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Report No: 22316

IMPLEMENTATION COMPLETION REPORT
(IDA-28610)

ON A

CREDIT

IN THE AMOUNT OF US\$ 5.0 MILLION

TO THE REPUBLIC OF

TAJKISTAN

FOR AN

INSTITUTION BUILDING TECHNICAL ASSISTANCE

06/13/2001

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CURRENCY EQUIVALENTS

(Exchange Rate Effective June 12, 2001)

Currency Unit = Somoni
1 TJS = US\$ 0.426
US\$ 1 = 2.35 TJS

FISCAL YEAR

January 1 - December 31

ABBREVIATIONS AND ACRONYMS

CAS	Country Assistance Strategy
FSU	Former Soviet Union
GDP	Gross Domestic Product
GOT	Government of Tajikistan
IA	Implementing Agency
LRC	Land Reform Committee
IBTA1	First Institution Building Technical Assistance Credit
IBTA2	Second Institution Building Technical Assistance Credit
IBRD	International Bank for Reconstruction and Development
ICB	International Competitive Bidding
ICR	Implementation Completion Report
IDA	International Development Association
IMF	International Monetary Fund
LSEs	Large-Scale Enterprises
MSEs	Medium-Scale Enterprises
MOA	Ministry of Agriculture
MOF	Ministry of Finance
NBT	National Bank of Tajikistan
PIU	Project Implementation Unit
PRGF	Poverty Reduction and Growth Facility First Structural
QAG	Quality Assurance Group
SAC	Structural Adjustment Credit
SSEs	Small-Scale Enterprises
SPC	State Property Committee
SOE	State-Owned Enterprise
TORs	Terms Of References

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TAJKISTAN
Institution Building Technical Assistance

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<i>Project ID:</i> P043231	<i>Project Name:</i> Institution Building Technical Assistance
<i>Team Leader:</i> Mohammad Reza Ghasimi	<i>TL Unit:</i> ECSPE
<i>ICR Type:</i> Core ICR	<i>Report Date:</i> June 13, 2001

1. Project Data

Name: Institution Building Technical Assistance *L/C/TF Number:* IDA-28610
Country/Department: TAJIKISTAN *Region:* Europe and Central Asia Region
Sector/subsector: BI - Institutional Development

KEY DATES

<i>PCD:</i> 10/11/95	<i>Effective:</i> 06/12/96	<i>Original</i>	<i>Revised/Actual</i>
<i>Appraisal:</i> 11/15/95	<i>MTR:</i> 02/27/97		06/12/96
<i>Approval:</i> 05/16/96	<i>Closing:</i> 12/31/2000		01/29/98
			12/31/2000

Borrower/Implementing Agency: Republic of Tajikistan/Office of Prime Minister
Other Partners:

STAFF	Current	At Appraisal
<i>Vice President:</i>	Johannes Linn	Johannes Linn
<i>Country Manager:</i>	Kiyoshi Kodera	Y. Huang
<i>Sector Manager:</i>	Pradeep K. Mitra	Y.Huang
<i>Team Leader at ICR:</i>	M.R.Ghasimi	M.R.Ghasimi
<i>ICR Primary Author:</i>	Richard J. Carrol	

2. Principal Performance Ratings

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HL=Highly Likely, L=Likely, UN=Unlikely, HUN=Highly Unlikely, HU=Highly Unsatisfactory, H=High, SU=Substantial, M=Modest, N=Negligible)

Outcome: S
Sustainability: L
Institutional Development Impact: SU
Bank Performance: S
Borrower Performance: S

Quality at Entry: QAG (if available) ICR
S
Project at Risk at Any Time:

3. Assessment of Development Objective and Design, and of Quality at Entry

3.1 Original Objective:

The short-term objectives of Tajikistan's First Institution Building Technical Assistance (IBTA) Credit were to help meet skill shortages to develop and carry out reform programs in priority areas of privatization and the financial sector. The long-term objective was to help strengthen the country's institutional capacity

to sustain reforms in these areas. The Bank's strategy was to support Tajikistan's transition toward a market economy by helping the Government design and implement a comprehensive reform program. These objectives were clear and consistent with the country's needs for capacity building in the key areas identified in the project.

3.2 Revised Objective:

No revisions.

