



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
MODERNIZATION OF PUBLIC FINANCE MANAGEMENT
APPROVED ON APRIL 2, 2014
TO
THE REPUBLIC OF THE UNION OF MYANMAR

GOVERNANCE

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ABBREVIATIONS AND ACRONYMS

AGO	Auditor General Office
ASYCUDA	Automated System for Customs Data
BETF	Bank Executed Trust Fund
CBS	Core Banking System
FCV	Fragility, Conflict and Violence
IDA	International Development Association
ICT	Information and Communications Technology
IPF	Investment Project Financing
IRD	Internal Revenue Department
IT	Information Technology
ITAS	Integrated Tax Administration System
JPAC	Joint Public Accounts Committee
LOT	Large Taxpayer Office
MDTF	Multi-Donor Trust Fund
MEB	Myanmar Economic Bank
MoPF	Ministry of Planning and Finance
MPFMP	Myanmar Modernization of Public Finance Management Project
MTO	Medium Taxpayer Office
MSDP	Myanmar Sustainable Development Plan
PAD	Project Appraisal Document
PDO	Project Development Objectives
PFM	Public Financial Management
RETF	Recipient Executed Trust Fund
WB	World Bank



BASIC DATA

Product Information

Project ID P144952	Financing Instrument Investment Project Financing
Original EA Category Not Required (C)	Current EA Category Not Required (C)
Approval Date 02-Apr-2014	Current Closing Date 30-Sep-2019

Organizations

Borrower Ministry of Planning and Finance (MOPF)	Responsible Agency Office of the Auditor General of the Union,Myanma Economic Bank (MEB),Joint Public Accounts Committee
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Project Development Objective (PDO)

Original PDO

The development objective of the project is to support efficient, accountable and responsive delivery of public services through the modernization of Myanmar’s PFM systems and strengthening institutional capacity.

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IDA-54020	02-Apr-2014	04-Sep-2014	09-Oct-2014	30-Sep-2019	30.00	20.00	7.28
TF-17910	04-Sep-2014	04-Sep-2014	09-Oct-2014	30-Sep-2019	20.00	13.33	6.67

Policy Waiver(s)

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

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1. The Myanmar Modernization of Public Financial Management Project (MPFMP) is an Investment Project Financing (IPF) that was approved on April 2, 2014 and became effective on October 1, 2014, representing one of the first projects to be operationalized after the World Bank Group resumed its engagement in Myanmar. It is an IDA financed project with co-financing by the Myanmar Partnership Multi-Donor Trust Fund (MDTF). The original project amount appraised at US\$55 million. However, the financing amount of the Grant Agreement signed on September 4, 2014 was US\$5 million less than originally expected, making total of US\$50 million available to the project. It is comprised of an IDA allocation of US\$30m and a Recipient Executed Trust Fund (RETF) allocation up to US\$20m. Considering the exchange rate losses the actual total project amount is US\$47.4 million.

2. The project design reflects the Government's updated Public Financial Management (PFM) Reform Strategy (2019-2022), itself informed by the governance priorities in the Myanmar Sustainable Development Plan (MSDP) (2018-2030). The PFM reform strategy foresees a phased modernization of the PFM legal and regulatory framework, systems and practices to support Myanmar's socio-economic development objective and public service delivery. Considering the scope and medium-term nature of such reforms, the authorities have taken an appropriately phased approach. The first phase aimed at establishing the legal and regulatory foundations and basic systems for fiduciary management and to enhance the civil service's ICT and English knowledge notably. The second phase of PFM reform continued the modernization of the legal and regulatory framework and information systems in line with international standards and good practices. It introduced an increased focus on macro-fiscal stability and tax policy and administration reforms to create the fiscal space needed for Myanmar's development. The third phase of the PFM strategy is focused on the consolidation of the initiated PFM reforms while enhancing the allocative and operational efficiency of spending and the quality of corresponding public services. Thus, a greater focus on public investment management, public procurement reform and public financial management in key public services such as health and education.

