Public Sector Modernization Project III (P149913)

EUROPE AND CENTRAL ASIA | Armenia | Governance Global Practice | IBRD/IDA | Investment Project Financing | FY 2016 | Seq No: 4 | ARCHIVED on 27-Jun-2017 | ISR28759 |

Implementing Agencies: Republic of Armenia, Office of the Government

Key Dates

Key Project Dates

Bank Approval Date: 30-Sep-2015
Effectiveness Date: 06-May-2016
Planned Mid Term Review Date: 28-Dec-2018
Actual Mid-Term Review Date: --
Original Closing Date: 31-Dec-2020
Revised Closing Date: 31-Dec-2020

Project Development Objectives

Project Development Objective (from Project Appraisal Document)
The project development objective (PDO) is to improve quality of the public financial reporting and to improve access to selected enhanced e-government services.

Has the Project Development Objective been changed since Board Approval of the Project Objective? No

Components

Name
Public Financial Management Information Systems: (Cost $19.00 M)
e-Governance Solutions for Improved Service Delivery: (Cost $14.00 M)
Capacity Building and Small Capacity Building Interventions: (Cost $1.85 M)
Project Management: (Cost $1.85 M)

Overall Ratings

<table>
<thead>
<tr>
<th>Name</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
</tbody>
</table>
Implementation Status and Key Decisions

The World Bank Board of Executive Directors approved the US$21 million loan for the Third Public Sector Modernization Project (PSMP-III) for Armenia on September 30, 2015. The Loan Agreement was signed on November 18, 2015 and the project became effective on May 6, 2016. PSMP-III will further assist the Government of Armenia (GoA) in its on-going efforts to improve quality of the public financial reporting and to improve access to selected enhanced e-government services. PSMP-III includes three main components:

1) Public Financial Management Information Systems;
2) e-Governance Solutions for Improved Service Delivery; and
3) Capacity Building and Small Capacity Building Interventions.

Due to the implementation challenges during the fiscal consolidation in 2016, the project experienced issues related to timely commencement of a number of activities planned for the first year. Nevertheless, the project succeeded in initiating several tasks, most importantly (i) development of e-Consulate System, and (ii) technical assistance on strengthening policy and institutional setup of e-governance management in Armenia.
## Risks

### Systematic Operations Risk-rating Tool

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating at Approval</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political and Governance</td>
<td>Substantial</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Macroeconomic</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Sector Strategies and Policies</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Technical Design of Project or Program</td>
<td>Substantial</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Institutional Capacity for Implementation and Sustainability</td>
<td>Substantial</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Fiduciary</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Environment and Social</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
</tr>
</tbody>
</table>
Stakeholders

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Moderate</th>
<th>Moderate</th>
<th>Moderate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Overall</td>
<td>Substantial</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
</tbody>
</table>

## Results

### Project Development Objective Indicators

- **Improved quality of annual financial reporting (Text, Custom)**

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Financial reports for two selected pilot sectors are prepared annually but do not include all information on revenue, expenditure, financial assets and liabilities, guarantees and long-term obligations.</td>
<td>--</td>
<td>Pilot sectors are being identified with MoF</td>
<td>Financial reports for two selected pilot sectors prepared annually and are comparable with the approved budget, and include information on revenue, expenditure, financial assets and liabilities, guarantees and long-term obligations.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>01-Jan-2016</th>
<th>03-Oct-2016</th>
<th>15-Jun-2017</th>
<th>31-Dec-2020</th>
</tr>
</thead>
</table>

**Comments**
During the mission it has been agreed that Government Office and MoF will identify the two pilot sectors for APSAS without delay.

- **Average processing time for public services (hours)(Comment: Reduced time for processing a passport extension request by the Consular Department of the Ministry of Foreign Affairs. (Hours, Custom)**

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>500.00</td>
<td>500.00</td>
<td>500.00</td>
<td>48.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>01-Jan-2016</th>
<th>03-Oct-2016</th>
<th>15-Jun-2017</th>
<th>31-Dec-2020</th>
</tr>
</thead>
</table>

**Comments**
Currently e-Consular System is at development stage.

<table>
<thead>
<tr>
<th>Increased access to e-consular services for issuing citizenship, civil status certificates and statements on any existing criminal records (data disaggregated by gender) (Number, Custom)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Baseline</strong></td>
</tr>
<tr>
<td>Value</td>
</tr>
<tr>
<td>Date</td>
</tr>
</tbody>
</table>

Comments
Contract for development of e-Consular System is signed and development is currently work in progress.

