



Project Completion Report

PCR

Project Name: Public Management Modernization Program

Country: Republic of Guyana

Sector/Sub-sector: Public Sector

Original Project Team: IDB and GOG

Project Number: GY 0073

Loan Number (s), TC(s): LO-1604/SF-GY

QRR Date: November 21, 2008

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Acronyms and Abbreviations

CAs	Constitutional Agencies
CEO	Chief Executive Officer
DO	Development Objective
EA	Executing Agency
EOP	End of Project
FMMA	Fiscal Management and Accountability Act
FSO	Fund for Special Operations
GDP	Gross Domestic Product
GOG	Government of Guyana
GPSU	Guyana Public Service Union
HOD	Head of Department
HR	Human Resources
HRIM	Human Resource Information Management
HRMIS	Human Resource Management Information System
IAP	Inventory of Authorized Positions
IDB	Inter American Development Bank
IT	Information Technology
JDs	Job Descriptions
KOI	Key Outcome Indicator
LAN	Local Area Network
MDRI	Multilateral Debt Relief Initiative
MISU	Management Information System Unit
MOF	Ministry of Finance
MOSB	Modernization of the State Board
NDC	Neighborhood Democratic Council
OP	Office of the President
PBL	Policy Based Loan
PCR	Project Completion Report
PEU	Project Execution Unit
PIPs	Performance Improvement Plans
PO	Personnel Office
PS	Permanent Secretary / Public Service
PSC	Public Service Commission
PSM	Public Service Ministry
PMMP	Public Management Modernization Program
REO	Regional Executive Officer
SAA	Semi Autonomous Agencies
SB	Statutory Bodies
TSC	Teachers' Service Commission
WAN	Wide Area Network



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I. Basic Information

BASIC DATA (25,000,000)													
PROJECT NO: GY 0073	TITLE: Public Management Modernization Program												
Borrower: Cooperative Republic of Guyana Executing Agency (EA): Office of the President / Ministry of Finance	Date of Board Approval: December 13, 2004 Date of Loan Contract Effectiveness: June 17, 2005 Date of Eligibility for First Disbursement: December 12, 2005												
Loan(s): LO-1604 SF/GY Sector: Modernization of the State	Months in Execution * From Approval: 46 months * From Contract Effectiveness: 40 months												
Lending Instrument: Investment Specific	Disbursement Periods Original Date of Final Disbursement: Jun-17-2009 Current Date of Final Disbursement: Jun-17-2009 Cumulative Extension (Months): 0 Special Extensions (Months): 0												
Poverty Targeted Investment (PTI): Yes Social Equity (SEQ): Yes Environmental Classification: C	Loan Amount(s) * Original Amount: US\$5, 000,000. * Current Amount: US\$3,046,500. * Pari Passu (if applicable): 90:10												
	Disbursements * Amount to date: US\$2,184,936.41												
	Total Project Cost (Original Estimate): US\$5, 560, 000												
	Redirectioning Has this Project? Received funds from another Project [N/A] Sent funds to another Project [YES]												
	Under the Food Crises Initiative the Government of Guyana has requested the Bank to transfer the available resources of this Program to the Basic Nutrition Program.												
	<table border="1"> <thead> <tr> <th>To/From Project Number</th> <th>From Sub-Loan Number</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>To 1120/SF-GY</td> <td></td> <td>US\$ 830,000.00</td> </tr> <tr> <td>From 1604/SF-GY</td> <td></td> <td></td> </tr> <tr> <td>Cancelled under debt Relief Initiative</td> <td></td> <td>US\$ 1,953,500.00</td> </tr> </tbody> </table>	To/From Project Number	From Sub-Loan Number	Amount	To 1120/SF-GY		US\$ 830,000.00	From 1604/SF-GY			Cancelled under debt Relief Initiative		US\$ 1,953,500.00
To/From Project Number	From Sub-Loan Number	Amount											
To 1120/SF-GY		US\$ 830,000.00											
From 1604/SF-GY													
Cancelled under debt Relief Initiative		US\$ 1,953,500.00											
	* Current amount (adjusted for redirectioning):												
	On Alert Status Is project currently designated "on alert" by PAIS: No If yes then why is the project on alert (DO , IP Ratings and/or relevant PAIS indicators):												
	Comments on relevance of "on alert" status for this project (if applicable):												

Summary Performance Ratings

DO	<input type="checkbox"/> Highly Probable (HP)	<input type="checkbox"/> Probable (P)	<input checked="" type="checkbox"/> Low Probability (LP)	<input type="checkbox"/> Improbable (I)
IP	<input type="checkbox"/> Very Satisfactory (VS)	<input type="checkbox"/> Satisfactory (S)	<input checked="" type="checkbox"/> Unsatisfactory (US)	<input type="checkbox"/> Very Unsatisfactory (VU)
SU	<input type="checkbox"/> Highly Probable (HP)	<input type="checkbox"/> Probable (P)	<input checked="" type="checkbox"/> Low Probability (LP)	<input type="checkbox"/> Improbable (I)



II. The Project

a. Project Context

The achievement of the Government of Guyana's National Development Strategy and its Poverty Reduction Strategy Paper demands a public sector that provides the enabling environment for economic growth and improved policy effectiveness. The public service constitutes a significant segment of the economy and has consumed a considerable portion of the country's Gross Domestic Product (GDP). Public Sector expenditure in the period 1995 – 2003 was 47% of GDP and is said to be substantially higher than the average for Latin America and the Caribbean. This situation, together with insufficient levels of revenue, has contributed to unacceptable levels of fiscal deficit. The indications are therefore for a reduction in public spending, part of which can be derived from reforms in the public sector that center on reduced public employment and increased efficiencies across the public sector. While the employment levels have been contained and indeed, reduced over the past decade, the composition of the public service is still viewed as 'bottom heavy'; reduction has occurred mainly through natural attrition accentuated by substantial migration.

Four main problems identified in public employment management are institutional fragmentation, rigidity of civil service policies and rules; inadequate information management and poor high-level staff accountability. Management and coordination of the public service is discharged by (a) Public Service Commission (PSC) – responsible for appointments, promotions and disciplinary control over public employees; (b) Public Service Ministry (PSM) – responsible for normative control and development, relations with the union, and training; the Ministry of Finance (MOF), among it numerous fiscal responsibilities, is also responsible for managing and executing the sector's computerized payroll. Human resource management is fragmented and is further constrained by weak coordination among agencies and inadequate human resource management information systems. Both the MOF and the PSM maintain separate databases with similar information on public employment, yet these are not integrated despite several related institutional strengthening interventions directed to MOF, the most recent included a Human Resources (HR) module with Payroll functionality, and has provided Wide Area Network (WAN) links to 25 public service agencies.

Semi Autonomous Agencies (SAAs) and Statutory Bodies (SBs) comprise several types with no standard legal definition. They have substantial operational autonomy but there are also a number of weaknesses in these institutions. Examples include overlapping mandates, cumbersome organizational design, and unclear relationship with parent Ministry that has been linked to weak oversight, program management practices that are not results oriented, inadequate accountability and service delivery.

There is no comprehensive design for the State Reform process. Transparency across the sector is weak as a result of scarcity of annual reports, absence of a central source for accessing Government information and inadequate mechanisms for seeking feedback. In addition, there is no strategy for IT integration and information sharing across the public sector.

During the period 2002 -2003, the Inter-American Development Bank (IDB) supported the Government of Guyana (GOG) in undertaking a diagnostic review of public sector management under a Technical Cooperation Grant (ATN/SF-6867) to facilitate the Design of the Public Sector Modernization Program. The aim was to develop solutions to the several institutional and capacity weaknesses. The recommendations from this study pointed to five 'cornerstones for reform, namely, (i) policy development and coordination, (ii) performance monitoring and evaluation, (iii) new human resource management infrastructure, (iv) management framework for arms length agencies and the strengthening of their accountability and (v) fostering transparency and integrity in the public sector. The approach to the implementation of these proposals was informed by the absorptive capacity of the public service and also the social and political realities of the day. The resultant decision by the Government, was supported by the Bank, and proffered an incremental approach, yet presented a comprehensive strategy that *'focused on improving public management efficiency as the first step of the long-term effort'*. These pillars were, in part, incorporated into the first phase of implementation, the Public Management Modernization Program.



b. Project Description

The program was organized into three components, namely, (i) strengthen public service management and the PSM institutional capacity; (ii) improve accountability mechanisms for statutory bodies; and (iii) identify the long term challenges for the State reform process in Guyana, promoting consensus building for the related strategies.

i. Development Objective(s)

The purpose / development objective of the project was *'to improve public management efficiency, transparency and accountability in the Government of Guyana, including its semi-autonomous agencies (SAAs).*

ii. Components

The three components were designed as follows:

- a) Public service management strengthening:** The objective of this component was to strengthen public service management and the institutional capacity of PSM. This was expected to be achieved through the implementation of six sub components, namely:
1. Improving the capacity of the PSM. The aim of this subcomponent was to enhance the PSM's capacity to regulate and manage the public service system to facilitate greater efficiency and effectiveness in the public service. The expected results were a Human Resource Strategy and the enhancement of the HR structure for the public service. On the basis of the new HR strategy, the activity was intended to build the capacity of PSM, by training a number of HR officials to act as instructors to provide actual training on an on-going basis, to define/ rationalize/ update the structure and function of public organizations; reclassify positions and prepare the corresponding job descriptions; and systematically plan the evolution of the workforce.
 2. Review of public service rules and regulations. The activity sought to improve the normative consistency and management flexibility in the public service with a view to increasing the efficiency, effectiveness and transparency of the HR function. Funding included provision for the review and updating of the current rules and regulations (including gender issues to address equal opportunities for all persons in the public service); validation, training of all relevant HR staff in the administration of the revised public service rules and the PSC rules; a dissemination campaign for all employees; technical assistance to Guyana Public Service Union (GPSU) and PSC to support their participation in all necessary discussions; workshops and seminars to facilitate the attainment of consensus.
 3. Enhancement of the Human Resource Management Information System (HRMIS). The intention was to expand and fine-tune the HRMIS, complete the interconnection between the MOF and the regions, provide LAN (local area network) connectivity to 35 agencies (20 ministries, 10 regions, 5 constitutional agencies); complete the WAN connectivity to the remaining public agencies, making the necessary improvements and adjustments. Other intended activities were – technical assistance and training of personnel, acquisition of equipment. The HRMIS would include in its management reports information necessary to support the monitoring of public service management indicators defined in the program's logical framework.
 4. Strengthening of Personnel Offices. The aim was to enhance the management capacity of the Personnel Office (PO) of the 20 ministries, 10 regions and 5 constitutional agencies by providing technical assistance in each agency, updating the structures etc.; training staff in the application of the new policies and rules, workforce planning, drafting of job descriptions, in the use of the new HRMIS.



5. Training of Permanent Secretary / Public Service (PSs) and Heads of Departments HODs. Enhancing the effectiveness and efficiency of approximately 80 PSs and HODs by establishing management training needs, developing a training curriculum, and the delivery of training courses and training material.
6. Performance Appraisal System for PSs and HODs. The aim was to enhance the institutional and personal performance of this level of officials. Activities included revision of responsibilities and authority; design and implement a Performance Appraisal System that included performance contract; (between each PS / HD and their Minister).

b) Develop mechanisms to support SAAs and SBs to become more responsible and accountable yet flexible and responsive: Four subcomponents were designed to achieve this outcome:

1. To develop and implement a general Institutional Framework to classify SAAs and SBs. This included policy guidelines and standardization of corresponding operation procedures for each type.
2. Revision and classification of SAA and SB from a sector perspective. This included specific sector studies to address institutional fragmentation and function overlaps. The studies were expected to take into consideration the "Report of the Committee to Review and Classify Statutory Bodies" prepared by the MOF in 2004. The exercise was expected to reduce the number of SAA and SB from mergers and eliminations etc. and be a precursor to the more in-depth work with pilot agencies that was planned.
3. Support the strengthening of management and accountability capabilities in at least six pilot SAAs and /or SBs. Activities envisaged were restructuring, workforce planning, self-generated revenues strategy, and performance monitoring and evaluation. Anticipated results included the implementation of new organization structures, strategic formulation capacities; revision of selected work processes; capacity building through training and structures to monitor performance and current performance mapped.
4. Design and implement a monitoring and evaluation system for SAA and SB. The objective was to encourage result-based decision-making processes, transparency and accountability and competition for budget resources.

c) Coordination of Aspects of the State Reform Process. This component comprised four subcomponents and was intended to identify the long term challenges for the State reform process in Guyana as well as promoting consensus for the related strategies. These were:

1. Institutional and governance assessment was designed to identify potential areas for improvement and the long term challenges for the State Reform Process. It included consensus building activities around specific actions identified in the assessment in order to produce a White Paper for State Reform in Guyana, including the conceptual definitions and institutional models for the main functions of policy-formulation, regulation, and service delivery in the Public Sector.
2. Design of specific guidelines to improve transparency and integrity in the public sector. Specifically, it was expected that there would be an assessment of the Integrity Commission, including an evaluation of its effectiveness, and a review of existing legislation and recommendations.
3. Development of an Information Technology Plan for the Government. It was designed to comprise an assessment of the management of information systems and technology



investment in the Government of Guyana; a strategic information systems plan; IT standards program and a protocol for sharing information and accessing public management data.

4. Formulation of strategies and policies for local government institutional development to enhance client relations and promote increased revenue collection. This was expected to provide proposals for institutional strengthening of the Neighborhood Democratic Councils (NDCs); an information system for Local Government; a policy framework for improved coordination between NDCs and public utilities in the areas of investment plans and service delivery; a policy and institutional framework for updating property values and improving property appraisal capabilities.

III. Results

a. Outcomes

The anticipated outcomes for this program were detailed in the Project's Log frame and remained largely unchanged throughout the life of the project. These indicators are reproduced in the Table below as the basis for the assessment of Project results:

ACHIEVEMENT OF DEVELOPMENT OBJECTIVE (DO)		
Development Objective(s) (Purpose)	Key Outcome Indicators	
1. Improved management efficiency, transparency, and accountability in public institutions and systems of the Central Government of Guyana, including their agencies	<p align="center"><u>Planned Outcomes</u></p> <p><u>Management Efficiency</u></p> <p><u>Baseline</u> 1a. At least 20% reduction by December 2007, in processing time of critical HR functions, namely, workforce planning; job description and classification; promotions in the career path.</p> <p><u>Intermediate</u> 1b. At least 50% reduction by December 2007, in processing time of the same critical HR functions.</p> <p><u>End of Project</u> 1c. At least 50% reduction by December 2007, in processing time of the same critical HR functions. 1d. At least 10% reduction¹ by December 2007, in processing time of the same critical HR functions.</p>	<p align="center"><u>Outcomes Achieved</u></p> <p>A core HR group of 36 staff were trained in organization and methods skills, job description, job analysis. The discharge of this training was dependant on the adaptation of a modern HR function, and this in turn would have realized the planned KOIs. These activities were not implemented largely as a result of the closure of this component of the project by way of Aide Memoir dated June 8, 2007. Key policy makers stated that the scaling back of this project was done with much reluctance and regret after the Government had unsuccessfully sought to retain it as a result of the MDRI which brought in its wake the imperative for a reduction of US\$35M in the IDB Portfolio of Loans.</p>
	<p><u>Baseline</u> 2a. At least 50% of public servants are aware of revised rules and are able to make a rule based complaint by December 2007².</p> <p><u>Intermediate</u> Nil.</p> <p><u>End of Project</u> 2b. At least 80% of public servants are aware of revised rules and are able to make a rule based complaint by December 2007.</p>	<p>The revised PS rules were submitted to Cabinet for consideration. However before a response was given, the Project was scaled down and this component came to an end. At EOP, the PSC is planning to conclude the revision of its rules in-house. OP is awaiting the conclusion of PSC's exercise to ensure that the two sets of rules are in 'sync' before rolling out the revised PS rules to the Public Service for adaptation. These activities underpin the attainment of this KOI.</p>
	<p><u>End of Project</u> 3a. At least 20% increase in self generated real revenues of the project's pilot agencies by December 2008³</p>	<p>This KOI could not be assessed since the attainment of this target is dependent on the implementation of recommendations in Subcomponent 2.</p>

¹ This indicator was adjusted following the decision in June 2007 to scale down the PMMP.

