



1. Project Data

Project ID P129825	Project Name STATISTICS FOR RESULTS PROJECT
Country Lao People's Democratic Republic	Practice Area(Lead) Macroeconomics, Trade and Investment

L/C/TF Number(s) TF-14613	Closing Date (Original) 30-Jun-2017	Total Project Cost (USD) 7,980,215.19
Bank Approval Date 07-May-2013	Closing Date (Actual) 28-Feb-2018	
	IBRD/IDA (USD)	Grants (USD)
Original Commitment	8,000,000.00	8,000,000.00
Revised Commitment	7,980,215.19	7,980,215.19
Actual	7,980,215.19	7,980,215.19

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2. Project Objectives and Components

a. Objectives

The objective of the project was to improve the capacity of the Recipient's national statistical system to produce and disseminate reliable and timely macroeconomic and poverty statistics in accordance with international standards and in response to user needs (Grant Agreement p. 4).

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

No



c. Will a split evaluation be undertaken?

No

d. Components

Component 1: Improve the production and dissemination of reliable and timely macroeconomic statistics and data on poverty. Appraisal amount US\$3.13 million; actual amount US\$3.13 million:

The aim of this component was to improve the quality, timeliness and coverage of macroeconomic and poverty statistics for use in planning, monitoring and evaluating development programs in Lao PDR. According to the Project Appraisal Document (PAD p. 5), this involved: improving national accounts by utilizing the expenditure approach; undertaking household poverty and gender-based surveys and analysis; and strengthening the modeling and research capacities of government ministries, including the Ministry of Finance, the Bank of Lao and the Ministry of Planning and Investment. All methodologies involved the adoption of internationally accepted standards of data collection and utilization.

Component 2: Strengthening policies and implementation capacity related to the collection and dissemination of statistics. Appraisal amount US\$1.155 million; actual amount US\$1.16 million. The aim of this component was to enhance the capacity of the Lao Statistics Bureau (LSB) and the statistical units of selected sectoral ministries and agencies (SMAs) to implement Component 1. In addition, it aimed to enforce policies and regulations related to obtaining statistical information through the LSB as the principle coordinating institution, to avoid duplication of responsibilities.

Component 3: Improving the sharing and access to data: Appraisal amount US\$2.68 million; actual amount US\$2.68 million. This component aimed to ensure that the LSB and collaborating statistical units of the participating ministries at the national and provincial levels implemented a data-sharing and access to information strategy through the following activities:

- Developing and implementing a macroeconomic and poverty dissemination strategy;
- Developing an information and communications technology (ICT) plan;
- Strengthening ICT infrastructure and the capacity of the LSB and SMAs to utilize the infrastructure; and
- Upgrading the LSB web portal to make availability and dissemination of data effective.

Component 4: Support project management. Appraised amount US\$800,000, actual amount US\$800,000. This component would finance equipment, consultant services, training and operating cost of the project. It involved support to the project steering committee and the statistical working group. The LSB was the implementing agency for the project.



e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project cost. The original planned project cost was US\$8,000,000. The actual cost was US\$7,980,215.

Financing: The project was financed through a US\$8 million TA grant fully funded by the Statistics for Results Facility Catalytic Fund. There was no contribution from the Lao PDR, nor from other donors.

Dates: The project was approved on May 7, 2013 and became effective, July 5, 2013. Its originally scheduled closing date was June 30, 2017. It was restructured on June 6, 2017 to extend the closing date to February 28, 2018 in order to complete some outputs that had been delayed, and there was some reallocation of spending between disbursement categories. There were no other changes.

3. Relevance of Objectives

Rationale

The PDO was well-aligned to the policy priorities of the government, and, in particular, to the 2011-2020 Strategy for the Development of the National Statistical System (SDNSS). This strategy was developed to meet the needs of government policymakers and other users of statistics, in particular, those developing macroeconomic policy. It also aligned with the priorities and action plans contained in the government's Seventh National Socio-Economic Development Plan (2011-2015) that focused on poverty reduction. The improved statistics would allow poverty alleviation interventions to be more focused and would also improve the system for monitoring and evaluating results. It would provide the basis for the "planning of a wide variety of social and economic development programs" (ICR p. 11) by providing better information on which to base the design of policy. Key elements were the strengthening of staff capacity within the national statistical system, the standardization of methodology, and the upgrading of technology.

