



1. Project Data:		Date Posted : 08/10/2000	
PROJ ID: P008307		Appraisal	Actual
Project Name: Technical Assistance for Economic Reform	Project Costs (US\$M)	33.5	12.6
Country: Bulgaria	Loan/Credit (US\$M)	17.0	12.3
Sector(s): Economic Management	Cofinancing (US\$M)		
L/C Number: L3384			
	Board Approval (FY)		91
Partners involved :	Closing Date	06/30/1994	06/28/2000
Prepared by :	Reviewed by :	Group Manager :	Group:

2. Project Objectives and Components

a. Objectives
To support the Government in the implementation of its economic reform program by providing technical assistance in a wide range of reforms essential to the transformation of the economy .

b. Components
This was an extremely complex project involving 18 implementing agencies in 5 broad areas of government. The main components were: (a) private sector development, enterprise privatization and restructuring (eight separate tasks totaling \$4.9 million), (b) bank restructuring and reform (six separate tasks totaling \$200,000) , (c) human resource development (five separate tasks totaling \$ 1.8 million), (d) energy sector strategy (3 tasks totaling \$ 1 million), and (e) institutional development for institutions concerned with trade, macroeconomic management, debt, and statistics (5 tasks totaling \$2.5 million). There was also an unallocated and contingency component for \$ 2.2 million which for which the ICR does not specify a more precise utilization .

c. Comments on Project Cost, Financing and Dates
The project cost \$12.6 million of which \$12.3 million was provided by the IBRD and \$0.3 million by government. The project was approved on June 27, 1991, became effective on January 1, 1992, and closed on June 30, 1999, 5 years late.

3. Achievement of Relevant Objectives:

The Technical Assistance Loan (TAL) project broadly achieved its objectives, although they were substantially and sequentially modified during implementation by a succession of governments (there were 7 different governments during implementation, almost one for each year of implementation) . 1. Concerning enterprise restructuring and privatization, the TAL assisted the government in its (a) monitoring public enterprises and facilitating some privatizations, (b) drafting Securities and Exchange legislation, (c) implementing legal reforms, including the land law, the bankruptcy code, contract law, public procurement law, privatization laws, and the securities and stock exchange law. 2. Concerning the energy sector, the TAL provided safety recommendations for a nuclear plant . 3. Concerning human resource development, the project financed studies including : (a) education: financing options, funding textbooks, school construction, funding science research, language training, inspection and teacher evaluation, (b) health: studies in public health, food safety and nutrition, and development o primary health care, the results of which were applied on a trial basis in 25 municipalities. 4. Concerning Institutional Development, the TAL assisted in (a) Posts and Telecommunications reform, (b) purchasing computer equipment for National statistical Institute, (c) purchasing computer equipment for the Agency for Economic Analysis and Forecasting, and (d) strengthening the Ministry of Industry specifically to assist in the privatization program .

4. Significant Outcomes/Impacts:

The most important outcomes were that the project (a) facilitated the sale of a number of large public enterprises, (b) assisted in implementing the stock market and securities exchange, (c) helped improve a number of key laws including bankruptcy and public procurement, (d) provided for a variety of studies to improve management of the education system, nuclear safety, and to improve posts and telecommunications .

5. Significant Shortcomings (including non-compliance with safeguard policies):

The project lasted 5 years longer than originally envisaged (there were 5 loan extensions, although the last one dealt only with the Loan Account) and even with this about 1/3 was canceled in the end, albeit the availability of grant

funding was a good reason why some of the components were dropped . The project was not well specified, as pointed out in the ICR. The Banking sector study was not useful and few of the Banking sector outputs were achieved with TAL support. Few of the Human Resource Development objectives were achieved with TAL support (the component to improve the efficiency of the health sector was not successful, and the four other HRD components were only partly successful or achieved with other funding). Many of the Institutional Development objectives were not achieved with TAL support (debt strategy development, advising the MOF on transition to a market economy).

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	
Institutional Dev .:	Substantial	Substantial	
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Unsatisfactory	There were 7 governments in power over the course of project implementation, which lasted 5 years longer than foreseen at Board approval, and about 1/3 of the project was canceled. Although the project achieved a good deal, implementation delays and changes in objectives suggest that many of the governments did not give the project the priority it deserved. This is not a good model for Borrower performance in the use of TA.
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

The TAL was overspecified. In conditions of uncertainty, clearer definitions of TA components have worked better. TA projects in transformation countries are complex by their nature, so management and implementation need to be kept as simple as possible. This would make it easier for governments to more fully own the process and its products.

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

The ICR does a generally good job of presenting an extremely complex project .