3.3 Original Components:

The IBTA Credit had three major components: (i) Technical Assistance to the State Property Committee (SPC) in support of the privatization program; (ii) Technical Assistance to the Ministry of Agriculture (MOA) in support of the farm restructuring program and the demonopolization of cotton processing and marketing system; and (iii) Technical Assistance to the banking system to upgrade a number of key operations crucial for the success of banking reforms. These components were consistent with Government of Tajikistan (GOT) priorities to develop capacity to support the transition to a market-based economy.

The main rationale for and activities under each component were as follows:

Technical Assistance to the SPC

Tajikistan's largest barrier to privatization was the weak legal framework. The SPC was the main agency in charge of privatization and needed to strengthen its institutional capacity in implementation and monitoring. In response to these priorities, the IBTA Credit was designed to provide assistance with:

- Preparation of the legal and regulatory framework for privatization and the private sector
- Privatization of small-scale enterprises (SSEs)
- Privatization of medium and large-scale enterprises (MSEs and LSEs)
- Mass privatization (if necessary)
- Public information in support of privatization

The Government eventually decided not to use the mass privatization approach that had been followed in other Former Soviet Union (FSU) countries. Instead, it followed a cash-based auction method which the Bank supported.

Technical Assistance to the MOA

As part of the reform program, the Government was determined to transform large-scale state farms into collective farms and then into smaller, privately operated ones. The IBTA Credit provision of consulting services and training programs as well as office equipment was designed to help the MOA to:

- Identify and propose changes in existing laws that were needed to ensure secure land access rights and full transferability of access rights, specify implementation mechanisms for the farm restructuring program and develop voluntary farmer associations
- Revise the legal framework in cotton processing and marketing system, work toward design and implementation of a strategy for demonopolizing the state cotton marketing entity and privatization

- of cotton ginneries and provide further options for reforming the cotton sector
- Train MOA staff in important aspects of farm restructuring and demonopolizing the state cotton marketing entity

Technical Assistance to the Banking System

The Tajik banking system was organized according to the Soviet model of sectoral banks, with four major banks dominating the banking system. Credit was allocated administratively in the form of directed credits. The IBTA Credit coordinated with the IMF to help:

- Revise the current legal framework for banks
- Prepare and implement new accounting and auditing procedures for banks, based on internationally accepted accounting principles
- Develop audit reports for the four major banks
- Develop effective supervision of the banking system
- Improve payments mechanisms

3.4 Revised Components:

No revisions

3.5 Quality at Entry:

The quality at entry was rated satisfactory by the ICR as counterparts were deeply involved in project preparation and the design was responsive to national priorities. The areas selected for institution building and technical assistance under IBTA Credit were appropriate and directly facilitated successful preparation and implementation of the First Structural Adjustment Credit (SAC). Another strength of the IBTA Credit at entry was that detailed and comprehensive terms of reference (TORs) had been drafted and discussed by various beneficiary agencies for the major activities of the credit. There was no Quality Assurance Group (QAG) assessment.

4. Achievement of Objective and Outputs

4.1 Outcome/achievement of objective:

The rating for the individual IBTA Credit components and the operation as a whole in meeting objectives is satisfactory. The IBTA Credit met its objectives of meeting skill shortages to develop and carry out reform programs in priority areas of privatization and the financial sector, as well as the long-term objective of strengthening the country's institutional capacity to sustain reforms in these areas. This achievement is shown in IBTA Credit's facilitation of a successful Structural Adjustment Credit. The QAG panel for the review of SAC commended the role of IBTA Credit in supporting preparation and carrying out the SAC as being consistent with best practices.

4.2 Outputs by components:

Privatization

IBTA Credit assisted the Government in reforming the legal framework for privatization, as well as in creating a privatization database and conducting auctions of state-owned enterprises. The rapid progress in privatizing SSEs is shown in Table 1. By the close of the IBTA Credit on December 31, 2000, 95 percent

of all SSEs had been privatized. At the same time, 748 MSEs and LSEs were corporatized, 95 percent of the total, 300 of all MSEs and LSEs subject to privatization, or 30 percent, were fully privatized. The project also assisted the SPC's capacity building and organized seminars for enterprise managers to explain both the incorporation and the privatization processes. Follow-up actions by the Government were critical to privatization along with the hiring of a professional auctioneer.

