



# Project Completion Report

---

## PCR

**Project Name:** *Public Sector Reform Initiation Program*

**Country:** *Trinidad and Tobago*

**Sector/Subsector:** *Reform/Modernization of the State*

**Original Project Team:** *Pablo Alonso (Team Leader), Michael Baptiste, Sabine Aubourg-Rieble, and Ian Ho-A-Shu*

**Project Number:** *TT0057*

**Loan Number:** *1523/OC-TT*

**Final Approval Date of PCR:** *June 11<sup>th</sup> 2014*

**PCR Principal Author and Members:** *Dana King (ICS/CTT) and Kamau Joseph (CCB/CTT).*

## **Acronyms and Abbreviations**

<b>CS</b>	<b>Country Strategy</b>
<b>CSO</b>	<b>Central Statistical Office</b>
<b>EA</b>	<b>Executing Agency</b>
<b>EGKBP</b>	<b>E-Government and Knowledge Brokering Program</b>
<b>GORTT</b>	<b>Government of the Republic of Trinidad and Tobago</b>
<b>IMF</b>	<b>International Monetary Fund</b>
<b>LP</b>	<b>Loan Proposal</b>
<b>M&amp;E</b>	<b>Monitoring and Evaluation</b>
<b>MPAI</b>	<b>Ministry of Public Administration and Information</b>
<b>MTF</b>	<b>Medium Term Framework</b>
<b>OVE</b>	<b>Office of Evaluation and Oversight</b>
<b>PIU</b>	<b>Project Implementing Unit</b>
<b>PMD</b>	<b>Programme Management Division</b>
<b>PSRIP</b>	<b>Public Sector Reform Initiation Program</b>
<b>PSTA</b>	<b>Public Service Transformation Agenda</b>
<b>RF</b>	<b>Results Framework</b>
<b>THA</b>	<b>Tobago House of Assembly</b>
<b>TT</b>	<b>Trinidad and Tobago</b>

## Table of Contents

<b>I. Basic Information .....</b>	<b>4</b>
<b>II. The Project .....</b>	<b>5</b>
A. PROJECT CONTEXT .....	5
B. PROJECT DESCRIPTION .....	7
<b>III. Results.....</b>	<b>7</b>
A. OUTCOMES .....	9
B. OUTPUTS.....	11
C. PROJECT COSTS .....	12
<b>IV. Project Implementation.....</b>	<b>13</b>
A. ANALYSIS OF CRITICAL FACTORS .....	13
B. EXECUTING AGENCY PERFORMANCE .....	14
C. BANK PERFORMANCE .....	15
<b>V. Sustainability .....</b>	<b>15</b>
A. ANALYSIS OF CRITICAL FACTORS .....	16
B. POTENTIAL RISKS .....	16
C. INSTITUTIONAL CAPACITY .....	16
<b>VI. Monitoring and Evaluation (M&amp;E) .....</b>	<b>17</b>
A. INFORMATION ON RESULTS .....	17
B. FUTURE MONITORING AND EX-POST EVALUATION: .....	17
<b>VII. Lessons Learned .....</b>	<b>17</b>

## Annexes

- Annex 1** - [Consultancy Support for the Advancement of the Public Service Transformation Agenda Summary Results Report](#) (June 30, 2010)
- Annex 2** – [Mid-Term Evaluation](#)
- Annex 3** – [Final Evaluation Report](#) (draft)
- Annex 4** – [Exit Workshop Minutes](#) and [Attendance Sheet](#)
- Annex 5** – [Logical Framework at Approval](#)
- Annex 6** – [Revised Results Framework \(2008\)](#)
- Annex 7** – [Borrower Evaluation](#)
- Annex 8** – [Comments from MPAI to PCR](#)

## Basic Information

BASIC DATA (AMOUNTS IN US\$)	
<b>PROJECT NO:</b> TT0057	<b>TITLE:</b> Public Sector Reform Initiation Program
<b>Borrower:</b> Government of the Republic of Trinidad and Tobago	<b>Date of Board Approval:</b> December 17, 2003
<b>Executing Agency (EA):</b> Ministry of Public Administration	<b>Date of Loan Contract Effectiveness:</b> March 17, 2004
<b>Loan:</b> 1523/OC-TT	<b>Date of Eligibility for First Disbursement:</b> December 2, 2004
<b>Sector:</b> Reform/Modernization of the State	<b>Months in Execution</b>
<b>Lending Instrument:</b> Investment loan	* from Approval: 122.8 months
	* from Contract Effectiveness: 119.8 months
	<b>Disbursement Periods</b>
	<b>Original Date of Final Disbursement:</b> September 17, 2006
	<b>Current Date of Final Disbursement:</b> March 14, 2014
	<b>Cumulative Extension (Months):</b> 89.8 months
	<b>General Extensions:</b> 5 (24 months, 12 months, 12 months, 12 months, and 18 months)
	<b>Special Extensions (Months):</b> 11.9 months
	<b>Loan Amount(s)</b>
	* <b>Original Amount:</b> \$5,000,000
	* <b>Current Amount:</b> \$4,605,589
	* <b>Original Counterpart Contribution:</b> \$1,250,000
<b>Poverty Targeted Investment (PTI):</b> No	<b>Disbursements</b>
<b>Social Equity (SEQ):</b> No	* <b>Amount to date (March 14, 2014):</b> \$6.5 million (GORTT \$2.1 Million; IDB \$4.4 Million)
	* <b>Original Pari Passu (IDB :GORTT) :</b> 80 :20
	* <b>Current Pari Passu :</b> 68.14 :31.86
<b>Environmental Classification:</b> C	<b>Total Project Cost (Original Estimate):</b> \$6,250,000
	<b>Re-directioning:</b> N/A
	<b>On Alert Status</b>
	Is project currently designated "on alert" by PAIS: No

