

1. Project Data:		Date Posted: 12/30/2015	
Country:	Mongolia		
Project ID:	P113160		
		Appraisal	Actual
Project Name: Monstat: Strengthening The National Statistical System Of Mo	Project Costs (US\$M):	3.1	3.9
L/C Number:	Loan/Credit (US\$M):	2.0	2.15
Sector Board: Economic Policy	Cofinancing (US\$M):	1.1	1.75
Cofinanciers: Korea Trust Fund (KTF), Trust Fund for Statistical Capacity Building (TFSCB)	Board Approval Date:		06/12/2009
	Closing Date:	12/31/2014	12/31/2014
Sector(s):	Central government administration (100%)		
Theme(s):	Managing for development results (63%); Economic statistics; modeling and forecasting (20%); Other economic management (10%); Administrative and civil service reform (5%); Other public sector governance (2%)		
Prepared by:	Reviewed by:	ICR Review Coordinator:	Group:
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2. Project Objectives and Components:

a. Objectives:

According to the Project Appraisal Document (PAD, p. 5), the objectives of the project were “to improve efficiency and effectiveness of the national statistical system of Mongolia to enable it to provide relevant, timely and reliable data for evidence-based policy making in support of Government’s MDG-based National Development Strategy (NDS).”

According to the Financing Agreement (p. 5) of June 26, 2009, the objectives of the project were “to improve the efficiency and effectiveness of the Recipient’s national statistical system to enable it to provide relevant, timely and reliable data for evidence-based policy making in support of the Recipient’s National Development Strategy.”

This review will use the objectives as stated in the Financing Agreement as the basis for validation.

b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Components:

The project consisted of five components.

Component A: Improving policy, regulatory, and institutional framework and the organizational structure of the statistical system (appraisal estimate US\$0.57 million, actual US\$1.33 million): This component was to finance the review and improvement of the existing institutional framework, the

relationship between data users and producers, the data dissemination function and procedures, human resource capacity, and the organizational structure of the national statistical system.

Component B: Strengthening the statistical infrastructure (appraisal estimate US\$0.80 million, actual US\$0.39 million): This component was to finance the improvement and updating of the statistical registers; further development of classifications, other standards, and sampling methods; improvement in seasonal adjustments and evaluation skills; and enhancement of data quality.

Component C: Upgrading statistical operations , i.e. improving separate programs , methodologies and the existing data outputs (appraisal estimate US\$0.62 million, actual US\$1.32 million): This component was to finance the full implementation of the System of National Account, price statistics, and the preparation of the 2010 Census.

Component D: IT Infrastructure and Equipment (appraisal estimate US\$0.93 million, actual US\$0.70 million): This component was to finance the preparation of an information technology (IT) plan and the establishment of an IT network for the national statistical system.

Component E: Project Management (appraisal estimate US\$0.10 million, actual US\$0.17 million): This component was to finance project implementation and daily administrative work, including monitoring and evaluation (M&E) activities.

d. Comments on Project Cost, Financing, Borrower Contribution, and Dates:

Project Cost: The project was estimated to cost US\$3.1 million. Actual cost was US\$3.9 million due to exchange rate changes between SDR and USD. The project team stated that, since the project was designed to support the implementation of the National Strategy for the Development of Statistics, more emphasis was given to the activities planned under components A and C. Therefore, resources disbursed under components A and C were higher than appraisal estimates, while resources disbursed under components B and D were lower than appraisal estimates. The team did not clarify why these two components (A and C) were considered more relevant to the National Strategy.

Financing: The project was financed by:

- A US\$2.0 million IDA credit. Due to favorable exchange rate development, the value of the IDA credit increased to US\$2.15 million, which was fully disbursed.
- A Trust Fund for Statistical Capacity Building grant of US\$0.4 million, which was fully disbursed as planned.
- Two Korea Trust Fund grants in the amount of US\$0.7 million and US\$0.65 million, fully disbursed as planned.
- In-kind support from the Turkish Development Cooperation Agency in the form of printing equipment, in the amount of US\$0.3 million.

Borrower Contribution: There were no planned or actual contributions by the borrower.

Dates: The project was restructured on December 26, 2013 to reallocate undisbursed funds from the “unallocated category” to valid project expenditure categories under all project components, in order to complete the implementation of remaining project activities. The project closed as planned in December 2014.

3. Relevance of Objectives & Design:

a. Relevance of Objectives:

Substantial: Prior to appraisal, Mongolia had developed a National Development Strategy for the period 2007 to 2021. The goals of this strategy were: i) achieving the Millennium Development Goals; ii) developing an export-oriented, high-tech, knowledge-based economy; iii) strategically exploiting minerals to increase savings and growth and develop a modern processing industry; iv) developing regions and infrastructure to reduce urban-rural disparities; v) stop imbalances in the eco-system; and v) uniting political democracy and developing an accountable system without red tape and corruption. In order to monitor progress towards these objectives, Mongolia needed to strengthen its statistical system.

