

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: MNRM

TA No. and Name TA 3811-MON: Improving Aid Coordination and Management			Amount Approved: US\$300,000 Revised Amount: n.a.	
Executing Agency: Ministry of Finance and Economy	Source of Funding: TASF		TA Amount Undisbursed US\$6,475	TA Amount Utilized US\$293,525
Date			Completion Date	
Approval 18 Dec 2001	Signing 03 Jan 2002	Fielding of Consultants 25 Nov 2002	Original: 31 October 2002	Actual: 25 Feb 2004
			Closing Date	
			Original 30 Nov 2003	Actual 17 May 2005
<p>Description: The Government of Mongolia centralized many of the responsibilities for aid coordination and management in the newly reorganized Ministry of Finance and Economy (MFE). Efficient allocation and use of external aid requires careful coordination, planning, and management; the roles of individual departments within MFE and their relationships with aid recipient agencies remain to be clearly defined. This TA was designed to improve the effectiveness of external assistance through better aid allocation, coordination and management.</p> <p>Objectives and Scope: The objectives of the TA were to assist MFE to fulfill its mandated role for aid allocation coordination and management by (i) clearly defining inter- and intra- ministerial functions, (ii) enhancing human and technical resources, and iii) improving the flow of information on external assistance.</p> <p>The TA scope comprised: (i) clarifying the roles and responsibilities for aid coordination within MFE by defining specific roles and day-to-day requirements for aid coordination and management for each department, and clarifying lines of authority and reporting arrangements for related tasks; (ii) enhancing human and technical resources in the Economic Cooperation Management and Coordination Department, MFE (ECMCD) by developing and implementing an economics training program for its staff, upgrading computer and filing systems and providing advanced language training; (iii) improving the public investment programming by assisting in revision of the format for project proposals, providing training to MFE staff in project evaluation, resource gap analysis and programming, preparing a plan to integrate the foreign assistance database with other related MIS, and improving PIP documents; and (iv) reviewing project monitoring and evaluation systems in Government with the goal of introducing a concise reporting format and standardized reporting mechanism for M&E reports. TA objectives and terms of references were relevant to the needs of MFE, but overambitious in scope given resources available.</p> <p>Evaluation of Inputs: The initial terms of reference (TOR) of the consultants corresponded to the TA objectives and scope. The TA provided for 7 person-months of international¹ and 23 person-months of domestic² consulting services compared to the original plan of 5 person months of international and 16 person months of domestic services. The increase in consultancy inputs was made to satisfy the Government's additional requirements and did not have cost implications.</p> <p>The performance of the team leader was marginal, but the rest of the team performed satisfactorily³. The team leader failed to win the trust or respect of the EA, but the international Economist quite successfully took over project management. The EA provided the consultants with necessary information and reports in a timely manner. Counterpart staff capability was satisfactory, but they were unable to allocate sufficient time to TA activities.</p> <p>ADB 's management of the TA was satisfactory. MNRM kept close contact with both consultants and EA, provided timely guidance and supervision, facilitated in a dialogue with the Government. Administration of the TA from the RM proved useful in this regard.</p> <p>The training component was implemented satisfactorily.</p> <p>The completion of the TA was protracted due to the need to accommodate the Government's request to assist in preparation for the 2003 Consultative Group of Donors meeting.</p>				

¹ With expertise on public administration and management and applied economics, public investment

² With expertise in the areas of public administration and management, human resources development, applied economics, monitoring and evaluation and computer/database management

³ PER completed

Evaluation of Outputs: The TA provided substantial assistance to MFE in preparing the 2003 Public Investment Program (PIP), sector analysis, sector road maps, and issues paper as inputs to the 2003 Consultative Group (CG) Meeting in Tokyo. This component proved more involved than envisaged during TA design.

The TA consultants did the first real human resource evaluation of MFE from the perspective of aid coordination and management, and made detailed proposals for restructuring the workforce, altering lines of reporting, and revising work plans, job descriptions and TORs for MFE staff, and rethinking project monitoring and evaluation roles in Government.

