of the public investment environment.

This report provides also a lens through which to see the extension year. The focus of the 2014-2015 must be consolidation and application and should focus on the following set of activities:

- Support the universities in consolidating the programs developed through PICBP and help them in developing long term international linkages.
- The World Bank is to support the request of the Cabinet of Ministers to develop a Management Information System for the IFI projects. Simon Groom’s output from the PICBP can provide some of the basic architecture of this MIS to ensure convergence of procedures.
- Expand the circle of consultations beyond the MoED for the work being conducted on the instructions and instruments produced by the PICBP Consultant.
- Converge activities and ongoing initiatives towards the PDO
- Continue to collect data on implementation and prepare for effective project closure.
- Support the Civil Service Commission in developing an effective Performance Management System.

Despite some of its challenges and the perception that this is a “training project” the PICBP will have repercussions that will be felt for many years to come. Suffice it that four graduate programs in Azerbaijani Universities are developed based on international best practices and that almost 1800 professionals have been exposed to new and modern technical and management technique which are being applied at least at the individual professional level. This in itself renders the PICBP a huge success.

As for changes in governmental operations, most countries require many years to develop these so why would we expect this to happen in Azerbaijan in merely four years? In Canada, it took some 20 years to develop an effective government wide monitoring and evaluation system and the process continues to evolve, renew and improve. We cannot hope to expect that any single project will set in stone a process
which will meet the evolving needs and environment of a country. We must clear the fog to see clearly what the PICBP has accomplished: it has set in motion an irreversible course; it will be long, as it should be. Alternatively, we can claim success by adopting a process that will crystalize and fossilize and become outdated within a few ineffective.

Which is the better developmental result? Indeed, within any measure of reason, the former is the preferred as it is the more dynamic of the two options. This is where the PICBP should focus the coming year as this is the most sustainable developmental outcome that can be achieved.