Public Disclosure Authorized

Public Finance Management Modernization Project 2 (P150381)

EUROPE AND CENTRAL ASIA | Tajikistan | Governance Global Practice |
IBRD/IDA | Investment Project Financing | FY 2015 | Seq No: 8 | ARCHIVED on 28-May-2019 | ISR37061 |

Implementing Agencies: Ministry of Finance, Ministry of Finance

Key Dates

Key Project Dates

Bank Approval Date: 01-Jun-2015
Effectiveness Date: 10-May-2016
Planned Mid Term Review Date: 01-Oct-2019
Actual Mid-Term Review Date: --
Original Closing Date: 30-Jun-2021
Revised Closing Date: 30-Jun-2021

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The development objective of the project is to improve effectiveness, control and accountability of public expenditure of the Republic of Tajikistan.

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

No

Components

Name
1. Public Finance Management Modernization:(Cost $8.80 M)
2. Strengthening Public Procurement:(Cost $2.50 M)
3. Strengthening External Audit:(Cost $2.70 M)
4. Managing Public Administration Reforms:(Cost $4.90 M)
5. Project Management:(Cost $2.10 M)

Overall Ratings

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

Implementation Status and Key Decisions

PFMMP II has made relatively good progress since the last implementation support mission in October 2018. The mission noted positive progress in project implementation on Component 1 PFM Reform, Component 3 Strengthening External Audit, and partially Sub-Component 4.1 Strategic Planning and Sub-Component 4.3 Civil Service Reform. Progress on Component 2 Improving E-Procurement System and Infrastructure and Sub-Component 4.2 Developing and Implementing E-Government Road Map has been limited and are being addressed.
Progress towards achieving the Project Development Objective indicates a positive trend. In particular, based on the PEFA 2017, most of the PEFA indicators have improved compared to the baseline scores from the PEFA 2012 report.

Risks

Systematic Operations Risk-rating Tool

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

Results

PDO Indicators by Objectives / Outcomes

Improved effectiveness of PFM

▸Improved effectiveness of public expenditure measured by the increased alignment of expenditure with policy priorities (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	18.00	25.00	75.00
Date	01-Jan-2013	01-Oct-2018	01-Apr-2019	30-Jun-2021
Comments:	From baseline PEFA score D for PI-12, PEFA 2017 reports improvement with a score of C (when using PEFA 2011 methodology).			

Improved control of public expenditure

▸Improved control of public expenditure measured by the stock of expenditure payment arrears (in percent of total expenditure by period) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	11.00	11.00	2.00

Date	01-Jan-2013	01-Oct-2018	01-Apr-2019	30-Jun-2021
Comments:	From baseline PEFA scores D for PI-18i and PI-4, PEFA 2017 scores show improvements to C+			

Improved accountability of public expenditure

►Improved accountability of public expenditure measured by the quality of annual financial reports (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	8.00	10.00	10.00	12.00
Date	01-Jan-2013	01-Oct-2018	01-Apr-2019	30-Jun-2021
Comments:	From baseline PEFA score of PI-25i and PI-25iii of B and C, PEFA 2017 scores went down to C and D, respectively.			

►Improved accountability of public expenditures measured by the quality of financial audit (PI-26i) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	50.00	50.00	50.00	75.00
Date	01-Jan-2013	01-Oct-2018	01-Apr-2019	30-Jun-2021
Comments:	According to the results of 2017 the central government entities representing less than 50% of total expenditures were covered by audits. From baseline PEFA score D for PI-26, PEFA 2017 score shows improvement to C+.			

Intermediate Results Indicators by Components

1. Public Finance Management Modernization

►Additional functionalities (modules) of TFMIS (commitment control, cash management, payment order processing, assets management andpayroll management) installed and operational (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	2.00	5.00
Date	01-Jan-2015	12-Jun-2018	01-Apr-2019	30-Jun-2021
Comments:	The 5-year Treasury Development Plan was approved by the decision of the 3rd PFM Coordination Council dated August 11, 2015 No. 1/3, which determines the introduction of all necessary modules of the TFMIS. The Ministry of Finance of the Republic of Tajikistan under the support of the State Unitary Enterprise “IFOSC”, has developed independently a bank payment management module and implemented it from January 1, 2017. On July 2018, MoF signed a contract with consulting company to assist with implementation of commitment control, cash management and assets management modules. The work is underway.			

