

Country Name	<b>Banking Corporate Governance and Information Technology Project</b>
Mongolia	

**I. Project Outline**

Background	<p>In Mongolia, the financial sector has been mostly dominated by the banking sector with more than 90% of the financial assets. After the several economic crises in 1990's, the banking sector reform was in the process under the assistances by the international organizations including the International Monetary Fund (IMF) and the World Bank (WB). In addition, the management issues of the banking sector induced by the rapid business expansion were highlighted. In particular, corporate governance (CG) of commercial banks was generally at the low level besides the large scale banks. Since it was pointed out that most commercial banks had insufficient development of compliance system and risk management, enhancement of supervisions by the Bank of Mongolia (BOM) as a supervising authority for the banking sector was necessary. The internal audit system of commercial bank largely differed from their business size and the small scale banks did not fully establish the system. In particular, since utilization of IT system with insufficient risk management had been rapidly expanded among the commercial banks, BOM considered implementation of inspections on IT governance as a part of onsite inspection for commercial banks. However, due to no inspection criteria and tool, BOM required to establish an inspection system from scratch to supervise IT governance of commercial banks because of no inspection criteria and tool. Furthermore, BOM did not have a system to accumulate and utilize financial data reported monthly by the commercial banks and effective and efficient execution of offsite inspections had been interfered without such information system. Therefore, establishment of IT and Management Information System (IT-MIS) became an urgent issue for BOM. Under those circumstances, the government of Mongolia requested the government of Japan a technical cooperation project to improve CG of the commercial banks through enhancement of BOM's banking supervisory capacity.</p>														
Objectives of the Project	<p>The project aimed at enhancement of BOM's capacity to supervise the commercial banks using the guidelines for inspections on corporate governance and IT and the Reporting Management System (RMS) networking between BOM and the commercial banks, which were developed by the project, thereby strengthening corporate governance of the commercial banks. The following project objectives were set forth in the project plan.</p> <ol style="list-style-type: none"> <li>Overall Goal: Corporate governance of commercial banks in Mongolia is strengthened.</li> <li>Project Purpose: Foundation of the effective supervision by BOM over the commercial banks is established.</li> </ol>														
Activities of the project	<ol style="list-style-type: none"> <li>Project site: Mongolia</li> <li>Main activities: 1) Analysis by BOM on data reported from the commercial banks, 2) Development of guidelines and evaluation model for CG of the commercial banks and trainings for the BOM staff and commercial bank staff, 3) Implementation of the pilot onsite inspection of the commercial banks' CG by BOM, 4) Development of guidelines and manuals for IT inspection of the commercial banks by BOM and trainings for the BOM staffs, 5) Support for implementation of the pilot IT inspection for the commercial banks by BOM, 6) Development of RMS for BOM, etc.</li> <li>Inputs (to carry out above activities) <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">Japanese Side</td> <td style="width: 50%; border: none;">Mongolian Side</td> </tr> <tr> <td style="border: none;">1) Experts: 4 persons</td> <td style="border: none;">1) Staff allocated</td> </tr> <tr> <td style="border: none;">2) Trainees received: 7 persons</td> <td style="border: none;">2) Land and facilities: project office</td> </tr> <tr> <td style="border: none;">3) Equipment: software, server</td> <td style="border: none;">3) Local cost, cost for venue of training/seminar, electricity cost, and internet connection fee.</td> </tr> <tr> <td style="border: none;">4) Other expenses: cost for software engineers and programmers</td> <td style="border: none;"></td> </tr> </table> </li> </ol>					Japanese Side	Mongolian Side	1) Experts: 4 persons	1) Staff allocated	2) Trainees received: 7 persons	2) Land and facilities: project office	3) Equipment: software, server	3) Local cost, cost for venue of training/seminar, electricity cost, and internet connection fee.	4) Other expenses: cost for software engineers and programmers	
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Ex-Ante Evaluation	2007	Project Period	October, 2007 to February, 2012 (Extension Period: April, 2010 to February 2012)	Project Cost	(Ex-ante) 150 million yen (Actual) 249 million yen										
Implementing Agency	Bank of Mongolia (Central Bank of Mongolia)														
Cooperation Agency in Japan	SN Global Solution Ltd, Ernst and Young Advisory Ltd., and Fuji Infox-net Co., Ltd.														

