



1. Project Data :
OEDID: C2321
Project ID: P004339
Project Name: Technical Assistance Project
Country: Mongolia
Sector: Other Non-sector Specific
L/C Number: C2321
Partners involved : Government of Mongolia, Government of Japan, UNDP .
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2. Project Objectives, Financing, Costs and Components :
Objectives : a) Develop Mongolia's institutional capacity for macroeconomic management and reform, and b) to carry out selected sector / feasibility studies. The project's objectives were relevant to the Borrower's priorities, and were consistent with the Bank's own priorities in Mongolia, which were : soften the impact on Mongolia of the break up of the USSR/CMEA trade regime; support building institutions for a market economy, and help coordinate bilateral and multilateral assistance.
Components :
i) <u>Institutional Development (US\$4.8 million):</u> Financed training, advisory services, equipment and materials for building institutional capacity in seven core economic agencies .
ii) <u>Sector Studies (US\$2 million):</u> Financed sector studies, and feasibility studies for public investments, to help define development strategies .
Total project costs : Appraisal estimate US\$6.8 million; Actual US\$7.05 million. <u>IDA financing:</u> Original IDA credit US\$5 million (US\$0.26 million not disbursed was canceled). Credit closed on 12/31/97, 18 months later than expected.

3. Achievement of Relevant Objectives :
The objectives were substantially achieved . The project's first component was successful in strengthening the key agencies of government responsible for macroeconomic management, thereby helping Mongolia with its transition to a market economy. The project's second component was successful in helping define government strategies in five key sectors, and in conducting feasibility studies for public investments . Some of these studies led to new IDA lending operations. It was also influential in improving foreign investment law, and improving conditions for private sector companies to engage in foreign trade . The transport sector study was particularly successful, providing guidance for Mongolia to reorient its trade from the former Soviet Union to other markets through China . The project did however experience significant implementation delays, including disbursement lags in 1994-1995, attributed to Mongolia's limited absorptive capacity .

4. Significant Achievements :
<ul style="list-style-type: none">• The project provided Mongolia with timely support for building the institutional capacity it needed for managing its emerging market economy .• The project helped the government define its development strategy in key sectors of the economy .

5. Significant Shortcomings :
<ul style="list-style-type: none">• Given weak implementation capacity, and complex project financing and administration arrangements, coordination from the Ministry of Finance and IDA was not strong enough .• High turnover of the Borrower's project management staff disrupted implementation .• Risks were not realistically assessed during project design in assessing the Government's inexperience with management and administration of technical assistance .

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	
Institutional Dev .:	Partial	Modest	
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

7. Lessons of Broad Applicability :

- Government commitment is central to successful implementation of TA projects .
- When several Government agencies are involved in a TA project, there needs to be strong coordination during project implementation from a central ministry .
- High turnover of project managers disrupts project implementation .

8. Audit Recommended? Yes No

9. Comments on Quality of ICR :

The ICR is rated as satisfactory.