


IEG ICR Review
 Independent Evaluation Group

1. Project Data :		Date Posted : 06/20/2012	
Country:	India		
	Is this Review for a Programmatic Series?		<input type="radio"/> Yes <input checked="" type="radio"/> No
Series ID:			
First Project ID : P108489	Appraisal		Actual
Project Name : India First Statistical Strengthening Loan	Project Costs (US\$M):		135.5
L/C Number:	Loan/Credit (US\$M):		107.0
Sector Board : Public Sector Governance	Cofinancing (US\$M):		27.5
Cofinanciers :	Board Approval Date :		06/01/2010
	Closing Date :		07/30/2011
Sector(s):	Central government administration (78%); Sub-national government administration (22%)		
Theme(s):	Economic statistics; modeling and forecasting (100% - P)		
Evaluator:	Panel Reviewer :	ICR Review Coordinator :	Group:
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2. Project Objectives and Components:
a. Objectives:

The objective of the Statistical Strengthening Loan was to support a national policy of the Government of India (GoI) to reform the institutional structure and to improve the operational efficiency of the state statistical systems (Program Document, PD, Summary Sheet, p.2).

This statement of the objective is consistent with the less precise statement that begins Section V of the PD : "The loan supports an institutional and policy based reform of the Government of India for strengthening state statistical systems within a national policy framework." There is no separate Project Description subsection stating the objective in the PD .

The PD results matrix indicated targets relating to the four policy areas (2.c below), to be achieved by 2015. These included targets relating to the "reform of the institutional structure" sub-objective:

- Periodic assessment of the National Statistical System (National Statistical Commission, **NSC**);
- Strategic leadership to improve operational efficiency of the statistical system (Chief Statistician of India, **CSI**)
- Legal framework for statistical system consistent with United Nations principles in place;
- Stronger coordination between the Center and the states /union territories (Conference of Central and State Statistical Organizations, **COCSO**);
- Improved leadership and coordination at the state level (through Directorates of Economics and Statistics, **DESS**s and High Level State Steering Committees);
- Improved manpower (National Academy of Statistical Administration, **NASA**, and state-level training institutions).

Furthermore, the PD (Table 5) defined a set of targets relating to the project's "operational efficiency" sub-objective, covering dissemination and quality :

- Increased publication of statistics based on administrative data sources;

- Adherence to standards on data quality set by the Central Statistical Office, **CSO**;
- Three quarters of participating states have quality assessment of high or medium for core activities;
- 75% of participating states conform to national standards on at least 10 core statistics by 2015;
- At least 75% of participating states by 2015 disseminate official statistics through a website, including district level data, have advance calendars in place for all core statistics, and monitor user satisfaction .

b. If this is a single DPL operation (not part of a series), were the project objectives/ key associated outcome targets revised during implementation?

No

c. Policy Areas:

The loan supports the India Statistical Strengthening Project (**ISSP**), an institutional and policy based reform of the Government of India to strengthen the statistical systems in States and Union Territories (**states/UTs**) within a national policy framework. The ISSP cover four policy areas:

I: Coordination and Leadership of the National Statistical System : This policy area addressed the deterioration in coordination and organizational functioning that had reduced the effectiveness of the Indian Statistical System (**ISS**). It covered actions to strengthen the strategic direction and leadership of the National Statistical System and the institutional and legal framework for statistical activities at all levels, and to improve the operational efficiency of a decentralized statistical system and the coordination between the Center and States/UTs.

II: Increasing Support from the Center to the States : This policy area covered actions in two main areas: first, a process to establish standards, norms and benchmarks for key statistical activities that contribute to important national data series; and second, technical and financial support for the implementation of the reforms .

III: Strengthening the Capacity and Performance of State Statistical Systems : this policy area focused on integrating the states into the national statistical system through a centrally sponsored special purpose grant arrangement. It covered actions to prioritize the needs of States/UTs and facilitate individual state participation in the NSSP; to Implement the State Statistical Reform Programs, and to improve skills at the state level .

IV: Improving the Coverage, Quality, Timeliness and Credibility of Statistics Generated by States : this policy area sought improvements in the timeliness, coverage, accuracy, consistency and usefulness of the statistics produced by states. It covered actions to improve the quality of key statistical activities and to increase user awareness, participation and accessibility to official statistics .

