



Governance eTransformation Project (P121231)

EUROPE AND CENTRAL ASIA | Moldova | Transport & ICT Global Practice |
IBRD/IDA | Specific Investment Loan | FY 2011 | Seq No: 12 | ARCHIVED on 19-Feb-2017 | ISR26344 |

Implementing Agencies:

Key Dates

Key Project Dates

Bank Approval Date:09-Jun-2011

Effectiveness Date:28-Sep-2011

Planned Mid Term Review Date:12-May-2014

Actual Mid-Term Review Date:04-Mar-2014

Original Closing Date:31-Dec-2016

Revised Closing Date:31-Dec-2016

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project development objective is to transform delivery of selected public services using ICTs. This objective will be achieved by: (i) improving leadership capacity, enabling environment and management of ICTs in the public sector; (ii) using a modern service delivery platform, and (iii) increasing transparency in the public sector.

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

No

Components

Name

Component 1: e-Leadership Capacity and Enabling Environment:(Cost \$5.20 M)

Component 2: Shared Infrastructure and e-Services Development:(Cost \$14.80 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory
Overall Risk Rating	● Low	● Low



Implementation Status and Key Decisions

Issues

This is the last ISR for the Governance e-Transformation Project and reflects the findings of the July, 2016 implementation support mission, and subsequent follow-up to the date of filing of this ISR.

The GET Project will be closing on December 31, 2016 with 100% disbursement and 100% achievement of indicators. Project implementation led to an outstanding result being achieved on core outcome indicators (please see results section). The major achievement of the project is establishment of the modern cutting edge Cloud based shared IT infrastructure for the public sector "MCloud"; Public Services and Open Data Portals; a number of shared platform services such as MConnect, MPay, MPass, MSign, MNotify and a range of sectorial services such as e-Licensing, e-Criminal Record, e-Visa etc.

The Governance e-Transformation Project reached more than 600,000 citizens of which more than 50% were women who benefited from access to e-services through public service portal or mobile access. Over 2500 people were trained under the project in the use and application of information and communication technologies. The design of the project combined both building of institutional and human capacity, and developing of the infrastructure and e-services in collaboration with line ministries and subordinated agencies. This was critical to the achievement of project outcomes. An effective public information campaign carried out under the project helped to create awareness of availability of e-services among citizens. Some E-Services established under the project achieved a 99% utilization rate, meaning 99% of service users chose to access them electronically verses the traditional way of public service delivery associated with travels to the capital city and standing in long queues.

The sub-component activities funded by the Project and aimed at strengthening institutional infrastructure and the enabling environment achieved an impact as illustrated by the over achievement of results in all Project Outcome and Intermediate Outcome Indicators.

The following sections provide a summary of the key factors affecting implementation and outcomes up to this point, together with a note of outstanding actions:

Key factors Affecting Implementation and Outcomes:

1. Factors that affected project disbursement timeline

The project experienced a disbursement gap in the initial years of implementation. The gap is explained by the following factors:

- (i) The project benefited from a recipient executed grant (Dutch Trust Fund) in the amount of USD \$1.5 million. Though a positive development it delayed disbursement from the Loan proceeds during the initial year of implementation. The Cloud Phase I was purchased from the proceeds of the Grant.
- (ii) A new institution (eGovernment Center) as well as beneficiary capacity had to be created prior to the commencement of implementation of services.
- (iii) The major offset in the project implementation timeline resulted from a delay caused by two factors: the Government's un-procedural influence upon the procurement process of the MCloud. The selection of the vendor was questioned by various government authorities; the need to restructure the cloud model due to an unexpected high uptake of Cloud Phase I resources. The uptake model was generated using the experience of other comparative countries, however, Moldova's Government has shown an unprecedented commitment to embracing a new technology. The procurement for extending the Cloud was cancelled and rebid given the need for a much greater Cloud capacity. The model was also revised from a PPP model to a private government Cloud. The restructuring of the model and new procurement took most of 2014. Once the contract for the Cloud Phase II was signed, disbursement accelerated and the project got back on track.