² This KOI was excluded in the Revised Log frame following the revision of this program's activities as a result to the policy decision to cancel US\$1.9M of the Loan as a consequence of the Debt Relief Initiative.

³ -ditto-



	<p>Transparency and Accountability</p> <p>4a. Government's performance benchmarks as defined annually in the Budget Estimates of Expenditure Vols. I, II, III, and statutory reports, e.g. Ministries' and Regions' Annual Reports; Auditor General's Report, Report of Public Accounts Committee. Report of the Parliamentary Committee of Economic Services available to the public annually, commencing Y2007.</p> <p>4b. 20% increase in institutional performance in relation to the baseline set out in the PSs and HODs Performance Contract indicators, and in the pilot agencies service agreements, by December 2009⁴.</p>	<p>Partially achieved. Benchmarks are in Budget Estimates. But all Ministries and Regions have not completed/ submitted their Annual Reports to the current time. Auditor General's reports are up-to-date.</p> <p>Not achieved since the entire related subcomponent was cancelled from the Public Management Modernization Program (PMMP).</p>
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Reformulation. While there was not a reformulation of this project, there was a revision directed mainly to several of its activities. As a result of the imperative that faced the GOG to cancel US\$35M of the Country's Portfolio, in the aftermath of the Debt Relief Initiative, the Bank eventually agreed to the GOG's proposal to reduce the scope of the PMMP, 'those activities and studies that were started and which could be funded by the un-cancelled resources of the loan⁵'. The two activities that met these criteria were the implementation of the HRMIS and the completion of the work for SAAs and SBs in component 2. It was felt that these two activities were still consistent with the development objective of the Loan and presented a base for further related efficiency initiatives. As such there was no need to go to the Board for approval for the revised operation. This decision allowed for a fairly quick continuance of the identified activities. In retrospect, however, the failure to have a reformulation ultimately resulted in negative consequences for the project outputs and outcomes, since at EOP, the majority of the project outputs were not completed nor were project outcomes realized. [X] N/A

PMMP Retrofitting. Indicate if and when the PMMP was retrofitted and explain any changes resulting from this exercise.[N/A] N/A

Summary Development objective (s) Classification (DO):

[] Highly Probable (HP) [] Probable (P) [X] Low Probability (LP) [] Improbable (I)

Briefly justify DO classification, based on the degree to which planned targets were met, explaining the differences between planned and not achieved outcomes as well as any other relevant factors. Include references to evidence that can support these results.

The achievement of the development objective was dependent on the successful implementation of **all or most** of the activities that constituted the PMMP. It is clear, therefore, that the cancellation of several of the activities must have an inevitable impact on the degree to which the DO achievement would be realized at the end of this project, although it cannot be disputed that the remaining activities, in the revised PMMP, were expected to realize some measure of the DO. The variance in this measure is directly linked to the reduced targets, delineated throughout the original and Revised Log frame. Examples of some Key Outcome Indicators(KOIs) at the DO level at EOP were '10% reduction in processing time of HR functions; 20% increase in institutional performance linked to Performance contracts for PSs ; 10% increase in institutional performance in relation to the baseline set out in the pilot agencies Service agreements indicators; public servants awareness of rules, etc. The DO Classification, at EOP, is based upon the fact that at least 80% of the KOIs in the Log Frame have not been realized. In addition, while GOG has restated its continued commitment to the PMMP vision and its intention to ensure that all activities in the original PMMP are completed and implemented with funds from the public 'purse', ready/ immediate availability of sufficient funds is uncertain and GOG, during this PCR preparation, acknowledged that reliance on the public purse would inevitably result in a longer period within which these reforms will be executed.

The HPS has reiterated that the revised PMMP emerged from careful consideration that sought to ensure that the activities remaining would provide the blue print which would enable steady progression towards the DO. The GOG believes that real progress has been established at EOP and confirmed that the base now exists to ensure successful progression with the other activities. The structural mechanism to continue the PMMP remaining activities has been identified in the Public Service Senior Staff Association (PSs and HODs). Included in its range of responsibilities, is on-going oversight responsibility for all reforms including the PMMP. The GOG has indicated that a sub- committee from this Association has been charged with the responsibility of advancing the unfinished PMMP initiatives.

In view of the uncertainty of adequate amounts of funding from the national purse together with, in particular, appropriate levels of supporting technical capacity, the pace at which these initiatives will be progressed is uncertain. Without complementary funding, the probability of substantial achievement of the DO, on the short term, is indecisive.

In summary, of the 14 subcomponents, 10 components were started. 2 from component one were about 94% and 75% completed, implementation had commenced in three of the other subcomponents; but except for 1.3. (*Enhanced HRMIS*) which was retained in the revised PMMP, all other activities under this component were cancelled. One activity in Component 3 was about 80% completed and the main output - the White Paper on State Reform - needed to be refined to take on board the views of the Government. All other activities in this component were cancelled. All subcomponents in Component 2 were retained in the Revised PMMP. [Aide Memoir of June 7, 2007 refers].

Achievements of the Revised PMMP

5 subcomponents were retained in the Revised PMMP, relating to Components 1 (subcomponent- 1.3.) and the entire Component 2 comprising 4 subcomponents. At the end of the project, - the HRMIS integration (from **Component 1- Public Service Management Strengthened**) will still be incomplete with approximately 80% of the activity accomplished. Given the advanced stage of the initiative, the resources already committed, the nature of the initiative and the GOG's keen interest in this MIS, completion and implementation in the short term will most likely

⁴ -ditto-

⁵ Aide-Memoire on the Cancellation of Guyana's Loan Resources as part of the IDB Debt Relief Initiative (December 2006).



be achieved. The other four subcomponents - **Component 2 – Agencies' Accountability and Efficiency** - will be completed but only the outputs of the institutional strengthening subcomponent – the PIPs- are likely to be implemented in the short term. The revised PMMP represented approximately 60% of the original total project resources. The activities that were continued represented approximately 44% of the revised project budget. The remaining resources were for concurrent and financial costs.

Country Strategy. Given the results described above, briefly discuss how the project contributed to the Bank's strategy in the country.

The work done in the institutional strengthening subcomponent of Component 2, has equipped at least 10 pilot agencies with modern management practices that have allowed them to undertake significant self assessment, chart a path with strategic focus and enhanced their capacity to monitor and evaluate their performance. These enhanced capabilities are consistent with the Bank's Country Strategy in the area *'improving governance and public sector efficiency'*.

b. Externalities

The debt relief initiative that was approved by the Board of Directors of the IDB in December 2006, had implications for a reduction of the Fund for Special Operations (FSO) funds available to Guyana. As a result, the Bank and Guyana finally agreed to a cancellation of US\$35 million of its current portfolio. In reviewing its macro financial portfolio, it was decided that US\$1.953 million of the approved US\$5 million for the PMMP's funding would be cancelled. This cancellation also resulted in a reduction of the duration of project implementation. These occurrences were certainly not expected at the onset of project execution.

This unforeseen external incident brought about a number of unexpected negative consequences for the Project. Several project activities were excised from the Program resulting in a rupture to a process that had resulted in raised expectations both internal and external to the Public Service. This sentiment was echoed by the Guyana Public Service Union (GPSU). Senior officials, in the public service, explained that through their internal efforts, public servants were sensitized about the planned reforms, thereby raising interest and expectations. The premature end to the process had left in its wake much uncertainty and disappointment.

The components that were most effected were the (a) Public Service Management Strengthening, where e.g. some final validation / awareness activities across components were left undone, related implementation strategies were not developed, planned decentralization of the HR function, although addressed in the proposed HR strategy, did not occur. In Component 3 – State Reform Process Planned and Coordinated, in spite of the fact that there was awareness and raised expectations across the regions, as a result of the country wide consultations at regional level, implementation of the White Paper that emerged from this process will not be realized in the short term.

As part of the Project Completion Report (PCR) data collection methodologies, a focus group meeting was held with senior personnel officers who were part of the core trained in HR practices during 2006. These officers stated that despite the fact that the training received was motivating, many aspects could not be immediately utilized, since it was tailored to support a modern HR function in operation. Furthermore, these officers felt that, given the time lapse, retraining will be needed just before the implementation of the new HR approaches. Given that HR training manuals were developed, this should not be daunting exercise. In retrospect, however, in the light of these perceptions, what appears to have been an apparent 'disconnect' between the training experienced and the present reality of the 'work context', may well be indicative of some degree of weakness in the sequencing of project activities in this subcomponent.

A key expectation, at the level of the regions, was the building of capacity for NDCs with the aim of having automation in place, valuation capacity that would ultimately lead to improved collection of rates and the consequential improvement of services provided by the NDCs. The cancellation of this component has put an end to this expectation. From the sample qualitative assessments undertaken in both the public service and the GPSU, some amount of uncertainty was discerned among employees regarding the future of the initiatives. This signals an urgent need for dialogue across various levels within the public service regarding the GOG's plan for moving the process forward. These stakeholders felt that future communication strategies/ mechanisms to support reforms should aim to ensure that all levels of employees are adequately informed prior to and during program implementation. This, they felt, would engender feelings of 'ownership and buy-in', ultimately leading to the achievement of a public service effort that could build a culture of continuous improvement. They advised that, in some instances, there is much disappointment bordering on cynicism regarding the notion of 'reform'. If these



concerns are not addressed on the short term, they can present a big challenge to implementers as the remaining initiatives and future reforms are pursued.

On the positive side, there were two encouraging and constructive externalities. First, training in performance management, financial management and human resource management, delivered by PA Consultants was extended to agencies outside of the Log frame's six identified pilots. [At EOP, the pilots were increased to 10]. Strong ownership and capacity has been developed in these pilots as Leaders – CEOs, divisional heads and in some cases, board members, were involved and publicly stated their commitment to the process. As a result of the extended training coverage, some level of awareness / capacity has been built, in these areas outside of the pilot agencies and across the spectrum of 63 agencies, a significant first achievement in the SAA sector. SAAs on the whole, are now better positioned to appreciate the importance of the recent revised budgetary requirements, namely, the Programme Performance Statements, in compliance with the 2003 FMAA. The non-pilot agencies will require similar institutional strengthening support to arrive at the level of the pilot agencies, but, nevertheless, can still attempt a better response to these budgetary requirements than prior to this intervention. Second, within the HRMIS subcomponent, the Teaching Service Commission benefited from similar data collection, update and validation of their Teachers' Database. Although the entire activity was not concluded, the TSC now has more reliable Teachers' information. This system will also be connected to the integrated database since teachers' salaries are already part of the MOF's Payroll. This teacher HR database was not included originally in the HRMIS design in this PMMP.

c. Outputs

i. Original PMMP

IMPLEMENTATION PROGRESS (IP)		
Components (Outputs)	Key Outcome Indicators	
<p>1. Component 1. Public Service Management Strengthened.</p> <p>Total Cost (Revised Budget) of Component: US\$1, 406, 275. Counterpart: US\$90, 063. IDB: US\$1, 316, 212. IDB Disbursement: %</p> <p><u>Classification:</u> HS, S, U, VU</p> <p>Undetermined, since execution was curtailed.</p> <p>The Project Coordinator's Final Report indicates that given the pace of implementation, all activities would have been completed and the outputs achieved.</p> <p>[Status & Final Report- original]</p>	<p><u>Planned Outputs</u></p> <p>1.1(a) HR strategy for the Public Service approved by December 2007, and implementation process commences by January 2007.</p> <p>(b) 100% of JDs for Central Government, revised and new titles approved by Cabinet by December 2006. (later revised to June 2007)</p> <p>(c) 100% organization structures in 35 agencies updated to reflect the revised inventory of job descriptions by December 2006 [revised – for pilot Ministries only].</p> <p>(d) Training of 100% of PSM and PSC staff in modern HRM functions.</p> <p>(e) Training Manuals and HR procedure manuals available in print and CD, and other electronic form (PSM website) with access by Dec 2007.</p>	<p><u>Outputs Achieved</u></p> <p>1.1.(a) HR Strategy for the Public Service was completed in October, 2006 together with a report on the Budgetary & Financial implications of the new HR strategy. It was then sent to Cabinet for consideration. There is no evidence that these documents were cleared for implementation. Staff in PSM are unaware of their status. It is noteworthy that the Component was cancelled in the revised PMMP before Cabinet could make a pronouncement.</p> <p>(b) & (c) 1230 JDs were entered into the database and 100% of JDs for the pilot ministries were reviewed and related organization structures updated. This was done with the agencies' personnel officers only. As such, PSs have not been able to validate these changes. A strong signal to the future of this activity, is PSM's employment of 2 of the junior consultants to continue (a) the refinement of these JDs and (b) later, the organization structures, before validation is sought from the relevant PSs, and ultimately, Cabinet. The Union affirmed their desire to be a part of this process, functioning as a partner, and providing support in the best interests of management and employees.</p> <p>(d) This was achieved and exceeded. The core group of approximately 36 HR persons, inclusive of PSC and PSM and a few line Ministries were trained. The Focus group (session with with core Personnel staff) believes that the training, while interesting, cannot be used in the present HR context. Moreover, since training was in 2006, many believe that the initial skills acquired will have to be updated. Training for other HR officers in the regions was cancelled. The effective utilization of this training was dependent on a restructured HR function in operation.</p> <p>(e) HR Training manual forwarded to OP and PSM, but this resource is currently unavailable to the Personnel Officers in the service. Subcomponent was cancelled.</p>



PMMP – June 2007; Page 2.	1.2. (a) 100% of the 1987 & 1996 Public Services rules reviewed, simplified, coded and approved by Cabinet by Dec 2006 and by Parliament by April 2007. (b) 100% of the 1996 Public Services Commission rules reviewed, simplified, coded and approved by Cabinet by Dec 2006 and by Parliament by April 2007.	(a) & (b). Both Rules were revised (after several consultations with various levels of public service/ sector staff and the union) and sent to the OP, PSM and the Regions for consideration. PSC is in the process of preparing a plan to move their rules to implementation stage. OP will finalize and roll out the PS rules after the PSC rules are approved, in order to ensure consistency. Personnel Officers feel that some of their concerns were not reflected in the Draft rules and believe that consultation sessions were inadequate. The Union, on the other hand, while satisfied with the level of consultations, and the outputs achieved to date, expects that in arriving to a final validated position, their remaining concerns will be discussed with relevant Government officials and resolved to mutual satisfaction.
	(c) Specific Guidelines issued by PSC delegating more authority to Ministries by December 2007 (d) 100% of Personnel Officers trained in administration of PSC & PSM rules by December 2006. (e) 100% PSC and PS rules on PSM and GOG websites by March 2007. Public Awareness program on the Public Service Rules for the general public conducted by March 2007.	(c) Not Achieved. These were dependent on the approval and acceptance of the Rules. (d) Not Achieved. These were dependent on the approval and acceptance of the Rules. (e) Not Achieved. These were dependent on the approval and acceptance of the Rules. Subcomponent with remaining activities was cancelled.
	1.4. Management capacity of Personnel Officers of all 35 agencies increased.	Was dependent on specific activities in subcomponents 1.1 and 1.2. Subcomponent was never started and was cancelled.
	1.5. (a) Curriculum for Executive level training validated and approved for implementation by December 2006. (b) 100% of Permanent Secretary and HODs trained in modern executive level management concepts and practices by December 2008.	Achieved. Not achieved. After one session of training, subcomponent was cancelled.
	1.6. (a) Job descriptions, with core competencies validated and approved by Cabinet for PSs, DPSs, HODs and Program Managers by Dec 2006. (b) Performance Agreements comprising both people and institutional goals signed by 100% of PSs, HODs, Program Managers by December 2006.	Not started. Subcomponent was cancelled.

