Document of
The World Bank

Report No: ICR00003366

IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IBRD-74490)

ON A

LOAN

IN THE AMOUNT OF US$20 MILLION

TO THE

ARGENTINE REPUBLIC

FOR THE

STATE MODERNIZATION II PROJECT

June 22, 2015

Governance Global Practice
Argentina, Paraguay, Uruguay Country Management Unit
Latin America and the Caribbean Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective May 15, 2008)

Currency Unit = Argentine Peso (Arg. $)
Arg. $ 1.00 = US$ .314
US$ 1.00 = Arg. $3.18

(Exchange Rate Effective Dec 31, 2014)

Currency Unit = Argentine Peso (Arg. $)
Arg. $ 1.00 = US$ .118
US$ 1.00 = Arg. $8.46

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AFIP	Federal Tax and Customs Administration (*Administración Federal de Ingresos Públicos*)
AGN	Auditor General's Office (*Auditoría General de la Nación*)
ANDI	National Investment Development Agency (*Agencia Nacional de Desarrollo de Inversiones*)
ANSES	National Social Security Administration (*Administración Nacional de Seguridad Social*)
APL	Adaptable Program Loan
APN	National Public Administration (*Administración Publica Nacional*)
AR COMPRA	Electronic Contracts System for the National Administration (*Sistema Electrónico de Contracciones de la Administración Nacional)*
ARN	Nuclear Regulatory Agency (*Agencia Regulatoria Nuclear*)
CAS	Country Assistance Strategy
CCO	Chief of Cabinet Office (*Jefatura de Gabinete de Ministros*)
CCP	Citizens' Charter Program (*Cartas Compromiso*)
CFFP	Federal Council on Public Administration (*Consejo Federal de la Función Pública*)
CLAD	Latin American Center of Public Administration for Development (*Centro Latinoamericano de Administración para el Desarrollo*)
COFEFUP	Federal Council of Public Administration (*Consejo Federal de la Función Pública)*
DINAPPFE	National Directorate of Externally Funded Projects (*Dirección Nacional de Programas y Proyectos con Financiamiento Externo*)
EDAP	Digital Files for the Public Administration (*Expediente Digital de la Administración Pública*)
FOI	Freedom of Information
GDP	Gross Domestic Product
G2C	Government to Citizens
GOA	Government of Argentina
IBRD	International Bank for Reconstruction and Development

ICR	Implementation Completion Report
ICT	Information and Communication Technology
IEG	Independent Evaluation Group
IFAM	Federal Institute of Municipal Affairs (*Instituto Federal de Asuntos Municipales*)
INADI	National Institute against Discrimination, Xenophobia, and Racism (*Instituto Nacional contra la Discriminación, la Xenofobia, y el Racismo*)
INAP	National Institute of Public Administration (*Instituto NaciINDEConal de Administración Pública*)
INDEC	National Institute of Statistics and Census (*Instituto Nacional de Estadística y Censos*)
IP	Implementation Progress
ISO	International Organization of Standardization
ISR	Implementation Status Reports
IT	Information Technology
LUPI	Unique File (*Legajo Único de Personal Informatizado*)
MECON	Ministry of Economy and Production (*Ministerio de Economía y Producción*)
M&E	Monitoring and Evaluation
ONC	National Procurement Office (*Oficina Nacional de Contrataciones*)
ONEP	National Public Employment Office (*Oficina Nacional de Empleo Público*)
ONIG	National Management Innovation Office (*Oficina Nacional de Innovación en la Gestión*)
ONTI	National Information Technology Office (*Oficina Nacional de Tecnología de la Información*)
PAD	Project Appraisal Document
PDO	Project Development Objective
PIU	Project Implementation Unit
PROCAE	Training Program for Public Officials (*Programa de Capacitación de Empleados Públicos*)
QAG	Quality Assurance Group
QALP	Quality Assessment of Lending Portfolio
RBM	Results-based Management
SECOP	E-Procurement System (*Sistema Electrónico de Contrataciones Públicas*)
SIG	Government Indicators System (*Sistema de Indicadores de Gobierno*)
SINFO	Centralized Personnel Registry (*Sistema de Información de Personal*)
SIPRO	Suppliers' Registry (*Sistema de Proveedores*)
SISEG	Management Monitoring and Evaluation System (*Sistema Integral de Seguimiento y Evaluación de la Gestión*)
SMP	State Modernization Project
TAL	Technical Assistance Loan
TTL	Task Team Leader

ARGENTINA
State Modernization II Project

CONTENTS

MAP

A. Basic Information

Country:	Argentina	Project Name:	Second State Modernization
Project ID:	P101170	L/C/TF Number(s):	IBRD-74490
ICR Date:	06/12/2015	ICR Type:	Core ICR
Lending Instrument:	TAL	Borrower:	REPUBLIC OF ARGENTINA
Original Total Commitment:	USD 20.00M	Disbursed Amount:	USD 18.39M
Revised Amount:	USD 20.00M		

Environmental Category: C

Implementing Agencies:

Cofinanciers and Other External Partners:

B. Key Dates

Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	09/27/2006	Effectiveness:	02/15/2008	02/15/2008
Appraisal:	04/20/2007	Restructuring(s):		01/31/2011 04/11/2013
Approval:	05/29/2007	Mid-term Review:	12/15/2009	05/03/2010
		Closing:	12/31/2011	12/31/2014

C. Ratings Summary

C.1 Performance Rating by ICR

Outcomes:	Moderately Satisfactory
Risk to Development Outcome:	Moderate
Bank Performance:	Moderately Satisfactory
Borrower Performance:	Moderately Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)

Bank	Ratings	Borrower	Ratings
Quality at Entry:	Moderately Satisfactory	Government:	Not Applicable
Quality of Supervision:	Moderately Satisfactory	Implementing Agency/Agencies:	Not Applicable
Overall Bank Performance:	Moderately Satisfactory	**Overall Borrower Performance:**	Moderately Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performance	**Indicators**	**QAG Assessments (if any)**	**Rating**
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	Satisfactory
Problem Project at any time (Yes/No):	Yes	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Moderately Satisfactory		

D. Sector and Theme Codes

	Original	Actual
Sector Code (as % of total Bank financing)		
Central government administration	90	92
Sub-national government administration	10	8
Theme Code (as % of total Bank financing)		
Administrative and civil service reform	25	12
Managing for development results	13	16
Other Private Sector Development	13	2
Other public sector governance	25	61
Public expenditure, financial management and procurement	24	9

E. Bank Staff

Positions	At ICR	At Approval
Vice President:	Jorge Familiar Calderon	Pamela Cox
Country Director:	Jesko S. Hentschel	Axel van Trotsenburg
Practice Manager/Manager:	Arturo Herrera Gutierrez	Nicholas Paul Manning
Project Team Leader:	Henry Forero Ramirez	Kathrin A. Plangemann
ICR Team Leader:	Henry Forero Ramirez	
ICR Primary Author:	Joanna Alexandra Watkins	

F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)
The project would contribute to a (i) strengthened capacity of the CCO to carry out its mandate in key public sector management areas for improved coordination, monitoring and evaluation; and to (ii) the increased use of modern e-government, procurement, human resource management and social accountability tools as well as improved capacity for investment promotion.

Revised Project Development Objectives (as approved by original approving authority)

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	CCO functional and organizational assessment done, agreed upon, and consensus for its partial implementation generated.			
Value quantitative or Qualitative)	does not exist	Operational guidelines harmonized and synchronized among functional areas of CCO.		The tasks associated with the integrated functional assessment were finalized and the indicator was deemed to have been completed based on the current context in the 2010 mid-term review.
Date achieved	05/29/2007	12/31/2010		05/14/2010
Comments (incl. % achievement)	Achieved.			
Indicator 2 :	Number of Freedom of Information (FOI) requests submitted by electronic means (INFO.AR)			
Value quantitative or Qualitative)	0 (INFO.AR will be developed throughout the project)	70% (of total requests per year)		The Decree stipulates that requests for public information be made manually, and presented before the liaison office of each organization.

Date achieved	05/29/2007	12/31/2014		11/27/2013
Comments (incl. % achievement)	Not achieved. The legal decree underpinning FOI requests was not changed to allow for electronic access (Dec 1172/2003).			
Indicator 3 :	The SISEG report is taken into account during the budget process of the agencies monitored.			
Value quantitative or Qualitative)	Not done currently	80%	The proposed budget of at least four agencies cite as one of their sources the SISEG report	Six agencies utilize SISEG dashboards.
Date achieved	05/29/2007	12/31/2011	06/30/2013	12/20/2012
Comments (incl. % achievement)	Achieved. (Original PAD indicator: Percentage of budget associated to government key government priority programs that has been formulated, implemented, and monitored on the basis of the new M&E system in the CCO)			
Indicator 4 :	Increase in the base of suppliers and number of suppliers participating in procurement processes.			
Value quantitative or Qualitative)	18,000 suppliers	30,000 suppliers	30,000	35,256.00 suppliers entered, of which 725 participated in procurement processes.
Date achieved	05/29/2007	12/31/2011	06/30/2013	12/10/2014
Comments (incl. % achievement)	Achieved. (Original PAD Indicator: Percentage increase in new bidders)			
Indicator 5 :	Percentage of civilian central government personnel incorporated in SINFO ensuring that information is updated automatically; personnel data that appear in both SINFO and LUPI systems are consistent.			
Value quantitative or Qualitative)	25%	90%	90%	80%
Date achieved	05/29/2007	12/31/2011	06/30/2013	11/27/2013
Comments (incl. % achievement)	Partially achieved. The new personnel registry (BUPE, replaced SINFO) allows visualizing 80% of public employee information. BUPE is developing the interface with the human resource management system (SARHA) and EDAP (replaces LUPI).			
Indicator 6 :	Satisfaction rate on services provided by agencies subscribing to the Citizens Charter Program (CCP)			
Value quantitative or Qualitative)	baseline in 12 agencies implementing citizens' report cards	Cumulative percent increase per participating agency in Year 4	90%	70%
Date achieved	05/29/2007	12/31/2011	06/30/2013	11/27/2013
Comments (incl. % achievement)	Partially achieved (high). (Original PAD Indicator: Satisfaction rates on service delivery, measured by independent evaluations, users, and citizens surveys)			

Indicator 7 :	The e-Government Services Platform provides services such as, interoperability, data and security standards and digital certificates and signature.			
Value quantitative or Qualitative)	E-government plans	Plans are adopted by 100% of the public administration. 10 new agencies are implementing the plans with activities such as digital certificates and digital signature.	6 G2C services implemented and operational. 10 new agencies are implementing the plans with activities such as digital certificates and digital signatures.	5 transactional services are operational. 76 agencies with digital signatures.
Date achieved	05/29/2007	12/31/2011	06/30/2013	06/04/2015
Comments (incl. % achievement)	Almost achieved (high). 5 transactional services have been implemented. Exceeded number of agencies using digital signature and certificates. (revised from Original PAD Indicator)			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	A plan and model for citizen-centric single-window portal and the portal for proceedings finalized, visits to portals and percent increase in satisfaction rates of users, as measured by satisfaction surveys.			
Value (quantitative or Qualitative)	Existing national portal and proceedings portal	Pilots are expanded and assessed to design the final plan. 1,00,000 visits per year, 5% increase in their satisfaction rates.		In 2014, the portal received 3,202,386 visits. Satisfaction rates with the portal are 61.27%.
Date achieved	05/29/2007	12/31/2014		06/04/2014
Comments (incl. % achievement)	Achieved. Currently, there are 1,364 processes published in the portal.			
Indicator 2 :	SECOP used by all the national administration			
Value (quantitative or Qualitative)	5%	100%		70%
Date achieved	05/29/2007	12/31/2014		06/04/2014

Comments (incl. % achievement)	Partially achieved. This indicator is expected to be met with the development of new modules in AR. COMPRA and national legislation, which will allow for increased purchases through electronic means.			
Indicator 3 :	Civilian central government posts with full job description & career path [increase in thousands]			
Value (quantitative or Qualitative)	Posts satisfying these criteria as of July 30, 2007	60		40
Date achieved	05/29/2007	12/31/2014		06/04/2014
Comments (incl. % achievement)	Partially achieved. Profiles for 3,152 unfrozen positions within decentralized jurisdictions and entities were analyzed.			
Indicator 4 :	Percentage of federal agencies customized and connected to electronic platform (INFO.AR).			
Value (quantitative or Qualitative)	0	100% of the federal administration		90% of the federal administration (APN) is connected through the portal Argentina Comparte
Date achieved	05/29/2007	12/31/2014		06/04/2014
Comments (incl. % achievement)	Partially achieved. The Argentina Comparte portal has 90 public policies uploaded and a Rapid Guide on Public Policies with more than 120 policies. Note: Measurement of indicator changed in ISR #12 from INFO.AR system to Argentina Comparte Portal.			
Indicator 5 :	CCO functional and organizational assessment done, agreed and consensus for its partial implementation generated.			
Value (quantitative or Qualitative)	0	Operational guidelines are standardized and formulated with a synchronized institutional vision among functional areas of CCO (this was the indicator for YR3, no indicator for YR 4)		The tasks associated with the integrated functional assessment were finalized and the indicator was deemed to have been completed based on the current context in the 2010 mid-term review.
Date achieved	05/29/2007	12/31/2014		06/04/2014
Comments (incl. % achievement)	Achieved.			
Indicator 6 :	Communication strategies defined; communication plans adopted; and communication tools, mechanisms used regularly.			
Value (quantitative or Qualitative)	Does not exist	Communication plans adopted (16 months) and used		Used regularly as per progress report.

		regularly (22 months)		
Date achieved	05/29/2007	06/30/2013		12/15/2010
Comments (incl. % achievement)	Achieved. This indicator was taken as achieved in the 2010 mid-term review, with communication mechanisms used regularly.			
Indicator 7 :	Participation mechanisms have been established and used regularly.			
Value (quantitative or Qualitative)	does not exist	used regularly (15 months)		used regularly
Date achieved	05/29/2007	12/31/2011		10/30/2011
Comments (incl. % achievement)	Achieved. Participation mechanisms are used regularly.			
Indicator 8 :	Development, implementation and impact of the assets management module			
Value (quantitative or Qualitative)	Does not exist		Efficiency gains measured as a percentage of institutional budget savings or surplus achieved by virtue of the application of Assets Module management of public assets, Percentage of target efficiency savings to be established by Working Group.	Inventory of public sector physical assets institutions completed.
Date achieved	05/29/2007		12/31/2014	06/04/2014
Comments (incl. % achievement)	Achieved. Assets module was implemented, but no efficiency target was ever determined or measured.			
Indicator 9 :	Design and implementation of the IT system			
Value (quantitative or Qualitative)	0	modules for monitoring government goals are operational in the CCO	new modules implemented	11 new dashboards developed.
Date achieved	05/29/2007	12/31/2011	12/31/2014	12/10/2014
Comments (incl. %	Achieved.			

achievement)				
Indicator 10 :	Agreement among CCO, MECON, and the authorities managing the main public programs to establish guidelines for the use and implementation of systems for RBM and M&E, including generation of information			
Value (quantitative or Qualitative)	0	Agreement reached (18 months)	Report on lessons learned from pilot.	Achieved. Pilot in ARN finalized and report on lessons learned produced.
Date achieved	05/29/2007	12/31/2011	12/31/2014	06/04/2014
Comments (incl. % achievement)	Achieved. Target was revised during restructuring when no formal agreement had been reached, just informal discussion.			
Indicator 11 :	The jurisdictional module of the SIG and the module to follow up the Congress Agenda are installed and operational.			
Value (quantitative or Qualitative)	Piloted in INDEC and the Ministry of Labor	Six ministerial agencies within the 36 months. Module to follow up on the Congress Agenda is operational.	Includes all programs of six ministries/agencies.	Achieved. SIG Metas is now installed in 18 jurisdictions and functioning in a continuous and systematic manner, applied at the central level.
Date achieved	05/29/2007	12/31/2011	12/31/2014	12/10/2014
Comments (incl. % achievement)	Achieved. Target value was refined in the first ISR results framework to not include the Congress Agenda module.			
Indicator 12 :	The IPA has developed and implemented a methodology for a systematic and comparable assessment of sectors and clusters.			
Value (quantitative or Qualitative)	does not exist	7 (cumulative) sector/cluster assessment undertaken		7 (cumulative) sector/cluster assessment undertaken
Date achieved	05/29/2007	12/15/2010		12/15/2010
Comments (incl. % achievement)	Achieved. This indicator was noted to have been achieved in the mid-term review undertaken in 2010.			
Indicator 13 :	Number of domestic businesses reached by the innovation strategy			
Value (quantitative or Qualitative)	does not exist	20 businesses		20 Businesses
Date achieved	05/29/2007	12/31/2011		12/15/2010
Comments (incl. % achievement)	Achieved. This indicator was noted to have been achieved in the mid-term review undertaken in 2010. At that point, the strategy for strengthening local businesses' capacities, reflected in Programa Pioneros, already included 20 businesses.			
Indicator 14 :	The current single-window portal is enhanced and provides integrated and, some, transactional services			