Mongolia has made and continues to make efforts to develop a statistical system to produce and disseminate an

increasing variety of data that meets user needs and informs decision-making within the government and community. At appraisal the objectives of the project were in line with the National Strategy for Development of Statistics (2006-2010), which was developed and approved by the Parliament in 2006. It provided a roadmap to improve the capacity of the National Statistics Office (NSO) and other agencies responsible for data collection, dissemination, monitoring and evaluation. A more recent, updated National Strategy for Development of Statistics is currently being finalized. The objectives were also in line with the Bank's Interim Strategy Note of 2009 to strengthen the NSO to produce reliable, timely and good quality data in order to allow for the monitoring of key poverty and development indicators. The objectives remained relevant to the Bank's current Country Partnership Strategy (2013-2017), which supports more transparent and citizen-oriented public management through improved data and e-government.

b. Relevance of Design:

Substantial: The relationship between planned activities and intended outcomes was logical and plausible. Activities supporting the development of an appropriate legal environment and mechanisms for the interaction of statistical institutions, improving the organizational structure of the national statistical system, enhancing the relationship between data users and producers, strengthening data dissemination functions and procedures, and strengthening human resource capacity are likely to lead to efficient and effective national statistical system. Activities to enhance critical elements of the statistical infrastructure such as registers, compliance with international statistical techniques, and standards for timeliness and frequency of statistical outputs are likely to lead to the production and availability of timely, relevant, and reliable data.

The choice of lending instrument was appropriate, as the project was under the umbrella of Statistical Capacity Building (STATCAP), a newly available lending vehicle aiming to improve country statistical capacity through a sector-wide approach to make investments in statistical capacity easier and more effective.

4. Achievement of Objectives (Efficacy):

Neither the PAD nor the ICR include a definition for "efficiency and effectiveness." Outcomes are therefore discussed here in terms of the provision of relevant, timely, and reliable data for evidence-based policy making.

Improve the efficiency and effectiveness of the Recipient's national statistical system to provide relevant , timely, and reliable data for evidence -based policy making: Substantial

Outputs:

- Infrastructure was improved to allow for the introduction of efficient, relevant and advanced technology at every stage of statistical operations. An IT plan and technical specifications for network security equipment were developed. An IT network security system was fully installed and is operational.
- A System of National Account to produce timely, reliable national accounts in line with internationally accepted methodologies was fully implemented as planned.
- The calculations for the consumer price index and producer price index were improved. Also, export and import price indices were estimated and disseminated on a monthly basis as planned.
- The 2010 Census was prepared and successfully conducted and in accordance with a new methodology, as planned.
- 157 different types of equipment such as workstations, IT networking, security equipment and related software were installed. All NSO staff at central and regional levels now have workstations with direct access to databases, achieving the target.
- The capacity of NSO management and staff at national and sub-national levels was improved through organizational changes and comprehensive training, achieving the target.
- A new business register system and business register management system were developed. Internationally accepted classifications, standards and methodologies were adapted and used in data production. A standard questionnaire for surveys was developed and applied. Targeted surveys were conducted, thematic statistical data developed and results disseminated as planned.
- Internationally accepted statistical techniques for the collection, compilation, and authenticity verification of data were applied and regular validations for data sources and statistical products were implemented, achieving the target of 100% adaptation of internationally accepted classifications and standards. Specifically, four international classifications and 11 methodologies were developed and have been applied as planned.
- New internationally accepted classifications and methodologies that enhance coverage and accuracy of official data, as well as a revision policy, were developed and adopted. Regular check-ups to ensure

- quality were conducted, achieving the target.
- The NSO developed and put in place mechanisms for effective interagency coordination, and a mechanism for effective dialogue with data users and providers was made operational. A National Statistics Training Center was established, and 120 staff from various agencies were trained in coordination and data sharing. Also, training for media on how to use statistical information was conducted. 4,647 staff within the NSO were trained in different areas such as statistical concepts and methods as planned.
- A statistical library for users was re-established in 2013, and a hotline service became functional as planned.

Outcomes:

Timeliness (meeting frequency and timeliness guidelines):

- Statistical outputs are now released in a timely manner in accordance with the Special Data Dissemination Standard's (SDDS) internationally accepted frequency and time frames, achieving the target of submitting statistical data at SDDS. The ICR does not state specific statistical outputs or specific time frames. The SDDS aims to support IMF members that have, or might seek, access to international capital markets in the provision of their economic and financial data to the public. It measures four dimensions: i) coverage, periodicity, and timeliness of data; ii) access by the public; iii) integrity of the disseminated data; and iv) quality of the disseminated data.
- Real-time transfer and exchange of statistical data, e-government, and paperless technology have been implemented

Reliability (regular validation and verification of data):

- The transfer of data with high-level security is now in line with international standards.
- An IMF mission concluded that the NSO has met almost all technical requirements to enter the SDDS, including standards for data integrity.