Briefly explain differences between planned and actual outputs (if applicable).

The project suffered from the consequence of being a casualty from the consequences of MDRI regarding the IDB Loan Portfolio of the GOG. Although a number of initiatives in subcomponent 1 were advanced, final activities necessary for the attainment of the benchmarks were stymied since in the last quarter of 2006, the PEU was informed about the imminent closure of the Program. The momentum was lost in the light of the uncertainty regard the project's future, and, in the final decision, most of the subcomponents were cancelled at June 30, 2007 as the Program was significantly scaled down. From the PCR preparation discussions, there were mixed views regarding project consultation processes. For example, regarding the rules revision, some informants, including the Union, felt that consultations were generally sufficient, however, others, including PEU personnel, felt that the time allotted in each session, given the range of issues to be discussed, was too short, thereby limiting the quality of the processes. Across the duration of implementation, some delays were experienced and it was felt that timely feedback on project outputs and the provision of policy direction, from the Steering Committee was not always forthcoming as was required. In the case of the wider public service, responses to circulated consultancy products were poor. With regards to participating pilot Ministries, (in the review of JDs, structures), generally, informants felt that staff members appeared to be unclear regarding the nature of the intended reforms and its outcomes and therefore displayed a lack of enthusiasm as several felt that their jobs were in jeopardy. This suggests that there was insufficient understanding of the program and its implications, at the level of the average public servant, and therefore not enough 'buy-in' to the project.

Restructuring. Indicate if this component was restructured (date and approval of managers). Briefly discuss the consequences of these changes.

After the decision to cancel a significant portion of the PMMP, five of the six subcomponents, in varying stages of execution, were excised from the Revised program. This prevented the initiatives that were well advanced from coming to the expected point of completion. Key examples are, the HR Strategy and the Draft Revised Rules where final clearance, implementation strategy and awareness campaigns were left undone.

GoG has stated its commitment to the continuance of these activities, using State Funds. However, given the dilemma of competing sectors' priorities and scarce resources generally, advancement of these outputs are unclear, as they require complementary / in-house technical and financial resources, stakeholder collaboration and the continued commitment of all concerned.

Component 3:	Planned Outputs	Outputs Achieved
State Reform Process Planned and Coordinated. Total Cost (Revised Budget) of Component: US\$ 193, 716. Counterpart: US\$38, 437. IDB: US\$155, 279.	1. (a) White Paper on State Reform in Guyana, including the concepts, models and institutional criteria for the main functions of policy-making, regulation, and service delivery in the central government, approved by Parliament by June 2007. (b) At least 10 consensus building workshops realized by March 2007, involving Government, Civil Society and	Partially achieved. (a) White paper presented to Cabinet on February 27, 2007. Sent to MOSB and OP on March 9, 2007 for consideration. There is no evidence to indicate that action was taken on the responses that were provided. Achieved. (b) 12 workshops were held across the



IDB Disbursement: % Classification : HS, S, U, VU. Undetermined, since execution was curtailed. The Project Coordinator's Final Report indicates that given the pace of implementation, all activities would have been completed and the outputs achieved. [Status & Final Report- original PMMP – June 2007; Page 2].	other Stakeholders in keeping with geographic diversity.	country. While 551 persons, representing the public, media, unions, business and public servants were invited, only 41% attended.
	2. Integrity Commission strengthened.	This activity was being funded by the World Bank and a much more in-depth review was planned, adopting the Trinidad & Tobago Model. As such, the Bank approved the cancellation of this activity.
	3. Strategic IT Plan (a) Strategic Plan for the entire Public Sector approved December 2006 and implementation commenced by December 2007. (b) IT standards implemented for the Public Sector by December 2008. (c) Protocol for sharing information and for providing December 2007.	Not Achieved. This subcomponent was not started by the time the decision was taken to scale down this Program. It was therefore part of Component 3 that was cancelled.
	4. (a) Institutional Strengthening Plans for 65% of NDCs implemented by December 2007 (b) Local Government Commission as provided in the LG Legislation Chap. 28:02 become operational by December 2007. (c) Coordinating Policy Framework for Public Utilities and NDCs implemented by December 2008 in 65% of NDCs. Legislation Reviewed (Chap 28:01) to (a) include legislation for the evaluation for rating purposes and (b) to amend the law to accommodate Regional Evaluators enacted By December 2008. Information System – LAN- for MLG operational by December 2008. NDC valuers trained in each of the 65 NDCs by December 2008.	Not achieved. Negotiated contracts with consultants were terminated and the subcomponent excised from the program. Not achieved. The entire subcomponent was excised from the revised PMMP.

Briefly explain differences between planned and actual outputs (if applicable).

Under this Component, only subcomponent 1 – *Challenges for State Reform Process* - was implemented to a significant portion of the planned implementation (81% at close of PEU in December 2007). There is a general feeling across the public sector that the White Paper - the major output from this subcomponent- did not adequately respond to the realities within the Guyana context. At the level of REOs, while it was acknowledged that there were several sessions of consultation across the ten administrative regions, at EOP, the belief is that the right mix of persons were not consulted. In addition, Cabinet was not satisfied with the document in general, and the Prime Minister, in a formal letter to the PEU, while acknowledging some positive ideas in the document, also pointed out a number of areas of concern. A key concern was the proposed structural arrangements for managing the reform process, which it was felt, did little for efficiency since the recommendation did not take cognizance of similar existing policy formulation and oversight bodies such as Cabinet and the Public Service Senior Staff Association. This concern seem to infer some core weaknesses in the consultative arrangements as these relate to planned meetings with senior government officials who would have been able to provide this type of information together with other pertinent insights. With the cancellation of this component in the revised PMMP, the probability of advancing this document in its present form, as a short term measure, appears to be highly uncertain.

Restructuring: Indicate if this component was restructured. Briefly discuss the consequences of these changes. [N/A]

Summary Implementation Progress Classification – (i) Original PMMP

☐ Highly Satisfactory (HS) ☐ Satisfactory (S) ☒ Unsatisfactory (U) ☐ Very Unsatisfactory (I)

This circumstances that surfaced during this project's implementation were unusual and unexpected. It cannot be denied that the sudden and immediate decision that was presented to the GOG, following the MDRI, resulted in high degree of uncertainty regarding the immediate future of the program. However, this project was not only a HIPIC condition but one which spoke to the sustainability of the country's position once the HIPIC status was changed. It was felt by the Bank, that given the small amount of funds that were cancelled from this modest operation, this project should have remained intact and other choices could have been made. While there is undoubtedly commitment on the part of several key officials in the Government, political will was needed to defend this operation and this was not forthcoming. In addition, there were a number of project outputs that required policy decisions by the Government to advance the related reforms. Examples are the HR Strategy, the Public Service Rules, and the HRIM Strategy. Advancing these outputs did not require financial resources; rather, what was clearly needed was the political will and total commitment to signal a shift from the old way of doing things to new practices that were indicated in these outputs. The reason for the failure of the GOG to make these decisions is unclear. Although the presence of the HPS, the Minister within the Ministry of Finance and several other senior officials at the Exit Workshop did indicate a high level of commitment to the process, the message that comes across is that such commitment is not fully shared. In the circumstances, especially given the extended time period that have elapsed since documents were submitted for policy decisions, the GOG's in this project has been unsatisfactory



ii. Revised PMMP

Component 1: Public Service Management Strengthened Subcomponent 1.3. – The connectivity of MOF's payroll system (Human Resource Management System) enhanced.	Planned Outputs	Outputs Achieved
Classification: HS, S, U, VU	1.3. a) Expanded HRMIS – Inventory of all positions and staff in the 35 agencies that constitute the traditional Public Service available on-line to all PSs, REOs and HR offices by June 2008. (b) HRIM Policy Developed and implemented by December 2007	a) Not achieved. Outstanding Elements to realize online access in order of priority: (a) configuration of connectivity by MOF; (b) adoption of the HRIM Policy; (c) transfer of data from PSM, TSC to MOF. Partially achieved. HRIM Policy Developed and submitted to GOG for consideration. There was no evidence to indicate that HRIM Policy has been cleared for implementation. This is being addressed by the OP.
– Unsatisfactory	b)) WAN connectivity to MOF for all 35 core Public Service Agencies (Ministries, Regions, CAs) to have online access to centralized databases – WAN connectivity implemented for remaining 7 agencies by December 2007. Connectivity of LAN to WAN for all 35 core agencies implemented by December 2007.	b) Partially achieved. 29 (as at Dec 2007) locations completed. Equipment for remaining 6 agencies purchased but delivered to PSM for dissemination - Regions 1, 2, 7, 8, 9, 10.
	c) All Public Agencies equipped with computers & LAN connectivity – All core 35 agencies (7 under revised PMMP) equipped with appropriate information technology infrastructure (software and hardware- at least minimum requirements as defined by MOF/ PSM IT Specialist) by December 2007.	c) Partially achieved. 29 (as at Dec 2007) locations completed & awaiting configuration of the connectivity.
	d) 100% of all staff – HR and Accounting in all Ministries (including PSM and MOF) oriented and trained in the new system by June 2008	d) Partially achieved. Only HR staff across the service oriented into the new system. 54 Personnel officers from the Public Service.
<p>Briefly explain differences between planned and actual outputs (if applicable). While a substantial part of this subcomponent was completed, there is still a number of outstanding activities that must be brought to finality if the objective of 'online access by decision makers to HR Information' is to be realized. These activities have already been identified above. The shortfall in achieved outputs arose from several factors. First, the sudden decision to scale down the project which resulted in a loss of momentum for approximately three months until the revised PMMP was finally decided upon; second, there were some delays from the suppliers in receiving equipment for the six agencies in the Phase 11 of the procurement, this delayed the distribution to these agencies; third, inadequate staffing at the MISU of the MOF delayed configuration of the connectivity, and fourth, awaiting clearance to implement the HRIM Policy; fifth, some of the activities took longer than was envisaged: additional time was required; sixth, PEU staff felt that the time allocated to complete this subcomponent was inadequate. These issues are now being addressed by the MOF, and the OP. MISU has indicated that the configuration of the connectivity will be completed by the end of August. Some amount of additional training in Smart Stream for personnel staff will be required to boost the implementation. Additional financial resources may be required to support the final activities but these have not been identified at the time of the compilation of this report. Indications are that the system is likely to be in place before the end of the year (2008).</p>		
<p>Restructuring. Indicate if this component was restructured (date and approval of managers). Briefly discuss the consequences of these changes. N/A </p>		
Component 2: Agencies and Statutory Bodies accountability and efficiency, improved. Total Cost (revised Budget) of Component: US\$ 1,157, 509. Counterpart: US\$ 53, 865. IDB: US\$1,103, 644. IDB Disbursement: % Classification: HS, S, U, VU	Planned Outputs	Outputs Achieved
– Unsatisfactory	2.1. (a) By September 2007, an institutional framework(with its key dimensions such as (i) roles and responsibilities; (ii) accountability mechanisms; (iii) HR policies; (iv) revenue generation policies; (v) sectoral flexibility (that enables management flexibility and accountability), for the classification of SAAs and SBs approved by Cabinet. (b) 100% of Agencies and Statutory Bodies sign off the Proposed institutional framework no later than October 2007. (c) 100% of agencies / SBs are oriented into the proposed framework and the indicative implications by Nov 2007 and representatives from at least 50% of the agencies involved in the validation workshops.	Achieved. (a) i. - Institutional Framework was submitted November 12, 2007 to Cabinet for consideration. ii. - Rules and regulations for the implementation of the new institutional framework; implementation time table – submitted for consideration by Cabinet - 17 August, 2007. (b) Not Achieved. This was dependant on the approval of the Institutional Framework. (c) Not Achieved. This was dependant on the approval of the Institutional Framework.
	2.2. (a) 100% of Agencies and SBs re-classified (administratively) by October 2007. (b) 100% Agencies and SBs reviewed from a Sector Studies analysis, including restructuring, rationalization, mergers and institutional eliminations by September 2007. (c) The reclassified agencies and statutory bodies are approved by Cabinet no later than November 2007. (d) Sensitization sessions, relating to the reclassification process, undertaken in 100% agencies and SBs before and after classification and concluded by December 2007.	Not achieved. (a) The Government decided that this classification will be considered for future implementation as a result of the existing socio-economic context. Achieved. (b) i. Key cross-cutting areas report - completed and submitted for consideration - October 12, 2007 ii. – Report – Review of SAAs and SBs with proposals for reconfiguring SAA & SB (63) by sector and by each organization completed and submitted to Cabinet for consideration - October 17, 2007. (c) Not achieved. (d) Not achieved. This was dependant upon clearance from Cabinet.



	<p>2.3. <i>Institutional Strengthening, IT, training and performance improvement plans for at least 6 pilot agencies and / SBs.</i> (a) 100% Staff in pilot agencies trained, regarding the reforms in each agency by June 2008</p> <p>(b) Web site developed, designed and implemented in pilot agencies by June 2008 (c) Project Improvement Plans prepared for participating Pilot Agencies including: Short and Medium term plans to restructure SAAs and SBs; overall objectives and targets; performance management; core business processes, human resource management, financial management and IT by June 2008.</p> <p>2.4. <i>Design and implement a monitoring and evaluation system</i> (a) Authenticated semi-annual Performance Reports submitted by pilot agencies within the required time to relevant Central Ministries/Agencies in a standardized format by July 2008. (b) Government performance benchmarks and statutory reports of pilot agencies are made available for public scrutiny by December 2008. (c) Service Agreements between ministries and pilot agencies, related to program outcomes, impacts and benefits, signed by 100% agencies and Sibs no later than July 2008.</p>	<p>Achieved. (a) Staff from 10 pilot Agencies benefited from Institutional Strengthening Workshops (that included PIP training) held between November 2007 – April '2008. Resource material for all training topics compiled into a manual and on CD. Disseminated to pilot and non-pilot agencies. Template and guidelines for developing Improvement Plans also disseminated to all Pilot agencies and also other non-pilot agencies. (b) Achieved. Website development proposals for 10 pilots completed. (c) 9 of the pilot agencies presented Performance Improvement Plans (addressing all areas of training) at a specially held workshop during the period May 12 – 13, 2008. Final Plans for all 10 pilots in place at EOP.</p> <p>(a) Achieved. Guide to measuring Performance and Preparing Performance Reports completed and submitted for consideration – February, 2008. M&E system designed and staff in pilot agencies trained in the use of the new system. (b) Partially achieved (c) Not achieved.</p>
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Briefly explain differences between planned and actual outputs (if applicable).

This component has been rated unsatisfactory since, although the GOG had agreed with the Bank that the identified resources and timeframe were sufficient to ensure that activities were completed by the EOP, this was not achieved. The project's best success was Component 2, but despite the fact that all activities were completed, implementation has not taken place. For instance, implementation of the reclassification / rationalization of the SAAs and the SB, - a key ingredient for assured significant efficiencies - will be considered for future implementation in the light of present socio economic realities. The Firm has agreed with the GOG that the existing financial legislation, e.g. the FMAA, provides an adequate framework for the regulation of agencies, therefore supporting the Government's position that the legislative route to implementing another institutional framework for agencies is not necessary at this point in time. Moreover, it was agreed that the existing Public Corporations Act, offers a legal framework that can accommodate future creation of SAAs.