**II. Result of the Evaluation**

<Constraints against the ex-post evaluation>

This project was categorized as "the small scale project" amounting to less than 200 million yen at the time of project planning but was covered by the ex-post evaluation because of the actual project cost amounting to more than 200 million yen. Since only simplified terminal evaluation reports for the original period and the extension period were prepared but no project completion report was compiled, achievement level of the Project Purpose and the planned outputs at the time of project completion are verified by the internal documents.

<Issues to be considered at the ex-post evaluation>

[Change of the Project Purpose]

As a result of the consultation mission, the PDM Ver.1 was drastically revised to the PDM Ver.2 including the changes in the Project Purpose, its verifiable indicators as well as the planned outputs to attain the Project Purpose, considering actual compliances of the commercial banks with "the Regulations on Implementation of Guidelines of Banks' Corporate Governance" and the movement to amend the Banking Law despite that the progress of the project activities had been as planned. As the regulation has been implemented since 2006 which was before the planning of this project, the change of the Project Purpose could have affected appropriateness of the project design. Therefore, by this ex-post evaluation, effectiveness of the project is verified not only by achievement level of the revised Project Purpose (PDM Ver.2) but also supplemental information.

[Verifiable indicators, their targets and target years of the Project Purpose and the Overall Goal]

All the indicators for the Project Purpose and the Overall Goal do not clearly define specific target values to measure the achievement level. Therefore, the achievement level of the Project Purpose is verified by status of application and utilization of the systems developed by the project as the output 1-3. For the Overall Goal, the achievement level is verified by the indicators measuring soundness of the commercial banks among the indicators in PDM Ver.2. In addition, the achievement of the Overall Goal should be verified at the two points of time, 2012 and at the time of ex-post evaluation because the target year of the Overall Goal was not revised from the original ones of 2012 despite that the project period was extended to 2012.

## 1 Relevance

<Consistency with Development Policy of Mongolian Government at the time of ex-ante evaluation and the project completion>

The project was consistent with the Mongolia's development policy of "Improvement of fiscal and financial soundness" set forth in the policy documents including the Economic Growth and Poverty Reduction Strategy (2004-2008, 2008-2012) and the Government Action Plan (2004-2008).

<Consistency with Development Needs of Mongolia at the time of ex-ante evaluation and the project completion>

The project was consistent with the Mongolia's development needs since CG of the commercial banks in the country had been vulnerable and stabilization of the banking sector to soundly and stably supply funds to the private sector is the essential issue in the country at the both times of ex-ante evaluation and project completion.

<Consistency with Japan's ODA Policy for Mongolia at the time of ex-ante evaluation>

The project was consistent with one of the priority areas of the Japan's Country Assistance Plan for Mongolia (2005-2009) to support institutional development and human resource development for the market economy.

<Appropriateness of the Project Objectives>

At the time of project planning, the project aimed at "enhancement of CG of the commercial banks" since the issues on the commercial banks' CG and the issues of BOM as a banking supervision authority were clarified. After the start of the project, the project purpose was changed to "establishment of foundation for effective supervision by BOM over the commercial banks" because "enhancement of CG of the commercial banks" was not suitable as positive direct benefit of the project to be achieved by the end of the project since the commercial banks needed to make efforts for enhancement of CG as their organizational goal. Namely, for the technical cooperation project aiming at support for BOM, efforts by the commercial banks for enhancement of CG can be out of the project scope. Also, it was to follow the actual compliances of the commercial banks to the regulations on CG as well as the movement to amend the Bank Law in 2010. Therefore, the change of the project purpose was adequate.

<Evaluation Results> In the light above, the relevance of this project is high.