3. This project supports mainly the two first phases of the PFM reform strategy while laying the foundations for phase 3 through advisory and analytical work, supported by the Bank Executed Trust Fund. The project follows an integrated approach, by supporting the modernization of the legal and regulatory framework for PFM, core IT systems for revenue management and treasury management/ payments, as well as capacity building and the strengthening of key accountability institutions such as the Auditor General's office and the Parliament's Public Accounts Committee. The project comprises five components supporting the core PFM functions, namely tax administration, budgeting, budget execution, external controls and capacity building. Anchored on the Government's reform strategy, the project benefits from a strong ownership and commitment from the senior management team of the Ministry of Planning and Finance (MoPF). The project director is the Vice Minister for Finance (MoPF) and the Executive Reform Team, comprised of the Director Generals and head of agencies acts as the project steering committee. Likewise, the Project management unit is essentially comprised of public officials; thus, strengthening the case for project impact and sustainability.



4. Despite a slow start and a challenging FCV context, the project has made steady progress towards the achievement of the Project Development Objective (PDO), that is to support efficient, accountable and responsive delivery of public services through the modernization of Myanmar's PFM systems and the strengthening of institutional capacity. To date, the project has achieved seven of the eleven Results Framework indicators. Four result indicators have not yet been achieved and will require additional attention and fine tuning. They relate to (i) the ambitious and high-level objective to increase of the Tax to GDP ratio from 6.2% to 10%, which goes beyond the scope of the project, (ii) to the publication of the EITI report on revenues from natural resources, which is not directly supported by the project, (iii) to the publication of public procurement contract awards, and (iv) to the electronic budget submissions. While these outstanding areas do require attention, some result indicators also need to be refined to enhance attribution and accountability for results. The extension will also support the consolidation of these gains, while preparing the ground for the implementation of the third phase of the government PFM reform strategy and a possible follow on operation as some reforms go beyond the current project extension. In doing so the project aims to support where relevant the work of cross-departmental teams recently established to help the government collect more revenues, spend public resources better, and manage fiscal risks. For instance, the tax revenue indicator will be focused on the tax collection by the new Large Taxpayer Office (LTO) directly supported by the project to enhance attribution while fostering a more holistic approach to tax policy and administration reform in collaboration with other development partners to achieve the expected results.

5. Consequently, both ratings for the progress towards achievement of the PDO and Implementation Progress (IP) were assessed as "Moderately Satisfactory", as recorded in the last Implementation Status Results Report (ISR) of July 2019. Financial management and Procurement of the project were rated as "Satisfactory". There are no outstanding fiduciary/safeguard, fraud/corruption, and ineligible expenditure issues nor audit reports.

6. The current disbursement of the project stands at 69 percent for IDA and 72 percent for MDTF, leaving about USD 13.2 million undisbursed, largely for the two large IT contracts for the Inland Revenue Department (IRD) and the Myanmar Economic Bank (MEB).

7. The Government considers this project as the main vehicle to support the implementation of its PFM reform strategy. MOPF values the technical advice and support of the World Bank and partners in implementing the MPFM project and would like this partnership to continue. The Government has requested on May 13, 2019 a no-cost 18 months project extension to account for the delays in the two complex IT procurement cases and support the acquisition of the Integrated Tax Administration System (ITAS) for IRD and the Core Banking System (CBS) for MEB. This extension will allow for the support of the first phases of these contracts, which will go beyond the current project closing date of September 30th, 2019. The project extension will also allow for the continuous support to the other critical public financial management reforms supported by the project, while a follow-on project is being prepared to avoid a gap in support. The continuation of these critical and emerging activities will be financed from the reallocation of resources initially budgeted for the completion of the two IT systems as well as from savings in other activities. These priority activities are specified below and reflected in the updated project results framework.