ON the positive side, the GOG's priority for this component in the revised PMMP, was the strengthening of management capabilities in key cross cutting areas, and the development of Performance Improvement Plans in ten Pilot agencies to enable compliance with the new Budgetary guidelines that incorporate the FMAA requirement for the inclusion of Programme Performance Statements. This activity was delivered by the Firm and well received by beneficiary agencies. The PIPs developed, include sections on strategic objectives and targets, performance management, core business processes, human resource management, financial management and IT. The latter initiatives generated much enthusiasm and effort, and, engendered a high degree of team work which was evident in the PIP Presentations in May, 2008. The empowerment of these agencies was evident, in spite of the inevitable varied levels of proficiency in the final outputs... CEOs affirmed their commitment to the process and pledged to pursue the early implementation of these plans. An encouraging factor was the presence of the Chairperson of the Boards of two agencies. **A key concern expressed at the Exit workshop was the uncertainty of availability of funds from the MOF to support the implementation of the PIPs.**

Restructuring. Indicate if this component was restructured. Briefly discuss the consequences of these changes. [N/A]

SUMMARY IMPLEMENTATION PROGRESS CLASSIFICATION: (II) REVISED PMMP

[] Highly Satisfactory (HS) [] Satisfactory (S) [X] Unsatisfactory (U) [] Very Unsatisfactory (I)

d. Project Costs – Summary

Approved Original Loan ('000)	Cancelled ('000)	Approved Current ('000)	Actual Expenditure ('000)	Available Amount ('000)	% Difference (Approved Current)
5,000,000	1,953,500	3, 046, 500	2,077,153	969, 347	32%



e. Project Costs – Details

Category (‘000)	Approved Current (‘000)	Actual Expenditure (‘000)	% Difference (Actual vs. Approved Current) (‘000)
Project Administration	395,400	266,389	32%
Public Service Management	1,316,212	773,393	41%
Agencies and SB Accountability	1,103,644	815,469	26%
Coordination of State Reform	155,279	155,279	0%
External Audit	10,965	7,248	34%
Evaluation	15,000	9,375	37%
Financing Costs	50,000	27,315	45%
Committed Amount	-	22,685	-
Total	3,046,500	2,077,153	32%

IV. Project Implementation

a. Analysis of Critical Factors – the Original PMMP

It has been well established that the most critical factor that occurred during the implementation of this project and which had the greatest impact on the attainment of the project's objectives was the policy decision to scale down this program as a result of the immediate imperatives that arose from the MDRI. This resulted in the loss of approximately 40% of the project's resources. This situation was never envisaged during the design or early implementation. This decision is difficult to understand since, at the onset of its design, this project was identified as a HIPIC condition.

The Project Execution Unit (PEU) was given instructions to bring the program to an end with more or less immediate effect, and then shortly after, was advised that the project was allotted a further six months with a new end date of December 2007. These events inevitably had a significant negative impact on all the stakeholders associated with this program, disappointment, as expectations disappeared, and continued interest, commitment and project performance, in some instances, diminished. The cancelled resources had clear consequences for the final outcome of this project. Despite the Government's stated and written commitment to conclude the partially finished outputs from the original PMMP with in-country resources, it was the very scarcity of both resources and technical capacity at the country level that underpinned the project, in the first instance. It is therefore reasonable to conclude, that any continuation of the process without the cancelled resources and concomitant technical skills would mean a reduction of the pace of reforms.

This decision has made the assessment of this project very challenging, since most components were immediately brought to an end by June 2007 and others by December 2007. The final activity to be concluded was the SAAs and SBs, and their schedule completion date was June 30, 2008. The PC had indicated in his Final Report that given the pace of execution, at the point that the decision was taken, the project would have delivered its KPIs on time. In the light of all of these uncertainties the true outcome of this project will always be in doubt.

Notwithstanding this single, momentous occurrence, there are other critical factors which should be examined regarding the earlier project execution outputs and the associated processes. This examination must begin with an assessment of the potential risks that were identified in the first revision of the log frame at the start of implementation. These included (a) resistance to change, (b) insufficient participation of key stakeholders, and (c) turnover of trained staff. In addition, some internal processes did not function as was expected.

From the qualitative assessments, resistance to change was certainly a factor. In the job description revision exercise, persons were not as cooperative as they could have been since there was a real fear that jobs may be lost. Despite the several levels of consultation for the various HR initiatives that were



organized by the PEU, a number of stakeholders, including the Union, felt that these processes could have been more inclusive. In a number of instances, stakeholder participation was disappointing. For example, in the development of the Draft White Paper on State Reform, of the 552 persons invited for the 2 workshops across Guyana, only 41% responded. In the case of the revision of Public Service and PSC rules, 166 public servants (PSs, HODs, Regional Executive Officers (REOs), Personnel Officers) were invited to the four sensitization / review sessions but only 85 or 51% participated and in the early sessions for the first module in Competency training for HODs, attendance over a six-week period ranged from 50% to 24% at the end of the module. These statistics appear to suggest, low interest and uncertain commitment to the reforms which, in turn, would have reduced the intended impact of the interventions. With regards to the rules' revision, facilitators' reports indicate that the time allotted for the reviews was too short.

With regard to internal processes, PEU reports reveal that several consultancy deliverables were referred for review and policy decision at the policy / project steering committee level, however, there is no evidence to indicate that the requisite feedback was provided. PEU staff expressed the view that support from the steering committee, in terms of policy direction on deliverables necessary for the timely advancement of their implementation, was disappointing. Records reveal that the Steering Committee conducted five meetings over the period of execution, prior to June, 2007. At the policy level, the Public Service Senior Staff Association, at their bi-monthly meetings, has the PMMP, as a substantial agenda item, and it is understood that several issues and outputs, from this operation, are routinely discussed. The HPS had stated that a sub-committee of this body has been given the responsibility of advancing the initiatives to implementation stage.

On the operational side, PEU staff indicated that there were some internal difficulties in trying to coordinate multiple outputs from the several consultants who were assigned to a specific initiative. A few examples quoted were the HR initiatives, and the Rules revision. In reflection, staff felt that some weaknesses were in the sequencing of the several consultancies and the determination of which consultant was ultimately responsible for the final product. These issues may have reduced the level of coherence across the multiple deliverables, and may well have contributed to the present status of the early outputs and by extension – the extent of project implementation for the earlier components at the end of the project. While the PEU had identified risks early in the implementation, no formal risk management plan was developed, nor were the risk indicators systematically monitored.

The GPSU, expressed some satisfaction with their inclusion with, in particular, the rules revision where it was acknowledged that there were significant progress and agreement, but still felt that there was the need for further inclusiveness, participation, transparency and communication in every level / aspect of the implementation process. In particular, reference was made to their uncertainty of the present status of the initiatives and the next steps to finalize the outputs developed in the program. In the case of the Revised PS rules, the Union identified a few areas that, in their opinion, still needed further discussion and consensus. They were looking forward to being an integral part in the planning activities for the continuation of these reforms. The union reaffirmed its commitment to partnering with the Government to win over the confidence of public officers and helping the GOG to create, within the service, a supportive culture for change.

b. Analysis of Critical Factors – Revised PMMP

In assessing the revised PMP, critical factors that inhibited the advancement of the residual project activities, were the inadequate technical capacity at the Management Information System Unit (MISU) of the Ministry of Finance (MOF), and the need for approval of the HRIM Policy that was submitted to enable the deployment of the HRMIS. MISU, tasked with the responsibility of completing the connectivity, and given its other responsibilities (IFMAS, Budget, Procurement etc.) was severely short staffed, and was therefore unable to complete the networking that was required to move the initial 29 agencies to the 'read only' mode of the integrated system at the target date of October 2007. This had a domino effect. The 54 personnel officers across the service who had enjoyed initial training – basic computer skills, and basic 'Smart Stream' (database software) orientation were unable to move into the 'read-only' stage, and proceed with the plan to utilize the three month period to December to become



very familiar with the elements of the system. This phase was to be followed by more in-depth training into the usage of Smart Stream software, and finally, once the HRIM Policy (that informed agency responsibility and security set-up) was approved, the system was planned to become operative in the first months of 2008.

Notwithstanding these issues, against significant odds from the traumatic events of this project, within the limited time – approximately six months that was identified to complete project execution, inadequate staff, and the several disruptions - the two initiatives have been advanced to an appreciable level where the foundation has been laid and the sector poised to continue its journey towards improved efficiency and accountability.

C. Borrower/Executing Agency Performance

Borrower / Executing Agency			
<input type="checkbox"/> Highly Satisfactory (HS)	<input type="checkbox"/> Satisfactory (S)	<input type="checkbox"/> Unsatisfactory (U)	<input type="checkbox"/> Very Unsatisfactory (VU)

D. Bank Performance

Bank Performance			
<input type="checkbox"/> Highly Satisfactory (HS)	<input type="checkbox"/> Satisfactory (S)	<input checked="" type="checkbox"/> Unsatisfactory (U)	<input type="checkbox"/> Very Unsatisfactory (VU)

From the perspective of the Executing agency and the PEU staff, the Bank's performance was satisfactory during both the design and the implementation of this project. However, the Bank's performance has to be assessed from a wider perspective.

During the design stage of this project, tremendous efforts were made by the Design Team to design a program that was long awaited and was essential and robust enough to support the GOG's macro goals articulated in its poverty alleviation and also the MDGs. It is important to understand the context of this project. The Bank had, for many years, worked assiduously to support reforms in this sector. In the last five years, significant advancements were realized. A Public Sector Modernization Design was undertaken by the Government and supported by the Bank in 2002-2003. This was the beginning point that constituted the basis for the present intervention. During the design phase, the Team consulted with a wide range of stakeholders, including the Public Service Union and there was general consensus regarding the elements of the present project. The greatest challenge was anticipated as coming from the Union since this body was initially opposed to the reform agenda. In order to mitigate this position, the Bank supported the Union's internal consultative process when the modernization design emerged in 2003. In the present operation, resources were also made available to provide technical support to the Union so that their participation, on an even playing field, could be assured. The result of such deliberate engagement is captured in the Exit Workshop Minutes – a declaration by the Union of its commitment to this project and future similar reforms.

- On the downside, it is now clear, in retrospect that the Bank erred when faced with the GOG's decision to downsize this operation. Since this project was a condition of HIPIC, the Bank should have been more forceful in rejecting the Government's proposal to cancel approximately 40% of the resources, an amount, which in any case was fairly insignificant to the target of US\$35 million, and, of even greater importance, the HIPIC status of the operation. If the GOG had persisted on the cancellation, the Bank should have insisted on a reformulation of the operation. This would have allowed for a more effective way of managing/ optimizing the use of the remaining resources. This situation brings into question the choice of instrument by the Bank in such situations. Given the entire history and context of this project, maybe a different instrument should have been used to execute this operation, such as, e.g. a hybrid project with a PBL to have more enforcement.

Be it as it may, in acceding to the cancellation of resources without insisting on a reformulation, as well as taking the HIPIC element into consideration, the Bank's action appears to have been inconsistent



and contradictory. In the circumstances, the performance of the Bank, in this instance, must be deemed unsatisfactory.

V. Sustainability

a. Analysis of Critical Factors

The entire project is assessed in terms of sustainability. First, the results of the implementation of the initial initiatives are addressed. Significant ground work was undertaken, in particular, in the HR Strategy, and in the 3rd Draft of the PSC and Public Service Rules where there is now a consolidated document that captures all the amendments over the past twenty years. Additionally, despite concerns expressed, a core group of personnel officers have been oriented into the methodologies of a modern HR system. The immediate imperative is to harness the potential of these products. From a focus group meeting for Personnel Officers (Ministries and Regions), the group's recommendation was that the next steps should depict rapid movement to an implementation phase. The group believed that Technical support will be needed to facilitate such movement, but that further refining of the products of the PMMP should be done within that context.

Second, the final outputs from the revised PMMP (representing approximately 44% of the resources in the revised budget for this operation) have been the most successful intervention from the original project and have the real potential to contribute to the attainment of the Development Objective. In the case of the pilot SAAs, the methodology used has built in-house capacity in the area of strategic planning and performance improvement methodologies and Performance Improvement Plans in 10 pilot agencies. With the newly acquired improvement plans, the enthusiasm of agency staff, including that of the CEOs and the demands of the FMAA 2003, which are now being enforced by the MOF, the sustainability of the new performance management practices in these agencies appears to be quite probable. Moreover, since the same training has been extended to non-pilot agencies, a nucleus of modern management capability has been enhanced. In order to shift the entire sector towards a more performance focused culture, it is imperative that a strategy be developed to bring the other agencies on board. This will enable the sector to move to a greater degree of compliance with budgetary requirements, specifically, the Program Performance Statements. The MOF has affirmed its commitment to monitor and ensure agency compliance with the FMAA requirements through its Public Corporations Secretariat. This Unit now consists of two specialists, and will have to be significantly strengthened to meet the demands of a sector with 63 agencies. Detailed recommendations to 'roll out' the development of PIPs to the other agencies have been proffered to the Government in the final report from the PA Consulting firm and further explained at a close-out meeting on July 2, 2008 with key Principals of the Government. These recommendations are under consideration.

With regards to the HRMIS / MOF database integration, in view of the resources that have been invested and the present advanced stage of the intervention, there is every reason to expect that this initiative will be completed and sustained. The MISU / MOF is committed to completing the outstanding configuration of the connectivity. MISU has set itself a target date of the end of the year to complete the configuration, since recruitment of additional staff has started and a training plan to equip the new staff to address the HRMIS imperatives is being developed. The other immediate requirement to complement the proposals of MISU, is the approval of the HRIM Policy. In the interim, the 'cleaning' /maintenance of PSM's data that includes reconciliation with the MOF database, must be reactivated urgently, so as to maintain the data in a state of readiness for the planned integration. The MISU is of the opinion, that if this is not addressed as a matter of urgency, the entire data validation exercise would have to be repeated.

The critical requirement for successful sustainable change for both interventions is 'buy-in' and **demonstrated** commitment of all stakeholders, in particular, the GOG. This commitment must be supported by an on-going comprehensive communication strategy. Reflecting on the project, public servants interviewed felt that this did not appear to be the case in a number of instances. While there may be disagreement with these observations, the existence of such views, however in the minority they may be, signals the need for the responsible bodies to ensure that communication is as clear and



wide reaching as possible. In the short term, raising the awareness of every public servant and indeed, beyond the service, is a challenge which must be faced, ensuring that every stakeholder has a thorough understanding of the various initiatives, their implications for a different way of operating in the service, the benefits to be derived and the roles of each person in making the change a non-threatening reality.

It has already been established that the uncertainty of the availability of both financial resources and technical capacity will reduce the pace of any internal attempt at continuing the reforms. The GOG has to mobilize additional resources to maintain the momentum, advancing the gains that have been realized thus far. At initial informal discussions, the GOG has indicated an interest in acquiring further assistance from the Bank. Preliminary thinking suggests that such assistance can be in the form of a series of TCs with an agenda that begins from the reports of consultants and captures the priorities of the Government. This is a necessary approach that should be pursued with alacrity if the interest and momentum that now exist is to be retained, and the project sustained on the short term.