Overall Comments

Intermediate Results Indicators

<table>
<thead>
<tr>
<th>Rollout and use for financial reporting (annual financial statements) of newly adopted APSAS (based on IPSAS) (Text, Custom)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Baseline</strong></td>
</tr>
<tr>
<td>Value</td>
</tr>
<tr>
<td>Date</td>
</tr>
</tbody>
</table>

Comments
During the mission it has been agreed that Government Office and MoF will identify the two pilot sectors for APSAS without delay.
### Reduced time for police dispatch in emergency situations (in at least two selected pilot regions/marzes). (Text, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>15-20 minutes</td>
<td>--</td>
<td>15-20 minutes</td>
<td>Under 5 minutes</td>
</tr>
<tr>
<td>Date</td>
<td>01-Jan-2016</td>
<td>03-Oct-2016</td>
<td>15-Jun-2017</td>
<td>31-Dec-2020</td>
</tr>
</tbody>
</table>

Comments
The technical specifications of the operational management system for police dispatch are currently under preparation.

### Reduced time to transmit information/messages relevant for the pre-trial proceedings between prosecutors’ offices in different regions. (Text, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>One week by special express mail (send via post office)</td>
<td>--</td>
<td>Same as baseline</td>
<td>Immediate (electronic transmission)</td>
</tr>
<tr>
<td>Date</td>
<td>01-Jan-2016</td>
<td>03-Oct-2016</td>
<td>15-Jun-2017</td>
<td>31-Dec-2020</td>
</tr>
</tbody>
</table>

Comments
Preparation of technical specifications for pre-trial investigation system will commence following establishment of inter-agency working group (expected by June 30, 2017).
### Increase in the average number of bids/tenders competing for bus and minibus interregional routes. (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1.10</td>
<td>--</td>
<td>1.10</td>
<td>1.50</td>
</tr>
<tr>
<td>Date</td>
<td>01-Jan-2016</td>
<td>--</td>
<td>15-Jun-2017</td>
<td>31-Dec-2020</td>
</tr>
</tbody>
</table>

**Comments**
Procurement of the relevant e-Transport module has not started yet.

### Increase the share of total number of cases processed by the Ethics Commission and which will be analyzed based on the risk indicators/Red Flags (Percentage, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Date</td>
<td>01-Jan-2016</td>
<td>03-Oct-2016</td>
<td>15-Jun-2017</td>
<td>31-Dec-2020</td>
</tr>
</tbody>
</table>

**Comments**
Procurement of the relevant IT module has not started yet.

### Increased gender-disaggregated data is available on the use of e-services which are provided by selected agencies (Text, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>No gender disaggregated data available in line ministries/agencies which will provide e-services</td>
<td>--</td>
<td>Same as baseline</td>
<td>Gender disaggregated data on e-services is available to ministry of foreign affairs; Prosecutor’s Department; Ethics Commission; Police</td>
</tr>
<tr>
<td>Date</td>
<td>01-Jan-2016</td>
<td>--</td>
<td>15-Jun-2017</td>
<td>31-Dec-2020</td>
</tr>
</tbody>
</table>

**Comments**
Technical specifications for underlying Citizen Feedback (and analytics) Platform are currently in preparation.

**Reduced time to issue the certificate of civil status by the Consular Department of the Ministry of Foreign Affairs (Days, Custom)**

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value</strong></td>
<td>60.00</td>
<td>60.00</td>
<td>60.00</td>
<td>10.00</td>
</tr>
<tr>
<td><strong>Date</strong></td>
<td>01-Jan-2016</td>
<td>03-Oct-2016</td>
<td>15-Jun-2017</td>
<td>31-Dec-2020</td>
</tr>
</tbody>
</table>

**Comments**
Currently e-Consular System is at development stage.

**Increased share of citizens (disaggregated by gender) providing voluntary feedback on specific public services (percentage - data generated from system) (Percentage, Custom)**

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value</strong></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>20.00</td>
</tr>
<tr>
<td><strong>Date</strong></td>
<td>01-Jan-2016</td>
<td>03-Oct-2016</td>
<td>15-Jun-2017</td>
<td>31-Dec-2020</td>
</tr>
</tbody>
</table>

**Comments**
Technical specifications for underlying Citizen Feedback (and analytics) Platform are currently in preparation.
Number of Armenian Academy of Public Administration ToTs through proposed twinning arrangements/collaborations with selected international public schools. (Number, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>50.00</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Jan-2016</td>
<td>0.00</td>
<td>0.00</td>
<td>50.00</td>
<td></td>
</tr>
</tbody>
</table>

Comments
The negotiations with a potential overseas partner are currently ongoing. The target of 50 ToTs may need revisiting (reduction) if the training is planned abroad.

Overall Comments

Data on Financial Performance

Disbursements (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P149913</td>
<td>IBRD-85390</td>
<td>Effective</td>
<td>USD</td>
<td>21.00</td>
<td>21.00</td>
<td>0.00</td>
<td>20.65</td>
<td>0.35</td>
</tr>
</tbody>
</table>

Key Dates (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Orig. Closing Date</th>
<th>Rev. Closing Date</th>
</tr>
</thead>
</table>

Cumulative Disbursements
Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.