

# The Europe and Central Asia region Capacity Development Trust Fund

QUALITY

CAPACITY

PARTNERSHIP

KNOWLEDGE



EFFECTIVENESS



**THE WORLD BANK**

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Europe & Central Asia

## The Europe and Central Asia region Capacity Development Trust Fund (ECAPDEV)

is a multi-donor trust fund that helps low-income countries build the capacity to improve the quality and speed of project preparation and implementation.

Initial funding of US\$23 million for ECAPDEV came from the Government of Russia in 2012. The program has played an important role in the World Bank's partnership with the Russian Federation in the area of International Development Assistance.



# EUROPE AND CENTRAL ASIA CAPACITY DEVELOPMENT TRUST FUND

## \$23 MLN

from the Government of Russia



## \$19 MLN

46 project preparation grants financed



## \$2.6 BLN

of World Bank Group financing attracted



Albania, Armenia, Kyrgyz Republic, Moldova, Tajikistan, Ukraine, and Uzbekistan



Project preparation grants to low-income ECA countries



Capacity building for project preparation and implementation



Higher quality and faster project preparation

First-ever World Bank project preparation arrangement with the Eurasian Fund for Stabilization and Development



## Over a series of 10 rounds,

ECAPDEV has approved funding of US\$19 million for 46 grants, contributing to the preparation of 30 investment projects in Albania, Armenia, the Kyrgyz Republic, Moldova, Tajikistan, Ukraine, and Uzbekistan with a total of US\$2.6 billion in financing from the World Bank and the Eurasian Fund for Stabilization and Development (EFSD).

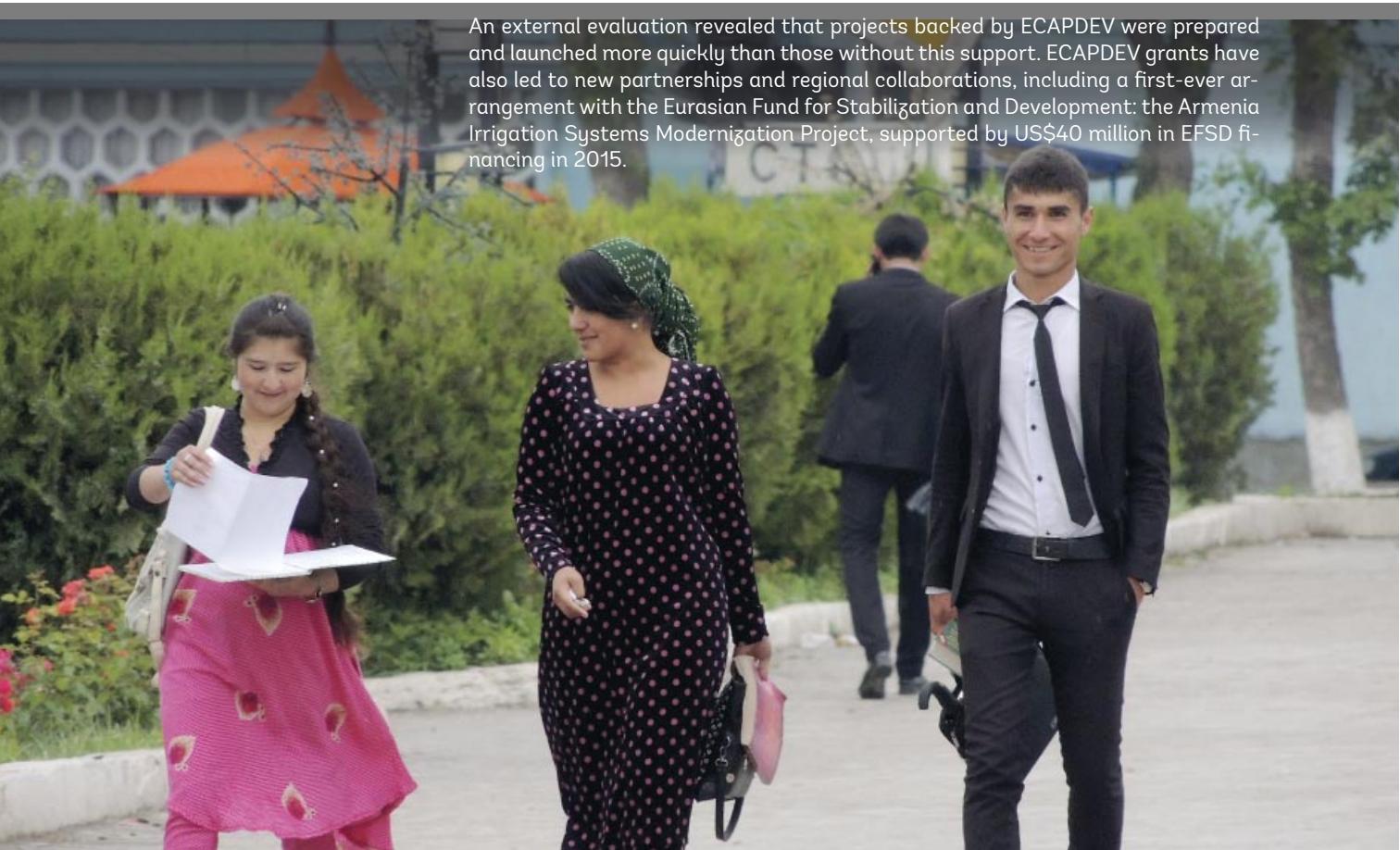
Over 1,000 government employees in these countries have been trained in critical operational skills, including financial management, procurement, safeguards, contract management, strategic communications, and monitoring and evaluation.