At appraisal, the project was consistent with the World Bank Group's Country Partnership Strategy 2011-2015. At closing it was aligned with the Country Partnership Framework (CPF FY2017 - FY2021), which refers specifically to the project's importance in strengthening the national statistical system, in particular with regard to the collection and dissemination of poverty data and gender disaggregated indicators (CPF p. 56).

Rating

High

4. Achievement of Objectives (Efficacy)

Objective 1



Objective

To produce reliable and timely macroeconomic and poverty statistics in accordance with international standards

Rationale

The theory of change underlying this objective was that adopting international standards for the production of macroeconomic and poverty statistics would result in more reliable and useful data.

The inputs for this objective was training to improve the capacity to produce macroeconomic and poverty statistics such as how to gather more comprehensive data and undertake household surveys on poverty and related information, including gender distribution. The outputs would be survey tools, better methodology for producing the national accounts, training of statisticians, and macroeconomic modeling. The outcome would be the production of more reliable and more timely macroeconomic and poverty statistics.

The key outcome indicators were user satisfaction (users were government officials, private sector forecasters, think tanks and universities) with the statistics produced, that resulted in improved macroeconomic and poverty related statistical capacity and the development of a comprehensive macroeconomic framework.

However, the results chain is not fully clear as to how the project activities would ensure timely, comprehensive and high quality macroeconomic statistics. The same applies to the poverty statistics. The PDO indicators relied upon a "statistical capacity index" (ICR p. 12) constructed by the World Bank and other international organizations, employing a statistical score based on a 1 – 100-point scale that rated methodology, source data, periodicity and timeliness. Only the target score for periodicity and timeliness was achieved, and it is difficult to assess what the scores actually mean in terms of achievement of the PDO.

In addition, user satisfaction surveys were not undertaken at the beginning of the project to establish a baseline and to set a target. The first survey was carried out in 2015 after the project was underway, with another survey being conducted in 2017. Furthermore, none of the satisfaction target values was achieved. The percentage of satisfaction between the 2015 and 2017 surveys increased only from 33% to 34% (well within the margin of error), and the 2017 survey only became available in early 2018, one month before the project's closing date. There were also methodological issues, which are discussed in Section 9 below.

According to the ICR (p. 13), many of the intended outcomes were nonetheless achieved through the realization of the project's outputs and intermediate outcomes, including:

- Improvement in the "dimension, periodicity and timeliness of statistics" (ICR p. 12);
- The production of a National Accounts manual;



- The production of Supply and Use tables;
- A rebasing of GDP statistics to 2012;
- Collection of International investment data;
- Improved consumer price index statistics and an updated basket composition to reflect changed consumption patterns;
- Improved poverty data and analysis;
- A strategy for ongoing upgrading of the National Accounts;
- A human resource strategy and capacity building program for the LSB;
- A capacity building program for the LSB;
- A capacity building strategy for the sectorial statistical agencies;
- A comprehensive macroeconomic framework for forecasting and modelling, although the ICR (p. 15) points out that quarterly updates to macroeconomic projections faced significant challenges because of limited quarterly data availability and insufficient funds for conducting quarterly surveys.

The ICR describes these achievements as "significant" and in some cases "remarkable", although user satisfaction surveys do not corroborate the improvements. Moreover, there is little direct evidence that the statistics produced as a result of project-supported activities are more reliable, more timely and in accordance with international standards.

Rating
Modest

Objective 2

Objective

Disseminate macroeconomic and poverty statistics in response to user needs.

Rationale

The theory of change underlying this PDO was that improving the physical and digital infrastructure would lead to wider data dissemination of macroeconomic and poverty statistics to support policymaking, poverty analysis and research. Efficiency and consistency of statistics and resources would be saved by avoiding duplication of effort in gathering statistics. The dissemination of statistics would be a precondition for improved M&E of programs.

The outputs related to this PDO were the construction of a new building to house the LSB needed to accommodate increased staff numbers, electronic data processing equipment and improved security, the upgrading of online data access, the improvement in the production and dissemination of paper-based macro and poverty statistics, and the building of a comprehensive website to facilitate data sharing. In addition, plans for further expansion of ICT services, a strategy for metadata development, a strategy for



upgrading the microdata management system, and a comprehensive data dissemination strategy were developed.