Within the scope of enhancing human and technical resources, TA consultants designed and delivered a sophisticated and varied training program covering project appraisal, procedures and practices for preparation of the PIP, computer skills, and English and Japanese language. The training needs were determined as a result of a detailed survey and interviews with MFE staff. The project also translated the "ADB Guidelines for the Economic Analysis of Projects" into Mongolian language, and distributed hard copies and CD-ROMs of these materials. MFE and other Ministry staff expressed strong support for this effort: this is the only applied project appraisal manual available in the local language. The outcome of the training, in terms of increased capacity of staff, was not measured and is not known, however trainee satisfaction, as reported in surveys, was consistently high. It was never assumed that short courses on project appraisal would give trainees the skills to conduct such appraisals, but rather to give them the right questions to ask of line ministries pushing project proposals for the PIP.

The Management Information System (MIS) component that includes review of project monitoring and evaluation systems was of minimal value. Because of problems with the design and implementation of the existing foreign assistance database, it was not possible to alter or advance the system (original code was lost). The TA should have focused less on the software issues and more on the appropriate uses of the data, and the methods for, and costs of, maintaining the dataset. Despite these problems, the consultants did identify changes needed to integrate better the Public Investment Management System (PIMS), Integrated Data on External Assistance (IDEA), aid monitoring system and debt management, and provided recommendations are given on efficient utilization of existing database, sharing information within and beyond MFE and improvements in preparation of the PIP).

Efforts to help MFE better coordinate with line agencies on foreign assistance issues met some resistance from these other agencies, which still seem to treat each other as competitors for aid. A new Government elected in 2004 subsequently changed many of the bureaucratic arrangements for aid coordination to satisfy political factions.

The TA was implemented within the originally-planned budget, but efficiency of outputs varied from component to component as well as the EA's satisfaction with the inputs provided (see details in overall assessment part).

Overall Assessment and Rating: Overall, the TA was partly successful. It delivered a wide variety of training programs that were highly appreciated by the participants, if not always by their supervisors. The TA was very successful in assisting the Government to analyze its past aid current foreign aid flows and to develop a more rational and carefully considered draft PIP for presentation to the major donors at the CG Meeting. MFE, and in particular the Vice Minister, were enthusiastic about the TA recommendations on monitoring and evaluation and established a joint donor-Government task force to implement some of these recommendations on a trial basis. Unfortunately this initiative faded with the change of senior staff. Other components proved of less interest to the Government, particularly recommendations on the human resource side, and on inter-agency coordination. Despite repeated efforts from MNRM, the Government never responded seriously on these fronts to the TA recommendations.

Major Lessons Learned: The TA attempted to cover far too much ground with limited budget, staff and time. MIS components, to be done properly, need substantial budget for expertise, and should have been left out of this modest TA. The training program may have been too ambitious given the EA's limited staff resources and enormous workload. Staff turnover, particularly after the TA completion, will limit the impact of training, though political instability following the 2004 elections could not have been predicted at the time of TA design. Monitoring the long-term *impact* of training under a short TA remains a challenge that can be addressed only by follow-up evaluations. Most importantly, changes in human resources within MFE, and in inter-agency relationships, required a level of Government ownership (and champions at the most senior levels) that simply did not exist in this case.

Recommendations and Follow-Up Actions: UNDP approved the project "Development Cooperation Effectiveness and Harmonization" in May 2005. The Project will continue efforts started by ADB and other partners and will assist the Government in enhancing development cooperation effectiveness and harmonization efforts.

ADB has in its pipeline for 2006 ADTA Aid Policy and Debt Management Strategy to assist the Government in monitoring debt development and improving aid effectiveness.

Prepared by Tsetsegmaa Amar and
D. Teter

Designation Economics Officer, MNRM and
Senior Advisor, VPO2