



Public Sector Efficiency Program (PSEP)

(JA-L1046 / 3121/OC-JA, 3122/CH-JA)

(JA-X1007/ GRT/EX-14238-JA)

Project Completion Report (PCR)

Original Project Team:

Jorge von Horoch (IFD/ICS), Project Team Leader; Mariano Lafuente (IFD/ICS); Miguel Porrua (IFD/ICS); Maria Jose Jarquin (IFD/ICS); Mariel Fiat (ICS/CJA); Brodrick Watson (CCB/CJA); Lila Mallory (FMP/CJA); Graham Williams (FMP/CJA); Francisco Mejia (SPD/SDV); Monica Lugo (LEG/SGO); Leslie Harper (IFD/FMM); Victoria Flores (ORP/ORP); Claudia Oglialoro (ORP/GCM); Michele Viegas (ORP/ORP); Nadine Schiavi (ORP/GCM); Alonso Chaverri-Suarez (LEG/CLA); Melissa Gonzalez (IFD/ICS); and Alan Girón (IFD/ICS).

PCR Team:

Francesco De Simone (IFD/ICS); Mariano Lafuente (IFD/ICS); Miguel Porrua (IFD/ICS); Kai Hertz (ORP/GCM); Leslie Harper (IFD/FMM); Maria del Pilar Jimenez Arechaga (LEG/SGO); Ben Roseth (IFD/ICS); Sudaney Blair (CCB/CJA); Rochelle Samuels (CCB/CJA); Naveen Jainauth-Umrao (FMP/CJA); Veronica Benedettelli (FMP/CJA); Sherries Ruddock (CCB/CCB); Eduardo Fajnzylber (SPD/SDV); Lesley Cassar (CCB/CCB); Claudia Alcaraz-Irizarry (CCB/CCB); Francisco Mejia (consultant).

INDEX

Electronic Links	i
Optional Electronic Links	i
Acronyms and Abbreviations	i
BASIC PROJECT INFORMATION	ii
I. INTRODUCTION	1
II. CORE CRITERIA. PROJECT PERFORMANCE	2
II.1 Relevance	2
a. Alignment with country development needs	2
b. Strategic Alignment	3
c. Relevance of Design	4
II.2 Effectiveness.....	10
a. Statement of project development objectives.	10
b. Results Achieved	10
c. Counterfactual Analysis.....	21
d. Unanticipated outcomes.....	21
II.3 Efficiency.....	22
II.4 Sustainability	27
a. General Sustainability Aspects.....	27
b. Environmental and Social Safeguards.....	28
III. NON-CORE CRITERIA.....	29
III.1 Bank Performance	29
III.2 Borrower Performance	29
IV. FINDINGS AND RECOMMENDATIONS.....	31

Electronic Links

1. [Development Effectiveness Matrix \(DEM\) Summary](#)
2. [Final version of the Progress Monitoring Report \(PMR\)](#)
3. [PCR Checklist](#)
4. Changes to the Matrix

Optional Electronic Links

1. [Final Evaluation](#)
2. [Final Evaluation - Annex 2](#)

Acronyms and Abbreviations

EOP	End of Period
EU	European Union
IDB	Inter-American Development Bank
GDP	Gross Domestic Product
GEI	Government Electrical Inspectorate
HCMES	Human Capital Management Enterprise System
HCMS	Human Capital Management System
HR	Human Resources
HRSSC	Human Resources Shared Service Centre
HRM	Human Resources Management
IAU	Internal Audit Unit
ICT	Information and Communication Technologies
ICTM	Information and Communication Technologies Management
IMF	International Monetary Fund
IT	Information Technology
MDA	Ministries, Departments and Agencies
MIND	Management Institute for National Development
MOFPS	Ministry of Finance and the Public Service
PCR	Project Completion Report
PEFA	Public Expenditure and Financial Accountability
PEU	Project Execution Unit
PMR	Project Monitoring Report
PSEP	Public Sector Efficiency Program
PSTMD	Public Sector Transformation and Modernization Division
SBA	Stand-By Arrangement
SHRMD	Strategic Human Resources Management Division
TRSU	Technical Research Support Unit
WB	World Bank

BASIC PROJECT INFORMATION

^JA-L1046 Public Sector Efficiency Program

Country Beneficiary Jamaica	Loan Instrument Investment Loan	Borrower JA-JA - JAMAICA	Loan(s) 3121/OC-JA, 3122/CH-JA	Sector Reform / Modernization Of The State	Sub-Sector Reform And Public Sector Support
Date of Board Approval Dec 13, 2013	Date of Eligibility for First Disbursement Jun 13, 2014	Date of Closure (CO) Nov 13, 2020	Loan Amount - Original 25,000,000.00	Loan Amount - Current 13,485,949.69	Pari Passu
Total Project Cost 25,000,000.00	Months In Execution from Approval 83	Months In Execution from First Disbursement 76	Original Date of Final Disbursement Feb 18, 2019	Actual Date of Final Disbursement Feb 18, 2020	Cumulative Extension(Months)
Total Amount Disbursed 13,485,949.69	Total Percentage of Disbursement 54%				

^ Ratings of project Performance in PMRs



Has This Project Received Funds from
another Project? ☒ Yes ☐ No

Has This Project Sent Funds to Another
Project? ☐ Yes ☒ No

Development Effectiveness Classification Partly Successful

No	PMR Date	PMR Stage	Classification	Disbursement Percentage (As of Dec 31)
1	May 05, 2015	Second period Jan-Dec 2014	Satisfactory	0%
2	Apr 20, 2016	Second period Jan-Dec 2015	Problem	4%
3	Apr 21, 2017	Second period Jan-Dec 2016	Alert	19%
4	Apr 11, 2018	Second period Jan-Dec 2017	Alert	33%
5	May 03, 2019	Second period Jan-Dec 2018	Satisfactory	64%
6	Apr 28, 2020	Second period Jan-Dec 2019	Satisfactory	78%
7	May 04, 2021	Second period Jan-Dec 2020	Satisfactory	98%

^ Bank Staff



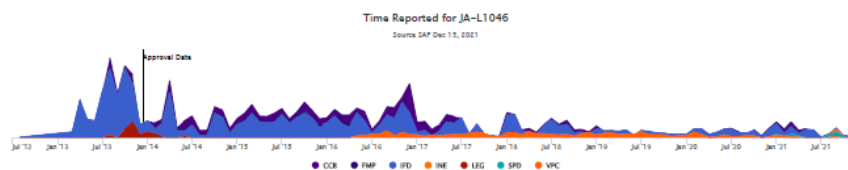
Positions	At PCR Nov 13, 2020	At Approval Dec 13, 2013
Vice-President VPS	Lopez, Benigno	Levy,Santiago
Vice-President VPC	Martinez, Richard	Vellutini,Roberto
Country Manager	Turner-Jones,Therese (CCB/CCB)	Turner Jones,Therese (CCB/CJA)
Sector Manager	Schwartz Rosenthal,Moises (IFD/IFD)	Rodriguez-Ortiz,Ana (IFD/IFD)
Division Chief	Gimenez Duarte, Lea Raquel (IFD/ICS)	Santiso,Carlos (IFD/ICS)
Country Rep	Turner Jones, Therese (CCB/CJA)	Turner Jones,Therese (CCB/CJA)
Project Team Leader	De Simone,Francesco (ICS/CJA)	von Horoch,Jorge Luis (IFD/ICS)
PCR Team Leader	De Simone,Francesco (ICS/CJA)	von Horoch,Jorge Luis (IFD/ICS)

^ Staff Time and Cost



Stage Project Cycle	# of Staff Weeks	USD (including Travel and Consultant Costs)
Preparation	40.4	251,895.40
Supervision	144.2	811,924.67
Total	184.6	1,063,820.07

^ Time



I. INTRODUCTION

The Public Sector Efficiency Program (PSEP)¹ was approved in December 2013 and project execution started in mid 2014. The programme was funded by a combined IDB loan, a loan from the China Co-Financing Fund for Latin America and the Caribbean (CHC), and a European Union (EU) grant contribution all of which were encapsulated to support the government's efforts to improve public sector efficiency. At the time of approval, Jamaica was at a crossroads to reverse the protracted trends of fiscal deficits, high debt, and low growth. In this setting of fiscal and debt sustainability concerns, Jamaica embarked on a comprehensive fiscal consolidation programme, supported by the International Monetary Fund (IMF). Low growth paired with fiscal and debt concerns posed a significant challenge for the Government of Jamaica. On the one hand, it was imperative to return Jamaica to a fiscal and debt path that accelerated growth; on the other, it was essential to improve public sector efficiency to preserve and improve quality in service delivery amid spending cuts and austerity measures.

At the time of PSEP approval, it was considered that one of the biggest challenges facing the Government of Jamaica was low public sector efficiency, mostly due to high administrative costs. Jamaica ranked very low (117 out of 148 countries) on government efficiency in public spending.² Low transparency, limited accountability, and deficient control of corruption were considered as obstacles to building a public sector that cost less and delivered better services. This situation was thought to be explained by the excessive bureaucracy and red tape, a high wage bill relative to Gross Domestic Product (GDP), duplication of government functions, underutilization of Information and Communication Technologies (ICT), and public entities operating in silos, thus resulting in high transactional costs and weak economies of scale. In addition, weaknesses in the control systems and accountability mechanisms also hindered a more efficient use of public resources.

In this context, the Government of Jamaica prioritized three critical areas to be addressed with the Bank's assistance: (i) Human Resources Management (HRM) in the public sector; (ii) Information and Communication Technologies Management (ICTM); and (iii) public sector control systems and accountability mechanisms. The wage bill was one of the highest in the region and consumed a third of all public expenditures, crowding out public investment and posing a challenge to fiscal sustainability. It was considered key for the government to strengthen three main functions: (i) measure progress and forecast wage bill reductions; (ii) control the existing payroll, so as to make this effort sustainable over time; and (iii) redeploy current staff following retirements to limit the growth in the number of employees. Human Resource management was fragmented, and enforcement was limited. There were limited tools for payroll control which signaled the need for an integrated solution (HRM with payroll) comprising all Ministries, Departments and Agencies (MDAs) that would allow the Government of Jamaica to increase the efficiency of HRM processes, ensure the accuracy of the payroll and maximize the productivity of personnel in the administration at a crucial time.

The second area to be prioritized was ICTM, which would allow the Government of Jamaica to reduce costs in service delivery, lower transaction costs for citizens and businesses in engaging with government and increase operational efficiency. The Government of Jamaica had been slow in taking advantage of ICT to transform and rationalize the public sector: Jamaica ranked in the 108th position in the United Nations e-government survey in 2012. Many other indicators showed

¹ JA-L1046 (3121/OC-JA, 3122/CH-JA) and JA-X1007 (GRT/EX-14238-JA).

² See [Wastefulness of government spending](#).

that this low ICT capacity was partly responsible for an inefficient service delivery that was reflected in a considerable number of procedures, long delays and high transactional costs. Securing electricity service or registering a business, for instance, was slow, cumbersome, and costly. Obtaining electricity service, for example, took almost 100 days, much worse than comparable countries. Finally, and although Jamaica ranked relatively well in terms of time and effort required to start a business, it was considered that business registration lacked a citizen-centered approach, and most procedures were offline, as no e-government solutions were available. At project entry, it was considered that legislative oversight of public finances and of the budget process was limited due to capacity constraints in the Parliament's various committees. The weak capacity of Parliament was particularly evident in its constitutional oversight role of public finances. To address this gap, it was recommended that Parliament establish a technical unit to enhance its research and oversight capacity.

To tackle these issues, the Programme was structured in three components. The first (Human Resources Management-HRM) financed activities aimed at improving the efficiency of personnel expenditures and strengthening the government's capacity for efficient HRM, including the implementation of a Human Capital Management System (HCMS), and the reinforcement of the capacity of the Strategic Human Resources Management Division (SHRMD). The second component focused on ICT management and supported the government's capacity to lead and implement ICT policy and improve efficiency in public service delivery by adopting citizen-centered e-government solutions. Finally, the third component looked at enhancing control systems and accountability mechanisms, strengthening the Auditor General's Department capacity for performance and Information Technology (IT) audits, reinforcing the Internal Audit System's capacity, improving transparency and value for money of public procurement, and enhancing Parliament's oversight role.