The intended outcome of disseminating macroeconomic and poverty statistics in response to user needs was partially achieved (ICR, p. 15). There were delays in the construction of the LSB office building, which was only completed at the end of 2017. Because the building was not completed, staff were housed in a number of different locations, making coordination and capacity building more challenging. There were also challenges in upgrading the data base infrastructure because of the limited IT capacity of LSB staff. The upgrading of ICT services, the development of the metadata development strategy, the microdata management strategy and the data dissemination strategy were all hampered by uncertainty regarding budget allocations and, once again, by capacity limitations. The ICR (p. 16) states that there was, nonetheless, a significant improvement in the production and dissemination of paper-based macro and poverty statistics, but no evidence is provided to support this.

In summary, the provision of online access to data was much more limited than anticipated; there is no evidence of an improvement in the production and dissemination of paper based statistics; and it was not clear that upgrading strategies would go forward. However, the interview with the TTL revealed that outputs began to be produced after the closing date of the project.

Rating
Modest

Rationale

The efficacy of both objectives is rated modest. While the quantity of statistics increased, there is little evidence available concerning their timeliness, reliability and compliance with international standards., Dissemination was weak (although some progress was evident following the project closure), and there was no apparent improvement in user satisfaction.

Overall Efficacy Rating
Modest

Primary reason

5. Efficiency

The PAD argues (p. 12) that no revenue flows would accrue to the LSB as a result of the project and that it was therefore not amenable to cost benefit analysis. The ICR, however, does undertake such an analysis (p. 38). It bases this on the calculation of the benefits that arose from the cost savings to the LSB compared



to what would have been incurred without the project. It derives the economic benefits from three sources; (i) the timely production of statistics on macroeconomic variables and poverty; (ii) enhanced policy making and program evaluation; and (iii) more efficient resource allocation and effective program implementation. These would translate into cost savings for the LSB and for the users of statistics, who would have a single source for obtaining data. The ICR assumes benefits continuing from 2013 to 2021 and a growth rate for GDP of 7% annually. The benefits are incremental savings in administrative costs of the LSB; incremental savings to the value of time saved by the LSB; and incremental savings for the value of time saved in the overall economy. The savings relate to the decline in staff months for the LSB, the reduction in waiting time between the production and release of the various macroeconomic, poverty and census statistics, and the reduction in time to access the statistics. The analysis used a 5% discount rate. The Net Present Value of the savings is estimated at US\$6.15 million and the economic rate of return (ERR) at 6%. The savings are cumulative for the 2013-2021 period.

There are several methodological issues. While the ICR provides actual data on the decline in waiting times, it does not provide details on how these savings are monetized. Furthermore, the choice of the discount rate of 5% is not explained. An additional problem is the lack of clarity (which remained unresolved after discussions with the project team) concerning whether the calculations are based on real or nominal values, since no information is provided on the assumptions regarding the GDP deflator. Furthermore, Table 1 of Annex 4 (p. 39), shows that although the time taken between production and release of statistics fell, the time taken to access the statistics showed little improvement.

Efficiency Rating

Modest

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

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	6.00	100.00 <input type="checkbox"/> Not Applicable

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

6. Outcome



The project's objectives were highly relevant to country conditions and to both the government's and the World Bank Group's priorities at appraisal and at closure. Overall efficacy is rated modest, reflecting improvements in the quantity of statistics but with little evidence of enhanced timeliness, reliability or compliance with international standards. Moreover, dissemination, remained problematic throughout implementation, and at closure still required considerable work to ensure that the statistics produced become available in a timelier fashion to users. This was reflected in persistent user dissatisfaction. Efficiency is rated modest since the methodology for calculating the ex post economic rate of return is less than fully convincing. Shortcomings are considered significant, and outcome is assessed as moderately unsatisfactory.

a. Outcome Rating

Moderately Unsatisfactory

7. Risk to Development Outcome

The ICR (p. 23) identifies several risks to development outcome, which revolve around the limited capacity of LSB personnel and the absence of data with which to monitor their performance. Several issues contributed to the risks. First, there is a shortage within the LSB of qualified statisticians who are capable of applying international standards to produce national accounting and poverty statistics. As a result, those who do have the qualifications have excessive workloads that may not be sustainable. This compromises the timely production of statistics. Furthermore, the less than satisfactory outcome regarding electronic dissemination of statistics was also the result of the limited ICT capacity of the LSB. This applied to the installation of the appropriate hardware and software, as well as the ability of LSB staff to maintain and update these statistical systems. The ICR (p. 23) points out that although the operation of the facility was supported by the project "the risk that such facilities may not be used in the future is high." Furthermore, neither a disaster recovery center that provides backup of the data platform, nor backup power systems had been installed by closure. The interview with the TTL revealed that following project closure, other donors continued to assist with improving capacity, which should reduce the risks that the project will not be sustainable. In particular, the Korea Statistics Agency (Statistics Korea) provided TA to continue the upgrading of online statistics and assisted with further LSB staff training.