Relevance (availability of important new statistics):

- User satisfaction, derived from a regular Customer Satisfaction Survey with results regularly published on the NSO website, increased from 46.7% in 2010 to 71.0% in 2014, surpassing the target value of 60%.
- The ICR states that statistical products are readily available, although it does not list specific products. A statistical data dissemination system was developed and is operational. Data, including micro data, are publically available through a variety of channels such as the internet and smartphone and tablet applications, achieving the target.
- The ICR does not provide concrete examples of the application of higher quality, relevant statistical data to evidence-based policy making.

5. Efficiency:

Substantial: Neither the PAD nor the ICR include a traditional economic efficiency analysis, as precise quantitative rates of return cannot be determined for this project. The PAD (p. 18) states that it is not possible to conduct a cost-benefit analysis for this project because national statistical offices have little significant cost recovery. The PAD identifies three main sources of benefits: i) improvements in the efficiency of statistical operations and agencies may lead to broader coverage of data and higher-quality data from given levels of expenditure; ii) better data will enhance the potential for evidence-based decision making at policy, program and project levels; and iii) significant costs of missing or inaccurate data are addressed. These projected benefits materialized.

The project achieved its targets through efficient use of project resources. All project activities were implemented and completed within the originally planned time period, closing on schedule despite some initial delays. There is qualitative evidence of cost-effective implementation. After initial minor delays, the pace of disbursement and implementation was stable across the project's lifetime. The project put in place a twinning arrangement between the NSO and the national statistical offices of Korea and Germany, a cost-effective alternative to hiring consulting firms or individual consultants as it allowed for maximizing consolidation (and therefore limiting the number of procurement packages), providing just-in-time implementation support for the procurement of complex IT systems, and reducing implementation transaction time and costs (ICR, p. 23). Procurement and financial management challenges were addressed promptly (see Sections 9b and 11b), indicating efficient use of project resources. Efficiency is therefore rated Substantial.

a. If available, enter the Economic Rate of Return (ERR)/Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation :

	Rate Available?	Point Value	Coverage/Scope*
Appraisal	No		
ICR estimate	No		

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome:

Relevance of objectives is rated Substantial, given the importance of effective statistical systems for decision making and monitoring progress towards development objectives. Relevance of design is also rated Substantial, given appropriate selection of activities to achieve progress toward the development objectives. Achievement of objectives is rated Substantial. Efficiency is rated Substantial due to qualitative evidence of cost-effective project implementation. These ratings are indicative of only minor shortcomings in the project's preparation and implementation, and therefore the outcome rating of Satisfactory.

a. Outcome Rating: Satisfactory

7. Rationale for Risk to Development Outcome Rating:

The government continues to be committed to the objectives of the project and is finalizing the National Strategy for the Development of Statistics for 2015-2020. Some of the project's achievements have already been institutionalized, and the NSO continues to be involved in the statistical component of the Bank's Smart Government Project (P130891). Achievements made under the project are likely to be sustainable due to the harmonization of statistical legislation with international recommendations, modified organizational structure, improved management capabilities, introduction of several internationally accepted classifications, and strong improvement in capacity. Also, the project involved and trained a wide range of users and producers, which strengthened the user-producer dialogue and improved data dissemination. Mongolia has also become an elected member of the UN Statistical Commission. This international exposure will be a strong incentive to ensure the sustainability of past achievements. However, the country faces some risks that could have a negative impact on medium-term gains: i) lack of funds for development needs; ii) staffing constraints; iii) low level of knowledge absorption capacity; and iv) Mongolia's lessened access to grant financing options since it has recently become a middle-income country.

a. Risk to Development Outcome Rating : Negligible to Low

8. Assessment of Bank Performance:

a. Quality at entry:

The Bank team worked closely with the government and the NSO during project preparation. The Bank took lessons learned from similar operations in Mongolia and other countries into account. Those lessons included: i) statistical capacity building requires integrated and coordinated support; ii) improving quality and wide dissemination of data can have a positive impact on the use of data; and iii) twinning arrangements with well-functioning national statistical offices can be more beneficial and cost-effective than hiring a firm or individual consultants. The Bank identified relevant risks during project preparation, including lack of political support and commitment for a modern statistical system, lack of external funding and effective coordination among development partners, resistance to change, and weak capacity in the present statistical system; mitigation efforts were sufficient. The project design included an innovative twinning arrangement with a consortium of German and Korean statistical offices.

