



RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
INTEGRATED SINGLE WINDOW OFFICE FOR SOCIAL ASSISTANCE AND EMPLOYMENT SERVICES  
APPROVED ON AUGUST 18, 2015  
TO  
MINISTRY OF EMPLOYMENT AND LABOR RELATIONS

SOCIAL PROTECTION & LABOR

EUROPE AND CENTRAL ASIA

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## ABBREVIATIONS AND ACRONYMS

ISWO	Integrated Single Window Office
MELR	Ministry of Employment and Labor Relations
MLSP	Ministry of Labor and Social Protection
MOH	Ministry of Health
MOF	Ministry of Finance
PDO	Project Development Objective
PIU	Project Implementation Unit
RSR	Rapid Social Response Trust Fund
SPL	Social Protection and Labor



**BASIC DATA**

**Product Information**

Project ID P155689	Financing Instrument Investment Project Financing
Original EA Category	Current EA Category
Approval Date 18-Aug-2015	Current Closing Date 31-Mar-2018

**Organizations**

Borrower Ministry of Finance	Responsible Agency Ministry of Employment and Labor Relations (MELR)
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**Project Development Objective (PDO)**

Original PDO

Increase coordination among SPL programs and functions, strengthen capacity of MLSP in delivering services to the vulnerable and needy groups of the population and implementing complex reforms, and establish a solid foundation for implementation of a national social Registry.

**Summary Status of Financing**

TF	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
TF-A0823	19-Aug-2015	02-Sep-2015	12-Oct-2015	31-Mar-2018	.45	.31	.14

**Policy Waiver(s)**

Does this restructuring trigger the need for any policy waiver(s)?

No



## I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1. The principal activities under the project include designing and piloting a concept of one-stop-shop in provision of employment and social assistance services. This includes establishing information systems, improving office space in district employment centers, and strengthening monitoring provisions. After experiencing considerable delays, the project is back on track and will be able to achieve the Project Development Objective (PDO) by June 29, 2018. The latest ISR rates both Implementation Progress and Progress towards achieving PDO as Moderately Satisfactory.
2. The project progress has been as follows:
  - (a) The project became effective on October 12, 2015 with an original closing date of June 30, 2017. It initially experienced delays with filling key positions of the Project Implementation Unit (PIU). By early 2016, the position of the Project Manager was filled and hiring of specialized key consultancies initiated. Subsequent delays were caused by the fact that the PIU was not established as a separate legal entity, due to the small size of the grant, resulting in ambiguity about FM requirements and practices that applied. By 2017, the issue was successfully resolved.
  - (b) Further and prolonged delays were caused by restructuring within the Government which directly affected the implementing agency, the Ministry of Employment and Labor Relations (MELR), formerly known as Ministry of Labor and Social Policy (MLSP). Early in 2016, the Government initiated the process of transferring the social assistance and social services functions out of the implementing agency to the Ministry of Finance (MOF) and the Ministry of Health (MOH) correspondingly. Since both employment services and social assistance services were target of this pilot, these changes affected the implementation schedule, so some critical activities could not be initiated until late in the calendar 2016. In early 2017, the original decision was reversed and the social assistance function was brought back into the MELR.
  - (c) To accommodate these changes and delays, the Bank approved a 9-month extension of the project in May 2017. However, new challenges emerged in the second half of 2017. Discussions were initiated again on a possible transfer of the social assistance function out of MELR to a new agency that would consolidate management of all the social protection programs, -- an issue that temporarily produced a confusion on the new institutional responsibilities but has been closed without any changes to the mandate of MELR. The Project Manager changed twice in a course of 4 months. Finally, some disputes arose in relation to the scope of application of the new software, given potential overlaps in functionality with other on-going software development initiatives, which was successfully resolved by late 2017.
  - (d) The Bank team visited Tashkent in January and in February 2018 and reported a significant implementation progress:
    - i. The Integrated Single Window Office (ISWO) software is fully developed, tested, and put into operation, including training of staff in the pilot offices. The software has been introduced in at least 26 offices, mostly in Tashkent region, which by far exceeds the project commitment of only two pilot locations.
    - ii. The software supports services of the MELR district offices, including job search and facilitation, retraining, public works, unemployment registration and benefit award, and various forms of cash assistance. Importantly, national ID and register of businesses public databases, as well as MELR's database of nation-wide vacancies, have been integrated via an online platform. The heart of the



system is a social registry database that keeps record of all applicants, benefit awards and services provided.

