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IMPLEMENTATION COMPLETION AND RESULTS REPORT

TF-A4504

ON A

SMALL GRANT

IN THE AMOUNT OF USD 0.25 MILLION

TO THE

State Statistical Committee of the Republic of Azerbaijan

FOR

Republic of Azerbaijan: NSDS, Including Detailed Institution, Human and ICT Capacity  
Building Plans for 2017-2022 (P161307)

February 22, 2021

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## ABBREVIATIONS AND ACRONYMS

CPF	Country Partnership Framework
PDO	Project Development Objective
FM	Financial Management
GDP	Gross Domestic Product
GoA	Government of Azerbaijan
GRS	Grievance Redress Service
ICT	Information and Communication Technologies
ISR	Implementation Status and Results
NSDS	National Strategy for the Development of Statistics
PIT	Project Implementation Team
RETF	Recipient Executed Trust Fund
SCD	Systematic Country Diagnostics
SSC	State Statistical Committee
SPDOS	State Program for Development of Official Statistics
STEP	Systematic Tracking of Exchanges in Procurement
TF	Trust Fund
TFSCB	Trust Fund for Statistical Capacity Building
TP	Twinning Project
TWG	Technical Working Group
UN	United Nations
VP	Vice President
WBG	World Bank Group

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**DATA SHEET**

**BASIC INFORMATION**

**Product Information**

Project ID	Project Name
P161307	Republic of Azerbaijan: NSDS, Including Detailed Institution, Human and ICT Capacity Building Plans for 2017-2022
Country	Financing Instrument
Azerbaijan	Investment Project Financing
Original EA Category	Revised EA Category

**Organizations**

Borrower	Implementing Agency
State Statistical Committee of the Republic of Azerbaijan	State Statistical Committee of the Republic of Azerbaijan

**Project Development Objective (PDO)**

Original PDO

The objective of the grant is to support the State Statistical Committee of the Republic of Azerbaijan in the preparation of: (i) a new long-term National Strategy for the Development of Statistics for 2018-2030 (NSDS); (ii) supplemental mid-term (2018-2022) action plans; and (iii) capacity building of the SSC staff in order to make them ready for implementation of these action plans.

## FINANCING

	Original Amount (US\$)	Revised Amount (US\$)	Actual Disbursed (US\$)
<b>Donor Financing</b>			
TF-A4504	249,900	249,900	239,758
<b>Total</b>	<b>249,900</b>	<b>249,900</b>	<b>239,758</b>
<b>Total Project Cost</b>	<b>249,900</b>	<b>249,900</b>	<b>239,758</b>

## KEY DATES

Approval	Effectiveness	Original Closing	Actual Closing
20-Feb-2017	21-Jul-2017	29-Jun-2018	31-Dec-2019

## RESTRUCTURING AND/OR ADDITIONAL FINANCING

Date(s)	Amount Disbursed (US\$M)	Key Revisions
11-May-2018	0.00	Change in Loan Closing Date(s) Change in Implementation Schedule
28-Jun-2019	0.19	Change in Loan Closing Date(s)
31-Dec-2019	0.24	Change in Loan Closing Date(s)

## KEY RATINGS

Outcome	Bank Performance	M&E Quality
Satisfactory	Satisfactory	Substantial

## RATINGS OF PROJECT PERFORMANCE IN ISRs

No.	Date ISR Archived	DO Rating	IP Rating	Actual Disbursements (US\$M)
01	29-Nov-2017	Moderately Unsatisfactory	Moderately Unsatisfactory	0.00
02	13-Apr-2018	Moderately Satisfactory	Moderately Satisfactory	0.00



**ADM STAFF**

Role	At Approval	At ICR
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## I. PROJECT CONTEXT AND DEVELOPMENT OBJECTIVES

### Context

#### A. Country Context

1. **In recent decades Azerbaijan has made remarkable progress toward reducing poverty and improving living standards, though the COVID-19 crisis has put some of these gains at risk.** According to the World Bank Systematic Country Diagnostic (SCD)<sup>1</sup>, poverty incidence declined from close to 50 percent in the early 2000s to about 5 percent in 2013 and remained roughly at that level until 2019 (4.8 percent)<sup>2</sup>. Improvements in living standards were accompanied by growth of the middle class from 4.3 to 28.9 percent of the population by the mid-2010s. The country's achievements are largely accounted for by the strong economic performance between 2000 and 2014 with economic growth rate of 13 percent on average. However, the economic contraction due to COVID-19 and the fall in oil prices in the international market is expected to have a negative effect on household welfare in Azerbaijan, increasing poverty and unemployment. The pandemic has contributed to a sharp rise in unemployment, with 112.5 thousand more unemployed persons by September 2020 (compared to September 2019)<sup>3</sup>. The implementation of mitigation and recovery measures by the Government of Azerbaijan have the potential to counter the negative impacts in poverty expected for 2020.