Quality-at-Entry Rating: Satisfactory

b. Quality of supervision:

The Bank provided continuous overall project supervision and advice on fiduciary aspects, which allowed the identification of potential errors and addressing of issues in a timely manner. The Bank's decision to move

Task Team leadership to the field had a positive impact on project implementation and led to better client orientation, as it allowed the Bank team to respond more quickly to requests by the government. The Bank's procurement and fiduciary teams provided timely and relevant advice to NSO staff. Implementation Status Reports were prepared on a regular basis, with appropriate candor and result orientation.

Quality of Supervision Rating : Satisfactory

Overall Bank Performance Rating : Satisfactory

9. Assessment of Borrower Performance:

a. Government Performance:

The government's ownership and commitment were consistent and strong. The government continues to be committed to the project's objectives and is finalizing the National Strategy for the Development of Statistics for 2015-2020. Also, the government makes regular and full budgetary allocations, and line ministries and agencies work closely with the NSO.

Government Performance Rating Satisfactory

b. Implementing Agency Performance:

At the beginning of the project implementation period, the NSO experienced a heavy workload as it was conducting three censuses simultaneously. Therefore, the NSO had little capacity to manage the project. Also, the NSO had limited experience in managing institutional development projects, weak capacity in financial management and procurement, and challenges related to turnover of project staff. The NSO addressed these issues promptly and effectively by hiring a competent project coordinator and an experienced coordination team. According to the ICR (p. 23), the NSO conducted all financial management and procurement activities in accordance with the project's financing agreement and procurement plans. Throughout implementation, the NSO was committed to implementing recommendations from such sources as the mid-term review, a global assessment report, and technical experts.

Implementing Agency Performance Rating : Satisfactory

Overall Borrower Performance Rating : Satisfactory

10. M&E Design, Implementation, & Utilization:

a. M&E Design:

The Results Framework in the PAD (p. 30) included four PDO indicators and 10 intermediate outcome indicators. The objective of the project was clearly defined and reflected in the selected indicators (although it should be noted that there were no indicators for the actual use of data for evidence-based policy making). The indicators were measurable. An internal Review and Monitoring Committee was established to monitor project outputs and outcomes.

b. M&E Implementation:

Missing baseline data for some indicators was provided shortly after the start of project implementation. M&E activities included the preparation of semi-annual project progress reports and interim financial and audit reports by the project coordination team. After the mid-term review, the project team and the NSO increased their reports' focus on project outcomes.

c. M&E Utilization:

The ICR (p. 11) states that M&E data were used to make mid-course adjustments in project implementation.

M&E Quality Rating: Substantial

11. Other Issues

a. Safeguards:

The ICR was classified as category C and did not trigger any safeguards.

b. Fiduciary Compliance:

Financial Management

The project complied with all Bank policies and the relevant operations policy guidelines. While there was a lack of financial management and procurement capacity at the beginning of the project, performance improved quickly and remained constantly satisfactory. Also, there was compliance with all legal covenants, as stated in the Financing Agreement.

Procurement

The project complied with all Bank policies and relevant operation policy guidelines. Weak procurement capacity was a challenge at the beginning of the project but was improved throughout project implementation.

c. Unintended Impacts (positive or negative):

None reported.

d. Other:

12. Ratings:	ICR	IEG Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	
Risk to Development Outcome:	Negligible to Low	Negligible to Low	
Bank Performance:	Satisfactory	Satisfactory	
Borrower Performance:	Satisfactory	Satisfactory	
Quality of ICR:		Satisfactory	

NOTES:

- When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
- The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons:

The ICR (pp. 23-25) identifies several valuable lessons, including the following:

- Establishing twinning partnerships with international institutions is beneficial for obtaining statistical expertise and sustained engagement with international experts, not just during project implementation but also after a project has been completed. Through this project's twinning operation with the National Statistics Office of Germany and the Korea Statistical Office, the project particularly benefited in terms of knowledge sharing and direct access to relevant processes and procedures.
- Combining a local Task Team Leadership with a Task Team Leadership at headquarters allows for provision of technical assistance and addressing of delays promptly in the field, while at the same time ensuring access to additional technical resources at headquarters. The ICR (p. 24) states that the decentralization of task team leadership after the Mid-Term Review had a positive impact on the achievement of this project's objectives.
- Broadening a national statistical system goes beyond the NSO. This project fostered collaboration between the NSO, regional statisticians, and statisticians in line ministries and government agencies through working groups and regular seminars to discuss common statistical challenges.

14. Assessment Recommended? Yes No

15. Comments on Quality of ICR:

The ICR provides a solid overview of project preparation and implementation. It is consistent in its analysis and complies with guidelines. It does not include a traditional economic efficiency analysis, but it provides a solid outline of the challenges of conducting such an analysis for this type of project, and it presents sufficient evidence on the cost-effectiveness of project implementation.

a. Quality of ICR Rating: Satisfactory