Below is the complete Project Completion Report for PSEP. The overall score for this project according to the IDB administration is **Partly Successful**.

II. CORE CRITERIA. PROJECT PERFORMANCE

II.1 Relevance

a. Alignment with country development needs

Jamaica's 2009 National Development Plan ([National Development Plan - Vision 2030](#)) established four key goals to be implemented through 3-year medium term socio-economic implementation frameworks. Two of those four goals are closely linked with this operation. Goal 2 established the need for a more cohesive, secure, and just society by strengthening government effectiveness with better provision of public goods and services. The Programme was thus aligned with two national strategies that emerged from this goal: public institutions that deliver efficient and effective public goods and services (strategy 6-5) and strengthening accountability and transparency mechanisms (strategy 6-7). Strategy 6-5, more specifically, placed particular emphasis on increasing the use of technology to improve the quality of citizen's experience with government services, building capacity in public sector entities and developing transformational leadership in public officials. On the other hand, Strategy 6-7 strived to move government towards openness, transparency, and accountability, and facilitate access to information. Goal 3 aimed at ensuring a prosperous economy by providing a stable macro-economy through fiscal sustainability and integrating technology into development. The attainment of this fiscal sustainability was addressed in strategy 7-1 which placed priority on the improvement of the efficiency and effectiveness of non-debt recurrent expenditures.

On the other hand, the Programme was aligned with the implementation frameworks for Vision 2030 for both periods [2015-2018](#) and [2018-2021](#). The 2015-2018 Framework established economic stability as one of its four central themes, while the 2018-2021 framework established both “Economic stability” and “Public Sector efficiency and effectiveness” as its strategic priorities. Under this 2018-2021 framework, two out of the twelve national expected outcomes in the medium-term strategic priorities were directly linked to this operation: developing an “effective governance” (National Outcome #6) and enabling a stable macroeconomy (National Outcome #7). Also under the framework, the strengthening of public institutions was key to ensuring fiscal sustainability by developing consistent public sector wage policies and continuing to implement integrated payroll systems and procurement planning processes. Finally, developing an enabling business environment was considered key to position Jamaica as an attractive destination for business, including vis-à-vis other Caribbean countries.

Since the mid-1990s, the Government of Jamaica has been taking steps towards transforming the public sector for greater efficiency and effectiveness, and the Bank has been a key partner in this journey. This support has been continuous since the mid-2000s and stability and public sector efficiency and effectiveness are at the core of this partnership. The PSEP is also in close alignment with the successful Stand-By Arrangement (SBA) that Jamaica subscribed with the International Monetary Fund (IMF). This Arrangement underwent its sixth and final review in November 2019 and was deemed to have been extremely successful by both the [IMF](#) itself and independent [analysts](#)³.

Project Number	Project Name	Approval date	Amount
JA-L1003	Public Financial and Performance Management Program	2008	60
JA-L1013	Public Financial and Performance Management II	2010	60
JA-L1034	Fiscal Consolidation Program II	2010	200
JA-L1032	Fiscal Consolidation Program	2010	200
JA-L1026	Public Financial and Performance Management Programme III	2011	60
JA-L1039	Fiscal Administration Modernization Programme	2011	65
JA-L1046	Public Sector Efficiency Program	2013	25
JA-X1007	Public Sector Efficiency Program (EU funds)	2013	6.65
JA-L1038	Fiscal Structural Program for Economic Growth	2014	80
JA-L1051	Fiscal Structural Programme for Economic Growth II	2015	130
JA-L1055	Fiscal Structural Programme for Economic Growth III	2016	50
JA-L1072	Implementation of the National Identification System (NIDS) for Economic Growth	2017	68
JA-L1073	Support to the Public Sector Transformation Programme	2017	50
JA-L1078	Support to the Public Sector Transformation Programme	2017	110
JA-L1087	Strengthening Fiscal Policy and Management Programme to Respond to the Public Health Crisis and Economic Effects of COVID-19 in Jamaica	2021	75

Source, IADB project web site on Jamaica: <https://www.iadb.org/en/project-search-xls?country=JA§or=RM&status=Closed&query=>

b. Strategic Alignment

The Programme is entirely aligned with Bank’s country strategies in place at the time of both approval and exit. The Bank’s country strategy for 2013-2014 (GN-2694-2) established fiscal sustainability as a priority area by strengthening public expenditure management systems and “supporting implementation of public sector transformation by improved efficiency and effectiveness of the public sector”. More specifically, the strategy stated that “the public service is characterized by weak human resource management, duplication of functions, poor asset and real estate management and outdated processes that are burdensome, slow and time consuming, constituting a major obstacle to private sector competitiveness and growth, as noted in the Doing Business Reports.”

The Programme is also fully aligned with the [IADB Country Strategy with Jamaica 2016-2021](#) (GN-2868). This strategy strives to support the Government’s development agenda Vision 2030

³ Financial Times, February 14 & 16, 2020: “Inside the IMF’s outrageous, improbably successful Jamaican Programme.”

through addressing development constraints with a specific focus on improving public sector management. The strategy aimed to build on its 2013-2014 predecessor, which prioritized fiscal sustainability modernizing the government capacity and supporting public sector modernization in both expenditure and performance management. This long-term perspective is strengthened by the 2016-2021 strategy, which established the objective of improving public sector management with emphasis on the efficacy and efficiency of public spending. More specifically, the strategy focused on the need for human resource management reform and modernization and streamlining of processes and organizational changes throughout public sector entities to avoid duplication and red tape. In addition, the strategy signaled, given the limited data availability and the absence of centralized information on salaries and allowances, the importance of developing automation and systems to also enhance transparency and accountability.

The project is also consistent with the Update to the IDB [Institutional Strategy 2010-2020](#) (AB-3008). This strategy established and proposed a cross cutting theme in the strengthening of the public sector institutional capacity. More precisely, it targeted: (i) the application of information technology to drive public sector modernization and make the delivery of public services more effective, efficient, and transparent; and (ii) the improvement of civil service quality. The project is fully consistent with the Bank's commitment to fostering transparency and integrity by strengthening institutional capacity and the rule of law. In addition, the project is coherent with the [Corporate Results Framework](#), as it strengthens technological and managerial tools to improve service delivery and promotes government effectiveness. Finally, the Programme is consistent with the [Innovation, Science and Technology Sector Framework](#), by leveraging digital investments in the public sector, the [Fiscal Policy and Management Sector Framework Document](#) by improving public sector and expenditure management and strengthening e-government initiatives, which also reduces discretion and improves accountability as proposed in the [Transparency and Integrity Sector Framework Document](#). The objectives of the PSEP are also aligned with the European Commission development goals as stated in its [Agenda for Change](#) where improving public sector management is key for better service delivery.

c. Relevance of Design

At the time of project preparation and approval (2013-2014), Jamaica was at a crossroads to reverse a long trend of fiscal deficits, high debt, and low growth. In these circumstances, Jamaica embarked in a fiscal consolidation programme buttressed by a SBA with the IMF. As explained earlier, the situation at project entry presented a multi-faceted challenge for the Government of Jamaica. On one hand, reducing the fiscal deficit was imperative to lighten the debt burden, restore fiscal sustainability, and accelerate growth. On the other hand, it was considered essential to improve public sector efficiency to preserve or improve service delivery quality throughout a period in which spending cuts and austerity measures were required.

At project entry, PSEP was designed to address the main issues that affected improving efficiency in the Government of Jamaica. The most important causes of the low efficiency in the Jamaican public sector included an excessive bureaucracy and red tape, a high wage bill, extensive duplication of functions, and significant underuse of ICT. The evidence showed that government efficiency⁴ could be improved by reducing administrative costs and increasing transparency, accountability, and control of corruption.⁵ In this context, the operation focused on three areas: Human Resource Management in the Public Sector, Information and Communications Technology Management and Public Sector Control Systems and Accountability Mechanisms.

⁴ See Matei and Savulescu (2009).

⁵ Alfonso, Romero, and Monsalves (2013).

These areas were prioritized by the Government of Jamaica, were consistent with the fiscal support provided by the IMF and had strong strategic internal coherence while reinforcing efforts to address the fiscal situation.

The Programme's Theory of Change (or Vertical Logic) – See Figure 1 - is consistent with available empirical evidence and literature: improving human resource management and payroll control, complemented by increasing the efficiency of public services delivery, while modernizing procurement processes and increasing oversight, can all lead to improved public sector efficiency. For instance, designing, delivering, and implementing an Human Resources (HR) or ICT strategy to transform government service provision and delivery, should improve the quality of transactional services and increase the levels of citizen satisfaction. If, in parallel, government expenditures – wages and retirement benefits in particular – are better managed and controlled through government action, then these expenditures are more efficient (by definition: lower expenditures per unit of service) and, within existing budgetary constraints, resources are liberated to be used in public investment.

As shown in both the evidence and the literature, good public management (with reasonable HR and ICT policies and strategies) is key to achieving results and providing better services ([Government at a Glance: Latin America and the Caribbean](#), OECD, 2020). Better and simplified services, such as reducing the time to obtain a permit to register a business or having electricity, increase trust in governments. As [Figure 2](#) shows, simpler processes are positively associated with more citizen's satisfaction. In addition, the evidence shows that citizens' satisfaction with government institutions and processes is also associated with higher trust in the State and the political system as a whole ([OECD](#), 2019 and [Estella de Noriega](#), 2020).

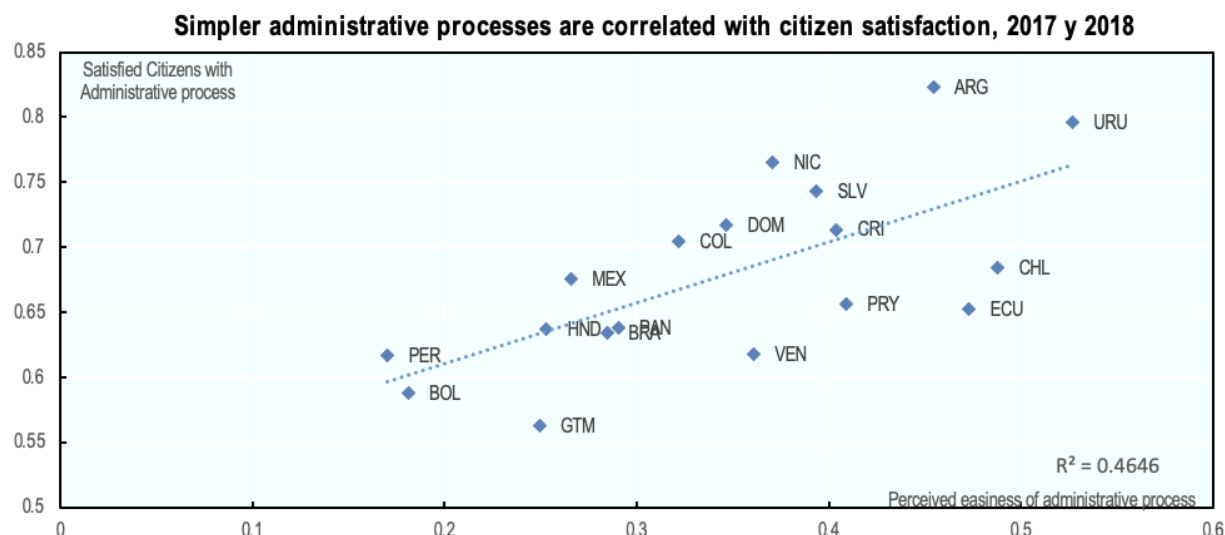
Figure 1. Vertical logic



GDO: General Development Objective. SO: Specific Objective. C: Component. I: Indicator. KP: Key Product.