## 2 Effectiveness/Impact

<Status of Achievement of the Project Purpose at the time of project completion>

The Project Purpose was partially achieved by the project completion. The indicator 1 of "improvement of capacity of BOM staff for CG of the commercial banks" was achieved through the capacity of the supervisors of the Supervision Department enhanced by the trainings and OJT (On-the Job Training) of the onsite and offsite inspections based on EM developed by the project. The indicator 2 of "improvement of capacity BOM staff for IT inspection" was also achieved to the sufficient level to conduct 1 cycle of IT inspection based on specialized knowledge and knowhow by the supervisors of the Supervision Department without support. In addition, the indicator 3 of "utilization of RMS and reduction of workloads of BOM and the commercial banks by utilization of RMS" was partially achieved. In March, 2010, operation of RMSv1 was started and it reduced workload to receive report from the commercial banks and to prepare report of offsite inspections by the Supervision Department in the process of the offsite inspections by BOM. After that, operation of RMSv2, which was developed during the extension period of the project, was commenced by the three target departments of the Supervision Department, the International Economy Department and the Financial Policy Research Department in November, 2011 when the test by BOM was completed. After the start of the operation, problems on workflows occurred at the International Economy Department and the Financial Policy Research Department. In order to solve the problems, the Japanese experts proposed to BOM recommendations to improve system and workflows of the departments and some functions were added through modification of contract with local software development company. Since BOM officially accepted RMSv2 after the final tests by the three target departments as well as the IT Department, RMSv2 was able to be fully utilized by the three departments. Although the reduction of workload at the Supervision Department was confirmed at the time of project completion, it was not confirmed at the International Economy Department and the Financial Policy Research Department because the operation of RMSv2 was just started just before the end of extension period.

<Continuation Status of the Project Effects at the time of ex-post evaluation>

After the project completion, the CG inspections for the commercial banks by BOM have been implemented according to the level of risk of each bank. The onsite inspections using EM developed by the project and the offsite inspections have been continuously conducted: 12-14 times for the onsite inspections and more than 10 times for the offsite inspections in a year. In 2015, both inspections have been already implemented. In general, the CG inspections have been firmly established in BOM though the offsite inspection became annual basis according to the "Regulations on Implementation of Guidelines for Banks' Corporate Governance" which was amended by the aspect of efficiency. The IT inspection was also firmly established since 12-14 times of the inspection based on the guidelines and manuals developed by the project have been implemented annually and the inspections are planned in 2015 as well. RSM developed by the project has been sufficiently utilized for monthly reporting from all 14 commercial banks<sup>1</sup> to BOM since the project completion. The monthly reporting from the commercial banks through RMS contributed streamlining of operations in the Supervision Department due to no necessity to check accuracy of data and information as well as appropriateness of formats. Also, the International Economic Department improved efficiency of their operation by reduction of preparation time of reports, including currency report, by 20-30 minutes. On the other hand, the Monetary Policy and Research Department stopped to use RMS for reporting transaction balance of the commercial banks in 2013 because of the procedural issue<sup>2</sup>. In addition, BOM does not have sufficient technical capacity to change design of RMS whereas

<sup>1</sup> Among the 14 commercial banks, 1 bank did not start their banking operation at the time of ex-post evaluation but got the bank license and connect to RMS.

<sup>2</sup> The Inspection Division of the Monetary Policy and Research Department needs to report financial indicators within 7 days after receiving monthly report from the commercial banks. However, since the monthly reports from the commercial banks imported in RMS should be approved by the Supervision Department, the division cannot meet the deadline. Therefore, the division currently directly receives the monthly reports from the commercial banks by e-mail.

the system was not designed to make end users easily change design and make necessary revisions. As a result, BOM is considering replacement of the system because of the malfunctioning data integration system.

<Status of Achievement of the Overall Goal at the time of ex-post evaluation>

The Overall Goal has been achieved. Among the indicators for the Overall Goal, the target values of the indicator 2 (reduction of spread of interest rates between bank loan and deposit), the indicator 3 (ROE) and the indicator 4 (capacity adequacy ratio) have been achieved. Although the indicator 1 (Sound banking system with increased efficiency and outreach) is abstract, soundness and efficiency of the banking system can be verified by the indicator 2-4. According to BOM, the project contributed to enhancement of the commercial banks' CG from the aspects of soundness and efficiency of the banking sector, through improvement of supervising capacity of BOM, including guiding for the commercial banks by the onsite and offsite inspections and IT inspections as well as timely and efficient collection and analysis of monthly reports from the commercial banks by RMS. On the other hand, the improvement of the indicators 2-4 can be attributed in part to the Multi Sector Technical Assistance (TA) (2010-2016) supported by WB, including "Strengthening of legislative capacity of BOM" aiming at establishment of supervision system for soundness of the financial sector at macro level.

<Other Positive and Negative Impacts>

No negative impact on natural and social environment by the project and no other positive and negative impact was observed.

