



<b>1. Project Data :</b>
<b>OEDID:</b> C2274
<b>Project ID:</b> P000037
<b>Project Name:</b> Economic Management Capacity Building (EMCBP)
<b>Country:</b> Angola
<b>Sector:</b> Economic Management
<b>L/C Number:</b> C2274
<b>Partners involved :</b> NA
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<b>Date Posted:</b> 08/18/1999

**2. Project Objectives, Financing, Costs and Components :**  
An IDA TA credit for SDR 17.1 million (equivalent to US\$23.25 million) to finance the ECBMP was approved in July 1991, made effective in December 1991, and closed in December 1998 after an eighteen-month delay; a small balance (4 percent) was canceled. The project's objective was to strengthen Angola's capacity to formulate and implement sound economic policies and projects through six components : (i) human resource development to improve economic, accounting, and procurement management skills; (ii) economic statistics to strengthen the National Institute of Statistics (NIS); (iii) legal assistance to streamline the legal and regulatory framework; (iv) public resource management to improve public expenditure management; (v) liberalization policies, including studies and advisory services to design and implement trade liberalization, incomes policy reform, and to restore the competitiveness of the industrial sector; and (vi) training and technical assistance to three ministries .

**3. Achievement of Relevant Objectives :**  
Though the project achieved few objectives, it was successful in training officials, installing equipment and promoting some new laws and institutions: about 1400 civil servants -- high level advisors, directors, and mid- and upper-level technicians -- from the Ministries of Finance, Planning, and Justice, the Treasury, and Central Bank participated in a bout 64 training courses and 43 seminars held in Angola, 47 courses and seminars abroad, and 11 international trips for exchange of experience; five training centers were installed at key ministries/agencies; 218 computers, 56 cars, and other equipment were acquired; new laws regulating economic activity were approved; and some new institutions ( e.g., the National Institute for Legal Studies ) were created.

**4. Significant Achievements :**  
The "human resource development component" alone provided training for 864 individuals (674 civil servants and 190 senior policymakers), exceeding the original target of 800. The project supported a study on trade liberalization . The recent government plan approved by the National Assembly to streamline customs regime drew heavily on the project study.

**5. Significant Shortcomings :**  
Many objectives were not achieved . The project failed to enforce the new laws designed to regulate economic activities or to develop the regulatory framework needed to support the new National Statistics Law and the collection of statistics, leaving the current system of national accounts *ad hoc* and inefficient. Public resource management methods and systems remained inoperative . Most important, the Angolan authorities failed to adopt and implement a strategy for economic and structural reform that would make use of the skills and capacity acquired with the project. The structural and economic imbalances that the project sought to correct still remain : the fiscal deficit averaged 20 percent of GDP in 1992-98, annual inflation exceeded 100 percent during the 1990s, and prices of utilities and petroleum products remained under government control .

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<b>6. Ratings :</b>	<b>ICR</b>	<b>OED Review</b>	<b>Reason for Disagreement /Comments</b>
<b>Outcome :</b>	Unsatisfactory	Unsatisfactory	
<b>Institutional Dev .:</b>	Partial	Modest	OED's rating of "modest" is equivalent to the ICR's rating of "partial".
<b>Sustainability :</b>	Unlikely	Unlikely	
<b>Bank Performance :</b>	Satisfactory	Unsatisfactory	The project's numerous components and complexity were hard to handle for a government emerging from civil war. The Bank did not adequately assess the government's commitment to reform or its implementation capacity. Further the Bank failed to compensate for the project's complexity with more intensive supervision (than the norm), nor did it devise performance indicators or attempt to provide annual reviews to adjust to the project's changing circumstances or restructure/close the project when the lack of government commitment was evident.
<b>Borrower Perf .:</b>	Satisfactory	Unsatisfactory	The borrower's commitment to reform was limited. It also underestimated its implementation capacity in adopting a complex project with no strong coordination, monitoring and evaluation mechanisms. Consequently, the Borrower used the credit more as a financial support facility than a TA with specific reform objectives.
<b>Quality of ICR :</b>		Satisfactory	

**7. Lessons of Broad Applicability :**  
 TA for a new client undergoing numerous changes needs to be carefully prioritized and sufficiently supervised . Also, such complex TA projects require greater flexibility in applying Bank operational rules, more intensive supervision than normal, and annual reviews to adjust to the projects' changing needs and circumstances .

**8. Audit Recommended?**  Yes  No

**9. Comments on Quality of ICR :**  
 Though this review disagrees with the ICR's rating of Bank performance, the overall quality of the ICR is rated satisfactory: it covers all relevant aspects of the project (except for future operation, which is discussed by the Borrower) and includes the Borrower's own report in an appendix .