2. **Azerbaijan's economy is facing strong headwinds since 2015, including the COVID-19 global economic crisis.** Low oil prices, weak growth of the main trading partners and slow pace of structural transformation had an adverse impact on the Azerbaijan economy by the middle of the decade, leading to lower exports, reduced oil revenues, and a slowdown in public investment. In 2015 Azerbaijan had its first fiscal deficit in over a decade. Still, the substantial foreign currency reserves that Azerbaijan managed to accumulate despite an economic slowdown after oil production reached a peak in 2010 (at 50 percent of the country's GDP) provided a cushion to the country from the immediate impacts of a sharp deterioration of the economic environment. The recent dual shock of a new drop in oil prices and the effects of the COVID-19 pandemic compound the already existing problems the country was facing to boost economic growth.

3. **The World Bank Group (WBG) supports the Government of Azerbaijan on its path towards sustainable, inclusive, and private sector-led growth, through the FY2016-FY2021 Country Partnership Framework (CPF) program.** The CPF is a joint strategy of the WBG to support the Government of Azerbaijan, with the Focus Areas of (i) Public Sector Management and Service Delivery and (ii) Economic Competitiveness. These focus areas are aligned with the country's strategic goals of reducing Azerbaijan's dependence on oil and gas and strengthening its resilience to external shocks through investments into human capital, physical infrastructure and stronger institutions. The Program Learning Review (PLR), approved in early 2020, validated the overall strategy and the two focus areas of the CPF, while recognizing that the progress on implementation of the CPF program has been mixed. The PLR suggested adjusting the program in line with government's evolving priorities in the face of post-2015

<sup>1</sup> World Bank. 2015. Azerbaijan Systematic Country Diagnostic.

<sup>2</sup> State Statistical Committee

<sup>3</sup> State Statistical Committee

economic challenges and extending the CPF length for an additional year (originally, the CPF covered the period FY2016-FY2020). It also suggested to focus for the remaining of its length on supporting the implementation of reforms to enhance the country's resilience to economic shocks and reduce its dependence on oil, while keeping governance and gender equality issues as cross-cutting themes.

## B. Sectoral and Institutional Context

**4. The World Bank Systematic Country Diagnostic (SCD)<sup>4</sup> identified a strong and transparent system of data collection and dissemination that enables evidence-based policy decisions as an important governance tool.** Azerbaijan's national statistical system collects and produces a wide range of data and statistics and provides access to published statistics through the website and statistical yearbooks and other reports produced by the State Statistics Committee (SSC). The SCD suggested that these data collection and dissemination tools should be enhanced to strengthen monitoring and evaluation of impact of government interventions for those at the bottom of the income distribution and facilitating evidence-based decision making and course correction where needed.

**5. Strengthened capacity for data collection and analysis is explicitly mentioned in the CPF<sup>5</sup> and it is seen as a tool to ensure effective decision-making processes and citizen engagement.** It is also seen as a part of a set of broader measures aimed to help the government to align better its public spending with strategic priorities of the new growth model, to open space for private investment, and to strengthen market institutions that in turn will contribute to a more conducive environment for private sector led growth. Development of SSC data collection capability and capacity for data analysis and dissemination are included in the results matrix and objectives of the CPF. By 2017, the main international support to the SSC was being provided through an ongoing Twinning Partnership (TP) project (total budget is Euro 1.2. million) implemented jointly by the German and Bulgarian statistical offices. This TP project supported the SSC in (i) improving the quality and management of official statistics and its dissemination, (ii) building a geographic information system, and (iii) the harmonization of official statistics with EU standards in the areas of income and living conditions, disability and tourism. In this context, the project covered by this ICR was implemented in close cooperation with the TP team to achieve maximum complementarity, and attended a demand that was not met by the TP project (the development of actions plans for the national strategy for statistical development).

## C. Higher Level Objectives to which the Project Contributes

**6. Since the country's independence, the SSC has made some progress in modernizing the Statistical System.** Azerbaijan's national statistical system now collects and produces a wide range of data and statistics and provides access to published statistics through the website and statistical yearbooks and other reports. Previous financial support provided by the World Bank via the Recipient Executed Trust Fund (RETF) "Azerbaijan - Establishment of Meta-Information System" played an important role in strengthening the statistical system by supporting improvements in efficiency and capacity of National Statistical System and helped the Statistical Committee outline

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<sup>4</sup> World Bank. 2015. Azerbaijan Systematic Country Diagnostic.

<sup>5</sup> Page 9.



principles of a strategy for the development of the country's statistical system. However, significant work remained to be done in the development of an effective transparent system of data collection and dissemination that enables evidence-based policy decisions. The reform agenda pursued by the SSC was centered around ensuring quality, users' easy access to statistical data, establishing the ICT infrastructure that allows to produce accurate and comprehensive statistical data, reducing statistical burden of respondents, broadening the usage of administrative data resources, reducing production costs of official statistical data, and continuing building human capacity in the sector. The project covered by this ICR was approved based on the interest and commitment of the then new management of the SSC and closed the loop by producing the full strategy and related documents as well as building the SSC capacity to develop and implement strategies of that caliber.