<Evaluation Results>

The Project Purpose of "Establishment of foundation for supervision over CG of the commercial banks" was partially achieved and the Overall Goal of "Enhancement of CG of the commercial banks" has been achieved. However, in terms of effects of the introduction of online system (RMS), while RMS contributed to efficient offsite inspections by the Supervision Department as well as efficient analysis and reporting by the International Economy Department, the Financial Policy Research Department has not utilized the system due to the interfere of their workflow. Therefore, effectiveness/Impact of the project is fair.

Achievement of project purpose and overall goal

Aim	Indicators	Results
(Project Purpose) Establishment of foundation for effective supervision by BOM over the commercial banks	(Indicator 1) BOM's supervision capacity both in terms of standards/regulatory framework and staff capacity on commercial banks' corporate governance.	<p><u>Achievement: Achieved.</u> (Project Completion)</p> <ul style="list-style-type: none"> <li>● BOM offsite supervisors (Note1) became able to conduct rating on all the commercial banks by the evaluation model (EM).</li> <li>● The onsite inspection system was firmly established as the onsite inspections on CG based on EM were implemented by the BOM supervisors.</li> <li>● According to the amendments of the Banking Law in the end of January, 2010, the drafts of the CG Guideline and EM have been officially applied in BOM by the Governor Order dated on May 26<sup>th</sup>, 2010.</li> </ul> <p>(Ex-post Evaluation)</p> <ul style="list-style-type: none"> <li>● The number of onsite inspections using the CG guideline and EM: 12-14 times/year</li> <li>● The number of offsite inspections using the CG guideline and EM: 1 time/year/commercial bank</li> </ul>
	(Indicator 2) BOM's supervision capacity both in terms of standards/regulatory framework and staff capacity on IT Inspection.	<p><u>Achievement: Achieved.</u> (Project Completion)</p> <ul style="list-style-type: none"> <li>● The drafts of IT inspection guideline, manual and checklist have been officially applied by the Governor of BOM order dated on May 26<sup>th</sup>, 2010 according to the amendments of the Banking Law in the end of January, 2010. As a result of support for application of those documents on actual supervision and inspection by the project, the capacity of supervisors of BOM achieved the basic level to conduct 1 cycle of the inspection without support.</li> <li>● The Japanese experts made recommendations to disseminate knowhow of the IT inspection in order to further capacity development of BOM at the time of project completion.</li> </ul> <p>(Ex-post Evaluation)</p> <ul style="list-style-type: none"> <li>● The number of IT inspections using the guidelines, manual and check list: 12-14 times/year</li> </ul>
	(Indicator 3) State of use of Reporting Management System (RMS) and amount of workload reduced on the side of BOM and commercial banks by its introduction.	<p><u>Achievement: Partially achieved.</u> (Project completion)</p> <ul style="list-style-type: none"> <li>● Operation of RMS reduced workload on receiving reports from the commercial banks and preparing reports by BOM supervisors for the offsite inspection. However, RMSv2, which was developed during the extension period, occurred problems at the Financial Policy Research Department due to the necessity to provide computer-aided name identification (<i>Nayose</i>) function of clients in order to reduce workload for data checking by the International Economy Department as well as integration of financial statements of the commercial banks into the system.</li> <li>● In order to solve the problems above, JICA extended the contract period with the local software company which worked on additional functions of RMSv2. After BOM completed final test in March, 2012 and accepted the</li> </ul>

