



1. Project Data:		Date Posted : 08/07/2000	
PROJ ID: P051034		Appraisal	Actual
Project Name : Second Structural Adjustment Technical Assistance Credit	Project Costs (US\$M)	5	5
Country: Georgia	Loan/Credit (US\$M)	5	5
Sector(s): Economic Management	Cofinancing (US\$M)		
L/C Number: C2984			
	Board Approval (FY)		98
Partners involved :	Closing Date	06/30/1999	12/31/1999
Prepared by :	Reviewed by :	Group Manager :	Group:
2. Project Objectives and Components			
a. Objectives			
The core objective of the Structural Adjustment and Technical Assistance Credit was to enhance the capacity of the Georgian government to implement the reform program supported by the (separate) Structural Adjustment Credit II.			
b. Components			
(1) Judicial Reform and Anti-Corruption Initiative: Bolster capacity of judicial system, including management and financing systems, information dissemination needs, and legislative changes; (2) Financial Sector: strengthen bank regulation, consolidate banking system; (3) Energy Sector: Privatize power distribution enterprise; strengthen Energy Regulatory Commission; (4) Social Protection: improve poverty monitoring capability; develop plan to improve pension collection; (5) Health Sector Reform: reduce excess system capacity; develop hospital master plan for each region; (6) Resource Mobilization: strengthen Customs Department; bolster state tax system and anti-monopoly service; create office to advice Ministry of Finance on debt management; (7) Public Information: undertake national campaign to carry information on economic reforms to the public .			
c. Comments on Project Cost, Financing and Dates			
Project cost was US\$5 million, as expected. The project closed on December 31, 1999, six months later than planned.			
3. Achievement of Relevant Objectives:			
(1) Judicial Reform and Anti-Corruption: improvement in judicial system was achieved, including passage of judicial reform legislation and establishment of basic institutions; anti-corruption initiative did not succeed; (2) Financial Sector: Prudential regulation and bank regulatory functions were strengthened; the banking sector consolidated, with over 1/3 of banks closing within the last 5 years (3) Energy sector: successful sale to a strategic investor of the largest power distribution company in Tbilisi; Energy Regulatory Commission strengthened . (4) Social Protection: poverty monitoring capability strengthened; goal of identifying alternatives to improving pension collection was not achieved; (5) Health Sector: computerized inventory of health system assets was completed; changes recommended in master plan for Tbilisi, calling for substantial consolidation of assets, were undertaken; (6) Resource Mobilization: efforts to bolster customs and tax collection were not successful; computers purchased with the credit were utilized to automate and upgrade customs functions; (7) Public Information: modest success achieved in promulgating information via newspaper established under the credit; reprogramming of funds into this component was done at the request of the government due to a perceived need to bolster support for reform .			
4. Significant Outcomes/Impacts:			
<ul style="list-style-type: none"> • Largest power distribution company in Tbilisi was sold to a strategic investor • Changes recommended in Tbilisi health sector master plan were undertaken • Bank regulation regime was strengthened, and banking sector was consolidated 			
5. Significant Shortcomings (including non-compliance with safeguard policies):			
Bank regulation agency is not independent; significant reprogramming of funds occurred within the project without appropriate documentation; inadequate effort was made to establish detailed monitoring and evaluation measures .			

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	
Institutional Dev .:		Modest	Ratings are substantially the same.
Sustainability:	Likely	Likely	Project has led to follow-on projects in 3 areas: health, judicial reform, and economic structural reforms.
Bank Performance:	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR:		Unsatisfactory	

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

7. Lessons of Broad Applicability:

- A Technical Assistance project should include indicators designed to reflect a future level of performance .

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

The ICR does not provide sufficient information to make evaluative judgments . It is short on evidence in all areas, especially regarding sustainability and institutional development impact . No assessment of Quality at Entry is provided. The ICR contains contradictions regarding the assessment of the benefits of computerization (Sec. 6.1c contradicts sec 5.2). Column 3 of the first table in Annex 2 should have presented actual project cost as a percent of appraisal; instead, the inverse is calculated . In addition, the document has many typographical errors and instances of incorrect word usage.