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

Although the DPL disbursements were not earmarked to any particular use, the total DPL amount of US\$ 107.0 million approved in 2010 was calculated to cover 80 percent of the total ISSP cost (US\$135.5 million) during the remainder of the Government's 11th year plan (2007-2012). The balance of 20 percent was to be financed by the government. The program is still being executed through a Centrally Sponsored Scheme, a special purpose arrangement of grants extended by the Central Government to the states . It has disbursed 12.3 percent of the allocated amount thus far (2012). Loan effectiveness was declared in August 2010, about two months after loan approval. The closing date of July 30, 2011 remained unchanged.

3. Relevance of Objectives & Design:

a. Relevance of Objectives:

The project objective responded to deficiencies in India's highly decentralized statistical system . These were identified by a Government Commission in 2001 and became a focus of Government policy since 2006 as economic growth recovered and demand for timely and reliable statistics increased . The deficiencies included gaps in the availability, timeliness, quality, consistency, and transparency of statistics .

In 2008, a National Strategic Statistical Plan (**NSSP**) was prepared to underpin a reform of the statistical system for the Eleventh Five-Year Plan 2007/08-2011/12 and beyond, with special attention to the development of the

state statistical systems. Also in 2008, Parliament passed a new statistics law (the Collection of Statistics Act) intended to empower state and sub-state governments to conduct their statistical activities with increased efficiency and coordination. Accordingly, the FY2009-2012 CAS identified support for statistical strengthening as an area of engagement with programs designed and funded by the central government but implemented by the states and lower tiers of government. The December 2010 CAS Progress Report maintained improved statistical performance as a CAS outcome. The loan was reasonably expected to contribute to the CAS pillar of "achieving rapid, inclusive growth", as statistics are needed for research, analysis, policy and decision making with a bearing on growth. The relevance of objectives is rated as **high**.

b. Relevance of Design:

One deficiency of design was that the project objective was less than precisely articulated, for the PD did not explicitly indicate the meaning of "reform of the institutional structure" or "operational efficiency" of the state statistical system. Nevertheless, the lengthy PD discussion suggests that "reform of the institutional structure" meant the establishment and/or strengthening of the institutions (listed below in this section) to improve leadership, coordination, and training in the statistical system; and that improved "operational efficiency" meant allocating resources towards better availability, timeliness, quality, consistency, and transparency of statistics . That discussion suggests furthermore that the "reform of the institutional structure objective" was a means to help achieve the "operational efficiency" objective.

A more important and critical design flaw was that outputs from the four policy areas were to be completed by 2015, four years after the closing date of the stand -alone operation. While choice of a stand-alone DPL instrument responded to the Government's reform and capacity strengthening program for the Indian Statistical System, the period it covered was linked to the period remaining under the eleventh five -year plan, which was insufficient to complete the reforms in the highly decentralized system, let alone achieve the program objective of improving its operational efficiency . A series of two operations (as requested by OPCS) would have been better tailored for the programmatic nature of the supported policies .

Nevertheless, the proposed policies and institutional changes responded well to the statistical system deficiencies that were identified. The view of the 2001 Government Commission was that the deficiencies of the statistical system were caused by the absence of effective vertical and horizontal coordination, inadequate technical knowledge of staff, inadequate numbers of statistical staff in place, inadequate information and communications technology and physical infrastructure, and variations in the capacities of the State Statistical Bureaus (**SSBs**). Policies under the four areas summarized in 2.c. were aligned to address these deficiencies by:

- strengthening national leadership, providing a roadmap for reform, empowering sub -national statistical activities, and strengthening coordination institutions;
- setting standards, norms and benchmarks for key statistical activities that contribute to national data and supplying financial and technical resources to implement the reforms at the state level;
- developing state strategic statistical plans with Memorandums of Understanding (**MoUs**) to develop them (in return for technical and financial assistance from the central government), reallocating staff away from low priority areas, strengthening national and regional training, and setting a state statistics coordination arrangement that would also report on reform progress; and
- assessing key statistical gaps at the state level, improving interaction and consultation with data users and stakeholders, providing more information on methods used, and improving access to data .

