

ICR Review
Operations Evaluation Department

1. Project Data :

OEDID:

OEDID : C2377

Project ID : P000436

Project Name : Privatization Technical Assistance Project (PTAP)

Country : Cape Verde

Sector : Other Non-sector Specific

L/C Number : C2377

Partners involved : none

Prepared by : David Greene (Consultant), OEDCR

Reviewed by : Robert Buckley

Group Manager : Ruben Lamdany

Date Posted : 07/15/1998

2. Project Objectives, Financing, Costs and Components :

The PTAP provided US\$ 4.2 million to the increase the government's capacity to privatize or improve the performance of public enterprises, promote private sector development by improving the legal, institutional and regulatory framework and providing advice on promising areas of export -oriented development, and to promote absorption of displaced labor, largely by providing training opportunities .

3. Achievement of Relevant Objectives :

The project achieved most of its objectives . The capacity of the Public enterprise Reform Unit was strengthened and by project closing 28 enterprises had been privatized . In the process 41 new fully private companies were established. Public enterprise operations, which generated a deficit in 1991, were in surplus by 1996. The project financed training numerous government officials, public enterprises managers, and retrenched employees .

4. Significant Achievements :

Major steps have been taken under the PTAP to promote the transition from state -dominated, inward looking development to private sector led, export oriented model .

5. Significant Shortcomings :

Privatization or performance improvement plans were unsatisfactory in about a dozen cases and the system for corporate governance of SOEs was not improved . In addition, there remain major gaps in sector policy and the regulation of public utilities.

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	
Institutional Dev .:	Substantial	Substantial	

Sustainability :	Likely	Likely
Bank Performance :	Satisfactory	Satisfactory
Borrower Perf .:	Satisfactory	Satisfactory
Quality of ICR :		Satisfactory

7. Lessons of Broad Applicability :

This project demonstrates the value of absorbing and implementing the lessons of the bank's privatization experience. These include: ensuring political commitment, stakeholder participation, enactment of enabling

legislation at the outset, appropriate staffing of the privatization unit, communication campaigns to build public

support, arrangements to assist displaced workers, improved management of other SOEs in tandem with divestiture,

and reforms to facilitate private sector supply response .

☐ 8. Audit Recommended? Yes No

9. Comments on Quality of ICR :

The ICR is satisfactory.

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