Value (quantitative or Qualitative)	Number of single window proceedings analyzed or implemented as transactional services	2 transactional services, based on at least 2 agencies integration	6 transactional services, based on at least 2 agencies integration	5 transactional services of two agencies implemented.
Date achieved	05/29/2007	12/31/2011	12/31/2014	06/04/2015
Comments (incl. % achievement)	Almost achieved. The platform allows for interoperability of services through government portals.			
Indicator 15 :	A security data center for small agencies is implemented and 15 agencies are now using the center as the main data center for critical systems			
Value (quantitative or Qualitative)	None	Center is fully operational and it is evaluated.	Center is finalized and operational; 15 agencies using the center	Center is finalized and operational; 74 agencies use the center
Date achieved	05/29/2007	12/31/2011	12/31/2014	06/04/2014
Comments (incl. % achievement)	Achieved. The center provides the following services: email, archiving, connectivity, active directory, hosting of sites and applications, and name resolution.			
Indicator 16 :	A plan and model for a citizen-centric single-window portal and the portal for proceedings are finalized, visits to the portals and percent increase in satisfaction rates of users.			
Value (quantitative or Qualitative)	existing national portal and proceedings portal	Pilots are expanded and assessed to design the final plan 1 million visits per year. 5 percent increase in their satisfaction rates.	Report on pilots and final plan finalized. 5% increase in their satisfaction rates.	In 2014, the portal has received 3,202,386 visits. Satisfaction rates through the portal are 61.27%.
Date achieved	05/29/2007	12/31/2011	12/31/2014	12/10/2014
Comments (incl. % achievement)	Achieved. Currently, there are 1,364 processes published in the System.			
Indicator 17 :	New modalities introduced in national system by agency			
Value (quantitative or Qualitative)	0	10% of procurement	10% of the national state's electronic acquisitions	5 percent of national purchases use the new modalities.
Date achieved	05/29/2007	12/31/2011	12/31/2014	06/04/2014
Comments (incl. % achievement)	Not achieved. Target expected to be met with the development of new modalities for AR. COMPRA, which will allow for advances in the electronic procurement system. These developments should be accompanied by national regulations.			
Indicator 18 :	Procurement plans advertised publicly annually.			
Value (quantitative or Qualitative)	5%	100%		100%
Date achieved	05/29/2007	12/31/2010		06/04/2014

Comments (incl. % achievement)	Achieved. Target met for year 2013. In 2014, the plans for 29 percent of the Operational Purchases Units were published.			
Indicator 19 :	Percentage of technical and professional staff in ONEP and the personnel offices in ministries and agencies trained in new technologies and employment regimes			
Value (quantitative or Qualitative)	10%	85%	85%	70%
Date achieved	05/29/2007	12/31/2011	12/31/2014	06/04/2014
Comments (incl. % achievement)	Partially achieved. Continuing to provide technical assistance to the staffing directorates as needed. As of December 2014, technical assistance had been provided to 20 entities.			
Indicator 20 :	Percentage of federal government staff trained through the PROCAE			
Value (quantitative or Qualitative)	1% (2,000 employees)	30% (60,000 employees)	30% (60,000 employees)	136,706 employees trained.
Date achieved	05/29/2007	12/31/2011	12/31/2014	12/10/2014
Comments (incl. % achievement)	Achieved. Exceeded target.			
Indicator 21 :	Quality management of INAP training, certified by ISO norms			
Value (quantitative or Qualitative)	Does not exist.	Accreditation by INAP of third parties training programs based on quality standards of ISO norms	Accreditation by INAP of third parties training programs based on quality standards of ISO norms	INAP has been certified by ISO norms.
Date achieved	05/29/2007	12/31/2011	12/31/2014	06/04/2014
Comments (incl. % achievement)	Achieved.			
Indicator 22 :	Percent increase of users understanding quality standards, goal, and indicators adopted by CCP agencies measured through annual surveys			
Value (quantitative or Qualitative)	0	50	70%	75%
Date achieved	05/29/2007	12/31/2011	12/31/2014	06/04/2014
Comments (incl. % achievement)	Achieved.			
Indicator 23 :	Guidelines for ISO 9001 certification designed and disseminated among agencies			
Value (quantitative or Qualitative)	3	20	20	43 entities participating in the CCP. In these

				entities activities were carried out to provide continuity to the implementation of Quality Management Systems under ISO Norms 9001.
Date achieved	05/29/2007	12/31/2011	12/31/2014	06/04/2014
Comments (incl. % achievement)	Achieved.			
Indicator 24 :	Reduction of number of days in responding to access to information			
Value (quantitative or Qualitative)	N/A	60%		The Decree 1172/2003 provides 10 days to respond to information requests. No reduction
Date achieved	05/29/2007	12/31/2011		06/04/2014
Comments (incl. % achievement)	Not achieved.			
Indicator 25 :	Stakeholder analysis to assess support to project activities			
Value (quantitative or Qualitative)	N/A	75%	Report on implementation of lessons learned	A report with the results and lessons learned from 6 case studies was prepared.
Date achieved	05/29/2007	12/31/2011	12/31/2014	06/04/2014
Comments (incl. % achievement)	Achieved.			
Indicator 26 :	Ad hoc reports are prepared by SISEG for each budget reallocation of JGM when they affect the budget appropriations of the agencies that are being monitored			
Value (quantitative or Qualitative)			Reports prepared regularly. Reports are prepared by SISEG for each budget reallocation of JGM when they affect the budget appropriations	Each semester, a report evaluating the achievement of goals (which include budget information) in the 18 jurisdictions is prepared and available to the Secretariat of the Cabinet and

			of the agencies that are being monitored	Administrative Coordination
Date achieved			12/31/2014	06/04/2014
Comments (incl. % achievement)	Achieved.			
Indicator 27 :	Institutional performance indicators of the agencies that represent 50% of public expenditure in the National Public Administration, incorporated into the M&E system and monitored.			
Value (quantitative or Qualitative)			Institutions representing 50% of APN budget	The ministerial goals dashboard is implemented in 18 national jurisdictions - representing 75% of the budget - and functions in a continuous manner. The dashboard has information of assigned and executed budgets.
Date achieved			12/31/2014	12/10/2014
Comments (incl. % achievement)	Achieved.			
Indicator 28 :	Elaboration of a diagnosis of RBM programs executed during the first SMP, development of the conceptual model and methodological framework of an integrated results-based management system for the APN			
Value (quantitative or Qualitative)			Report on lessons learned from pilot.	Successfully concluded between 2011 and 2012. A document was elaborated and a workshop was carried out.
Date achieved			12/31/2014	06/04/2014
Comments (incl. % achievement)	Achieved.			
Indicator 29 :	Ministries with strategic planning processes that enable the application of a system of results-based management			
Value (quantitative or Qualitative)			6 agencies with strategic plans elaborated	6 agencies
Date achieved			12/31/2014	06/04/2014

| Comments (incl. % achievement)	Achieved. Agencies are SNR, INCAA, National Directorate for Protection of Protected Areas, Colonia Montes de Oca (Ministry of Health) Prov. Tierra del Fuego, and BNM.			
Indicator 30 :	The E-government Unified Services Platform implemented and in operation			
Value (quantitative or Qualitative)	No platform		platform in operation	Platform is installed and operational (Subsecretary of Management Technologies, SSTG).
Date achieved	05/29/2007		12/31/2014	06/04/2014
Comments (incl. % achievement)	Achieved.			
Indicator 31 :	Quick-gains programs studies done and implementation strategy developed			
Value (quantitative or Qualitative)	0	10	5	Providers did not comply with the TOR and the study was not contracted.
Date achieved	05/29/2007	12/31/2011	12/31/2014	06/04/2014
Comments (incl. % achievement)	Not achieved. The new authorities prioritized a Program for Planning Contracts and Public Purchases study, which was done.			

G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	12/21/2007	Satisfactory	Satisfactory	0.00
2	06/27/2008	Satisfactory	Satisfactory	2.50
3	12/23/2008	Satisfactory	Satisfactory	3.56
4	06/17/2009	Satisfactory	Satisfactory	5.00
5	12/03/2009	Satisfactory	Satisfactory	6.56
6	12/08/2009	Satisfactory	Satisfactory	6.56
7	06/07/2010	Satisfactory	Satisfactory	7.80
8	12/29/2010	Satisfactory	Satisfactory	9.65
9	06/20/2011	Satisfactory	Satisfactory	10.16
10	01/10/2012	Moderately Satisfactory	Moderately Satisfactory	12.60
11	07/18/2012	Moderately Satisfactory	Moderately Unsatisfactory	13.45
12	01/22/2013	Satisfactory	Satisfactory	16.34
13	07/09/2013	Satisfactory	Satisfactory	17.24
14	01/04/2014	Satisfactory	Satisfactory	17.68
15	07/05/2014	Moderately Satisfactory	Moderately Satisfactory	17.68
16	12/24/2014	Moderately Satisfactory	Moderately Satisfactory	19.54

H. Restructuring (if any)

Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in USD millions	Reason for Restructuring & Key Changes Made
		DO	IP		
01/31/2011	N	S	S	9.65	The first restructuring occurred in January of 2011 and entailed changes to the results framework, the project scope and activities, institutional arrangements and revisions to the schedule for hiring consultants. As a result of these changes, requisite changes were also made to component costs, disbursement arrangements and percentages, the procurement plan, and an extension of the project by 18 months from Dec. 31 2011 to June 30, 2013. The rationale behind these changes was that implementation progress was uneven across the project components and subcomponents. In particular, no progress was made on the access to information sub-component. There were also changes in the CCO authorities and heads of specific sub-components, as well as some shortcomings in procurement.
04/11/2013	N	S	S	16.34	The second restructuring occurred in April 2013 in which the closing date was extended by 8 months from June 30, 2013 to December 31, 2014 and loan proceeds were reallocated between expenditure categories. The main reason behind these changes was to allow for the completion of the final stage of project activities – in particular, those related to e-government reforms and to continue supporting the relationship with

Restructuring Date(s)	Board Approved PDO Change	ISR Ratings at Restructuring		Amount Disbursed at Restructuring in USD millions	Reason for Restructuring & Key Changes Made
		DO	IP		
					the Chief of the Cabinet of Ministers.

I. Disbursement Profile
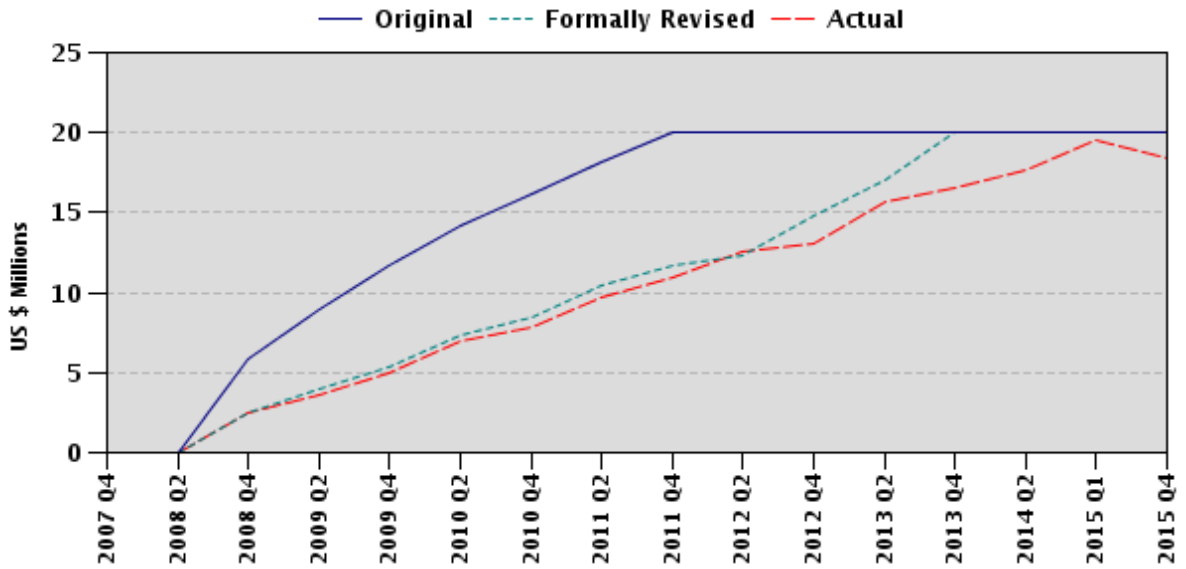
1. Project Context, Development Objectives and Design

1.1 Context at Appraisal

1.   With its experience supporting the Argentine Government through the first State Modernization Technical Assistance Loan approved in 1998 (P057449 for US$30.30 million), the Bank was well positioned to support Argentina in strengthening the institutional capacity of the Chief of Cabinet Office (CCO) and embark on a modernization effort across the National Public Administration (APN) through the Second State Modernization Project. The new project's objectives were aligned with the World Bank Governance and Anticorruption Strategy [1] and the 2006-2008 Argentina Country Assistance Strategy (CAS)[2], which focused on institutional strengthening in selected public sector management areas to support expenditure management, transparency, and service delivery.

2.   At the time of design, public sector modernization was considered an important element of rebuilding the state in the post-crisis years. The economic situation had improved dramatically. Between 2003 and 2013, Argentina's GDP growth rates averaged 6% annually. This growth was also broadly distributed, making Argentina one of the top two performers in LAC in terms of poverty reduction and improvements in shared prosperity. Poverty (measured at $4/day) declined from 31% in 2004 to 10.8% in 2013. Inequality was reduced, and the middle class grew from 34% of the population to 53% between 2000 and 2011. In 2007, President Cristina Fernández de Kirchner was elected and the administration decided to concentrate its efforts on an incremental strategy aimed at improving public sector management systems to improve policy implementation. This entailed improving the efficiency of its use of resources; consolidating and expanding horizontal public sector management tools to enhance public sector management efficiency, transparency, and accountability.

3.   The first State Modernization Project (SMP I) - originally designed to support the Government in processing data from 2000 onward (the "Y2K" problem) - was restructured three times and by 2005, was reframed to assist the Government in strengthening public sector management tools. The tools were designed to improve transparency, civil society participation, and increase the efficiency and quality of management in selected public services. [3] These areas became the basis upon which the activities of the State Modernization II Project were initiated in 2007 as a means to expand and consolidate reforms. The Implementation Completion Report (ICR) for SMP I rated the achievement

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[1] World Bank, *Strengthening World Bank Group Engagement on Governance and Anticorruption*, Report No. 39055, March 21, 2007. Washington, D.C.

[2] World Bank, *Country Assistance Strategy for the Argentina Republic 2006-2008* Report No. 34015-AR, May 4, 2006, Washington, D.C.

[3] The project's Third Amendment (December 14, 2005) as described in World Bank, *Implementation Completion and Results Report (IBRD-44230) on a loan to the Argentine Republic for the first State Modernization Project*, Report No. ICR0000778. June, 2008, Washington, D.C.

of the objectives related to public sector modernization moderately satisfactory, reflecting more progress in some areas such as e-government and administrative procedures than in procurement, human resource management, civil service training, and performance management reforms. Reflecting this uneven progress across reform areas, the State Modernization Project II took into account the incremental nature of the reform path in the design of the second operation.

1.2 Original Project Development Objectives (PDO) and Key Indicators

4.   The project would contribute to a (i) strengthened capacity of the CCO to carry out its mandate in key public sector management areas for improved coordination, monitoring and evaluation; and to (ii) the increased use of modern e-government, procurement, human resource management and social accountability tools, as well as improved capacity for investment promotion.

1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and reasons/justification

5.   The PDO remained unchanged throughout project implementation, although key associated outcome targets were revised during the first restructuring in January 2011 in order to more closely align the contribution of project activities to the achievement of the PDO, as well as respond to changes in political priorities and the corresponding addition of new activities in Components 1 and 2. All but two of the initial PDO indicators were revised (see Annex 10 for a detailed analysis of these changes).

1.4 Main Beneficiaries

6.   The primary target group as identified in the Project Appraisal Document (PAD) was the staff of the Chief of Cabinet Office. Additional beneficiaries included other Ministries and Agencies within the National Public Administration, such as the National Investment Development Agency (ANDI),[4] the Ministry of Labor, the Nuclear Regulatory Agency (ARN), and the Federal Tax and Customs Administration (AFIP), which benefited from activities that supported state modernization. The beneficiaries of the project remained unchanged throughout project implementation. In strengthening the efficiency and effectiveness of the management of public policies (primarily in terms of back-office functions), an indirect link can be established with intended benefits for citizens in general and the private sector.