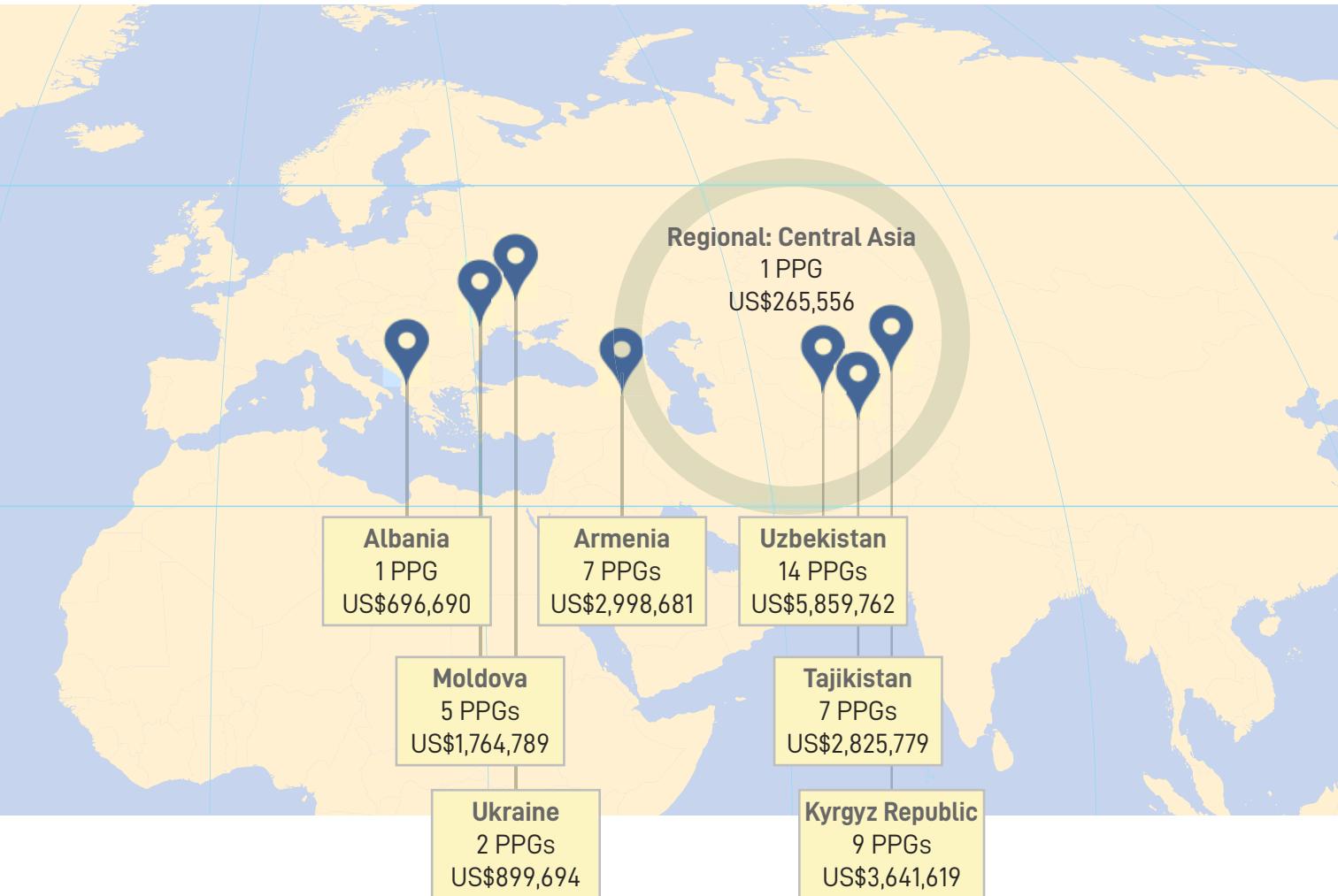
## ECAPDEV's project preparation grants

help client countries to strengthen their capacity to prepare better quality projects, improve their organizational effectiveness, increase their knowledge, skills, and innovation, and leverage their funding options.

An external evaluation revealed that projects backed by ECAPDEV were prepared and launched more quickly than those without this support. ECAPDEV grants have also led to new partnerships and regional collaborations, including a first-ever arrangement with the Eurasian Fund for Stabilization and Development: the Armenia Irrigation Systems Modernization Project, supported by US\$40 million in EFSD financing in 2015.



# ECAPDEV Map



# Results of ECAPDEV Project Preparation Grants

## Albania

### *Results-Based Road Maintenance and Safety Project*

This project preparation grant (PPG) strengthened the capacity of the Albanian Road Authority (ARA) to prioritize the maintenance of the National Road Network (through a Road Maintenance Strategy) and the use of output and performance-based maintenance contracts.

The Results-Based Road Maintenance and Safety Project supports the rollout of performance-based maintenance contracts covering 1,350 out of 4,000 kilometers of the country's roads, which carry about 70 percent of passenger and goods traffic. The project also finances the creation of a Road Management System that can provide updates to the Road Maintenance Strategy based on actual road conditions. This will help the ARA to better plan and budget maintenance and to enter into meaningful service-level agreements that include enforceable indicators of network and institution performance based on road condition surveys and the level of government financing.



Approved

2015

IBRD financing

US\$80 million

Project Preparation Grant

US\$696,690



Approved	EFSD financing	Project Preparation Grant
2015	US\$40 million	US\$479,935

## Armenia

### *Irrigation Systems Modernization Project*

This grant, an example of constructive collaboration between the Eurasian Fund for Stabilization and Development, the World Bank, and the Government of Armenia, supported a long-term national program to restore and restructure Armenia's irrigation and drainage network, involving the construction of gravity schemes and the rehabilitation of canals in different regions of the country.

The grant helped to enhance project management and the environmental, procurement, and monitoring and evaluation capacity of the Water Committee of the Ministry of Energy Infrastructures and Natural Resources. It also financed the preparation of a number of feasibility studies; environmental, social management and resettlement policy frameworks; a draft paper and procurement plan on the project; a draft monitoring and evaluation plan; and preliminary designs for proposed investments in line with international quality standards.