8. Through the interventions provided by Component A for improving revenue mobilization, the project supported the establishment of a Large Tax Office (LTO), the modernization of the tax administration law and comprehensive tax audits, which has helped increase the revenue generated from LTO from 1,105,670 million MMK in FY 2015-16 to 2,878,057 million MMK in FY 2017/18. The modernization of the tax administration information system is a crucial activity under the project as it instrumental to support the implementation of the government's tax policy reforms and to improve tax collection and enforcement required to achieve the government's ambitious objective of 10% tax to GDP. The project therefore supports the development and installation of ITAS for IRD. Following initial procurement delays, a contract was signed on November 28th, 2018 for the development and roll out of the ITAS. However, to date, the vendor has still not submitted an acceptable project inception report and project plan required by the contract and has requested a 3-year extension of their one-year contract to complete the work. This raises important concerns regarding the willingness and ability of the vendor to deliver and requires stringent risk mitigation and remedial actions, currently being considered by IRD and MOF senior management. If these performance issues are not swiftly addressed by the vendor, IRD is considering cancelling the contract and re-tendering through limited International competitive bidding to mitigate risks, delays and corresponding foregone revenues for the government. The extension of the current project aims to support this process and the acquisition of a reliable tax administration system and vendor, while the follow up operation requested by the MoPF could support the roll out of the system. The support for tax administration through the project is complemented by Technical Assistance (TA) support provided through Bank executed activities focused on tax policy, including the analysis of tax revenue performance, impact of tax incentives and tax revenue forecasting, which are also critical for improving tax revenue mobilization. The project extension offers an opportunity to further strengthen the support on tax administration and tax policy reforms directly through the project and the international advisors it finances.

9. Improvements are also observed in budget credibility (Component B). The budget preparation process has been strengthened by the introduction of a Medium-Term Fiscal Framework (MTFF) and the issuance of budget ceilings to line ministries. Going forward the MTEF will need to be complemented in phase 2 by the development of a Medium-Term Expenditure Framework (MTEF), including both top down spending ceilings and bottom up spending projections for programs from line ministries. This restructuring aims to strengthen the link between upstream PFM improvements and downstream service delivery improvements, in line with the PDO. The project will therefore support, through the Budget Department, key service delivery ministries' budgeting and complement the budget variance indicator in the results framework, with a more granular measurement of budget variance in the health, education and transport sectors.

10. Access to information has improved and major budget documents, including annual budget law, budget summary, budget speech, annual reports, mid-year reports and quarterly reports are now available on the website of the MoPF. Since fiscal year 2016, the Citizen's budget has been produced every year, making budget information more accessible to the citizens. Likewise, the Government has committed to the Extractive Industry Transparency Initiative (EITI) as extractives represent around 20% of government revenues and potentially much more. The last report published covers the period 2015-2016 and the 2017-2018 report is currently being finalized. However, challenges remain and these important initiatives have yet to translate into meaningful improvements in fiscal transparency. In the short term, public disclosure can be improved with a more user friendly and granular budget dashboard on the MoPF website, building on the electronic budget submissions and treasury reporting (First) and the publication of a report on gender informed



budgeting. In the medium term, this would require modernizing financial accounting and reporting in line with international standards (IPSAS and IFRS), enhancing transparency and reporting of State Economic Enterprises as well as through a better integration between the current and capital budget. The project will support these efforts in a sequenced manner.

11. Public investments represent an important economic policy tool. But its effectiveness is hampered by systematic under-execution of capital spending. In 2018/2019, the execution rate for capital investments was estimated at 55%. This is due to challenges across the Public Investment Management (PIM) system, from project appraisal and selection, budgeting, procurement, and implementation to monitoring and evaluation. The MoPF aims to address these challenges by strengthening the legal, regulatory and institutional framework for PIM, establishing a more stringent vetting process and enhancing capacity of line ministries and MoPF. The MOPF has initiated the development of a project Bank with high-level political support for screening and prioritizing high-value critical public investments, and to use this to build a PPP pipeline. It has also started strengthening project appraisal guidelines and the Project Appraisal and Progress Reporting Department. Building on these initial achievements, the project extension will ensure the continued support to this essential medium-term reform and institutional strengthening.