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

## I. The Project

### a. Project Context

In 2002, the Government of the Republic of Trinidad and Tobago (GORTT) announced *Vision 2020*, an ambitious effort to ensure Trinidad and Tobago (TT) achieved developed country status by 2020. At the time, the GORTT had not yet fully defined its concept of *Vision 2020* or identified the specific reforms necessary to achieve it. However, *Vision 2020* envisaged TT's transition from a primarily oil- and gas-dependent economy to a more diversified economy. In tandem with this, a significant restructuring of the public sector was foreseen to allow an increase in "the quantity, efficiency and effectiveness of government expenditure on human and physical capital."<sup>1</sup>

Approved by the Bank in 2003, the *Public Sector Reform Initiation Program* (PSRIP) was intended to assist the GORTT to address political economy factors that might hinder *Vision 2020* achievement. The operation's approval coincided with the development of the *Vision 2020* Strategic Action Plan (approved in 2005) and was intended to increase the likelihood of success of attendant public sector reform initiatives. In line with *Vision 2020*'s multi-sectoral scope, the operation had a broad focus and was intended to finance studies and analytical work necessary to define a comprehensive reform agenda and outline necessary steps to improve TT's governance systems, institutional frameworks, processes, infrastructure and functionality. As conceived, the operation was to execute over a two-and-a-half-year period<sup>2</sup> and to be fully disbursed by September 17, 2006. It was thought that project deliverables might serve as the basis for a follow-on loan, once the reform agenda had been finalized.<sup>3</sup>

---

<sup>11</sup> The Loan Proposal (LP) provided the following background, "Trinidad and Tobago's Public Sector suffers from some structural issues that prevent it from performing at desired levels and crowd out resources for needed capital (physical and human) investment."

The LP gave an extensive treatment of the factors affecting public sector performance. A brief summary is provided below. A more fulsome background may be found [here](#).

- **High current to capital expenditure ratio.** At 92% of total government expenditure, current expenditure levels (92% of total expenditure, of which 33% attributable to Public Sector wage bill and 40% to transfers and subsidies) left little room to increase capital expenditure to desirable levels.
- **Large size.** At 14% of the total labor force, TT's public employment levels exceeded were considered too high, given comparable rates in high- and middle-income countries.
- **Bottom-Heavy Composition.** The ratio of unskilled and/or semi-skilled to professional employees (approximately 1:3.5) was out of sync with industry benchmarks and negatively affected the over Public Sector capacity to efficiently and effectively provide goods and services. [*Note:* This is drawn directly from the approved project document, in which the ratio numbers appear to have been transposed.]
- **Inadequate Incentive Structure.** Public service compensation and promotion processes failed to attract, retain and motivate high quality candidates to the public sector; in turn fostering job complacency and reduced job productivity.
- **Centralized management of core functions.** The dual centralization/fragmentation of human resources, financial, and procurement caused delays and inefficiency, undermined innovation and initiative, decreased transparency, and weakened accountability.
- **Inadequate decision-making process.** Centralization of decision-making functions, poor data accessibility and use, and lack of monitoring and evaluation mechanisms reduced effectiveness of controls of oversight agencies and civil society. This, in turn, was seen as reducing public sector accountability, efficiency, and effectiveness in the allocation of goods and services.
- **Provision of Public Goods and Services below desirable levels.** Government studies report social discontent with the level and quality of public services and TT on the whole continued to have sizable pockets of poverty.

<sup>2</sup> The actual implementation period was extended approximately 7.5 years; with the disbursement period running from 2004 – 2014.

<sup>3</sup> [December 2012 interview with Michael Baptiste, IDB Country Office Team Leader 2004-2006.](#)

In 2006, the Bank approved LO 1808/OC-TT *E-Government and Knowledge Brokering Program* (EGKBP).<sup>4</sup> EGKBP aimed to “increase the effectiveness and efficiency of public services via the expanded and more effective development and implementation of e-government solutions and via the transfer of knowledge on international best practices.” Initially, EGKBP was intended to complement the activities financed under PSRIP by, “help[ing] to prepare the public sector for reform by providing practical lessons learned regarding the facilitation of internal changes in ministries, the implementation of limited reforms at the ministerial level, and the effectiveness of innovative modalities to strengthen the capacities of public institutions.” In 2008, the GORTT and Bank agreed to align the two operations to promote greater complementarity between the two operations (in terms both of implementation coordination and activities supported under each program). The alignment process aimed to provide more targeted and greater resourced support to the Public Service Transformation Agenda (PSTA), which was to coordinate cross-government public sector modernization in support of *Vision 2020* and was led by MPAI. Following alignment, the operations were to use a single Results Matrix to track outputs and outcomes and to consolidate the implementation under one PIU (a single, revised Operations Manual was approved for both operations).<sup>5</sup> Additionally, it was contemplated that procurement would be streamlined and conducted by the Government Human Resources Service. The proposed change in procurement management was never effected.

In 2010, the People’s Partnership<sup>6</sup> won general elections. In 2011, a three-year Medium-Term Policy Framework (MTF), entitled *Innovation for Lasting Prosperity*, was approved.