The literature is also clear in establishing a causal link between public sector management quality (particularly human resource management) and service quality. For instance, [Dunsch, F. et al., \(2021\)](#) establish that better quality in the provision of health services increases as better management practices and ICT strategies are adopted. There is also evidence of a positive correlation ([Rasul et al., 2020](#)) between management practices, service quality and user satisfaction. It is important to note that this seems to also be the case in the private sector. In a recent analysis, [McKenzie, 2020](#) shows that better services due to improved institutional capacity led to more sales and profits. [It is estimated](#) that the differences in management and process quality can explain up to 30% in differential firm productivity. In short, improving wage policies and ICT strategies can lead to improved government efficiency and effectiveness.

Figure 2



Source: Roseth, B., A. Reyes and C. Santiso (eds.) (2018), *Wait No More: Citizens, Red Tape and Digital Government* Inter-American Development Bank, Washington D.C., <http://dx.doi.org/10.18235/0001150>. and *Latinobarometro* 2017.

In addition, improving ICT capacity is key to government efficiency and effectiveness. It must be noted that many of the managerial and process improvements in the Programme were associated with the introduction or deepening and improvement of digital service provision channels, which are particularly relevant in pandemic times. In this context, a digital channel can reinforce the vertical logic by simplifying and facilitating access to services and providing services with better and consistent quality. Typically, online processes are faster (74% on average) and cheaper (can cost between 1.5% and 5% of the actual physical process).⁶ It is no coincidence that the last World Bank (WB) Flagship “[World Development Report 2021](#)” presents conclusions which strengthen the validity and relevance of the vertical logic of the Programme. This Report assesses how improved use and reuse of data can enhance the design of public policies, programmes, and, particularly, service delivery. A stronger digital government has been proven to increase satisfaction⁷, as it has been shown that the main variable affecting satisfaction is services processing times. In the case of Jamaica, the IDB is providing support to the Implementation of the National Identification System for Economic Growth ([4437/OC-JA](#)) and a unique NIDS serves as an enabler for digital government to reduce waiting times for key services. In addition, implementing a government wide communications network is a key pillar (particularly during COVID) for the development of a digital government.

The strengthening of ICT policy is also key in improving public sector efficiency. Achieving results in both effectiveness and efficiency is not only a function of the quality of administrative procedures and processes, but also of the service delivery mechanisms. In this context, its provision by digital means and via internet can reinforce the key elements of this vertical logic by simplifying and facilitating greater access. As [Roseth, Reyes and Santiso \(2018\)](#) note, “the end of the eternal process” is sought so that citizens and bureaucracy can connect more effectively and efficiently via digital government. Typically, face-to-face procedures are more expensive and

⁶ See IDB (2016), “[Simplifying Lives: Quality and Satisfaction in Public Services](#)”, and American Customer Satisfaction Index (ACSI) (2016), [Federal Government Report 2016](#).

⁷ Ibidem.

slower (in Latin America 89% of procedures are face-to-face) and can cost almost a quarter of the federal budget in Mexico. As of 2017, it was estimated that in Chile approximately 18% of the procedures were partially or completely digital compared to a regional average of 10%. This digital push towards the more effective and efficient provision of services and procedures is reflected in the design of the Programme.

Finally, the improvements of procurement processes and budget control and oversight are also associated with better service delivery and government quality. The evidence suggests that the existence of overpricing in purchases and contracts rests partially on the lack of solid and available information. In Italy ([Bandeira et al., 2009](#)), the centralization of information led to the reduction of prices and inefficiencies and ([Coviello and Mariniello, 2014](#)) the provision of information has been shown to improve the effectiveness of tenders, reducing prices and the discretion of officials ([Coviello et. Al., 2017](#)) and increasing the quality of infrastructure works ([Lewis-Faupel et.al., 2016](#)). The introduction of the Chile-Compra online system led to price reductions and administrative costs; the same happened in Paraguay with electronic auction systems. This reduction in price premiums also occurred in hospitals in Argentina when active anti-corruption policies were implemented ([Di Tella and Schargrodsky, 2003](#)). In short, modernizing procurement and budget controls and oversight can improve public sector efficiency.

The project development objectives and original vertical logic are aligned with country development needs and priorities (IDB Country Strategy) at the time of approval and closure. The vertical logic of the intervention is properly described and demonstrates the relevance of the operation. It shows a clear link between the causal chain of the intervention, the development objectives of the operation, and the country development needs and context. The analysis clearly discusses how the outputs and outcomes achieved are aligned to the IDB Country Strategy at approval, and at closure (if applicable at closure). The literature and the evidence point at the relevance of the various funded investments in HRM as well as in control and accountability efforts. It is important to note that this intervention is part of a systematic support that the Bank has provided the Jamaican Government; it has been followed by the Support to the Public Sector Transformation Programme hybrid operation, composed of loans 4374/OC-JA, currently in implementation, and 4373/OC-JA, fully disbursed, which focus on enhancing the quality of transactional services and the efficiency of public spending.

For these reasons, according to the administration, the relevance rating for the project is Excellent.

Table 1. Results Matrix (@ approval, Startup plan and @ exit)

Indicators	At approval			Startup plan			At project completion (PCR)			Comments
	Unit of measure	Base-line	EOP (P)	Unit of measure	Base-line	EOP (P)	Unit of measure	Base-line	EOP (A)	
1. Improve public efficiency through enhanced HRM contributing to maintaining a fiscally sustainable wage bill										
1.1 Percentage of public sector employees managed through a centralized and integrated human capital management system integrated with payroll	%	0	100	%	0	100	%	0	100	See section II.2.b on Results Achieved for additional details on this output's rating.
1.2 Public Expenditure and Financial Accountability (PEFA) PI-18. Effectiveness of payroll control*	Score	D+	C	Score	D+	C	Score	D+	B ⁸	PEFA scores: A, A+, B, B+, C, C+, D or D+
2. Improve public efficiency through efficiency gains in public sector operations and more cost-effective delivery of public services										
2.1 Number of days for getting electricity	Days	96	86	Days	96	86	Days	96	95	Baseline is taken from 2013 Doing Business Report (WB).
2.2 Number of days to register a business	Days	7	2	Days	7	2	Days	7	2	Baseline is taken from 2013 Doing Business Report (WB)
2.3 Online service Index	Score	0.307	0.325	Score	0.307	0.360	Score	0.307	0.388	http://unpan3.un.org/egovkb/egovernance/management_overview/webmeasure.htm – Score ranges from 0 to 1, highest
2.4 Percentage of public sector employees with access to HR Shared Corporate Services	%	0	60	%	0	60	%	0	0	For this outcome only design of the HRSCS was achieved due to time and capacity constraints; the implementation was done under the follow-on Project JA- L1073. The vertical logic was not affected.
3. Improve public efficiency through enhanced control and accountability of public resources										
3.1 Number of Information Systems Audit Reports produced	#	2	6	#	2	6	#	2	6	PEFA scores: A, A+, B, B+, C, C+, D or D+
3.2 PEFA PI-21. Effectiveness of internal audit*	Score	D+	C	Score	D+	C	Score	D+	D+ ⁸	
3.3 PEFA PI- 19. Competition, VfM and controls in procurement. *	Score	C+	B	Score	C+	B	Score	C+	C+ ⁸	
3.4 PEFA PI -27. Legislative scrutiny of the annual budget law*	Score	D+	C	Score	D+	C	Score	D+	B ⁸	

* For achievement ratio calculations, PEFA indicators were converted using the following scale: A+=1, A=2, B+=3, B=4, C+=5, C=6, D+=7, D=8. This numeric scale is used as a reference in Convergence as Convergence only allows numeric values.

⁸ As a PEFA has not been conducted for Jamaica since 2016, the Final Evaluation Consultant prepared an estimation of PEFA scores, see Box 1 and Annex 2.

II.2 Effectiveness

a. Statement of project development objectives.

The general development objective of this operation was to improve the efficiency of the Jamaican public sector. The specific development objectives were to strengthen government capacity in: (i) Human Resource Management (HRM); (ii) ICTM; and (iii) control systems and accountability mechanisms.

b. Results Achieved

The first specific objective was to enhance HRM in order to maintain a fiscally sustainable wage bill. This objective had two outcome indicators. The first expected outcome was the achievement of an enhanced Human Resource Management systems, contributing to maintaining a stable wage bill and improving the efficiency of personnel expenditures. This outcome was to be measured with two indicators: (i) the percentage of public sector employees managed through a centralized and integrated human capital management system integrated with payroll, and (ii) the improvement of the PEFA PI-18 that captures the effectiveness of payroll control.⁹

At project approval, the Proposal for Operations Development (POD) and Results Matrix indicated that target outcome 1.1 for the project was to manage 100% of Jamaica's public sector employees through an integrated Human Capital Management Enterprise System (HCMES). However, at the start of implementation, it became clear that this target was unachievable, for two main reasons: (i) delays in the initial procurement of the HCMES; and (ii) the limited number of public sector agencies that were ready (in terms of IT, administrative systems, capacity, etc.) to receive such a system. Based on that, it was agreed between the Government of Jamaica and the IDB that the PSEP would only extend the implementation of the HCMES to 14 MDAs, and that the remaining entities would be covered under the follow-up project 4374/OC-JA (Public Sector Transformation Programme - PSTP). This agreement was documented early on in the execution phase.¹⁰ It was also captured in the project's Midterm Evaluation, which recommended the Results Matrix be reviewed accordingly.¹¹ It is the Team's opinion that, having effectively added the 14 MDAs (10,918 employees) to the HCMES by EOP, the PSEP delivered 100% of its (revised) target.

For broader context, PSEP made a crucial contribution to the establishment of the Government of Jamaica HCMES (called MyHR+)¹² by procuring it, establishing it, and launching it in 14 MDAs.

⁹ Jamaica has not had a PEFA since 2016 and there isn't an updated PEFA for 2019 or 2020, when Programme's results have materialized. The preparation of a PEFA requires a technical study at the national level. The team consulted with FMP and it gathered that there are no plans to conduct a new PEFA in Jamaica in the future; in fact, there are indications that the PEFA methodology may be discontinued altogether. The IDB considered contracting a specialized consultant to conduct an ad-hoc PEFA to support the final evaluation and PCR, but the cost, timeline and travel restrictions due to COVID-19 led to setting aside this option. For this reason, it was agreed with the PEU and the IDB to update the rating of the relevant indicators in the framework of the final evaluation of the project, considering the improvement guidelines provided in the PEFA 2016. This report uses these estimates; for details see Box 1 and Annex 2: PEFA Framework And Evaluation).

¹⁰ See for example the February 2017 Semestral Report page 7, section 1.1, covering semester II of 2016.

¹¹ See Midterm Evaluation particularly page 32, and the recommendation on page 67 regarding the Results Matrix.

¹² The system offers strategic and enhanced efficiency in HR management and administration; greater access to information through the standardization of HR functions, policies, practices, and procedures; data analytics that ensure the availability of evidence-based information for critical thinking and efficient strategy; cost efficiency and security and disaster recovery on a secure platform. Employees, have access to personal data, the ability to schedule leave, submit claims, request salary advances, view, save, and print pay slips as well as register for training. In addition, the HR and payroll professionals in the beneficiary departments have reported a significant

Despite some implementation challenges, ICS has identified the implementation of the HCMES in Jamaica as a good practice, considering the results achieved vis-à-vis a very difficult implementation environment. As of writing time (December 2021), the Government of Jamaica, with the support of PSEP and follow-up project 4374/OC-JA (PSTP), added to the HCMES approximately 67,000 public sector employees (approximately 56% of the total) and 40 Government Agencies, and is on track to complete the transition to MyHR+ by 2022.¹³

The second outcome indicator in this component captured the evolution of the effectiveness of payroll control through the PEFA Indicator PI-18. This PEFA indicator is comprised of four dimensions: (i) integration of payroll and personnel records; (ii) management of payroll changes; (iii) internal control of payroll; and (iv) payroll audit. It is noted that the implementation of the HCMES with payroll functionality causally relates to one dimension – Integration of payroll and personnel records. It must be noted that the PEFA framework was updated in 2016 and there has been no PEFA study of Jamaica since the 2016 report. However, given the strengthened capacity of HR professionals within the Government of Jamaica through the training provided under the PSEP, the new harmonized approach to HR management in the Government of Jamaica, as well as the continued roll out of the HCMES across the Government of Jamaica Ministries Departments and Agencies (MDAs), the final evaluation of the Programme considered and estimated that Programme activities would contribute to improvements of the PEFA score for Effectiveness of payroll control across all dimensions of the indicator, and estimated that the Government of Jamaica would be awarded a B grade in the next PEFA report (See Annex 2 of the final evaluation report for details). This target, therefore, is considered achieved as can be observed in the table prepared in the Final Evaluation for each component in the indicator.