12. Progress has been made in building capacity for improved reliability, comprehensiveness and timely budget execution (Component C). A notable improvement is demonstrated in a decreased discrepancy between budget and actual expenditure: composition of expenditure out-turn compared to original approved budget has decreased from the baseline of 24% in April 2014 to 14% in fiscal year 2018, notably thanks to (i) more realistic budgeting supported by the MTFB and budget ceilings, and (ii) better cash reconciliation and management supported by the project and the IMF. The project extension will support these initial gains, notably through the roll out of electronic budget submissions and an increased focus on key service delivery sectors, building on the findings of the recent PEFA diagnostic and the ongoing study on PFM bottlenecks in the health sector.

13. The timeliness of reconciled budget execution reports has improved: reports produced by the Myanmar Treasury are available two months after the year's end—a reduction of 6 months before the project started. Support to procurement reforms has been advancing. After a Presidential directive on procurement¹ was issued in April 2017, Technical Assistance to support legislative process for the adoption of a comprehensive Public Procurement Law has been ongoing. A draft procurement bill has been sent to Cabinet for approval. Its roll out across the administration will be a daunting task requiring substantial implementation support. The continued support to the procurement reform and a focus on the largest contracts (above USD 100 000) under the project extension aims to achieve the outstanding result indicator.

14. Component C is also supporting the modernization of the treasury function, which is conducted through the Myanmar Economic Bank (MEB), a state-owned bank. The project supports the development of a core banking system (CBS) at the MEB for treasury payments. The procurement of this IT system has been delayed, notably due to the withdrawal of the successful bidder after tender award. The tender process had, thus, to be relaunched and the contract

¹ Tender procedure for procurement of goods, services, rental and sale for the governments and organizations.



duration will exceed the project closing date. Like for the tax administration information system ITAS, the first phase of the CBS delivery can be supported under this extended parent project, while its roll out across the country could be supported by a follow up project. The proposed sequencing of these two complex IT contracts is discussed further below. Meanwhile the MOPF treasury function can also be improved through the strengthening of the cash management committee to improve revenue and payment forecast and the reduction of idle cash balances. This is a potential source of savings that can be supported by the project restructuring.

15. Oversight on the use of public funds (Component D) has improved with the increased accountability and transparency in public financial management. It used to take more than one year for the government to produce financial statements and accompanying audit reports, but now they are reported to the Parliament in 10 months at the end of fiscal year. Strengthening parliamentary oversight and the public accounts committee is a medium-term endeavor, that requires continued support through the project extension. Technical assistance and capacity building would continue in the project extension.

16. Under Component E, capacity building efforts have been gradually scaled up to support the implementation of the sequenced PFM reform Strategy. It started with training of officials on ICT and English literacy and ventured into more technical PFM trainings. Over 8000 officials have been trained to date. In order to ensure the sustainability of PFM capacity building, MoFP's training function is being institutionalized through the establishment of a PFM Academy with modern facilities, a new curriculum and the selection of a professional "training provider". The project extension will support the curricula development and the thematic and geographic scale up of PFM training and capacity building, as well as the establishment of a monitoring and evaluation system of the relevance and quality of the training delivered. It will be informed by an ongoing parallel policy note on capacity building, supported by the BETF.

17. Despite the MoFP's efforts and for reasons largely beyond their control, delays in ITAS and CBS procurement cases are the main reason for delays in disbursement of project funds. A significant portion (about USD 10 million) of the undisbursed funds were allocated to the procurement of these two large IT packages. These two information systems will be the backbone of effective and accountable public financial management, and they are therefore essential to the achievement of the project PDO. The project extension enables the continued support to these important systems at this critical juncture.

18. In line with the Government's request, this restructuring Paper proposes an extension of the closing date from September 30, 2019 to March 31, 2021 (an extension of 18 months). The PDO aimed at supporting efficient, accountable and responsive delivery of services through the modernization of Myanmar's PFM systems and strengthening institutional capacity. The PDO remains fully relevant. However, the project results framework will be enhanced to better capture the results of the project's core activities, strengthen the theory of change and better link the upstream PFM reforms to downstream service delivery improvements.