These actions included the addition or strengthening of a set of institutions, including the NSC (for system leadership and accountability); the CSI (for strategic leadership), a High Level Steering Committee chaired by the Chief Statistician (to monitor implementation of the ISSP); the NASA and regional training institutions (to address training needs); High-level State Steering Committees for the ISSP in each participating State (to issue necessary directions to all participating departments/agencies of the State concerned with statistical matters); and state DES (for coordination at the state level). Furthermore, a revival and strengthening of COCSSO was to strengthen the institutional coordination of statistical activities between Ministry of Statistics and Program Implementation (MOSPI), other central ministries and state statistical organizations .

Given that the operation was designed as an adjustment loan, a discussion of the macroeconomic outlook (requested by OPCS upon the ROC meeting for the operation) was called for. The discussion in the PAD (para. 17) failed to provide this discussion and was limited to a summary of recent developments and an insufficiently argued indication of a "return to fiscal prudence".

In overall, the relevance of design is rated as **modest**.

4. Achievement of Objectives (Efficacy):

To reform the institutional structure and to improve the operational efficiency of the state statistical systems
Individual efficacy ratings are given under project outcomes below for the two sub -objectives ("reform the institutional structure" and "improve the operational efficiency").

A. Progress under Policy Areas

Prior actions (in bold), objectives and achievements under each policy area were as follows (actions marked ✓ had met 2010 targets by June 2011; actions marked X had not met 2010 targets by June 2011):

1. Coordination and Leadership of the National Statistical System .

- *Strengthen strategic direction and leadership of the National Statistical System* . The expectation was that by the end of the program (2015) NSC would provide independent overviews and assessments of the National Statistical System and CSI would provide strategic leadership to improve its operational efficiency . An NSC review of India's statistical system was done in 2001, but NSC has not published annual reports on the system. **NSC endorsed the NSSP and** the NSSP was adopted in 2008. Leadership of the NSSP is exercised by the CSI, who chairs a Steering Committee in charge of monitoring NSSP implementation . The CSI was first appointed in 2007 and the position remains filled. As a timetable to revise the NSSP by 2011 was agreed (✓), but not met, progress towards an updated independent review of the statistical system remained limited..
- *Strengthen the institutional and legal framework for statistical activities at all levels* : The expectation was that by the end of the program an appropriate legal framework for the statistical system would be in place in line with the NSC 2001 recommendations and UN principles. A revised legal framework (the **Collection of Statistics Act**) was passed by Parliament in December 2008 and signed by the President in January 2009. The Act is in line with the recommendations of the 2001 review of the statistical system and with the Fundamental Principles of Official Statistics as endorsed in 1994 by the United Nations Statistical Commission. Rules under the Collection of Statistics Act (drafted in 2008 and formally notified in 2011 (✓). These developments indicate good progress on the legal framework . Nevertheless, a draft bill to provide a statutory basis for the permanent NSC has not been prepared yet (X).
- *Improve the operational efficiency of a decentralized statistical system and improve coordination between the Center and States/UTs;* The expectation was that by the end of the program there would be an increase in the operational efficiency (assessed below under outcomes) of the decentralized statistical system and a stronger coordination between the center and the states /UTs. **The ISSP was approved in 2010 under the 11th five year plan** . Capacity needs were assessed for ten states /UTs and are in progress for five more (✓). COCSSO includes ISSP as a permanent agenda item for its meetings . COCSSO and the High Level Steering Committee for ISSP (instituted in September 2008 to monitor implementation of the ISSP) reviewed ISSP progress but have not published its intended regular reports (X). MoUs have been signed with ten states thus far. Of these, six already received disbursements and are beginning implementation (See "A Brief Overview of the ISSP" at <<http://pib.nic.in/newsite/erelase.aspx?relid=81144>>). MoUs lay out the agreed program for (a) the detailed implementation of the State Strategy Statistical Plans (**SSSPs**), reflecting the statistical priorities of both the state and the center, and (b) the resources that will be made available by MOSPI and the state. With implementation only beginning, it is unlikely that significant improvements in operational efficiency have been achieved .