---

<sup>4</sup> See <http://www.iadb.org/en/projects/project-description-title.1303.html?id=TT0056>

<sup>5</sup> This information was drawn from various sources, including a 2008 Aide Memoire “[Retrofitting of Project Results Framework for Public Sector Reform Program \(1523/OC-TT\) and E-Government and Knowledge Brokering Program \(1808/OC-TT\)](#)” and interviews with IDB and PIU staff involved in PSRIP implementation at that time. It should be noted that, while the retrofitted Results Matrix was used to monitor and evaluate PSRIP from 2008 forward, it was never applied to EGKBP.

<sup>6</sup> The People’s Partnership was a coalition of five (5) political parties: (1) United National Congress, (2) Tobago Organization of the People, (3) National Joint Action Committee, (4) Congress of the People and (5) Movement for Social Justice.

## **b. Project Description**

i. **Development Objectives:** The operation's general objective was to support the initial development and implementation of a long-term strategy to reform the Public Sector. Specific objectives were to (i) assist the GoRTT to clearly identify the issues for the transformation of the Public Sector; (ii) define a suitable, socially and politically sensitive strategy for the transformation of the Public Sector; (iii) facilitate the attainment of the consensus necessary to implement such strategy; and (iv) develop some basic management instruments and capacity to help the GoRTT to better plan and steer the reform process.

ii. **Components:** The loan had two components: (1) Public Sector Reform Strategy and (2) Strengthening the Public Sector's Structural Capacity.

Under ***Component 1***, the project was to finance five activities: (i) a study for the identification of issues and policy options; (ii) the development and implementation of the first phase of a Consensus-Building Strategy; (iii) the development and implementation of a Communications Strategy; (iv) the training of key decision-makers and stakeholders in economic policy and national strategy; and (v) a panel of experts to play a quality control role during the process.

The component aimed to assist the GORTT to: (i) develop a better understanding of the political economy of the reform to make sure that the political, social and institutional aspects were properly incorporated in the reform process. This necessarily would require a profound analysis of all stakeholders, and the definition of a realistic implementation plan – including compensation mechanisms for those adversely affected by the reforms; (ii) conduct a consensus-building process to increase the chances of success of the eventual reform process; and (iii) disseminate the contents of the reform to catalyze public support for the reform process.

Under ***Component 2***, the project aimed to assist the GORTT to develop capacity to implement the eventual second phase of the reform process. Specifically, Component 2 aimed to finance technical assistance, training, equipment and materials to facilitate the readiness of GORTT financial, human resources, and information management systems. Targeted entities included the Central Statistical Office (CSO); the Ministry of Public Administration & Information (MPAI); the Tobago House of Assembly (THA) (to strengthen its monitoring and evaluation role); and the Cabinet (to unburden the decision-making process at the Cabinet level). Readiness in these areas was regarded as a critical step toward achievement of the wider, follow-on transformation efforts.

## **II. Results**

Between project approval and the 2008 alignment with EGKBP, the project financed advisory services consultancies to prepare for cross-cutting public sector reform. Most important among these were (i) a proposal for restructuring of the CSO, delivered in 2007, and (ii) an issues and options study completed in December 2008.<sup>7</sup>

---

<sup>7</sup> See [Annex I](#).

In May 2009, the IDB's Office of Evaluation and Oversight (OVE) reviewed the conjoined PSRIP and EGKBP programs as part of its evaluation of the IDB's Country Program Strategy for the 2000-2008 period; citing initial issues with the combined program:

*"In the second half of 2008, the Bank agreed to combine these two operations [PSRIP and EGKBP] to support the Government's new Public Sector Transformation Agenda<sup>8</sup>. Thus far, outputs are very limited. The PPMR notes that some lines of authority are still confused and that extremely weak fiduciary capacity of the [Executing Agency] had contributed to delays. Both of these programs' Results Frameworks were restructured in mid-2008, but are still mostly incomplete – the new Results Frameworks were supposed to identify the public services that would be targeted, as well as measure baselines for costs, time, and the perceptions of the public and has not fallen, as Government by the end of 2008. Yet none of these were recorded in the December 2008 PPMR and the borrower does not have a defined data gathering system in place and is not maintaining data on outcomes. In sum, since these operations were approved, little has been delivered thus far."*<sup>9</sup>

From 2009 to 2014, PSRIP financed two key activities: (i) conduct of a consultancy to prepare a strategic action plan for the reform of the CSO and (ii) conduct of a consultancy to prepare a strategy and action plan for public sector financial reform. Ancillary activities included purchase of office equipment and software to strengthen the MPAI, CSO, and the Ministry of Planning and Sustainable Development.

As of the final disbursement date, none of the proposals, recommendations, strategies or action plans financed under PSRIP and/or approved by GoRTT had yet been implemented.

---

<sup>8</sup> The Public Sector Transformation Agenda was the high-level, strategic action plan for implementation of *Vision 2020*.

