



Armenia Social Investment and Local Development Project (P148836)

EUROPE AND CENTRAL ASIA | Armenia | Social Protection & Labor Global Practice |
IBRD/IDA | Investment Project Financing | FY 2015 | Seq No: 2 | ARCHIVED on 05-Feb-2016 | ISR22442 |

Implementing Agencies: Armenian Territorial Development Fund (ATDF)

Key Dates

Key Project Dates

Bank Approval Date:13-Mar-2015

Effectiveness Date:22-Sep-2015

Planned Mid Term Review Date:30-Nov-2017

Actual Mid-Term Review Date:--

Original Closing Date:30-Jun-2020

Revised Closing Date:30-Jun-2020

Project Development Objectives

Project Development Objective (from Project Appraisal Document)
Improve the quality and use of and access to community and intercommunity infrastructure.

Has the Project Development Objective been changed since Board Approval of the Project Objective?
No

Components

Name

Support to Socio-Economic Development and Capacity Building at the Local Level:(Cost \$24.40 M)

Support to Intercommunity Social and Economic Development Initiatives:(Cost \$13.50 M)

ASIF Institutional Strengthening and Project Management:(Cost \$5.00 M)

Overall Ratings

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

Implementation Status and Key Decisions



The project was declared effective as of September 22, 2015. First disbursement under the loan was made in October. Activities in the period since April through September 2015 were financed by the Government of Armenia under a retroactive financing arrangement. 16 micro-projects (MPs) were identified and arrangements for their implementation started during that period. However, competing demands from other upcoming projects as well as the complexity and novelty of Component 2 affected overall project implementation progress. Thus, the project is rated moderately satisfactory for implementation progress.

Component 1: Support to Socioeconomic Development and Capacity Building at the Local Level. A total of 36 micro-projects (MPs) are currently underway under Component 1. These include MPs at various stages of appraisal, contracting and works.

Component 2: Support to Inter-Community Social and Economic Development Initiatives. Important Component 2 procedures, including on subproject application and evaluation/project selection processes, were discussed and agreed during a recent World Bank mission. It is currently planned to launch pilot subprojects in Quarter 1 of 2016.







Risks

Systematic Operations Risk-rating Tool

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

Results

Project Development Objective Indicators

► Direct project beneficiaries (Number, Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	343488.00
Date	01-May-2015	22-May-2015	22-May-2015	31-Dec-2019

Comments

This target has increased because the original target estimates were based on ASIF III project size, but the SILD projects are much larger, impacting many more beneficiaries than ASIF III. Thus, the target is revised to reflect reality.



▲ Female beneficiaries (Percentage, Core Supplement)

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

▶ Average percentage increase in access to and use of SILD infrastructure (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	26.00
Date	01-May-2015	22-May-2015	22-May-2015	31-Dec-2019

▶ Percentage of beneficiaries in project areas (Component 1) who are satisfied with the quality of infrastructure (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	85.00	--	0.00	85.00
Date	01-May-2015	--	22-May-2015	31-Dec-2019

▲ Percentage of beneficiaries (female) in project areas (Component 1) who are satisfied with the quality of infrastructure (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	85.00	0.00	0.00	85.00



▶ Percentage of beneficiaries in project areas (Component 2) who are satisfied with the quality of infrastructure (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	80.00
Date	15-Dec-2014	--	--	31-Dec-2019

▲ Percentage of beneficiaries (female) in project areas (Component 2) who are satisfied with the quality of infrastructure (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	80.00

Overall Comments

Targets have been revised. Original PAD targets were set based on ASIF III, but many key factors in calculating these targets have changed. The number of beneficiaries has increased, while the number of microprojects, intercommunity projects (and proposals evaluated), and stakeholders trained has gone down for the following reasons:

1. Exchange Rate of AMD/USD
 - a. Costs of construction materials and works have increased significantly due to AMD/USD exchange rate increase. All estimations for ATDF were carried out in Oct 2014 when 1USD=407 AMD. Currently, this rate is 1USD=486 USD.
 2. ATDF's unit cost database was updated. Now Unit costs are closer to those set according to the information bulletin published by Ministry of Urban Development (MUD) of Armenia.
 3. The costing estimates have been updated:
 - a) overhead expenses are 10% of direct cost (13.3% as per norms of approved by MUD) instead 5% used before;
 - b) profit is equal to 11% of direct and overhead costs (according to the norms approved by MUD) instead 8% of direct cost used before;
 - c) 2% of construction cost is reserved for other costs (1.35 – 2.7% according to the norms approved by MUD) instead of 0% used before; and
 - d) transportation cost is 5.72% - 13.2% of materials cost, depends on marzes (according to norms approved by MUD) instead of 5% of direct cost used before.
- All above mentioned resulted to 12-13% increase of the estimated per project budget cost.
4. More complete MPs will be implemented. In ASIF III the average MP was much smaller and they were partial projects such as heating system upgrades. Since 2006 the upper cost threshold of a MP increased significantly as the projects are larger and more comprehensive. This will only increase under SILD.
5. With less projects planned, less stakeholders will need to be trained on how to apply for and implement these projects.

This does not impact the possibility for achieving the PDO as these projects, while fewer, will impact more people and generally at a greater scale.

Intermediate Results Indicators



► Percentage increase in primary visits to health centers rehabilitated under SILD (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	18.00	0.00	0.00	20.00
Date	01-May-2015	22-May-2015	22-May-2015	31-Dec-2019

► Percentage increase in events held in community centers rehabilitated under SILD (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	38.00	--	0.00	38.00
Date	01-May-2015	--	22-May-2015	31-Dec-2019

► Percentage increase in enrollment in kindergartens rehabilitated under SILD (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	33.00	0.00	0.00	35.00
Date	01-May-2015	22-May-2015	22-May-2015	31-Dec-2019

► Percentage decrease in absences in schools rehabilitated under SILD (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	12.00	--	0.00	14.00
Date	01-May-2015	--	22-May-2015	31-Dec-2019



► Percentage increase in supplied water quantity in communities with a SILD water related intervention (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	70.00	--	0.00	70.00
Date	15-Dec-2014	--	22-May-2015	31-Dec-2019

► Percentage of SILD micro and intercommunity projects that are well-maintained according to the quality, maintenance, and cost of civil works assessment (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	60.00	--	0.00	70.00
Date	15-Dec-2014	--	22-May-2015	31-Dec-2019

► Number of microprojects completed (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	95.00
Date	15-Dec-2014	--	11-Dec-2015	31-Dec-2019

Comments

49 projects are in the preparation or implementation stages, but none have been completed yet. The targets have revised per the comments in the PDO section.

► Number of intercommunity projects completed (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	25.00
Date	15-Dec-2014	--	11-Dec-2015	31-Dec-2019

Comments

Procedures for selection of these projects are still under preparation. The targets have revised per the comments in the PDO section.



► Percentage of microprojects in the vulnerable and most vulnerable communities (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	81.80	0.00	95.90	80.00
Date	15-Dec-2014	22-May-2015	11-Dec-2015	31-Dec-2019

Comments

Of the current microprojects under implementation (not yet completed) 95.9% are in the most vulnerable (36.7%) and vulnerable (59.2%) communities.

► Grievances registered related to delivery of project benefits addressed (%) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100.00
Date	01-May-2015	22-May-2015	22-May-2015	31-Dec-2019

Comments

No grievances have been received yet as the system is just being established and the initial microprojects just began implementation. An e-mail address (support@atdf.am) and a link (<http://atdf.am/en/Home/ContactUs>) are provided on ATDF's project sites for grievances, and mechanisms are described as well. This has been communicated to beneficiaries at the community meetings. Each community also has a focal point for grievances.

► Number of key stakeholders (municipal officials, village council members, community leaders) trained in FM, budgeting, accounting, and asset management (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	435.00
Date	01-May-2015	--	22-May-2015	31-Dec-2019

Comments

No training has been conducted yet. The targets have revised per the comments in the PDO section.



► Percentage of key stakeholders (municipal officials, village council members, community leaders) trained in FM, budgeting, accounting, and asset management who are satisfied with the training (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	80.00	--	0.00	80.00
Date	15-Dec-2014	--	22-May-2015	31-Dec-2019

► Number of proposals for intercommunity projects evaluated (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	33.00
Date	15-Dec-2014	22-May-2015	22-May-2015	31-Dec-2019

Comments

The targets have revised per the comments in the PDO section.

► Amount of new funding for ATDF's operations mobilized (USD million) (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	8.60	11.00
Date	15-Dec-2014	--	11-Dec-2015	31-Dec-2019

Comments

USAID signed an \$8.6 million grant agreement with ATDF as part of their Local Governance Reform Activity.