2. Increasing Support from the Center to the States .

- *Improve National Standards, norms and benchmarks for official statistics* . The expectation was that by the end of the program national statistical standards would have been established . **By 2010, national standards for eight statistical activities had been established** . By 2011, 11 manuals for key statistical activities had been posted in the MOSPI website by November 2011). MOSPI defined 20 key statistical activities, including 7 on Economic, financial and price statistics; 6 on Production and labor market statistics; 5 on Social, environmental and demographic statistics; and 2 covering participation in the national sample survey and generation of statistics for local area planning (✓). Accordingly, good progress was achieved towards establishing statistical standards .
- *Provision of technical and financial support to states* . The expectation was that by the end of the program

states would be able to access technical support needed to improve their statistical systems and state statistical systems would be able to access financial resources needed to build and maintain statistical capacity. **MOSPI has established the institutional capacity to support ISSP implementation**, On technical support, a Project Support Unit (**PSG**) was established in MOSPI to monitor progress and provide support to states. Support was strengthened to some extent with the creation of a Technical Support Unit that works with the PSG (X, ICR p. 27). The PSG now provides comments on SSSPs and MoUs (✓). On financial support, 12.3% of ISSP has been disbursed to states (✓), but data on changes in State/Territory budget allocation to statistics is not available. MOSPI has identified further needs for technical assistance to states/UTs but has not completed proposal for non-lending TA support (X). This may further delay progress towards improved access to TA and finance. **MOSPI's website reports on ISSP progress**, but not regularly (X).

3. Strengthening the Capacity and Performance of State Statistical Systems .

- *Prioritize needs of States/UTs and facilitate individual state participation in the NSSP.* The expectation was that by the end of the program the states would have developed strategies for sustainable improvements in their statistical systems within the broad context of the NSSP. **An assessment of statistical capacities and needs of the states /UT was published in 2008**. By 2010, **seven states /UTs had indicated commitment to the ISSP** by signing Letters of Participation; all but two have signed letters as of today .Ten states finalized SSSPs and six other states have made significant progress towards completion (✓; See "A Brief Overview of the ISSP" at <<http://pib.nic.in/newsite/erelase.aspx?relid=81144>>). However, few of the most advanced states have managed to produce good quality strategic documents . As indicated above, MoUs have been signed with ten states thus far (✓). High Level State Steering Committees (which set guide, direct, supervise and monitor the preparation of the SSSP and the implementation of the MoUs) are in place in 31 of the 33 states, although unclear how often they meet (X). Accordingly, although intended participation in the program is broad, the quality of the actual strategies may fall short of expectations .
- *Implement the State Statistical Reform Programs.* The expectation was that by the end of the program the performance of state statistical systems, DESs operations as nodal statistical agencies, and coordination within states would have improved. As indicated, 12.3% of ISSP has been disbursed to states (✓). Only one state has submitted progress reports to MOSPI (X), and the Project Support Group has not yet completed a first review of the ISSP monitoring and reporting system (X). DESs have been designated in 29 States/UTs but there is no indication of their performance or on improvements in coordination at the state level . The indicators above and poor information further suggest that progress in implementation has been weak .
- *Improve skills at the state level.* The expectation was that by the end of the program, the manpower involved in state statistical systems would be better prepared to carry out their jobs . Training needs assessments are being prepared but not completed (X). It is unclear that policies to address manpower constraints have been identified (X). Little progress in actual training has been achieved . Twenty programs have been conducted by NASA, albeit with an unclear alignment with identified state needs (X). It is then unlikely that much progress has been achieved in upgrading manpower in state statistical systems .

4. Improving the Coverage, Quality, Timeliness and Credibility of Statistics Generated by States : This area includes:

- *Improve the quality of key statistical activities.* The expectation was that by the end of the program the states statistical needs would be met and the coverage and quality of key statistics activities would have improved. **An assessment of statistical capacities and needs of the states /UT was published in 2008**. As indicated above, ten states/UTs have prepared SSSPs and signed MoUs (✓) and draft SSSPs have been completed in six more (✓) , But little or no progress has been achieved thus far in MoUs performance, as MoUs are only at the initial stages.
- *Increase user awareness, participation and accessibility to official statistics .* The expectation was that by the end of the program data would be more accessible and interaction with data users would have improved. In less than 1/2 States statistics are being disseminated through websites and e -media (X); only one state has an advance release calendar; and there is little or no monitoring of user satisfaction (X). Accordingly, little or no progress has been achieved .