1.5 Original Components

7.   Component 1 - Institutional Strengthening of the CCO (US$6.7 million)

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[4] ANDI was dismantled by Decree 1187-2010 and replaced by the Secretariat for Trade and International Economic Relations (SCREI).

This component aimed to (i) strengthen the capacity of the CCO to fulfill its mandate through the design of a state modernization strategy and change management methodologies, (ii) improve the role of the CCO in coordinating, monitoring, and evaluating public policies, and (iii) strengthen the functions of investment promotion within ANDI.

8.   Component 2 - Strengthening Key Public Sector Management Instruments (US$9.5 million)

This component was to develop, consolidate and expand cross-cutting public sector management tools and capacities in a number of areas. Specifically, the component aimed to: (i) support the implementation of the national e-government plan through the design of standards and tools to improve the quality of information and integration of processes and systems; (ii) support e-procurement and upgrades to procurement systems and methodologies; (iii) develop systems, tools, and information for human resources management and training for the federal administration, and (iv) strengthen the Citizens' Charter Program (CCP) and mechanisms to enhance citizens' access to information.

9.   Component 3 - Project Management (US$1.7 million)

This component was to finance standard project management activities, including: financial management and procurement and the monitoring of project implementation.

10.   Broadly, components 1 and 2 supported activities directed towards the achievement of parts one and two of the PDO, with the exception of investment promotion, which falls under part two of the PDO on increasing the use of modern tools in government. The project also left US$2.1 million in unallocated funds to enable flexibility in meeting unexpected expenditures to support the gradual implementation of public sector management tools and systems in different ministries and agencies.

1.6 Revised Components

11.   The project went through two level 2 restructurings. The project's first restructuring, which occurred in January of 2011, entailed changes to the results framework, the project scope and activities, and component costs.[5] Component 1 underwent a number of changes during this restructuring, including the addition of new activities: (i) the development of a conceptual framework for policy evaluation and the institutional and organizational design, training and capacity building, implementation of a pilot; (ii) the down-sizing of the CCO's institutional strategy and change management activities and a reorientation towards capturing lessons learned; (iii) the piloting of an integrated approach between the Management Monitoring and Evaluation System (SISEG) and results-based management; and (iv) the introduction of new activities for investment promotion, such as the development of a National Investment Map and capacity building in Investors Services,

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[5] World Bank, *Restructuring Paper on a Proposed Project Restructuring of Second State Modernization Project Loan December 28, 2007 to the Argentine Republic*, Report No. 59552 v1, January 31, 2011, Washington, D.C.

in light of the completion of project objectives earlier than expected. Component 2, by contrast, underwent relatively minor modifications in the activities associated with e-government and quality management and access to information. Changes made under the second restructuring are described below.

1.7 Other significant changes

12.   During the first restructuring, changes were made to component costs, disbursement arrangements and percentages, the procurement plan, and the closing date was extended by 18 months from December 31, 2011 to June 30, 2013 (see Annex 11 for the changes in component costs across the restructurings). The second restructuring occurred in April 2013. The changes included an 18 month extension of the Closing Date from June 30, 2013 to December 31, 2014 and a reallocation of loan proceeds between expenditure categories. The main reason behind these changes was to allow for the completion of the final stage of project activities – in particular, those related to e-government reforms – and to continue supporting the relationship with the CCO. Both restructurings led to a cumulative extension of three years. For most of the duration of the project, the Project Implementation Unit (PIU) was hosted in the CCO, directly reporting to the Chief of Cabinet's Office.[6] In 2013, it was transferred to the Sub-secretariat for Management and Public Employment.[7]

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

13.   The ICR finds the quality at entry to be **Moderately Satisfactory** due to aspects of project design, which although providing a technically solid roadmap for reforms, included an ambitiously large number of reform areas and a complex results framework.

14.   The background analysis for the preparation of the second project was extensive and provided a detailed understanding of the remaining challenges in each of the reform areas, as well as an acknowledgement of the risks (the overall risk rating for the project was high at the time of design). The incremental support strategy aimed at strengthening different reform areas which generated important advancement in the previous operation to help build support for further reform and expansion of the tools. However, this engagement strategy also resulted in a dispersion of resources among an excessively large number of initiatives and departments and agencies making the project difficult to maneuver and coordinate. The design of the sub-components in the Second State Modernization Project touched on major reform areas – procurement, civil service, e-government, physical asset management, performance management etc. Though the CCO had a role to play in each of the reform areas in defining practices and policies, the design of these reforms required coordination among several departments within the CCO. Limited coordination between these departments significantly elevated the costs of

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[6] Decreto 1723/2005
[7] Decreto 2201/2013

coordination and required substantial leadership of the Chief of Cabinet. While the ICR for SMP I was not complete by the time of preparation of the second loan, general lessons (both positive and negative) from the first operation could have been incorporated in the design of some of the components – particularly with respect to shifting commitment to reform and the likely resistance by Ministries and Agencies to some of the cross-agency modernization efforts. [8] The ICR for SMP I noted weaknesses in commitment and coordination of reforms in procurement and human resource management. [9] Interestingly, where the first project had more success with combining reforms across the administration (referred to as horizontal reforms) with Ministry specific reforms (vertical reforms), the second project did not include vertical reforms in the initial design of the operation. Only during the first restructuring was a pilot approach introduced in the Nuclear Regulatory Agency (ARN). [10]

15.   The sheer volume of indicators included in the results framework resulted in rigid and complex monitoring arrangements and were subject to changes in interpretation over time. At the time of design, the logic was to use the results framework as a tool for ensuring progress in all areas and, given the incremental strategy, tracking engagement by monitoring compliance with small steps. However, the large number of indicators identified for each sub-component and, in some cases, specific activities decreased flexibility to adapt to changing circumstances and required changes over the course of the project. As a result, the overall Result Framework was both difficult to monitor and ultimately to assess the impact of the operation. This was only partially corrected in the first restructuring by the supervision team and impacts the rating of Bank performance.

16.   Early on, the project received an overall Quality at Entry Assessment rating of Satisfactory by the Quality Assurance Group (QAG). [11] QAG also focused on the quality of the technical assistance/training design, which was ranked as Highly Satisfactory. In hindsight though, it seems that the challenges encountered could have been better anticipated at design, particularly given the experiences from the implementation of the first project.

2.2 Implementation

17.   Over the course of seven years, several factors negatively affected project implementation and a number of adjustments had to be made to the operation to respond to challenges posed by a difficult implementation environment. Over the course of the project, the Chief of Cabinet position changed five times, resulting in changes in the heads of key departments leading sub-components, as well as in the position of the Project Director (with an average of 1.5 years for each Director). These changes in management

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[8] World Bank, *Implementation Completion and Results Report (IBRD-44230) on a loan to the Argentine Republic for the first State Modernization Project*, Report No. ICR0000778. June, 2008, Washington, D.C., pg. 18.
[9] See Annex 11 for a discussion of the results and lessons from SMP I.
[10] See Annex 11 for a further discussion of this in the lessons learned from SMP I.
[11] QAG Assessment Date: 09/06/2007

significantly impacted the execution of project activities – both in the direction and speed of reforms.

18.   Such delays in political decision-making also contributed to delays in project execution, affecting the timely achievement of results. There were recurrent delays in the initiation of critical procurement processes, particularly the one associated with the Business Continuity Center (the largest procurement of the project) resulting in part from changes and delays in the appointment of lower level positions within the CCO. At one point, the World Bank lowered the ratings for overall implementation progress to MU from MS, citing a slowdown following elections in November 2011. The elections also delayed the drafting and approval of the 2012 annual operating plan, which in turn delayed project implementation across subcomponents.

19.   The coordination of reforms also proved an obstacle to project implementation. Within the CCO, coordination among the various sub-secretariats and offices within the CCO, and between them and the PIU posed a serious challenge at times. The level of coordination was so taxing on the CCO to bring together the various modernization efforts under one roof that pilots were not extended beyond ARN to other Ministries and Agencies. Outside of the CCO, Ministries and Agencies also had to be convinced to adopt new tools and business processes. Cross-government modernization approaches cannot always effectively address the individual needs of agencies and resistance by government agencies further slowed implementation. In line with its mandate the CCO can pass regulations and resolutions to help institutionalize these reforms and offer support to implementation, but ultimately such tools are rolled out on a demand basis from Ministries and Agencies.

Implementation of Components 1 & 2

20.   During the mid-term review (May 2010), the team noted the uneven progress across project components and sub-components and that execution was proceeding slower than planned as a result of changes in political commitment and the lack of an overarching strategic framework to guide activities.[12] As a result of the MTR, it was agreed to narrow the scope of some of the components, focus on the consolidation of the public management instruments and strengthen their sustainability. This became the basis for the first restructuring.

21.   During the first restructuring the subcomponent on organizational strengthening of the CCO was reoriented. Despite significant investment in background studies and international seminars early on to support the development of an overarching state modernization strategy as initially envisioned in the PAD, the government decided ultimately not to develop an overarching strategy for state modernization. The main activities for this component were reoriented toward piloting an integrated approach to modernization efforts, strengthening the CCO's monitoring and evaluation function and documenting lessons learned.

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[12] Aide Memoire, Supervision Mission SMP II (May 3- 14, 2010)

22.   Relatively minor modifications were made to the first three sub-components of Component 2 (e-gov, procurement, and HRM) due to changes in Government priorities and the availability of new technologies and platforms. However, the fourth sub-component on quality management and access to information presented important challenges early on. With respect to the Citizen's Charter Program, a new set of activities were introduced to reduce dispersion and ensure consolidation of some of the basic features of the Program, with a focus on increasing citizen participation and ensuring basic quality standards.

23.   The second part of the fourth sub-component on Access to Information at this point was uncertain. The Access to Information Executive Decree 1172 (2003), which provides the normative framework for access to information within the scope of the federal administration, specifies that requests have to be delivered in person to the relevant Ministry and Agency. A new law or amendment would have to have been approved to allow for the use of an online platform to receive requests. No legal changes were made and the head of the Undersecretary for Democracy Strengthening (the unit responsible for implementing this subcomponent) was changed and the International Access to Information Seminar (among other activities in the 2008 annual operating plan) was put on hold. While a formal notification was requested from the Government regarding the responsible counterpart for the sub-component and the new strategic focus, the issue remained pending for the remainder of the project and no further activities were supported. This component was affected by an overall change in the Government's commitment surrounding the disclosure of statistical information. Nevertheless, starting in 2012, rather than changing the process of receiving requests, the CCO decided to invest in developing a monitoring system to centralize information on the processing of access to information requests from Ministries and Agencies, and improved the publishing of information online for citizens via different websites (ArgentinaComparte, Internet Sano, Argentina.gob.ar, Sitio del Ciudidano etc.) without support from the project.

24.   Recurrent delays in the procurement of the largest IT components as well as pending reforms to e-government led to a second restructuring in 2013 to allow for the completion of the final stage of project activities. The Quality Assessment of Lending Portfolio (QALP) Review (March 2010) also highlighted the issues of IT procurement contributing to a slowdown in IT related components. Work during this second extension period was to focus upon finalizing the e-government architecture and rolling out key software, such as the Digital Files for the Public Administration (EDAP) which enables electronic procedures and services for citizens (captured in the PDO indicator target of six Government-to-Citizen (G2C) services). Initially, implementation progressed well, but then challenges in the procurement of EDAP related goods emerged and the team lowered overall implementation progress to moderately satisfactory. EDAP was not fully developed before project closing on December 31, 2014, though five fully automated procedures were completed by June 2015.

Implementation Ratings

25.   Up to 2011, the Bank had rated the overall process of implementation as satisfactory. However, from 2011 forward, ratings vacillated between MU, MS, and S in the Implementation Status Reports (ISRs). A QALP Review conducted in March 2010 rated the quality of implementation as moderately satisfactory. As mentioned, the project's scope covered multiple departments within the CCO and involved a number of Ministries and Agencies in the adoption of new tools and business processes on a demand basis. During implementation a series of challenges emerged. Some of these issues had implications not only on the pace of implementation of the overall project but also on the need for adjustments in the activities and direction of the reforms.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

26.   The Project's M&E framework is considered to be **modest**. The design of the operation's M&E system exhibited some weaknesses and the implementation of performance monitoring across the sub-components and activities proved difficult to manage. While some of the original shortcomings were overcome during the first restructuring, particularly in relation to the clarification of terms and targets, weaknesses in the operation's M&E design proved challenging to the evaluation of the operation's impact.

27.   M&E Design: The Results Framework included in Annex 3 of the PAD specified seven Project Outcome Indicators and 31 intermediate outcome indicators which monitored a mixture of higher level impacts and outputs of sub-component activities. A few of the PDO indicators were also repeated as intermediate indicators. The design of the result's framework was not amenable to changes in the underlying activities of sub-components, as discussed in section 2.1. This was only partially corrected with the changes introduced in the results framework in the first restructuring where many indicators were either rephrased or changed. Such changes are indicative of elements of both a corrective and adaptive restructuring to fix design flaws in the original indicators and improve the relevance of the activities and associated results framework, in light of changes in government priorities. Moreover, over seven years, some of the indicators were subject to multiple interpretations.[13] In some cases, the indicator itself was not well-specified. For example, "design and implementation of the IT system" is not immediately clear which IT system was being measured. Finally, the QALP (March 2010) review also highlighted the need to introduce flexibility into the results framework.

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[13] An example is the PDO indicator on the number of Freedom of Information (FOI) requests submitted by electronic means. During implementation, this indicator was considered by the Government and Bank team to have been achieved. Though Decree 1172 required that information requests be presented manually, the Government made progress in increasing the online publication of information via different websites. However, for the purposes of this ICR, a stricter interpretation based on the target set forth in the PAD finds this indicator to have not been achieved (see Annex 10 for more details).

28.   M&E Implementation: Building off of processes begun during the first loan, the PIU was well prepared to monitor progress and collect data regularly throughout implementation. The PIU prepared bi-annual reports with details on activities and indicator updates. Data collection relied heavily on meetings and reports by the counterparts involved in each of the sub-components. Information on key project outputs and indicator progress was regularly collected as part of the Bank's supervision efforts. In the Implementation Status and Results Reports, monitoring and evaluation was rated Satisfactory throughout the project's lifetime.

29.   M&E Utilization: Monitoring Dashboards were designed to monitor the ongoing activities of relevant departments/agencies, including those activities financed by the loan. These dashboards were (and continue to be) used in decision-making process and were headed by the Sub-secretary for Management and Public Employment (*Subsecretaria de Gestión y Empleo Público*). These dashboards are being used to track performance across government, not just the Results Framework. At present, SISEG is operating 10 dashboards in different divisions of the CCO. The full list of these dashboards is presented in the table. The management of these dashboards is now a core function of the CCO.

Performance Dashboards
• SIG Expedientes
• SIG Proyectos (SSEPFE)
• Tablero de Metas Ministeriales (SIG Metas)
• Tablero de Metas SSGEP
• SIG Proyectos - JGM (Comité de Emergencia Hídrica)
• Tablero Integral de Reportes
• Tablero de Monitoreo de Compromisos del Programa Carta Compromiso para el Ciudadano
• Tablero del Premio Nacional a la Calidad (PNC)
• Tablero de Seguimiento de Proyectos del Programa Carta Compromiso (TSPCCC)
• SIG Proyectos (AG)
• SIG Proyectos (SSTG)

2.4 Safeguard and Fiduciary Compliance

30.   Safeguards: No safeguard policies were triggered by the Project.

31.   Financial Management: Overall, financial management performance is considered to have been **Satisfactory**. Some issues arose at the start of the project when Bank funds were used to cover the share of government expenditures because of differing interpretations of the legal agreement. Financial management performance was downgraded to MS as a result.[14] These issues were quickly resolved and FM performance was rated satisfactory in the remaining ISRs. The use of the government's accounting system to maintain project records provided an acceptable control framework over transactions.

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[14] ISR 4.

32.   Annual financial statements were subject to external oversight by Argentina's General Auditing Office (*Auditoría General de la Nación - AGN*). The audit report covering operations to December 31, 2009 had an unqualified (clean) opinion on the designated account. Qualified opinions were given on the Project Basic Financial Statements and the SOE but did not point to any substantive issues. The audit report for 2010 showed qualified audit opinions on all basic financial statements and the SOE statement. However, the substance of the audit qualifications did not entail accountability issues or material weaknesses. The project responded adequately to AGN observations in a note dated October 2011.