**7. The State Program for Development of Official Statistics<sup>6</sup> (SPDOS) in the Republic of Azerbaijan for 2018-2025 provides a blueprint for improving official statistics.** The SPDOS, an official document adopted by the Government of Azerbaijan, contains different measures for developing the statistical information system in the country. These measures include (i) the organization of statistical observations in social and economic fields, (ii) the development of metadata and classifications, and legal and administrative bases for the production of official statistics, (iii) improving user satisfaction, (iv) deepening international cooperation, (v) improving material and technical capacity of SSC staff. The NSDS developed under the project covered in this ICR is aligned with the SPDOS 2018-2025, and to avoid duplications, the NSDS was developed focused mainly in the fields of institutional, human and ICT capacity building, including the development of detailed actions plans.

**8. During preparation of this project the WB team identified, jointly with the SSC, critical development priorities for the SSC for their role of official producers of poverty and socio-economic indicators.** During the preparation of this project, the World Bank team was able to identify, jointly with the SSC, development priority areas to strengthen the role of the SSC in reporting poverty, welfare and socio-economic indicators. These priorities were: (i) strengthening systems of data dissemination and updating procedures, (ii) improving collection of high quality household data (including the Household Budget Survey, HBS) and application of advanced methodologies for data preparation and analysis, (iii) facilitating access to anonymized microdata on households and firms collected by the SSC; and (iv) developing meta-data systems and enhancing access to meta-data. Investments in these areas would help address the issue of discrepancies between data published by SSC and the information generated and used by other agencies; improve the quality of HBS analysis and poverty calculation; ensure accurate and timely publication of data; and facilitate more complex analysis by using anonymized microdata, including by independent policy researchers. The development of the strategy supported by the project covered in this ICR addressed these priorities by providing a clear planning for the future needed investments to strengthen the capacity of the SSC in the fields of institutional, human and ICT capacity, which should ultimately translate into a better capacity to produce and report poverty and socio-economic indicators.

**9. These goals could not be achieved without external support** through a technical assistance, building capacity and improvements in the ICT infrastructure of the State Statistical System (SSS) as a whole and the SSC in particular. The project covered in this ICR complemented the previous support provided by the RETF "Azerbaijan - Establishment of Meta-Information System" and the EU TP, as it attended a demand that was not covered by these

<sup>6</sup> [https://www.stat.gov.az/menu/2/state\\_programs/2018\\_2025/source/en/2018-2025\\_DP\\_ENG.pdf](https://www.stat.gov.az/menu/2/state_programs/2018_2025/source/en/2018-2025_DP_ENG.pdf)



other projects (i.e., the development of a national strategy for statistical development with a focus in the fields of institutional, human and ICT capacity).

### **Project Development Objectives (PDOs)**

**10. The objective of the project was to support the State Statistical Committee of the Republic of Azerbaijan in preparing:** (i) a new long-term National Strategy for the Development of Statistics for 2018-2030 (NSDS); (ii) supplemental mid-term (2018-2022) action plans; and (iii) capacity building of the SSC staff in order to make them ready for implementation of these action plans.

### **Key Expected Outcomes and Outcome Indicators**

**11. The project was expected to yield three main results:**

- a. The new long-term NSDS for 2018-2030;
- b. Three costed out action plans (for 2018-2022) with timetables for (i) institutional development of the country's statistical system; (ii) upgrade of the ICT environment (including hard and software and analytical tools) and improved information security; and (iii) capacity building and training needs;
- c. Increased capacity of key SSC staff in implementation of specific action plans (sequencing, project development, coordination with data users and producers).

### **Components**

**The project consisted of four main components as follows:**

**12. Component 1: Development of the new NSDS covering 2018-2030 with detailed elaboration of action plans for 2018-2022.** This component financed a review of the status of the statistical system, including an assessment of the SSC long-term needs with a special attention to the first five years. Expected outputs were a draft NSDS and five-year institutional development, ICT (including hard- and software, analytical tools and information security needs), and human resource capacity building activity plans, cost estimates, and timetables.

**13. Component 2. A review and discussion of the NSDS and action plans with all stakeholders (within and outside of the SSC and GoAz).** This component financed a national consultation and dissemination workshop to solicit feedback on whether priorities outlined in the NSDS and action plans reflected needs of the GoA and civil society and on comprehensiveness and feasibility of the proposed action plans. The consultations and workshops were expected to cement the ownership of the NSDS and action plans by stakeholders, data producers and users.