►Timeliness of annual financial reports (PI-25ii) (Months, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target

Value	9.00	7.00	7.00	6.00
Date	01-Jan-2015	01-Oct-2018	01-Apr-2019	30-Jun-2021
Comments:	The financial reporting on a cash basis in accordance with budget classification is submitted to the Government of the Republic of Tajikistan within 6 months of the end of the fiscal year, to the Parliament of the Republic of Tajikistan and to the External Audit (Chamber of Accounts of the Republic of Tajikistan) within 7 months of the end of the fiscal year. The indicated terms of submission of reporting are set by the Law on the Public Finance. The financial reporting on an accrual basis in accordance with TPSAS is formed, however a transition period to 2020 is determined by the Public Sector Accounting Strategy in which the formed financial reporting on an accrual basis is trial and is not submitted to external audit. From baseline PEFA score of B for PI-25ii, PEFA 2017 shows improvement with score of A.			

2. Strengthening Public Procurement

►Key procurement information is made available to the public in a timely manner through appropriate means (PI-19iii) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10.00	72.00	100.00	100.00
Date	01-Jan-2015	01-Oct-2018	01-Apr-2019	30-Jun-2021
Comments:	The Public Procurement Agency forms the annual procurement report. According to 2017 report, the number of accredited procuring entities covered by the report was 72% of total. Currently, the report is not published. It is expected that at the end of 2019, the report will be published on the public procurement portal. According to the Agency's information, on 9 months of 2018, 100% of the accredited procuring entities were covered by the report. From baseline PEFA score of B for PI-19iii, PEFA 2017 shows no change.			

►Total value of contracts that were awarded through an open and competitive process (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	25.00	94.00	94.00	100.00
Date	01-Jan-2015	01-Oct-2018	01-Apr-2019	30-Jun-2021
Comments:	The Agency on Public Procurement of Goods, Works and Services under the Government of the Republic of Tajikistan has made a report on awarded contracts under the open and competitive procurement process in 2017. According to the report, 94.11% of contracts were awarded under the open and competitive process. According to the Agency's report for 9 months of 2018, 93.6% of the purchases awarded under the open and competitive procurement process, 6.4% are the purchases from one source. From baseline PEFA score of C for PI-19, PEFA 2017 shows improvement with score of B.			

3. Strengthening External Audit

►Evidence of follow up on audit recommendations (in percent of audit recommendations) (PI-26iii) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	25.00	25.00	40.00	80.00

Date	01-Jul-2015	01-Oct-2018	01-Apr-2019	30-Jun-2021
Comments:	**Accomplished.** The Chamber of Accounts has audited 338 (state bodies - the state budget) for 2018 and 126 audit recommendations were submitted. According to the preliminary data, the implementation of recommendations makes more than 40% of the total number of recommendations submitted to the audited organizations in 2018. From baseline PEFA score of D for PI-26iii, PEFA 2017 shows improvement with score of A.			

►Coverage of external audit (in percent of total expenditure) (PI-26i) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	50.00	50.00	50.00	75.00
Date	01-Jan-2015	01-Oct-2018	01-Apr-2019	30-Jun-2021
Comments:	According to the results of 2017 the central government entities representing less than 50% of total expenditures were covered by audits. From PEFA baseline score of D for PI-26i, PEFA 2017 shows improvement with score of C.			

4. Managing Public Administration Reforms

►The number of services available through e-Governance system (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	01-Jan-2015	01-Oct-2018	01-Apr-2019	30-Jun-2021
Comments:	The e-government roadmap was developed by an international consultant. This document is under consideration in the EOP RT for further approval. The electronic address of citizens is functioning through the official website president.tj, electronic visa through the website e-visa.tj, electronic tax reporting through andoz.tj, internet banking of the banking sector, electronic public procurement through zakupki.gov.tj, electronic request and SMS informing about fines of the traffic police through the Shakhri bekhatar system, an electronic diary in some educational institutions, electronic notification about the results of testing of applicants through the website ntc.tj, the legal information bank of the Republic of Tajikistan www.adlia.tj, payment of salaries and related taxes of BO, through Internet banking through FMIS etc. But since the above e-services were implemented out of project funds, the actual number of e-services implemented from the project funds is zero.			

►Timeliness of changes to personnel records and the payroll (months) (PI-18ii) (Months, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	4.00	1.00	1.00	0.00
Date	01-Jan-2013	01-Oct-2018	01-Apr-2019	30-Jun-2021
Comments:	All changes in personnel are taken into account by the personnel service. All changes upon their accomplishment are sent to the accounting department. Accounting department every month, when calculating salaries takes into account all changes in staff in a mandatory manner. At the moment, all these operations are carried out manually and in hard copy. Some public institutions have special software for personnel accounting, payroll accounting and payment. From baseline PEFA score of B for PI-18ii, PEFA 2017 shows no change.			

5. Project Management

►Project supported NGO publishing reports on feedback received and how this feedback has been used. (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	01-Sep-2015	01-Oct-2018	01-Apr-2019	30-Jun-2021
Comments:	The assignment will be implemented in 2019.			