33.   Procurement: Overall, procurement performance is considered to have been **Moderately Satisfactory.** Initially, procurement performance ratings were rated Satisfactory through ISR#5 and then were downgraded to Moderately Satisfactory for the remainder of the project (ISRs# 6-16). There were recurrent delays and cancellations in the initiation of the largest procurement processes. During implementation there were frequent delays in the delivering of procurement plans – in a number of cases the Annual Operational Plans and Procurement Plans were not delivered at the same time. These challenges were partially the result of changes in strategic direction which occurred periodically throughout the duration of the project. Towards the end of the project, changes in the PIU's procurement team further delayed efficient processing due to limited capacity. While procurement post-reviews were conducted and recommendations to improve processing were made, in some cases the recommendations were only partially implemented.

2.5 Post-completion Operation/Next Phase

34.   As of project closure, advances related to a number of the key public sector modernization tools have been well-institutionalized, suggested by their on-going use within the CCO, and in some cases Line Ministries and Agencies. Moreover, the extensive reduction in consultants over the life of the project (as agreed upon at the start of the Project) from a ceiling of 199 in 2008 to 55 in December 2014 resulted in a significant transfer of skills to key functions within the CCO and helped ensure greater post-completion sustainability. Following project closing, the majority of the consultants (47) were absorbed by other projects financed by the United National Development Program (UNDP) and the Inter-American Development Bank (IADB).[15]

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[15] At the start of the Second State Modernization project, a detailed plan was put in place to reduce the number of consultants being financed through project funds and transfer skills to Government. An agreement was reached to improve the selection, performance and supervision of consultants, enhance training and knowledge transfer to government employees. Over time, there was a significant reduction in the number of consultants being financed through the project and a transfer of skills to government funded positions. By the end of 2008, there were 177 consultants working for the project (below the ceiling of 199 for 2008). The declining trend continued with 120 consultants at the end of 2011 - the project's original closing date. The schedule for hiring individual consultants was reassessed during the first project restructuring, maintaining the ceiling of 120 until December 2013. By the end of 2013 there were 95 consultants working for the project and at project closing 55 consultants were working for the project.

35. With respect to IT, a few of the systems that have been introduced such as digital signatures are highly utilized, and it seems likely that they will continue to be so in the future (similar to such systems and tools elsewhere). The EDAP platform, which is now fully developed, allows for the interoperability of services through various government portals and is expected to become the basis for additional online transactional public services across the administration.

36. While the Bank does not currently have immediate plans for a follow-up operation, the topics addressed under the Project remain of high relevance and are expected to continue to remain as such in the future – both at the national and sub-national levels. UNDP and IADB also have active operations in a number of the areas supported by this project.[16]

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design, and Implementation

37. Project objectives were *substantial* at the time of design (with the 2006-2008 CAS including public sector strengthening as one of the pillars) and remained relevant throughout implementation. The FY 10-12 CPS[17] had a pillar on governance and the recently approved Country Partnership Strategy for FY 15-18[18] includes a cross-portfolio approach to Governance, which continues work on areas such as developing institutional transparency and improving capacity building programs for public servants, and incorporates lessons from large public sector modernization projects at the national level (including SMP I and II). The modernization efforts supported under this project remain relevant to Argentinean authorities both at the national and sub-national levels, as reflected by the degree of usage and institutionalization of most of the tools and systems supported under this project.

38. The relevance of the project's design to the objective is considered *substantial*. The original design focused on making incremental but impactful progress on areas of public management requiring modernization across the national government. The design acknowledged that the direction and pace of reforms would be highly dependent on the political commitment and orientation of the highest authority (i.e. the Cabinet Chief) and included a range of potential options in which to deepen reforms. Adjustments were made during implementation via restructurings to align activities with the PDO based on these fluctuations in political orientation and normal changes in information technology. Necessary adjustments were made through two project restructurings, the extension of the closing date twice, and other forms of proactive implementation support. While the design of the components was consistent with the project's objectives, the quality of the result's

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[16] UNDP's project (ARG/12/012) is designed to promote and strengthen the strategies of the CCO to improve attention to the citizen and contribute to the institutionalization of quality public management.
[17] World Bank, *Country Partnership Strategy for the Argentine Republic for the period 2010-2012*, Report No. 48476-AR, May 6, 2009, Washington, D.C.
[18] World Bank, *Country Partnership Strategy for the Argentine Republic for the period FY15-18*, Report No. 81361-AR, August 7, 2014, Washington, D.C.

framework exhibited minor weaknesses in specifying the causal chain between intermediate and final outcomes for a few of the areas covered by the project.

3.2 Achievement of Project Development Objectives

39.   Prior to addressing the achievement of the project's development objective, it is important to clarify how the efficacy of the project is rated. In line with the ICR guidelines, the overall project performance is a weighted average of the two primary objectives, as described in the project development objective. Each objective is rated equally. To assess each objective, PDO and intermediate outcome indicators, as well supplementary evidence, are used to arrive at an overall assessment. Annex 10 provides a detailed analysis of this evidence base, organized by objective.

40.   Overall, the project is viewed to have demonstrated progress in achieving its development objectives of strengthening the capacity of the CCO to (i) carry out its mandate in key public sector management areas for improved coordination, monitoring and evaluation (*rated substantial*); and (ii) support the design and promotion of the use of key public sector management tools (in the areas of e-government, procurement, human resource management, and social accountability), as well as improved capacity for investment promotion (*rated modest*).

41.   Each of the objectives stated in the PDO entail strengthening the functions of the Chief of Cabinet Office. As such, it is useful to review two of the specific functions assigned to the CCO:
  - *Inter-ministerial coordination*: coordination and control of activities among different Ministries to comply with public policies and budget objectives. Preparation and coordination of Cabinet meetings.
  - *Congressional relations*: Coordination between the Executive and Legislative branches. Send to Congress the projects of the Law of Ministries and National Budget. Endorse decrees and present reports to each of the Houses, once per month, on the accomplishment of objectives and public policies implemented by the Ministries. Annually, to produce a State Memoire for Congress.

42.   For the purposes of analyzing the first objective, we review those achievements related to general organizational strengthening of the CCO as an entity and those related specifically to its monitoring functions. First, we review the PDO and intermediate indicators related to organizational strengthening of the CCO. The tasks associated with the integrated functional assessment were finalized (achievement of PDO#1), communication strategies based on successful experience from prior years are used, participation mechanisms are used regularly and a pilot inventory of physical assets was completed (achievement of intermediate indicators). The pilot on assets management implemented since 2010 in the main building of the CCO yielded an average of AR$327,000 ($38,000 USD) in annual energy savings.

43.   Improvements to the CCO's monitoring capabilities were also substantially achieved. Included among the achievements, the proposed budgets of four agencies cite SISEG reports as a source (achievement of PDO#3), ten dashboards to monitor public policies and projects have been developed and are in use, and seven agencies have strategic planning processes that enable the application of a system of results based management. One of the dashboards, SIG Metas, allows the CCO to track performance objectives and goals across the national public administration. In 2014, the system included 204 objectives and 272 goals. Using traffic light visualization, the system provides alerts on the level of achievement of indicators on a quarterly basis. The Chief of Cabinet prepares reports and presents this information for discussion with Congress. Annex 12 contains a visual of the 2014 objective setting process for SIG Metas and an example of the goals and indicators used by the Ministry of Interior and Transport.

44.   Given the difficulty in measuring institutional strengthening with the existing PDO indicators (particularly since a few of the PDO indicators are output indicators), it is useful to consider additional measures of institutional strengthening. The first is the process of institutionalization of key functions and units within the architecture of the public sector. For example, the Public Management Sub-secretariat was raised to the rank of a Cabinet Secretariat and the assets management function of CCO was formalized with the creation of the Administration Agency of State Assets under the CCO, with competencies over asset registry and policy design on the management of central government buildings. A "Public Policy Evaluation Program" was also established within the Cabinet and Administrative Coordination Secretariat of the CCO. A number of decrees and regulations related to modernizing the public administration have also helped to institutionalize the CCO's role within the National Public Administration (a full list is included in Annex 9).

45.   Another indication of improvements in the functioning of the CCO is the move toward staffing the functions of the CCO by permanent staff rather than consultants. As discussed in section 2.5, there was a significant reduction in the number of consultants being financed through the project and a transfer of skills to government-funded positions. This ensures that with changes in administration, a knowledgeable cohort of staff remain in their positions. The organizational strengthening of the CCO, measured by changes in staffing and structure and improvements in its capability to perform the functions of inter-ministerial coordination and Congressional relations, indicates the project *achieved* the objective of strengthening the CCO's functions.

46.   The second objective as stated in the PDO was to strengthen the CCO's capacity to support Line Ministries and Agencies in the implementation of public policies (since the CCO has no direct service delivery functions). This facilitation is done through the design of tools and modernization of processes and systems related to ICT, hiring, procurement, and reporting across the national public administration. As stated in the PDO, this entails the design and use of modern e-government, procurement, human resource management, and social accountability tools, as well as improves the capacity for investment promotion. This objective is rated **modest**. In the areas of citizen charters, investment promotion, and e-government, notable advances have been made. However, these have been somewhat offset by more limited progress in the areas of procurement, HRM and access to

information. The box below provides a summary of the achievements by tool. A summary of the main achievements by sub-components is discussed below.

Achievements by sub-component	
• E-Government	Achieved
• Procurement	Partially Achieved
• Human Resource Management	Partially Achieved
• Quality Management and Access to Information	Partially Achieved
• Investment Promotion	Achieved

47.   *E-government – Achieved*
This sub-component supported activities related to strengthening the National Information Technology Office (ONTI); consolidating the government portal and online proceedings; and developing new activities, such as national plans for enterprise architecture and ICT standards, as well as implementing a secure data center. The specific objectives of this sub-component were to improve the institutional coordination for e-government and implement a comprehensive e-government environment that would provide a common development approach and coordinate the development of an integrated, secure, and paperless administration. The impact of this sub-component is likely to have been substantial. Achievement of the indicator related to the EDAP (PDO#7) was almost achieved. The development of the platform and processes for five (rather than six) fully automated public services lays the foundation for further automation across a range of public services. Seventy-six agencies (well above the original target of 10 agencies) are using digital signatures, contributing to efficiency gains from time-savings and processing, and 14,000 digital certificates have been issued, allowing individuals (citizens and public servants, including subnational government and Judicial Courts) to exchange information more rapidly. All four intermediate indicators were achieved, capturing significant improvements in the visits to the government portal, user satisfaction with the portal, a unified platform (e-COMDOC which records the administrative proceedings conducted by public agencies), and security data center in full operation.

48.   *Procurement – Partially Achieved*
This sub-component supported the use of electronic tools for government procurement throughout the federal administration (e-purchasing, e-procurement, and ArgentinaCompra). The project also supported capacity-building to regulate national government procurement through the introduction of a public procurement performance monitoring system. The project was able to make progress in increasing the base number of suppliers participating in procurement processes (achievement of PDO#4). Due to changes in ICT,[19] the SECOP procurement system was supplanted by a newer AR COMPRAS system which the project supported. AR COMPRAS is currently in its initial stages of development. The system is fully operational in the CCO and will be gradually rolled out across the national public administration in the near future. The expected expansion in the use of a single procurement portal (AR COMPRAS) to a number of government procuring entities has laid the

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[19] Such changes in ICT systems are quite normal over five to ten years as technology evolves.

foundation for future efficiency gains and reductions in transaction costs for government procurement.

49.   *Human Resource Management - Partially Achieved*
This sub-component supported the rationalization of employment regimes and posts, improvements to the availability of human resource management information, and knowledge sharing and training. While progress was made with respect to the areas of knowledge sharing and training and the rationalization of employment regimes, less progress was made in unifying underlying information systems. In 2012, as a result of changes in technological platforms and a government decision to invest in new systems, the Government took a different direction and decided to invest in the establishment of a new personnel registry (the *Base Única del Personal del Estado* [BUPE[20]]) and a human resource management system (the *Sistema de Administración de Recursos Humanos* [SARHA]) in the CCO. Until October 2011, the project was investing resources in the expansion in coverage of the previous centralized personnel registry (Sistema de Información de Personal [SINFO]). The percentage of personnel incorporated into the SINFO system in operation until 2012 was 80%, just below the target of 90% (partial achievement of PDO#5). More progress was made in the rationalization of labor regimes and position with 9,400 position profiles defined. The development and implementation of the CONCURSAR platform, which manages internal and external applications to positions in the National Public Employment System (*Sistema Nacional de Empleo Público* [SINEP]) and other technical and scientific grades. It is used by 15 Ministries and Agencies, and four additional organizations are in the initial stages of implementation. The knowledge dissemination and training activities offered by the National Institute of Public Administration (INAP) have also been achieved with over 140,000 officials trained through e-learning platforms. Evaluations of 50 courses have reached satisfaction levels higher than 80%, according to an evaluation performed under this component.

50.   *Quality Management and Access to Information – Partially Achieved*
This sub-component covered the aspects of the citizen charter program and implementation of the access to information decree.
- *Citizen Charter Program (CCP):* Activities focused on improvements to the design and implementation of the CCP in five areas: (i) improving the definition of indicators, quality standards, and benchmarks for each of the participating agencies; (ii) developing information dissemination systems to better reach citizens; (iii) expanding channels and methodologies for users' and citizens' feedback; (iv) developing protocols for provincial governments interested in replicating the Citizens' Charter approaches and methodologies; and (v) the development of Quality Management Systems. At present, 43 organizations have been incorporated into the Program, of which 31 are at the national level. Satisfaction rates on services provided under the Citizen Charter Program service delivery, measured by independent evaluations, reached 70%, just below the target of 90% (partial achievement of PDO#6). However, a 70% satisfaction rate is generally considered good (in line with practices from other countries[21]). The target of 90% was likely overambitious

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[20] BUPE replaced the previous centralized personnel registry *(Sistema de Información de Personal* (SINFO)).
[21] Citizen satisfaction rates with Citizen Charters in the UK ranged from 65%-85%. See Table 6 in: http://lilt.ilstu.edu/staylor/csdcb/articles/Volume6/Pinney%201993.pdf. Also see the Public Affairs Centre, "India's Citizen's Charters: A Decade of Experience," 2007.

at design. Moreover, user's understanding of the quality standards, goals, and indicators adopted by CCP agencies measured through annual surveys exceeded the target of 70% (achievement of the intermediate indicator). The development of a Citizen Charters dashboard to monitor and evaluate commitments of each of the signed Charters is also currently in use by all of the entities involved in the program. It contains data on the level of achievement of indicators and commitments, as well as historical information. More efficient ways of providing services, as committed by public sector officials through the CCP, has helped to improved service provision.

- *Access to Information:* The project supported an initial set of activities to undertake a diagnosis of the information that could be proactively disclosed by the different federal agencies. It also included activities to work on mechanisms, processes, and training to strengthen the capacity of officials of the federal administration (including jurisdictions of selected federal agencies located in the interior of the country) and awareness-raising to strengthen implementation of the decree. The electronic platform for information request submissions and handling was not supported for the reasons discussed in the implementation section above. As such, the access to information indicator (PDO#2) was not achieved since the legal framework was not changed to allow for it. Under the project, a Cooperation Agreement between Mexico and Argentina was signed in 2008 on Access to Information, as well as awareness-raising activities. As discussed earlier, the CCO did develop a monitoring system to centralize information on the processing of access to information requests from Ministries and Agencies and improved the publishing of information online for citizens via different websites (Guía de Trámites, ArgentinaComparte, Internet Sano, Argentina.gob.ar, Sitio del Ciudidano, etc.).

51.   *Investment Promotion [22] - Achieved*
This sub-component supported the government investment promotion strategy through two parallel channels. The first channel aimed at supporting knowledge building, including the competitive advantage of selected sectors and clusters, and capacity strengthening of the Investment Promotion Agency in key areas to leverage potential for investment promotion. The second channel supported an array of activities aiming at strengthening the Investment Promotion Agency's policymaking functions, including the development of different investment promotion instruments. In the area of investment promotion, the results of the activities were measured by two corresponding intermediate indicators (showing that ANDI successfully developed a methodology for comparable assessment of sectors and clusters, which was applied to seven priority sectors/clusters, and that the strategy for strengthening local business capacities reached the targeted 20 businesses). Over 126 investment projects are currently in the Database of Projects of Productive Innovation (*Banco de Proyectos de Innovacion Productiva* [BAPIP]). Such interventions improved the capacity of the Investment Promotion Agency to monitor and analyze private sector investment nation-wide.

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[22] For the purposes of analyzing the results of the operation, the sub-component on investment promotion is considered among the tools to modernize the public administration. In the PAD, this component was designed as part of the first objective (institutional strengthening of the CCO). The reasons for assessing it in relation to the tools (the second objective) is because of the change in the location of the function within the public administration (ANDI, originally under the CCO, was dismantled in 2010 and moved to the Secretariat for Trade and International Economic Relations (SCREI) within the Ministry of Foreign Relations, International Commerce and Culture (MRECIC). Moreover, the activities supported under this component were specific to the function of investment promotion

For a comprehensive analysis of the results of each objective and sub-component see Annex 10 and Annex 2 for the list of outputs by component.