Table 1: Privatization of SSEs under the IBTA Credit

Number of SSEs Privatized	Cumulative Number of SSEs Privatized and the Dates
Incremental	Cumulative (Interval)
2,413	2,413 (January 1998)
573	2,986 (January - May 15, 1998)
1,500	4,486 (May 15, 1998 - June 7, 1999)
583	5,069 (June 7, 1999-March 31, 2000)
314	5,383 (March 31, 2000-December 31, 2000)

Source: State Property Committee

Banking System Reforms

The main elements of GOT's financial program included improving payments systems, bank supervision, accounting, auditing and legal framework, and were completed in 1999. Most of the agreed reforms were carried out through the SAC with IBTA Credit's support. The Law on Banks and Banking Activities was enacted and signed by the President in May 1998 and was one of the more significant achievements. The payments systems improvement reduced the clearing time from four days to one by establishing an internal clearing system within each bank, maintaining for each bank only one correspondent account in the National Bank of Tajikistan (NBT) and requiring each bank exchanging clearing items with other clearing participants. On bank supervision, the NBT increased the number of qualified staff, provided training on the application of the new prudential regulations and new accounting system and increased on-site supervision of banks. Other achievements included in-depth diagnostic studies of major banks, completion of the financial audits of the Vneshekonombank (April 1999), the State Savings Bank and the Agroinvestbank (November, 1999).

Agriculture Sector Reforms

The report for the demonopolization of Cotton Processing and Marketing Systems was prepared in 1998 and the state cotton marketing entity, Pakhteh Tajik (RCPT), was restructured into the Cotton Service Company, and the supervision of seed production transferred to the MOA. However, the transaction for the sale of assets of the Cotton Service was not fully completed by IBTA Credit close. The IBTA Credit provided technical assistance for the privatization of the 22 state-owned cotton ginneries under the SAC, which included the planning and implementing of auctions and assisting the Government to arrange the full

payment for the cotton ginneries purchased during the auctions.

Annex 5 provides overall ratings for achievement of objectives.

4.3 Net Present Value/Economic rate of return:

Not applicable.

4.4 Financial rate of return:

Not applicable.

4.5 Institutional development impact:

The IBTA Credit main contribution to institutional development was in strengthening the institutional capacity of the SPC and, the banking system and the MOA. This was achieved through improving the legal framework to accommodate privatization, and reconfiguring the banking system through supervisory and prudential functions. These capabilities were demonstrated in SAC successful implementation. The Project Implementation Unit (PIU) of the IBTA Credit was exceptional and its caliber was a key success factor for this credit. The PIU functioned smoothly since its formation immediately following credit negotiations, and was very effective as a liaison between the consultants and beneficiary agencies by improving communication between the two and helping the consultants respond more effectively to beneficiaries' needs. The PIU played an important role in strengthening the institutional capacity of the beneficiary agencies as it developed competence in monitoring the work of consultants, maintaining satisfactory accounts and assisting the beneficiary agencies in procurement of consultant services and office equipment. These capabilities will be valuable to further development of similar project implementation units for other projects and deepening the reform program. Skills transfer was effective and was reasonably successful at SPC. In the financial sector, the strong reform commitment by the NBT Chairman and the first deputy Chairman (who was a member of the PIU) paved the way for successful and effective skills transfer. Although the guidelines on the new Accounting Standards were developed, implementation of these guidelines did not fully take place and further assistance would be required in this area. Successful training programs on important feature of farm restructuring facilitated skills transfer to MOA staff.

5. Major Factors Affecting Implementation and Outcome

5.1 Factors outside the control of government or implementing agency:

Civil disturbances persisted after credit effectiveness and delayed consultants deployment by a few months. Once in place, consultants performance were generally satisfactory. The GOT also benefited from technical assistance provided by competent consultants for the privatization and financial sector components. The agriculture component technical assistance was not as smooth as the other two components, but managed ultimately to achieve its objectives.

5.2 Factors generally subject to government control:

The success of the SAC was driven in many ways by the success of the IBTA Credit, and, in many respects, IBTA Credit provided the Government the tools needed to cope with interests and circumstances that would impede privatization. As the ICR for the SAC documents, the Government's commitment to reform overcame political obstacles within the Government (e.g., line ministries' resistance to MSE and

LSE privatization), and outside the Government (local anti-government forces).