<sup>9</sup> See *Country Program Evaluation: Trinidad and Tobago (2000-2008)*, IDB Office of Oversight and Evaluation <http://www.iadb.org/en/publications/publication-detail,7101.html?id=67112>



**a. Outcomes**

ACHIEVEMENT OF DEVELOPMENT OBJECTIVES (DO)		
Development Objectives	Key Outcome Indicators	
Development and implementation of a Public Sector Reform Strategy.  Classification: I	<u>Planned Outcomes</u>	<u>Outcomes Achieved</u>
	(a) To reduce the existing information asymmetries (b) To increase the demand for reform (c) To identify strategies to spread the cost associated with the reforms throughout time and across groups (d) To promote widespread endorsement for Public Sector reform	(a) Not achieved (b) Partially achieved <sup>10</sup> (c) Not achieved (d) Not achieved
Structural capacity of the Public Sector strengthened.  Classification: I	<u>Planned Outcomes</u>	<u>Outcomes Achieved</u>
	(a) To support the full implementation of the integrated human resource management information system (IhRIS) (b) To develop policy options and strategic guidelines for financial/information management systems reform (c) To institutionally strengthen the CSO, the MPA and the THA	(a) Not achieved. <sup>11</sup> (b) Not achieved <sup>12</sup> (c) Not achieved.
Reformulation: N/A		
<b>PPMR Retrofitting. Yes.</b> In July 2008, an exercise was conducted with the MPAI to retrofit the development results framework for 1523/OC-TT (PSRIP) and 1808/OC-TT (EGKBP) with the goal of integrating outputs and outcomes under common project objectives targeted to achieve the PSTA's goals, but to separate records for monitoring and reporting purposes for the two loans. See <a href="#">IDBDOCS#30047082</a> for Signed Aide Memoire.		
<b>Summary Development Objective(s) Classification (DO):</b>		
<input type="checkbox"/> Highly Probable (HP) <input type="checkbox"/> Probable (P) <input type="checkbox"/> Low Probability (LP) <input checked="" type="checkbox"/> Improbable (I)		
The Development Objectives Classification is "Improbable." This classification is due to the non-achievement of all but one planned outcomes under the project. The achievement status of outcomes was determined through independent research, stakeholder interviews, and the Project Exit Workshop.		
<b>Country Strategy (CS).</b> PSRIP's implementation period spanned three (3) country strategies: 2004-2007, 2008-2013, and 2011-2015. Related CS indicators were: (i) A series of key national development indicators is published on government portal on a quarterly basis; (ii) Methodologies used by 2 pilot social sector line ministries to compute selected social indicators are revised; (iii) Design and implementation of output based budgeting in 2 pilot ministries; and (iv) increasing the share of capital spending in total public sector spending of the Central Government from existing 5%. The May 2009 <i>Country Program Evaluation: Trinidad and Tobago</i> <sup>10</sup> produced by the IEP's Office of Evaluation and Oversight stated that in some almost no results were obtained in Public Sector Reform.		

that activities undertaken and/or deliverables completed (such as the First Phase of a National Dialogue Strategy and Communication Strategy) in furtherance of achievement of planned outcomes may have contributed to outcomes related to the planned outcome or interim measures on the way to the planned outcome. These introduction and implementation of (i) the ministerial accountability framework, (ii) Human Resource Management governance mechanisms, (iii) Sharepoint within MPAI, (iv) systems' facilitators, (v) creation of a Ministerial Performance Management Framework, a mechanism to hold Ministries accountable for their deliverables including reform, (vi) creation of HRM Governance Mechanisms such as the Strategic Human Resource Management (SHRM) Council and (vii) increased endorsement for public sector reform. Each of these advances was considered to be direct results of the Adam Smith International deliverables financed under the loan and which contributed to MPAI's Case for Change for Human Resource Management Modernisation. Based on this discussion, it was determined that this outcome was partially achieved.

<sup>11</sup> The payroll module of the IhRIS has been implemented, however there is no evidence that this module was funded or led in part or full by PSRIP.

<sup>12</sup> A Strategy for Public Financial Management Reform is to be sent to Cabinet by Ministry of Finance and the Economy in 2014. Also, it should be noted that work related to strengthening TT's Public Financial Management has been, or is currently being, supported under two loans - the PSRIP (under which a consultant was hired to coordinate activities under TT-T1018) and the Public Capital Expenditure Management Programme I (TT-L1019) - as well as three Bank TCs - Program to Support Implementation of a New Procurement Framework in T&T (TT-T1023), Institutional Strengthening of the Auditor General's Department (TT-T1024), and Technical Support for Design and Implementation of Public Financial Management Reform (TT-T1018). Under these EGKBF, TT-T1018, and TT-L1019, some advances have been made to achieving the outcome of developing policy options and strategic guidelines for financial management systems reform through completion of foundational studies and a strategic action plan.