# Armenia

## Education Improvement Project

The grant helped Armenia to design a project that provides expertise and empirical guidance on i) school infrastructure safety, ii) the impact of information and communications technology (ICT) on the quality of school services and curricula, and iii) better inclusion practices for Armenia's vulnerable populations. Thanks to grant-funded activities that helped to inform the project's design and objectives, over 3000 children are now enrolled in 97 beneficiary pre-schools.

More specifically, the grant helped to conduct expert assessments and provide solutions on how best to improve the infrastructure and quality of school ser-

vices, including a quantitative and qualitative assessment of high school reform, and a review of infrastructure needs and seismic safety in 90 of the country's high schools. The grant also made it possible to design an action plan and specific recommendations for the school readiness enhancement program and to prepare a study of coverage gaps in vulnerable communities.

These studies helped to influence Armenia's national education policy and to mobilize an additional investment of US\$200 million from other development partners, including the Asian Development Bank and the European Investment Bank, in the safety of education infrastructure.



Approved	IBRD financing	IDA financing	Project Preparation Grant
2014	US\$15 million	US\$15 million	US\$256,164

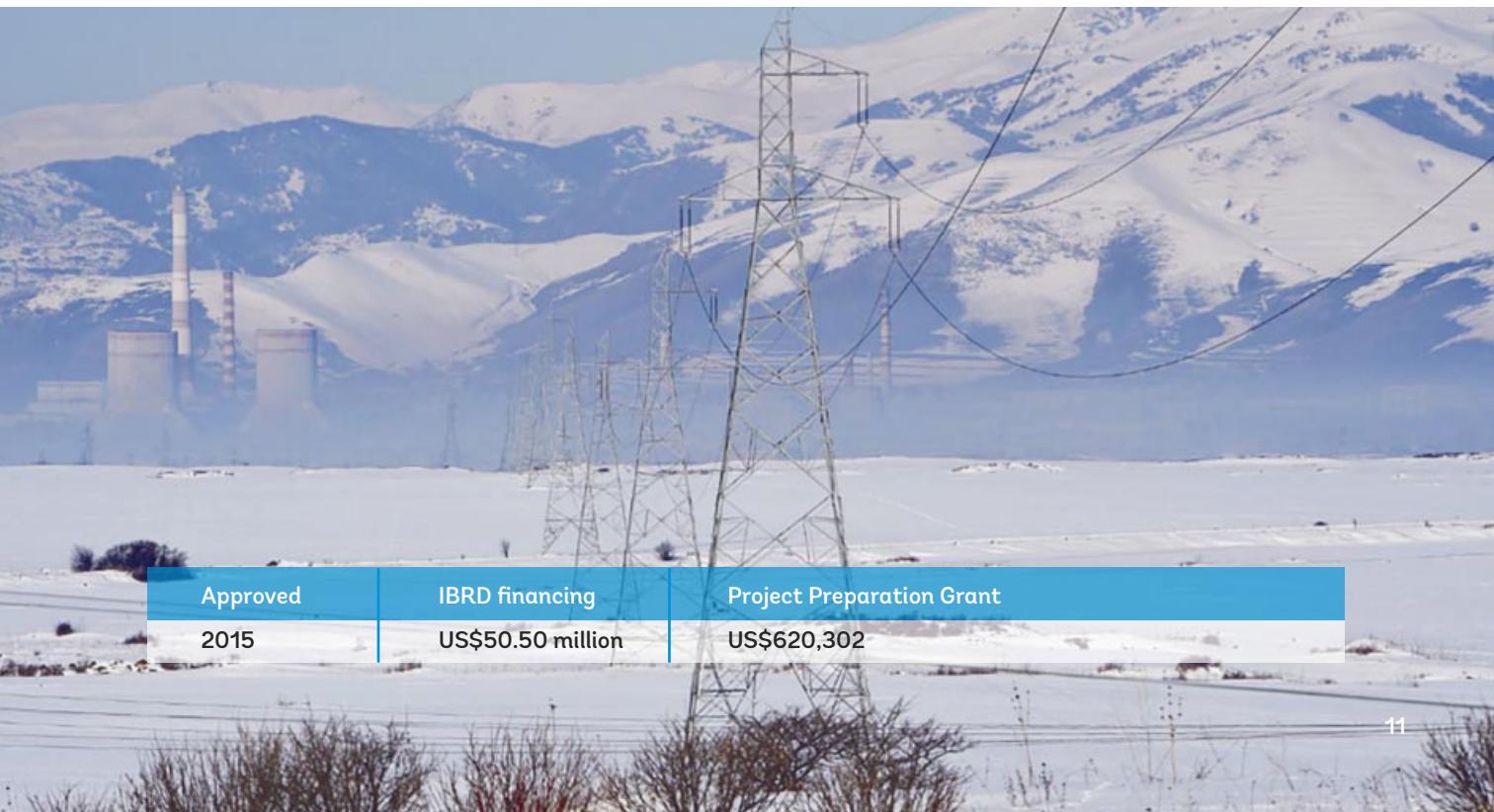
# Armenia

## *Electricity Transmission Network Improvement Project*

The ECAPDEV grant helped to strengthen the institutional capacity of the High Voltage Electric Networks and the Yerevan Thermal Power Plant, enhancing their ability to successfully implement a project to improve the reliability of the power transmission network and system management and to support government efforts to provide an adequate supply of electricity across the country.

High-quality technical documents made possible by the grant led to a selection of competent and qualified bidders that, in turn, contributed to the sustainability of the project's outcome.

The study on security and safety in the power system helped the operators of the electricity network to prioritize investment needs and attract additional financing of US\$10 million from KfW (the German Development Bank) and US\$5 million from the Asian Development Bank.



Approved	IBRD financing	Project Preparation Grant
2015	US\$50.50 million	US\$620,302

