



1. Project Data :			
OEDID: C2917			
Project ID: P008863			
Project Name: Agriculture Recovery and Social Protection (ARSP)			
Country: Tajikistan			
Sector: Social Assistance			
L/C Number: C2917			
Partners involved :			
Prepared by: Charles Derek Poate, OEDST			
Reviewed by: Jock R. Anderson			
Group Manager: Roger H. Slade			
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2. Project Objectives, Financing, Costs and Components :
 Specific objectives were to (i) stabilize the economy; (ii) ease the foreign exchange shortage to acquire critical inputs; (iii) reform agricultural policy in areas including pricing and marketing, land reform, trade, and privatizing state-owned agricultural enterprises; and (iv) enhance the social safety net and improve its targeting.
 The credit was a one-tranche operation amounting to SDR34.8 million. It was closely associated with an Institution Building Technical Assistance project that was approved four months prior to the ARSP . The credit was approved in FY 97 and closed on schedule, fully disbursed, on September 30, 1997.

3. Achievement of Relevant Objectives :
 The structural reforms to be implemented under the project were heavily front loaded . In advance of the credit, Government decontrolled agricultural commodity prices, reformed trade restrictions, export taxes and duties, and started to implement cost-recovery pricing for irrigation water . Terms of reference and a timetable for the privatization of cotton ginning and marketing were drawn up . A program of farm restructuring was started and provision was made to target social welfare payments to the poor and make adequate budget allocations to health and education. The action established a framework for ongoing reform. But after the credit was approved the weak security situation destabilized and the government abandoned long-term priorities to deal with civil disturbance . The policy reforms were not followed by action to implement their provisions . Land reform was hindered by the civil conflict, uneven political commitment and resistance by vested interests . The government retained a large measure of control over the cotton trade, and the government accumulated arrears on social safety net payments .

4. Significant Achievements :
 The most significant achievement was the adoption of a liberalized policy framework for reform of the agricultural sector and for social protection .

5. Significant Shortcomings :
 Significant shortcomings emerged in the implementation of the reform measures . The resumption of civil strife in the last quarter of 1996 and efforts to negotiate a peace accord by government in the first half of 1997 led to a diversion of budget expenditure. The absence of an action program to link the policy framework to the reform objectives in agriculture and the social sectors further delayed the process of change and the Institution Building Technical Assistance Project was not sufficiently well co -ordinated with the ARSP to influence the reforms.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments

Outcome :	Satisfactory	Marginally Unsatisfactory	Although the ARSP appears to have contributed to the overall process of reform, the achievement of program objectives was not satisfactory at the time the credit was closed.
Institutional Dev .:	Partial	Modest	
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Unsatisfactory	The emphasis on the prior policy reforms and decision to disburse the credit in a single tranche left the Association unable to influence the reform process. Awareness of risks during preparation should have been reflected in a two-tranche disbursement.
Borrower Perf .:	Deficient	Unsatisfactory	
Quality of ICR :		Satisfactory	

7. Lessons of Broad Applicability :

The creation of a reformed policy framework needs to be followed by implementation of actions to achieve reform objectives. The implementation process requires those actions to be fully specified in order to ensure commitment on the part of the Borrower. In view of the known risks arising from political and economic instability and the likely effects on reform, disbursement by conditional tranches would have improved the ability of the Association to support implementation of the reforms .

8. Audit Recommended? Yes No

9. Comments on Quality of ICR :

The ICR addresses all the credit issues satisfactorily . However, the ratings appear to reflect the wider process of reform rather than the specific achievements of this credit . The aide-memoire of the ICR mission is rather brief and does not deal with the implementation issues in adequate depth .