Achievement of the **second specific objective** was to be measured by four indicators: (i) number of days for getting electricity; (ii) number of days to register a business; (iii) an improvement in an online service index; and (iv) percentage of public sector employees with access to HR Shared Corporate Services. The third outcome indicator, to reduce the time for getting electricity, was not achieved as the main contract for this subcomponent was cancelled, which resulted in some planned activities not being executed during the project implementation period. To fulfil this goal, the Government Electrical Inspectorate (GEI) expected to achieve three outputs, and only one was completed. The Business process re-engineering study was completed, plans to support change management within the GEI were delivered and the required ICT infrastructure was provided during the project, while the Schemes of Management for the transformation of GEI were completed in February 2020. The GEI is in the process of implementing the re-engineering, activities recommended by the consultants hired under the PSEP; however, the web-based application management system required to streamline management of the applications for electrification was not completed during the project execution period. As the online system remains to be delivered, the GEI was not able to benefit from its efficiencies during the implementation period, which resulted in the overall status of the target of getting electricity within 86 days of applying being not achieved.

The second indicator in this component – fourth overall – stated that the number of days to register a business would be reduced from 7 to 2 days. The project successfully achieved three of the planned outputs. Regarding the planned output “Business registration kiosks in operation” it was determined that only 5 kiosks would be installed in high traffic areas for business registration.¹⁴

positive change in workload, while the employees themselves have given positive feedback as it relates to the self-service functions of the system.

¹³ See <https://publicsectortransformation.gov.jm/myhrplus/>.

¹⁴ Ultimately only 3 kiosks were installed.

While this revised output target was formally achieved, this amendment was never formally changed in the PSEP Results Matrix and is therefore rated as not achieved at the time of evaluation. Overall, the digitalization of the business registration process supported Jamaica in significantly reducing to three the number of days for approval of a business start-up application as reported in the 2019 Doing Business Report. This subcomponent of the PSEP helped Jamaica move up considerably on the World Bank's Doing Business rankings — achieving a rank of six in 2016 and maintaining that rank in the 2019 Doing Business report. The improvements also resulted in Jamaica being named one of the “10 Most Improved Economies” on the Number of Days to Register a business dimension in 2016. Furthermore, it should be noted that during the final evaluation interviews with the stakeholders, it was reported that the time to approve a business registration application had been further reduced to two days. Thus, the indicator target was considered achieved at the time of the final evaluation.¹⁵

The third indicator related to this specific objective, to improve the online service index produced by the UN, was achieved, surpassing the target of 0.360.

The final expected outcome (sixth overall) in this component was related to the Percentage of public sector employees with access to HR Shared Corporate Services. As detailed in the PSEP loan proposal, the PSEP was to deliver the first steps to support the introduction of shared services. The expected outputs were either plans/reports, training, or IT equipment. During execution it was noted that implementation of the plans was not feasible as more time was needed to consolidate the administrative and support functions performed in each MDA without the necessary time to implement the Human Resources Shared Service Centre (HRSSC) plans. Consequently, PSEP produced only the design documents, while implementation of the plans was carried out under the follow-on PSTP Project (4374/OC-JA). The indicator was, therefore, not achieved.

The third specific objective sought to enhance the control and accountability of public resources. The verification of this objective relied on reaching four specific indicators: number of information systems audit reports produced, the effectiveness of Internal Audit (PEFA-PI-21), competition and Value for Money and controls in procurement (PEFA PI-19) and the attainment of legislative scrutiny of the annual budget law (PEFA PI-27).

On the first indicator, number of audit systems, from a baseline of two systems, six were achieved on an expected target of six, therefore this indicator was achieved. By the time the PSEP ended in early 2020, 90 auditors had been upskilled to improve their capacity to conduct IT audits, performance audits and compliance audits, while 40 auditors were trained to improve their ability to conduct financial statement audits. IT audit manuals were also drafted under the Programme and disseminated throughout the Department.

The effectiveness of Internal Audit (PEFA-PI-21) indicator has four dimensions under the 2016 PEFA Framework: (i) Coverage of internal audit; (ii) Nature of audits and standards applied; (iii) Implementation of internal audits and reporting; and (iv) Response to internal audits. On this indicator all of 8 outputs were achieved. Under PSEP, the Government of Jamaica benefited from capacity strengthening activities for the various audits – IT and performance – as well as strengthening the general internal audit system. A Professional Development framework for

¹⁵ The Government of Jamaica has plans to further reduce the time for registration of a new business by automating the process of approval of the names of new businesses, which is the only main part of the process that currently still requires human intervention. This activity is in progress. The Government of Jamaica estimates that with this improvement Jamaica could soon be ranked in the top 3 worldwide for ease of registering a new business.

Internal Audit Units (IAU) was prepared, the Government of Jamaica's Internal Audit Manual was updated; the IA employees were trained and the rollout of the TeamMate Software across Internal Audit Units in 31 MDAs was accomplished. With the new platform, the audit system has moved online and the AGD has reported that these interventions have resulted in improved financial audits which can be delivered faster. This capability was particularly beneficial during the 2020 COVID-19 national shutdown, when the AGD officers were able to work remotely and successfully conduct a concurrent special audit to monitor emergency interventions executed in Jamaica. The Government of Jamaica reports that the project significantly improved the capacity of the AGD to conduct Performance and IT audits, both of which are currently being aggressively pursued by the AGD. Nevertheless, the final score estimated in the final evaluation report remained D+ compared to a target of C, and thus was not achieved. The main reason for this grade was that the evaluation concluded that there were no actions taken under PSEP that resulted in improvements of dimensions (iii) and (iv), which in turn affected the overall score. The fact that the PEFA PI-21 score did not improve despite all of the project activities related to this component having been completed, points to the likelihood that the outcome indicator did not adequately reflect the improvements made (see Box 1 for additional information). In its response to this document the Internal Audit Directorate of Jamaica noted that specifically, Programme activities did not impact dimension 3 of the indicator, which retained a D score, which in turn affected the entire indicator. The Directorate also reported that work is currently ongoing to improve this dimension of indicator PI-21.

The PEFA-PI-19 indicator is measured using four indicators: (i) Procurement monitoring; (ii) Procurement methods; (iii) Public access to procurement information and (iv) Procurement complaints management. The Government of Jamaica was able to successfully achieve some of the output targets: the procurement manual, the awareness campaigns and the E-tendering software, procurement staff trained, and procurement employees certified. In 2016, this PEFA indicator had an overall score of C+ and the final target was B. The specific dimensions and related grades for this indicator were: Procurement monitoring (A), Procurement methods (D), Public access to procurement information (C) and Procurement complaints management (B). With the passing of the updated Procurement Law prior to the PSEP, along with the PSEP outputs of the procurement manual and standard bidding documents, increased number of trained and certified professionals and e-procurement system, the general quality of procurement management in the Government of Jamaica should have been significantly improved across all dimensions of the PEFA indicator. Overall, the activities under this component were key to the creation of the Government of Jamaica Electronic Public Procurement System (EPPS). Among other things, the EPPS has significantly increased transparency in public procurement by allowing citizens to access critical Reports on Procurement activities, including contracts awarded. Despite these important improvements, the target outcome indicator (B) has not been achieved and, according to the final evaluation report, the classification remained C+. The main reasons for this result were that broadly speaking procurement methods did not change dramatically across the Government of Jamaica, and public access to procurement information was still limited at project close. Nevertheless, it is anticipated that the score for this indicator will be improved in the next PEFA review, also as a consequence of the approval of an updated Procurement Law, new procurement manuals and standard bidding documents – all of which benefitted, directly or indirectly, from Programme activities.

The final indicator related to the third specific objective is associated with the legislative scrutiny of the annual budget. In the project design it was expected that the PEFA indicator PI - 27 (Legislative scrutiny of the annual budget law) would go from a D+ classification to C. According to the final evaluation, the final classification was B, so the indicator was achieved. This PEFA indicator is comprised of 4 dimensions: (i) scope of the legislature scrutiny; (ii) extent to which the

legislature's procedures are well established and respected; (iii) adequacy of time for the legislature to provide a response to budget proposals, both the detailed estimates and, where applicable, for proposals on macro-fiscal aggregates earlier in the budget preparation cycle (time allowed in practice for all stages combined); and (iv) rules for in-year amendments to the budget without ex ante approval by the legislature. As part of its commitment to transparency and accountability, the Government of Jamaica sought to strengthen its decision makers' ability to make evidence-based decisions. The PSEP supported this goal by delivering a Management Accountability Framework (MAF) for Parliament, and by designing and implementing a Technical Research Support Unit (TRSU) within the Houses of Parliament. The MAF establishes the expectations for sound public sector management practices and performance, while the TRSU provided research support to enable the parliamentarians and parliamentary committees to better scrutinize the operations of the Government of Jamaica, particularly as it related to Bills tabled and other matters of interest. As an additional output under PSEP, the design for an Independent Fiscal Institution (IFI), also called the Independent Fiscal Council (IFC) was prepared. The final evaluation estimated a global rating of the PEFA PI-27 improved to B, exceeding the target score for 2020.

Overall the effectiveness rating is estimated by the administration to be **Partly Unsatisfactory** as the first specific objective (Improve public efficiency through enhanced HRM contributing to maintaining a fiscally sustainable wage bill) was considered excellent, the second (Improve public efficiency through efficiency gains in public sector operations and more cost-effective delivery of public services) was qualified as partly unsatisfactory and the third (Improve public efficiency through enhanced control and accountability of public resources) unsatisfactory. Nevertheless, it must be noted that if the qualification were to be done based on the weight of the various components, Component 1, which was deemed as excellent, represented over 60% of total resources and that might have improved the overall grade.

The project also had significant unanticipated outputs and outcomes; these are listed in section II.2.e, below.

c. Changes to the Matrix

There was one change to the Results Matrix compared to the initial design:

Outcome 1.1: At project approval, the POD and Results Matrix indicated that target outcome 1.1 for the project was to manage 100% of Jamaica's public sector employees through an integrated Human Capital Management Enterprise System (HCMES). However, upon beginning of implementation, it became clear that this target was unachievable, for two main reasons: (i) delays in the initial procurement of the HCMES; and (ii) the limited number of public sector agencies that were ready (in terms of IT, administrative systems, capacity, etc.) to receive such a system. Based on that, it was agreed between the Government of Jamaica and the IDB that the PSEP would only extend the implementation of the HCMES to 14 MDAs, and that the remaining entities would be covered under the follow-up project 4374/OC-JA (Public Sector Transformation Programme PSTP). This agreement was documented early on in the execution phase. It was also captured in the project's Midterm Evaluation. However, the change was not formally recorded in Convergence.

BOX 1: ESTIMATION OF PEFA INDICATORS

To measure the Programme results, it was proposed, at design, to use 4 PEFA indicators. (i) PEFA PI 18: Effectiveness of payroll; (ii) PEFA PI-21: Effectiveness of Internal Audit, (iii) PEFA PI-19: Competition VFM and controls in procurement, and (iv) PEFA PI-27: Legislative scrutiny of the annual budget law. Each of these indicators has a baseline from the PEFA 2012 report. In 2016, the PEFA evaluation methodology was updated, and the 4 results indicators included in the PSEP's results matrix were adjusted in name and in their evaluation dimensions. Jamaica did not have a PEFA 2020 report at the time of Programme evaluation, so it was agreed with the PEU and the IDB to update the rating of the indicators, considering the improvement guidelines provided in the PEFA 2016. The final evaluation of the Programme carried out a complementary and participatory analysis with the team of specialists of the PEU, through work meetings where it was discussed (i) the rating obtained in the PEFA 2012 Report, (ii) the rating obtained in the PEFA 2016 Report using the new 2016 methodology, and (iii) the projected rating for 2020 according to the activities carried out by the Government of Jamaica. Below is a summary of analysis conducted under each indicator; a more detailed assessment of each dimension can be found in Annex 2.

