



<b>1. Project Data:</b>		<b>Date Posted :</b> 08/21/2002	
<b>PROJ ID:</b> P008837		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b> Standards Development	<b>Project Costs (US\$M)</b>	36.65	30.49
<b>Country:</b> Russian Federation	<b>Loan/Credit (US\$M)</b>	24	23.97
<b>Sector(s):</b> Board: PSD - Central government administration (100%)	<b>Cofinancing (US\$M)</b>	0.7	NA
<b>L/C Number:</b> L3961; LP278			
	<b>Board Approval (FY)</b>		96
<b>Partners involved :</b> CIDA	<b>Closing Date</b>	12/31/1999	10/31/2001

<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>Group Manager :</b>	<b>Group:</b>
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**2. Project Objectives and Components**

**a. Objectives**

Through 1998, the project's main development objective was to strengthen the enabling environment for export-oriented production in Russia, by facilitating its accession to the WTO and increasing the ability of its firms to receive pre-shipment certification of their exports. The early focus of the project was on product and process standards for non-traditional exports. Other trade policy reforms were envisaged under the quick-disbursing, single-tranche Second Rehabilitation project approved in mid-1995 and later SALs. By early 1998, however, it had become clear that WTO accession would also involve meeting WTO requirements for technical barriers to imports. Thus, the Bank agreed to revise the project's coverage to include standards for imports.

**b. Components**

The project was designed as a limited intervention, without tackling impediments to trade in other important areas (customs, commercial financing, regulations in services, agricultural subsidies, etc.). The project's components were intended to help Russia (i) establish a WTO Inquiry Point (IP) on international and Russian technical barriers to trade (TBT) and for standards and sanitary/phyto-sanitary (SPS) norms (\$13.8 million estimated at appraisal); (ii) harmonize its standards with international standards (\$5.7 million estimated at appraisal and actually disbursed); and (iii) upgrade, strengthen, and facilitate internal recognition of its testing/certification bodies (\$10.24 million, mainly for procurement of testing equipment). No quantitative targets were set.

**c. Comments on Project Cost, Financing and Dates**

As funded by the Bank and the Government, the project's cost was \$ 30.5 million, including \$0.74 million for a Project Preparation and Implementation Unit (PPIU). Additional CIDA grant resources, including the financing of the services of a project advisor to the PPIU, were estimated at appraisal at \$ 0.7 million, but actual funding is unavailable. Other parallel capacity building activities through training and consultancies have been financed by CIDA (\$0.9 million) and TACIS (no amount available). The implementing agency was Gosstandard of the Russian Federation. The Bank loan was fully disbursed, but implementation took 5.3 years instead of the 3.5 years originally envisaged. The Legal Reform Project (No. 4035-RU) provided financing for harmonization of legislation with WTO requirements. The Bank (including WBI) is continuing to offer technical assistance on WTO issues to the government. Finally, another project under preparation will address impediments to trade arising from customs processing.

**3. Achievement of Relevant Objectives:**

The project's objectives were substantially relevant to the priorities and needs of the country's transition strategy in the late 1990s. Given its limited scope, the project has made significant contributions to a reduction in technical barriers to trade, especially manufacturing exports, and to preparing the country for WTO accession. Core government functions related to standards and technical regulations have been improved, while reducing their costs. Further reforms are planned. For instance, a draft law on technical regulations submitted to the Cabinet in March 2002 envisages a dramatic reduction in standards containing mandatory requirements from 20,000 to 100.

**4. Significant Outcomes/Impacts:**

- An integrated information system for processing inquiries on standards and technical regulations, including TBT and SPS, has been established and is operational, with adequate hardware, software applications, a full text database capturing 20,000 Russian standards, and a website for Gosstandard .
- Starting from a low base of approximately 18% harmonized standards in 1995, 35-40% harmonization was achieved by project completion in mid-2001 (500 standards for high-priority product groups were harmonized under the project).
- As a result of the successful installation of \$ 8.5 million worth of procured testing equipment, several Russian certification centers have been accredited by foreign certification bodies .

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

The revised objective of streamlining the Russian system of testing, certification, and accreditation requirements for imports has been less successful under the project . However, it is expected to materialize in a short while, because after the project's completion in mid-2001 a strong push for progress in this area came from the acceleration in WTO accession negotiations .

<b>6. Ratings :</b>	<b>ICR</b>	<b>OED Review</b>	<b>Reason for Disagreement /Comments</b>
<b>Outcome :</b>	Satisfactory	Satisfactory	
<b>Institutional Dev .:</b>	Substantial	Substantial	
<b>Sustainability :</b>	Likely	Likely	
<b>Bank Performance :</b>	Satisfactory	Satisfactory	
<b>Borrower Perf .:</b>	Satisfactory	Satisfactory	
<b>Quality of ICR :</b>		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:**

Simplicity of design, government and implementing agency commitment, flexibility and supervision from the field on the part of the Bank are key to speedy implementation as well as to project's success . Bank staff should estimate carefully and realistically implementation timeframes, especially in new clients . Institutional arrangements for collaboration between several government agencies involved should ideally be in place before effectiveness .

**8. Assessment Recommended?**  Yes  No

**9. Comments on Quality of ICR:**

The ICR includes a commendable effort to measure the efficiency of this TA project . The ICR could have been rated exemplary if it had also provided (i) summary information on, and analysis of, actual changes during the last decade in trade openness, integration, and export and import structure; information on the remaining obstacles to WTO accession; and consistent figures on the project costs by components and overall between the tables in Annex 2 on project costs by component and by procurement arrangements on one side and the last table on project financing by component on the other side.