5.3 Factors generally subject to implementing agency control:

There were no major factors affecting the specific performance of the IAs.

5.4 Costs and financing:

The total credit amount was US\$5.0 million equivalent (SDR3.4 million) of which 100 percent was disbursed. The credit was made on standard IDA terms of 40 years with 10 years grace period.

6. Sustainability

6.1 Rationale for sustainability rating:

Sustainability is rated as likely. Extensive training was provided in the banking system on improving the payment systems, introducing international accounting standards, banking supervision for both the NBT staff and the staff of the other banks. The Chairman and Deputy Chairman gained a great deal of knowledge of the approach followed within a competitive market economy. During the IBTA Credit implementation, the consultants provided substantial on the job training to at least 10 immediate counterparts who are now able to carry out many of the functions of project management. One concern is that although the supply side of skills transfer was substantial, not everywhere was this supply effectively used. Although skills training may have been supplied in many areas, in a few instances, the actual demonstration of skills acquisition may have been negated by some adherence to the "old" way of doing things.

6.2 Transition arrangement to regular operations:

To enhance sustainability and to move away from the "old" way of doing things, a Second Institution Building Technical Assistance Credit (IBTA2) has been implemented, which is deepening institutional capacity building efforts initiated under the IBTA Credit. IBTA2 Credit is providing technical assistance to the critical phase of privatization program and further opportunity to the Government to strengthen its capacity to establish a business environment conducive to private sector activities. Furthermore, IMF has agreed to deepen reform of the banking system under its Poverty Reduction and Growth Facility (PRGF) and any remaining and unattended issues will be supported under the Post Privatization Project, currently under preparation.

7. Bank and Borrower Performance

Bank

7.1 Lending:

Bank performance was satisfactory. In the area of project design, the Bank effectively involved Tajik counterparts. The design of the IBTA Credit was forward-looking in that it laid the groundwork for a successful adjustment operation under SAC that began in mid-1998. The IBTA Credit had considerable impact on transfer of knowledge to the SPC and the banking system.

7.2 Supervision:

The Bank worked well with the IAs and consultants. Establishing the three major consultancies was an efficient way to install the basic implementation requirements of the IBTA Credit. The supervision

provided special emphasis to the privatization components which was a more difficult and sensitive component to implement. The supervision for this component was especially intensive because there were many privatization transactions supported by the IBTA Credit. Transfer of skills was good at the regional level where most of the auctions were implemented. Intensive supervision was also required because of the arrangements required to conduct auctions of the cotton ginneries. The supervision of the banking component helped the NBT to develop effective supervision of the banking system and develop better quality audit reports for the major banks. In the agricultural sector, the supervision missions were effective in assisting the MOA to develop important aspects of the farm restructuring and demonopolization of the state marketing entity.

7.3 Overall Bank performance:

Bank performance is rated as satisfactory. The Bank did well under challenging circumstances to develop a forward-looking IBTA Credit that supported an ongoing reform program.

Borrower

7.4 Preparation:

The Government was fully involved in the discussions on the project design. Representatives of the IAs, the MOA, SPC and the NBT worked well with the Bank to discuss and draft TORs and cost estimates for the technical assistance components. All aspects of the components were laid out in detail jointly by the Borrower and the Bank. The design was geared to establishing an institutional framework conducive to transition to a private economy and to specific areas of reforms such as privatization as well as creating the foundations necessary for a modern banking system.

7.5 Government implementation performance:

Government performance was satisfactory. The Government maintained its commitment to project as all TORs were carried out. The Government achieved ambitious privatization targets, although with delays. NBT's officials were highly committed to reforms and facilitated the process of capacity building and transfer of international experience to the banking system.

7.6 Implementing Agency:

The performance of the IAs were satisfactory. The NBT was particularly dedicated to reform and carried out a far-reaching overhaul of the banking law. The SPC had some difficulties in privatization, but, in the end experienced delays of only a few months for the SSE auctions. Good progress was also made with respect to MSEs and LSEs. The PIU was highly effective in monitoring the consultancies and in ensuring good performance. In the banking system component, the NBT was very much receptive to effecting a skills transfer. The MOA did well in initiating the process of farm restructuring.

7.7 Overall Borrower performance:

Borrower performance was satisfactory overall because it met its main responsibility to effectively monitor consultants and utilize their services to carry out a successful reform program.