- iii. To ensure operational sustainability, it was decided to partially outsource the system maintenance, including transfer of the server and the ISWO database to a specialized ICT facility of UzInfoKom.
- iv. The first batch of the hardware and furniture for the pilot offices has been procured, pending preparations for the second batch. The Ministry committed to finance the remaining hardware procurement from its own resources.
- v. The baseline beneficiary survey was conducted in late 2016. Preparations for the follow-up survey, to measure performance and impact of the project have been initiated. The same firm would also conduct a high-level institutional assessment of the Ministry.

Overall, the Bank team is pleased with scope and quality of the deliverables.

3. However, operational delays in the late 2017, as noted above, caused new concerns about ability to finalize all activities by the closing date of March 31, 2018, hence, a 3-month extension was officially requested. During the February visit, the Bank team confirmed that should the new closing date be approved by the Bank management, the project would be able to deliver within 3 months of additional time allowed for project implementation. It would also allow for full and adequate evaluation of the project activities. Current disbursement is at close to 70 percent, and all the funds would be utilized by the time of the proposed new closing date, as per the agreed action plan below.
4. There are no pending audits, as it has been agreed that a one-off audit would be conducted at the closing of the project. The Ministry is planning accordingly: the TOR has been received and cleared.
5. The team therefore recommends a Level 2 restructuring with extension of the closing date of the project to June 29, 2018.

## II. DESCRIPTION OF PROPOSED CHANGES

1. The project is scheduled to close on March 31, 2018. On February 23, 2018, the MER submitted a formal request for extension of the closing date by 3 months.
2. The RSR Trust Fund management approved the proposed extension (approval attached). Should the request be approved by the Bank management, it would be a second extension of the project and will result in a combined 12-month extension from the original closing date of June 30, 2017.
3. The proposed changes will be as follows:
  - (a) The new closing date will be June 29, 2018.
  - (b) The implementation schedule would be amended to reflect the new timeline for key deliverables:
    - (i) All hardware and furniture procured and installed (April 30, 2018)
    - (ii) Minor renovations in pilot offices completed (April 30, 2018)
    - (iii) Additional functionality in ISWO software incorporated, including training (May 15, 2018)
    - (iv) Follow up beneficiary survey completed and final evaluation report delivered (May 30, 2018)



**III. SUMMARY OF CHANGES**

	Changed	Not Changed
Change in Loan Closing Date(s)	✓	
Change in Implementation Schedule	✓	
Change in Implementing Agency		✓
Change in Project's Development Objectives		✓
Change in Results Framework		✓
Change in Components and Cost		✓
Cancellations Proposed		✓
Additional Financing Proposed		✓
Reallocation between Disbursement Categories		✓
Change in Disbursements Arrangements		✓
Change in Disbursement Estimates		✓
Change in Overall Risk Rating		✓
Change in Safeguard Policies Triggered		✓
Change of EA category		✓
Change in Legal Covenants		✓
Change in Institutional Arrangements		✓
Change in Financial Management		✓
Change in Procurement		✓
Other Change(s)		✓

**IV. DETAILED CHANGE(S)**



**LOAN CLOSING DATE(S)**

<b>TF</b>	<b>Status</b>	<b>Original Closing</b>	<b>Revised Closing(s)</b>	<b>Proposed Closing</b>	<b>Proposed Deadline for Withdrawal Applications</b>
TF-A0823	Effective	30-Jun-2017	31-Mar-2018	29-Jun-2018	29-Oct-2018