19. The proposed extension aims to support the delivery of the two critical information systems necessary to improve tax collection and administration as well as MOPF's treasury and payment function, two medium term and complex



reforms. The Integrated Tax Administration System (ITAS) sought by the Inland Revenue Department requires the acquisition of a modern integrated IT solution adapted to IRD's core functional requirements and covering all main taxes and business processes. This project extension aims to enable IRD to complete this first phase, while the second project could support the second phase, ie the customization, testing and roll out of all tax modules. Likewise, for the treasury function, MEB is acquiring a core central banking system (CBS), which is expected to be delivered in 2020. This project extension aims to support the installation and testing of the new system in the Head Office and in the main branches of NPT and Yangon. While the second project could cover the roll out of CBS to connected branches. Given that these are two large and complex ICT contracts, the challenges associated with the ICT implementation within the remaining project duration are recognized as substantial in the project risk rating (as "Other" risk). These risks relate to delays in the procurement and implementation timelines due to reasons such as uneven capacity of both vendors and purchasers, challenges in system customization and integration, sequencing the various modules and their interface, unexpected issues and bottlenecks during installation and commissioning of the information systems, as well as change management issues. The mitigation measures proposed include enhanced and proactive contract management and implementation support. Contract management of these ICT packages is complex and requires a strong engagement of all stakeholders. IRD has established a strong project management team including functional and IT experts and is following up proactively on the contractor's deliverables, starting with an acceptable inception report and project plan, in line with the contract. IRD is also currently establishing a team of super users that would act as champions to roll out the system. Likewise, the WB has stepped up its implementation support to these critical contracts, mobilized a strong technical team and intensified the implementation support missions. Nevertheless, these substantial risks cannot be fully mitigated and as a consequence the overall project risk rating is increased to substantial.

20. Beyond these important information systems, the achievement of the project development objective requires to step up the support to MoPF's key legal, regulatory and institutional PFM reforms. The project restructuring will therefore prioritize these reforms and activities in the 18 months project extension and respective work plans and budgets to the extent possible. The following activities will be prioritized and reflected in the project results framework:

1. the modernization of the PFM law and regulations building on preliminary findings of the PEFA assessment, in collaboration with partners,
2. the continued support to LTO/ tax audits and to the implementation of the new Tax administration law;
3. strengthening of the revenue management committee and analysis of tax expenditures,
4. improving budget credibility through: (i) the publication of a budget dashboard, (ii) the development and roll out of a web-based system for the submission of budget proposals by spending agencies, (iii) support, through the budget department, to budgeting and management in key service delivery ministries, such as health, education, transport and communication (informed by education and health PFM bottleneck studies);
5. Capacity building on gender informed budgeting and to the new fiscal policy unit, to inform the budget process;
6. strengthening public investment management through: (i) the roll out of the new project preparation and appraisal circular, (ii) the integration of the new project Bank with the budget process (for budget financed projects), and (iii) capacity building and training on project appraisal to the above mentioned line ministries;



7. enhance financial reporting and monitoring through the development and roll out of a web-based version of the treasury reporting system FIRST, leveraging CBS;
8. proactive cash management and strengthening of the cash management committee;
9. development of a transition plan for the adoption of IPSAS, based on the results of the IPSAS conference and gap analysis
10. implementation support to the procurement reform and publication of large contract awards;
11. capacity building of the Joint Public Accounts Committee (JPAC) on the core PFM functions and legal reforms in coordination with partners.
12. Support to the institutionalization and operation of the new PFM academy, including a monitoring and evaluation system of the training provided.

These activities directly contribute to the achievement of the project development objective and of the four outstanding results indicators on domestic revenue mobilization, budget credibility and transparency and disclosure of contract awards. The implementation of some of these key reforms and activities may however go beyond the extended project duration could be supported by the follow-on project. Continued close Bank implementation support and oversight is required to ensure completion of these current and priority activities and attainment of the expected results. The Bank's implementation support and related advisory and analytical work are being co-financed by a Bank Executed Trust Fund (BETF). These include notably the PEFA assessment, the IT strategy, capacity building policy note or the study on PFM bottlenecks in the health sector. Going forward the BETF will also support to the extent possible the WB and international expertise required for the above-mentioned priority activities, eg for the PFM bill revision.