**14. Component 3. Capacity building and training for the relevant SSC staff in implementation of action plans (projects).** This component financed experts and study tours aimed at preparing relevant SSC staff (mostly managers) to performing tasks related to implementation of three medium-term action plans prepared under this project. The GoAz intended to improve performance of all aspects of the SSC performance and therefore, it was



important to furnish the SSC staff with the skills necessary to implement complex action plans for improvement of statistics. Study tours to countries implementing similar action plans strengthened staff skills.

15. **Component 4. Project implementation support.** This component financed national consultants supporting project implementation with logistical, translation/interpretation and other necessary services, and limited quantity of goods (including office equipment and expendables for printing of materials, etc.) needed for successful and timely completion of project activities.

#### **Significant Changes during Implementation**

16. **Restructuring:** The project was originally scheduled to close on June 29, 2018, but was extended twice to June 29, 2019, and subsequently to December 31, 2019. Neither the project objectives nor project activities were revised as a result of the project restructurings.

17. **The project was approved by the World Bank on February 20, 2017 and countersigned by the Government of Azerbaijan on July 21, 2017.** Project implementation accelerated substantially following a supervision mission on October 2017. The Project Implementation Team (PIT) inside the SSC RA completed the financial and operational manual in January 2018, and the procurement plan was included into the World Bank Systematic Tracking of Exchanges in Procurement (STEP) system. By April 2018, the SSC RA had completed the selection process for an Office Manager and the preparation of multiple Terms of References for consultants to be hired under the Project. However, the delays during preparation of Project documents and Grant signing process; limited implementation capacity and limited experience in managing of recipient executed Projects or Grants by the management team; as well as change of Project Director in January 2018 made it impossible to complete implementation of all activities under the Project before June 29, 2018. Hence, the SSC RA requested an extension of the Project implementation period by twelve (12) months, with a new closing date on June 29, 2019. Despite the extension requested, this first year of project implementation (July 2017 – June 2018) was critical for the PIT to gain experience with the processes required to implement the project, so that the remaining activities could be executed in a timelier manner.

18. **In June 2019 the SSC requested a 6-month extension to the project.** The SSC had been executing the project as planned until June 2019. It had launched a tendering process to hire a consulting firm with international expertise for the preparation of the strategy (main component of the project) and it was implementing the actions for their technical staff training and peer-learning. However, the SSC decided to request a 6-month extension (through December 31, 2019) then to provide enough time to review the intermediate deliverables from the consulting firm, as well as to provide the firm with adequate time for incorporating any comments. At the same time, planned visits as part of the training for the technical staff were planned to be conducted in late June, most likely triggering administrative procedures to go beyond the original closing date.



## II. OUTCOME

### Overall Outcome Rating

19. **The project is rated as “Moderately Satisfactory”.** In line with the requirements for ICRs for small size projects, the project team proposed an overall rating of “Moderately Satisfactory”, which reflects the accomplishments of the project vis-à-vis the objectives, and the areas on which the project was not able to fully attain the desired outcomes. The next sub-sections discuss these issues in more detail.

### Project Development Objective

20. **The PDO remained relevant and unchanged throughout the project life** for the development of statistical capacity, and production of reliable data and indicators in the Republic of Azerbaijan. All the objectives contributed to the development of the SSC data collection capability and capacity for data analysis and dissemination, and the project outputs contributed to the target of the new CPF indicator introduced as part of CPF PLR process (Indicator 6: The National Statistical Development Strategy (NSDS) and a medium-term plan (MTP) for institutional development of the country’s statistical system are adopted. Baseline: No NSDS and MTP (2014)). The PDO contained three outcomes indicators that were expected to capture the achievement of the PDO.

### Progress against the Outcome Indicators

*Outcome Indicator 1: A new long-term National Strategy for the Development of Statistics for 2018-2030 (NSDS)*

21. **This outcome indicator has been largely achieved, as explained below.**

22. **The National Strategy of the Republic of Azerbaijan for the Development of Statistics (NSDS) was produced under the Component 1 of this project.** The State Statistical Committee of the Republic of Azerbaijan ([www.stat.gov.az](http://www.stat.gov.az)) selected JV company of “DevStat, Servicios de Consultoria Estadística S.L. (Spain) and Seft Consulting Group (Azerbaijan)” for preparing the long-term strategy, as well as the short-term plans for the next years. The strategy was produced for the period 2019-2030, instead of the original planned period (2018-2030), to reflect the time passed due to the restructuring and to maintain the forward-looking approach of the strategy. This change did not alter the substance of the strategy developed or the planned objectives. The NSDS was developed in a consultative and participatory process that involved national stakeholders and partners, including the SSC RA staff, other producers and users of statistical products within the Government, representatives of research community, mass media and civil society organizations. The national statistical system (NSS) stakeholders were consulted through individual meetings, online assessment surveys and a national conference. These consultations stressed the need for coordination and capacity development within the NSS, including institutional, human resources and ICT capacities. As a result of consultations, needs and views of the NSS stakeholders related to the development of official statistics were incorporated into the strategy. Strategic recommendations and plan of actions were also validated through consultations.

