



1. Project Data:		Date Posted : 07/25/2001	
PROJ ID: P043231		Appraisal	Actual
Project Name: Institution Building Technical Assistance	Project Costs (US\$M)	5.0	5.0
Country: Tajikistan	Loan/Credit (US\$M)	5.0	5.0
Sector(s): Board: PS - Banking (57%), Central government administration (39%), Payment systems securities clearance and settleme (4%)	Cofinancing (US\$M)		
L/C Number: C2861			
	Board Approval (FY)		96
Partners involved :	Closing Date	12/31/2000	12/31/2000
Prepared by :	Reviewed by :	Group Manager :	Group:
Elliott Hurwitz	Anwar M. Shah	Ruben Lamdany	OEDCR
2. Project Objectives and Components			
a. Objectives			
The objectives of the IBTA credit were to help meet GOT skill shortages to develop and carry out reform programs in the priority areas of privatization, agriculture and agro-processing, and the financial sector, and in the long term help strengthen the country's institutional capacity to sustain reforms in these areas .			
b. Components			
1. Technical Assistance to the State Property Committee --Consultant advice, training, and office equipment to help prepare and implement a comprehensive privatization program (small, medium, and large enterprises, and public information).			
2. Technical Assistance to the Ministry of Agriculture --Support for farm restructuring and demonopolizing cotton processing and marketing. Training to MOA staff, consultancy services, and analyses of the legal framework for land transfer and for privatization of the agro-processing sector.			
3. Assistance to the Financial Sector --Revise legal framework for banks; prepare and implement new accounting and auditing procedures; develop audit reports for 4 largest banks; strengthen financial sector supervision; improve efficiency of payment mechanisms .			
c. Comments on Project Cost, Financing and Dates			
Project cost was US\$5 million, as planned, and the project closed on schedule on 12/31/00 after 4½ years.			
3. Achievement of Relevant Objectives:			
1. Technical Assistance to the State Property Committee --IBTA assisted the government in developing a legal basis for privatization, and conducting auctions . SPC and enterprise managers were trained in privatization procedures. IBTA established strong foundation for rapid progress under the follow-on SAC in privatizing small scale enterprises (95% privatized), and good progress in medium- and large-scale firms as well (95% corporatized and 30% privatized).			
2. Agriculture sector reforms --A plan for privatization of the cotton processing and marketing organization was prepared; TA was provided for privatization of 22 cotton ginneries (which was achieved under the SAC) including planning and conducting auctions; MOA was provided with the required legal framework to initiate the farm restructuring program, including land access rights, transfer of these rights, and implementation of farm restructuring .			
3. Financial Sector Reforms --New Banking Law was implemented; more efficient payment clearing (see section 4, below); training for NBT in implementing new prudential regulations, new accounting system, and on-site supervision of banks. In-depth diagnostic studies were completed of major banks, and audits of 3 of the 4 major banks (the fourth bank became insolvent during the project, its license was revoked, and the government decided not to have the audit performed).			
4. Significant Outcomes/Impacts:			
<ul style="list-style-type: none"> • Considerable institutional development impact, in the areas of privatization, legal basis for private property, and skills of officials working in these areas. Significant progress in privatization. 			

- Stronger banking sector, as a result of new banking law, better bank supervision; payments clearing system reduced clearing time from 4 days to 1.
- Preparation of 22 state-owned cotton ginneries for privatization
- Large number of enterprises privatized (see section 3)
- IBTA built GOT skills and laid groundwork for SAC (which started 2 years after IBTA effectiveness)

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

There were no significant shortcomings.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	Project achieved considerable progress for relatively modest credit amount. During the IBTA, considerable progress was achieved in privatization, and the project increased GOT capacity and paved way for SAC.
Institutional Dev .:	Substantial	Substantial	
Sustainability:	Likely	Likely	
Bank Performance:	Satisfactory	Satisfactory	As IDA's first credit in the country, IBTA was prepared under difficult circumstances. IDA team worked closely with the Borrower to tailor TA to requirements; assistance provided was appropriate to country's needs. QAG review commended role of IBTA Credit in supporting the preparation and implementation of the SAC as "consistent with best practice."
Borrower Perf .:	Satisfactory	Satisfactory	Borrower worked closely with IDA on design and implementation of TA. PIU was effective in monitoring consultants and ensuring good performance. GOT implemented envisioned laws and regulations, and fully complied with credit covenants. Agencies utilized advice and technical skills as basis for privatization and restructuring activity under SAC.
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:

- With adequate Borrower commitment, a TA loan can be an effective way for the Bank to lay the foundation for and facilitate reform
- A TA loan is generally more effective if it is closely tied to an adjustment operation

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

ICR is clear and highly readable, and covers most areas of project performance competently.