3.3 Efficiency

52.   Project efficiency is considered to be **modest**. Given the nature of the project, no formal economic cost-benefit analysis was performed at the time of design. While results, such as increases in the number of suppliers participating in procurement processes, are likely to contribute to savings from greater competition and enhanced efficiency, it is difficult to quantify such benefits given the lack of concrete data. At best, benchmarking data can be used to estimate impacts.

53.   The PAD's Economic and Financial Analysis listed a number of potential financial, economic, and social impacts by component. The proposed impacts mainly relate to efficiencies generated from improvements in the delivery of public services, such as reductions in cost of outputs and time-savings for citizens and businesses. To the extent possible, these impacts have been updated based on the results of the project and are captured in Annex 3. Some of the achievements, such as systems development and capacity building, affect back-office processes, and while it is expected that such improvements in delivery will end up contributing to improved services for citizens and businesses, such gains are difficult to quantify.

54.   Total registered project costs, including local support, for the project which was implemented over the course of seven years were USD22.22 million. In terms of IT systems development, across the sub-components, USD4 million was invested in e-government, USD1.3 million in procurement, USD1.8 million in human resource management, and USD2.5 million in monitoring and evaluation, which included the development of online dashboards (see Annex 11 for further details).

55.   While a detailed economic and financial analysis is not possible given data limitations, an analysis of benefits derived from project activities measured in the results framework suggests that in two areas the project investments of achieving the objective were reasonable. These include e-government and monitoring and evaluation activities. With the USD4 million invested in e-government, 76 agencies are using digital signatures, contributing to efficiency gains from time-savings and processing moving towards an integrated, secure, and paperless administration. Digital certificates have been issued to over 14,000 individuals, allowing citizens and public servants of different ministries, agencies, subnational governments and Judicial Courts to exchange information more rapidly and use less paper. More information is available through the portal for citizens and businesses, contributing to reduced "searching" time and more accurate information on processes (reducing errors in applications). The Procedures Guide has over 1,400 procedures included in the system from 74 different Government agencies. Presently, the site has roughly 3.2 million visits annually. The implementation of EDAP for managing files digitally allows for the online provision of transactional services for citizens. Pilot

implementation includes the following five Government-to-Citizen (G-2-C) transactional services:

- o discrimination complaints;
- o registration of Civil Society Organizations;
- o registration for service providers of assistance for beneficiaries of individual subsidies;
- o granting of tickets for inquires and guidance on addiction problems; and
- o granting the benefit of caregivers allowance.

56.   With USD2.5 million invested in monitoring and evaluation, the project has been able to develop 10 executive dashboards in use across the National Public Administration. These dashboards now play an important role in decision-making processes, driving improvements in public administration functioning. SIG Metas, the dashboard used to monitor national performance targets, is supporting the achievement of defined performance targets across Ministries (see Annex 12, Figure 2 for the Ministry of Interior and Transport's specific targets). Other dashboards (such as SIG Proyectos) have improved administration efficiency and accuracy. While no studies were conducted over the course of the project to assess these gains, similar e-government projects elsewhere have captured the time and financial savings to end users from ICT enabled efficiency improvements.[23]

57.   Nevertheless, aspects of project implementation likely reduced the efficiency of some activities. In line with ICR guidelines, beyond traditional measures of efficiency, the review should take into account aspects of design and implementation that reduced efficiency. As discussed in the implementation section, the restructuring and two extensions of the project as a result of procurement issues and delays in political decision-making reduced the overall efficiency in a number of the sub-components.

3.4 Justification of Overall Outcome Rating
Rating: Moderately Satisfactory

58.   The overall outcome rating is considered to be Moderately Satisfactory (See Table 1), reflecting moderate shortcomings in the operation's achievement of its objectives. Over the course of implementation, the project made substantial progress towards its development objective of strengthening the capacity of the CCO to carry out its mandate and some progress in increasing the use of modern e-government, procurement, human resource management and social accountability tools among the national public administration. The design of the project reflected a good understanding of development challenges that continue to remain relevant today. The efficiency of the project is difficult

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[23] See Andersen, Kim N., Helle Z. Henriksen, Rony Medaglia, James N. Danziger, Møyfrid K. Sannarnes, and Mette Enemærke. 2010. "Fads and Facts of E-Government: A Review of Impacts of E-Government (2003–2009)." *International Journal of Public Administration* 33 (11): 564–79.

to assess for lack of data but appears to have been modest, given the somewhat uneven progress in the absorption of modernization tools.

Table 1. Overall Outcome Rating

Dimension	*Rating*
Relevance	
Relevance of Objectives	Substantial
Relevance of Design	Substantial
Efficacy	
Objective 1 (50% weight)	Substantial
Objective 2 (50% weight)	Modest
Efficiency	Modest
Overall	**Moderately Satisfactory**

3.5 Overarching Themes, Other Outcomes and Impacts

(a) Poverty Impacts, Gender Aspects, and Social Development

59.   Through the promotion of effective public sector management across the national public administration, the operation has had indirect but positive impact on citizens. While the project was not designed to have a direct impact on poverty, gender, or social development, the modernization of institutions that deliver key services in these areas has helped to support the Government's achievement of key public policy priorities. For example, the automation of five G2C transactional services supported by the project improves access and processing for discrimination complaints, granting the benefit of caregiver allowances and assistance for beneficiaries of individual subsidies among others.

(b) Institutional Change/Strengthening

60.   This project has been an important catalyst in the institutional strengthening of the Chief of Cabinet Office established in 1994. From a long-term institutional development perspective, the activities begun during SMP I and continued in the second loan have strengthened the CCO's ability to perform critical functions related to inter-ministerial coordination and the promotion of improved processes and systems across the national public administration. Through this project, the World Bank has maintained a continuous policy dialogue on state modernization and other important areas for the country's development with the authorities over the last decade. This dialogue has kept state modernization squarely on the agenda, despite numerous changes in leadership.

61.   Beyond the Chief of Cabinet Office, the project contributed to the institutional strengthening of a significant number of Ministries and Agencies. Across the national public administration, 18 ministries and agencies are using the Ministerial Goals Dashboard (*Tablero de Metas Ministeriales – SIG Metas*), and every federal agency is included in the National Portal's Procedures Guide. A number of Ministries and Agencies have adopted more than one of the tools under this project. Examples include the Ministry

of Labor; the National Institute against Discrimination, Xenophobia, and Racism (INADI); and the Social Security National Administration (ANSES) among others. The pilot in the Nuclear Regulatory Agency (ARN) brought together strategic planning methodologies linked to budget and monitoring and evaluation as well as career profiles and training.

62.   As a by-product of a few of the activities under this project, a few subnational entities were also impacted. In the area of monitoring and evaluation, the project engaged subnational entities through an agreement between the Federal Institute of Municipal Affairs (IFAM) and the CCO to assist with M&E tools in local government. Up to six local governments were included under this program. The project also assisted CCO with the Committees of the Federal Council of Public Administration (COFEFUP) that took place in different provinces to foster innovation in subnational public administration.

(c) Other Unintended Outcomes and Impacts (positive or negative)

63.   None identified.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

64.   No beneficiary survey or stakeholder workshops were conducted.

4. Assessment of Risk to Development Outcome
Rating: Moderate

65.   The progress made under the project is likely to be sustained for a number of reasons. First, the legal framework provided by laws and decrees on digital signature, human resources management, and procurement, makes the sustainability of project outcomes more likely, as it provides the normative framework to move forward with development and implementation of these public sector management tools (see Annex 9 for full list of relevant decrees). Second, the large transfer of consultants to permanent civil servant status has improved the continuity in the staffing of functions within the CCO, reducing turnover. Third, a number of the reforms have prompted the further institutionalization of departments within the public administration (as discussed earlier). The creation of these agencies as permanent entities within Argentina's public sector denotes strong support for the modernization efforts on the part of Argentinean authorities. Finally, the use of the tools by Ministries and Agencies has embedded a demand for support from the CCO. A number of the tools that this project supported are being used by Ministries and Agencies (e.g. EDAP and SISEG). These tools and systems developed through this project have been incorporated into the agencies' current procedures and are unlikely to be reversed. Pilot experiences on integrating the work on strategic planning and M&E have improved the dialogue and joint work of different departments with important synergies created, as with the planning and M&E dashboards. The moderate, rather than low, risk rating for these reforms is due to the fact that changes in government leadership and commitment could potentially stall reforms going forward, and in exceptional circumstances, undermine existing arrangements, though this appears unlikely.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

(a) Bank Performance in Ensuring Quality at Entry
Rating: **Moderately Satisfactory**

66.   During project preparation the Bank team drew upon its significant experience in Argentina in general as well as its specific experience working with the State Modernization I project.

67.   At design the team appropriately rated the risks of the operation as high. Implementation risks and their effects on the project were also reasonably well anticipated at the design stage. Policy commitment was rated as a high risk to the project. At the time of design, project counterparts demonstrated active commitment, but over the course of implementation this commitment varied. While these risks were recognized at the time of design, the calibration of activities and components to these high risks could have been better reflected in the design of the program, which covered a number of distinct reform areas. Coordination within the CCO and among line ministries was given a rating of substantial, although mitigating measures were also not sufficient for reducing the costs of coordination entailed by the design of the project. Finally, the difficulty of 'locking' in incremental steps into the Results Framework could have been better anticipated at design.

(b) Quality of Supervision
Rating: Moderately Satisfactory
68.   The Bank team provided continued and strong technical support during supervision, though a few aspects could have been improved. The Bank's ability to convene international expertise with respect to specific components was valued by the counterpart. Over Video Conferences and during missions, the Bank held technical discussions to facilitate advances towards project objectives. On the other hand, prior to the first restructuring implementation, problems were not always signaled in the ISR ratings (ratings were satisfactory). The team only downgraded the procurement rating to moderately satisfactory during implementation despite recurrent delays and cancellations in the initiation of the largest procurement processes. After the first restructuring, the ratings better reflected implementation problems, oscillating between MS, MU and S.

69.   The project also experienced turnover in TTLs – three TTLs during the life of the project. This turnover likely contributed to different approaches to supporting implementation. With more consistent attention, additional adjustments to the Results Framework could have been pursued during restructurings and more clarification and consensus on the measurement of indicators may have improved the tracking of results. Additional procurement support on the part of the Bank would also have helped to resolve issues faster.

(c) Justification of Rating for Overall Bank Performance
Rating: Moderately Satisfactory
70.   Overall Bank performance is considered to have been moderately satisfactory. At design, the risks to the project were well specified and the design of components reflected

a solid understanding of the reform trajectory. However, the calibration of activities and components to these high risks could have been better reflected in design, and selectivity in the results framework would have enabled more flexibility. During supervision, while the Bank team provided continued and strong technical support, there was evidence of a disconnect between the problems encountered and the assessment of implementation progress.

5.2 Borrower Performance

(a) Government Performance and Implementing Agency or Agencies Performance
Rating: Moderately Satisfactory
71.   Given the unique position of the CCO (the implementing agency) at the apex of government, government performance and implementing agency are considered indistinguishable for the purposes of this assessment. The government's political commitment was highly uneven over the course of the project. Frequent changes to the position of Chief of Cabinet had a detrimental effect on progress among all components of the project. Continuous changes in strategy and courses of action associated with high turnover undermined the pace and quality of implementing project activities.

72.   While this turnover at the political level had an impact on project performance, at the technical level counterparts were able to identify 'windows of opportunity' to push forward reforms and maintain momentum, even if it entailed shifting course**.** The institutionalization of the project within the CCO, solid management of the PIU, and a willingness of the borrower to make adjustments, enabled the project to continuously adapt to these changes and maintain relevance. At the end of the first project, an important institutional advancement was the creation of the State Modernization Project Directorate in 2005 housed under the Chief of Cabinet Office. It was responsible for coordinating the implementation of state modernization efforts, and the PIU was fully integrated within the Directorate for most of the project's duration. In 2013, it was transferred to the Sub-secretariat for Management and Public Employment.

73.   In general, the PIU comprised a reasonably solid project management team. During implementation, the PIU did a good job of adjusting to the range of challenges encountered but did suffer from changes in staffing turnover, which reduced the efficiency of procurement processing toward the end of the project's lifetime. The PIU fulfilled its responsibilities, including monitoring project activities, keeping records of all procurement operations, ensuring compliance with Bank guidelines, monitoring compliance with legal covenants, maintaining records for all activities, preparing and submitting progress reports to the Bank, and closely collaborating with the preparation of this ICR. The permanency of some key PIU staff throughout the life of the project was an important factor ensuring a minimum level of continuity despite frequent changes in management and strategic direction.

(c) Justification of Rating for Overall Borrower Performance
Rating: Moderately Satisfactory

74. Overall performance of the Borrower is rated moderately satisfactory for the reasons described above.

6. Lessons Learned

75. ***A number of the lessons learned from the first operation remain relevant for the second (see Annex 11 for lessons from SMP I).[24]*** Principally, the importance of not underestimating the level of coordination required by cross-governmental tools, which not only engaged different CCO departments but multiple Ministries and Agencies across the national public administration. Piloting reforms, as demonstrated by the case of the ARN, is important to gauging likely implementation challenges. Moreover, similar to the first project, the process of altering the structure and functioning of the public administration is an arduous, long-term, and incremental process. A few common themes emerge from SMP I and II of relevance to similar projects involved in reforms to the center of government:

Frequent fluctuations in reform space

76. ***Engaging in reforms at the center of government entails acknowledging shifts in political priorities and reform space that will constrain implementation.*** The political support for the operation set the pace of implementation and many of the reforms pursued required a substantial investment of political capital in order to nudge Ministries and Agencies to adopt changes. These shifts in the goal post significantly affected project implementation.

77. ***Horizontal cross-agency reforms should be limited to only a few areas in environments of fluctuating political commitment.*** This operation touched on major reform areas – procurement, civil service, asset management, performance frameworks, etc. Such diffusion increased the costs of coordination and required substantial political leadership. For future operations, a more pragmatic design focused on a limited set of areas and acknowledging the incremental nature of such reforms may work better in environments with frequently changing political priorities.

Elevated coordination costs

78. ***The efforts entailed in coordination should not be underestimated in advancing horizontal reforms, particularly when not tied to incentive structures, such as financing).*** The implementation of horizontal tools increases the costs of coordination substantially. The number of Ministries and Agencies involved and the levels of staff that need to be engaged resulted in a complex coordination process. Moreover, without links to the budget or other types of incentives, engagement can be difficult. But once the costs of coordination and successful implementation are overcome, such reforms are difficult to reverse.

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[24] World Bank, *Implementation Completion and Results Report (IBRD-44230) on a loan to the Argentine Republic for the first State Modernization Project*, Report No. ICR0000778. June, 2008, Washington, D.C., pg. 38-40.

Flexibility of design and instrument

79.   ***To accompany such reforms, significant agility in the project's reform trajectory and implementation are needed to remain relevant to shifting priorities over time.*** There is a trade-off inherent in using a lending instrument to support modernization reforms which needs a solid project design up front to evaluate achievements, yet must be flexible and adaptable enough to shifts in reform trajectories. The design of the project recognized the incremental and gradual pace of reform, but these incremental steps were solidified in a results framework which was at times out of sync with government reform efforts, despite two restructurings. Moreover, to keep pace with the political changes likely would have required a minimum of five restructurings (to align with the political cycle and changes in management direction). This seems rather excessive for a TAL, and given this need, the choice of instrument should be more carefully considered in the future.

80.   ***The use of ICT in advancing reform progress is highly constrained by leadership and organizational factors.*** The work on the systems aspects – software and hardware – was not immune to the political changes and organizational factors. Large ICT investment in a context of shifting priorities and lacking a broadly accepted strategy is both difficult to manage and easy to reverse.   A number of the delays and difficulties in procurement processes, as well as the factors behind the uptake of some of the systems by Ministries and Agencies, can be traced back to these factors.

81.   ***Despite notable advances in the modernization of specific functions assigned to the Chief of Cabinet Office, particularly in relation to monitoring public sector performance and advancing the e-government agenda, there remains space to further build the technical capabilities to execute the broad range of functions assigned to the Cabinet Office.*** Further strengthening of critical oversight functions, such as human resource management and public procurement, will enable the CCO to facilitate the continued modernization of the national public administration and therefore better serve the government and citizens. This will further sustain and extend achievements begun under the state modernization I and II projects.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/implementing agencies
The Bank received comments from the Borrower, which are available in Annex 7. A number of comments were incorporated into the text. In addition, a number of contextual points were raised of broader relevance for center of government reforms and the role of the CCO.

(b) Cofinanciers
Not applicable.

(c) Other partners and stakeholders
Not applicable.