		<p>revised RMSv2, the system was started to utilize.</p> <ul style="list-style-type: none"> <li>While the reduction of workload for offsite inspections by the Supervision Department was confirmed, no effect by RMS to reduce workload at the two other departments was not confirmed.</li> </ul> <p>(Ex-post Evaluation)</p> <ul style="list-style-type: none"> <li>BOM Supervision Department: Reduction of work load for supervision over the commercial banks due to the monthly reports from the commercial banks using RMS</li> <li>BOM International Economy Department: Reduction of preparation time for reports on international economy such as exchange rate by 20-30 minutes.</li> <li>BOM Financial Policy Research Department: Suspending the use of RMS due to the issue of work procedure.</li> </ul>											
(Overall goal) Enhancement of corporate governance of the commercial banks in Mongolia	(Indicator 1) Sound banking system with increased efficiency and outreach.	<p><u>Achievement: Achieved.</u> (Ex-post Evaluation)</p> <ul style="list-style-type: none"> <li>The soundness indicators of the commercial banks have improved.</li> <li>Results of the onsite inspection by BOM are considered by the Supervision Committee and orders of the Governor of BOM are issued. As necessary, issues to be taken measures and to be improved for the commercial banks are reported. According to some commercial banks, they receive recommendations by BOM by phone and e-mail besides by written instructions in the case of problems.</li> </ul>											
	(Indicator 2) Reduced spread between the average interest rate on bank loans and deposits from 11% in 2004 to 6% in 2012.	<p><u>Achievement: Achieved.</u> (Ex-post Evaluation)</p> <ul style="list-style-type: none"> <li>The spread between the interest rate on bank loans and deposits decreased to less than 6%.</li> </ul> <table border="1"> <thead> <tr> <th>2004 (Baseline)</th> <th>2012 (Target)</th> <th>2012 (Actual)</th> <th>2013 (Actual)</th> <th>2014 (Actual)</th> </tr> </thead> <tbody> <tr> <td>11%</td> <td>6%</td> <td>6.5%</td> <td>5.3%</td> <td>4.4%</td> </tr> </tbody> </table> <p>Reference: The interest rate is for bank loan or deposit in the Mongolian currency (Tugrug)</p>	2004 (Baseline)	2012 (Target)	2012 (Actual)	2013 (Actual)	2014 (Actual)	11%	6%	6.5%	5.3%	4.4%	
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(Indicator 3) The current level of Return on Equity (ROE) of the banking sector at 12% in 2005 remains until 2012.	<p><u>Achievement: Achieved.</u> (Ex-post Evaluation)</p> <ul style="list-style-type: none"> <li>Despite of fluctuations by year, ROE remained more than 12% during the period from 2012 to 2014.</li> </ul> <table border="1"> <thead> <tr> <th>2004 (Baseline)</th> <th>2012 (Target)</th> <th>2012 (Actual)</th> <th>2013 (Actual)</th> <th>2014 (Actual)</th> </tr> </thead> <tbody> <tr> <td>12%</td> <td>12%</td> <td>15.2%</td> <td>12.1%</td> <td>13.5%</td> </tr> </tbody> </table>	2004 (Baseline)	2012 (Target)	2012 (Actual)	2013 (Actual)	2014 (Actual)	12%	12%	15.2%	12.1%	13.5%		
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(Indicator 4) Capital Adequacy Ratio of the banking sector fulfills the national strategic target until 2012.	<p><u>Achievement: Achieved.</u> (Ex-post Evaluation)</p> <ul style="list-style-type: none"> <li>The capital adequacy ratio of the banking sector exceeded the national strategic target during the period from 2012 to 2014.</li> </ul> <table border="1"> <thead> <tr> <th>Capital Adequacy Ratio</th> <th>2012 (Target)</th> <th>2013 (Actual)</th> <th>2014 (Actual)</th> </tr> </thead> <tbody> <tr> <td>National Strategic Target</td> <td>12% (13%)</td> <td>12% (14%)</td> <td>12% (14%)</td> </tr> <tr> <td>Actual performance</td> <td>16.4% (15.6%)</td> <td>15.9% (15.7%)</td> <td>17.7% (17.9%)</td> </tr> </tbody> </table> <p>Note: ( ) is figure for the banks with more than 5% of share in the total assets of the banking sector.</p>	Capital Adequacy Ratio	2012 (Target)	2013 (Actual)	2014 (Actual)	National Strategic Target	12% (13%)	12% (14%)	12% (14%)	Actual performance	16.4% (15.6%)	15.9% (15.7%)	17.7% (17.9%)
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Source : Internal Documents of JICA, Interviews with BOM, BOM Monthly Statistical Report

Note 1: The offsite inspection is desk analysis and check by the BOM bank supervisors on reports and documents submitted from the commercial banks to BOM.

Note 2: The onsite inspection is conducted by the BOM bank supervisors at the commercial banks.

### 3 Efficiency

The project cost and the project period exceeded the plan (ratio against the plan: 166%, 147%) because the additional activities were required for all the planned outputs to achieve the Project Purpose at the timer of terminal evaluation. In particular, the additional cost and activities were needed for the expansion of RMS. Therefore, efficiency of the project is low.

### 4 Sustainability

#### <Policy Aspects>

In November, 2014, the Governor of BOM approved a strategic plan by 2020 for development of supervisory operation. According to the plan, BOM has strived enhancement and improvement of capacity for supervision over the commercial banks through comprehensive operation of supervision by introduction of risk-based supervision methodology and stepwise implementation of specific actions to strengthen regulations on the soundness indicators.