21. Together with an extension of the closing date, this Paper proposes the revision of some indicators to strengthen the Results Framework and the link to the PDO. The indicators which have more than one measurement are to be revised; while measurements in line with the project interventions are to be retained. In addition, measurements for outcomes beyond the project's attribution will be dropped. Critical existing or prioritized activities without a result indicator will receive one. Many of the indicators have been achieved; however, some of the end-targets would be revised to reflect the extension of the project. At the same time, by adding new indicators, the project will ensure delivering outputs and intermediate outcomes necessary for the achievement of the PDO and PDO indicators. The Project Operations Manual will be updated to reflect the below revised Results Framework.

22. Adjustment of component costs is also part of this restructuring taking into account the revised disbursement schedules of the two large IT contracts and the requested continued and new technical assistance under the project components, including the IRD international advisors and the above-mentioned priority activities. The changes also reflect the actual financing amount as a result of the less than originally anticipated financing amount from the Grant, as well as a consideration of the exchange rate fluctuation. However, the Designated Account of OAG under this Project has been inactive for 10 months. The inactive DA shall be used and documented within a reasonable period.



23. Upon request from the Government, the World Bank will prepare a second and possibly results based, PFM operation to ensure the continued support to the implementation of the Government’s PFM strategy and its Key PFM reforms and initiatives and avoid an implementation and funding gap.

24. DESCRIPTION OF PROPOSED CHANGES

I. SUMMARY OF CHANGES

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



Environmental Analysis		✓
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IV. DETAILED CHANGE(S)

COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
A. Improving Revenue Mobilization Through Bringing More Revenues from Natural Resources on Budget and Strengthening Tax Administration	11.00	Revised	A. Improving Revenue Mobilization Through Bringing More Revenues from Natural Resources on Budget and Strengthening Tax Administration	11.94
B. Supporting Responsive Planning and Budget Preparations	14.00	Revised	B. Supporting Responsive Planning and Budget Preparations	8.57
C. Supporting Effective Budget Execution and Financial Reporting	15.00	Revised	C. Supporting Effective Budget Execution and Financial Reporting	17.38
D. Fostering External Oversight and Accountability	6.00	Revised	D. Fostering External Oversight and Accountability	5.36
E. Establishing a Sustainable Institutional Platform and Skills-base for PFM	9.00	Revised	E. Establishing a Sustainable Institutional Platform and Skills-base for PFM	6.75
TOTAL	55.00			50.00

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-54020	Effective	30-Sep-2019		31-Mar-2021	31-Jul-2021
TF-17910	Effective	30-Sep-2019		31-Mar-2021	31-Jul-2021

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates



Yes

Year	Current	Proposed
2014	0.00	0.00
2015	2,045,455.00	1,150,000.00
2016	5,454,545.00	513,581.00
2017	6,545,455.00	7,224,007.00
2018	8,181,818.00	19,205,516.00
2019	5,890,909.00	11,738,803.00
2020	1,881,818.00	10,168,093.00

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating at Approval	Current Rating
Political and Governance		● Moderate
Macroeconomic		● Moderate
Sector Strategies and Policies		● Moderate
Technical Design of Project or Program		● Moderate
Institutional Capacity for Implementation and Sustainability		● Substantial
Fiduciary		● Moderate
Environment and Social		● Low
Stakeholders		● Moderate
Other		● Substantial
Overall		● Substantial



Results framework

COUNTRY: Myanmar

Modernization of Public Finance Management

Project Development Objectives(s)