## b. Outputs

IMPLEMENTATION PROGRESS (IP)		
Components (Outputs):	Key Output Indicators:	
<b>Component 1: <i>Development and Implementation of a Public Sector Reform Strategy</i></b>  <b>Total cost:</b> US\$2.25M <b>Counterpart:</b> US\$0.231M <b>IDB:</b> US\$2.019M <b>IDB Disbursement:</b> 100%  <u>Classification:</u> U	<b><u>Planned Outputs</u></b>	<b><u>Outputs Achieved</u></b>
	a) Issues and policy options study completed	a) <a href="#">Achieved</a> (2008)
	b) Structural problems study & communications strategy	b) <a href="#">Achieved</a> (2008)
	c) First phase of communications strategy implemented	c) Not achieved
	d) Baseline survey for user perceptions of public services carried out	d) <a href="#">Achieved</a> (2003) <sup>13</sup>
<b>Briefly explain differences between planned and actual outputs.</b> A Communications Strategy was developed under the Programme but never implemented. Neither the GoRTT final evaluation of the Programme (Annex 3) nor the Exit Workshop discussion were able to pinpoint the reason. It is likely that, with limited staff, MPAI simply did not have the capacity to lead the implementation of the Strategy once the Strategy development consultancy concluded. Additionally, political economy factors following 2010 may have contributed to a loss of momentum in delivery of this output.		
<b>Restructuring.</b> N/A		
<b>Component 2: <i>Structural capacity of the Public Sector strengthened</i></b>  <b>Total cost:</b> US\$2.627M <b>Counterpart:</b> US\$0.323M <b>IDB:</b> US\$2.304M <b>IDB Disbursement:</b> 71%  <u>Classification:</u> S	<b><u>Planned Outputs</u></b>	<b><u>Outputs Achieved (Year Achieved)</u></b>
	a) Baseline of public employee demographics and attitudes completed	a) <a href="#">Achieved</a> (2004) <sup>14</sup>
	b) Mapping of administrative processes	b) Not achieved
	c) Plan to resolve structural issues hindering implementation of IHRIS completed	c) <a href="#">Achieved</a> (2007) <sup>15</sup>
	d) New public employment compensation policy developed and sent to Cabinet	d) Not achieved
	e) Plan for institutional strengthening of CSO developed and implemented	e) <a href="#">Partially Achieved</a> (2013) <sup>16</sup>
	f) 60 persons trained in policy development and M&E	f) <a href="#">Achieved</a> (2007)
	g) Institutional Strengthening of the MOF – PFM reform implementation plan	g) <a href="#">Partially achieved</a> (2013)

<sup>13</sup> The baseline document may be found [here](#). Additional reports were conducted in July 2003, December 2003, August 2004, April 2005, August 2005, July 2007, August 2007, January 2008, April 2008, August 2008, September 2008. The most recent report available, from June 2009, may be found at: <http://www.mpa.gov.tt/cms/images/stories/tt%20olpw13%20report%20final%2003%20june%2009.pdf>

<sup>14</sup> The report of the baseline survey may be found [here](#) or <http://www.mpa.gov.tt/cms/images/stories/pscs%202004%20results.pdf>. The report of the follow-on study with comparative results, conducted in 2008, may be found [here](#) or <http://www.mpa.gov.tt/cms/images/stories/tt%20pscs2008%20presentation%20full%20data.pdf>.

<sup>15</sup> Though this is reported as achieved in Semi-Annual Reports and Project Monitoring Reports, prepared by the PIU and the Bank respectively, neither the Bank nor the PIU were able to find related documentation.

<sup>16</sup> Recommendations emanating from the 2008 Statistics Sweden consultancy included: transformation of the CSO to an executive agency National Statistical Institute, (ii) adoption of the concept of national statistical system, with the National Statistical Institute operating as the hub, and (iii) adoption of a new legislative framework. These were formally approved by Cabinet but, as of project closure, had yet to be implemented. Subsequently, Statistics Sweden was hired under PSRIP to prepare a strategic action plan for reform. This was completed in 2012 but has yet to be implemented.

**Briefly explain differences between planned and actual outputs.** Those activities that could be accomplished through external consultancies were largely achieved. As noted above, and in the Exit Workshop, it is likely that political economy factors following 2010 may have contributed to a loss of momentum with respect to achievement of project outputs. Nevertheless, despite recent improvements in the program's implementation as well as the achievement of most of the planned outputs, due to the significant delays in implementation (almost 90 months of extensions) and overall project implementation period required to achieve those outputs, the Implementation Progress is considered unsatisfactory.

**Restructuring.** N/A

**Summary Implementation Progress Classification:**

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

### c. Project Costs

Source of Financing (US\$ Millions)				
Investment Category	Approved		Actual	
	IDB (1)	Local (2)	IDB (3)	Local (4)
Public Sector Reform Strategy	2.019	.231	2.107	1.429
Strengthening of Public Sector's Reform Implementation Capacity	2.304	.323	1.635	.006
Project Implementation Unit	.627	.180	.691	.298
Financial Costs	-	.482	-	.339
Contingencies	.05	.035	0	-
<b>TOTAL</b>	5.00	1.25	4.433	2.073

**Source:** Adapted from Cost and Financing Table, Annex A of the Loan Contract 1523/OC-TT

A total of US\$ 567,177 in loan resources was cancelled over the life of the programme. In March 2013, in conjunction with IDB approval of a one-year special extension to the loan's disbursement period, US\$394,410 in uncommitted resources were cancelled. In March 2014, after final disbursement expiration date, US\$172, 766 in undisbursed resources were cancelled. The important increase in counterpart resources (88% above planned) is accounted for by two factors: (i) the difference between project planned and actual costs and (ii) the cancellation of US\$567,177 in loan resources over the life of the project.

Total Project Cost - Planned (US\$6,250,000)	Total Project Cost – Actual (US\$6,505,471)	% Difference
6.25	6.505	4

**Briefly explain any differences between planned and actual costs:** In the budget table of Annex A of the Loan Contract, GORTT initially committed to allocate US\$1.25 million to the project, while the Bank agreed to allocate US\$5 million. However, in execution, the EA spent an additional US\$1 million in local counterpart resources, representing 88% increase over the amount that was originally planned. Further, the Bank cancelled US\$567,177 in loan resources. These two factors together account for the 8% difference between planned and actual costs.

### III. Project Implementation

#### a. **Analysis of Critical Factors**

PSRIP closed approximately ten (10) years after its approval. In that period, there were a number of factors that affected project implementation. Below is a brief summary of those critical factors that most affected project implementation, along with an analysis of their impact.