# Kyrgyz Republic

## *Sustainable Rural Water Supply and Sanitation Development Project*

The grant helped to prepare the technical designs, hydraulic modeling, and cost estimates for selected subprojects in support of the Sustainable Rural Water Supply and Sanitation Development Project, which focuses on improving the access to and quality of water supply and sanitation services and on strengthening the capacity of government institutions in these sectors.

The project directly contributes to the Kyrgyz Republic's vital goal of providing universal and equitable access to safe and affordable drinking water, sanitation, and hygiene to the entire population by 2030.



Approved	IDA financing	Project Preparation Grant
2016	US\$59.50 million	US\$249,825

Photo: Vlad Ushakov



Approved	IDA financing	Project Preparation Grant
2018	US\$50 million	US\$350,000

## Kyrgyz Republic

### *Digital CASA Project*

This project preparation grant helps to promote the digital transformation of the Kyrgyz Republic by designing the Digital Central Asia and South Asia (CASA) Project, which works to increase the country's access to a more affordable internet, attract more private investments in the ICT sector, and improve the Government's capacity to deliver digital services.

The grant financed assessments of the project's economic efficiency and attractiveness, the ICT sector's legal and regulatory framework, and the existing ICT infrastructure in the Government's proposed cloud platform.

# Kyrgyz Republic

## Urban Development Project

The Urban Development Project is expected to benefit 59,000 residents of the Kyrgyz Republic by reducing the burden of having to fetch water for household use. It will also lead to more secure and better managed solid waste collection services, more comfortable schools during the winter months, and improved lighting on roads and in public spaces.

The ECAPDEV grant supported the preparation of a feasibility study, a detailed design of water supply systems and school rehabilitation efforts, and energy audits to support pilot investments in energy efficiency. One important component involved

enhancing the country's capacity for new urban planning and green growth, introducing individual metering for water consumption, and instituting a "safe schools" approach to promote energy efficiency and seismic resilience in public buildings.

The project has been scaled up with two follow-on operations: the Enhancing Resilience in Kyrgyzstan Project for US\$20 million, approved in 2018, focusing on safe schools and disaster risk reduction, and an additional project currently in preparation with an estimated financing of US\$45 million that supports the development of secondary cities.

