



# Armenia: Supporting Diagnostic Assessment of Public Financial Management

Project Name	Supporting Diagnostic Assessment of Public Financial Management	
Project Number	53207-001	
Country	Armenia	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 9737-ARM: Supporting Diagnostic Assessment of Public Financial Management	
	Technical Assistance Special Fund	US\$ 220,000.00
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions	
Sector / Subsector	Public sector management - Public administration	
Gender Equity and Mainstreaming	No gender elements	
Description	<p>The period 2008-2018 has been much less promising with economic performance characterized by low growth, low investment, deteriorating infrastructure, and growing income disparities. A rapidly increasing public-debt stock has left Armenia with reduced fiscal space. Second-generation domestic structural reforms are needed to help generate stronger and inclusive economic growth, while preserving fiscal sustainability and reducing external vulnerabilities. While the PFM system in Armenia has undergone several positive developments between 2014-2018, including a range of legislative initiatives, institutional changes, and improvements in methodologies and guidelines that were identified as high priorities in the PFM Reform Strategy, these have not resulted in the functional improvements that the government aimed to achieve. Although PFM practices in Armenia are nominally sound and considered international standard, in practice there has been a great deal of functional mimicry, institutional fragmentation, overlapping mandates, and ineffective or redundant procedures. These challenges, coupled with inadequate domestic revenue mobilization, have negatively impacted public service delivery and overall economic productivity.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>The Government, in place since May 2018, recognizes that strong public financial management (PFM) can help efforts to achieve fiscal consolidation and debt reduction while improving prospects for macroeconomic stability and inclusive economic growth. It has made PFM reform one of the key pillars of its economic and social development agenda. In December 2018 the government requested the Asian Development Bank (ADB) for technical assistance (TA) in order to support: (i) diagnostic work and analysis on performance-based budgeting (PBB), public investment management (PIM) and revenue management, that would contribute to the update the PFM Reform Strategy 2016-2020, which it hopes to complete by August 2019, (ii) preparation of a prioritized and sequenced PFM Reform Implementation Roadmap that would, amongst other things, provide a cohesive framework for internal and development partner coordination, and (iii) capacity building and training programs needed to implement the Roadmap.</p>	
Impact	Institutional modernization of the public administration and governance achieved (Armenia Development Strategy for 2014-2025)	
<b>Project Outcome</b>		
Description of Outcome	Institutional knowledge and capacity for effective PFM and PIM improved.	
Progress Toward Outcome		
<b>Implementation Progress</b>		
Description of Project Outputs	<p>Enabling environment for PBB, PIM and revenue management reviewed. 2. Institutional capacity for effective PBB, PIM and revenue management strengthened.</p>	
Status of Implementation Progress (Outputs, Activities, and Issues)		
Geographical Location	Nation-wide	
<b>Summary of Environmental and Social Aspects</b>		
Environmental Aspects		
Involuntary Resettlement		
Indigenous Peoples		
<b>Stakeholder Communication, Participation, and Consultation</b>		
During Project Design		
During Project Implementation		
Responsible ADB Officer	Tora, Laisiasa Natakubu	
Responsible ADB Department	Central and West Asia Department	
Responsible ADB Division	Public Management, Financial Sector and Trade Division, CWRD	

Timetable	
Concept Clearance	-
Fact Finding	22 Apr 2019 to 22 Apr 2019
MRM	-
Approval	30 May 2019
Last Review Mission	-
Last PDS Update	30 May 2019

## TA 9737-ARM

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
220,000.00	0.00	0.00	0.00	0.00	0.00	220,000.00	-	0.00

Project Page	<a href="https://www.adb.org/projects/53207-001/main">https://www.adb.org/projects/53207-001/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=53207-001">http://www.adb.org/forms/request-information-form?subject=53207-001</a>
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