



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
IMPLEMENTATION OF THE NATIONAL STRATEGY PROGRAM FOR STRENGTHENING OF THE NATIONAL STATISTICAL SYSTEM
APPROVED ON FEBRUARY 28, 2017
TO
STATISTICAL COMMITTEE OF THE REPUBLIC OF ARMENIA

POVERTY AND EQUITY

EUROPE AND CENTRAL ASIA

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ABBREVIATIONS AND ACRONYMS

ICT	Information and Communications Technology
SC RA	Statistical Committee of the Republic of Armenia
NSDS	National Strategy Program for Strengthening of the National Statistical System
PDO	Project Development Objective
PIT	Project Implementation Team
POM	Project Operational Manual
SNA	System of National Accounts
TP	Twinning Partnership



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BASIC DATA

Product Information

Project ID P155630	Financing Instrument Investment Project Financing
Original EA Category	Current EA Category
Approval Date 28-Feb-2017	Current Closing Date 30-Jun-2021

Organizations

Borrower Statistical Committee of the Republic of Armenia	Responsible Agency Statistical Committee of the Republic of Armenia
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Financing (in USD Million)

SUMMARY

Total Project Cost	0
Total Financing	0
Financing Gap	0

DETAILS

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Project Development Objective (PDO)

Original PDO

The objectives of the Project is to further improve the capacity of the national statistical system of Armenia and technical capacity of the staff at the NSSRA to produce and disseminate in a timely manner statistics that are in line with international standards.

Summary Status of Financing (US\$, Millions)

TF	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
TF-A4543	24-Apr-2017	28-Apr-2017	05-Jul-2017	30-Jun-2021	3.00	1.33	1.67

Policy Waiver(s)

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

No

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I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Project background and results

1. Implementation of the National Strategy Program for Strengthening of the National Statistical System (AR STAT) project aims to further improve the national statistical system of Armenia and technical capacity of the staff at the Statistical Committee of the Republic of Armenia (SC RA) to produce and disseminate in a timely manner statistics meeting the international standards. Grant Agreement No.TFOA4543 between Armenia and the IBRD was signed on April 28, 2017, and declared effective on July 5, 2017. The project supports implementation of the National Strategy for Strengthening of the National Statistical System.
2. **Project progress.** Notwithstanding the arising delays, the project made important progress: (i) Updated Quality Declarations are available for 138 statistical products. The declarations describe the regulatory background of statistics, purpose and methodology of statistics, its dissemination and other important information for users of statistics in question. The Single Integrated Metadata System (SIMS) was piloted in 5 subject-matter divisions and SIMS-based quality reports were piloted for 5 statistical products. The pilot work to introduce the Generic Activity Model for Statistical Organizations (GAMSO) in the SC RA practice has been implemented. Starting from July 2020, the SC RA has been following *the latest Quality Assurance Framework of the European Statistical System* adopted by the European Statistical System Committee in May 2019; (ii) Data dissemination and outreach practices have been significantly improved. Users satisfaction survey is available online and has been conducted on a regular (bi-annual) basis. The survey plays an important role in ensuring that feedback of data users and citizens are incorporated for better data access, dissemination, and quality. The latest wave of the survey revealed an increase in the number and share of users satisfied with the design of the web page and ease of searching. Only 55.4% of 205 survey respondents were satisfied with the SC RA's web page in 2019, while in 2020 the overall user satisfaction rate rose up to 73% (of 419 respondents). Additionally, the SC RA Communication Strategy was developed and approved by Decision N 25-U. of the RA State Council on Statistics dated September 2, 2020; (iii) The SC RA has advanced in improving the National Accounts and Finance Statistics compilation techniques, including data collection tools in accordance with the 2008 System of National Accounts standard, and data exchange practices with administrative data producers; (iv) There is tangible progress achieved in implementation of Computer Assisted Personal Interviewing (CAPI) for the national household survey (Income and Living Conditions Survey [ILCS]) and price data collection.
3. **The overall project progress towards achievement of the PDO is rated "moderately satisfactory".** The Client shows ownership of the project, the project implementation team is in place, delivery of the project activities follows the schedule envisioned in the original project design. The Financial management arrangements under the project are satisfactory and acceptable to the Bank. There are no overdue audits under the project. Undisbursed funds will be utilized under the Twinning Partnership (TP), e-reporting system contracts, and related hardware and software procurement.
4. **The project experienced delays in procurement processes, attributed to several factors beyond the SC RA's control.** *Firstly*, the project went through two restructurings in May and December 2019. The restructurings were carried out due to the changes in the project implementation arrangements caused by the transfer of the fiduciary function initiated by the Government of Armenia. Both changes in the project implementation arrangements were introduced within one year. *Secondly*, the COVID-19 outbreak, quarantine, and state of emergency impacted the pace of project implementation. In response to the pandemic, the Government of the Republic of Armenia declared the state of emergency, that lasted from March 16, 2020, until September 11, 2020, and imposed international and domestic travel restrictions; the state of emergency was then replaced by a quarantine regime, which is expected to last at least until January 11, 2021. *Thirdly*, the increasing tensions between Azerbaijan and Armenia led to introduction of the martial law in the country on September 27, 2020. As a result of the above factors, the project implementation experienced a slow speed of procurement, implementation delays and, consequently, slow disbursement.
5. **The extension is required to sustain results of the technical assistance provided by the TP and to implement an e-reporting system.** The extension will allow to improve effectiveness and sustainability of the remaining project activities and, therefore, more comprehensive achievement the PDO. There are several methodologies, guidelines and instruments that are being developed jointly by the TP and SC RA (e.g., the methodology on profiling of business register units in line with the international practice, methodological guidelines for management and evaluation of demographic databases, methodology and instruments to measure emergency situations and disasters statistics, instruments for transitioning to ISCED 2011 and ISCED-F 2013 (education statistics), guidelines for implementation of the Standards for Data and Metadata Transmission and Documentation, etc.). Their implementation and mainstreaming will take time not least because the concurrence and approval processes take significant time. Therefore, in the absence of extension, the implementation of these new methodologies will take place after the project closure and will be handicapped by the lack of TP advice and oversight. A similar situation is currently unfolding with implementation of the SNA improvements. This process should include close discussions with ministries and agencies, their concurrence, refining, and further approval by the RA State Council on Statistics. Currently, the SC RA is working together with the TP experts and, in collaboration with the relevant ministries and agencies, is refining the methodologies proposed by the TP. This is an iterative process that cannot be rushed. An additional benefit is implementation of an e-reporting system which will allow respondents to submit mandatory statistical forms in an online format. The procurement of e-reporting was delayed due to the COVID-19 pandemic and the martial law in Armenia.
6. **The extension of the project closing date will have additional benefits, including development of the following methodologies and practices under supervision and with support of experts from leading European statistical agencies engaged under the TP, for instance:** (i) methods and practices of calculation of GDP and GDP's real growth indices; (ii) methodological guidelines for compiling financial accounts and balance sheets of financial assets and liabilities in accordance with the SNA-2008 standards; (iii) management and operation of database systems on migration statistics from administrative and other alternative sources (surveys and other), as well as of data quality assessment and management and operation of database systems on vital data, vital statistics data quality assessment; (iv) methodological guidelines and instruments for the accounting of the housing fund, etc.
7. **The Client has requested a 12-month no-cost extension of the closing date** (the letter received from the Ministry of Finance dated November 19, 2020) and developed an action plan to complete the project activities and utilize all project funds. According to the Client's request, the Twinning Partner agrees on and supports the project extension and will not request any additional financing. This extension also does not require any additional supervision budget.