8. Lessons Learned

The success of a Technical Assistance Credit will be enhanced to the extent that it is directly tied into a Structural Adjustment Operation.

The IBTA Credit laid the groundwork necessary for the SAC by identifying the policy areas, the TORs for IBTA Credit activities were directly related to the conditions under the SAC, and the IBTA Credit provided capacity building and technical assistance for implementation of SAC.

In a post-conflict environment, Technical Assistance Credit can be effective under key conditions.

These conditions include: (i) a general readiness by the Government to undertake reform; (ii) deep country knowledge by the task team which is embodied in project design; (iii) intensive supervision by experienced Bank staff in new member countries; and (iv) a dedicated Project Implementation Unit that is in continuous contact with consultants, beneficiary agencies, and the World Bank supervision team.

9. Partner Comments

(a) Borrower/implementing agency:

Republic of Tajikistan

First Institution Building Technical Assistance Credit Submitted as an Attachment to the Final Implementation Completion Report

The agreement for a credit of US\$5 million, equivalent (SDR 3.4 million) between the International Development Association and the Government of the Republic of Tajikistan for the First Institution Building Technical Assistance (IBTA) Credit was signed on May 20, 1996 and became effective on June 12, 1996. The credit was provided for capacity building to implement the structural reform program in the following areas:

- Privatization program; and
- Financial sector reform.

Privatization Program

The CARANA Corporation was selected to be the consultant for the State Property Committee to provide technical assistance under the IBTA Credit for implementing the Government privatization program. The CARANA Corporation started its activities in November 1996, and its first step was providing consulting services and assistance for collecting information to create a database of the state-owned enterprises supervised by the State Property Committee (SPC) of the Republic of Tajikistan. Considerable progress has been made in the privatization of the small-scale state-owned enterprises and much has been done for the privatization of state-owned trucks.

In addition, considerable assistance has been provided to the SPC in creation of a legal framework for privatization. The SPC prepared laws, regulatory documents, regulations and instructions related to procedure for the state-owned enterprise privatization, starting from corporatization to selling of the state-owned block of shares through auctions and tenders and submitted them to the parliament. A collection of regulatory documents and legislative acts on privatization of small enterprises, corporatization and securities market has been compiled and published. The regulatory and legal framework for privatization as well as the laws relevant to the exercise of property rights have been developed, including amendments to the following laws of the Republic of Tajikistan: Law on Joint Stock Companies, Bankruptcy Law, and Law on Privatization of State-Owned Property.

Technical assistance was provided to the SPC in the corporatization of medium-size and large state-owned

enterprises and statutory documents of the state-owned enterprises were transferred into joint stock companies.

Consulting services have been provided in the setting up and functioning of the Central Registrar in charge of keeping share transfer records. Of particular importance was the proposal for the privatization of incomplete construction projects that helped the budget of the Republic through the selling of vacated buildings and unused structures.

Technical assistance was also provided in public education through a mass media campaign, which explained the objectives, meaning and progress of privatization. In order to fulfill the task, the consultants helped SPC to work closely with mass media, interviewed experts, organized round-table discussions, wrote articles, published promotional and educational information and advertised auctions. The publication of the Bulletin "Privatization" in Tajik and Russian coincided with the regular sessions of the Parliament.

Many activities related to the project were carried out in different regions of Tajikistan. Training courses and seminars for the experts of regional SPC departments on small-scale privatization, corporatization and management of joint stock companies were arranged.

The consulting firm SOFRECO assisted the Ministry of Agriculture to prepare studies on options for farm restructuring and demonopolization of the state cotton marketing entity.

Financial Sector Reform

Most importantly, the second part of the project was provision of technical assistance to the financial sector. This component included banking sector restructuring and had the following objectives:

- improving the legal framework for the banking sector activity;
- improving the regulatory framework and bank supervision system;
- restructuring of five large banks in Tajikistan; and
- introducing International Accounting Standards.