The development objective of the project is to support efficient, accountable and responsive delivery of public services through the modernization of Myanmar’s PFM systems and strengthening institutional capacity.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Increased tax revenue collection (Action: This Objective has been Revised)								
Increase in Tax collection from Large Taxpayers (Text)		Baseline: Taxes collected by LTO in FY 2015-2016 was 1,105,670 million MMK.	Taxes collected by LTO in FY 2016/17 stood at 2,390,434 million MMK	Taxes collected by LTO in FY 2017/18 stood at 2,878,057 million MMK				Taxes collected by for FY 2020/21 is estimated at 3,250,000 million MMK
Action: This indicator has been Revised	Rationale: <i>The initial indicator measuring Tax to GDP ratio goes well beyond the project scope and thus raises attribution questions. As the project is directly supporting the Large taxpayers office and increased enforcement through the international tax audit advisers, the indicator has thus been focused on its results in terms of increased taxes collected from large taxpayers.</i>							
Enhanced Fiscal Transparency								
Number of key budget and fiscal documents published on the MoPF website for public access (Text)		1 (enacted budget)	1.00	2.00	3.00	3.00	4.00	The end of project target for number of key fiscal documents publicly available has been increased to 9,



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
								including a budget dashboard and a report on gender informed budgeting for 1 service sector.
Action: This indicator has been Revised			<p>Rationale: <i>The indicator has been focused on the disclosure of key budget and fiscal information supported by the project. The Extractive Industry Transparency Initiative reporting is supported by other donors and not directly by the project. The corresponding report has thus been removed from the indicator. The notion of global good practice is subjective and has thus been removed. The publication of a budget dashboard and a report on gender informed budgeting for 1 service sector has been added for the extension period. These two new reports will be included in the expanded citizen budget from 2021 onward.</i></p>					
Strengthened Budget Credibility								
Composition of expenditure out-turn compared to original approved. (Percentage)		24.00	22.00	20.00	18.00	16.00	14.00	14.00
Improved budget credibility and budget out-turn in key public service sectors (health, education and transport) (Percentage)		18.00						14.00
Action: This indicator is New			<p>Rationale: <i>A high budget variance is an indicator for PFM weaknesses affecting service delivery. Conversely, the efforts to enhance the credibility of the budget overall, including through enhanced budgeting and reporting is an opportunity to improve budget predictability and execution in key service sectors.</i></p> <p><i>This new indicator measures the variation between allocated budget (adjusted for in year allocations) and actual spending in the ministries of Education, Health & Sports, and Transport and Communication, representing essential services for citizens in general and for the poor and the vulnerable in particular. While this is a medium term reform effort, an initial 10% reduction in budget variance is sought by the end of this extended project.</i></p>					



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Efficient budget preparation process								
Budget preparation process including (i) issuance of ceilings (ii) preparation of medium-term fiscal framework (Yes/No)		No	No	No	Yes	Yes	Yes	Yes

Intermediate Results Indicators by Components

Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
A. Improving Revenue Mobilization and Strengthening Tax Administration (Action: This Component has been Revised)								
Number of large and medium tax-payers completing self-assessment (Number)		0.00	0.00	20.00	50.00	150.00	250.00	2,300.00
Modernization of tax administration information system (Text)		There is no integrated tax information and administration system at IRD.						Delivery of an integrated tax information system for testing in IRD headquarters, LTO and MTO.
Action: This indicator is New	<p>Rationale: <i>The tax administration modernization and implementation of the new tax administration law do require a modern and integrated tax administration information system supported by the project. The procurement and delivery of such a system is a key milestone for the project. This intermediary indicator thus aims to measure the delivery of the integrated tax management system, while implementation is foreseeing over a period of 3 years.</i></p>							