II. DESCRIPTION OF PROPOSED CHANGES

Twelve-month no-cost extension of the closing date

The proposed restructuring extends the project closing date from June 30, 2021, to June 30, 2022. The extension is requested by the Government (the letter of request is attached). This extension will improve sustainability of the project results by allowing the SC RA to benefit from advice and oversight of the Twinning Partner (TP) during implementation of the methodological recommendations developed jointly with the TP and finalize procurement of the e-reporting system and related hardware and software. If the extension is not granted, effectiveness and sustainability of the new methodological tools will be seriously jeopardized, because the SC RA lacks in-house implementation experience and expertise. This extension will allow the Client to complete all the scheduled project activities satisfactorily, deliver learning events to the SC RA regional statistical offices, implement e-reporting, develop experimental national accounts, collect more information on the achievements and remaining problems from the project beneficiaries, and, thereby, achieve the development objectives and truly sustainable results. This extension will not impose any extra supervision cost on the Bank budget.

There will be no change to the project development objective (PDO).

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III. SUMMARY OF CHANGES

	Changed	Not Changed
Loan Closing Date(s)	✓	
Disbursements Arrangements	✓	
Disbursement Estimates	✓	
Implementation Schedule	✓	
Implementing Agency		✓
Project's Development Objectives		✓



Results Framework		✓
Components and Cost		✓
Cancellations Proposed		✓
Additional Financing Proposed		✓
Reallocation between Disbursement Categories		✓
Change in Overall Risk Rating		✓
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		✓

IV. DETAILED CHANGE(S)

LOAN CLOSING DATE(S)

TF	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
TF-A4543	Effective	30-Jun-2021		30-Jun-2022	30-Oct-2022

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates
Yes

Expected Disbursements (In US\$)



Fiscal Year	Annual	Cumulative
2017	0.00	0.00
2018	0.00	0.00
2019	0.00	0.00
2020	0.00	0.00
2021	0.00	0.00
2022	0.00	0.00
2023	0.00	0.00

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