# Implementation Status & Results

Serbia

Consolidated Collection & Pension Administration Reform Project (Serbia) (P090418)

**Operation Name:** Consolidated Collection & Pension Administration Reform Project (Serbia) (P090418)  
**Project Stage:** Implementation  
**Seq.No:** 12  
**Status:** ARCHIVED  
**Archive Date:** 10-Jul-2011

**Country:** Serbia  
**Approval FY:** 2005  
**Product Line:** IBRD/IDA  
**Region:** EUROPE AND CENTRAL ASIA  
**Lending Instrument:** Specific Investment Loan

### Key Dates

<table>
<thead>
<tr>
<th>Date Type</th>
<th>Date</th>
<th>Date Type</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Approval Date</td>
<td>31-May-2005</td>
<td>Original Closing Date</td>
<td>30-Sep-2010</td>
</tr>
<tr>
<td>Effectiveness Date</td>
<td>20-Dec-2005</td>
<td>Revised Closing Date</td>
<td>30-Sep-2012</td>
</tr>
<tr>
<td>Planned Mid Term Review Date</td>
<td></td>
<td>Actual Mid Term Review Date</td>
<td>28-Sep-2009</td>
</tr>
<tr>
<td>Last Archived ISR Date</td>
<td></td>
<td></td>
<td>10-Jul-2011</td>
</tr>
</tbody>
</table>

### Project Development Objectives

The development objectives of the Project are to develop the framework for the consolidation of collection of all social contributions and, if feasible, personal income taxes, and to improve the effectiveness and efficiency of the Republic of Serbia pension system, through the modernization and streamlining of the institutional capacity in the pension system, improved pension system administration, developed capacity for policy identification and analysis, monitoring and increased public understanding of the pension system.

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

- [ ] Yes  
- [x] No

### Component(s)

<table>
<thead>
<tr>
<th>Component Name</th>
<th>Component Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidation of Collection and Reporting</td>
<td>11.42</td>
</tr>
<tr>
<td>Consolidation and Institutional Strengthening of the PAYGO Pension Funds</td>
<td>11.18</td>
</tr>
<tr>
<td>Pension Policy Analysis and Development</td>
<td>1.45</td>
</tr>
<tr>
<td>Project Coordination and Management</td>
<td>0.25</td>
</tr>
</tbody>
</table>

### Overall Ratings

<table>
<thead>
<tr>
<th>Rating Area</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Moderately Satisfactory</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Implementation Status Overview

The Project has been extended for another twelve months with the new Closing Date moved to September 30, 2012. Nine months prior to the Project’s closing date, most of the
Project proceeds have been committed with contracts either already signed or in the process of procurement, indicating an accelerated pace of implementation with the commitment rate at 96.90 percent and the disbursement rate at 66.87 percent.

Nevertheless, the teams have identified several issues which present serious implementation risks and may compromise the timely and successful completion of the Project. These risks stem from (i) the delay in the development of the software solutions for the Central Registry Information System (CR IS), (ii) Pension and Disability Insurance Fund’s (PDIF’s) request for redefinition of their priority needs to be financed by the Project, and (iii) potential lack of available Project’s financing for activities planned and/or requested by PDIF and other implementing agencies. The potential problem with insufficient Project financing reflects recent foreign exchange fluctuations, which may cause depreciation and thus unpredictability of available financing for anticipated and pending Project’s activities.

Locations
No Location data has been entered

Results

<table>
<thead>
<tr>
<th>Project Development Objective Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator Name</td>
</tr>
<tr>
<td>effectiveness of administration improved measured by administrative costs/pension expenditures</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Comments</td>
</tr>
<tr>
<td>progress in administrative consolidation of the three PIOs</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Comments</td>
</tr>
<tr>
<td>regular monthly reporting on pension contributions paid on individual basis introduced and individual pension accounts established;</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Comments</td>
</tr>
<tr>
<td>Comment</td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td>reduced employers' reporting burden, measured by fewer reporting forms required</td>
</tr>
<tr>
<td>improved client service in the pension system measured by number of resolved cases / employee</td>
</tr>
<tr>
<td>the MLESP policy analysis capacities built; long- and short-term actuarial models of the pension system developed in MLESP and the MLESP, PIO and MOF staff trained in using them</td>
</tr>
<tr>
<td>web publication containing updated monthly data available;</td>
</tr>
<tr>
<td>further pension reform measures to improve long-term sustainability, adequacy and transparency of the pension system identified;</td>
</tr>
</tbody>
</table>
increased public information on pension system due to the public better informed

<table>
<thead>
<tr>
<th>Text</th>
<th>Value</th>
<th>Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15% of the population confirms to be informed on pension system</td>
<td>02-May-2005</td>
<td>no current data available 60% of the population confirms to be informed on pension system</td>
</tr>
<tr>
<td></td>
<td>no current data available</td>
<td>23-Jan-2012</td>
<td>30-Sep-2012</td>
</tr>
<tr>
<td></td>
<td>public opinion poll needs to be conducted</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

improvement in the rate of collection of pension contributions.

<table>
<thead>
<tr>
<th>Text</th>
<th>Value</th>
<th>Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n/a</td>
<td>02-May-2005</td>
<td>collection rate improved 10%</td>
</tr>
<tr>
<td></td>
<td>23-Jan-2012</td>
<td>30-Sep-2012</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Baseline data needs to be reconstructed; The actual data relative to the reconstructed baseline data can be expected with the Annual Financial Report of the Tax Administration to be submitted by April 1, 2012</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Intermediate Results Indicators

<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feasibility study completed and the institutional framework for the new system identified</td>
<td>Yes</td>
<td>Text</td>
<td>Value</td>
<td>No decision on the institutional and organizational setting of the new reporting and record-keeping system for individual contributions and PIT</td>
<td>The Central Registry established and operational with the core management information system under development</td>
</tr>
<tr>
<td>Date</td>
<td>02-May-2005</td>
<td>23-Jan-2012</td>
<td>30-Sep-2012</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Data on Financial Performance (as of 20-Jan-2012)

<table>
<thead>
<tr>
<th>Financial Agreement(s) Key Dates</th>
</tr>
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<tbody>
<tr>
<td>Project</td>
</tr>
<tr>
<td>----------</td>
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<table>
<thead>
<tr>
<th>Disbursements (in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>P090418</td>
</tr>
</tbody>
</table>

Disbursement Graph
Key Decisions Regarding Implementation

The Government and the World Bank teams agreed to address the identified implementation risks in the following way:

(i) The CR IS Project management team will prepare and maintain an Integrated Implementation Plan (IIP), indicating all contractual milestones and showing dependencies among beneficiary institutions and the Supplier, as well as relations between different activities and steps leading to exchange of data and their validation. The IIP will be shared with the World Bank team as soon as possible.

(ii) PDIF’s request for assigning highest priority to the unification of different PDIF’s databases rather than to the procurement and customization of the Enterprise Resource Planning (ERP) system needs to be considered in the light of limited availability of Project funds at this late stage of Project implementation. Therefore, the PDIF will furnish the World Bank with a concise written assessment of the priority level attached to each of the two tasks - the unification of the databases as supposed to financing the development of the ERP system.

(iii) To prevent and mitigate the risk of over-commitment, the Government teams are advised to closely monitor the status of the available financing, and keep aside the uncommitted and undisbursed Credit proceeds as contingency.

Restructuring History

Level two Approved on 27-Apr-2010, Level two Approved on 30-Aug-2010, Level two Approved on 29-Sep-2011

Related Projects

There are no related projects.