#### <Institutional Aspects>

At the time of ex-post evaluation (May, 2015), the sufficient number of personnel has been deployed in the Supervision Department of BOM in order to the planned number of inspections: 16 supervisors for the Onsite Inspection Division and 18 supervisors for the Offsite

Inspection Division. For the IT inspection, there is an issue of specialized skills for the inspection due to no supervisor specializing in the IT inspection. For the utilization of RMS, the necessary personnel has been deployed each Department for smooth reporting works while the IT Department is in charge of maintenance of the system.

<Technical Aspects>

The guidelines and manuals for the inspections on the commercial banks developed by the project have been utilized. Most of the supervisors (15 of 16 supervisors of the Onsite Inspection Division and 17 of 18 supervisors of the Offsite Inspection Division) have conducted their inspection and analytical works in accordance with the guidelines and manuals. In terms of CG, the national or overseas consultants working in BOM have delivered trainings for the BOM officers. On the other hand, it is necessary to implement trainings to increase capacity of the supervisors engaged in the IT inspection as the inspector trained by the project has left his job in BOM. For the utilization of RMS, the officers of the International Economic Department have sufficient level of capacity to process data reported while the commercial bank staffs received trainings and instructions and have adequately reported to BOM. The personnel of the IT Department obtained necessary ability to upgrade of RMS and to restore the system in case of troubles but not to change the system design.

<Financial Aspects>

Although the data of the Supervision Department's budget was not available for the ex-post evaluation, the necessary budget for the inspection on the commercial banks by the Department has been secured. It can be supported by the fact that the inspections have been implemented as planned. Also, the necessary budget for operating RMS has been ensured since the budget amounting to 16.6 million Tugrugs in 2012 and 2013 were allocated to the IT Department. The same amount of the budget is allocated in 2015 despite of the decrease in 2014. Since the system integration of RMS has not been functioning, the payment for the license fee was stopped in 2014.

<Evaluation Results>

Some problems have been observed in institutional and technical aspects. Therefore, sustainability of the project effects is fair.

5 Summary of the Evaluation

This project has achieved the enhancement of the inspection system on the commercial banks' CG and the efficient offsite inspections using RMS by the Supervision Department as one part of the Project Purpose, "enhancement of supervision capacity of BOM over the commercial banks" during the project period. After the completion, the project effects, including not only the CG inspections but also IT inspections as well as regular reporting by the commercial banks and analytical and reporting works by BOM through the utilization of RMS, have been sustained and have contributed to the achievement of the Overall Goal, "strengthening of the commercial banks' CG". However, there have been still problems in the institutional and technical aspects of sustainability due to no personnel specializing in the IT inspection deployed and partial utilization of RMS without capacity to change system design according to workflow. In addition, the additional activities and inputs for all the outputs were required and the project period was extended in order to attain the Project Purpose as well as to ensure sustainability of the project effects.

In the light of above, although the project realized the expected effects and they have been sustained, this project is evaluated to be low due to the issue of efficiency of the project.

### III. Recommendations & Lessons Learned

Recommendations for Implementing agency:

(Enhancement of the IT inspection system by BOM)

Presently, no personnel specializing in the IT inspection is deployed in the Supervision Department of BOM. Also, capacity development of the supervisors engaged in the IT inspections have been an essential issue. Therefore, BOM needs to deliver trainings for the supervisors to make them acquire necessary specialized knowledge about the IT inspections. At the same time, BOM should prepare and implement a personnel plan and a human resource development plan in order to deploy the supervisors specializing in the IT inspection in the Supervision Department.

Lessons Learned for JICA:

(Design and development of report management system)

Considering maintenance of online system after the project completion, the design and development of RMS complied with the level of the local technical capacity. At the same time, the Japanese experts provided advice and guidance to enable BOM operate, maintain and repair the system by themselves through preparation of action plan. However, BOM accepted RMS despite of insufficient capacity for system design change and the end users of RMS have not been able to change or modify the system design sufficiently yet. As a result, at the ex-post evaluation, RMS has not been fully utilized due to malfunctioning of the part of system to integrate data reported from the commercial banks. In order to realize expected effects of this system development and to sustainably function the system, it is necessary to consider necessary project period to support user organizations fully operate the system without problem through improvement of operational capacity of endusers. Also, depending on the situation, it is required to consider implementation follow up support by dispatch of Japanese experts after the technical cooperation project..