

**Implementation Status & Results  
Armenia**

**Improving Fiscal Management and Tax Compliance Capacity in the Government of Armenia (P120122)**

Operation Name: Improving Fiscal Management and Tax Compliance Capacity in the Government of Armenia (P120122) Project Stage: Implementation Seq.No: 2 Status: ARCHIVED Archive Date: 06-Aug-2012

Country: Armenia Approval FY: 2010  
 Product Line: Institutional Development Fund Region: EUROPE AND CENTRAL ASIA Lending Instrument:  
 Implementing Agency(ies): Foreign Financing Projects Management Center (FFPMC)

**Key Dates**

Board Approval Date	08-Feb-2010	Original Closing Date	30-Aug-2013	Planned Mid Term Review Date	09-Jul-2012	Last Archived ISR Date	20-Jun-2011
Effectiveness Date	31-Aug-2010	Revised Closing Date	30-Aug-2013	Actual Mid Term Review Date			

**Project Development Objectives**

Project Development Objective (from IDF Proposal)

**The development objective of this grant is to strengthen the fiscal management of the Government of Armenia by improving the capacity of the the Ministry of Finance and the tax administration to manage tax compliance and macroeconomic and fiscal analysis and planning. Management of tax compliance is proposed to be strengthened through the introduction and institutionalization of risk-based audit selection and the development of skills for high quality tax audit of complicated cases, based on transfer of knowledge from international expertise. Management of fiscal planning and analysis is proposed to be achieved through enhancement of macro-fiscal planning, forecasting, and analytic capacities in the Ministry of Finance.**

Has the Project Development Objective been changed since Board Approval of the Project?

Yes  No

**Component(s)**

Component Name	Component Cost
Tax Compliance component	0.00
Macro-fiscal Management component	0.00

**Overall Ratings**

	Previous Rating	Current Rating
Progress towards achievement of PDO	Moderately Satisfactory	Moderately Satisfactory
Overall Implementation Progress (IP)	Moderately Satisfactory	Moderately Satisfactory
Overall Risk Rating		Moderate

**Implementation Status Overview**

The counterpart made a good progress in advancing the implementation of all components of the grant. As of June, 2012, about 4 percent of all activities are completed, 32 percent

are either currently under implementation or at a contract signing stage, 15 percent of tasks - in the process of selecting consultants and for 32 percent of activities terms of references are in the drafting process.

**Locations**

No Location data has been entered

**Results**

**Indicators**

Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
1. Increase the amount of tax adjustments collected as a result of risk-based audits in selected sectors	<input type="checkbox"/>	Text	Value	currently audits result in very small size of tax adjustments (less than 1 percent of current tax collections)	no progress yet	increase the efficiency of tax adjustments by 3 times
			Date	01-Jan-2011	26-Jun-2012	01-Jul-2013
			Comments		the SRC is in the process of learning new techniques of risk-based tax audit. Results will materialize after adjusting tax audit practices in line with risk based international practices	
2. Increasing the rate of automated selection of tax audit cases for selected sectors supported by the Grant;	<input type="checkbox"/>	Text	Value	the current system is heavily reliant on total audit practice	there is a progress but not actual results yet	30 percent of audits to be conducted applying the risk-based selective approach
			Date	01-Jan-2011	22-Jun-2011	01-Jul-2013
			Comments		axiomatization of the selection process for tax audits will require investment in the SRC IT infrastructure. This is an on-going project funded by other sources	
3. Preparation of high quality macro-fiscal reports at key junctures in the annual and multi-year budget processes	<input type="checkbox"/>	Text	Value	it is a challenge for the staff at Macro department of the MoF to apply advanced macro-fiscal forecasting tools to assist the budget preparatio process	work in progress results expected to be seen during 2014 budget process	10 staff members of MoF trained in advanced techniques in macro-fiscal forecasting tools, able to recommend and conduct analysis
			Date	01-Jan-2011	26-Jun-2012	15-Aug-2013
			Comments		it is expected that the international consultancy will result in capacity building and	

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improved quality of macro-fiscal reports produced in MoF

**Data on Financial Performance (as of 27-Dec-2011)**

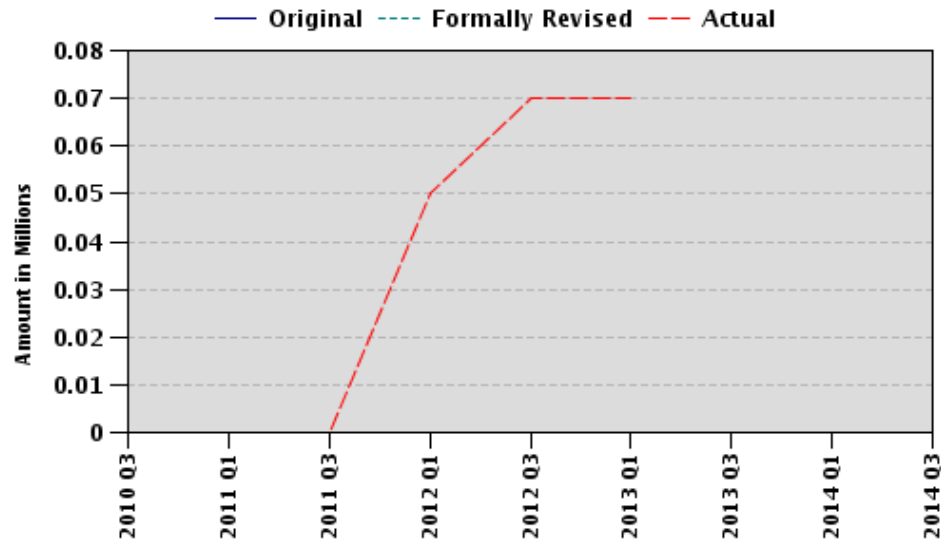
**Financial Agreement(s) Key Dates**

Project	Ln/Cr/Tf	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P120122	TF-96224	Effective	30-Jun-2010	26-Jul-2010	31-Aug-2010	30-Aug-2013	30-Aug-2013

**Disbursements**

Project	Ln/Cr/Tf	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P120122	TF-96224	Effective	USD	0.50	0.50	0.00	0.07	0.43	14.00

**Disbursement Graph**



**Key Decisions Regarding Implementation**

Acceleration of the project implementation speed

**Restructuring History**

There has been no restructuring to date.

**Related Projects**

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There are no related projects.

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