In sum, progress towards results on the policy areas was slower than expected . Achievement of 2010 targets (Number of targets achieved/Total number of targets) was as follows:

- a) Coordination and Leadership of the National Statistical System : (3/5)
- b) Increasing support from the Center to the States; (2/6).

- c) Strengthening the capacity and performance of State Statistical Systems : (3/9).
- d) Improving the Coverage, Quality, Timeliness and Credibility of Statistics Generated by States : (2/4).

B. Project Outcomes

Achievement of the two dimensions of the project objective are assessed separately below .

1. Reform of the institutional structure of the statistical system : Substantial

A number of the policies discussed above are linked to the project's institutional reform objective, whereby institutions and regulations were added or strengthened (see Section 2.b.) to improve leadership, coordination, and manpower on statistical matters . Progress on institutions is summarized as follows, including progress or lack of it on key project targets relating to institutional development :

- *National Statistical Commission (NSC)*. The Government appointed the NSC in 2000 to assess India's statistical system . The NSC completed its assessment in 2001. This assessment was a basis of the 2008 NSSP endorsed by NSC . The NSSP was to be reviewed at least once every three years . The NSSP update scheduled for 2011 has not been completed yet (X) and NSC has not yet published its annual report on the statistical system (X). The NSC was set permanently in 2006, with appointment of its chair and members, but Parliament has not yet approved its statutory basis (a draft Bill has not yet been prepared (X)).
- *Chief Statistician of India (CSI)*. The Government appointed the CSI in 2007 to entrust it with strategic leadership, including chairmanship of the National High-level Steering Committee that monitors the progress of the ISSP. The CSI has been the main counterpart for the Bank project . (✓). The CSI position remains filled (✓).
- *Legal Framework*. Parliament approved the **Collection of Statistics Act in 2008**. It is consistent with United Nations principles regarding independence, dissemination, transparency, adherence to international standards, operational efficiency and confidentiality (✓). The Government approved and formally notified rules under the Collection of Act in 2011 (✓).
- *Conference of Central and State Statistical Organizations (COCSO)*. COCSO was revived to strengthen the coordination of statistical activities between MOSPI, other central ministries and state statistical organizations. It meets regularly with the ISSP High-level Steering committee to review ISSP progress, a permanent item in COCSO's agenda, but has not published its intended regular progress reports (X).
- *Directorates of Economics and Statistics (DESs)*. DESs have been appointed in 29 states as nodal agencies for statistical activities . State Steering Committees, in place in 31 (of 33) states, are likely to be most active in those states that have developed SSSPs (16 states) and signed MoUs (10 states).
- *National Academy of Statistical Administration (NASA)*. NASA is preparing training needs analyses and conducted 18 training programs, but it is not known if these were aligned with the needs assessments (X).

2. Increase in the operational efficiency of the statistical system : Negligible

- Reforms to improve operational efficiency at the state level have only begun, through implementation of the emerging MoUs (only 12.3 percent of the ISSP budget had disbursed by 2011). Accordingly, it is unlikely that the ISSP has yet had any effect on the quality, timeliness, and transparency of statistics . It is expected that performance of these dimensions of the ISSP will begin to be monitored as the MoUs with the states move forward. Thus far there is limited data . Less than 1/2 States disseminate statistics through websites and e-media (X); only one state has an advance release calendar; and there is little or no monitoring of user satisfaction (X). Progress towards the other targets relating to this sub-objective (Section 2.a) have not been monitored. Lack of results on this sub-objective is a major shortcoming of the loan . It is linked to the design of a loan instrument that did not cover the period of implementation of the policies at the state level and therefore allow sufficient time for the intended project results to be attained .