In the 2012 report, the indicator PEFA 18 (**Effectiveness of payroll controls**) assesses the integrity of personnel records and the efficiency of human resources management and payroll processing in government. In the 2012 and the 2016 update, this dimension was rated D+. This indicator has 4 dimensions: (i) integration of payroll and personnel records, (ii) management of payroll changes, (iii) Internal control of payroll, and (iv) payroll audit. In 2017 the Government of Jamaica began introducing MyHR+, an integrated HR and payroll management information system. The introduction of this system affected the efficiency of human resource management dramatically, provided greater access to information enabling data analysis for informed decisions, and it was cost effective and secure. The characteristics of this system improve the ratings of dimensions (i), (ii) and (iii) to "B", which implies an overall rating of "B". Currently the system has been implemented in 40 MDAs.

The indicator PEFA 21 (**Effectiveness of internal audit**) evaluates the effectiveness of the internal audit based on the conduct of its scope, quality, frequency of reports and administration's response to internal audit findings and/or observations. In both the 2012 and 2016 evaluations, the indicator was given a D+ rating mainly due to: (i) staff limitations and computer resources that did not allow to cover and ensure the quality of audits, and (ii) the late response to comments and/or internalization of recommendations by the auditees. Nevertheless, in the 2016 revised methodology (under which the PI-21 indicator has become PI-26, two of the indicators improved (coverage and quality of the internal audit function, and extent of management response to internal audit findings) but Jamaica's audit still achieved a D+ rating, due particularly to sub-indicator 3, focusing on Implementation of Internal Audits and reporting, which retained a D score. By 2020, a D+ estimation under the Programme Evaluation was confirmed, mainly because audit completion remains a challenge. The evaluation recommended some remedial actions to address the low score focusing on the continuous engagement of audit executives, the timeliness of the reports and the removal of pre-audits, which do not seem to add value to materiality of the risk.

The objective of the indicator PEFA 19 (**Competition, value for money and controls in procurement**) is to determine if the procurement system in place ensures that money is used effectively. The indicator assesses 4 dimensions: (i) evidence on the use of open competition for awards of contracts that exceed the nationally established monetary threshold or small contracts (percentage of the number of contract awards that are above the threshold); (ii) extent of justification for use of less competitive procurement methods; (iii) public access to complete, reliable, and timely procurement information, and (iii) existence and operation of a procurement complaints mechanism. In the 2012 baseline the indicator was classified as C+ mostly because of the use of non-competitive procurement methods. In the 2016 estimation, with a new PEFA methodology reflecting: (i) Procurement monitoring, (ii) Procurement methods, (iii) Public access to procurement information and (iv) Procurement complaints management), the indicator obtained an overall score of C+. During the 2020 estimate conducted under the final evaluation of the Programme, the Government of Jamaica claimed that progress had been made on various dimensions that would improve the rating from C+ to B. Nevertheless, the evaluation team did not find information to support this claim and assessed the indicator as still at C+.

Indicator PEFA 27 (**legislative scrutiny and annual budget law**) had, in 2012, 4 dimensions: (i) scope of legislature scrutiny, (ii) established and respected legislative procedures, (iii) adequacy of time for the legislature to provide a response to budget proposals and (iv) rules for in-year amendments to the budget without ex-ante approval by the legislature. In 2012, the baseline indicator was classified as D+. In 2016, the (adjusted) indicator was estimated at C+ based on: (i) Scope of budget scrutiny, (ii) legislative procedures for budget scrutiny, (iii) Timing of budget approval and (iv) Rules for budget adjustments by the executive. In 2020, the Programme evaluation concluded that while three of the four dimensions remained unchanged, the timing of the budget process (dimension iii) had improved from C to A (the last three annual budgets had been approved on time) and should be ranked A. The improvement of this dimension in turn resulted that the overall rating of the indicator to improve to B, surpassing the target.

Outcomes	PEFA 2012	PEFA 2016	PEFA 2016	Final Evaluation	
				EOP Target	PEFA 2020 Achieved
PEFA PI-18. Effectiveness of payroll control	D+	D+	D+	C	B
PEFA PI- 21. Effectiveness of internal audit	D+	B+	D+	C	D+
PEFA PI- 19. Competition, Vfm & controls in procurement.	C+	C	C+	B	C+(2016)
PEFA PI -27. Legislative scrutiny of the annual budget law	D+	C+	C+	C	B

Table 2. Results Achieved Matrix

Table 2: Results Achieved Matrix							
Specific Objectives/Indicator	Unit of Measure	Baseline value	Baseline year	Targets and Actual achievement		% Achieved	Means of verification
1. Improve public efficiency through enhanced HRM contributing to maintaining a fiscally sustainable wage bill							
1.1 Percentage of public sector employees managed through centralized & integrated HCMS integrated with payroll	%	0	2012	P P(a) A	100 100 100	100	Project Monitoring Report (PMR) – 10/19/2021 and Final Evaluation Report. See II.2.b for further information.
1.2 PEFA PI-18. Effectiveness of payroll control	Score	D+ ¹⁶	2012	P P(a) A	C C B ¹⁷	300	PMR – 10/19/2021 and Final Evaluation Report
2. Improve public efficiency through efficiency gains in public sector operations and more cost-effective delivery of public services							
2.1 Number of days for getting electricity	Days	96	2013	P P(a) A	86 86 95 ¹⁸	10	PMR – 10/19/2021 and Final Evaluation Report
2.2 Number of days to register a business	Days	7	2013	P P(a) A	2 2 2	100	PMR – 10/19/2021 and Final Evaluation Report
2.3 Online service Index	Score	0.307	2012	P P(a) A	0.325 0.360 0.388	153	PMR – 10/19/2021 and Final Evaluation Report
2.4 Percentage of public sector employees with access to HR Shared Corporate Services	%	0	2013	P P(a) A	60 60 0	0 ¹⁹	PMR – 10/19/2021 and Final Evaluation Report
3. Improve public efficiency through enhanced control and accountability of public resources							
3.1 Number of Information Systems Audit Reports produced	#	2	2012	P P(a) A	6 6 6	100	PMR – 10/19/2021 and Final Evaluation Report
3.2 PEFA PI-21. Effectiveness of internal audit	Score	D+	2013	P P(a) A	C C D+ ^{16, 17}	0	PMR – 10/19/2021 and Final Evaluation Report
3.3 PEFA PI- 19. Competition, VfM and controls in procurement.	Score	C+	2012	P P(a) A	B B C+ ^{16, 17}	0	PMR – 10/19/2021 and Final Evaluation Report
3.4 PEFA PI -27. Legislative scrutiny of the annual budget law	Score	D+	2012	P P(a) A	C C B ^{16, 17}	300	PMR – 10/19/2021 and Final Evaluation Report

¹⁶ For achievement ratio calculations, PEFA indicators were converted using the following scale: A+=1, A=2, B+=3, B=4, C+=5, C=6, D+=7, D=8. This scale is used as a reference in Convergence as Convergence only allows numeric values.

¹⁷ As a PEFA has not been conducted for Jamaica since 2016, the Final Evaluation Consultant prepared an estimation of PEFA scores, see Box 1 and Annex 2.

¹⁸ As the DB report was discontinued, this is an estimate prepared by the Final Evaluation team based on stakeholders' report.

¹⁹ It was agreed that the PSEP would produce design documents, while implementation of the plans would be carried out under the follow-on Project 4374/OC-JA.

Where: P = Start-Up Plan; P (a) = Revised Annual Target; A = Actual.

Outputs	Unit of Measure	Baseline value	Baseline year	Targets and achievement	% Achieved	Means of verification
Component 1. Human resources management						
1.1 HCMS implemented	#	0	2013	P 1 P(a) 1 A 1	100	PMR – 10/19/2021 and Final Evaluation Report
1.2 'To be' Key HRM processes developed and mapped	#	0	2013	P 1 P(a) 1 A 0	0	PMR – 10/19/2021 and Final Evaluation Report
1.3 Workshop on international experiences on workforce planning delivered	#	0	2013	P 1 P(a) 1 A 1	100	PMR – 10/19/2021 and Final Evaluation Report
1.4 Training activity in HRM policy formulation and oversight for implementation completed	#	0	2013	P 2 P(a) 2 A 0	0	PMR – 10/19/2021 and Final Evaluation Report
1.5 Number of HRM Units in MDAs trained to carry out key HRM functions following central policies	#	0	2013	P 125 P(a) 24 A 333	266	PMR – 10/19/2021 and Final Evaluation Report
1.6 Training on techniques for monitoring overall and institutional-level HRM performance for SHRMD delivered	#	0	2013	P 1 P(a) 1 A 0	0	PMR – 10/19/2021 and Final Evaluation Report
Component 2. Efficiency gains in public sector operations and a more cost-effective del of pub servs						
2.1 e-Government strategy completed	#	0	2013	P 1 P(a) 1 A 1	100	PMR – 10/19/2021 and Final Evaluation Report
2.2 ICT norms and standards produced (cumulative)	#	0	2013	P 5 P(a) 1 A 22	440	PMR – 10/19/2021 and Final Evaluation Report
2.3 e-Gov Jamaica training programs delivered	#	0	2013	P 9 P(a) 9 A 1	11	PMR – 10/19/2021 and Final Evaluation Report
2.4 GEI business process reengineering completed	#	0	2013	P 1 P(a) 1 A 1	100	PMR – 10/19/2021 and Final Evaluation Report
2.5 GEI process automation completed and online applications system in operation	Government Agencies (#)	0	2013	P 1 P(a) 1 A 0	0	PMR – 10/19/2021 and Final Evaluation Report

Outputs	Unit of Measure	Baseline value	Baseline year	Targets and achievement	% Achieved	Means of verification
2.6 GEI training program on the new system delivered	#	0	2013	P 1 P(a) 1 A 0	0	PMR – 10/19/2021 and Final Evaluation Report
2.7 Online business registration system in operation	#	0	2013	P 1 P(a) 1 A 1	100	PMR – 10/19/2021 and Final Evaluation Report
2.8 Business registration kiosks in operation	#	0	2013	P 23 P(a) 5 A 3	12	PMR – 10/19/2021 and Final Evaluation Report
2.9 Business registration seminars and workshops delivered	#	0	2013	P 2 P(a) 2 A 2	100	PMR – 10/19/2021 and Final Evaluation Report
2.10 Communications campaign implemented	#	0	2013	P 1 P(a) 1 A 1	100	PMR – 10/19/2021 and Final Evaluation Report
2.11 Study Tour completed	#	0	2013	P 1 P(a) 1 A 0	0	PMR – 10/19/2021 and Final Evaluation Report
2.12 HRSSC Operating Model designed	#	0	2013	P 1 P(a) 1 A 1	100	PMR – 10/19/2021 and Final Evaluation Report
2.13 Technical specification designed and available for HRSSC facility, including ICT infrastructure	#	0	2013	P 1 P(a) 1 A 1	100	PMR – 10/19/2021 and Final Evaluation Report
2.14 ICT infrastructure to operate HRSSC in operation	#	0	2013	P 1 P(a) 1 A 1	100	PMR – 10/19/2021 and Final Evaluation Report
2.15 Training to HRSSC agents/workers delivered	#	0	2013	P 1 P(a) 1 A 1	100	PMR – 10/19/2021 and Final Evaluation Report
2.16 Framework for implementing shared legal services	#	0	2013	P 1 P(a) 1 A 1	100	PMR – 10/19/2021 and Final Evaluation Report
Component 3. Control systems and accountability						
3.1 Auditors trained - in country - for developing/up-dating PA knowledge and skills	#	0	2013	P 90 P(a) 90 A 90	100	PMR – 10/19/2021 and Final Evaluation Report
3.2 Auditors trained in country and overseas for developing/updating ITA knowledge and skills	#	0	2013	P 90 P(a) 90 A 90	100	PMR – 10/19/2021 and Final Evaluation Report