2. Key outstanding issues that can have an impact on Sustainability of Project Results

In order to ensure project results the government should implement a government wide reform for allocation of funding for IT to line Ministries. The introduction of shared IT platforms requires a different approach to financial management of IT assets in order to ensure a return on investment. The Ministry of Finance has been in discussion with the eGovernment Center on the need of such reforms. The use based budget model for IT resources is one of the core challenges even among highly advanced countries. The Government of Moldova would benefit from technical assistance to implement its internal IT budgetary reform. Implementing such reforms was not within the scope of the GET project, however there is a high dependency between sustainability of project results and reforms in IT budget management, therefore the need for such reforms was brought to the government's attention.



The GET project put in place a solid enabling environment for sustaining change such as CIO councils within line ministries, solid legal and regulatory framework, highly trained and qualified personnel as well as advisory bodies necessary for inclusive consensus based decision making. The recent Government informed the WB of their intent to restructure functions of the State Chancellery and Ministry of Information Technology and Communications. The team would like to note that adequate consultations were not held by the government with the WB to ensure that highly functional capacity of existing structures including eGovernment Center and CTS remain intact. There is a very high demand on the technological model developed by the eGovernment Center of Moldova globally. It represents one of the top cutting edge end-to-end solutions for e-government platforms. The Government has been advised by the World Bank on the risks of losing local capabilities to global competition if actions are not taken to create stability and continuity of existing arrangements for the eGovernment Center and CTS.

3. Achievement/Efficacy (High)

Despite an unstable political environment and complex procurements that initially delayed the disbursement, the project delivered outstanding results on core PDO indicators (please see results section). Overall Project performance is rated as Satisfactory for Achievement of the PDO. The latter reflects the assessment of progress in meeting and exceeding the key outcome indicators for the two Project components. The main outcome indicators such as (i) people trained under the project; (ii) public support for e-Government; (iii) data sets available on open government portal; (iv) uptake of shared e-Government infrastructure MCloud; and (v) visits to government services portal also have been fully achieved, details are provided below:

(1) **The project has established a modern service delivery platform** to improve access to public services. Cloud based shared IT infrastructure for the public sector "MCloud" was deployed with 35 State Public Authorities migrating to the Cloud, including 22 out of 24 central public authorities. The Cloud enabled service delivery platform allows the government to increase the efficiency of internal computing resources through re-use, to increase the speed of transition to e-services and "time to market", strengthen the resiliency of government IT systems and services and increase the security of government IT infrastructure.

(2) **The project improved leadership capacity, enabling environment and management of ICT in the public sector.** A number of government decisions were aimed at the establishment of adequate capacity within the government to manage and mainstream e-transformation agenda. The decision to establish a central coordinating authority led to the setup of an eGovernment Center and a decision on the establishment of the *CIO Council and e-Transformation units within Ministries* led to increased capacity at a beneficiary level to lead the implementation of sectorial e-transformation initiatives. Also a comprehensive legal and regulatory framework compliant with EU regulations was put in place under the project to support ICT enabled reforms. Over 40 Government Decisions concerning g-Government were undertaken. Among the most prominent ones are: Strategic Program for Government e-Transformation, *Decisions on Cloud First Policy, Open Governance Directive, draft law on Data Exchange, law on electronic documents and electronic signature*. A massive initiative was undertaken to train more than 2500 government employees in IT project management, e-transformation and change management, ICT management, IT infrastructure management and cyber security; among those over 100 government employees were trained to function in the roles of CIOs in their respective agencies.

