



ADB support to Republic of Armenia PFM Reform Agenda

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**ADB Support to Armenia on Public Management
in the last five years (including institutional capacity building)**

Strengthening Fiscal Risk Management Revenue Policy

**Development of Public Debt Management and Government Securities
Markets**

**Development of a Fiscally-Responsible and Planning-Relevant PPP
Framework and Capacity**

Underpinnings of Corporate Transparency (A & A profession)

Revenue Policy

**Implementation of PFM Reform Roadmap and PFM Secretariat
Operationalization**



ADB Support to Armenia in the Context of PFM Reform Implementation Roadmap

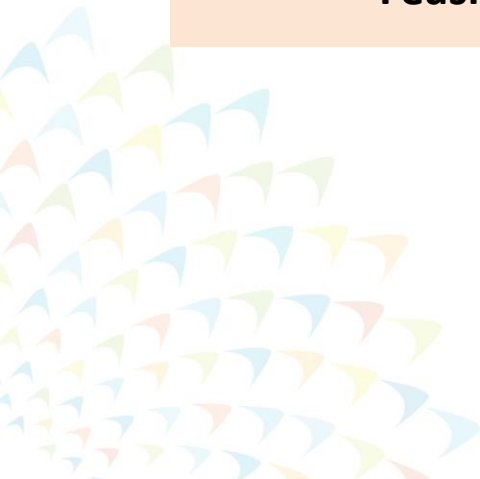
Public Debt Management

Financial Management and Control of SNCOs

Fiscal Risks Accountability

Public Investment Management

Feasibility of using Country Systems in Donor Procedures



Component: Public Debt Management

Measure: Conformity of the RA Law on Public Debt to the standards applied by international financial institutions

Direction(s): Assistance to elaboration activities of the new RA draft Law on making amendments and supplements to the RA Law on public debt

ADB support: ADB has previously supported the Public Debt Management Department, particularly:

- a) Support implementation of MTDS (2020-2022) within its benchmark targets for refinancing risk, interest rate risk and exchange rate risk with minimal deviations.
- b) Update on MTDS (2021-2023) raising the objectives in terms of reduction of the exchange rate risk and rationalizing the structure of deficit financing between domestic and external net borrowings.
- c) Developing of government securities market.

Form of support includes (i) advisory inputs, (ii) legal review of public debt law; and (iii) trainings.

Component: Financial Management and control of state organizations
accountability of state non-commercial organizations
(SNCOs)

Measure: Development of a system of non-financial (productive) indicators for monitoring the activities of SNCOs

Direction(s): Review of SNCOs fiduciary control concept and model to bring it in line with the current requirements of the reforms in the field of PFM

Development of a system of standard non-financial (output) indicators for monitoring and evaluation of financial and economic activities of SNCOs

Support for the introduction of fiduciary control system of SNCOs

ADB support: Support on strengthening analytical capacity to assess risk of materialization of the fiscal risks derived from SOEs

Component: **Fiscal risks accountability**

Measure: Capacity building

Direction(s): Assistance in expanding fiscal risk assessment coverage

ADB support: Training support and advisory inputs for:

- (i) Fiscal Risks Assessment Function at the MOF, including adoption of the newly-drafted Fiscal Risk Management Framework roadmap;
- (ii) Professional capacity building in the field of fiscal risk management (on-site and online training) which includes strengthening analytical capacity to assess risk of materialization of the fiscal risks derived from SOEs and PPPs; and
- (iii) Development of Methodological Guidelines

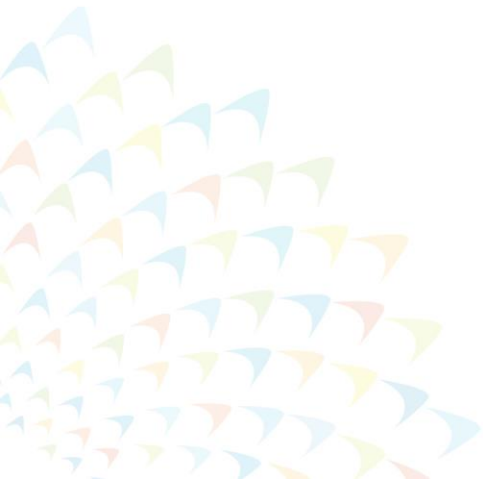


Component: Public Investment Management (PIM)

Measure: Practical application of PIM Manual in the budget process
Monitoring of public investment projects

Direction(s): Support in the development and localization of budgetary processes arising from the PIM manual

ADB support: Help implement the new PIM Decree; help establish the necessary methodologies of appraisal; help integrate the PPP option fully within the new framework for Public Investment Management and MTEF



Component: **Feasibility of using country systems in donor procedures**

Measure: Improve compliance of donor procedures with PFM procedures

Direction(s): Study of performance of public investment projects implementation and the determinants of low execution rates; assessing donor procedures in public investment implementation and mapping the differences with the national procedures, assessment of feasibility for convergence (in terms of fiduciary comfort) and development of proposed roadmaps for the application of national procedures by donors

ADB support: ADB assistance available to address the roots of public investment execution problems, identify gaps and recommendations to harmonize the procedures on a pilot basis whenever fiduciary comfort can be assured.





Thank you.