- **Public Management and Governance**: Given its decade-long implementation period, PSRIP was affected by numerous political, management, and mandate transitions. From loan approval through closure, the operation was implemented under several distinct GORTT administrations and/or political parties. IDB Focal Point Ministry<sup>17</sup> within GORTT changed twice. During this period, the positions of Minister and Permanent Secretary within the Executing Agency (EA) each changed four times. Also, the Executing Agency's mandate and structure were revised twice during implementation.<sup>18</sup> The political cycle shifts contributed to delays and hindered project implementation; as new political and management leaders had to be apprised of the project, convinced of its relevance, and brought on as supporters.<sup>19</sup>
- **Implementing Mechanism**: The PSRIP, and more broadly the PSTA<sup>20</sup>, lacked an implementing mechanism that would enable input and support in the implementation of initiatives involving other GORTT agencies; or follow-through on financed initiatives once completed. As noted in the 2010 PSTA Report, there was "no formal mechanism in place for the coordination of these initiatives and ... [each executing agency] proceeded along separate lines in planning and implementation of their respective projects."<sup>21</sup> The inter-ministerial committee tasked with carrying out this function encountered difficulties in start-up and was never functional. This presented challenges to the IDB Focal Point within GORTT, which was unable to effectively exercise its role even with respect to those activities directly under its mandate. PSTA governance arrangements did not position the EA to receive or provide information relevant to the planning and implementation of other PSTA initiatives. Furthermore, the EA lacked the "leverage and convening authority required ... to play a coordinating role in the design and implementation of the horizontal reform initiatives and to act as

---

<sup>17</sup> The IDB Focal Point is a Government Ministry or Agency responsible for managing and overseeing the portion of the Government's project portfolio that is financed with IDB resources. Over the course of PSRIP implementation, both the Ministry of Finance and the Economy and the Ministry of Planning and Sustainable Development served as IDB Focal Points at different periods.

<sup>18</sup> The Ministry of Public Administration and Information (MPAI) which was established in 2001 was split into two separate entities as of 18th December, 2007. These were the Ministry of Public Administration and the Ministry of Information. As of May 2010, the functions of the Ministry of Information were devolved to other Ministries and Departments under the Government of the Republic of Trinidad and Tobago. See <http://www.mpa.gov.tt/home/faqs.html>

<sup>19</sup> It should also be noted that, over the decade-long implementation period, the IDB assigned five (5) different Project Team Leaders to supervise the project. Undoubtedly, this also impacted continuity in the implementation process and sustainability of results.

<sup>20</sup> GORTT financed implementation of a number of PSTA reform initiatives in parallel with the IDB-financed components of the PSTA. In the 2010 report, it was noted that less than 25% of PSTA initiatives were financed by the IDB.

<sup>21</sup> See Annex 1

a facilitator for the vertical reform components of the PSTA;<sup>22</sup> including those to be implemented under PSRIP. With the expansion in the number of government ministries following the 2010 general election, inter-ministerial information sharing and coordination became increasingly challenging. Without the inherent authority or leverage to require stakeholder agency action, nor support from an independent implementing mechanism for this function, the PSRIP was unable to successfully complete and/or follow through on planned, cross-government initiatives.

- **Technical Staff:** The Programme Management Division (PMD) of the MPAI was responsible for managing all projects carried out by the Ministry, including PSRIP. The PMD was to be complemented by panels of short-term experts, hired on a consultancy basis to provide support on discrete issues requiring high-level expertise. The volume of work associated with execution of PSRIP<sup>23</sup> exceeded the levels of assigned resources. Given these constraints, the PMD faced consistent challenges in effectively carrying out the general management, coordination, M&E, and oversight functions that were necessary to successfully implement the program.

## **b. Executing Agency Performance**

In accordance with guidelines for the preparation of this report, this section reviews and assesses three aspects of EA performance: (i) Risk Management, (ii) Project Performance and Risk Monitoring, and (iii) Corrective Action.

- **Risk Management:** Given the cross-institutional reach of the PSRIP, the project faced a number of risks; both within and outside of its direct control. Risks outside of EA control ranged from ensuring speedy review and administrative processing of project deliverables by beneficiary agencies to enable disbursement to authorizing follow-on work within beneficiary agencies as recommended in financed studies. Risks noted in the Loan Proposal – lack of stakeholder buy-in and coordination – were relevant throughout the life of the Project. Project design included specific activities to mitigate these risks – development and implementation of a communication strategy, engagement or development of experts across government on key issues, and establishment of a Programme Steering Committee to “facilitate a coherent strategic direction and inter-agency coordination.”<sup>24</sup> However, the proposed mitigation strategies were either not fully implemented or did not successfully address the risk.

Risk responses were never effectively implemented for identified internal risks - including fiduciary management, stakeholder engagement, and monitoring and evaluation. Understaffing and insufficient skill mix among existing staff prevented the PMD from effectively and efficiently carrying out its broader management responsibilities; including risk management, stakeholder engagement, communication, and coordination.

**Grade:** Unsatisfactory

---

<sup>22</sup> See Annex 1

<sup>23</sup> Over the life of the project, the number of stakeholder organizations increased significantly, which in turn increased coordination costs and affected the efficacy of the original execution mechanism.

<sup>24</sup> See Loan Proposal.