► Institutional assessment completed and recommendations implemented (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	N	N	Y
Date	15-Dec-2014	22-May-2015	22-May-2015	30-Dec-2017



Comments

The institutional assessment has been completed and implementation will start shortly.

Overall Comments

Please see the PDO comments for the explanation of changes to PDO and PDI targets. The indicator on the communications/fundraising strategy was deleted. It's objective was to raise more funds for ATDF and at the moment the pipeline of funds for ATDF is very large, making this strategy unnecessary.

Data on Financial Performance

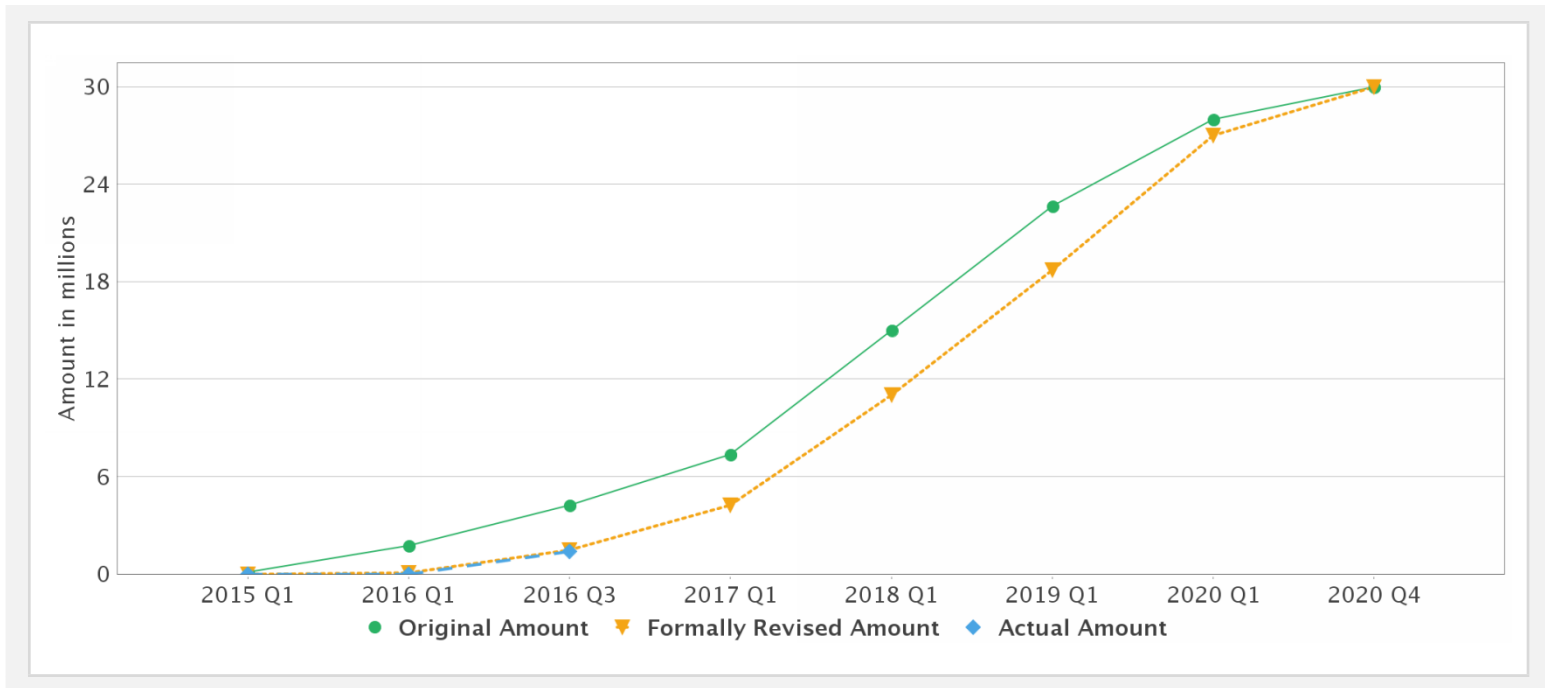
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P148836	IBRD-84830	Effective	USD	30.00	30.00	0.00	1.49	28.51	5%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P148836	IBRD-84830	Effective	13-Mar-2015	08-Apr-2015	22-Sep-2015	30-Jun-2020	30-Jun-2020

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.