In order to achieve the above objectives, the firm, Arthur Andersen, was selected to provide technical assistance to the National Bank of Tajikistan in the following areas:

- adopting the "Law on Banks and Banking Activities";
- developing guidelines on the new Accounting Standards both for NBT and commercial banks of the republic;
- inspecting the commercial banks,
- issuing instruction for banks on the introduction of International Accounting Standards starting 1999;
- selecting auditing firms to audit five largest banks according to the international standards;
- restructuring the Bank Supervision Department with an increased number of highly skilled staff-members;
- initiating intensive training of NBT's employees on new prudential standards and International Accounting Standards; and
- strengthening the supervision capacity of the NBT.

The important measures mentioned above enabled the banking system to make a definite step forward to enter the world banking sector.

The implementation process required a great deal of understanding between Task Manager and the beneficiary agencies of the project, mutual understanding of the issues and flexibility on behalf of all the parties involved is crucial for the successful implementation of the project. The Task Manager's professional characteristics, commitment to the success, workability, knowledge of the language and country-specific issues was crucial for the success achieved.

(b) Cofinanciers:

NA

(c) Other partners (NGOs/private sector):

NA

10. Additional Information

NA

Annex 1. Key Performance Indicators/Log Frame Matrix

Outcome / Impact Indicators:

Indicator/Matrix	Projected in last PSR ¹	Actual/Latest Estimate
Strengthened Government capacity through improved technical understanding of the privatization process	Satisfactory, December 2000	Satisfactory, December 2000
Increased private sector role in the economy	Satisfactory, December 2000	Satisfactory, December 2000
Strengthened capacity of the Ministry of Agriculture and the Land Reform Committee through improved technical understanding of issues pertaining to the land reform and farm restructuring processes	Satisfactory, March 1999	Satisfactory, March 1999
Enhanced private sector role in the cotton sector	Satisfactory, December 2000	Satisfactory, December 2000
Enhanced National Bank of Tajikistan's policy making and institutional capacity through improved technical understanding of operations, supervision and payments system of banks	Satisfactory; March 1999	Satisfactory; March 1999
Improved supervision and payments systems through suitable criteria and for licensing and prudential regulations consistent with international standards and audits of major banks by qualified firms	Satisfactory, March 1999	Satisfactory, March 1999
Improved skill and knowledge of banks' staff in risk management procedures, budgeting principles and human resources development through training program in the banking system	Satisfactory, March 1999	Satisfactory, March 1999

Output Indicators:

Indicator/Matrix	Projected in last PSR ¹	Actual/Latest Estimate
Privatize at least 500 small enterprises	May 15, 1998	May 15, 1998
Complete privatization of small-scale enterprises	March, 31, 1999	95 percent completed by December 31, 2000
Privatize at least 120 medium and large-scale enterprises	March, 31, 1999	December 31, 2000
Privatize the cotton marketing authority and complete privatization of all cotton ginneries	December 31, 2000	December 31, 2000

End of project

¹/ Quantitative performance indicators relating to the reform program which the IBTA Credit supported are found in the ICR for the SAC.

Annex 2. Project Costs and Financing

Project Cost by Component (in US\$ million equivalent)

Project Cost By Component	Appraisal Estimate US\$ million	Actual/Latest Estimate US\$ million	Percentage of Appraisal
Privatization	2.45	2.45	100
Financial Sector	2.13	2.13	100
Other	0.40	0.40	100
Total Baseline Cost	4.98	4.98	
Price Contingencies	0.02	0.02	100
Total Project Costs	5.00	5.00	
Total Financing Required	5.00	5.00	

Project Costs by Procurement Arrangements (Appraisal Estimate) (US\$ million equivalent)

Expenditure Category	ICB	Procurement Method¹			Total Cost
		NCB	Other²	N.B.F.	
1. Works	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
2. Goods	0.00 (0.00)	0.00 (0.00)	0.30 (0.30)	0.00 (0.00)	0.30 (0.30)
3. Services	0.00 (0.00)	0.00 (0.00)	4.70 (4.70)	0.00 (0.00)	4.70 (4.70)
4. Miscellaneous	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.50 (0.00)	0.50 (0.00)
5. Miscellaneous	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
6. Miscellaneous	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Total	0.00 (0.00)	0.00 (0.00)	5.00 (5.00)	0.50 (0.00)	5.50 (5.00)

Project Costs by Procurement Arrangements (Actual/Latest Estimate) (US\$ million equivalent)