Finally, the role of key institutions such as Cabinet Office, Ministry of Finance and the Public Service Ministry, in these reforms must be made more visible to the public at large, since they are the agencies, by their very mandates and strategic positions that will sponsor and lead the change in order to ensure its continued relevance and sustainability.

b. Potential Risks

There are several risks to a successful continuance of these reforms. First, the possibility of increased cynicism and quite possibly, covert lack of support and commitment, if a clear plan of action is not urgently made known to public servants in the Ministries and the Regions and the proposed change visibly championed by senior managers. Second, the unions are likely to be uncooperative if they are not continuously and integrally engaged in the plans for moving the identified products forward. Thirdly, the lack of technical and financial resources is a matter for immediate attention to enable the advancement of, first, the interventions in the revised PMMP, and second, the most critical of the original PMMP activities to be finalized, managed and monitored. In the latter case, care should be taken to select and pursue an incremental approach, since it was suggested, during the qualitative assessments, that the program might have been too ambitious, in its design, given the several interventions that were identified, the internal absorptive capacity of the service, and the real possibility of reform overload, in the light of the many other sector reform initiatives that are being implemented simultaneously, and which demand the continuous involvement of the same public officials. Finally, if the PMMP outputs are not given the highest level of priority, with ongoing communication, dialogue, and the opportunity for inter agency learning, the support from the masses may not be forthcoming.

c. Institutional Capacity

The Design of the Public Sector Modernization from the ATN/SF -6867 -GY, completed in June 2003, had identified, as one of the cornerstones to modernizing the public sector, policy development and coordination. This recommendation is still relevant, in the light of continued attrition in the public service.

In the case of the Public Service Ministry and the Ministry of Finance, the policy development, coordination and evaluation capacity must be enhanced in order to support the new and modern interventions. This must be complemented with an aggressive program of computer literacy at the technical level, since this gap has been identified by the Technical Coordinators attached to the PMMP.

The next steps forward should consider the inclusion of such on-the-job training to go hand-in-hand with the other actions (including structural/staffing enhancements) that are indicated.



VI. Monitoring and Evaluation

a. Information on Results

The baseline established at the beginning of project execution had also offered systems for on-going data collection and analysis to enable the monitoring and evaluation of the output and outcomes benchmarks in the project's logical framework. Except for the HRMIS, where data collection (e.g. job descriptions, IAP, public service population, organization structures) was on-going, and project records, regarding statistical information on participants of executed activities, maintained, the systems for collecting information on outcomes have not been pursued. One ready example is the tracking of agencies' submission of annual reports to Parliament. The maintenance of such information is critical to ongoing assessment of advancements that determine the progression to related benchmarks and should be formally provided for in the follow-up to this project.

At the level of the PEU, monitoring was well established in the weekly meetings of the project staff. The EA and the Bank were able to track the performance of the project from the semi-annual reports that were submitted by the PEU. The Project's Steering Committee held five meetings, and the Modernization of the State Board held one meeting – its inaugural meeting – just before the decision was taken to scale down this project. The purpose of these bodies was to provide policy guidance regarding project implementation.

b. Future Monitoring and Ex-Post Evaluation

This project has the potential for shaping a new chapter in the public service's history – in the SAAs sector and in the realm of human resource information management. Comprehensive work had been done by the MOF, prior to this PMMP, to deal with the rationalization of the agencies, a key first step to enhanced efficiency and accountability. This work provided a useful starting point for what followed in the PMMP execution.

While donor supported reform efforts had hitherto been directed to the central Ministries issues, for the first time, the SAA sector benefited from a concentrated effort to understand the various aspects and challenges of its day-to-day functioning, and to provide technical guidance and support to individual agencies, yet in a collective approach, aimed at enhancing the overall performance within the sector. There is still a lot to be done to ensure that the entire sector ascends to a consistent level of performance orientation and improvement. The immediate implications are for this 'first step' to be carefully nurtured and the sector, commencing with the pilot agencies, enabled to take on further mechanisms and initiatives aimed at advancing the gains realized from this round of institutional strengthening through the early implementation of the approved PIPs.

The integrated HRMIS/MOF is a long awaited objective and to all appearances, it is finally poised to becoming a reality. Public servants, at every level, are anxiously looking to the time when they can have secure, online access to HR information that would lend for more informed decision-making for the effective deployment, management and utilization of their human resources.

It would therefore be necessary to have an ex-post evaluation, in approximately two years from the closure of this project, in order to determine what has been the outcome of the investment in, at minimum, these two interventions.

VII. Lessons Learned

The stakeholders interviewed offered a number of observations which can be regarded as lessons learnt from this operation. These are presented below.



1. The cancellation of substantial resources in any operation should not be agreed upon unless there is a reformulation of the program based on a technical assessment, if the best use is to be made of available resources. Enough time should be granted to the Government/ Executing Agency to allow for this kind of assessment. It follows therefore that such a decision should not be made on the basis of political expediency but rather on technical debate that allows for rational choices. If a program is cut without a technical assessment, there will be negative consequences
2. There should be mechanisms that bridge the gap between the design stage and the execution stage of the project. The PMMP benefited from access to persons external to the project, but who were involved in the design stage. In this way, PEU staffs were readily oriented into the background of the project, its intentions, working documents and other information relating to the underlying assumptions for the various elements of the design. This enabled the PEU to very quickly understand the context of the operation, providing a clearer vision of the way ahead.
3. There is need for stakeholder identification and involvement at the onset of project Execution. The PEU felt that stakeholder identification and analysis at the beginning of project execution would have been beneficial in understanding the expectations, fears of the various groups, and therefore facilitating the tailoring of awareness sessions to address the several informational and participatory needs. In addition, the institutional and specialist knowledge of the various groups could have been garnered into project execution processes, including decision-making. Key benefits would have been in TOR development / review and timely organized feedback. This would have better positioned the PEU to ensure that the consultant's products were responsive and relevant to the needs of our public service. Stakeholders would have, most likely, been more supportive to the work of the PEU.
4. There is a need for the PEU and the Project Steering Committee to be involved in a close working relationship throughout the period of execution. The consultant was unable to garner the perceptions of the Steering Committee as a collective. However, while the perceptions of the PEU staff on Steering Committee /PEU relationship may not be embraced nor accepted by the former group, the PEU's perceptions indicate that the relationship needed to be examined and enhanced since PEU members all voiced the concern of being distant from the Steering Committee. In future projects, there should be a dedicated effort to agree on the roles of both parties at the beginning of project execution. This can be promoted through agreed Standard Operating Procedures. In some projects, these arrangements are clarified and formalized in a simple MOU or Agreement. This has the potential for enabling an understanding of any constraints that either party may face, helps to engender a shared vision, shared identification and understanding of common goals that are all directed to the attainment of the project's benchmarks.
5. A Change Management Plan should be developed in the Design Stage of the Project. This should include a communication strategy and plan to ensure that all stakeholders are kept abreast with changes that may affect the project outcome. This report has already established the inadequate stakeholder participation / communication during project execution. Many informants believed that this resulted from uncertainty regarding the nature and outcomes of the various interventions. It was suggested that, in future, the PEU should sensitize Ministries on an individual basis so that the specific agency information needs can be met. The lesson learnt is that *there is a need for a shared and widespread understanding across the range of stakeholders regarding what any project will deliver and the role each category of stakeholder is expected to play if success is to be realized.* The plan should be considered during project design and should also include, at minimum, a comprehensive education and awareness program aimed at facilitating small group briefings and debate; participative approaches such as several task forces, internal teams to enable guided problem solving and decision-making at relevant levels, for the various initiatives. Suitable incentives should be agreed upon to encourage and sustain appropriate responses and behaviors during the life of the project.



7. PEU staff should be trained in Terms of Reference development, negotiation and monitoring and evaluation methodologies and must implement a risk management plan. The PEU felt that some weaknesses in capacity might have limited the most effective discharge of its responsibilities in some areas. Consultants were known to sometimes present a different understanding of what was required of them in terms of process and deliverables, notwithstanding that these areas are usually addressed in their TOR. This situation can possibly compromise the outputs and outcomes from project implementation. The lesson here is for capacity building in these areas, at the commencement of project implementation, for both the PEU and the executing agency. Additionally, while the PEU did not have a formal risk management plan, there was a system of 'alert' that signaled when expected input / responses from external agencies were not forthcoming. This enabled the PEU to take alternative action, where necessary, in the interest of progressing the project activities.
8. The time frame allotted to each project component should be examined at the commencement of project implementation so as to ensure its appropriateness in order to achieve maximum results.
9. Contingency funding should be identified and secured by the GOG in order to ensure the steady flow of adequate financial resources to sustain the project to total completion
10. Key agencies, such as MOF, which can impact on the successful implementation of the project must be more involved in the execution of the project and be made aware of the potential outputs. For example, if the SAAs were to utilize the PIP as the basis for budget presentations, awareness of the intervention should position the MOF to be more responsive in the support of requested resources; otherwise the desired goals would not be realized.
11. The momentum generated by the implementation of the project should be maintained throughout project implementation since delays in advancing activities together with inadequate feedback can cause the enthusiasm of stakeholders to wane. This would include addressing policy decisions in a timely manner.
12. Permanent Secretaries /Heads of Departments should have a greater lead role in the implementation of the project.
13. The subcommittee (Public Service Senior Staff Association) which is responsible for advancing incomplete project activities should be given a deadline to submit their project implementation plan and this should be supported by progress reports. This body should also be responsible for ensuring that which is executed is in congruence with what was agreed upon.
14. Ensure that project implementation is not burdensome to stakeholders or beneficiaries. Efforts must be made to minimize the decisions an official has to make, being cognizant of the need to balance reform related activities and day to day responsibilities.



Annexes:

1. Project Cost Table
2. Minutes from Exit Workshop
3. Borrower's Evaluation



ANNEXES



ANNEX I:

PROJECT COST TABLE

ANNEX I:

PUBLIC MANAGEMENT MODERNIZATION PROGRAMME

Project Cost Table¹ by Component and Funding Source

Category (‘000)		Approved Current (Revised Budget) (‘000)			Actual Expenditure (‘000)			Balance on Budget (‘000)			% Balance on Budget		
		IDB	GOG	TOTAL	IDB ²	GOG	TOTAL	IDB	GOG	TOTAL	IDB	GOG	TOTAL
1.	<u>INVESTMENT COMPONENT</u>												
CODE 01.00.00	Project Administration	400,400³	322,143	722,543	266,389	151,557	417,946	134,011	170,586	304,597	33%	53%	42%
02.00.00	Direct Costs	2,575,135	182,365	2,757,500	1,744,141	111,167	1,855,308	830,994	71,198	902,192	32%	39%	33%
02.01.00	Public Service Management	1,316,212	90,063	1,406,275	773,393	56,642	830,035	542,819	33,421	576,240	41%	37%	41%
02.02.00	Agencies and SB Accountability	1,103,644	53,865	1,157,509	815,469	32,337	847,806	288,175	21,528	309,703	26%	40%	27%
02.03.00	Coordination of State Reform	155,279	38,473	193,716	155,279	22,188	177,467	-	16,249	16,249	0%	42%	8%
03.00.00	Concurrent Costs	20,965	-	20,965	16,623	-	16,623	4,342	-	4,342	21%	-	21%
03.01.00	External Audit	10,965	-	10,965	7,248	-	7,248	3,717	-	3,717	34%	-	34%
03.02.00	Evaluation	10,000 ⁴	-	10,000	9,375	-	9,375	625	-	625	6%	-	6%
	Sub-total	2,996,500	504,508	3,501,008	2,027,153	262,724	2,289,877	969,347	241,784	1,211,131	32%	48%	35%
2. 87.00.00	<u>FINANCIAL COST</u> Financial Cost	50,000	66,480	116,480	50,000⁵	24,476	74,476	-	42,004	42,004	-	63%	36%
87.01.00	FIV	-	45,210	45,210	-	11,102	11,102	-	34,108	34,108	-	75%	75%
87.01.01	FIV	50,000	21,270	71,270	27,315	13,374	40,689	-	7,896	7,896	0%	37%	11%
TOTAL		3,046,500	570,988	3,617,488	2,077,153	287,200	2,364,353	969,347	283,788	1,253,135	32%	50%	35%

¹ Source: Independent Auditor's (Deloitte & Touche's) Report dated April 18, 2008- for year ended December, 2007 **and** IDB LMS for 1604/SF-GY as at August 23, 2008

² IDB LMS for 1604/SF-GY as at August 23, 2008

³Independent Auditor's (Deloitte & Touche's) Report dated April 18, 2008- for year ended December, 2007 , p. 13. (IDB LMS for 1604/SF-GY as at August 23, 2008 reflects \$395,400.

⁴ Independent Auditor's Report – Year ended December, 2007.

⁵ Includes the sum of \$22,685 as committed amount (IDB LMS for 1604/SF-GY as at August 23, 2008)

ANNEX II.

MINUTES FROM THE EXIT WORKSHOP

**PUBLIC MANAGEMENT MODERNIZATION PROGRAMME
MINUTES OF THE EXIT WORKSHOP**

September 17, 2008

1. Introduction

The participative project assessment workshop was held on the 17 September 2008 at the Regency Suite Hotel, Georgetown. Of the seventy five invitees from the various Ministries, Semi Autonomous Agencies, Statutory Bodies, Senior Government Functionaries and the Union, forty persons were present at the opening session and thirty remained to participate at the workshop's activities. Participants who did not remain for the entire day indicated that there were budgetary meetings and also a World Bank Mission that was in place at the Ministry of finance, were in attendance. Details of the participants' attendance are listed in Annex A of this document.

The objectives of the Workshop were:

- To have participants agree on the results of the project.
- To identify the next steps that are necessary to ensure sustainability of the potential impacts/ outcomes and outputs produced by the project.
- To determine whether there should be an ex-post evaluation to ascertain whether the now anticipated future benefits of the project would have been realized, and to make provision for that evaluation, if deemed necessary.
- To identify lessons learnt that can be applied to the design of future similar projects.

In order to have informed and meaningful interactions, a copy of the draft project completion report was circulated to all of the invitees, prior to the workshop. The participants were placed into four groups of seven members each and assigned specific aspects of the PMMP to review. Guide Questions were provided for each aspect to lend focus to the discussions. These questions are captured in Annex B of this document. Upon completion of the group discussions, a representative from each group was then required to make an oral presentation after which the entire workshop discussed the presentations.

2. Assessment of Project Results: Outcomes and Outputs; Design

The conclusions of the workshop are presented hereunder:

2.1. Original PMMP (Components 1 and 3 since two was maintained in the Revised PMMP)

2.1.1. Challenges

A number of challenges that impacted on the final results of the Original project were identified:

- *Time constraints.* It was felt that time consideration limited the degree of consultation with stakeholders prior to project implementation and this may have affected the final project design. In addition, during project implementation, time allotted for consultation and validation sessions was inadequate, and sequencing of related activities were not always appropriate, thereby reducing the desired level of completeness, and in some cases, possibly, soundness, of the results that were realized. Examples given were the HR Strategy, the revised PSC and PS Rules, and the White Paper on State Reform. Also the fact that training in modern HR methodologies had preceded the approval and implementation of the Draft HR Strategy.
- *Funding.* One of the consequences of the IDB's debt relief program was the reduction of funding that was previously committed to the project. This resulted in the non completion of several important activities and sub-components of the project and the excising of other related elements.
- *Communication.* There was consensus that communication (prior to and during project implementation) with subordinate staff was inadequate and that this led to poor / limited employee 'buy in' since many of this level of employees believed that their jobs were under threat.
- *Design considerations:* Some participants proffered the following views:
 - This design was chosen in order to realize the greatest impact in the shortest possible timeframe. The specific elements were identified following a 'gap analysis' and were seen as complementary to reforms already done.
 - Due to the weak capacity in the public service and the correspondence dependence on IFIs in crafting the specific details of the ideas of the Government into the design, sometimes the project does not bring to bear the exact expectations.
 - Inflexible financial system, necessitated by the need for greater transparency and accountability, resulted in a system that does not cater for emergencies.