Outputs	Unit of Measure	Baseline value	Baseline year	Targets and achievement	% Achieved	Means of verification
3.3 ITA manual drafted and disseminated	#	0	2013	P 1 P(a) 1 A 1	100	PMR – 10/19/2021 and Final Evaluation Report
3.4 Auditors trained in-country completed	#	0	2013	P 12 P(a) 40 A 40	333	PMR – 10/19/2021 and Final Evaluation Report
3.5 Professional Development framework for IAU completed	#	0	2013	P 1 P(a) 1 A 1	100	PMR – 10/19/2021 and Final Evaluation Report
3.6 Internal Audit units automated	#	0	2013	P 21 P(a) 31 A 31	147	PMR – 10/19/2021 and Final Evaluation Report
3.7 Internal Audit Manual updated (unit of measure is 1 manual)	#	0	2013	P 1 P(a) 1 A 1	100	PMR – 10/19/2021 and Final Evaluation Report
3.8 IA employees trained	#	0	2013	P 240 P(a) 295 A 295	123	PMR – 10/19/2021 and Final Evaluation Report
3.9 Procurement Manual published, including updated bidding documents	#	0	2013	P 1 P(a) 2 A 2	200	PMR – 10/19/2021 and Final Evaluation Report
3.10 Procurement employees trained under new curricula (MIND) (cumulative)	#	0	2013	P 1200 P(a) 1265 A 1115	93	PMR – 10/19/2021 and Final Evaluation Report
3.11 Sensitization and awareness campaign implemented	#	0	2013	P 2 P(a) 2 A 2	100	PMR – 10/19/2021 and Final Evaluation Report
3.12 Procurement employees certified (cumulative)	#	0	2013	P 200 P(a) 211 A 181	90	PMR – 10/19/2021 and Final Evaluation Report
3.13 E-tendering software at MOFP in operation	#	0	2013	P 1 P(a) 1 A 1	100	PMR – 10/19/2021 and Final Evaluation Report
3.14 Management Accountability Framework designed	#	0	2013	P 1 P(a) 1 A 1	100	PMR – 10/19/2021 and Final Evaluation Report
3.15 Technical Office established and functioning	#	0	2013	P 1 P(a) 1 A 1	100	PMR – 10/19/2021 and Final Evaluation Report

Outputs	Unit of Measure	Baseline value	Baseline year	Targets and achievement	% Achieved	Means of verification
3.16 Training for PAC and PAAC members delivered				P 4 P(a) 4 A 22	550	PMR – 10/19/2021 and Final Evaluation Report

Where: P = Start-Up Plan; P (a) = Revised Annual Target; A = Actual.

d. Counterfactual Analysis

In the vertical logic section, the theory of change was presented. In short, the project contains a series of specific initiatives (products) that, if effective, will produce changes in outcome indicators. The Results Matrix includes, at the results level, ten specific indicators that represent the intended change on three dimensions: enhancing human resource management that contributes to a fiscally sustainable wage bill, attaining efficiency gains in public sector operations and a more cost-effective delivery of public services and enhanced control and accountability of public resources.

The three objectives to: (i) improve the efficiency of the public sector through an enhanced HRM contributing to maintaining a fiscally sustainable wage bill; (ii) efficiency gains in public sector operations and a more cost-effective delivery of public services; and (iii) enhanced control and accountability of public resources suggest a before and after attribution process. Before the Programme, all result indicators in all three components (Human Resources Management, Information and communication technologies management and Control systems and accountability mechanisms) were at levels which were deemed to be insufficient and unsatisfactory. By enacting technical and administrative initiatives (products) and supporting them with funding of the investment loan, it was expected that the results indicators would reflect better quality and efficiency in public services. Although no formal impact evaluation was conducted that clearly established causality, it is clear, from the analysis of results conducted above, that all achieved indicators are directly linked to the activities financed by the Programme, as demonstrated by examples such as the implementation of HR systems and improved control environment or the improvement in the time for business registration.

e. Unanticipated outcomes

During the implementation of the Programme, there were several unplanned results which were delivered due to the PSEP interventions:

- ⇒ The development of standardized and harmonized HR policies. While not planned, the PSEP presented the Government of Jamaica with the opportunity to review the various HR practices across its MDAs and provide the entire Government of Jamaica with updated and standardized HR policies, prior to implementing the HCMS.
- ⇒ Design of “GovNet”. Under the PSEP, the Government’s communications network, GovNet, was designed. This was not part of the original project plan.
- ⇒ Strengthening of the Management Institute of National Development (MIND). During project execution, the Government of Jamaica took the decision to maximize the impact of the training activities planned under the PSEP and to therefore execute them in-country. This required the Government of Jamaica to work closely with the national training institute – MIND – to prepare relevant training plans and to train the target beneficiaries.
- ⇒ Establishment of an ICT Governance Framework. The elaboration of the e-Government Strategy (renamed the National ICT Transformation Blueprint), called for the establishment of a governance framework for ICT, and resulted in the establishment of the ICT Council, the Portfolio and Project Management Committee (PPMC) and recommendation for the ICT Authority.

- ⇒ Independent Fiscal Council. The original intention under the PSEP was to establish a Parliamentary Budget Office that would provide budget analyses to Parliament. However, following an administration change due to national elections in 2016, the new Government considered the positive impact of having an independent fiscal oversight committee - the Economic Programme Oversight Committee, created in 2013 to monitor Jamaica's implementation of the economic reform measures under its agreement with the IMF. The design of these institutions was funded under PSEP.
- ⇒ Government of Jamaica Portal. The project developed a Business Plan for the Build-Out of the Government of Jamaica Portal (gov.jm), which was launched in 2017. This activity was related to the workstream including GovNet and the ICT Transformation Blueprint (see above)

II.3 Efficiency

The project required a two-year extension of the loan's original term, which was granted particularly for the execution of the output activities for the EU component (Component 3). This was due mostly to delays that accumulated in the early phases of the project. These included particularly delays with the initial phases of procurement of some of the largest processes, such as the MyHR; delays due to the reality check of project design at implementation (particularly for shared corporate services); the gap in the readiness of relevant MDAs between what was expected at design and what was found at implementation; as well as issues related to project governance and the curve required to ensure that the project counted with adequate personnel and skills in key areas.²⁰ On the other hand, the project did achieve significant savings in key areas, which point to efficiency gains. The most significant example is the purchase of the HCMES (see Table 3, below), which, originally priced at US\$17.5M, ended up costing 7.4M, or 42% of the expected cost. This saving was achieved through a procurement process which, albeit complex and time consuming, did guarantee competitive bidding. It is interesting to note that, although the awardee firm for HCMES was not one of the main players in the HR software market, it delivered a strong product that fulfilled expectations, pointing to a strong procurement process. On their own, the HCMES savings account for about 83% of the total projects savings. The remaining difference between planned and actual total project cost was due to smaller savings achieved in other areas, as well as to the project having failed to complete certain discrete activities, as reported above. The HCMES savings resulted in a cancellation of project resources in the amount of US\$6.5M on June 25, 2018.²¹

²⁰ See project Midterm Evaluation.

²¹ The letter by the MOFPS to the IDB on June 25, 2018, refers explicitly to the savings generated by the procurement of the HCMES as the main cause for the cancellation request.

Table 3 Costs of the Project (Source: Convergence)



Outputs - Financial Progress

Operation Number: JA-L1046

Component Revised
Cost

1 Component: Component 1: Human resources management									
5,479,752.50									
Output Definition		2014	2015	2016	2017	2018	2019	2020	Cost
1.1 HCMS implemented	P	10,000.00	6,002,531.00	5,805,542.00	2,000,000.00	3,760,462.00			17,578,535.00
	P(a)	10,000.00	3,002,531.00	1,400,000.00	2,000,000.00	1,360,462.00			4,822,891.00
	A	0.00	75,435.00	2,503,329.00	883,665.00	1,295,002.00	1,874,234.04	820,427.27	7,452,092.31
1.2 To-Be' Key HRM processes developed and mapped	P		150,000.00	150,000.00					300,000.00
	P(a)		150,000.00	150,000.00					150,000.00
	A	0.00	0.00	150,000.00	0.00	0.00	0.00	0.00	150,000.00
1.3 Workshop on international experiences on workforce planning delivered	P			50,000.00					50,000.00
	P(a)			50,000.00	50,000.00				50,000.00
	A	0.00	0.00	0.00	45,000.00	57,379.00	0.00	0.00	102,379.00
1.4 Training activity in HRM policy formulation and oversight for implementation completed	P		50,000.00	50,000.00					100,000.00
	P(a)		35,000.00	55,000.00	45,000.00				45,000.00
	A	0.00	0.00	0.00	18,278.95	0.00	0.00	0.00	18,278.95
1.5 Number of HRM Units in MDAs trained to carry out key HRM functions following central policies	P				280,000.00	220,000.00			500,000.00
	P(a)			125,000.00	125,000.00	220,000.00			361,861.50
	A	0.00	0.00	40,532.00	101,329.50	0.00	406.25	178,840.39	321,108.14
1.6 Training on techniques for monitoring overall and institutional-level HRM performance for SHRMD delivered	P			50,000.00					50,000.00
	P(a)			50,000.00	50,000.00				50,000.00
	A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

2 Component: Component 2: Efficiency gains in public sector operations and a more cost-effective del of pub sens

	Output Definition		2014	2015	2016	2017	2018	2019	2020	Cost
2.1	e-Government strategy completed	P		124,000.00	272,000.00					396,000.00
		P(a)		26,000.00	272,000.00	30,000.00	395,244.00			762,088.53
		A	0.00	21,308.00	81,067.17	264,469.36	65,219.02	8,639.36	111,526.52	552,229.43
2.2	ICT norms and standards produced (cumulative)	P		100,000.00	75,000.00	75,000.00	75,000.00			325,000.00
		P(a)		28,000.00	99,000.00	75,000.00	16,866.00			16,866.00
		A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.3	e-Gov Jamaica training programs delivered (cumulative)	P		192,000.00	252,000.00	258,000.00	258,000.00			960,000.00
		P(a)		46,000.00	252,000.00	0.00	680,220.00			726,190.35
		A	0.00	0.00	0.00	45,970.35	28,200.00	257,770.21	0.00	331,940.56
2.4	GEI business process reengineering completed	P		40,000.00						40,000.00
		P(a)		40,000.00	32,270.00	32,270.00				39,999.75
		A	0.00	7,729.75	0.00	32,000.00	0.00	0.00		39,729.75
2.5	GEI process automation completed and online applications system in operation	P		300,000.00	150,000.00					450,000.00
		P(a)		418,000.00	450,000.00	300,000.00	95,118.00			233,939.83
		A	0.00	0.00	0.00	138,821.83	87,000.41	34,500.00	0.00	260,322.24
2.6	GEI training program on the new system delivered (cumulative)	P			10,000.00					10,000.00
		P(a)			10,000.00	10,000.00				10,000.00
		A	0.00	0.00	0.00		10,000.00		0.00	10,000.00
2.7	Online business registration system in operation	P		228,000.00						228,000.00
		P(a)		228,000.00	216,482.00	43,000.00	211,961.00			578,388.29
		A	0.00	153,691.00	96,538.79	116,197.50	66,965.07	78,563.75	67,663.69	579,619.80
2.8	Business registration kiosks in operation (cumulative)	P			23,000.00					23,000.00
		P(a)			23,000.00		10,256.00			50,217.26
		A	0.00	0.00	28,531.39	11,429.87	3,717.00	889.41		44,567.67
2.9	Business registration seminars and workshops delivered (cumulative)	P		10,000.00						10,000.00
		P(a)		10,000.00	10,000.00	0.00				0.00
		A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.10	Communications campaign implemented (cumulative)	P		39,000.00						39,000.00
		P(a)			39,000.00	0.00	47,244.00			53,662.90
		A	0.00	0.00	6,418.90	0.00	0.00	0.00	33,887.36	40,306.26
2.11	Study Tour completed	P		25,000.00						25,000.00
		P(a)		25,000.00	25,000.00	25,000.00	25,000.00			25,000.00
		A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.12	HRSSC Operating Model designed	P		200,000.00	378,000.00					578,000.00
		P(a)		87,000.00	378,000.00	168,000.00	600,000.00	1,000,000.00		2,352,386.77
		A	0.00	0.00	0.00	48,872.52	1,303,514.25	14,818.72	0.00	1,367,205.49
2.13	Technical specification designed and available for HRSSC facility, including ICT infrastructure	P			241,140.00					241,140.00
		P(a)			241,140.00	241,000.00				241,000.00
		A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.14	ICT infrastructure to operate HRSSC in operation	P			707,610.00					707,610.00
		P(a)			707,610.00	0.00				0.00
		A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.15	Training to HRSSC agents/workers delivered	P			48,000.00					48,000.00
		P(a)			48,000.00	0.00				0.00
		A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.16	Framework for implementing shared legal services	P		60,000.00						60,000.00
		P(a)			60,000.00	0.00	67,841.00			67,841.00
		A	0.00	0.00	0.00		0.00	0.00	0.00	0.00