8. Assessment of Bank Performance

a. Quality-at-Entry

Design was based on several pieces of analytical work that diagnosed issues with the national statistics framework. The Swedish International Development Agency provided an evaluation report on steps necessary to enhance the capacity of the LSB, including the need for staff training. The Asian Development Bank provided technical support on macroeconomic supply and use tables, and the IMF had an ongoing assessment of statistical issues, all of which provided inputs to the project design. This contributed to the adoption of international standards and methodology under the project, which



concentrated on improving the core capacity of the LSB to produce and disseminate macroeconomic and poverty statistics that were more accurate and timely than previously. The Swedish International Development Agency had provided assistance in building statistical capacity over the 1991-2009 period. The PAD (p.3, 7) indicates that the project incorporated lessons from this experience, in particular, the low capacity of the LSB and in the various other government agencies producing statistics, the difficulties of coordinating and producing good quality data if the statistical system is fragmented and if capacity building by the donor community is not coordinated.

The project focused on ensuring that processes were coordinated centrally, but appears to have underestimated the difficulties arising from limited LSB staff capacity, which constituted an important constraint throughout implementation and an ongoing risk to development outcome. Although identified as a substantial risk, capacity shortcomings could have been more thoroughly addressed during project preparation. The PAD (p. 2) points out the deficiencies of the 18-year involvement of the Swedish International Development Agency in building statistical capacity and acknowledges LSB's "very limited technical capacity." The PAD points out that the government passed a Statistical Law that provides guidance for the LSB and gives it a global mandate over other statistics gathering institutions, but implies doubt concerning the institution's ability to exercise this mandate effectively. A stronger set of interventions to enhance capacity from the outset would have been advantageous and less ambitious project specifications would have produced more realistic demands on LSB personnel.

Furthermore, the design of the M&E framework (See Section 9, below) did not allow the impact of these weaknesses to be identified early in the project because the indicators were not designed to monitor progress in the area where known shortcomings had already been flagged.

These are considered significant shortcomings, and Quality at Entry is rated moderately unsatisfactory.

Quality-at-Entry Rating Moderately Unsatisfactory

b. Quality of supervision

The ICR (p. 23) indicates that there were only 4 project implementation support missions over the 5-year life of the project that produced formal Aide Mémoires that were submitted to the LSB, an unusually low number. Offsetting this was the fact that the World Bank task team was based in Laos, which provided technical support on an ongoing basis, although this was not sufficient to acquaint LSB officials with Bank fiduciary issues in a timely manner. There were also individual support visits from World Bank experts and technical consultants. The project benefitted from having a single task team leader from inception to completion.

The ICR (p. 22) points out several weaknesses in fiduciary issues that impinged on the performance of the project (see Section 10 below). The delays in recruiting a procurement officer resulted in serious delays that compromised obtaining the ICT software and the capacity building for LSB personnel. As a result, the



framework for electronic dissemination of the statistics was not put in place. This could have been identified and addressed earlier in the supervision process.

Quality of Supervision Rating

Moderately Satisfactory

Overall Bank Performance Rating

Moderately Unsatisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

There were weaknesses in the design of the M&E framework. The three PDO indicators were:

- The results of a satisfaction survey of users of the macroeconomic and poverty statistics produced by the LSB;
- Scores on a statistical capacity index (SCI), which was an index produced by the World Bank and other international organizations, which purports to measure the capacity of the national statistical system to produce accurate and timely information;
- The development of key statistical macro indicators that could be used for producing projections of GDP, inflation, budget data, balance of payments data and monetary statistics.

Regarding the first indicator, there was no baseline user survey undertaken at the start of the project. The first survey was completed in 2015, two years into implementation. Regarding the second indicator, the SCI was only updated with a lag, and the score for 2018 had not been published by the World Bank by the time the ICR was completed (ICR p. 18). The ICR also reports (p. 21) that "the process of updating the SCI has been complex and time consuming", suggesting that the choice of this indicator might not have been the best. The third indicator was overly broad, with limited means to verify progress, since it was qualitative in nature and therefore hard to track.