The project has contributed to increasing transparency in the public sector through the establishment of a Cloud infrastructure, Opening Government Data, and Open Contracting initiative. Under these initiatives over 930 government data sets were made public, also implementation of the cloud infrastructure allowed for hosting of two portals and that enabled open and easy access to open government information. Asset declaration system supported by a legislative base also contributed to the integrity of public officials. The achievement of the project in Open Data and Governance was internationally recognized through the award received from the Open Government Partnership, Transparency International Ukraine, and the British Embassy in Kiev. Moldova has moved from 46th place in 2015 to 22nd in 2016 in Global Open Data Index (<http://index.okfn.org/place/moldova/>). The opening of corporate data under the project led to Moldova being ranked the third country in the world on open corporate index by Open Company Data Index: (<http://registries.opencorporates.com/jurisdiction/md>).

4. Status of Results

Component 1 – e-Leadership Capacity and Enabling Environment: All sub-component activities have been successfully completed in a timely way and exceeded target values. 2610 people were trained under the project exceeding the target by more than 500 people. The public support of e-Government reached 73% exceeding the target by 3%. Over 900 government datasets are published by 48 public authorities and subordinated agencies and are publicly available, exceeding the target by 50%. Around 20 central public authorities created e-Transformation Coordination Units (2 to 6 employees) and more than 50 central public authorities and subordinated agencies appointed CIO or e-Transformation Coordinators along with 45 open government data focal points. Around 80 policy and legal acts to support the implementation of the e-Government were developed under and with



support of the project.

Component 2 – Shared Infrastructure and e-Service Development: All sub-component activities have been successfully completed in a timely way and exceeded target values. The number of visits to the Government Service Portal reached over 1 million against a target of 400,000 of visits. Overall, the survey conducted annually under the project reveals a substantial growth of buy-in and support for the governance e-transformation agenda and recognition of advantages of online service delivery among the citizens over the past 5 years. The e-services demonstrating the most dynamic growth of uptake include MSign, MPay and e-Invoice. The performance indicators also demonstrate a substantial uptake of the shared e-government infrastructure, as illustrated by the percentage of central government agencies using M-Cloud exceeding the targeted value by more than twice. Implementation of MCloud allowed 38 public institutions to migrate part of their digital content to the platform and make more efficient use of the public sector IT infrastructure and its financing.

5. Relevance (High)

By launching the Governance e-Transformation agenda, the Moldovan government has opened up for innovation and digital tools, in order to respond to citizens' demands, improve service quality, increase administrative efficiency and transparency, and reduce corruption. The key indicators that demonstrate the growing relevance of implementation of e-services and shared digital platforms in the country are: (i) citizen uptake of e-government, (ii) uptake of shared eGovernment infrastructure, and (iii) public support for e-government. In the beginning of the project when e-transformation initiatives and e-services were introduced the uptake of e-services was 16%, uptake of shared digital infrastructure was 16% and public support for eGovernment was 57%. The uptake of e-services and digital infrastructure by the end of the project reached 43.6% and 53.7% respectively and public support for e-Government increased to 73%. The growth in uptake and public support of eGovernment initiatives directly demonstrates the relevance and applicability of the provided services to the citizen's needs. Electronic delivery of services is particularly relevant in the context of Moldova due to a high migrant population that has a need to access services remotely.

6. Efficiency (Substantial)

The eGC has undertaken an analysis of government IT expenditures for 30% of government entities before and after the introduction of MCloud. The analysis shows a potential saving of over \$5 million annually from reducing further investments into silo IT infrastructure and transitioning to the shared infrastructure. According to the 60/40 division of savings principle introduced in the Project Appraisal Document, 40% of achieved savings should be diverted back to the eGC to ensure maintenance and further investment into shared infrastructure. This mechanism currently is not in place. Cadaster alone confirmed savings of over \$2 million on not having to spend resources on a silo digital infrastructure. In addition, MCloud platforms such as Mpay contribute to significant savings on financial transactions. The project also transfers significant savings to the citizens. In the case of the e-Criminal Record service citizens no longer need to travel to the capital to obtain the criminal record needed for foreign employment.

7. Institutional Development Impact

Project established an entire new decision making and coordinating structures within the government for e-Transformation:

The National Commission for e-Transformation, chaired by the Prime Minister and comprising representatives of government, private sector, academia and civil society was established to provide the vision and leadership for Governance e-Transformation and approve major government initiatives and programs.

