



1. Project Data :			
OEDID:	L3362		
Project ID:	P006029		
Project Name :	Public Sector Reform Technical Assistance Loan (PRSTAL)		
Country:	Argentina		
Sector:	Other Non-sector Specific		
L/C Number:	L3362		
Partners involved :	None		
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Date Posted :	08/12/1998		

2. Project Objectives, Financing, Costs and Components :

The PSRTAL, approved in 1991, was the fifth bank operation since 1986 aimed at improving public sector management. The loan was designed to complement the Public Sector Reform Loan (PSRL a US\$325 million adjustment operation), approved the same year. The PSRTAL provided US\$23 million for consultant services, computer equipment and software, and other items needed to strengthen key Government units .

3. Achievement of Relevant Objectives :

The project supported modernization and improved internal management of the Central government, the establishment of a comprehensive, integrated financial management system, reorganization and modernization of the Central Bank and the Office of the Superintendent of Financial Entities (SEF) and support elements of the computerization of the Customs Department. Some of the project's resources financed acquisition and installation of computer systems to improve internal communications and to install a chemical analysis laboratory needed for customs valuations. Customs reform was only partly successful and the transition to the new, domestically developed customs system is not complete. PSRTAL financed technical support for modernization of the national administration structure including reorganization, space planning and allocation, administrative simplification, improved procurement systems, development of a human resource database and a system for monitoring reforms . The project provided support for rationalization and simplification of economic regulations . A framework for decentralization of health and education services to the provinces was also developed under the project . The PRSTAL also supported implementation of the Public Sector Financial Management Reform including design of a new framework for the budget programming and management system, and training in key agencies . Finally, PSRTAL supported design and implementation of computerization and communications to support reform of the Central Bank and the SEF.

4. Significant Achievements :

The combination of the PSRL and PSRTAL was instrumental in supporting reforms that contributed to a downsizing and reorganization of the central government and to an improvement in fiscal performance . Reorganization of the Central Bank facilitated its effective functioning as an independent monetary authority .

5. Significant Shortcomings :

Implementation of simplification and the revision of the customs code and improved internal communications financed under the project is not certain because of continuing management problems within the customs administration.

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	
Institutional Dev .:	Partial	Substantial	The Region underestimated the extent of institutional development that occurred in fiscal management.

Sustainability :	Likely	Likely	
Bank Performance :	Highly Satisfactory	Satisfactory	The Bank during appraisal underestimated the time needed for organizational change.
Borrower Perf. :	Highly Satisfactory	Highly Satisfactory	
Quality of ICR :		Satisfactory	

7. Lessons of Broad Applicability :

The most interesting lesson drawn from this project is the importance of "non technical" strategies for introducing reform. In this case, the early involvement of key agency officers helped create a sense of ownership of reforms . Structured retreats promoted group cohesiveness and helped break down the sense of isolation of individual unites . Aggressive training oriented professionals in various agencies to the purposes and instrumentality of reform . Finally, regular meetings were held between officials to sustain its momentum .

8. Audit Recommended? ☐ Yes ☒ No

9. Comments on Quality of ICR :

The ICR does not contain an aide-memoire of the completion mission and borrower inputs should include an English summary to the Spanish response for Bank -wide audience.