The workshop felt that measures taken to negate the challenges with respect to time constraints were partially effective, but believed that in several instances, activities could have been implemented simultaneously. This, it was posited may have resulted in more results being achieved. Some participants, however, felt that given the dependency of a number of subcomponents, this may not have been practical in every case.

Although the group acknowledged that there was stakeholder consultation during the various activities, it was felt that this was sometimes done with a smaller than desired group of stakeholders. The group did not offer any comments on initiatives that might have been taken to deal with the other challenges, largely perhaps because there was little or no representation from the PEU and therefore specific information was not easily discernable.

2.1.2. Achievements

The specific achievements identified were:

- Draft HR Strategy
- A pool of Personnel Officers who were oriented into modern HR methodologies.
- Revised Draft PSC and PS Rules.
- Revised job descriptions in some Ministries
- The system had acquired some level of connectivity regarding HR database.
- The first comprehensive and deliberate review of the SAA and SB sector.

The workshop also identified a number of positive outcomes that they felt would become apparent with the implementation of the various products that had emerged from this project:

- An irreversible momentum had been set, in particular, in the area of the integrated HRIM database where HR data captured is linked to the Payroll. This will lead to improved public service and financial management in the sector.
- Improved accountability
- Greater transparency
- Creation of an integrated HR database network between Ministry of Finance, PSM and other line Ministries and the Regions.
- A more efficient public service that derives from the existence of all of the above.

2.1.3. Project Design Assessment

In assessing the project design, the group assigned responsibility present a unique approach to the task in question. Essentially they sought to determine whether the results that were achieved from the implementation were in direct correlation with the way in which the components were designed, using as the framework for the assessment, a number of guide questions that were provided from the process.

Component 1. Public Service Management strengthening

In assessing the six subcomponents, the group's observations, conclusions and recommendations were as follows:

- *Subcomponent 1: Improving the capacity of P.S.M.*
 - ◇ No benefits were realized under this subcomponent because the activities were prematurely terminated. However, a HR Strategy document has been prepared but to date it has not been approved.
- *Subcomponent 2: Review of Public Service rules and regulations*
 - ◇ Although major investments were made under this subcomponent the benefits were not realized since it was necessary that the companion set of regulations for the PSC be first finalized.
- *Subcomponent 3: Enhancement of the H.R.M.I.S.*
 - This subcomponent sought to achieve greater levels of efficiencies of management of Public expenditure .However, while a substantial amount of work was done in this area, significant shortcomings affected its complete implementation such as, connectivity of database and on-line access. The total expected benefits were therefore not realized
- *Subcomponent 4: Strengthening Of Personnel Offices.*
 - ◇ Substantial levels of subordinate activities were completed; however, the benefit of the investment was not realized due to the non-adoption of the H.R. strategy. As a result of the above, trained staff were forced to continue with their old methods since the operating environment had not been modified to accommodate new approaches.
- *Subcomponents 5&6: Training of PSs and HODs & Performance Appraisal system for PSs and HODs.*
 - ◇ These subcomponents could not have been assessed because of insufficient implementation, nevertheless, ***their inclusion as activities within the component***

was deemed as most timely. Since PSs are no longer pensionable employees but rather are contract employees retained at the President's pleasure an appraisal system was deemed most necessary. Equally important was the necessity to have the PSs and HODs exposed to specific training needs so that they'll be better able to deal with this new arrangement. These activities would remain on the front burner.

2.1.4. Component 3 – State Reform Process Planned and Coordinated

This component remains significantly incomplete thus, the group felt that its assessment was not possible.

2.1.5. Conclusions

The Group opined that generally, while local specialists are able to shape the design of projects at the macro level, it is always the multinational agency which takes it to completion because of inadequate local expertise. This, it was felt was a critical deficiency that needed to be addressed since the full implications of the detailed interventions in Loan Agreements were not generally grasped until project implementation was in progress.

With regards to the design of PMMP, the summary conclusion regarding the design is (a) that the general design of the PMMP was feasible in its responsiveness to Public Sector demands (as defined by the Government) since it addressed the expectations of the Government; (b) while the project logic, as presented in the project's Log frame in the design concept, can be said to be clear 'on paper', in reality, a number of pitfalls exposed how tenuous it was. A ready example is the impact of the debt relief management. Sequencing of some activities was subsequently found to be poor. (c) Institutional capacity to accommodate the changes that were inherent in the design could only be assessed where an activity was taken to its full conclusion as was the case of Component 2 (*SAAAs and SBs accountability and efficiency improved*). While, for the public service, some difficulty may exist, in the SAA sector, in particular, the pilot agencies, capacity appears to be now more adequate, largely through the institutional capacity approaches that were employed (where training met new practices that were used to produce the PIPs). This component was migrated to the MOF and could be deemed a success story.

G.P.S.U. officials expressed concern with the current political appointments for the positions of PSs, linking this practice to the excised subcomponent – appraisal of PSs and HODs. They felt that this was a deviation from the original reform process as they understood it, which was the

rebuilding of a career based professional public service, and also questioned the appraisal methodology for the evaluation of performance of such appointees. Minister in the MOF explained that although the subcomponents five (PSs/HODs training) and six (appraisal for PSs and HODs) were not concluded in the PMMP, considerable work was being done in-house on these issues, and that, in principle, the official position was, that where components or subcomponents would potentially generate the greatest efficiency impact, these were continued 'in-house' wherever there was a withdrawal of project funds.

2.1.6. Recommendations.

The workshop felt that there is need to:

- (a) improve local capacity to give and ensure that the details in project designs are consistent with local expectations and capacities;
- (b) ensure that consultations include all stakeholders prior to and consistently, during project implementation.

2.2 Revised PMMP (Subcomponent 1.3 and Component 2) – Challenges and Achievements

2.2.1. Challenges

Some of the challenges identified were;

- Inadequate time allocated for the completion of tasks in the revised project.
- Under-estimation of the social changes that needed to accompany or may result from the implementation of the PMMP.
- Inadequate communication with various stakeholder groups.
- Non inclusion of SAAs from the productive sector in the group of pilot SAAs that benefited from in-depth institutional strengthening.
- Untimely endorsement of critical issues from key decision makers may have contributed to the end of project status of the activities in this revised PMMP- e.g. the HRIM strategy, since at end of project, there were still technical difficulties related to on-line access. (It was hoped that these would be resolved expeditiously).
- The issue of security, in the light of possible breach of confidentiality and unauthorized access to information and the need for a policy decision to address the alternative choices of 'open source' as opposed to proprietary software.

2.2.2. Achievements

A. Subcomponent 1.3. Enhanced HRIMS

- The results of the revised PMMP were deemed satisfactory to the extent that, (a) for the HRMIS connectivity- MOF, PSM, all required equipment were purchased and there was some degree of WAN connectivity; (b) the ability of agencies to operate on a stand alone basis with their updated databases was seen as a positive and, (c) the ability of the Ministries to potentially share an expanded and integrated database was seen as a significant benefit of this project.

B. Component 2: Improve the accountability and efficiency of SAAs and SBs.

- Coherence in the inception and final reports submitted by the UK based consulting firm – PA Consulting Group that presents a concise understanding of the sector imperatives and a blueprint for continuing progressive action.
- Full implementation of this component together with its design reflected requirements of the modernized budget law.
- The design allowed for significant levels of participation and involvement of SAAs & SBs
- The pilot SAAs and SBs, in particular, benefited from training in critical areas such as HR, Financial Management; Managing for results; Change Management; Performance Management; Monitoring and evaluation.

2.2.3. Conclusion

The group felt that while significant progress was made in the revised PMMP, the timeframe allotted did not allow for slippages outside of the control of the project, e.g. suppliers and delivery of hardware, policy decisions, etc. Notwithstanding, the workshop urged that every effort should be made to resume and conclude, with alacrity, the integration aspects that would allow the long awaited on-line access.

2.2.4. Recommendations

- The resources needed to conclude the integrated HRIMS (PSM and MOF) should be determined and every effort made to acquire resources to speedily conclude this intervention.
- A policy decision should be quickly made and possibly reflected in an ICT strategy, regarding the issue of open source as opposed to proprietary software.

3. Project Sustainability

3.1. *Original PMMP (HR Strategy; Revised Public Service Rules)*

3.1.1. *Challenges*

Key challenges to the sustainability of the outputs of the PMMP project were identified as:

- Need for urgent policy decisions to operationalize the implementation of the HR strategy.
- Achieving broader consensus between and among stakeholders regarding the strategy.
- Ensuring the finalization of the incomplete PMMP outputs – HR Strategy, PS Rules, revisiting all organization structures (not concluded) in line ministries, revision of job descriptions and matching these with organization structures, and that all stakeholders are included in this process.
- The G.P.S.U. observed that the majority of employees in the Public Service are not familiar with the rules that govern them.
- The refusal by some supervisors to release employees for training exposure to Public service rules, despite efforts by PSM over the past two years to treat with this information gap through induction seminars, resulting in low attendance.
- Little or, in several cases, no feedback from many stakeholders on draft revised rules despite the fact that copies of the draft public service rules were circulated within the Service for comments.

3.1.2. *Recommendations*

- The roles of key policy institutions (MOF, OP, PSM, and MLG) in sustaining the outputs of the PMMP should be consistent with their relationship and authority.
- These two initiatives could best be institutionalized with the synchronization of the abovementioned institutions' functions and authorities.
- The finalization of the new rules should be pursued by (a) seeking stakeholder consensus on the issues that are still outstanding, (b) circulating and orienting the final revisions to all levels of staff across the public service to ensure knowledge and awareness of these new regulations.
- Financial resources should be sought from other Donor agencies to advance, in particular, the excised subcomponents.

3.2 *Revised PMMP (Enhanced HRMIS; SAAs accountability and efficiency improved)*

3.2.1. *HRIMS - Challenges*

These were identified in the areas of security, human and financial resources.

3.2.1.1. *Security*

Unauthorized access to the database which may lead to a breach of confidentiality and possible the loss or corruption of data. However, under the Modernization of the Justice Administration System the whole issue of cyber security is to be addressed.

3.2.1.2. *Financial Resources*

In order for the beneficiary institutions to remain efficient financial resources need to be allocated for training and accessing/developing new software and technologies.

3.2.1.3. *Human Resources*

Key challenges identified were:

- (a) provision of continuous training to widen the knowledge base across the service and keeping staff who were trained in this project abreast with current/ modern practices.
- (b) securing a sufficient number of adequately trained staff to cushion the effect of possible staff migration in order to sustain the organization's performance.
- (d) the ability to translate in the public service, technology, as an everyday feature of life.

3.2.2. *Recommendations*

In order to ensure sustainability a number of approaches were suggested:

- The conducting of continuous HR training programs of the type that was previously conducted by the University of Guyana, in order to have certification of HR practitioners.
- Implementation of innovative approaches to stem the rate of attrition of trained personnel.
- The familiarization of all staff with advances in technology relevant to their jobs
- The full implementation of the WAN in the enhanced HRMIS should be expedited to realize the goal of
- universal public service access within authorized security limits.
- Provision should be made under the IT Strategy for continuous upgrade of the HRIMS Software.
- Highlighting the positives of the projects as they emerge, can be an effective strategy for sustain the project results and engendering interest, buy-in and commitment across the service.

- Demonstrated strong commitment by Government officials to project ideals.
- Consideration ought to be given to the installation of adequate back up systems to ensure the integrity and preservation of the HRIMS.
- Ensure the enactment of laws to deal with penalties for breaches and secrecy of information, while being cognizant of the right to public information.
- Institutionalizing training that was conducted in this Program in order to maintain a constant and adequate pool of required skills.

The Union had a specific recommendation on the issue of sustainability. They recommended that:

- That there should be an effective functioning Modernization of the State Board (referred by the Union as the State Monitoring Board) to review the progress on the PMMP, and that this body should be actively involved in the implementation of the entire reform process.

3.2.2. SAAs /SBs - Challenges:

Major challenges identified during the execution of the SAA/SB component were:

- Unavailability at some pilot institutions of an adequate number of skilled personnel to effectively discharge the assigned functions
- Inadequate legislation governing some agencies that would allow for the efficient discharge of their functions
- Poor physical environment not conducive for high levels of productivity

3.2.3. Recommendations

Key recommendations advanced were:

- Institutionalize the training provided by the project for all agencies in the SAA Sector.
- Ensure adequate financing is available to support identified initiatives in the PIPs produced by pilot agencies.
- Adopt incentive programs that encourage staff retention , e.g. non taxable incentives
- Implement standard policies and procedures that ensure sustainability thus removing the critical decision making process from a single individual
- Implement monitoring and evaluating procedures.

- Roll down the PIP methodologies to the rest of agencies in the sector and develop an orientation program for oversight agencies, e.g. the MOF, to ensure that the financial support required to enable implementation of the PIPs.
- The re-classification of SAAs and SBs should remain on the Government's agenda for future consideration.

4. Lessons Learnt

The workshop identified the following lessons that stand out from the execution of this particular project that may be helpful to future similar type projects:

- A need to examine the time frame allotted to each project component so as to ensure its appropriateness in order to achieve maximum results.
- Contingency funding should be identified to ensure the steady flow of adequate financial resources to sustain the project to total completion
- That key agencies such as MOF which can impact on the successful implementation of the project must be more involved in the execution of the project and be made aware of the potential outputs. For example, if the SAAs were to utilize the PIP as the basis for budget presentations, awareness of the intervention should position the MOF to be more responsive in the support of requested resources, otherwise the desired goals would not be realized.
- The momentum generated by the implementation of the project should be maintained throughout project implementation since delays in advancing activities together with inadequate feedback can cause the enthusiasm of stakeholders to wane. This would include addressing policy decisions in a timely manner.
- Permanent secretaries /Heads of Departments should have a greater lead role in the implementation of the project.
- The subcommittee (Senior Staff Association) which is responsible for advancing incomplete project activities should be given a deadline to submit their project implementation plan and this should be supported by progress reports.
- Ensure that project implementation is not burdensome to stakeholders or beneficiaries. Efforts must be made to minimize the decisions an official has to make, being cognizant of the need to balance reform related activities and day to day responsibilities.

- In executing the project, change management principles / activities should be included and implemented together with a communication strategy and plan to ensure that all stakeholders are kept abreast with changes that may affect the project outcome.
- Create a monitoring body to ensure that which is executed is in congruence with what was agreed upon.

5. Provisions for Ex-Post Evaluation

The views of the group on this agenda item were expressed as follows:

- The ex-post evaluation should be based on impact rather than outcome since the impact indicators are clearly defined in the document. However, consideration should be given to developing parameters to measure the impact.
- Given the state of implementation, especially for the revised PMMP, and following the advice of the Bank, regarding the customary time frame for ex-post evaluation, it was suggested that the ex-post evaluation of the PMMP should commence by January 2011.
- The responsible organization should be the executing – the Ministry of Finance.
- The EA should seek funding support to ensure that an independent evaluation is carried out.
- The information requirements for ex-post evaluation are the key performance indicators in the Log frame, key operational indicators, and related monthly and quarterly reports.

5.1. Recommendations:

The following courses of actions were recommended to be taken to ensure that the Executing Agency has the necessary capacity to support the conduct of the evaluation;

- a) Institution of relevant training programmes to build required (monitoring and evaluation) capacity.
- b) Provision of adequate financial, human and material resources.
- c) Develop detailed plans for the collection of data required for the ex-post evaluation.
- d) Authorizing or mandating of the agency to collect and monitor required information.