The e-Government Center - the Government Chief Information Office (eGC/GCIO) was established as a public entity under the State Chancellery, Prime Minister's Office in August 2010. eGC was made responsible for the strategy and technical design of e-government architecture and the implementation of e-services delivery infrastructure to enable Governance e-Transformation all across the government. The Center also guides the process of setting the proper legal and institutional frameworks, facilitates the deployment and adoption of e-services delivery platforms, knowledge exchange and capacity building activities under the e-Transformation Agenda.

To facilitate the sectorial e-Transformation, the Government established in each ministry a new position of the ***Coordinator for e-Transformation (CeT)*** and the e-Transformation division. Sectorial CeT are members of the Council of e-Transformation Coordinators, which ensures alignment and coordination of sectorial e-Transformation actions and initiatives.



These new structures allowed for effective policy and decision making and coordination within the government of the e-transformation agenda. The remaining concern post-project implementation is that the current government is embarking on restructuring these functions within the context of the creation of the Agency for Public Services and the newly proposed institutional set up is not yet clear. The government has been advised to maintain continuity of the team and functioning of existing governance structures.

8. Sustainability

The sustainability of the produced results will depend on government commitment to maintaining existing digital infrastructure, expertise and institutions. At the closing of the project the government has allocated sufficient funds for the maintenance of digital infrastructure and made commitments to further advance the e-transformation agenda through a new World Bank financed project: Modernization of Government Services. This project will build on the achievements of the GET project, it will reuse the digital platforms and continue to support re-engineering and digitization of services. The government has initiated re-organization of number of government entities responsible for ICT including eGC, the impact of this is not clear at this stage. If such reforms are not well thought through they may pose risk to sustainability of project results.





Risks

Systematic Operations Risk-rating Tool



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

Results

Project Development Objective Indicators

► Citizen uptake of e-government services (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	7.00	35.50	43.60	25.00
Date	01-Nov-2010	20-Jun-2016	30-Nov-2016	31-Dec-2016

► User Perception of Quality of Public Services (%) (Percentage, Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	65.50	66.00	60.00
Date	09-Jun-2011	20-Jun-2016	30-Nov-2016	31-Dec-2016

Comments

This indicator measures the degree of users satisfaction with the overall quality of transaction processing for the main public services (citizen's portal) targeted by the project.



► Direct project beneficiaries (Number, Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	421,465.00	617,354.00	300,000.00
Date	09-Jun-2011	20-Jun-2016	30-Nov-2016	31-Dec-2016

▲ Female beneficiaries (Percentage, Core Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	52.00	52.00	50.00

Overall Comments

Intermediate Results Indicators

► Public support for e-Government (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	53.00	71.30	73.00	70.00
Date	01-Nov-2010	20-Jun-2016	30-Nov-2016	31-Dec-2016



► People trained under the project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2,259.00	2,610.00	2,000.00
Date	09-Jun-2011	20-Jun-2016	30-Nov-2016	31-Dec-2016

► Data sets available on the Open Government Data website (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	50.00	881.00	937.00	600.00
Date	09-Jun-2011	20-Jun-2016	30-Nov-2016	31-Dec-2016

► Uptake of shared e-Government infrastructure (M-Cloud) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	46.25	53.70	25.00
Date	09-Jun-2011	20-Jun-2016	30-Nov-2016	31-Dec-2016

► Visits to Government Services Portal (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	748,816.00	1,070,262.00	400,000.00
Date	09-Jun-2011	20-Jun-2016	30-Nov-2016	31-Dec-2016