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
B. Supporting Responsive Planning and Budget Preparations								
Improving information base for linking budgets to plans-number of departments submitting recurrent and capital budget forms electronically (Number)		0.00	5.00	20.00	30.00	35.00	40.00	40.00
Action: This indicator has been Revised	Rationale: <i>The target has been revised to account for the new budget calendar from October to September and the project extension.</i>							
C. Supporting Effective Budget Execution and Financial Reporting								
Timeliness of reconciled budget execution reports (Text)		>6	</=5	<5	</=4	<4	</=3	</=3
Information on procurement opportunities and contract awards (above USD 100 000) are publicly available for 5 Union ministries. (Percentage)		55.00						70.00
Action: This indicator has been Revised	Rationale: <i>The earlier indicator was too broad and impossible to measure in the absence of a central information system on public procurement and contract awards.</i>							
New Financial Rules and Regulations are enacted and published (Text)		Financial rules and regulations outdated	Updated financial rules and regulations approved by MOF	Rules and regulation put on website.	Financial rules and regulations revisited and further refined	Updated rules and regulation published.		Updated financial rules and regulations



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
		and not widely available.						published and adopted.
Action: This indicator has been Revised	Rationale: <i>The initial indicators goes well beyond the scope of the project and it is difficult to objectively measure compliance and flexibility vis a vis these rules.</i>							
Delivery of a core banking system (CBS) (Text)		No such modern system existed. MEB treasury processes remain largely paper based.						The CBS is expected to be acquired and tested in Head office and a large branch in Yangon
Action: This indicator is New	Rationale: <i>The core banking system is a critical information system to modernize the treasury function of MOPF carried out by MEB. Its delivery is therefore an important milestone for the project.</i>							
Treasury Automation (FIRST) (Text)		The budget execution report is largely manual, cumbersome and prone to errors and delays.						The automated treasury system FIRST has been developed and implemented in (20) Government Agencies as a pilot project by the end of the project.
Action: This indicator is New	Rationale: <i>To date budget execution reports are largely manual and paper based, making treasury management very cumbersome. To address this gap, the Project is supporting the automation of the treasury function and reporting, through a new information system called FIRST. The software is being developed and it is</i>							



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
<p><i>expected to be gradually rolled out across government agencies. It complements the upstream electronic budget submission and downstream the core banking system for government payments. Therefore the addition of a dedicated indicator is warranted.</i></p>								
<p>D. Fostering External Oversight and Accountability</p>								
Timeliness of Submission of Audit Report to Parliament (Text)		Over one year.	<14 months	<13 months	<12 months	<11 months	<10 months	<10 months
IPSAS transition plan (Text)		IPSAS standards are not applied in Myanmar accounting and financial reporting						MOPF and OAG have adopted a transition plan for the adoption of IPSAS over the medium term
Action: This indicator is New	<p>Rationale: <i>The modernization of accounting and financial reporting requires the adoption of modern and international accounting standards such as IPSAS. However, as this is a long term reform it is important to have a clear transition plan on how and when to get there. The project extension will support the development and adoption of such a plan.</i></p>							
Capacity building of JPAC to Strengthen Parliamentary oversight (Text)		JPAC received initial capacity building notably on English and ICT skills as well as IT modernization. There is a need to strengthen JPAC's involvement in the drafting of the new PFM bill.						Publication of the draft PFM bill with inputs from JPAC
Action: This indicator is New	<p>Rationale:</p>							



Indicator Name	DLI	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
<i>JPAC plays a crucial role in the accountability of PFM and in the modernization of the PFM legal framework. It benefits from project financed technical assistance and capacity building.</i>								
E. Establishing a Sustainable Institutional Platform and Skills-base for PFM								
Number of beneficiaries of training courses (Number)		0.00	0.00	50.00	100.00	200.00	300.00	300.00
Action: This indicator has been Revised	Rationale: <i>This indicator has been split to measure (i) the number of officials trained, and (ii) the institutionalization of the MOPF training function through the establishment of a PFM training academy in an additional indicator.</i>							
Establishment of the PFM training academy to enhance sustainability of PFM training (Text)		PFM academy is not yet operational						PFM academy is established and carrying out initial training. A gender disaggregated training monitoring and evaluation framework is operational.
Action: This indicator is New	Rationale: <i>This indicator measures the institutionalization and therefore sustainability of the MOPF training function upon project end.</i>							



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Modernization of Public Finance Management (P144952)
