

**INTEGRATED SAFEGUARDS DATA SHEET  
APPRAISAL STAGE**

**Report No.: ISDSA12280**

**Date ISDS Prepared/Updated:** 28-Jun-2015

**Date ISDS Approved/Disclosed:** 16-Jul-2015

**I. BASIC INFORMATION**

**1. Basic Project Data**

<b>Country:</b>	Armenia	<b>Project ID:</b>	P149913
<b>Project Name:</b>	Public Sector Modernization Project III (P149913)		
<b>Task Team Leader(s):</b>	K. Migara O. De Silva, Davit Melikyan		
<b>Estimated Appraisal Date:</b>	13-Jul-2015	<b>Estimated Board Date:</b>	30-Sep-2015
<b>Managing Unit:</b>	GGO15	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Central government administration (55%), Public administration- Information and communications (45%)		
<b>Theme(s):</b>	Public expenditure, financial management and procurement (50%), e-Government (50%)		
<b>Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?</b>			No
<b>Financing (In USD Million)</b>			
Total Project Cost:	26.50	Total Bank Financing:	21.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			5.50
International Bank for Reconstruction and Development			21.00
Total			26.50
<b>Environmental Category:</b>	C - Not Required		
<b>Is this a Repeater project?</b>	Yes		

**2. Project Development Objective(s)**

The project development objective (PDO) is to improve quality of the public financial reporting and to improve access to selected enhanced e-government services.

**3. Project Description**

The Third Public Sector Modernization Project (PSMP-III) will be an IBRD-financed Specific Investment Loan (SIL) with implementation over a five year period. It comprises four components:

**Component 1: Public Financial Management Information Systems.**

This component will help the Government to improve the efficiency, effectiveness and comprehensiveness of its financial management and accounting through the development of a Government Financial Management Information System (GFMIS).

**Sub-Component 1.1 - Development of the GFMIS:** Support improvements in the budget process through setting up the state budget plan based on programs; strengthened internal controls; refinements in financial and accounting standards and improvements in the coverage of financial reporting, particularly as regards government assets and liabilities; and improvements in payment and procurement procedures.

**Sub-Component 1.2 - Support for PFM Reforms:** Technical assistance and advisory services to the Ministry of Finance in implementing reforms.

**Component 2: e-Governance Solutions for Improved Service Delivery**

This component will support the implementation of select government priorities as identified in the Government of Armenia's e-Governance Strategy.

**Sub-Component 2.1 - e-Governance Policy, Institutions, and Capacity:** This sub-component seeks to put in place the policy environment necessary for introduction of a deeper e-governance reforms and create an institutional capacity within the government needed to undertake introduction of electronic service delivery mechanisms.

**Sub-Component 2.2 - e-Governance Platforms and Service Enhancements:** This sub-component seeks to introduce basic platforms (including interoperability platform) and infrastructure to support the e-governance agenda, enhance existing e-services and automate services that have back end infrastructure in place.

**Sub-component 2.3 - Citizen-Government Interface for Accountability:** This sub component supports the establishment of feedback mechanisms to facilitate citizen and business access to government services, address grievances, and monitor client satisfaction. The feedback mechanisms will be developed based on the design of service quality indicators and performance indicators developed as part of the public sector reforms process. Particular attention will be given to the needs of vulnerable users – including the poor, women, youth and the elderly – to ensure that the accountability and participatory mechanisms developed are sensitive to their needs and preferences.

**Component 3: Capacity Building and Small Capacity Building Interventions:**

This component will support the broader public sector modernization and governance reform agenda through two sub-components: capacity building and smaller capacity building interventions.

**Sub-Component 3.1 - Capacity Building:** This sub-component seeks to strengthen the capacity of the Civil Service Council (CSC) and Armenian Academy of Public Administration (AAPA) to modernize the training system for public servants and raise the quality of training to international standards.

Sub-Component 3.2 – Small Capacity Building Interventions: This sub-component will support the Public Sector Reform Commission (PSRC) in its coordination and implementation of the public sector modernization and governance reforms.

#### Component 4: Project Management

This Component covers the cost of specific project management arrangements. These include the costs of the Foreign Financing Project Management Centre (FFPMC), the Project Manager (PM) and the Project Management Group (PMG) who will report to the Project Director (Chief of Staff of the Prime Minister’s Office and the Head of PSRC). PMG will provide technical and administrative support to project implementation, monitoring and reporting, development of the technical requirements/specifications part for procurement documents and monitoring of the procurement process, and advisory services to agencies which implement project activities. This component also includes the activities related with trainings, financial audit, monitoring and evaluation (M&E), possible public awareness campaigns, and gender-related consultations with citizens and civil society.

#### **4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

The project will be implemented in the public institutions of Armenia, predominantly in the capital city of Yerevan with possible interventions in some provincial administrative centers.

#### **5. Environmental and Social Safeguards Specialists**

Darejan Kapanadze (GENDR)

Sarah G. Michael (GSURR)

<b>6. Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/BP 4.01	No	The project is to provide technical assistance to the Government of Armenia. This technical assistance does not include support for design or preparation of any physical investment that will trigger safeguard policies. The only type of physical activity that may be performed under the project is the installation of IT equipment, which carries no environmental risks. Workers' safety shall be ensured through the deployment of personnel qualified for working with electric devices. Installation and operation instructions for IT equipment should also be strictly observed.
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	No	
Indigenous Peoples OP/BP 4.10	No	

Involuntary Resettlement OP/BP 4.12	No	No civil works or land use/acquisition will be undertaken under the project.
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

## II. Key Safeguard Policy Issues and Their Management

### A. Summary of Key Safeguard Issues

<b>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</b>
The project does not finance physical works and does not provide technical assistance with expected indirect significant environmental impacts.
<b>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</b>
N/A.
<b>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</b>
N/A
<b>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</b>
N/A
<b>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</b>
N/A

### B. Disclosure Requirements

**If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.**

**If in-country disclosure of any of the above documents is not expected, please explain why:**

### C. Compliance Monitoring Indicators at the Corporate Level

<b>The World Bank Policy on Disclosure of Information</b>			
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [ <input type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input checked="" type="checkbox"/> ]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [ <input type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input checked="" type="checkbox"/> ]
<b>All Safeguard Policies</b>			

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]

### III. APPROVALS

Task Team Leader(s):	Name: K. Migara O. De Silva, Davit Melikyan	
<b><i>Approved By</i></b>		
Practice Manager/ Manager:	Name: Adrian Fozzard (PMGR)	Date: 16-Jul-2015