Overall Comments



Data on Financial Performance

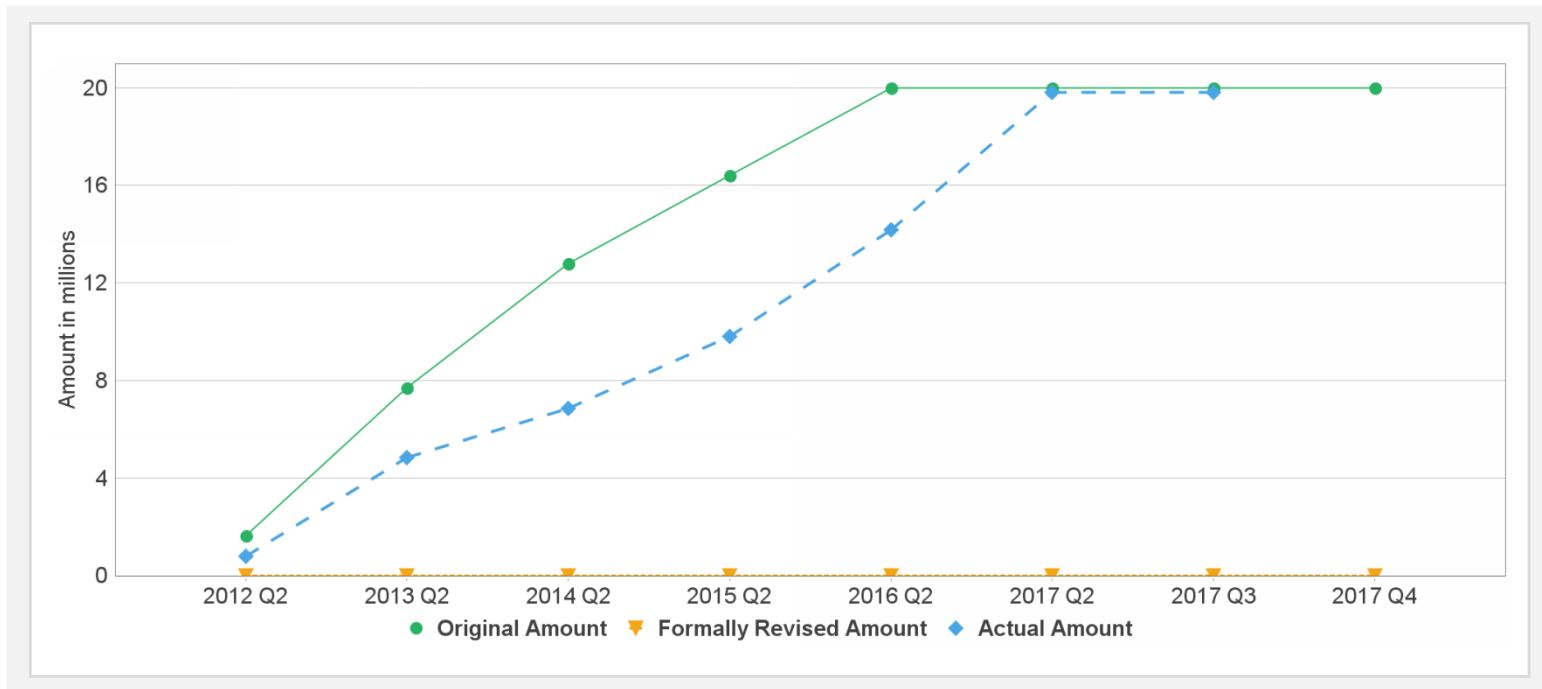
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P121231	IDA-50000	Closed	USD	20.00	20.00	0.00	18.32	0.10	92%
P121231	TF-11741	Closed	USD	1.49	1.48	0.00	1.48	0.00	100%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P121231	IDA-50000	Closed	09-Jun-2011	01-Jul-2011	28-Sep-2011	31-Dec-2016	31-Dec-2016
P121231	TF-11741	Closed	17-Feb-2012	17-Feb-2012	17-Feb-2012	31-Dec-2012	31-Dec-2012

Cumulative Disbursements



Restructuring History

Level 2 Approved on 22-Sep-2015



Related Project(s)

There are no related projects.