Expenditure Category	ICB	Procurement Method¹			Total Cost
		NCB	Other²	N.B.F.	
1. Works	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
2. Goods	0.00 (0.00)	0.00 (0.00)	0.30 (0.30)	0.00 (0.00)	0.30 (0.30)
3. Services	0.00 (0.00)	0.00 (0.00)	4.70 (4.70)	0.00 (0.00)	4.70 (4.70)
4. Miscellaneous	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.50 (0.00)	0.50 (0.00)

5. Miscellaneous	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
6. Miscellaneous	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Total	0.00 (0.00)	0.00 (0.00)	5.00 (5.00)	0.50 (0.00)	5.50 (5.00)

^{1/} Figures in parenthesis are the amounts to be financed by the Bank Loan. All costs include contingencies.

^{2/} Includes civil works and goods to be procured through national shopping, consulting services, services of contracted staff of the project management office, training, technical assistance services, and incremental operating costs related to (i) managing the project, and (ii) re-lending project funds to local government units.

Project Financing by Component (in US\$ million equivalent)

Component	Appraisal Estimate			Actual/Latest Estimate			Percentage of Appraisal		
	IDA	Govt.	CoF.	IDA	Govt.	CoF.	IDA	Govt.	CoF.
Privatization	2.23	0.22	0.00	2.23	0.22	0.00	100.0	100.0	0.0
Financial Sector	1.94	0.18	0.00	1.94	0.18	0.00	100.0	100.0	0.0
Other	0.84	0.09	0.00	0.84	0.09	0.00	100.0	100.0	0.0
Total	5.00	0.50	0.00	5.00	0.50	0.00	100.0	100.0	0.0

Annex 3: Economic Costs and Benefits

Not Applicable

Annex 4. Bank Inputs

(a) Missions:

Stage of Project Cycle	No. of Persons and Specialty (e.g. 2 Economists, 1 FMS, etc.)		Performance Rating		
	Month/Year	Count	Specialty	Implementation Progress	Development Objective
Identification/Preparation					
October 1995	3	TM, PSS, F	S	S	
November 1995	3	TM, PSS, F	S	S	
Appraisal/Negotiation					
January 1996	3	TM, PSS, F	S	S	
March 1996	4	TM, PSS, F, L	S	S	
Supervision					
July 1996	3	TM, PSS, F	S	S	
January 1997	1	TM	S	S	
June 1997	1	TM	S	S	
February 1998	1	TM	S	S	
December 1998	4	TM, PSS, F, P	S	S	
June 1999	1	TM	S	S	
December 1999	1	TM	S	S	
August 2000	1	TM	S	S	
ICR					
April 2001	1	TM	S	S	

TM=Task Manager, E=Economist, F=Financial, P=Procurement, L=Lawyer, PSS=Private Sector Specialist

(b) Staff:

Stage of Project Cycle	Actual/Latest Estimate	
	No. Staff weeks	US\$ ('000)
Identification/Preparation	35.1	129.5
Appraisal/Negotiation	14.5	42.0
Supervision	41.0	155.0
ICR	4.0	10.0
Total	94.6	336.5

Annex 5. Ratings for Achievement of Objectives/Outputs of Components

(H=High, SU=Substantial, M=Modest, N=Negligible, NA=Not Applicable)

	Rating				
<input type="checkbox"/> <i>Macro policies</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> <i>Sector Policies</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Physical</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> <i>Financial</i>	<input type="radio"/> H	<input checked="" type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Institutional Development</i>	<input type="radio"/> H	<input checked="" type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Environmental</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA

Social

<input type="checkbox"/> <i>Poverty Reduction</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> <i>Gender</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> <i>Other (Please specify)</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA
<input type="checkbox"/> <i>Private sector development</i>	<input type="radio"/> H	<input checked="" type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Public sector management</i>	<input type="radio"/> H	<input type="radio"/> SU	<input checked="" type="radio"/> M	<input type="radio"/> N	<input type="radio"/> NA
<input type="checkbox"/> <i>Other (Please specify)</i>	<input type="radio"/> H	<input type="radio"/> SU	<input type="radio"/> M	<input type="radio"/> N	<input checked="" type="radio"/> NA

Annex 6. Ratings of Bank and Borrower Performance

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HU=Highly Unsatisfactory)