**23. The NSDS document identified seven strategic objectives for the development of the statistics in the country.**

The contents of the NSDS identified the main orientations for the modernization of the national statistical system, the needs for capacity building of its staff and the requirements for IT systems. It considered, among other emerging information demands, the challenges for statistically monitoring the achievements towards the Sustainable Development Goals and the international Agenda 2030. These strategic objectives were largely aligned with the priorities previously identified for the development of statistics in consultation with the SSC, as presented in paragraph 7 of this ICR.

**24. The NSDS document is used to inform the design of investments plans by the SSC, although the NSDS document has not been officially adopted.** The preparation of the NSDS was finalized according to the Terms of Reference prepared for the project and included a wide consultation process. However, by January 2021, the SSC has not adopted officially the strategy, although different sections contained in the NSDS documents are used by the SSC staff as a critical input for the preparation of the SSC programs for the development of the official statistics listed in the SPDOS 2018-2025. In addition, the draft NSDS also has been used by the SSC staff for planning and implementing methodological and statistical work, as well as for designing the staff trainings carried out by the State Statistical Committee. Any effort oriented to adopt officially the NSDS will require a coordination and alignment with the current SPDOS for 2018-2025, which is an official document adopted by the SSC and provides a general framework for the improvement of official statistics in the country. Given the medium-term scope of the NSDS (2018-2030), it is expected that the draft report will continue to provide valuable information for the SSC activities in the coming years. Considering all these elements, this outcome indicator has been qualified as largely achieved.

*Outcome Indicator 2: Supplemental mid-term (2018-2022) action plans*

**25. This outcome indicator has been largely achieved, as explained below.**

**26. The report for the NSDS 2019-2030 included Capacity Building Plans detailed in the Annexes.** The first of these plans was a Multi-year Action Plan for 2019-2023 that specified concrete activities with costs estimates around two of the topics proposed as expected outcomes, as are “Institutional development of the country’s statistical system” (Plan for Strategic Objective 2: Design an effective and well-coordinated NSS), an “Upgrade of the ICT environment and improved information security” (Plan for Strategic Objective 6: Develop institution, human and ICT capacities across the NSS). In addition, the NSDS includes a detailed, cost out, Human Resources Capacity Building Plan 2019-2023, which is in line with the third topic on which an outcome was expected, as it was “Capacity building and training needs”. The Multi-year Action Plan also proposed actions, with expected costs, for other strategic objectives identified in the NSDS, as are the Strategic Objective 1: “Strengthen statistical processes including civil registration, administrative records, surveys, censuses and other sources of data”; Strategic Objective 3: “Improve the quality of statistics”; Strategic Objective 4: “User-friendly dissemination of statistics”; Strategic Objective 5: “Improve statistical advocacy and promote the use of statistics for an evidence-based decision making”; and Strategic Objective 7: “Improve resource mobilization and build strategic partnerships”.

**27. The Action Plans have not been adopted officially at the time of submitting this ICR.** Similarly to what it was discussed for the main draft NSDS report, the SSC has not approved officially these actions plans. Action plans with the level of detail provided in the NSDS report are, however, typically used by statistical agencies as working

documents that play a role to guide investments but do not go through an official approval process. Along these lines, the SSC staff have been using the action plans as a resource to guide their planning and investment decisions in the areas identified as strategic objectives. Considering all these elements, this outcome indicator has also been qualified as largely achieved.

*Outcome Indicator 3: Capacity building of the SSC staff in order to make them ready for implementation of these action plans.*

**28. This outcome indicator has been fully achieved, as explained below.**

**29. The project supported study visits to peer statistical agencies for critical staff that contributed to increasing the capacity for implementation of the strategy.** As part of the actions supported by the project, financial support was provided to selected SSC staff for study visits to two statistical agencies that also implement multi-annual strategies, as an effort to increase their capacity in the implementation of the NSDS. The agencies to be visited were selected in consultation with the World Bank, aiming at countries with middle- or high-income status and with which the SSC maintains an ongoing relationship. A first study visit was conducted to Malaysian Statistical Office, from 18 to 21 December 2018. The objectives for this visit were to learn from the Malaysian experience in the field of statistics in (i) production and implementation of short and long-term development strategies of Malaysian statistics and main targets; (ii) production and implementation of action plans applied for strengthening human resources potential; (iii) implementation of ICT tools in Malaysian statistics and future plans in this regard; (iv) issues related to the use of administrative data sources; and (v) use of modern, innovative methods in collecting “big data”. A second study visit was conducted to the National Statistical Institute of Portugal (NSIP), from 28 to 31 May 2019, which was conducted jointly with a visit programmed as part of the EU Project "EU Support to the State Statistical Committee of the Republic of Azerbaijan to reach European standards". The main purpose of this visit was to learn about the experience of Portugal in developing a statistical program. The topics discussed during the visit with the staff of the NSIP included (i) production process of official statistics; (ii) planning of statistical work (iii) developing statistical work programs (iv) short-term and long-term strategies; (v) organization of geographical information system and statistical business register; (vi) data dissemination and building relationships with users; (vii) strengthening the human capacity; and (viii) applying communication technologies on statistical data production process. It is expected that the SSC staff will implement the practices learned during these visits as the implementation of the action plans roll out in the coming years.

