

Report Number: ICRR14756

1. Project Data:		Date Posted:	06/15/2015		
Country:	Uganda				
Project ID:	P050440		Appraisal	Actual	
Project Name:	Uganda Public Service Performance Enhancement Program (ups-p	Project Costs (US\$M):	86.57	n/a	
L/C Number:	•	Loan/Credit (US\$M):	70.0	20.3	
Sector Board:	Public Sector Governance	Cofinancing (US\$M):	16.57	n/a	
Cofinanciers:	DfID, Irish Aid, DANIDA	Board Approval Date:		06/20/2006	
		Closing Date:	12/31/2011	06/30/2014	
Sector(s):	General public adminis	tration sector (100%)			
Theme(s):	Other accountability/anti-corruption (33%); Administrative and civil service reform (33%); Public expenditure; financial management and procurement (17%); Other public sector governance (17%)				
Prepared by:	Reviewed by:	ICR Review Coordinator:	Group:		
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2. Project Objectives and Components:

a. Objectives:

The Project Appraisal Document (PAD, p. viii) states that the Project Development Objective (PDO) was to support "the transformation of the public service so that it is affordable, efficient and accountable in use of public resources and service delivery; and the improvement of the policy, institutional and regulatory environment for sustainable growth and service delivery."

According to the Financing Agreement of December 18, 2006 (p. 5), the PDO was "to support the Recipient's efforts to: (a) improve and make its public service delivery affordable, efficient, accountable and effective in use of public resources: and (b) improve the policy, institutional and regulatory environment of its public service delivery institutions for sustainable economic growth."

The PDO stated in the Financing Agreement is used as basis for this validation.

b.Were the project objectives/key associated outcome targets revised during implementation? No

c. Components:

The project consisted of two components. Information on the actual contributions of development partners, who co-financed Component 1, is not available, and therefore only the Bank's actual costs for that component are provided here.

Component 1: Public Service Reform Program (PSRP) (appraisal estimate US\$ 31.5 million, of which US\$ 15 million was to be funded by IDA; actual US\$ 12.9 million funded by IDA): This component was to finance

activities to enhance performance and accountability of the public service; address issues related to performance, accountability and appraisal of civil servants; improve public service efficiency; and support government restructuring initiatives. This component was also to finance technical assistance to improve the work environment in the public sector and support pay and pension reforms. In addition, this component was to support the overall implementation of the government's public sector reform program.

Component 2: Performance Enhancement Facility (PEF) (appraisal estimate US\$ 55 million, all of which was to be funded by IDA; at restructuring, the planned cost was reduced to US\$ 8 million; actual US\$ 7.4 million): This component was to finance a Performance Enhancement Facility to support public-sector capacity development and performance improvements. This component was also to finance the development of statistical capacity, the implementation of procurement reforms, and a financial sector technical assistance program.

During a project restructuring on November 20, 2008, the government requested the Bank to adapt Component 2 to focus only on core capacity building initiatives for which the Ministry of Public Services was responsible. At the time of this restructuring, no Bank funds had been disbursed. The restructuring reduced planned costs for Component 2 from US\$ 55 million to US\$ 8 million.

Revised Component 2 (estimate US\$ 8 million, actual US\$ 7.4 million): The revised component was to finance the establishment of a Civil Service College to provide training for public officers and to conduct policy research and reviews to move reforms and innovative ideas forward to improve public service delivery. The revised component was also to support training and research in critical areas to improve strategic leadership and management skills.

d. Comments on Project Cost, Financing, Borrower Contribution, and Dates:

Project Costs: The estimated project cost was US\$ 86.57 million (PAD, p. vii). Neither the ICR nor the project team provided total actual costs. Actual Bank costs were US\$ 20.3 million. The ICR (p. 31) indicates that development partners contributed US\$ 16 million, and the project team confirms that all co-financier funds were disbursed with the exception of US\$ 0.47 million from Irish Aid (which requested a refund of these funds due to corruption issues in the Ministry of Public Service). However, the project team also indicates that some of the planned project co-financing from the UK Department for International Development (DfID) was disbursed prior to the project, and therefore the total DfID disbursement under the project is unknown.