- **Project Performance and Results Monitoring:** PSRIP performed poorly in terms of project management and achievement of results. Results monitoring was never conducted due to the lack of M&E staff assigned to ensure follow-up on those indicators for which baseline data was available. It should be noted, however, that the Results Matrix itself was poorly designed as, at approval, several indicators did not have baseline data collected and/or were not sufficiently evaluable or related to project objectives.

**Grade:** Unsatisfactory

- **Corrective Action:** Corrective action is defined as “an intentional activity that realigns the performance of the project work with the project management plan.”<sup>25</sup> Though an Annual Operating Plan was prepared each year for PSRIP, in accordance with Bank requirements and which specified what and when procurements and financial transactions would be conducted, the EA would have benefitted from a comprehensive project management plan (e.g. human resource management plan, stakeholder management plan, risk management plan, etc.). Indeed many of the critical factors affecting the success of the project, such as staffing of the PIU, would not have been covered in the annual operating plans that were submitted each year to the Bank. Development of a comprehensive project management plan, while not ensuring that the project achieved planned outcomes and outputs, would have facilitated achievement of the planned goals by providing clear and timely indicators of project performance and when expected activities were likely to go off track. Without a comprehensive project management plan, nor the staff to track its fulfillment, the EA was unable to take corrective action.

**Grade:** Unsatisfactory

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

### c. Bank Performance<sup>26</sup>

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

## IV. Sustainability

Initiatives financed under PSRIP are unlikely to continue past project closure.<sup>27</sup> Indeed, most activities financed under the project were not sustained beyond the closure of

<sup>25</sup> See Chapter 5, Project Management Professional Book of Knowledge, Project Management Institute.

<sup>26</sup> The Borrower Evaluation may be found in [Annex 7](#) of this document. The evaluation rated Bank performance “satisfactory” and stated in relevant part: “The [B]ank performed to its potential during this participatory project design. Bank Specialist[s] were brought in with specific expertise at various stages [of project design and implementation]. One of the issues which impacted the progress of the programme was the time difference between the Project Preparation and start up as such timely relevance, reform fatigue were not properly factored in, which in some areas caused a disconnect.”



related procurement activity. Factors affecting sustainability include lack of a strong champion, a challenged implementing mechanism, and insufficient strategic program realignment with the policy pillars of the Medium-Term Framework for national development, approved in 2011.

**a. Analysis of Critical Factors.**

- *Champion:* Given (i) the breadth and number of project stakeholders, (ii) the required level of stakeholder engagement, (iii) the cross-cutting nature of project activities, and (iv) the political culture, the project required a Champion or leader at the highest Executive level that could compel action, in order to be successful. In this instance, MPAI did not have the authority to compel or prioritize cross-governmental action as necessary to effect broad public sector reform efforts. This lack of authority also adversely impacted the sustainability of those PSRIP endeavors that were successfully completed (e.g. CSO strategy). Given the absence of the required champion to lead the Project or the broader PSTA, the Project has low sustainability.
- *Implementing Mechanism:* As discussed in Section IV (a) above, the Executing Agency did not provide the necessary resources to adequately operationalize the project implementing mechanism. The staffing resources and skill mix of the PMD cut against an effective project implementation and prevented the monitoring, evaluation, and record keeping necessary to adequately track, document, and archive project progress. As a result, it will be difficult to achieve project objectives or sustain those outcomes achieved following project closure.
- *Strategic Program Realignment:* The approval of the Medium-Term Action Framework in 2011 signaled the need to create broad-based awareness of and commitment to the project's strategic direction and framework with new GORTT administration. For reasons that are unclear, the engagement and discussion that would have been necessary to create such awareness and commitment did not take place. As a result, and in the absence of that strategic engagement, the project was not seen as contributing or relevant to any GORTT public sector reform processes that followed. The failure to realign the project to the current policy framework will likely negatively affect its sustainability following project closure.

**b. Potential Risks.** The program was not successful in fully achieving any of the planned results for reasons discussed in [Section IV](#). Coordination, communication, and management risks to effective public sector reform flagged in the Loan Proposal and 2010 PSTA report risk to public sector reform persist.

**c. Institutional Capacity.** EA capacity to carry forward the broad public sector reform program, which the PSRIP was intended to support, is constrained by the factors mentioned in [Section IV](#).

**Sustainability Classification SU:**

<sup>27</sup> The sole exception to this are activities in support of Public Financial Management reform; which also received IDB support under separate, independent financings and continue to receive GORTT attention.



## V. Monitoring and Evaluation (M&E)

### a. Information on Results

There is scant M&E information on project results. This is due primarily to the lack of resources assigned to carry out this function and poor record keeping. The information that is available was produced primarily as a result of the Bank-required semi-annual reporting process or, more sporadically, through Bank-executed consultancies to review and assess project implementation progress.

### b. Future Monitoring and Ex-Post Evaluation:

A draft final report, prepared by the National Transformation Unit of the Ministry of Planning and Sustainable Development, was completed in April 2014 (Annex III). It is anticipated that the final draft of the evaluation will be approved by May 2014. A copy of the report is presented in Annex 3. There is no additional, future monitoring or ex-post evaluation planned for this project. Given the lack of baseline data for many of the results indicators, there is little basis to inform follow-on monitoring or evaluation.