The small town of Balykchy now has energy efficient street lighting

Photo: Agency for Community Investments and Development

Approved	IDA financing	Project Preparation Grant
2016	US\$12 millionn	US\$479,703

# Moldova

## Modernization of Government Services Project

The Modernization of Government Services Project aligns approaches to enhancing the quality, efficiency, and access of government services with the government's public administration reform and e-transformation agenda.

The ECAPDEV grant facilitated the preparation of a high-quality project to build a new citizen-centric digital model of government service delivery. It financed an action plan for the modernization of public services in 2017–2021 and defined the project's main components: the reengineering and digitization of services and the alignment of human resources with a new model of service delivery. The grant also provided an opportunity to involve international and local experts in service reengineering, citizen engagement, and human resources management and helped the Government to shape a sound vision and action plan for the reform and modernization of government services.

Sharing the Moldova e-Transformation experience with other countries

Approved 2017	IBRD financing US\$5 million	IDA financing US\$15 million	Project Preparation Grant US\$247,000
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# Moldova

## Second Competitiveness Enhancement Project

Through training, project documents, and technical reports, this project preparation grant laid the foundation for the successful implementation of the Second Competitiveness Enhancement Project. A study on small and medium enterprises (SMEs) allowed the country's SME Development Agency to become more aware of the companies that it could be assisting through new or scaled-up programs. The grant also supported a competition study that helped to inform government reform priorities in this area and enabled the Export Promotion Agency to develop a strategy for 2015 and beyond.

Recommendations from a study on the country's partial credit guarantee agency allowed the SME Development Agency to improve the design and execution of this facility.



Photo: A beneficiary of the CEP-2 project exhibiting her goods

Approved	IBRD financing	IDA financing	Project Preparation Grant
2014	US\$30. million	US\$15 million	US\$484,759



Approved	IDA financing	Project Preparation Grant
2014	US\$37 million	US\$533,966

## Tajikistan

### *Agriculture Commercialization Project*

Agriculture, which accounts for 23 percent of GDP and 48 percent of employment in Tajikistan, plays a major role in economic growth and poverty reduction. The Agriculture Commercialization Project expands the opportunities for farmers and enterprises to increase their productivity and access to domestic and export markets.

The grant informed the broader context of ongoing agricultural reforms in Tajikistan through a number of strategy documents on the development of a competitive agriculture sector (including export-oriented value chains), an agricultural input supply sector, and a strategy for extension service development.

# Tajikistan

## Higher Education Project

The Higher Education Project assists Tajikistan in the development of mechanisms to improve the quality and labor market relevance of higher education, supporting reforms at both the institutional and system levels.

In addition to support in preparing key project documents, the grant provided technical assistance on approaches to enhancing quality assurance in higher education. It also provided the Government of Tajikistan with an assessment of Tajikistan's current standing with regard to the Bologna Process and a roadmap of ways the country can better align its universities with European Standards and Guidelines and the Bologna Process more broadly.



Approved	IDA financing	Project Preparation Grant
2015	US\$15.00 million	US\$173,142

# Ukraine

## *Second Social Safety Net Modernization Project*

The grant helped to mobilize US\$300 million in World Bank funding to reform Ukraine's social safety net and improve the social assistance and social services systems for the country's low-income population. The World Bank assisted Ukraine in utilizing international experience in its efforts to control fraud and errors in the social security system and strengthen the capacity of the Ministry of Social Policy to transform residential care into family-based care, address the needs of orphans and the disabled, and expand a cash-transfer program for those in need.



Approved	IBRD financing	Project Preparation Grant
2014	US\$300.00 million	US\$448,939

# Uzbekistan

## *Livestock Sector Development Project*

This project aims to improve the capacity of farmers and agro-enterprises in the livestock sector in selected regions of Uzbekistan. The goal is to increase the sector's production and processing capacity, improve access to finance and markets, create new job opportunities, promote the use of innovation and modern technologies, and help local livestock products to meet international standards. The project focuses primarily on small-holder farmers, private farms, and firms that work in livestock production and processing.