►Beneficiaries satisfied with systems and procedures implemented by the project, as measured by user satisfaction surveys (percent of users surveyed) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	60.00
Date	01-Sep-2015	01-Oct-2018	01-Apr-2019	30-Jun-2021
Comments:	The current actual number is zero since survey has not been conducted yet. The assignment will be implemented in 2019.			

◢Percent of women beneficiaries satisfied with systems and procedures implemented by the project, as measured by user satisfaction surveys (Percentage, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	30.00
Date	01-Sep-2015	01-Oct-2018	01-Apr-2019	30-Jun-2021

Data on Financial Performance

Disbursements (by loan)

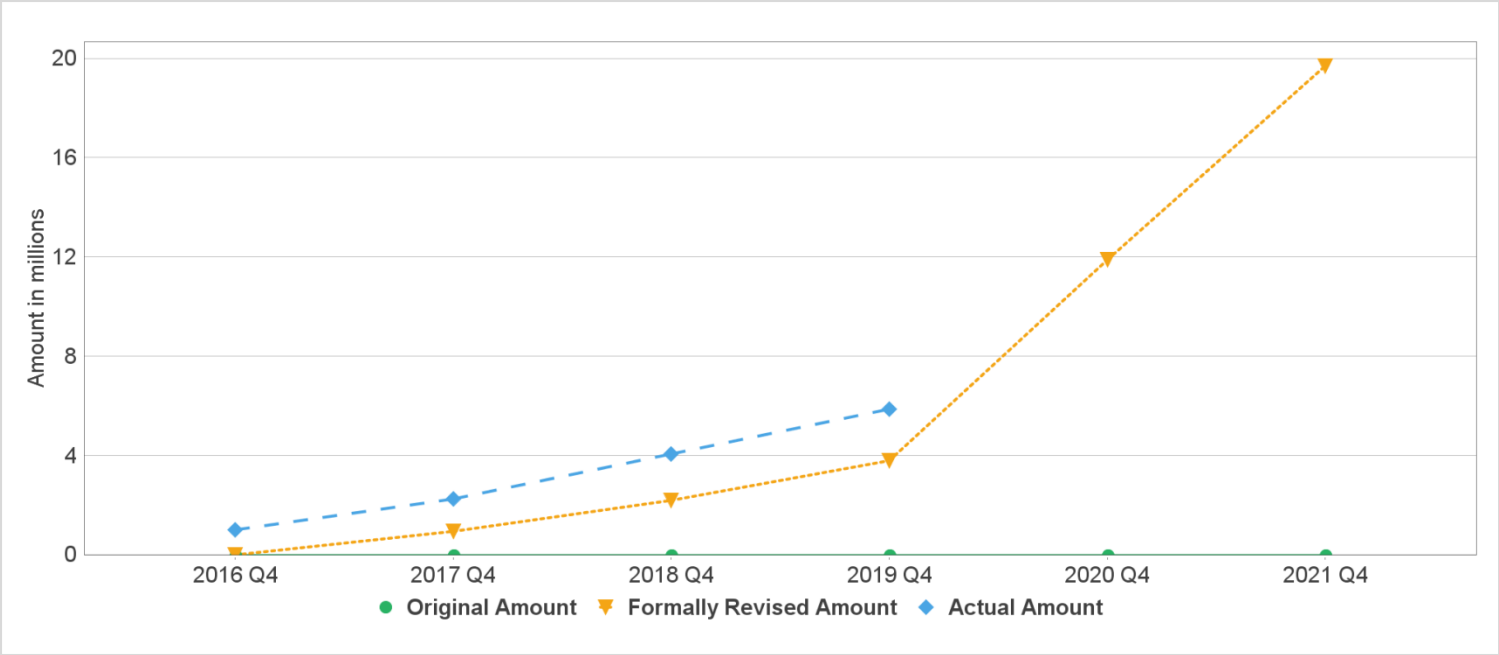
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P150381	IDA-56310	Effective	USD	5.50	5.50	0.00	0.00	5.84	0%
P150381	IDA-D0550	Effective	USD	4.50	4.50	0.00	2.73	1.73	61%
P150381	TF-A1735	Effective	USD	9.77	9.77	0.00	3.12	6.65	32%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P150381	IDA-56310	Effective	01-Jun-2015	17-Feb-2016	10-May-2016	30-Jun-2021	30-Jun-2021
P150381	IDA-D0550	Effective	01-Jun-2015	17-Feb-2016	10-May-2016	30-Jun-2021	30-Jun-2021

P150381	TF-A1735	Effective	17-Feb-2016	17-Feb-2016	10-May-2016	30-Jun-2021	30-Jun-2021

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.