## VI. Lessons Learned

1. **Monitoring and Evaluation:** On the most basic levels, monitoring and evaluation frameworks for the project were weak; from design through implementation. Results Framework indicators were largely unevaluable, insufficient baseline data was collected, results were not monitored, and no staff was assigned to carry out the monitoring and evaluation function. Stakeholder discussion of project outcomes and outputs in the Exit Workshop noted that the project produced several positive externalities that were not originally contemplated during project design and which may eventually contribute to achievement of those outcomes that were not achieved under the project. Unfortunately, due to poor documentation, poor record keeping, and limited institutional memory of the project within the Executing Agency, it is difficult to ascertain the accuracy of these perceptions.

***Lesson Learned:*** Monitoring and evaluation mechanisms and frameworks must be established at design and maintained through project implementation. Approved Results Frameworks should include only indicators that have baseline data. It would also be useful for the Bank to collect and record key project deliverables produced under the projects. Additionally, it would be useful in similar projects to conduct more frequent review and updates (as necessary) of the Results Matrix to ensure feasibility and continued alignment with overall project objectives. Finally, ensuring GORTT buy in and recognition of the usefulness of working M&E system to the project achieving its objectives and successfully demonstrating result would have been critical to establishing the necessary M&E frameworks and systems; particularly, given TT's dynamic political environment, as well as the political economy issues at the heart of the project itself. Unfortunately, neither the Bank nor the Government seemed sufficiently attuned to this issue during implementation.

2. **Multi-Institutional Reform Projects:** PSRIP was designed to initiate and support reforms across the GORTT. Necessarily, this required a close working relationship (coordination, collaboration, communication, and accountability) between the EA and the various stakeholder government agencies and ministries, at the appropriate levels both horizontally and vertically. To facilitate this relationship, Project design included creation of an inter-ministerial Project Steering Committee, as well as the incorporation of the program into the *Vision 2020* Core Group, to facilitate and ensure continued stakeholder participation and engagement during implementation. However, neither of these mechanisms were effective in ensuring stakeholder entities' engagement with, and commitment to, the project.<sup>28</sup> Further, even in those instances where the formal commitments were made with stakeholder entities to conduct an activity, there was little accountability to ensure follow-through.

***Lesson Learned:*** Stakeholder mapping and engagement should be conducted early on in project design and continuously updated throughout project implementation. To ensure accountability, it will be necessary to identify and develop relationships with project champion(s) with formal authority who can ensure broader stakeholder follow-through and engagement with project activities throughout project implementation. Finally, informal methods of engagement should be identified to complement and deepen the formal engagement mechanisms that may be planned under a project.

3. **Extensions:** PSRIP was granted a general extension five (5) times – in September 2006, July 2008, September 2009, August 2010, and September 2011. Each of the letters from the GORTT requesting extension referred to activities in conception or procurement for which additional time was required. In May 2013, the Bank granted a special extension to complete payments under existing contracts and cancelled US\$394,410.57 in remaining unused resources (approximately 8% of total Bank financing). An additional US \$172,766.95 in undisbursed resources was cancelled after the final disbursement date in 2014. The continuous granting of extensions without firm commitment of loan resources, completion of measures to enable successful project execution (e.g. staffing of PIU), unduly held up development resources that could have been better spent on other endeavors.

***Lesson Learned:*** The Bank decision to grant disbursement date extensions should be grounded in EA achievement of specified performance targets.

4. **Bank Performance and Alignment with National Development Agendas:** PSRIP implementation spanned three electoral cycles and two national development plans. Originally designed to support achievement of *Vision2020*, the project was not retrofitted to align with the *Medium-Term Framework*, once the latter was approved in 2011. As a result, broad-based GORTT ownership and the project's direction were compromised. Nevertheless, it should be noted that the Executing Agency emphasized in the Exit Workshop and subsequent comments to the PCR that the Bank could have taken a stronger role in ensuring that the Programme stayed true to its original design. Indeed, it was contended that the Bank's not taking a stronger stance on design fidelity

---

<sup>28</sup> The Steering Committee met only three times between 2003-2009, and there is no record of it meeting thereafter. It is not clear if there were ever any formal meetings with the Core Group.

- and even approving subsequent changes such as the 2008 alignment with the EGKBP
- may have been a factor that affected sustainability of the project, its outcomes and objectives.

**Lesson Learned:** A significant lesson for projects of this nature is to ensure that project activities and results framework are updated as necessary to be consistent with the evolving national development agenda. At the same time, flexibility in revising project activities during project execution must be tempered. In engaging with Government on potential changes to project design, the Bank should review proposed changes to ensure not only that they fit within the objectives of the loan but, in addition, have a high likelihood of supporting achievement of project outcomes.

5. **Financing Modality:** Given the type of activities financed (studies, surveys, diagnostics, action plans) and the political economy issues at the heart of the project, a loan may not have been the appropriate financing modality. Rather, providing technical and financial assistance through technical cooperation or economic and sector work funds would have ensured that more significant resources were committed only when a firm reform plan had been approved and there was commitment for its implementation.

**Lesson Learned:** Bank investment loan financing is appropriate only when there is a clear, approved plan for Government action.

6. **IDB Knowledge Management:** Much of the documents and information generated under this project was not systematically collected and/or archived by the Bank. Further, as Team Leaders were rotated over the course of project implementation there was little information easily accessible about implementation status to incoming Team Leaders other than the public project monitoring documents. It would be useful to ensure that a comprehensive, hand-over memo is prepared by the outgoing Team Leader each time a new Team Leader is assigned. The Memo should cover all relevant implementation and political economy issues. Alternatively, ensuring continuity in Project Team Member assignment throughout the life of the project would be helpful to ensure institutional knowledge management of project design and implementation is maintained throughout project execution.