**30. Critical equipment was also purchased under this project, to improve the connectivity capacity across regional offices.** The project also supported the purchase of video conferencing equipment and software licenses that will facilitate the communication between the headquarters in Baku, and the local statistical agencies in the different provinces of the country. This will ultimately reflect in a better capacity of the SSC staff to implement the NSDS, and to perform their activities in an efficient and timely manner. The funding for this purchase was possible thanks to savings obtained in other components of the project.

**31. The staff of the SSC improved their technical capacity because of the actions supported by the project.** The visits to peer statistical agencies allowed the SSC staff to learn from the experience of other agencies in implementing multi-annual strategies. In addition, the equipment purchased through the project facilitates the communications



and coordination across offices of the statistical agencies. For these reasons, this outcome indicator is classified as fully achieved.

### **Use of Financial Resources**

**32. The project largely achieved the expected outcomes (as discussed above) with slightly lower costs.** The savings in the contract signed with the consulting firm for the development of the NSDS were largely invested in addressing a critical need of the SSC, also in line with the main objective of the project of improving the capacity of the SSC. A small amount was left unused and reverted to the trust fund (USD 4,196.33). Long term benefits for the SSC are significant. Some implementation delays caused by lack of experience and familiarity with World Bank procedures resulted in two project restructurings. However, the project impacted positively in the capacity of the SSC to plan their investments in the seven strategic objectives identified in the NSDS. In addition, the project strengthened the capacity of the SSC staff to implement the NSDS activities thanks to the study visits to peer statistical agencies. The adoption of these new practices should become more visible in the coming years as the action plans are implemented.

### **Other Outcomes and Impacts**

33. The development of the NSDS reflected into an increased capacity of the SSC to conduct their operations, which is expected to impact positively the Statistical Capacity Indicator for Azerbaijan, a statistics-related indicator included in the CPF. The 2019 Statistical Capacity Indicator for Azerbaijan currently reflect some inadequacies related to the absence of health surveys and indicators related to income poverty, which should be able to be fixed in the medium term once the SSC increases their capacity to expand their monitoring into those areas.

## **III. KEY FACTORS THAT AFFECTED IMPLEMENTATION AND OUTCOME**

### **Factors subject to World Bank Control**

**34. Adequacy of supervision: Close supervision was essential to avoid further delays in implementation and ensure the quality of Project implementation.** The Bank team continuously provided guidance throughout the process, including on the technical, monitoring, and fiduciary aspects, but also on availability for just-in-time support/responses. The team was available remotely, via emails, calls and videoconferences, and the World Bank team based in Baku was responsive and supportive to questions from the SSC.

**35. Adequacy of reporting:** An initial ISR was completed in November 2017, and a following one in April 2018. Although the ISR reports documented the delays in implementation of the project, the second one highlighted the progress the SSC was making toward achievement of the PDO, which included the preparation of Terms of References for the selection of a firm for the development of the strategy. The SSC showed, albeit slow, steady progress and commitment to reach intermediate milestones which were essential for implementation of the Project.



### **Factors subject to implementing agency (SSC)**

36. **Restructuring of the project:** As stated above, the project was restructured twice as a result of delays in the implementation of the project. These delays were originated by the lack of experience and familiarity with World Bank project management procedures.

37. **Fiduciary Bottlenecks:** The main fiduciary challenges during project implementation were faced when the Procurement Specialist who was trained to use STEP and had adequate knowledge of Bank procurement rules left the project two months before the project closing date without proper handover. Since the position was not filled until the end of the project, certain constraints emerged with this regard. The Bank team provided necessary guidance to SSC staff to navigate through the situation, training a new staff member from the SSC on how to conduct the required processes needed in STEP to finalize the project and providing information to this staff member on Bank procurement rules.