To lay the groundwork for project implementation, ECAPDEV helped to prepare several livestock sector and vet services performance assessments, a food and forage crop seed sector analysis, a technical feasibility study, a financial and economic analysis, and an environmental and social impact assessment.



Approved	IBRD financing	IDA financing	Project Preparation Grant
2016	US\$30 million	US\$120 million	US\$439,197



Approved

2018

IDA financing

US\$140 million

Project Preparation Grant

US\$700,000

## Uzbekistan

### *District Heating Energy Efficiency Project*

This project is designed to improve the efficiency and quality of heating and hot water services for 240,000 people living in multi-apartment buildings in five cities of Uzbekistan. Users of public and administrative buildings, including kindergartens, schools, hospitals, and municipality offices, will also experience improved heating services.

The ECAPDEV grant helped to prepare a feasibility study, a project investment plan, and bidding documents for the first year of project implementation, all of which were needed to support the project in making selected district heating enterprises more viable and efficient by increasing investments in district heating infrastructure, enhancing structural capacity, and improving the regulatory framework.

# Uzbekistan

## Pap-Angren Railway Project

The railway project contributed to the construction of a single 124 kilometer track rail link between the towns of Angren and Pap that was commissioned by Uzbek Railway Company (UTY), including a 19.2 kilometer rail tunnel through the Kamchik Pass—the largest in Central Asia. The investment reduced transportation costs and increased the reliability of transport services in the Ferghana Valley, the most densely populated region of Uzbekistan. As part of the project, the Bank financed the signaling and electrification of the railway line, an electric power distribution line, and track maintenance equipment and provided technical assistance to the UTY.

The ECAPDEV grant helped the UTY to (i) identify deficiencies in institutional capacity and prepare a logistics and marketing strategy, (ii) conduct environmental and social assessments of the parent project, (iii) prepare bidding documents, and (iv) prepare a manual and training on railway tunnel safety and other critical operations.

Photo: Uza



Approved	IBRD financing	Project Preparation Grant
2015	US\$195 million	US\$700,000



## Support to the poorest countries

By combining capacity building with project preparation grants, ECAPDEV expands the World Bank's ability to support the ECA region's poorest countries, including in efforts to promote quality, effectiveness, and innovation.

## Planned projects supported by Project Preparation Grants (as of March 2019)

Country	Project
Moldova	Competitive Power Market
Tajikistan	Rural Water Supply and Sanitation
Uzbekistan	Promoting Early Childhood Development
	Institutional Capacity Building Technical Assistance
	Water Services and Institutional Support Program
	Agriculture Modernization
	Ferghana Valley Development
	Support to Uzbekistan Prosperous Villages (Obod Qishloq)
	Uzbekistan Digital CASA



## Investment Projects supported by Project Preparation Grants (as of March 2019)

Country	Project
Albania	Results-based Road Maintenance and Safety
Armenia	Local Economy and Infrastructure Development
	Education Improvement
	Second Community Agriculture Resource Management and Competitiveness
	Electricity Transmission Network Improvement
	Eurasian Development Bank Mastara Reservoir Preparation
	Eurasian Development Bank Irrigation Project preparation
Central Asia	Climate Adaptation and Mitigation Program for Aral Sea Basin CAMP4ASB
Kyrgyz Republic	Heat Supply Improvement
	Third Village Investment
	Integrated Dairy Productivity Improvement
	Digital CASA - Kyrgyz Republic
	Electricity Supply Accountability and Reliability Improvement
	Urban Development
	Sustainable Rural Water Supply and Sanitation
Moldova	Climate Adaptation
	Modernization of Government Services
	Second Competitiveness Enhancement
	Tax Administration Modernization
Tajikistan	Higher Education
	Agriculture Commercialization
	Nurek Hydropower Rehabilitation Phase I
Ukraine	Second Social Safety Nets Modernization
	Serving People, Improving Health
Uzbekistan	Pap-Angren Railway
	Regional Roads Development
	Modernization of Real Property Registration and Cadastre
	District Heating Energy Efficiency
	Livestock Sector Development
	Medium-Size Cities Integrated Urban Development

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