C. Macro Outcomes:

Despite more efforts needed for fiscal consolidation, the project's macro framework was adequate . India's GDP growth recovered from 6.7 percent in 2008/09 to 8.4 percent in 2009/10 and 2010/11 but inflation climbed to 9.1 percent, 12.4 percent and 10.4 percent in those three years, from 6.2 percent in 2007/08. Progress towards fiscal consolidation was slow, following previous countercyclical fiscal policies, but the Reserve Bank of India

tightened monetary policy to help offset fiscal pressures and curb inflation . The general government's fiscal balance increased to only -8.8 percent of GDP in 2010/11, from -9.0 percent and -9.9 percent in 2008/09 and 2009/2010. An IMF assessment points to difficult subsidy and tax reforms that will be needed to achieve fiscal consolidation. Despite the fiscal problems, rapid growth helped reduce central government debt from 59.3 percent of GDP in 2008/09 to 50.8 percent in 2010/11.

5. Efficiency (not applicable to DPLs):

6. Outcome:

The project achieved some improvements in institutions and policies to strengthen leadership and coordination of India's highly decentralized statistical system . But the length of the implementation period built into the loan did not allow for achievement of an improved operational efficiency of the state statistical systems, the ultimate objective of the NSSP. Reforms at the state level have been slow, as reflected in slow disbursements under the MoUs. Accordingly, achievement of the operational efficiency objective was insignificant and has not even started to be adequately monitored (Section 4.B.2). In addition there were shortcomings in progress towards the institutional reform objective, including delays in updating the NSSP, in formalizing the NSC, in assessing implementation of the NSSP, and in improving sector manpower (Section 4.B.1). As discussed in 4.A, several 2010 targets under the policy areas were not met. Progress towards the 2015 objectives was best in strengthening leadership over the statistical system and in establishing the legal framework and statistical standards and weak in most of the other 2015 objectives.

a. Outcome Rating : Moderately Unsatisfactory

7. Rationale for Risk to Development Outcome Rating:

There is a moderate risk that adequate additional financing from the Center will not be available for the ISSP due to fiscal constraints . The adverse impact of inadequate financing from the Center on the program outcome would be significant because it is unlikely that states would finance a program that is primarily of national interest and that they did not finance in the past. There is also a moderate risk that the state reform program, particularly in some states, might not succeed, as the MoUs arrangement has not been tested through completion yet . Materialization of this risk would also have a significant adverse impact on outcomes . Both of the impacts above are likely to imply a delay in India's statistical development .

a. Risk to Development Outcome Rating : Moderate

8. Assessment of Bank Performance:

a. Quality at entry:

Quality at entry benefited from strong relevance, particularly of objectives; a comprehensive focus on India's statistical needs, including coverage of poverty, social issues and environmental issues (See Section 4) in the set of key statistical activities defined by the government; substantial attention to policy and institutional aspects through support for a well-developed statistical strategy and the needed institutions; and Bank input into the reform process, including technical support at the center and to the states /UTs. Nevertheless, quality at entry was critically compromised by a mode of engagement that stopped short of completion of the reform program to a stage advanced enough to show an improved operational efficiency of the statistical system, the key development outcome targeted by the loan .

Quality-at-Entry Rating : Moderately Satisfactory

b. Quality of supervision:

The Bank carried out three implementation support missions between effectiveness and project closure . These covered primarily implementation under the four policy areas and were reflected in Aide Memoires of good quality and candor. The 2011 Aide Memoire discussed possible means of maintaining Bank engagement, a critical issue that remains pending .

Quality of Supervision Rating : Satisfactory

Overall Bank Performance Rating : Moderately Satisfactory

9. Assessment of Borrower Performance:

a. Government Performance:

Government performance benefited from a degree of Government ownership and commitment that emerged as the macro environment allowed a focus on improving statistical systems . Preparation of the legal framework for statistical reform, broad consultation with states and other stakeholders, development of the strategic framework and implementation arrangements (through financing linked to the MoUs with states) also contributed to good performance . On the negative side, the Government could have afforded more effort to addressing constraints that delayed implementation, including delays in approvals and clearances for the DPL, in agreeing on transition arrangements following the stand -alone operation, in updating of the strategy, and in providing the statutory basis for the National Statistical Commission .