## **IV. BANK PERFORMANCE, COMPLIANCE ISSUES, AND RISK TO DEVELOPMENT OUTCOME**

*Rating: High*

38. **Quality of Bank Supervision during Implementation:** The Bank ensured that project implementation was carried out according to project specifications, keeping supervisions efforts commensurate to the size of the grant (i.e., small RETF) and the budget allocated to it. The purpose of the Bank supervisory role was to facilitate effective project implementation and ensure value for money, transparency and accountability. This was done through regular communication and discussion with the project management team, conducted remotely from Washington, DC and with active participation of the team members based in the World Bank Baku Country Office. Two of the members of the team based in the Baku office with knowledge of the local language were easily accessible to the clients and were able to provide in-time advise to the SSC. In addition, support for the financial operations and disbursements was also provided from World Bank Country Office in Zagreb, Croatia, where the financial analyst for the project was located. Two ISRs were completed for the project, in November 2017 and April 2018. The World Bank team also conducted two supervisory missions, one in October 2017 and a second one in February 2019. The missions were led by the TTLs of the project at the respective time of the missions and were joined by the team members based in the World Bank Baku Country Office. The project had three TTLs during its lifetime. Two of them were co-TTLs since the beginning of the project until June 2018. In July 2018, a new TTL assumed the project until its conclusion. The transition was smooth, and the former co-TTLs shared relevant information to continue the supervision of the project. The rest of the team members remained stable during the lifetime of the project.

39. **Quality of Bank communication:** The Bank's communication with the SSC took the form of exchange of documents /correspondence, emails, face-to-face discussions, videoconferences and STEP reports and documentation. In all these forms, communication was very effective. Withdrawal applications and approvals were done through client connection while procurement was done subsequently through STEP. The use of these facilities provided avenues for fast and convenient services while ensuring proper documentation of project transactions.



40. **Audit process:** The SSC contracted the firm “Moore Stephens Azerbaijan” to conduct the audit of the project in December 2019. The auditor that reviewed the project indicated in his report that “special purpose financial statements referred to the above, present fairly, in all materials respects, the financial position of the Project and of the special and project accounts as of 29 December 2019 and 31 December 2019 and related sources and uses of funds”.

41. **Procurement.** The project was implemented in accordance with New Procurement Framework effective July 1, 2016. All procurement transactions were conducted in dedicated portal STEP (Systematic Tracking of Exchanges in Procurement). Following the rules, SSC prepared Project Procurement Strategy Document covering major implementation aspects including operational context, market analysis, procurement approaches, expected risks and client capacity assessment. Initial Procurement Plan was reviewed and approved by the Bank as well as all subsequent changes. Most of the packages were subject to post review.

42. **Client Capacity.** No separate PIU was established for implementation of the Project. Procurement Manager had adequate knowledge of Bank’s procurement rules which was gained during implementation of the previous project. The capacity building was conducted to familiarize her with requirements of New Procurement Framework and guide through the main changes. Procurement Manager actively participated in STEP trainings organized by the Bank for PIUs staff and during implementation used STEP successfully for procurement exchanges. Timely and necessary technical support related to all kinds of procurement issues was provided by the Bank when requested.

43. **The risk to development outcome is low.** The SSC intends to fully implement the strategy prepared under this project. The strategy provides a blueprint for their activities in coming years. The technical capacity of the staff for the implementation of the strategy has also been increased as a consequence of the actions supported by the project.

## V. LESSONS LEARNED AND RECOMMENDATIONS

44. **Alignment with complementary investments by other development partners and previous project supported by the World Bank was critical to maximize the value of the support provided by this project.** This project was designed to meet a demand that was not attended by efforts of other development partners supporting the SSC and previous operations conducted by the World Bank. As indicated, by 2017, the main international support to the SSC was being provided through an ongoing Twinning Partnership project sponsored by the EU, and the SSC had concluded a project funded by the World Bank to strengthening the statistical system. The project covered in this ICR was designed to attend a specific need that had not been attended by these other projects, avoiding overlaps and maximizing the value of the financial support.

45. **Constant communication was necessary to clarify World Bank procurement rules and monitor implementation.** The SSC and World Bank team had regular communications since the beginning of the project, as well as regular project updates, to support the adequate implementation of the project. The communications were mainly oriented towards providing guidance to the Project Implementation Team (PIT), on the rules and the spirit of the norms followed by the World Bank for procurement and fiduciary processes. The capacity built in the PIT, as evidenced by the much smoother implementation the project after the extension was granted, will hopefully influence positively other internal processes in the SSC, as the staff of the PIT carries with them the knowledge absorbed during the implementation of this project.



46. **To deal with fiduciary bottlenecks, heavy involvement of Bank procurement specialists was necessary for projects implemented under New Procurement Framework.** For the agencies with no prior experience in implementation of the World Bank New Procurement Framework (effective for all projects with PCN dated after July 1, 2016), the fiduciary readiness should be taken into account when designing the project implementation plan. Relevant fiduciary staff of the Client should pass the dedicated training on NPF rules and STEP usage during project preparation to avoid delays in implementation.

47. **Financial preparedness of PIU staff.** The project showed the importance of having well trained Financial Management staff as part of the PIU. Future operations could benefit by making sure such personnel is available in the PIU, or that basic training can be provided for that end.