Component Revised Cost									
6,585,842.71									
3 Component: Component 3: Control systems and accountability									
Output Definition		2014	2015	2016	2017	2018	2019	2020	Cost
3.1 Auditors trained - in country - for developing/up-dating PA knowledge and skills	P		135,500.00	133,000.00					268,500.00
	P(a)			133,000.00	133,000.00	100,650.00			181,757.50
	A	0.00	50,370.00	0.00	30,737.50	0.00	0.00	0.00	81,107.50
3.2 Auditors trained ♦ in country and overseas ♦ for developing/updating ITA knowledge and ...	P		82,500.00	82,500.00					165,000.00
	P(a)		82,500.00	82,500.00	0.00				28,282.80
	A	0.00	0.00	28,282.80	115,645.86	0.00	0.00	0.00	143,928.66
3.3 ITA manual drafted and disseminated	P			61,000.00					61,000.00
	P(a)			61,000.00	61,000.00				61,000.00
	A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.4 Auditors trained overseas completed	P		48,000.00	48,000.00					96,000.00
	P(a)		96,000.00	48,000.00					73,485.00
	A	0.00	25,485.00	74,300.00		0.00	0.00	0.00	99,785.00
3.5 Professional Development framework for Internal Audit Units (IAU) completed	P				105,000.00				105,000.00
	P(a)			0.00	31,500.00	60,000.00			150,350.68
	A	0.00	0.00	0.00	90,350.68	0.00	0.00	0.00	90,350.68
3.6 Internal Audit units automated	P	402,700.00	402,700.00						805,400.00
	P(a)	402,700.00	522,000.00	150,959.00	151,000.00	27,000.00			603,640.59
	A	0.00	503,481.11	45,517.38	27,642.10	128,650.98	101,520.00	0.00	806,811.57
3.7 Internal Audit Manual updated (unit of measure is 1 manual)	P			17,400.00					17,400.00
	P(a)			17,400.00	14,000.00	24,479.78			68,417.92
	A	0.00	0.00	5,458.35	38,479.79	0.00	0.00	0.00	43,938.14
3.8 IA employees trained	P				152,400.00				152,400.00
	P(a)			129,953.00	100,000.00				206,780.98
	A	0.00	22,446.50	84,334.48	0.00	0.00	0.00	0.00	106,780.98
3.9 Procurement Manual published, including updated bidding documents	P		80,000.00						80,000.00
	P(a)		80,000.00	80,000.00	45,000.00	135,345.00			261,048.23
	A	0.00	0.00	13,284.35	112,418.88	0.00	62,708.00	0.00	188,411.23
3.10 Procurement employees trained under new curricula (MIND) (cumulative)	P		195,000.00	155,000.00	100,000.00				450,000.00
	P(a)		140,000.00	155,000.00		1,146,820.00			1,339,863.58
	A	0.00	0.00	0.00	193,043.58	337,286.62	130,276.03	0.00	660,606.23
3.11 Sensitization and awareness campaign implemented	P		40,000.00	40,000.00					80,000.00
	P(a)		40,000.00	80,000.00	18,000.00	30,000.00			111,228.82
	A	0.00	0.00	67,936.53	13,292.29	0.00	0.00	0.00	81,228.82
3.12 Procurement employees certified (cumulative)	P		162,500.00	243,500.00	244,000.00				650,000.00
	P(a)		246,000.00	650,000.00	60,000.00	59,143.00			346,631.02
	A	79,103.71	100,380.07	59,466.31	48,537.93	0.00	0.00	0.00	287,488.02
3.13 E-tendering software at MOFP in operation	P			2,160,000.00					2,160,000.00
	P(a)			1,610,374.00	600,000.00	639,332.00	500,000.00		2,099,581.48
	A	0.00	0.00	194,870.20	681,585.48	723,125.80	325,752.09	0.00	1,925,333.57
3.14 Management Accountability Framework designed	P		150,000.00						150,000.00
	P(a)		150,000.00	138,951.00	0.00	37,000.00			253,065.46
	A	0.00	11,049.00	149,804.20	55,212.26	0.00	0.00	0.00	216,065.46
3.15 Technical Office established and functioning	P			528,000.00					528,000.00
	P(a)			528,000.00	115,000.00	334,007.00			609,393.65
	A	0.00	0.00	56,418.89	218,967.76	124,068.48	31,859.47	0.00	431,314.60
3.16 Training for PAC and PAAC members delivered	P		20,000.00	40,000.00					80,000.00
	P(a)			80,000.00	153,000.00				153,000.00
	A	0.00	0.00	0.00	39,054.62	28,012.50	0.00	0.00	67,067.12
Total									
Total Cost	P	412,700.00	8,836,731.00	11,750,692.00	3,254,400.00	4,313,462.00			28,567,985.00
	P(a)	412,700.00	5,452,031.00	8,638,639.00	4,675,770.00	6,323,988.78	1,500,000.00		17,184,860.89
	A	79,103.71	971,375.43	3,686,090.74	3,371,003.61	4,258,141.13	2,921,937.33	1,212,345.23	16,499,997.18

Source: Convergence. Extracted 12/6/2021.

The ex ante cost-benefit economic analysis estimation included 2 subcomponents: (i) HRM, and (ii) Accountability Systems. For the HRM two types of benefits were expected – the first was savings due to a reduction in the number of workers in the Human Resources Sector, and the second was savings in the overall wage bill due to improved efficiency. As it relates to accountability, it was expected that there would be an increase in government units audited per year (which would contribute to detecting and preventing acts of corruption and fraud, and therefore result in savings for the Government), as well as the efficiency and financial savings associated with introducing an e-procurement system. Assuming a discount rate of 12%, a 20-year horizon and annual maintenance costs the baseline scenario showed a benefit cost ratio of 1.85 and an internal rate of return of 28% in the base line scenario. In all scenarios the Net Present Value (NPV) was estimated to be positive and the return exceeded 12%, the Bank's internal hurdle discount rate.

The ex-post evaluation estimated the returns for several of the components of the operation. Investments made in human resource and workforce efficiency generated a net present value of US\$ 13.14 million, equivalent to an Internal Rate of Return (IRR) on investment of 30.8%, for every dollar spent the public sector recovers within a period of 20 years US\$ 1.79 at present value. The probability that the NPV is equal to or greater than US\$ 13.14 million is 57.20%, it means that the real NPV of the Programme will be closer to the right interval than to the left interval of the 75% percentile both tails, estimated around the US\$13.14 to US \$13.38 million. The benefit-cost ratio is close to 1.94 and the IRR to 34.02%. The results of the Accountability component reveal a US\$ 8.29 million NPV, a benefit-cost close to 3.21 and an IRR estimated at 40.1%

The Programme generated a NPV of US\$23.31 million, with a possible minimum of US\$15.78 million and a maximum of US\$31.60 million. This highlights the relevance of the investments and reforms conducted under the Programme, which achieved project objectives, thus improving efficiency of the Public Sector of Jamaica, as seen in the decrease in days of business openings, increases in audited institutions, decrease in the costs of procurement awards or investment projects activities carried out by the government, as well as a reduction in the percentage of the workforce over GDP. In short, the Programme suggests a high NPV and IRR, higher than that estimated in the ex ante evaluation. For these reasons the administration estimates that the rating for Efficiency is **Excellent**.

Table 11. Results of Ex post Evaluations by subcomponents and Monte Carlos simulations

Subcomponents	Variables	Ex Post Evaluation	Minimum	Maximum	95%	75%	Probability indicators are equal to or greater than Ex Post Evaluation
HR Soft	SNPV <i>millions US\$</i>	13.14	8.35	18.79	10.31 - 16.57	12.52 - 13.38	57.20%
	Cost -Benefit Ratio	1.79	1.48	2.22	1.61 - 2.04	1.69 - 1.94	61.92%
	IRR	30.8%	23.96%	39.77%	26.92% - 35.92%	28.63% - 34.02%	59.70%
Accountability	SNPV <i>millions US\$</i>	10.17	5.41	15.18	7.17 - 13.19	8.29 - 11.89	48.01%
	Cost -Benefit Ratio	3.72	2.44	5.05	2.91 - 4.50	3.21 - 4.17	48.02%
	IRR	47.3%	30.69%	69.98%	36.25% - 59.84%	40.11% - 54.38%	47.59%
Total	SNPV <i>millions US\$</i>	23.31	15.78	31.60	19.35 - 28.03	20.98 - 26.16	53.45%
	Cost -Benefit Ratio	2.14	1.76	2.57	1.94 - 2.40	2.03 - 2.31	59.02%
	IRR	35.0%	27.57%	41.72%	31.28% - 39.84%	32.88% - 37.99%	56.56%

Table 12. Comparison of results, Ex Post Evaluation vs Ex Ante Evaluation Scenarios.

Subcomponents	Variables	Scenarios Ex-Ante Evaluation			Ex-Post Evaluation
		Baseline	Conservative	Favorable	
HR Soft	SNPV <i>millions US\$</i>	19.64	1.60	37.69	13.14
	Cost -Benefit Ratio	1.75	1.06	2.44	1.79
	IRR	28.00%	13.00%	42.00%	30.8%
Accountability	SNPV <i>millions US\$</i>	13.64	8.47	18.82	10.17
	Cost -Benefit Ratio	2.00	1.62	2.38	3.72
	IRR	28.00%	22.00%	34.00%	47.3%
Total	SNPV <i>millions US\$</i>	33.82	10.35	57.59	23.31
	Cost -Benefit Ratio	1.85	1.26	2.43	2.14
	IRR	28.00%	17.00%	39.00%	35.0%

II.4 Sustainability

a. General Sustainability Aspects²²

The likelihood that the Government of Jamaica will be able to sustain, and even expand on the achievements of the PSEP was considered high in the final evaluation which included extensive interviews with stakeholders. The results and outcomes of the PSEP were achieved in a context where there is sustained, strong political support for the continuous improvement of the public sector. Further, there has been significant training and upskilling of key personnel (auditors, procurement, HR, parliament), supported by standard documents, blueprints, manuals, and frameworks to guide operations in the target departments in line with international

²² This section draws very heavily on the final Evaluation Section 3.4

professional standards. The beneficiaries have also commenced mainstreaming of improved operations such as the inclusion of performance and IT audits in the AGD's reports which are tabled in Parliament. The Bank has supported the Jamaican government with over US\$1.2 billion in 14 loans in public management where each successive operation has built upon this shared long-term commitment to fiscal sustainability and reform. This support has been further buttressed with systematic technical assistance that totals almost \$4 million. Both the credit and the non-reimbursable technical operations in the past ten years signal a long-term commitment to the sustainability of this effort.

Regarding the ITCM component of the Programme, the benefits are expected to be long lasting particularly when the new CIO for the ICT Authority is appointed, as she or he will have an established ICT governance framework, the Blueprint Report with oversight committees to support and guide the ICT work to be executed as per ICT Implementation Plan.