6. Observations

The President of the G.P.S.U. made a few observations and requested that these be included in the minutes of this Exit Workshop, since they were significant to the issue of sustainability.

- Six high level union representatives were present for the entire duration of the workshop which was indicative of the Union's commitment to the project.
- The Union expressed disappointment at the low turn out of PSs and HODs at the event and as a result, questioned the degree of commitment and support of these officers to the proposed advancement of project outputs.

7. Conclusion

The participative Exit workshop for the Public Management Modernization Project can be deemed to have been successful. The presence of Dr. Roger Luncheon, Cabinet Secretary and Head of the Presidential Secretariat and Hon. Minister within the Ministry of Finance, Jennifer Webster, for the entire day's proceedings was a very strong signal of the Government's commitment to the process and the importance of this project within the overall framework of good governance, and efficient public sector and indeed, public sector reform.

The 30 stakeholders who were present throughout the day were senior, policy making officials and participated in the process with great diligence and enthusiasm.

It can be said that the objectives of the workshop were met. There was more or less consensus on the workshop conclusions – the results of the project, the next steps needed to promote and sustain project benefits, the lessons learnt, the need for an ex-post evaluation of the project in, possibly, early 2011, after at least two years of operationalizing the project outputs, and, lessons learnt for consideration in future projects. While there were a few different perspectives, no significant areas of disagreement emerged. The Union raised a few observations and specifically requested that theses be recorded in the minutes of this workshop. These have been recognized in this document. Of greater importance, the Borrower did not raise any areas of disagreement, regarding the contents of the Draft Project Completion Report.

While there were some concerns expressed regarding the future pace of these reforms, in the light of the present uncertainty of the immediate availability of financial resources, there was much enthusiasm, as participants agreed that this project had positioned the sector on a clear path to increased accountability and efficiency. The entire workshop expressed the hope for an early resumption of unfinished project activities in order to sustain the momentum achieved over, in particular, this final year of the intervention.

PMMP Exit Workshop – September 17, 2008

List of Participants

Senior Government Officials:	Dr. Jennifer Westford, MP, Minister of the Public Service Ms. Jennifer Webster, MP, Minister within the Ministry of Finance. Dr. Roger Luncheon, Head, Presidential Secretariat Dr. Nanda Gopaul, Head, Public Service.
Bank Officials:	Mr. Marco Nicola, Country Representative IDB. Mr. Alexandre Veryat-Pontet, I.D.B Specialist Ms. Derise Williams, Administrative Officer, IDB
Representatives of Ministries:	Mr. Neermal Rekha, Financial Secretary, Ministry of Finance Ms. Lorene Baird, Deputy Finance Secretary, Ministry of Finance Ms. Sonia Roopnauth, Director of Budget, Ministry of Finance Mr. Ganga Persaud, Chairman, Public Service Commission Ms. Mitradevi Ali, Permanent Secretary, Ministry of Legal Affairs Mr. Keith Booker, Permanent Secretary, Ministry of Culture, Youth, Sport Mr. Dindyal Permaul, Permanent Secretary, Ministry of Agriculture Mr. Roy McGarrell, Permanent Secretary, Ministry of Amerindian Affairs Mr. Clavil Bovell, P.A.S., Ministry of Amerindian Affairs Ms. Jacqueline Simon, Human Resource Manager, Ministry of Education Mr. Ron McArthur, PAS, Ministry of Labour, Human Services & Social Security

	Ms. Karen Layne, Senior Personnel Officer, PSM
	Ms. Gillian P. Rowe, Chief Admin Officer a.g. Ministry of Foreign Affairs
	Mr. Deolall Rooplall, R.E.O. Ministry of Local Government
	Mr. Terrie Pyle, Audit Manager , The Audit Office
	Mr. Rene Faebus, Senior Planner, Ministry of Finance
	Ms. Ronette Hetsberger, Planner, Ministry of Finance
	Ms. Carol San-Moe, Senior Personnel Officer, PSM
	Ms. Princess Chester, SPO, Ministry of Health
	Ms. Debra Lewis, PPO, Ministry of Home Affairs
	Ms. Aruna Singh, Technical Officer, PEU, PMMP
Semi Autonomous Bodies:	Mr. Prem Persaud , Chairman, Public Utilities Commission
	Ms. Paula McAdam, Director General (ag), Civil Aviation Authority
	Mr. Saheed Sulaman, Air Transport Officer, Civil Aviation Authority
	Ms. Evadnie Benfield, Head Information Services, Guyana National Bureau of Standards
	Ms. Yolanda Vasconcellos, General Manager, National Parks Commission
	Mr. Valmiki Singh , Managing Director, National Frequency Management Unit
	Ms. Karen Livan, Manager Environment , Guyana Geology & Mines Commission
Guyana Public Service:	Mr. Patrick Yarde, President
Union Representatives:	Ms. Chandrawattie Persaud, General Secretary
	Mr. Mortimer Livan, Assistant Economic R& D Officer
	Ms. Patricia Went, PRO
	Ms. Vera Naughton, Education Officer
Workshop Consultant:	Ms. Leila Parris
Facilitator:	Mr. Gladwin Tait

ANNEX III.

BORROWER'S EVALUATION



**Inter-American Development Bank
Project Completion Report –
Borrower's Evaluation**

Project Name: Public Management Modernization Programme	
Executing Agency(ies): Office of the President; Ministry of Finance	
Borrower: Government of Guyana	
Date of Project Approval: December 13, 2004	Date of Contract Effectiveness: June 17, 2005
Date of Borrower Evaluation: June, 2008	Expected Date of Exit Workshop: September 17, 2008

Borrower Project Performance Ratings

Probability on Achieving its Development Objective(s):

☐ Highly Probable (HP) ☒ Probable (P) ☐ Low Probability (LP) ☐ Improbable (I)

Project Implementation:

☐ Highly Satisfactory (HS) ☒ Satisfactory (S) ☐ Unsatisfactory (US) ☐ Very Unsatisfactory (VU)

Sustainability of Project Results:

☐ Highly Probable (HP) ☒ Probable (P) ☐ Low Probability (LP) ☐ Improbable (I)

Comments:

While this project suffered from the implications and consequences of the Bank's Debt Relief Initiative, significant strides were made in areas that had hitherto existed with little innovations. A climate of change geared towards greater public sector accountability and efficiency has been ushered in and the Government of Guyana is committed to the advancement of outputs that were not quite completed in both the original and revised designs of the PMMP.

The GOG will utilize both internal budgetary resources and mobilize additional resources from the donor community to advance these initial benefits from the PMMP. A subcommittee of the Public Service Senior Staff Association has been established and charged with the responsibility of providing oversight for continuing reform processes started during the PMMP. The critical nature of the project achievements, together with their contribution to key public sector goals of enhanced accountability and efficiency, has placed these interventions at the front burner of policy makers' agenda and efforts will be made to ensure that sufficient resources are committed to sustain project results.

Borrower Project Performance During Project Preparation

Please rate your own performance during Project Preparation:

[☐] Highly Satisfactory (HS) [☒] Satisfactory (S) [☐] Unsatisfactory (US) [☐] Very Unsatisfactory

Comments:

Within the limitations of its capacity, the GOG engaged with the IDB Project Team, pursuing every effort to also engage key stakeholders in the public service so that varying perspectives could be explored, expectations declared and the priority needs of the sector agreed upon within the framework of the 2003 ***Design of the Public Modernization Programme***. Since the vision of the Public Service, was well articulated during the process of the design, it was a relatively simple task to identify the broad expectations of the Government within the context of the already agreed upon blueprint. The challenge at the local level was the fleshing out of the various elements of the proposed intervention, since the goal of modernization required an understanding of new approaches to get things done, alternative solutions – all of which demanded levels of expertise and ‘know how’ which were not always readily available, internally. This being acknowledged, policy makers, after several sessions with the design team, were able to approve a design which had, more or less, the consensus of several stakeholder groups. In so doing, the general conviction was that the final Project responded to the critical priorities of the day, and was capable of producing the greatest impact in the shortest possible timeframe, even as the project goals were realized.

Borrower Project Performance During Project Execution

Please rate your own performance during Project Execution:

[☐] Highly Satisfactory (HS) [☒] Satisfactory (S) [☐] Unsatisfactory (US) [☐] Very Unsatisfactory (VU)

Comments:

The project was well supported by a young, qualified and enthusiastic Project Team that went to the task in hand with great dedication. Work was moving apace in this first year of execution, several initial interventions had commenced, others were about to be launched when, towards the end of this first year, the Bank's Debt Relief Initiative came into effect and the Project had to be scaled down as approximately 40% of its financial resources were cancelled.

Notwithstanding this situation, officers and Ministers in the executing agency and in other key policy agencies worked with the Bank's officials in the revision of the Project, resulting in two critical activities being earmarked to be brought to a conclusion in a reduced but continuing program.

Despite the loss of staff morale and other related dislocations, these two activities were supported and, at end of project, all subcomponents relating to SAAs and SBs have been successfully completed, and the integrated HRMIS, has just a few more activities to be completed in order for the objectives of this sub-component of Component 1, to be fully realized.

Bank Performance During Project Preparation

Please rate the Bank's performance during project preparation. Factors to be considered include the extent to which the Bank facilitated a participatory design, proposed adequate technical solutions to be the problems identified, and responded to the needs of the Borrower (timeliness, selection of instrument type).

☐ Highly Satisfactory (HS) ☒ Satisfactory (S) ☐ Unsatisfactory (US) ☐ Very Unsatisfactory (VU)

Comments:

The Bank provided a very competent and committed team to support the GOG in the preparation of the project. Every support was given to ensure that key stakeholders were engaged and their views of various aspects of the program framework sought and included in the design. Several drafts were discussed with both the Government Team and other stakeholders on a needs' basis. During the preparation, there was some amount of pressure to complete the details of the design within, what at times seemed to be, a relatively short time frame. Never-the-less, by the time the Project was ready for submission for Bank approval, the Government of Guyana's Team was satisfied that the broad elements in the proposed program presented technical solutions that were responsive to the demands of the sector and reflected the underlying pillars of the Public Sector Modernization Design (2003).

Bank Performance During Project Supervision

Please rate the Bank's performance during project supervision. Factors to be considered include technical assistance (including formal and informal training) to Executing Agency, timeliness of Bank response and the Bank's flexibility to respond to emergency situations during project implementation.

☐ Highly Satisfactory (HS) ☒ Satisfactory (S) ☐ Unsatisfactory (US) ☐ Very Unsatisfactory (VU)

Comments:

Technical assistance was given to the Executing Agency in the development of several TORs prior to project implementation in order to accelerate that process; training opportunities were also provided to the PEU staff at in-country training sessions organized by the Bank from time to time

In most cases, especially during the early weeks of implementation, the Bank was able to offer advice and possible solutions that could be applied to early problems that arose, in a more or less timely fashion. Later in implementation, in a few instances, some delays were experienced but these were eventually resolved in a reasonable timeframe. The Bank's support and flexibility was also evident in the decision by the GOG to scale down the PMMP. The assistance of the mid-term evaluation mission certainly went a long way in reshaping the project in a way designed to bring about the best outcomes under difficult circumstances.

The Government of Guyana wishes to acknowledge the support given by the IDB in the preparation of the revised PMMP and in the approving of the final revision in a timely manner.

Additional Suggestions for Improving Bank Performance

Additional comments / suggestions for improving Bank performance in the future.

- Much more time should be spent by the Bank in working with agencies in follow-up designs of Projects.
- The Bank and the Executing Agency, inclusive of the PEU, should try to adopt a speedier mechanism to identify potential problems with a view to resolution in a timely manner.
- A more frequent feedback mechanism should be incorporated in project implementation routines to allow for more effective problem solving and consequently, project outcomes.
- The Bank could provide additional support to the Executing Agencies by incorporating in their in-country training program, in order to further support the building of local capacity, a few modules in the areas of (a) the preparation of Terms of Reference and (b) negotiation skills.

PUBLIC MANAGEMENT MODERNIZATION PROGRAM

(LO-1604/SF-GY) (GY0073)

QUALITY AND RISK REVIEW Results and Procedure Report

A. QRR PROCEDURE

The Project Completion Report and its corresponding Annexes were distributed for comments to the QRR on Friday, November 14, 2008. A meeting was held on November 21, 2008, where Marco Nicola (CCB/CGY); Laura Profeta (LEG/SGO); Musheer Kamau (CCB/CCB); Katharina Falkner-Olmedo (VPC/PDP); Carlos Herrera (FIN/FSV); Carola Alvarez (SPD/SDV); Cristian Santelices (SPD/SMO); Stephen Quick (OVE/OVE); Roberto Vellutini (INE/INE); Kei Kawabata (SCL/SCL); Mario Marcel Cullell (ICF/ICF); Antoni Estevadeordal (INT/INT); Eduardo Lora (RES/RES); Graciela Schamis (KNL/KNL); Alicia Ritchie (CAN/CAN) Carlos Hurtado (CSC/CSC); Gina Montiel (CID/CID); Dora Currea (CCB/CCB); Xavier Comas (ICF/ICS); Mario F. Sangines (ICF/ICF); Maria Mercedes Mateo (ICF/ICF); Rafael Hernandez (ICF/ICF); Alexandre Veyrat-Pontet (ICS/CGY); Carlos Pimenta (ICF/ICS); were invited.

The meeting was attended by Laura Profeta (LEG/SGO); Michelle Fryer (OVE/OVE); Carlos Pimenta (ICF/ICS); and Xavier Comas (ICF/ICS) who chaired it. Alexandre Veyrat-Pontet (ICS/CGY); Roy Parahoo (PDP/CGY) and Leila Parris (Consultant), participated in the meeting connected by videoconference.

The comments received, as well as recommended next steps, have been documented in this Results and Procedure Report.