48. **The Bank team responsiveness to SSC requests was important to make sure no further delays occurred in project implementation and use of resources was maximized.** The World Bank timely responded to the requests from the SSC to provide assistance in processing of procurement transactions in STEP portal and payments through client connection.



**ANNEX 1. RESULTS FRAMEWORK AND KEY OUTPUTS<sup>7</sup>**

**A. RESULTS INDICATORS**

**A.1 PDO Indicators**

**Objective/Outcome:** The objective of the grant is to support the State Statistical Committee of the Republic of Azerbaijan in the preparation of: (i) a new long-term National Strategy for the Development of Statistics fo

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Completion of the new NSDS covering 2018-2030.	Text	there is no NSDS 28-Feb-2017	completed 29-Jun-2018	completed 29-Jun-2018	completed 31-Dec-2019

**Comments (achievements against targets):**

The NSDS covers the period 2019-2030

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
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<sup>7</sup> PDO Indicators – Objective/Outcome should read as “The objective of the grant is to support the State Statistical Committee of the Republic of Azerbaijan in the preparation of: (i) a new long-term National Strategy for the Development of Statistics for 2018-2030 (NSDS); (ii) supplemental mid-term (2018-2022) action plans; and (iii) capacity building of the SSC staff in order to make them ready for implementation of these action plans.”



Three costed out action plans (for 2018-2022) with timetables prepared and accepted by the SSC	Text	there are no action plans 28-Feb-2017	completed 29-Jun-2018	completed 29-Jun-2018	7.00 31-Dec-2019
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**Comments (achievements against targets):**

The NSDS includes multi-annual action plans for 6 strategic objectives and one additional multi-annual plan for Human Resources Capacity Building

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Improve capacity of key SSC staff in implementation of specific action plans.	Text	not started 28-Feb-2017	completed 29-Jun-2018	completed 29-Jun-2018	completed 31-Dec-2019

**Comments (achievements against targets):**

Technical staff of the State Statistical Committee of the Republic of Azerbaijan participated of two missions to peer countries (Malaysia and Portugal) where they met counterparts and familiarize with the application of multi-annual strategies for statistical development

**A.2 Intermediate Results Indicators**

**Component:** Due to a simple project design and short implementation period, no intermediate indicators are needed

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Due to a simple project desing	Text	n/a	n/a	n/a	n/a



and short implementation period, no intermediate indicators are needed		11-Nov-2017	29-Jun-2018	29-Jun-2018	10-Nov-2017
<b>Comments (achievements against targets):</b>					

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**B. ORGANIZATION OF THE ASSESSMENT OF THE PDO**

<b>Objective/Outcome 1: Completion of the new National Strategy for the Development of Statistics (NSDS).</b>	
Outcome Indicators	Completion of the new NSDS covering 2018-2030.
Intermediate Results Indicators	N/A
Key Outputs by Component (linked to the achievement of the Objective/Outcome 1)	NSDS completed
<b>Objective/Outcome 2: Three costed out action plans with timetables prepared and accepted by the SSC</b>	
Outcome Indicators	Three costed out action plans with timetables for (i) institutional development of the country’s statistical system; (ii) upgrade of the ICT environment (including hard and software and analytical tools) and improved information security; and (iii) capacity building and training needs
Intermediate Results Indicators	N/A
Key Outputs by Component (linked to the achievement of the Objective/Outcome 2)	Three actions plan delivered as part of the NSDS report
<b>Objective/Outcome 3: Increased capacity of key SSC staff in implementation of specific action plans</b>	
Outcome Indicators	Increased capacity of key SSC staff in implementation of specific action plans (sequencing, project development, coordination with data users and producers).
Intermediate Results Indicators	N/A



Key Outputs by Component  
(linked to the achievement of the Objective/Outcome 2)

Achieved through the support to study visits to peer statistical agencies (Malaysia and Portugal) that currently implement multi-annual statistical strategies.



**ANNEX 2. PROJECT COST BY COMPONENT**

<b>Components</b>	<b>Amount at Approval (US\$M)</b>	<b>Actual at Project Closing (US\$M)</b>	<b>Percentage of Approval (US\$M)</b>
Development of the new NSDS covering 2018-2030 with detailed elaboration of actions for 2018-2022	.11	.11	0
A review and discussion of the NSDS and action plans with all stakeholders (within and outside of the SSC and GoAz)	.02	.02	0
Training and capacity building (action plan implementation training)	.06	.06	0
Project implementation support	.06	.06	0
<b>Total</b>	<b>0.25</b>	<b>0.25</b>	<b>0.00</b>



**ANNEX 3. RECIPIENT, CO-FINANCIER AND OTHER PARTNER/STAKEHOLDER COMMENTS**

No comments received from the State Statistical Committee of the Republic of Azerbaijan.



**ANNEX 4. SUPPORTING DOCUMENTS (IF ANY)**

None.