Annex 1. Project Costs and Financing

(a) Project Cost by Component (in USD Million equivalent)

Components	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)*	Percentage of Appraisal
Component 1 – Institutional strengthening of the CCO	8.4	6.98	83.1%
Component 2 – Strengthening key public sector management instruments	11.9	11.41	95.9%
Component 3 – Project management	1.7	3.83	225.3%
Unallocated funds	3.0		
Total Baseline Cost	25.00	22.22	88.8%
Physical Contingencies	0.00	0.00	0.00
Price Contingencies	0.00	0.00	0.00
Total Project Costs	25.00	22.22	88.9%
Front-end fee PPF	0.00	0.00	.00
Front-end fee IBRD	0.00	0.00	.00
Total Financing Required	25.00	22.22	

Source: Final Interim Financial Report (IFR), "2nd Informe Semestral 2014, Segundo Proyecto de Modernización del Estado BIRF-7449-AR, Periodo 01/07/2014 to 31/12/2014" published by the Presidencia de la Nación, Jefatura de Gabinete de Ministros, Secretaria de Gabinete Subsecretaria de Gestión y Empleo Público.

(b) Financing

Source of Funds	Type of Cofinancing	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
Borrower		5.00	4.3	86%
International Bank for Reconstruction and Development		20.00	18.4	92%

Annex 2. Outputs by Component

Subcomponent 1.1

Activity 1.1.1 Organizational Strengthening of CCO
- The Public Management Subsecretariat was raised to the rank of a Cabinet Secretariat. The ensuing process generated a series of adjustments in the organizational structure, mission and functions, as well as new activities.
- In 2014 a dashboard with ministry level goals and objectives was constructed involving 18 public agencies (204 objectives, 272 management goals, 15 Ministries, 2 State Secretariats, 1 decentralized agency and 1 autarchic organism)

Activity 1.1.2 Asset Management
- Registry of over 1 million square meters of public property accounting for 70% the buildings of the central government located in Buenos Aires. The registry included information on titling, management, use and status
- Implementation of 5 Asset Management courses through INAP's virtual platform (672 staff were enrolled/ 295 approved the course). The course was targeted at training staff with management responsibility.
- Continuous technical assistance through CCO for the analysis and improvement of the use of the premises and achievement of savings in the usage of utilities (power, water and sanitation)
- Organization of the first Energy Efficiency Workshop on the reasonable use of energy on public buildings.
- Elaboration of 2 best-practice handbooks on the management of physical assets.
- Creation of the Administration Agency of State Assets under the CCO, with competencies over asset registry and policy design on the management of central government buildings (www.bienesdelestado.gob.ar)

Activity 1.1.3 Strengthening of the Modernization of the State Strategy
Activity 1.1.4 Change Management
- Creation of an editorial fund with over 50 publications in the field of State Modernization.
- Over 50 staff and consultants from CCO headquarters participated in Congresses and workshops (CLAD, Argentine Public Administration Society, Argentine Political Analysis Society, among others)
- Participation in the Argentine Government Stand at the Buenos Aires International Book Fair 2008-2009 and 2010.
- Organization of workshops and seminaries on modernization and innovation of public administration at the national and sub-national level. Design and printing of information material for dissemination.
- Organization of international congresses on biometric security (2009 to 2012).
- Consultancy on the systematization of tools designed by the project and on comparative experiences with modernization of the State.
- Consultancy on the evaluation capabilities of the CCO.

Subcomponent 1.2

Activity 1.2.1 Information System for Monitoring and Evaluation
- Creation of the "Public Policy Evaluation Program" within the Cabinet and Administrative Coordination Secretariat of the CCO, which implements different initiatives with local funds and PRODEV resources from the IADB.
- Development and implementation of dashboards for monitoring and evaluating programs, objectives, and government goals (dashboards have been implemented in 18 jurisdictions)
- Development and maintenance of the following dashboards: 1) Parliament Information Dashboard (SIP); 2) Project Management Dashboard (SIG Projects) implemented in different units of the CCO, as well as a local version of SIG for municipal management.
- Training on the development of M&E indicators for 18 jurisdictions within the national public administration and over 30 municipalities across the country.
- Consultancy on SIG Goals with tools such as Business Intelligence for the incorporation of new functionalities and uses for the dashboard reports on Ministries objectives.

Activity 1.2.2 Results Based Management
- Development of strategic plans and process reengineering for 30 organizations of the national public administration.
- Objective and goal setting for 18 organizations for the CCO dashboard (2014 objectives and 272 Government goals).
- Pilot in the Authority for Nuclear Regulation (ARN) for the incorporation of strategic planning methodologies linked to budget and M&E, as well as career profiles and training.

Activity 1.2.3 DINAPPFE
- 40 annual technical assistance activities to various government organizations on the definition of their projects
- Monitoring of over 200 international loan operations through the implementation of a SISEG dashboard.

Subcomponent 1.3

Activity 1.3.1 Capacity and Knowledge Building
Activity 1.3.2 Policies for the Promotion and Support of Investment
- The project funded the update and improvement of the Investment Portal, as well as the tools it contains, including:
  - (a) Database of Productive Investment Project (BaPIP) - an on-line tool to facilitate the matching between potential investors and investment opportunities in Argentina. To this end, a consultancy was hired to support the preparation of 8 business plans (in 4 Provinces selected by the Ministry of Foreign Affairs) to be presented by the Argentine diplomatic missions abroad.
  - (b) The acquisition and implementation of customer relationship management software for the Service Center Service and Advice Center for the Promotion of Investment (DITIC).
  - (c) Design of the Argentina Investment Map, which complements the map developed by ITC/CCI/UNCTAC/OMC.

These tools were transferred in 2013 to the Subsecretary of Investment Development and Trade Promotion (SDIPC) under the Ministry of Foreign Affairs.

Subcomponent 2.1

Activity 2.1.1 Institutional Coordination-Security
- Acquisition of IT equipment to furnish the data center of the CCO
- National Program of Critical Information Infrastructure and Cybersecurity for the design and implementation of protocols to protect critical public administration infrastructure.

Activity 2.1.2 Institutional Coordination-Electronic Signature
- Development of an Electronic Signature program to expand its use in the national and sub-national administration. ONTI, within CCO, is the certifying authority.
- 76 national and sub-national entities use electronic signature and digital certificates.
- 14,000 digital certificates have been issued and are valid.
- Development and implementation of e-government initiatives through the services available at www.agendadigital.gob.ar

Activity 2.1.3 Coordination of the Development of a Digital Administration
- Development of the web portal and a back-office Procedures Guide with over 1400 procedures from 74 public administration agencies. So far the portal has received nearly 3.2 million of visits, and the satisfaction rate with the information provided reached 60% (by December 2014).
- Development of a mobile app containing the procedure guide.

Activity 2.1.4 Improvement of Service Delivery Channels
- Development of a "Cloud" for the provision IT services to national public administration agencies and the JGM in particular.
- An IT system for the management of digital files (EDAP) has been developed. Pilots have been conducted in two agencies and will be later replicated in the different ministries and agencies.
- As a pilot EDAP reengineered and digitized five procedures that citizens perform at SEDRONAR and INADI.

Subcomponent 2.2

Activity 2.2.1 Electronic Procurement and Strengthening of ONC
Activity 2.2.2 Quick Gains Approach
- 35,256 providers have been incorporated on SIPRO system
- Signature of Decree 893/2012, which stipulates new procurement methods and enables the use of the electronic platform for procurement management.
- Development of SECOP system, which was replaced by the AR COMPRA system to manage electronic procurement. The system is currently in production and fully operational in the CCO. A timeline for gradual implementation of the system on the remaining ministries has been prepared.

- Development of the website www.argentinacompra.gov.ar
- 42% of the Procurement Units publish their yearly procurement plans on AR COMPRA

Subcomponent 2.3

Activity 2.3.1 Rationalization of the Labor Regimes and Positions
- 9,400 position profiles have been defined (ID code for applications to open positions through the CONCURSAR system)
- Training to over 50 offices of human resources within the public administration on the management of applications to fill vacancies in SINEP

Activity 2.3.2 Improvement of Human Resources Management
- Decree 506/2009 stipulated the creation of a Central Information Registry for the national public sector, as well as protocols for electronic documentation. The Decree sets the foundation for the unification of the different registries used by Ministries.
- A pilot Central Registry (SINFO) was developed with staff from the Ministry of Social Development, covering roughly 4,000 personnel.
- Development and implementation of the CONCURSAR platform, which manages internal and external applications to SINEP positions and other technical and scientific grades of the national public administration.
- Development of the CONCURSAR system for the management of 5,000 vacant positions of the national public administration. 15 national public administration Ministries and Agencies are using the system. Four additional organizations are in the initial stages of implementation.
- Studies and surveys of satisfaction with the labor environment, retired population, equal treatment and career path.

Activity 2.3.3 Knowledge Dissemination and Training (INAP)
- Over 140,000 agents have been trained through INAP's e-learning platforms
- 50 courses have been offered with a satisfaction level higher than 80% according to an evaluation performed under this component.
- Certification and upkeep of the ISO 9001:2008 certificate to the training offered by INAP.
- ISO certification to Guideline N.-10 on the "Requisites for the training offices from the Public Administration". The guidelines define the provisions that the training offices from the public administration must comply with, and establish a quality management system, whose compliance can be verified either through self-assessment or by a third party assessment.
- 12 Agencies have committed themselves to the implementation of the Guideline in their training offices.
- Development of the website www.capacitar.gob.ar with news and online courses open for citizens.

Subcomponent 2.4

Activity 2.4.1 Citizen Charters

- 43 organizations have been incorporated to the Program. 38 national organizations currently have a Citizen Charter.
- Development of a Citizen Charters dashboard to monitor and evaluate commitments of each of the signed Charters.
- Development of quality standards for the services provided by the Program participating agencies
- Citizen Satisfaction Surveys were performed on a continuous basis and suggested a 70% citizen satisfaction.
- Technical assistance for the certification of processes under the ISO 9001:2008 norm in 10 national administration agencies

Activity 2.4.2 Access to Information
- A Cooperation Agreement between Mexico and Argentina was signed in 2008 on Access to Information.
- The Second Annual Meeting of Heads of Liaison Units and Heads of Access to Information was conducted. The event was attended by more than 160 public officials involved in the process of implementation and dissemination of the right of individuals to access information held by the public administration.

Annex 3. Economic and Financial Analysis

Areas of State Modernization	Programs/ Activities	Fiscal Impact/Efficiency Gains/Social Gains (based on Self-Reporting - Expected/Observed)
Organizational Strengthening of the CCO	Coordination of Assets Management	• The pilot on assets management implemented since 2010 in the main building of the CCO yielded an average of AR$327,000/year ($38,000 USD) in energy savings. • The estimation of potential savings in the energy bill if the pilot is replicated in all CCO buildings is up to AR$ 1.1 million/year and if rolled out to the all National Public Administration buildings, it escalates up to AR$12 million a year (for only the energy bill). • Efficiency gains from other assets management reforms (use of physical space and bathroom supplies)
Performance Management & Metrics	Results based management	• 7 agencies (National Institute of Cinema and Audiovisual Arts (INCAA), National Teacher's Library (BNM), Government of Tierra del Fuego, National Colony Dr. Montes de Oca of the Ministry of Health (CMDO), National Rehabilitation Center (SNR), Sub-secretariat of Employment of the Ministry of Labor, National Parks Directorate) have strategic planning processes that enable the application of a system of performance management contributing to a more efficient and effective use of financial resources.
	SISEG/Dashboards. M&E of ministerial goals.	• SISEG reports are used by the Ministry of Labor, the Nuclear Regulatory Agency, and the Sub-secretariat for Evaluation of Projects with External Financing and the Under-secretariat for Administrative Coordination was added for the preparation and presentation of their proposed budget. A greater focus on performance management and budgeting helps reorient public programs and projects toward greater efficiency by generating savings.
	M&E of ministerial goals	• 10 IT dashboard systems have been developed and are in use, which covers 18 Ministries with 204 objectives and 272 government goals (as of Dec. 2014) being monitored by both each Minister and the Chief of Cabinet. Better information available contributes to improved policy decision making and more efficient allocation of resources across sectors.
Institutional strengthening of investment promotion	Sector and cluster assessment, National Investment Map and capacity building in investors services	• The IPA successfully developed a methodology for systematic and comparable assessment of sectors and clusters, which was applied to seven priority sectors/clusters, enhancing the investment promotion agency capacity. • Support in the design of investment plans for private companies in 4 provinces. • The online database of investment projects (BaPIP, Banco de Proyectos de Inversion Productiva) is designed to facilitate the link between potential investors and a range of investment opportunities available within Argentina. This has resulted in

		reductions in time required for investors to find projects, and has help facilitate investment in Argentina.
E-Government	Digital signature	• 76 agencies are using digital signatures, contributing to efficiency gains from time-savings and processing moving towards an integrated, secure, and paperless administration. • 14,000 digital certificates issued and operational, allowing individuals (citizens and public servants of different ministries, agencies – including subnational government and Judicial Courts) to exchange information more rapidly and use less paper.
	National Portal ad Procedures Guide	• More and better information is available through the portal for citizens and businesses, contributing to reduced "searching" time, and more accurate information on processes (reducing errors in applications). • The Procedures Guide has over 1,400 procedures included in the system from 74 different Government agencies. At present the site has 3.2 million visits and a satisfaction rate which reached 60% in December 2014.

	EDAP	• The implementation of a digital file management system (EDAP) allows for the online provision of transactional services. The pilot implementation includes procedures filed in the CCO and five G-2-C transactional services from two agencies (the Agency Coordinating national policies against addictions (SEDRONAR) and National Institute Against Discrimination (INADI)):
		  o Discrimination Complaints
		  o Registration in the INADI Registry of Civil Society Organizations
		  o Registration for service providers of assistance for beneficiaries of individual subsidies
		  o Granting of tickets for inquires and guidance on addiction problems
		  o Granting the benefit of caregivers allowance

Procurement	Increase in the suppliers base	• The suppliers' base has doubled over the course of the project, with 35,256.00 registered suppliers and 725 firms participating in contract processes. More suppliers means more competition providing better product and prices for government and increased transparency of public management.
	Procurement system- AR COMPRA	• The development of AR COMPRA and its implementation in CCO (with a roll out plan for the entire NPA being developed) has laid the groundwork for important efficiency gains and lower prices and transaction costs for government procurement through increased competition, reduction in processing time, and streamlined procedures. • It also facilitates the ability of existing or new firms, especially small and medium-size enterprises that are not currently doing much business with the government, to successfully offer their goods and services, and eventually

		works, if the law is expanded to cover all aspects of procurement.
		• 42% of Procurement Units publish their annual procurement plans
Human Resources Management	Development of SINFO/BUPE	• 80% (67,000 registries out of a total of 85,000) of civilian central government personnel were incorporated in SINFO up to 2012, when the system was upgraded and renamed BUPE. The development and implementation of BUPE application allows visualizing information of public employees within the CCO. This results in improvements in data access and quality, as well as improved managerial oversight.
	CONCURSAR	• CONCURSAR is a system to apply for current "consursos" (competitive procedures to fill vacancies) in the national public administration. It has reduced the time that applicants must take to apply, reduced errors, increased the speed of the process, and made the process substantially more transparent from the point of view of an applicant.
	INAP	• 140,000 public servants have been trained through INAP's e-learning platforms. Such training may result in improvements in the effectiveness and efficiency of service delivery.
Quality management	Citizens Charter Program	• 43 agencies are incorporated into the Citizen Charter Program. Regularly performed surveys marked an average of 70 % level of satisfaction and understanding by citizens. The program has contributed to enhanced accountability of service delivery through improved quality management based on users' inputs. More efficient ways of providing services, as committed by public sector officials through the CCP, has helped to improved services provision.