B. NON-RESOLVED ISSUES

N/A

C. COMMENTS:

Name and Division	Topic	Comments	Answers
Marco Nicola, CCB/CGY	General Comment	<p>The PCR provides a very comprehensive history on what happened to the PMMP program during its execution and what was achieved vis-à-vis to what was expected in terms of outcomes.</p> <p>The choice of reducing the scope of the program to fund the debt alleviation initiative was probably a</p>	<p>While it is accepted that the aftermath of the MDRI may well have had reduced some level of motivation on the part of several Government officials associated with the project, the meeting felt that the delays – in fact- the many unattended products that were referred for consideration/clearance -</p>

Name and Division	Topic	Comments	Answers
		<p>sign that the Government's appetite and motivation to go ahead with such a comprehensive reform was diminished further to the MDRI initiative. This makes me wonder if the use of a lending instrument was the most adequate to support a reform that may last several years and that requires many policy decisions and stakeholders consultations.</p> <p>I would like the team to give some consideration to the above and incorporate in the sustainability section some views on how best the Bank can continue to stay involved and support the process.</p>	<p>policy decisions by the Government, seem to indicate insufficient political will and commitment to the reform process. The Exit Workshop suggested that the reform may have been too ambitious given the wider environment where sector reforms were in progress simultaneously with the PMMP's execution. This may well indicate the inappropriateness of the lending instrument to support this reform. One suggestion is that a better choice may well have been a hybrid project with a PBL to ensure enforcement.</p>
Mario Sangines ICF/ICF	Downsizing of the Project	<p>The downsizing of the project is presented as the main reason why the objectives were not achieved. However, it seems to me that many of the original objectives did not advance further because of the inability or unwillingness of the borrower to proceed with policy decisions, such as:</p> <p>A. HR Strategy document. Presented to the client on October 2006 but never cleared by the cabinet.</p> <p>B. Revision of JDs and organizational structures. PS's have not been "able" to validate the proposed changes.</p> <p>C. Public Services Rules. Reviewed and sent to the client, but still being discussed.</p> <p>D. Guidelines for delegating authority to ministries/training/websites: Not carried out because the Rules were not approved.</p> <p>E. White Paper on State Reform on Guyana. Sent to Cabinet on Feb. 2007 but not approved.</p> <p>Furthermore, even with the scope of the revised</p>	<p>ICR conceded that there were several policy decisions that the Government could have made regarding several products that emerged from the operation. In a few instances, however, advancements could not be made since the resources to carry out the remaining activities to complete the particular output were excised from the program, and there was inadequate technical capacity to continue the process. One example of this is the Draft White Paper for State Reform.</p> <p>In the light of these inconsistencies, the mixed GOG commitment and the discussions at the Video Conference, ICR agreed to revise the GOG's performance to "<i>Unsatisfactory</i>".</p> <p>Notwithstanding this classification, the meeting agreed that the project did result in a framework and some momentum for</p>

Name and Division	Topic	Comments	Answers
		<p>PMMP, it is clear that the client did not act on any of the key deliverables of the project:</p> <p>A. HRIM Policy Document. Not cleared for implementation.</p> <p>B. Institutional Framework. Still being considered by Cabinet.</p> <p>It seems to me that the downsizing is being used as an excuse to hide the obvious: That the borrower failed to act upon the several policy recommendations and products prepared with the support of the operation, making the considerable FSO investment a waste. It is therefore clear to me that the Borrower's Performance is Unsatisfactory.</p>	<p>future reforms. While results are not as envisaged, the FSO investment cannot be regarded as a waste.</p>
	Bank's Performance	<p>Regarding the Bank's performance, it seems a bit disingenuous that after all the products delivered (as shown above), the team would agree to a reformulation of objectives that basically enabled the borrower to ignore its commitments regarding action on products already delivered by the project. Given the loss of the remaining funds, the team should have focused on the client's approval of the policy documents and recommendations already delivered, to at least ensure that some reform takes place without the need of additional investment. From my point of view, Bank performance in this operation is also Unsatisfactory. I cannot understand how the ICR can give the implementation of the revised PMMP components "Satisfactory" across the board, as well as on Summary Implementation Progress. After all, \$2.2 million in FSO funds were invested in this operation with very little actual reform to show for.</p>	<p>ICR was never in favor of the cancellation of funds from this operation and, consequently, had made a huge effort to discourage the GOG from the proposed option of cancellation, which would clearly have had an impact on the DO, but at the end of the day, it was the Government's call. The meeting discussed the fact that the directive that came with the MDRI called for immediate action by the GOG, resulting in practically no time for any technical analysis and the consideration of possible options and their implications. However, ICR accepted that the Bank should have insisted on reformulation, and that actions taken were inconsistent and indeed contradictory with the original messages and objectives of the program. In view of these concerns ICR has agreed to reclassify the Bank's performance to "<i>Unsatisfactory</i>"</p>

Name and Division	Topic	Comments	Answers
			but with some explanation, including that this operation was not only to produce and approve reforms but important achievements had been made with different products as the HRMIS (Human Resources Management Information System) and the SAAs (Semi-Autonomous Agencies).
	Lessons Learned	Regarding the lessons learned, I find the most critical one down in number 5. Obviously the client was unable or unwilling to approve the policy reform proposals generated by the project. Was this because there was limited capacity in the decision-making levels to carry out all these reforms? If so, maybe the project design was inadequately ambitious, which should raise a flag. Or was there some other reason? The ICR mentions "peculiarities of the local context". What are those exactly?	<p>“...<i>peculiarities of the local context</i>” refers to the political, economic, social and cultural conditions that exist.</p> <p>Other Lessons Learnt:</p> <p>For Future reforms, a ‘step-by-step’ strategy should be adopted and be supported by a series of Technical Cooperation facilities.</p> <p>The importance of not cutting a program without reformulation, if the best use is to be made of available resources.</p> <p>Without this technical assessment, there will be negative consequences.</p>
Adrienne Pratt CCB/CBA	Comentario General	<p>Creo que falta hacer recordar que el PMMP originalmente fue en parte respuesta a la condicionalidad de la iniciativa Enhanced HIPC. O, más bien, que la reforma algo radical que nosotros pensábamos apoyar en Guyana (downsizing etc) fue incorporada a la condicionalidad HIPC.</p> <p>Hace falta, por lo tanto, señalar en el PCR la contradicción entre lo que al inicio nos costo mucho trabajo promover, y lo que después exigimos del gobierno en términos de cancelación. We shot ourselves in the foot.</p>	ICR accepts that the Bank’s final response to the Government’s decision to cancel funds from this operation was contradictory in the light of the operation’s status, in design stage, as a pre-condition for HIPIC. The GOG, in the signed Aide Memoir that emerged from the mission that negotiated the post MDRI Government response, committed to a continuation of the incomplete activities, utilizing ‘in-country’ resources..

Name and Division	Topic	Comments	Answers
	Cancelación Parcial	Por otro lado, si es que no esta bien explicitado en el documento (con una lectura muy rápida no lo veo), seria importante explicar que a pesar del desembolso de una mayoría de los fondos, se alcanzo solamente una proporción pequeña de los resultados previstos. Esto indicaría la gran importancia de hacer un "follow through". Una cancelación parcial puede provocar un resultado negativo desproporcional. Sin embargo, en este mismo sentido, seria útil que el documento analizara (si es que no lo hace) que habría pasado sin la cancelación. Realmente estábamos "on track" (sobre todo en el campo de la voluntad política) para alcanzar los resultados previstos?	Menos de la mitad de los fondos fueron efectivamente desembolsados y no la mayoría. Habría que comparar los principales resultados alcanzados, tales como el HRMIS, SAAs, y diversas propuestas elaboradas; con los aproximadamente 40% de los recursos efectivamente desembolsados y no con el total previsto inicialmente. Si bien los avances en términos de reformas fueron limitados, los resultados en términos de productos fueron satisfactorios.

D. MAIN TOPICS DISCUSSED DURING THE MEETING AND RECOMENDATIONS:

Topic	Recommendation
The cancellation of funds in the Operation	<p>The Chairman, Mr. Xavier Comas, noted that the PCR was good and the minutes of the exit workshop provided rich information. However, he noted that it was ironic that this operation was justified as necessary for HIPIC, and yet it was cancelled as a consequence of Guyana's changed status from a HIPIC as a result of the Debt Relief Initiative. He felt it was critical to understand why the operation was cancelled. Was it just about the lost of funds? A number of pending decisions to advance the early products of the operation had not taken place and while the PCR suggests that if the program had not been cut, it can be assumed that the program would have progressed smoothly, can this really be accepted?</p> <p><i>In the light of these contradictions and unresolved issues, there may be a need to reclassify the document based on the emerging discussions in this meeting.</i></p>

<p>The Debt Reduction Initiative's Implications</p>	<p>It was suggested that the events in this operation raises the issue of the Benefits and Risks of the Bank's Debt Reduction Initiative.. Directly related to this is the question "What are the lessons that can be learnt when there is a substantial cancellation?" Could there have been a way for greater continuity - to bring the unfinished reform activities to completion? Should there have been a reform of the project objectives themselves? The problem here is that it was the Government that decided what activities should be cut.</p> <p><i>These are overarching issues and should be further discussed in the document. As a Bank we should be able to push harder in these types of programs and we can't accept the imposition of the Governments to change the content of programs that have been approved.</i></p>
<p>Project Design Consensus</p>	<p>Carlos Pimenta, Team Member, stated that notwithstanding the suggestion in the PCR regarding the level of consensus, a lot of work was done with stakeholders during the design stage, and there was consensus among those consulted that the project design was a good one. It was interesting that during the design phase, the most important challenge was (a) the stakeholders' commitment and (b) the Government's commitment to the implementation of the design. The PCR indicates that the stakeholders, especially the Union, were committed to the project and it was at the level of the Government where the commitment seemed unclear.</p> <p><i>This operation signals the need for the Bank to think about the instrument that is selected in this type of project: maybe, in future, a more effective option could be a hybrid project with a PBL to have more enforcement.</i></p> <p>Xavier Comas opined that at the beginning of the project, commitment seemed to exist only at some levels, but these included some of the more important stakeholders. From the analysis, it was clear that the greatest achievements - HRMIS and the SAAs - were associated with the Ministry of Finance (MOF). This can be understood since the MOF has more power and leadership among other Ministries in the Government.</p>

<p>Lessons Learnt</p>	<p>A number of lessons can be learnt;</p> <p>(a) In some cases Projects are designed in a very ambitious way. The Bank has to look at the internal capacity of the country and the potential for the sustainability of such Programs and find different alternatives/ lending instruments in order to achieve those ambitious goals.</p> <p>(b) It is important to involve the Ministry of Finance, in a more direct way, in the reforms proposed by the Bank in this type of Program.</p> <p>(c) More assistance should be provided to Governments before and after design. In this program much more money and time was spent than in other countries.</p> <p>(d) The importance of not cutting resources in approved Programs, without a reformulation. When resources are cut, it's very important to have a technical debate and a technical analysis to make the Program really achievable and to minimize negative impacts during the remaining execution period.</p> <p>(e) The cancellation of funds was the most important factor in limiting the program.</p>
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<p>Selection of Instrument for such reforms and sustainability issues.</p>	<p>Alexandre Veyrat-Pontet, Team Leader, observed that the program was well designed as a TC and as the Government wanted, but the program was an ambitious one. The question is -<i>Was it the best instrument?</i> The biggest problem was the cancellation and how it was done, and why did the Bank allow it? It was, however, what the Government wanted and so it was allowed, albeit, with great reluctance by the Bank. In, hindsight, the Bank should have insisted that the program be reformulated.</p> <p>Notwithstanding these concerns, the work that was done has had a strong impact, and it is clear that the process would have to be continued, in the interest of sustainability. The Government has affirmed that it is strongly committed to seeing the HRMIS to completion, maybe at a reduced pace. In response to a request by the HPS, the Bank engaged in an informal discussion, regarding <i>the possibility of continuing the project with a series of Technical Cooperation facilities. Future assistance can include a continuation of Training for SAAs. This was recommended by the PA consulting firm.</i> At the exit workshop, the Government publicly announced its continued commitment to the reform process. There was a strong show of this commitment by the very presence of the HPS, the Minister within the Ministry of Finance, together with other very senior officials through the entire Exit Workshop.</p> <p>Unfortunately, the Bank lost leverage with the cancellation of the resources. It is highly unlikely that Government will continue with this ambitious program. Instead, the likelihood is a step- by step approach.</p>
<p>Major Contributions of the operation</p>	<p>This project's main contribution was seen as providing a framework for reform. The Draft White Paper on State Reform was reviewed by the Government and the PM was concerned about some proposals submitted. However, the process of validation and refinement was not concluded since the resources were cancelled just around that point in time. All the products of the operation remain relevant to the present day realities.</p>

The controversial decision and the Performance of both the Bank and the Borrower /Country.

Mr. Xavier Comas, in putting the operation in context, reiterated that this operation was a pre-condition for HIPIC, yet after discussions between the Bank and the GOG, and the subsequent cancellation of a major portion of the resources, the condition was ‘watered down’ by HIPIC. This action was therefore contradictory and controversial. The most critical aspect of this situation was the Bank’s failure to push ‘reformulation’ in order to have the remaining resources better utilized. It is difficult to understand the Bank’s decision to accept the GOG’s proposal for cancellation when this operation was a key pillar to sustain the effects of HIPIC. This contradiction allows for differentiating between the macro and micro performance of the Bank. *The Bank’s performance as well as the Borrower’s should be reclassified as unsatisfactory.*

Laura Profeta, commented that these issues must be discussed in the PCR, pointing out the contradictions that had occurred together with the mixed and ambiguous support of the Government. A clear example of the ambiguous nature of the commitment was the fact that actions that did not require financial resources had not taken place, e.g. the approval/acceptance of the HR strategy. This is clear evidence that the Government has not done its part to ensure the success of the program. *The indications are for some reassessment of the project performance.* A key question to be answered – “*has the operation provided the framework to foster the achievement of the Development Objective over time?*” The Government could have made other choices. There seems to have been a lack of commitment to defend the decision to cut the project. In the final analysis, however, the project provided a framework and some momentum for the reforms.

The Lesson learnt for the Bank is that there should be a reformulation when substantial resources of a project are cancelled. There were three other projects that were treated in like manner under the DRI and these were not reformulated as well.

The chairman reminded the meeting that the omission to reformulate could have been the result of the immediate aftermath of the MDRI. The directive that came with DR was that immediate action was required by the GOG. *There was no time to really consider choices and their implications and therefore no opportunity for learning. This is another aspect that should be included in the PCR’s Lessons Learnt.*

	<p>Roy Parahoo, observed that while contradictions exist regarding the Bank's performance, during the discussions prior to the actual cancellation, the Bank was not in support of any cancellation of this particular project and had tried to 'push' the Government to not compromise the Development Objective of the operation. There was much effort from the country office to save the integrity of this project, but at the end of the day, it was the Government's call.</p>
<p>Reclassifying the Bank's performance in the PCR</p>	<p>Mr. Comas reiterated that in not insisting on a reformulation of the project, the Bank's performance must be deemed unsatisfactory. <i>However, in representing this in the PCR, some explanation should be included. The discourse should present that there was a huge effort by the Bank in the design of the program but within the peculiar circumstances that surrounded this situation, the Bank was unable to be consistent. The discourse should include what was done right by the Bank and what was done wrong.</i> The bottom line is that cutting the operation's resources was contradictory with the original messages and objectives of the program.</p> <p>Carlos Pimenta reminded that meeting that it was important to understand that progress had been made with this operation. The Bank had been trying for 10 years before to do something in this area. It was therefore important to look beyond this project and what has happened, to the last five years. There is need to compare the situation during the nineties with the present. The Bank has realized some clear advantages. This has to be considered. It is also necessary to understand what has taken place in the area of reform in Guyana. There have been some fairly substantial gains. There is now a framework for further reforms. The design framework had emerged from an analytical basis with some significant level of consensus among several stakeholder groups, foremost the Government, at that point in time. The Bank did all of the right things in the design stage but yet in the final analysis, it cannot be disputed that the Bank has failed. However, the Union, for instance, is now better positioned to support the reforms as was indicated in the Exit Workshop Minutes, and this is a great advancement given their opposition to the program five years ago.</p>

PCR Revision

The revisions in the PCR must discuss frankly the reality of what happened in this operation, the non-achievements, the achievements and the performance of both the Borrower and the Bank – achievements and non-achievements.

In the case of the Borrower, while many persons in the Government supported the project, political will was needed to defend the project and this was not forthcoming. The Bank was not consistent in defending against the cutting of the operation when it was a HIPIC conditionality.

Accordingly, the results were unsatisfactory in spite of whatever achievements that were attained.

The Lessons Learnt must include (a) the importance of not cutting a program without reformulation if the best use is to be made of available resources; (b) the decision to cut was not a technical debate of the program but rather a political decision; (c) it is difficult for the Bank to say to the Government emphatically that such actions should not be taken if there is no reformulation; and finally, (d) if a program is cut without a technical assessment, then there will be negative consequences.

The revised PCR should point the end results of the action that was taken.

The lessons learnt that were identified in the Exit Workshop should be incorporated in the Revisions.

Finally, the meeting agreed that the country office should try to identify alternative sources of funding to encourage continuity.