Government Performance Rating : Moderately Satisfactory

b. Implementing Agency Performance:

Implementing agencies included MOSPI and the states, including their statistical agencies . MOSPI played an important role in achieving the reforms that were completed but needs to strengthen monitoring, support to the states and union territories, and improve its own internal coordination . Performance of the states as implementing agencies has been slow and remains uncertain, as implementation of the MoUs is only beginning, with no data yet on how the states are carrying out the reforms .

Implementing Agency Performance Rating : Moderately Satisfactory

Overall Borrower Performance Rating : Moderately Satisfactory

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

a. M&E Design:

M&E design defined reporting and performance indicators for participating states (PD Tables 4 and 5). These included a set of targets on indicators relating to the "operational efficiency" objective (see Section 2.a), albeit without baseline measurements. The PAD results matrix defined expected results and indicators under each policy area. The Central High-Level Steering Committee for the ISSP and State High-Level Steering Committees were to monitor implementation. A monitoring framework and draft reporting forms to assess the progress of preparation and implementation of SSSPs were developed by the Bank and shared with MOSPI .

b. M&E Implementation:

Implementation covered monitoring of results under the four policy areas (See Section 4). It did not cover

measurement of baselines or monitoring of results on availability, timeliness, quality, consistency, and transparency of statistics. As of 2011, a monitoring system was yet to be established. With no system in place, the target to complete a first review of ISSP monitoring and reporting system has not been met. Initial monitoring was conducted through a questionnaire that was sent out to states and that 10 of the 33 states responded.

c. M&E Utilization:

The limited M&E that has been conducted has been used primarily to monitor the progress of reforms. The MOSPI website (<<http://pib.nic.in/newsite/erelease.aspx?relid=81144>>) reports on such progress. Given their initial stage, there is no evaluation of reforms available yet.

M&E Quality Rating : Modest

11. Other Issues

a. Safeguards:

The loan did not trigger any safeguard policies. Although the PD noted that the policies supported by the loan were not expected to have any direct environmental effects, it did not report the project's environmental classification.

b. Fiduciary Compliance:

The ICR did not report on financial management. The PD indicated the Bank had reasonable assurance that the control environment for foreign exchange was satisfactory for the purposes of the operation and noted the audit report of the Reserve Bank of India for 2008 had an unqualified opinion. It also noted that disbursement of the loan proceeds would not be linked to specific purchases. Being a DPL, the operation did not raise procurement issues.

c. Unintended Impacts (positive or negative):

Identified. No unintended impacts were identified.

d. Other:

12. Ratings:	ICR	IEG Review	Reason for Disagreement /Comments
Outcome:	Moderately Satisfactory	Moderately Unsatisfactory	Implementation of reforms at the state level proceeded slowly and achievement of the key development objective sought by the operation (increased operational efficiency of states statistical systems) was insignificant.
Risk to Development Outcome:	Moderate	Moderate	
Bank Performance :	Satisfactory	Moderately Satisfactory	The lending instrument developed by the Bank was not aligned with the period needed to achieve the operation's key development objective
Borrower Performance :	Moderately Satisfactory	Moderately Satisfactory	

Quality of ICR :	Satisfactory	
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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:

This assessment agrees with the lesson drawn in the ICR that a short -lived instrument such as a stand-alone DPL is inadequate for a program of reforms that is likely to take years and that needs more attention to intermediate outcomes. The better alternative that comes to mind is a program of DPLs (with a first set of loans focusing on intermediate results and latter loans focusing on final development outcomes), as originally suggested by the project's QER in 2008 and requested by the ROC. Or perhaps a project loan with disbursements focused at the federal level could have been better tailored to progress in implementation .This assessment also agrees with other ICR lessons pointing to the usefulness of knowledge transfer through supervision missions, the criticality of mature country systems to ensure good quality strategies and implementation, and the benefits of technical assistance and capacity building efforts in implementing reforms at the state level.

14. Assessment Recommended? Yes No

15. Comments on Quality of ICR:

The ICR is informative and candid. It could have delved at more length on the status of progress regarding the higher development objective of improving the operational efficiency of the state statistical system including the availability, timeliness, quality, consistency, and transparency of statistics .

a.Quality of ICR Rating : Satisfactory