Overall, during interviews in the Final evaluation, the project's beneficiaries have expressed a high degree of satisfaction with the outputs of the project and remain committed to the modernization efforts executed within their departments. Furthermore, they acknowledged the continued high relevance of the outputs and outcomes proposed under the PSEP.

Continuation of key activities. With the follow-on hybrid loan Support to the Public Sector Transformation Programme (4374/OC-JA/JA-L1078), which came into effect on 21 February 2018, the Government of Jamaica will be able to implement the Shared Corporate services design, which was prepared under PSEP, as well as continue to roll out the HCMS across the other Government of Jamaica entities, reaching most of MDAs as envisaged in the medium-term. This is validated by the fact that, for example, the number of employees enrolled in the HCMS has reached 67,000, as of writing time. Nevertheless, it is important to note that the fiscal space required to execute all these changes and reforms will be affected by the emergence of the COVID-19 Pandemic. This new and unexpected situation will place additional burden and strain on the fiscal accounts and might affect the fiscal sustainability of the interventions.

Likelihood of achieving future expected results beyond project close. Several factors exist to influence the achievement of additional results. Of these are the dedicated financial supports from the follow-on loan, the commitment to modernization of the Government of Jamaica political members as well as the public sector officers themselves, the easy access to relevant in-country training through MIND to support the Government of Jamaica's modernization strategies as well as the institutions or independent agencies that will be created in the short term and these are as follow: Independent Fiscal Council at Ministry of Finance and the Public Service (MOFPS), the HR Shared Services Centre and the ICT Authority.

The overall risk of the Programme was classified as low.

b. Environmental and Social Safeguards

In accordance with the Environment and Safeguards Compliance Policy (OP-703), the Programme was classified as Category "C". There were no significant negative social or environmental risks associated with the activities proposed in the Programme.

Overall, the administration estimates that the Programme's rating for sustainability is **Excellent**.

III. NON-CORE CRITERIA

III.1 Bank Performance

Overall, Bank performance is rated by the administration as Satisfactory; the project at entry was of strong quality and supervision was timely, as the funds were disbursed in the agreed upon timetables with full compliance; the main issues identified are reported below.

In terms of areas for improvement, the review conducted indicates that the initial design may have been overly optimistic, which explains the partial achievement in some of the components, such as the planning to provide HRM services to all public sectors MDAs or being able to develop the entire HR Shared Corporate Service. As noted, target 1.1 for the HRM component had to be revised early on in the process.

The Bank should have revised the Results Matrix based on early indications from the project and agreement with the Government of Jamaica, which would have brought greater clarity to the M&E and project closing phases. On the other hand, it must be recognized that most design shortcomings were addressed with subsequent Bank support, particularly the hybrid Public Sector Transformation Programme loan 4374/OC-JA/4373/OC-JA, which underlines the importance, in these complex projects, to understand that the Bank approach must be gradual and comprehensive. Gradual in the sense that structural reforms take time, and comprehensive in the sense that it requires continuous Bank support and engagement.

Regarding the partnership between IDB and EU as part of this project: the relationship on the technical side was overall positive; on the administrative side, reconciling the policies and procedures of the two institutions was often burdensome. The most significant issues were related to the audit of PSEP. The European Court of Auditors conducted an audit of the EU-funded portion of the operation (GRT/EX-14238-JA) in January of 2020. The Audit (see below for further details) found two contracts to be ineligible, for a total of EUR195,458.96. The IDB and the Project Execution Unit (PEU) disagreed with the findings and two responses were sent to the EU with further details; nevertheless, the EU insisted that the expenses were ineligible, and the amount had to be returned to the EU, which was done in August of 2020. While the findings are related to issues in which the PEU had the primary responsibility, the issue is reported here because of the Bank's fiduciary role.

III.2 Borrower Performance

Overall, the administration assesses the performance of the Borrower as satisfactory. To achieve successful implementation of the Programme, a specific institutional framework was established to facilitate coordination, participation, and decision-making. The organization structure to execute the Programme consisted of a Steering Committee at the strategic level, the designation of Public Sector Modernization Division (PSTMD) as the Executing Agency- at the administrative level; and at the operational level, each Programme subcomponent had a senior Government of Jamaica officer accountable, a Subcomponent Manager, and a Working Team.

The PSTMD was supported by a Coordinator, a Procurement Specialist, and a Financial/Accounting Specialist. The staff members were assigned from the PSTMD and worked on the loan operation, as well as other initiatives and programmes within the PSTMD. The PSTMD had the responsibility for the technical and financial management of the PSEP, including the EC funded portion of the project. The specific responsibilities of the PSTMD included: (i) managing

and executing all programme–related procurement based on Terms of Reference (ToR) prepared by the respective Subcomponent Managers and following all applicable IDB and Government of Jamaica guidelines (ii) coordinating and supporting the preparation of the Annual Operation Plans (AOPs); (iii) preparation of budgets, project accounting, and preparation of request to replenish the Programme funds; and (iv) preparation of the annual Procurement Plan. In addition, the PSTMD has primary oversight, coordinating the preparation of technical reports, periodic annual reports, and yearly financial reports; monitoring of Programme’s activities, assessing progress, and analyzing variances of actual outputs versus planned or estimated outputs versus actual or achieved outputs; contracting the evaluation specialist; contracting the external auditor and ensuring, the execution of the external audit and implementing recommendations; plus serving as a liaison for the Programme with the Bank.

The PSTMD provided good quality and indispensable financial management and procurement support for the Programme, although there were some procurement delays during the first years of implementation, and some ineligible expenditures identified under the EU-financed component of the Programme. The PSTMD of the Cabinet Office provided constant leadership and oversight from the outset and ensured the active participation of the stakeholder’s agencies involved in the Programme components and subcomponents.

In January of 2020, the European Court of Auditors conducted an audit of the EU-funded portion of the operation, which corresponded to a EUR5,000,000 grant. The results of the audit were received in March of 2020 and were related to the following:

- Finding 1: a contract for the purchase of servers was found to have failed to include the clause that allows for EU eligible countries to bid. In their response, the IDB and the PEU argued that there was no damage to the EU from this omission, because only local (Jamaica) bidders participated in the process and no interest was expressed from foreign bidders from any countries. The EU rejected the argument and requested that the amount of EUR193,699.73 be repaid.
- Finding 2: a contract for an individual consultant was found to have paid travel expenses exceeding the amount actually spent by the consultant. The IDB and PEU refuted that the finding did not apply given that the consultant, under the contract, was to be paid a lump sum for travel, and not a reimbursement of actual travel expenses, in line with IDB policies; the EU rejected the argument and requested that EUR1,759.23 be repaid.

Based on this, the total amount of EUR195,458.96 was repaid to the EU in August of 2020. In the IDB’s opinion, the findings did not reflect any major gaps in the PEU management practices. Regarding Finding 1 the review conducted by the IDB and PEU showed that the failure to include the relevant clause was due to changes in standard bidding documents during execution.

IV. FINDINGS AND RECOMMENDATIONS

Findings	Recommendations
<u>Dimension 1: Technical- Sectorial</u>	
The final evaluation states that, at project entry, the government's procurement legal framework was not yet in place, so the project was unable to meet the procurement annual targets for the procurement subcomponent. Without the legal enabling environment in place at project start, project outputs and outcomes were delayed, and project targets were unattainable without an extended project execution period. At the same time, the project team set an ambitious timetable for the human resource component implementation that was delayed and eventually "transferred" to a subsequent loan PSTP - JA-L1073. Similar considerations apply to the Shared Corporate Services.	It is recommended (<u>Recommendation 1</u>) that project targets that are agreed to be included in an operation, be sufficiently mature to be effectively commenced. This maturity is reflected by the fact that these measures either have complete buy-in by the corresponding entity or have the corresponding legal framework approved by the appropriate body (be that executive or legislative) or close to approval. Supporting measures that are immature or lack legislative or government support are destined to suffer major roadblocks in their implementation.
In parallel with the previous consideration, the absence of ICTM capacity in the Government of Jamaica delayed implementation of the ICTM component. As there was no senior ICT officer to lead the development of the Government of Jamaica's ICT strategy and related works under the PSEP, this work was delayed until an ICT Chief Officer was appointed. The lack of technical expertise within the Government of Jamaica at the beginning of the project negatively impacted the pace of project execution.	It is critical to ensure that the executing agency has the relevant technical capacities to undertake project activities (<u>Recommendation 2</u>).
Human capital projects are complex; Jamaica's HCMES required an extended period to be properly planned and executed in accordance with both the Government of Jamaica's and IDB's procurement policies. Unfortunately, as the procurement did not commence until after the project started, this procurement delay was a significant contributor to the overall deferral experienced on the PSEP.	It is recommended (<u>Recommendation 3</u>) that in these complex procurement processes to use the advance procurement option for IDB loan operations. Use of this option can significantly advance project work and result in faster delivery of positive outcomes.

Findings	Recommendations
<p>The project design relied on outcome indicators that produced by external sources and reports which were not readily available or current. This was the case of both the Doing Business indicators and the performance indicators related to the PEFA reports, both of which are produced by external agents. Not all these indicators were available for monitoring and even in the final evaluation some had to be reconstructed to determine their attainment.</p>	<p>It is recommended (Recommendation 4) that outcome indicators be readily available and easily replicable by the project executing agency and the Bank.</p>
	<p>It is also recommended (Recommendation 5) that the Bank and Project Team regularly review the Results Matrix, particularly at the Outcome level, to ensure the indicators – and the targets- reflect agreed and justified changes and remain SMART throughout the project.</p> <p>It is worth highlighting that during project preparation, an international expert on HRM integrated systems was hired with IDB TC funds for technical assistance. This assistance and role were critical in the procurement process for the HRM system (bidding documents, analysis of different proposals) and also for quality control once the contract started. Although there were delays in the process, based on the findings, the results were very positive (project spent 42% of the estimated cost and achieved both the performance indicator and had a positive cost benefit analysis).</p>
<u>Dimension 2: Organizational Managerial</u>	
<p>At the outset of the project, it was noted that PSEP Operational Manual was lacking in several respects including details on institutional roles and responsibilities as well as, among other matters, guidance for procurement and financial management, monitoring and evaluation, reporting, contract management, safeguards procedures, and scheduling.</p>	<p>It is recommended (Recommendation 6) that Bank and Project Management teams ensure the POM is robust and is updated as needed to properly reflect the changing circumstances of the project during implementation, as well as applicable requirements stemming from the EU-IDB framework agreement, in case of co-funded projects.</p>
<u>Dimension.3 Public Processes/Actors</u>	
<p>This project was a part of a moving puzzle of support to Jamaica's efforts in achieving fiscal sustainability and better governance. The project was designed to be highly complementary to other previous Bank projects and some of its activities were undertaken or followed up by other Bank interventions. The design, processing and implementation of the various policy reforms required a high level of commitment from the Jamaican authorities and close coordination with</p>	<p>It is recommended (Recommendation 7) that the design of a project take into account the complex connectivity and interlocking parts with other projects and states clearly its additional value to these efforts and (Recommendation 8) that the institutional structure be organized to coordinate the multiple reforms being undertaken.</p>

Findings	Recommendations
other agencies as it complemented WB and IMF support actions.	
<u>Dimension 4 Fiduciary Dimensions</u>	
<p>There are various lessons learned from the EU Audit, some of which are already being implemented. Particularly, the Audit shows the need for all IDB and PEU project teams to be trained – possibly with frequent refreshers – on the EU's requirements stemming from the EU-IDB framework agreement. The Bank's Grant and Cofinancing Management Unit (ORP/GCM) has already increased the frequency and depth of these training sessions, after similar cases have occurred in other co-funded projects.</p>	<p>Additionally, it is suggested that the fees collected by the Bank in exchange for managing grants - such as the one provided by the EU in this project – be made available to Project Teams and Country Offices to, among other things, hire personnel that can support the task of reviewing compliance with the specific execution arrangements agreed with the EU. This distribution has already been approved in the recent EU-IDB framework agreements.</p>
<u>Dimension 5 Risk Management</u>	No recommendations.