Annex 4. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
Lending			
Alejandro Roger Solanot	Sr Financial Management Specialist	GGODR	
Alexandre Arrobbio	Practice Manager	GGODR	
Andres Mac Gaul	Sr Procurement Specialist	GGODR	
Christine de Mariz Rozeira	Consultant	AFTPE	
Edgardo Mosqueira Medina	Lead Public Sector Development Specialist	GGODR	
Eduardo Martin Urdapilleta	Consultant	LCSPF	
Efraim Jimenez	Consultant	LCSPS - HIS	
Enrique Fanta Ivanovic	Sr Public Sector Specialist	GGODR	
Fernando Rojas	Consultant	GGODR	
Frank Anthony Fariello	Lead Counsel	LEGOP	
Jose Maria Ghio	Consultant	LCSSO	
Kathrin A. Plangemann	Lead Public Sector Specialist	GGODR	TTL
Linn A. Hammergren	Consultant	GGODR	
Margarita Andrade	Consultant	LCSPE	
Nina-Christina Ohman	E T Consultant		
Reynaldo F. Pastor	Chief Counsel	LEGLE	
Roberto Adrian Senderowitsch	Program Manager	GGOGA	
Sandra X. Alborta	Program Assistant	GEDDR	
Santiago Scialabba	Program Assistant	LCC7C	
Silvina Alcayaga	Consultant	LCC7C	
William Reuben	Consultant	GSPDR	
Wolfgang K. C. Koehling	Senior Operations Officer	INTSC	
Xiomara A. Morel	Sr Financial Management Specialist	GGODR	
Supervision/ICR			
Adrienne Elizabeth Hathaway	Research Analyst	GGODR	
Ana Bellver Vazquez-Dodero	Sr Public Sector Specialist	GGODR	TTL
Ana Maria Grofsmacht	Senior Procurement Specialist	GGODR	
Andres Mac Gaul	Senior Procurement Specialist	GGODR	
Anibal Jorge Sotelo Maciel	Consultant	LCSPS - HIS	
Aranzazu Guillan-Montero	Consultant	GGODR	
Carmen Machicado	Operations Officer	GEEDR	
Cristian Quijada Torres	Private Sector Development Specialist	GTCDR	
Daniel Chalupowicz	Financial Management Specialist	GGODR	Financial Management

Daniel Jorge Arguindegui	Sr Procurement Specialist	GGODR	
David Santos Ruano	E T Consultant	GGODR	
Delia Beatriz Grisolia	Local Consultant ST	LCSFM - HIS	
Edgardo Mosqueira Medina	Lead Public Sector Development	GGODR	
Eduardo Martin Urdapilleta	Sr Financial Economist	LCSPF - HIS	
Efraim Jimenez	Consultant	GGODR	
Ezequiel Cambiasso	Consultant	LCSPT	
Giorgio Valentini	Country Manager	LCCHN	
Guillermo Jorge	Consultant	LCSOS	
Hauke Maas	Consultant	LCSPS	
Henry Forero Ramirez	Sr Public Sector Specialist	GGODR	TTL
Jeffrey James Rinne	Sr Public Sector Mgmt. Spec.	LCSPS - HIS	
Joanna Alexandra Watkins	Sr Public Sector Specialist	GGODR	ICR
Joao Nuno Vian Lanceiro da Veiga Malta	Practice Manager	GGODR	International procurement specialist
Jose Maria Ghio	Consultant	LCSSO	
Kathrin A. Plangemann	Lead Public Sector Specialist	GGODR	TTL
Magali Junowicz	HQ Consultant ST	GGODR	
Marcos Mendiburu	Senior Social Development Spec	GGOGA	
Margarita Andrade	Consultant	LCSPE	
Maria Cecilia Zanetta	Consultant	IEGPS	
Natalia Cecilia Bavio	Finance Analyst	CTRLN	
Nikolai Sviedrys	Consultant	GGODR	
Patricio Gutierrez Gonzalez	Consultant	LCSPS	
Roberto Martinez Nogueira	Consultant	LCSHH - HIS	
Rosa Ines Ospina	Consultant	LCSPS - HIS	
Sandra X. Alborta	Program Assistant	GEDDR	
Alejandro Roger Solanot	Sr Financial Management Specialist	GGODR	
William Reuben	Consultant	GSPDR	
Wolfgang K. C. Koehling	Sr Operations Officer	INTSC	
Zafer Mustafaoglu	Program Leader	LCC7C	

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	**USD Thousands (including travel and consultant costs)**
Lending		
FY07	37	198.16
FY08	0	-0.04
Total:	37	198.12
Supervision/ICR		

FY07	0	0.00
FY08	13.21	62.66
FY09	17.72	95.13
FY10	17.71	126.03
FY11	12.68	81.79
FY12	12.76	85.08
FY13	13.73	99.66
FY14	13.44	65.85
FY15	20.62	102.39
Total:	121.87	718.59

Annex 5. Beneficiary Survey Results

Not applicable.

Annex 6. Stakeholder Workshop Report and Results
Not applicable.

Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR

Preparación y diseño del proyecto

En relación a este punto, se concuerda con lo reportado por el Banco en el ICR.

Para la UCP el diseño del segundo préstamo fue ambicioso. En particular, en la combinación de productos, los impactos esperados y los tiempos estipulados para su desarrollo. La matriz de indicadores y metas a alcanzar en el tiempo del proyecto fue rígida. En algunos casos, faltó una adecuada cadena causal entre los indicadores centrales (PDO) y los intermedios. Esta mención cobra especial valor cuando se analiza la evaluación de los riesgos del proyecto (consideración total: elevado).

Implementación del proyecto

El Reporte del Banco capturó los principales progresos y dificultades de la implementación, así como también dio cuenta de las características del contexto político y económico argentino desde 2008 a la fecha. Se mencionan los cambios de Jefe de Gabinete como el principal factor explicativo de demoras en la toma de decisiones políticas que contribuyeron a demoras en la implementación del proyecto. Sin embargo estos no demandaron modificaciones en los equipos de línea de la UCP, ni en su funcionamiento. En cambio, los cambios de Coordinadores y de Gerente de Proyecto (TTL) del Banco tienen un impacto directo en la implementación del proyecto.

Asimismo, hace mención a productos generados a partir del proyecto que no estaban planteados originalmente en el PAD.

Sobre la experiencia de trabajo con la UCP / Jefatura de Gabinete

Entre las principales funciones de la Jefatura de Gabinete se encuentran las de actuar como Coordinador Interministerial para el cumplimiento de las políticas públicas y objetivos propuestos por el Gobierno, servir de enlace parlamentario entre el Poder Ejecutivo y el Legislativo, enviando al Congreso los proyectos de Ley de Ministerios y de Presupuesto Nacional y seguir la relación fiscal entre la Nación y las provincias. ,. Por la naturaleza de sus funciones la JGM tiene aceitados mecanismos de comunicación y coordinación con otros ministerios y un gran potencial reformador, ofreciendo la ventaja de que las reformas que allí se impriman tienen impacto directo en los demás organismos del Gobierno Nacional, así como en agencias federales. No obstante, estas mismas características hacen reflexionar sobre la necesidad de incorporar en los Proyectos de Modernización actividades e indicadores de resultados que ofrezcan una flexibilidad consistente con el rol de JGM de coordinador del Gobierno, sin restar impacto y calidad en los productos a obtener.

La JGM impulsa la provisión de servicios para mejorar la gestión administrativa de las agencias federales. Los costos de coordinación para llevar adelante estas acciones son elevados y, en ocasiones, exceden los tiempos estipulados del proyecto. Sin embargo, una vez que los productos son alcanzados y son apropiados por las agencias, la sustentabilidad está asegurada.

Sobre las revisiones del proyecto

Durante la implementación se llevaron a cabo:

- una reestructuración y extensión del proyecto (febrero 2011);
- una extensión del proyecto (julio 2013)

La reestructuración hubiera podido ser más provechosa si el Banco y la Unidad de Coordinación del Proyecto (UCP) hubieran acordado modificaciones más sustanciales en los indicadores y alcance de las actividades del proyecto. En relación a la última extensión hubiera sido deseable discutir acerca de la continuidad de algunos de los componentes e indicadores originales del PAD.

Sobre las adquisiciones

En relación a este punto, la UCP manifiesta su disconformidad con la valoración de "moderadamente insatisfactoria" en la gestión de los procedimientos de adquisiciones durante la implementación del proyecto.

En primer lugar, la UCP cumplió con los requerimientos del Banco en materia de adquisiciones y de ello dan cuenta las auditorías estatales (AGN), las auditorías financieras y de adquisiciones del Banco. En segundo lugar, la UCP acepta los retrasos en los envíos del Plan de adquisiciones que obedecieron a demoras en la habilitación de fuente presupuestaria (fuente externa) y al retraso en las definiciones políticas de las actividades a incorporar en los Planes Operativos Anuales. Por último, las demoras y cancelaciones en los procesos se han debido a reajustes en las definiciones políticas que exceden a la Unidad de Coordinación de Proyectos.

La UCP tuvo desencuentros con el Banco en relación al proceso para la adquisición de bienes informáticos mediante el proceso de Licitación Pública Internacional (LPI). A este respecto, el Banco desestimó la contratación por falta de tiempo para la recepción de los bienes por parte de los proveedores.

En relación a la consultoría para desarrollar el Expediente Digital de la Administración Pública (EDAP) mediante el Servicio Basado en la Calidad y el Costo (SBCC), la UCP acordó con el Banco el envío de los informes de consultoría para conocer los avances del proyecto, conforme el contrato suscripto. Además, se realizó una reunión con el proveedor

y la UCP para discutir los alcances del servicio, su sustentabilidad y posibilidad de aplicación en otros organismos[25].

Sobre la evaluación de productos

En líneas generales, la UCP acuerda con la evaluación de productos que realiza el reporte.

En relación al producto denominado "adquisiciones electrónicas", la UCP manifiesta que el sistema AR COMPRA suplanta y supera el sistema SECOP, dado que está diseñado con otra tecnología que permite incorporar el trámite de contratación de las adquisiciones en línea para toda la JGM. La instalación del AR COMPRA para el conjunto de la Administración Pública Nacional demanda un tiempo considerable, fundamentalmente, para el ajuste de los trámites y *workflows* de las distintas agencias públicas.

Sobre la performance del Banco

La UCP manifiesta que hubiera sido deseable contar con un mayor y mejor acompañamiento por parte del Banco, en particular, con el área de adquisiciones. Varios de los retrasos y comentarios que se mencionan en el reporte se hubieran solucionado con un asistente de proyecto emplazado en Argentina para canalizar las dudas y solucionar dificultades durante la implementación.

Sobre la performance del Gobierno

El compromiso del Gobierno con el cumplimiento de los estándares y el convenio de Préstamo ha sido permanente durante todo el proyecto. El Gobierno argentino destaca el rol de la Unidad Coordinadora de Proyectos en mantener el ritmo de actividades, la ejecución presupuestaria y el intercambio de información (reportes y misiones) con el Banco.

Reflexiones finales

El Proyecto de Modernización del Estado II deja enseñanzas tanto para el Banco como para el gobierno. Algunas reflexiones que deja la implementación del proyecto son:

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[25] Video conferencia 7 de mayo de 2015. Estuvieron presentes: Eduardo Thill, Subsecretario de Tecnologías de Gestión; Patricia Leone, Directora Alterna del Proyecto de Modernización; M. Carolina Podestá, Coordinadora Técnica del Proyecto. Lic. Fernanda Clancy, Directora de ONIG. Aníbal Carmona, Presidente UNITECH; Andrea Aquilane, Líder de Proyecto EDAP. Por el Banco Mundial: Henry Forero, Gerente del Proyecto de Modernización; Adrienne Hathaway, asistente de Proyecto y Joanna Watkins, evaluadora del Proyecto de Modernización.

. El Proyecto siguió los lineamientos en el Decreto 103/2001, Plan Nacional de Modernización. El Proyecto contribuyó a mantener en la agenda institucional la problemática de la modernización estatal. Asimismo, motorizó reformas en JGM que tienen el potencial de ser replicables en otras agencias del Estado. La JGM ya está trabajando en esta articulación.

. El contexto político marcó el ritmo de la implementación (en términos de cumplimiento de indicadores, articulación entre componentes, adquisiciones, ejecución presupuestaria, entre otros).

. Si bien la Argentina ha avanzado en materia de normativa relacionada con gestión pública y modernización, los cambios no son automáticos. La implementación de herramientas de tipo transversal / horizontal son las que requieren más tiempo y aumentan los costos de coordinación. Sin embargo, una vez logrados, son los más sostenibles.

. Es conveniente revisar en forma periódica el diseño de indicadores de productos y resultados. Para las próximas operaciones será aconsejable incluir diseños pragmáticos, metas más acotadas y adaptables al rol de coordinador de JGM. . Las propuestas de pilotos de intervención en agencias públicas más pequeñas (reformas verticales) disminuyen los costos de coordinación y permiten asegurar una mejor gestión y el logro del objetivo planificado.

Los equipos de SSPEFE/JGM y DNPOIC/MECON hacen hincapié en la necesidad de trabajar de manera conjunta y fluida con la UCP/JGM y el Banco sin grietas de comunicación a lo largo de todas las etapas de preparación y ejecución del Proyecto. Las acciones periódicas de monitoreo de un Proyecto hacen a su efectividad, ya que son clave para captar las necesidades que vayan surgiendo, de modo de mejorar la eficiencia del proceso de ejecución.

Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders
Not applicable.

Annex 9. List of Supporting Documents

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WORLD BANK, *Restructuring Paper on a Proposed Project Restructuring of State Modernization II Project Loan to the Argentine Republic,* Report No. 76380-AR, April 11, 2013, Washington, D.C.

WORLD BANK, *Strengthening World Bank Group Engagement on Governance and Anticorruption*, Report No. 39055, March 21, 2007. Washington, D.C.

List of External Interviews

National Authorities
Chief of Cabinet Office

Mónica Beatriz Zorrilla (ex Subsecretaria de Gestión y Empleo Público)
Sergio Blanco (former Undersecretary of Management Technologies SSTG, JGM)
Marta Patricia Leone (Directora Nacional Alterna PME)
Maria Carolina Podestá (Coordinadora Técnica PME)
Miguel Bilbao (Asesor UCP – JGM)
Victoria Martínez Suarez (ONC, JGM)
Marité Berdasco (Coordinator Management Assets Unit)
Andrea Castresana (consultant Management Assets Unit)
Graciela Dinardi (Coordinator SISEG Unit)
Fernanda Clancy (Directora Oficina Nacional de Innovación de Gestión ONIG, Subsecretaria de Gestión y Empleo Público, JGM)
Maria Eugenia Riveiro (Consultora Oficina Nacional de Innovación de Gestión, Subsecretaria de Gestión y Empleo Público, JGM)

Liliana González (Coordinadora de Actividades de Capacitación, Dirección del Sistema Nacional de Capacitación, INAP, Subsecretaria de Gestión y Empleo Público)
Mirta Verón (Coordinadora del Sistema Información de Empleo Público, ONEP)
Cristina Cosaka (Directora para el Fortalecimiento de la Gestión de Personal, ONEP)
Verónica Esmoris (Coordinadora de la Subsecretaria para la Reforma Institucional y Fortalecimiento de la Democracia)

Other authorities

Christian Asinelli (former Director Nacional Alterno BIRF 4423 AR)
Leandro Gorgal (former consultant BIRF 4423 AR)

Annex 10. Achievement of Objectives Analysis

Type of Evidence/ Indicator	PDO Level Results Indicators[26] (Objective to which they correspond)	Target	Final Value	Level of Achievement
Objective 1: Strengthening the capacity of the CCO to carry out its mandate (sub-components: organizational strengthening of CCO; monitoring and evaluation capabilities)				
Organizational strengthening of CCO – Achieved				
PDO Indicator	CCO functional and organizational assessment done, agreed upon, and consensus for its partial implementation generated. *(unchanged)*	Operational guidelines harmonized and synchronized among functional areas of CCO	The tasks associated with the integrated functional assessment were finalized and the indicator was deemed to have been completed based on the current context in the 2010 mid-term review.	Achieved.
Intermediate Indicator	Communication strategies defined; communication plans adopted; and communication tools, mechanisms used regularly	Communicational plans adopted (16 months) and used regularly (22 months)	This indicator was taken as achieved in the 2010 midterm review, with communication mechanisms used regularly. Communication strategy based on successful experience from prior years.	Achieved.
Intermediate Indicator	Participation mechanisms have been established and used regularly	Used regularly	Participation mechanisms used regularly.	Achieved.

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[26] In italics if PDO indicator was revised during the 2011 restructuring.

Intermediate Indicator	Development, implementation and impact of the assets management module	Efficiency gains measured as a percentage of institutional budget savings or surplus achieved by virtue of the application of Assets Module management of public assets, Percentage of target efficiency savings to be established by Working Group.	Inventory of public sector physical assets institutions completed. Other principle actions include: technical assistance for the renovation of the Public Management building and elaboration of a manual of good practices in physical asset management.	Achieved.
Supplemental Evidence	*Staffing the functions of the CCO by permanent staff, rather than consultants.* As mentioned previously, there was a significant reduction in the number of consultants being financed through the project and a transfer of skills to government funded positions. From 177 consultants in 2008 to 55 consultants at the end of 2014. *Institutionalization of key functions and units within the architecture of the public sector.* Examples include the Public Management Subsecretariat was raised to the rank of a Cabinet Secretariat and the assets management function of CCO was formalized with the creation of the Administration Agency of State Assets under the CCO, with competencies over asset registry and policy design on the management of central government buildings. A "Public Policy Evaluation Program" was also established within the Cabinet and Administrative Coordination Secretariat of the CCO. *Strengthening of the regulatory framework underpinning the CCO's mandate.* A number of decrees and regulations related to modernizing the public administration have also helped to institutionalize the CCO's role within the National Public Administration (a full list is included in Annex 9).			
Monitoring and Evaluation – Achieved				
PDO Indicator	Percentage of budget associated to government key government priority programs that has been formulated, implemented, and monitored on the basis of the new M&E system in the CCO. *Revised: The SISEG reports are taken into account during the budget process of the agencies monitored.*	The proposed budget of at least four agencies cite as one of their sources the SISEG report	SISEG reports are used by the Ministry of Labor, the Nuclear Regulatory Agency, and the Subsecretariat for Evaluation of Projects with External Financing. In 2013, the Secretariat of the Cabinet and Administrative Coordination was added.	Achieved.

