



First Programmatic Inclusive Growth Development Policy Operation (P149991)

EUROPE AND CENTRAL ASIA | Georgia | Macro Economics & Fiscal Management Global Practice | IBRD/IDA | Development Policy Lending | FY 2015 | Seq No: 1 | ARCHIVED on 10-Mar-2016 | ISR20909 |

Implementing Agencies: Ministry of Finance

Key Dates

Key Project Dates

Bank Approval Date: 28-Apr-2015

Effectiveness Date: 12-Jun-2015

Planned Mid Term Review Date: --

Actual Mid-Term Review Date: --

Original Closing Date: 31-Dec-2015

Revised Closing Date: 31-Dec-2015

Program Development Objectives

Program Development Objective (from Program Document)

The program supports the government in its efforts to:

- (1) Strengthen fiscal oversight of public institutions and improve budgeting and the framework for civil service reform.
- (2) Improve coverage and quality of social services and strengthen monitoring of outcomes.

Overall Ratings

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

Implementation Status and Key Decisions

Early results and dialog with the authorities indicate that some progress has been made in achieving the development objectives outlined in the Inclusive Growth DPF for Georgia. These include availability of budget and execution data for municipalities, legal entities of public law and non-profit legal entities on a real time basis, availability of financial data on SOEs, and improvements in maternal mortality rates. While progress on policy reforms have been encouraging in the education sector and in the framework for civil services, others like the public investment guidelines and reforms in the targeted social assistance (TSA) program have shown slower progress. However, initial data indicate that the outcome indicators associated with this DPF series are likely to be achieved by the target date of end-2017. The program is being implemented in close collaboration with the IMF.

As a result of slow progress on some of the policy fronts and a deterioration in the overall macroeconomic framework, the team agreed with the government that once all policy actions for DPL2 are met, an agreement is reached on the modifications required on the targeted social assistance and there is sufficient clarity on the fiscal performance, DPL2 would be presented to the World Bank's Executive Board in July 2016. Based on discussions with the authorities, an agreement on the TSA modifications and completion of all prior actions for DPL2 is likely by mid-March 2016. However, greater clarity on the fiscal outcome for 2016-17 could take longer. The change in the DPL2 timeline will also impact the timeline for DPL3 which will be presented to the Board 12 months after the DPL2 Board date.





Risks

Systematic Operations Risk-rating Tool

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

Results

Results Indicators



► Availability of budget and execution data for municipalities, legal entities of public law and non-profit legal entities (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Quarterly	--	On a real time basis	On a real time basis
Date	31-Dec-2013	--	31-Dec-2015	29-Dec-2017

► Improved framework reflected in the selection criteria for new capital projects in 6 municipalities and 2 central ministries (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	100.00
Date	31-Dec-2013	--	31-Dec-2015	29-Dec-2017

► Availability of comprehensive financial data on SOEs (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not available	--	Data has been collected for 2013 and 2014 for 63 SOEs.	2 years of data available
Date	31-Dec-2013	--	31-Dec-2015	29-Dec-2017

► Pre qualification test taken by first time entrants to the civil services according to the new hiring rules (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	100.00
Date	31-Dec-2013	--	31-Dec-2015	29-Dec-2017



► Share of the bottom decile receiving TSA (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	60.00	--	62.00	65.00
Date	31-Dec-2013	--	31-Dec-2014	29-Dec-2017

► Pharmaceutical expenses as a percent of out-of-pocket on health (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	38.00	--	38.00	36.10
Date	31-Dec-2012	--	31-Dec-2015	30-Dec-2016

► Reduction in maternal mortality rate (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	27.70	--	27.70	26.90
Date	31-Dec-2013	--	31-Dec-2015	29-Dec-2017

► Reduction in the proportion of teachers in Category I (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	75.00	--	75.00	60.00
Date	31-Dec-2014	--	31-Dec-2015	29-Dec-2017



▶ Share of pre-school educational institutions using the new pre-school curriculum (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	50.00
Date	31-Dec-2013	--	31-Dec-2015	29-Dec-2017

▶ Publish data on employment (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Annual	--	Annual	Quarterly
Date	31-Dec-2013	--	31-Dec-2015	29-Dec-2017

Overall Comments

Data on Financial Performance**Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P149991	IBRD-85030	Closed	USD	60.00	60.00	0.00	60.00	0.00	100%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P149991	IBRD-85030	Closed	28-Apr-2015	22-May-2015	12-Jun-2015	31-Dec-2015	31-Dec-2015

Tranches**Restructuring History**

There has been no restructuring to date.



Related Operations

P156444-Second Programmatic Inclusive Growth DPL