The National Implementation and Coordination Team were responsible for Monitoring and Evaluation

b. M&E Implementation

During implementation, the LSB faced significant challenges in keeping track of progressing and obtaining evidence regarding the achievement of the PDOs. There were difficulties with both the satisfaction surveys and the SCI. With regard to the former, a further issue arose in that the results of the second survey only became available in early 2018, one month before closure, so that any information regarding progress could not be incorporated into implementation. There were delays and gaps in reporting in-country statistical



improvements to the external partners performing the update of the SCI. Overall, the indicators provided little information with which to modify any shortcomings in project design or implementation issues as they arose.

c. M&E Utilization

The ICR (p. 21) states that the PDO indicators "were useful not only to measure the achievements of the project targets, but that the LSB also used it to keep track of the overall capacity of the national statistical system". However, it is difficult to reconcile this statement with the design and implementation shortcomings described above.

M&E Quality Rating

Negligible

10. Other Issues

a. Safeguards

The project was classified as Category C, and no environment or social safeguard issues arose.

b. Fiduciary Compliance

Fiduciary issues revolved around delays in employing an experienced procurement officer, which only occurred in mid 2014, resulting in delays in getting the project fully underway. There were also issues related to procuring software and ICT equipment, with the contract only being signed at the end of 2016, which goes a significant way towards explaining the relative lack of success in disseminating electronically the statistics that had been gathered. These delays compromised the success of the project and do not appear to have been addressed in a timely manner.

Financial management was also referred to as an issue – the ICR (p. 22) states that the LSB had little knowledge or experience of how to manage large projects, which led to problems in adhering to Bank procedures, even though the Task Team Leader was present in Lao for the duration of the project. The ICR refers to the possibility of a mismatch between the budget for the hiring of financial management consultants and the remuneration that suitably experienced and qualified local consultants commanded.

The ICR did not mention external audits of the project.



c. Unintended impacts (Positive or Negative)

N/A

d. Other

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Unsatisfactory	Efficacy and efficiency are both rated modest (see Sections 4 and 5 above)
Bank Performance	Moderately Satisfactory	Moderately Unsatisfactory	Design did not take sufficient account of limited LSB capacity
Quality of M&E	Modest	Negligible	The choice of indicators was poor and there was no means to monitor progress through the M&E framework
Quality of ICR		Modest	---

12. Lessons

The following three lessons are taken from the ICR with some adaptation of language:

- **If the capacity of the implementing agency is not thoroughly addressed at the design stage, then implementation and achievement of intended results will likely not be realized.** It is necessary to undertake a detailed assessment of the organizational and operational capacity of the agency. The experience of the project indicates that this was not adequately addressed in design. While this issue should have been learned from the experience of the Swedish International Development Agency, it is a sufficiently common failing in World Bank project design that it needs continuing emphasis.
- **When identifying and selecting project indicators, due consideration must be given to their availability, accessibility, and timeliness.** Specifying user surveys without paying due attention to their cost and the capacity of country counterparts limits their sustainability. This applies, for example to the user satisfaction surveys in Laos. There were also difficulties and delays in obtaining SCI scores. These problems compromised the ability to address issues at a sufficiently early stage.



- **Sustainability of the development outcomes can depend on the availability of further support to the implementing agency after closure.** In this case any shortcomings still exist with respect to the ICT infrastructure, the capacity of those administering ICT systems, and to the ability to upgrade the same.

IEG adds an additional lesson

- **Using international indices as outcome indicators is of limited usefulness for two reasons.** First, such statistics usually only become available with significant delays and are therefore of limited or no use in monitoring the progress of the project. This was the case with this project. Second, by their nature, these statistics are rarely customized to the specific needs of the country in which the project is taking place so that local particularities are not taken into account.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR provides a good analysis of the project, the reasons behind the various aspects of its performance and provides a of the theory of change. There are however, four significant shortcomings. First, the discussion between the various components of the M&E framework is inconsistent. The description of M&E design and implementation notes important issues regarding the choice of indicators and the problems with using them for implementation. The discussion of utilization, however, states that the indicators were useful in tracking progress. Second, there was insufficient discussion of delays in getting the project underway. Third, the discussion of the calculation of the IRR is inadequate in explaining the reasoning behind the assumptions and the choice of discount rate. Fourth, the discussion of fiduciary compliance and the surrounding issues of financial management is weak in that many important details appear to be missing, including discussion of external audits.

a. Quality of ICR Rating

Modest