Intermediate Indicator	The jurisdictional module of the SIG and the module to follow up the Congress Agenda are installed and operational.	Includes all programs of six ministries or agencies.	SIG Metas is now installed in 18 jurisdictions and functioning in a continuous and systematic manner, applied at the central level of the jurisdiction.	Achieved.
Intermediate Indicator	Ad hoc reports are prepared by SISEG for each budget reallocation of JGM when they affect the budget appropriations of the agencies that are being monitored.	Reports are prepared by SISEG for each budget reallocation of JGM when they affect the budget appropriations of the agencies that are being monitored	Each semester, a report evaluating the achievement of goals (which include budget information) in the 18 jurisdictions is prepared and available to the Secretariat of the Cabinet and Administrative Coordination	Achieved.
Intermediate Indicator	Institutional performance indicators of the agencies that represent 50% of public expenditure in the National Public Administration, incorporated into the M&E system and monitored	50%	The ministerial goals dashboard is implemented in 18 national jurisdictions (representing 75% of the budget), and functions in a continuous and systematic manner. The dashboard has information of assigned and executed budgets.	Achieved.
Intermediate Indicator	Ministries with strategic planning processes that enable the application of a system of results-based management	6	6. Agencies are SNR, INCAA, Parques Nacionales (National Directorate for Protection of Protected Areas), Colonia Montes de Oca (Ministry of Health) Prov. Tierra del Fuego, and BNM.	Achieved.
Objective 2: Contributes to the design and promotion of the use of key public sector management tools (organized around sub-components/tools)				
E-Gov – Achieved				
PDO Indicator	The four e-government plans, interoperability, enterprise architecture, security, and m&e for e-government, are finalized and implemented in 40 agencies. *Revised: The E-Government Services Platform provides services*	6 G2C services implemented and operational. 10 new agencies are implementing the plans with activities such as digital certificates and digital signatures	• 5 G2C transactional services are available with the implementation of EDAP • 76 agencies are using digital signatures. • 14,000 digital certificates have been issued	Almost achieved. High

	such as, interoperability, data and security standards and digital certificates and signature.			
Intermediate Indicator	A plan and model for citizen-centric single-window portal and the portal for proceedings finalized, visits to portals and % increase in satisfaction rates of users, as measured by satisfaction survey	Pilots are expanded and assessed to design the final plan 1,00,000 visits per year, 5% increase in their satisfaction rates	In 2014, the portal received 3,202,386 visits. Satisfaction rates through the portal are 61.27%. Currently, there are 1,364 processes published in the System.	Achieved.
Intermediate Indicator	A security data center for small agencies is implemented and 15 agencies are now using the center as the main data center for critical systems.	Center is fully operational and it is evaluated	The new data center for government is fully operational. It provides the following services to 74 organizations: email, archiving, connectivity, active directory, hosting of sites and applications, and name resolution.	Achieved.
Intermediate Indicator	The E-government Unified Services Platform implemented and in operation	Platform in operation	Platform is installed and operational (Subsecretariat of Management Technologies, SSTG).	Achieved.
Supplemental Evidence	• 76 agencies are using digital signatures, contributing to efficiency gains from time-savings and processing, and 14,000 digital certificates have been issued, allowing individuals (citizens and public servants, including subnational government and Judicial Courts) to exchange information more rapidly.			
Procurement – Partially achieved				
PDO Indicator	Percentage increase in new bidders. *Revised: Increase in the base of suppliers and number of supplier participating in procurement processes.*	30000.00	The base of suppliers is 35,256.00. 725 participated in contract processes.	Achieved.

Intermediate Indicator	SECOP used by all national administration	100%	70%. This indicator is expected to be met with the development of new modules in AR. COMPRA and national legislation, which will allow for increased purchases through electronic means.	Partially Achieved (low).
Intermediate Indicator	Procurement plans advertised publicly annually	100%	30%.	Partially Achieved (low).
Supplemental Evidence	Initial steps to expand the use of a single procurement portal (AR COMPRAS) to a number of government procuring entities has laid the foundation for future efficiency gains and reductions in transaction costs for government procurement.			

Human Resource Management - Partially Achieved

PDO Indicator	Percentage of civilian central government personnel incorporated in SINFO; personnel data identically appear in both the SINFO and LUPI (*Legajo Único de Personal Informatizado)* systems. *Revised: Percentage of civilian central government personnel incorporated in SINFO ensuring that information is updated automatically; personnel data that appear in both the SINFO and LUPI systems are consistent.*	90.00	80.00.	Partially Achieved (low).

Intermediate Indicator	Percentage of technical and professional staff in ONEP and the personnel offices in ministries and agencies trained in new technologies and employment regimes	85%	70%. Continuing to provide technical assistance to the staffing directorates as needed. As of December 2014, technical assistance had been provided to 20 entities.	Partially achieved (high).
Intermediate Indicator	Percentage of federal government staff trained through the PROCAE.	30% (60.000 employees)	More than 60% (136,706 employees trained).	Achieved.
Intermediate Indicator	Quality management of INAP training, certified by ISO norms	Accreditation by INAP of third parties training programs based on quality standards of ISO norms	INAP (and its trainings) has been certified by ISO norms. In October 2014, the processes associated with the Quality Management System were recertified. Between August 2013 and October 2014, technical assistance was developed in the Internal Auditing Unit of JGM. In March 2014, the elaboration of various documents (including quality policy, specific procedures for planning processes, corrective actions, among others) was completed and are now being revised for approval and entry into effect.	Achieved.
Supplemental Evidence	15 national public administration organizations are using CONCURSAR, a system to apply for competitive vacancies within the national public administration. With this system applicants require less time to apply and the process is substantially more transparent. 9,400 position profiles have been defined (ID code for applications to open positions through the CONCURSAR system) - Training to over 50 offices of human resources within the public administration on the management of applications to fill vacancies in SINEP			
Quality Management (Citizen Charters & Access to Information) - partially achieved.				
PDO Indicator	Satisfaction rates on service delivery, measured by independent evaluations, users,	90.00	70.00. Partially achieved.	Partially achieved (high).

	and citizens surveys. *Revised: Satisfaction rate on services provided by agencies subscribing to the Citizens' Charter Program (as measured by annual percentage increases in selected agencies satisfaction indices)*			
PDO Indicator	Number of FOI requests submitted by electronic means (INFO.AR) [out of the total number of requests per year] (*unchanged but with measurement clarification*)	70%	Reforms moved in a different direction than originally envisioned. Rather than automating the process of receiving requests, by 2012, reforms shifted to developing a monitoring system to gather information on access to information requests, and pro-active transparency through the publishing of information online for citizen awareness via different websites (ArgentinaComparte, Internet Sano, Argentina.gob.ar, etc.)	Not achieved.
Intermediate Indicator	Percent increase of users understanding quality standards, goal, and indicators adopted by CCP agencies measured through annual surveys	70%	75%	Achieved.
Investment Promotion - Achieved.				
Intermediate Indicator	The IPA has developed and implemented a methodology for a systematic and comparable assessment of sectors and clusters	7 (cumulative) sector/cluster assessment undertaken	Development of the methodology had been carried out, and applied to 7 priority sectors/clusters (agroindustry in sheep, goat and pork meat, berries and berry products, and dairy products; auto part manufacturing; agricultural machinery manufacturing; manufacturing of machinery for general use; chemical and petrochemical manufacturing;	Achieved.

			tradeable IT and software services; and tradeable outsourcing of professional services).	
Intermediate Indicator	Number of domestic businesses reached by the innovation strategy	20 businesses	This indicator was noted to have been achieved in the mid-term review undertaken in 2010. At that point, the strategy for strengthening local businesses' capacities, reflected in Programa Pioneros, already included 20 businesses.	Achieved.

Annex 11. State Modernization Project I Results and Lessons

Summary of ICR Ratings for the Third Amendment of the Project (December 14, 2005)

PDO: The objective of the Project was to implement the Borrower's strategy to strengthen public sector management tools to improve transparency, and civil society participation as well as increase the efficiency and quality of management in selected areas of public services.

ICR Ratings for the Third Amendment of the PDO	
Quality at Entry	Moderately Satisfactory
Achievement of PDO Third Amendment	Moderately Satisfactory
Component E: Creation of a New Public Management Model: • Management by Results and Citizens' Charter Programs • Human Resources Management • Training • E-Government • Administrative Procedures • Procurement	Moderately Satisfactory Partially Achieved Partially Achieved Partially Achieved Achieved Achieved Partially Achieved

Relevant lessons of general application from SMP I:

*"**The objective of state modernization**: State modernization is not an objective in itself but a means to help the state to carry out its functions, primarily in service delivery and facilitation of private sector development. It is, therefore, important to combine state modernization efforts aiming at improving the inner workings of the state with efforts to improve areas that are also relevant to individual citizens and businesses, such as enhanced provision of services and actions aimed at private sector development and investment promotion. Likewise, it is important to balance fiscal and qualitative impacts.

The pace of reform: The process of altering the structure and functioning of the public administration to ultimately increase the efficacy, efficiency, and transparency of the state is, by nature, an arduous and long-term process. In this context, it is important to fully capitalize on windows of opportunity for drastic change and to "keep going" during periods when only incremental and gradual change is feasible. As demonstrated by Argentina's experience since the crisis, public sector modernization can also be tackled gradually, in strategically chosen areas that build upon and scale up early results. This implies an incremental approach that envisages public sector modernization as a series of carefully sequenced and targeted series of steps, seizing windows of opportunity in those areas where government ownership is high.

The importance of being strategic: Although, as discussed above, this operation has demonstrated the merits of supporting gradual, incremental state modernization efforts, it also calls attention to the need to be strategic, focusing resources on those areas with the greatest potential impact. Otherwise, there is the danger of dissipating efforts and making the implementation process overly complex.

Legislation is not enough: The experience under this operation indicates that the existence and even passage of enabling legal and institutional frameworks does not ensure actual state modernization. Although Decree 103/2001 provided a solid foundation to much needed public sector reforms, it was unable to overcome the resistance and intrinsic difficulties of implementing them. Only after the 2001 crisis drastically changed the system of incentives due to, among other factors, the severity of fiscal conditions, it became possible to move forward on the arduous and long path of state modernization.

Balancing "vertical" and "horizontal" reforms: The successful reforms of ANSES and AFIP indicate that reform-minded leadership is a condition *sine qua non* for the implementation of "vertical" reforms that profoundly transform individual agencies. However, there is also a need for "horizontal" reforms with a cross-cutting impact throughout the public sector. There are areas of public sector modernization that specifically call for horizontal reforms, including: a) the modernization of government-wide systems, like financial administration, procurement, and human resources management; b) when there is a need to establish "rules of the games" to guide the efforts of individual agencies to ultimately minimize inefficiencies and maximize synergies, such as in the case e-government; and c) the development of management tools that can be applied by individual agencies across the public sector to ultimately capitalize on the potential for horizontal fertilization and economies of scale.

Entry-points for state modernization: It is important to identify and expand "entry points" to build up consensus for broader reform. As shown by this operation, such consensus can be increased through the combination of both "supply-side" reforms, such as institutional and capacity strengthening, and "demand-induced" reforms, through engagement with civil society and the private sector. Likewise, entry-points for state modernization do not necessarily have to be of a fiscal nature, and can be more oriented towards improved service-delivery, greater trust in government and other areas.

Capitalize on the potential of ICT tools: Information and communication technology (ICT) can effectively improve public management, service delivery, as well as enhance effectiveness of poverty reduction programs and tax evasion.

Project-specific lessons

Pragmatic client engagement: As illustrated by this operation, it can be very challenging to strike a balance between what is technically best and what is politically feasible. To maintain and deepen client engagement, the Bank may agree to technically less ambitious but politically more feasible interventions with the understanding that such a pragmatic approach can impact closely the policy dialogue over the short and long term. One of the trade-offs here might also be a greater focus on outputs than on outcomes in light of the existing government commitment on new areas, rather than not supporting certain areas at all.

Trade-offs typical of public sector TALs: As illustrated by this operation, public sector technical assistance operations are often confronted with a trade-off between, on the one hand, ensuring a solid project design that allows for clear *ex-post* evaluation (standard project paradigm) and the desire, on the other hand, to stay closely engaged with the client as the state modernization agenda evolves, as it often does, in a non-linear, stop-and-go manner. Privileging the latter almost inevitably leads to a complex end-product that is not well suited for traditional ex-post evaluation. While there is no simple answer to this tradeoff, it is important to take into account when evaluating the impact of operations of these characteristics.

Modernization of subnational governments: This operation has demonstrated alternative ways to transfer the institutional and technical know-how developed at the national level. It has done so through direct institutional support but also by demonstration, as illustrated by the voluntary adoption of national standards and legislation by provincial governments.

Proactive Client Engagement: Engagement rather than disengagement can often be more effective in producing the desired changes. As shown by the ongoing project, demand for the greater reforms can be induced by pro-active engagement, such as by sharing international practices and fostering continuous dialogue among stakeholders on key issues, helping build coalitions of change.

Coordination is vital: The substantial achievements in the area of e-government have been possible to the cooperation and coordination exhibited by ONTI and SINTyS. In particular, the SINTyS' infrastructure platform responds to ONTI's E-Government plan and the corresponding interoperability and security frameworks. In addition, ONTI and SINTyS have collaborated in the development of data standards, as this is an area in which their responsibilities overlap.[27]"

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[27] World Bank, *Implementation Completion and Results Report (IBRD-44230) on a loan to the Argentine Republic for the first State Modernization Project*, Report No. ICR0000778. June, 2008, Washington, D.C.

Annex 12: SIG Metas

Figure 1: Process for developing Ministerial Goals

Figure 2: Example of Ministry of Interior and Transport Goals for 2014

Ministerio del Interior y Transporte. INFORME EJECUTIVO

Metas Destacadas

Meta anual	Valor esperado PRIMER SEMESTRE	Valor obtenido PRIMER SEMESTRE	Porcentaje de cumplimiento
831 unidades cero kilómetro incorporadas a las líneas AMBA y para larga distancia.	579	579	100%
Vías de Retiro a José León Suárez de la Línea Mitre Renovadas	Renovar el 20%	Se renovó el 20%	100%
275.000 trámites realizados, de Residencias de Extranjeros, Temporarias o Permanentes, en forma digital en la Dirección Nacional de Migraciones	131.897	121.893	92%
100% de la población con nuevo DNI (Meta Anual: emitir 13.000.000 de DNI digitales solicitados por primera vez, para completar la meta de 41.000.000 de habitantes con Nuevo DNI)	3.500.000	2.760.103	79%

Source: Presidencia de la Nación, Jefatura de Gabinete. "Objetivos y Metas: Planificación estratégica." Parte 1 y Parte 2 informe metas destacadas primer semestre 2014. Accessed from: http://www.jefatura.gob.ar/multimedia/files/info_publica/Parte%201%20OME%202014%201er%20Semestre.pdf

Annex 13: Changes in Costs of Subcomponents

Component	Sub-Component	PAD	Restructuring 1*	End (Dec 2014)
Component 1 – Institutional strengthening of the CCO	Subcomp. 1: Organizational Strengthening of the CCO	2.2	2.2	2.7
	Subcomp. 2: Strengthening monitoring and evaluation	3.7	2.5	2.5
	Subcomp. 3: Institutional strengthening of investment promotion	0.8	0.9	0.4
Totals Component 1		*6.7*	*5.6*	*5.6*
Component 2 – Strengthening key public sector management instruments	Subcomp. 1: E-Government	3.8	4.7	4.0
	Subcomp. 2: Procurement	2.0	1.3	1.3
	Subcomp. 3: Human Resource Management	2.0	1.8	1.8
	Subcomp. 4: Quality Mgmt & Access to Information	1.7	1.7	2.0
Totals Component 2		*9.5*	*9.4*	*9.0*
Project Management		1.7	2.9	3.3
Unallocated*		2.1	2.1	0.0
PROJECT TOTAL		**20.0**	**20.0**	**17.9**

* Unallocated funds were reallocated in the Second Restructuring but by expenditure category, not by component
Sources: PAD, Jefatura de Gabinete de Ministros, "Estado de Fuentes y Usos de Fondos por Componente al 31 de diciembre de 2014."

MAP