6.1 Bank performance

Rating

Lending

HS S U HU

Supervision

HS S U HU

Overall

HS S U HU

6.2 Borrower performance

Rating

Preparation

HS S U HU

Government implementation performance

HS S U HU

Implementation agency performance

HS S U HU

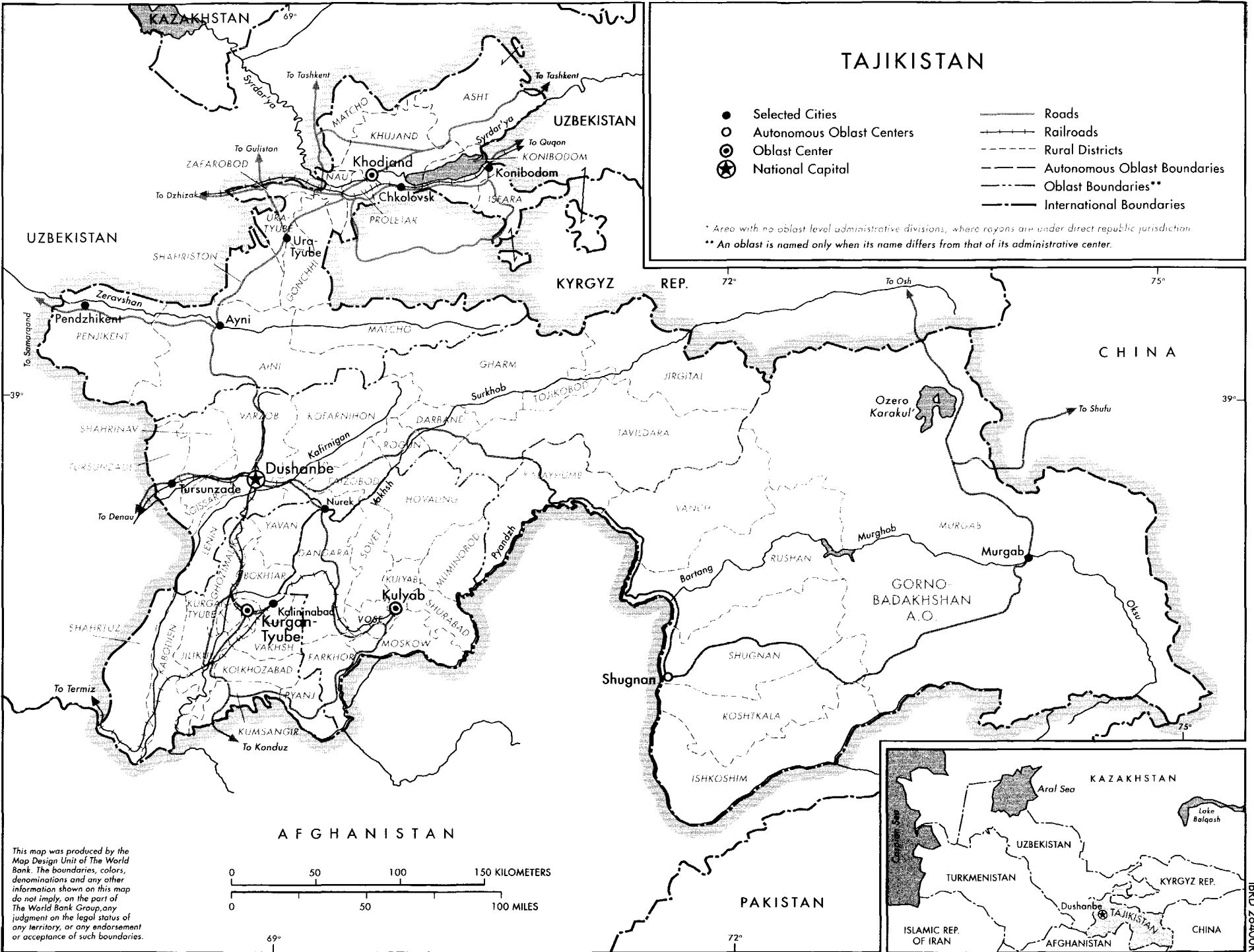
Overall

HS S U HU

Annex 7. List of Supporting Documents

(1) Memorandum and Recommendation of the President on a Proposed Credit for an Institution Building Technical Assistance Project, April 16, 1996.

(2) Development Credit Agreement between Republic of Tajikistan and International Development Association, May 20, 1996.



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