Financing: According to the PAD, the project was initially to be financed through a pooled funding arrangement as follows:

- A US\$ 70 million IDA credit.
- Department of International Development (DfID) (US\$ 10.5 million planned).
- Irish Aid (US\$ 0.07 million planned; the ICR [p. 5] reports a planned Irish Aid contribution of US\$ 4.2 million.)
- Danish International Development Cooperation (DANIDA) (US\$ 6.0 million planned; the ICR [p. 5] reports a planned DANIDA contribution of US\$ 5.6 million).

US\$ 47 million of the IDA credit was cancelled. The difference between the remaining US\$ 23 million balance and US\$ 20.3 million actually disbursed is due to exchange rate fluctuations. The project team states that all development partner funds were disbursed, with the exception of some Irish Aid funds as reported above

Borrower Contribution: There were no planned contributions by the Recipient.

Dates: The project was amended twice:

- On November 20, 2008, the government requested a restructuring to reduce the scope of Component 2 and focus on core performance enhancement initiatives. Component 2 was therefore reduced to three main activities: i) establishing a Civil Service College; ii) providing targeted training and research in strategic areas; and iii) equipping top public service managers with leadership skills. The total credit was reduced from US\$ 70 million to US\$ 23 million, and US\$ 47 million was cancelled. While the planned allocation for Component 1 remained the same at US\$ 15 million, the planned allocation for Component 2 was revised to US\$ 8 million. At the time the project was restructured, no IDA funds had been disbursed. Also at this time, the closing date was extended from June 30, 2011 to June 30, 2013.
- On June 28, 2013, the closing date was extended from June 30, 2013 to June 30, 2014 to allow for the completion of project activities.

3. Relevance of Objectives & Design:

a. Relevance of Objectives:

Substantial: The objective was substantially relevant due to Uganda's weak public service performance. Even though Uganda had made progress on poverty reduction and human development, the country improved in only two out of six World Bank Institute governance indicators (voice and accountability, and control of corruption) between 2000 and 2004. No improvements had been made in terms of political stability, regulatory quality, government effectiveness, or the rule of law. The government of Uganda had implemented a 2004-2008 Poverty Eradication Action Plan aiming to address these governance challenges while sustaining economic growth and poverty reduction. The strategy included a pillar focusing on improvements in public sector management through financial management and accountability reforms, decentralization and local government development programs, and a public service reform program. Significant progress was made in all areas except financial management and accountability reforms and the decentralization and local government development program, and the project aimed to strengthen these two specific areas. The project is in line with the 2005 Uganda Joint Assistance Strategy and its successor, the Bank's Country Assistance Strategy (2010-2015), which identifies the need for comprehensive public service reform. The project is also in line with the Bank's Africa Action Plan, which supports public service reform, especially in the areas of human resources management and pay and incentive systems. However, the project development objectives were ambitious in terms of scope and complexity.

b. Relevance of Design:

Modest: The relationship between planned activities and intended outcomes was logical and properly laid out Activities to improve and make public service delivery affordable, efficient, accountable, and effective in the use of public resources included the implementation of an integrated personnel and payroll system closely linked to the integrated financial management system, rationalizing and restructuring public sector agencies, and reforming the pay and pension system. Activities to improve the policy, institutional, and regulatory environment of public service delivery institutions for sustainable economic growth included developing policies in various areas to improve the work environment, and developing strong leadership and management capacity. Also, the implementation of a Performance Enhancement Facility was intended to improve the performance of public sector organizations to support the national strategies for economic performance and poverty reduction by developing statistical capacity, supporting procurement reforms, and implementing a financial sector technical assistance program.

The restructuring of the second component was intended to focus more on capacity building within the Ministry of Public Service. The new activities included the establishment of a Civil Service College to ensure a skilled workforce for the public service, conduct training and research in areas relevant for the growth agenda, and train public service managers in public service management.

However, there were moderate shortcomings. The project design did not take into account the weak capacity of the Ministry of Public Service. Given these capacity restrictions, the project's set of planned activities was too ambitious in terms of scope and complexity, leading to eventual limiting of the activities of the second component and cancellation of the majority of the Bank credit.

4. Achievement of Objectives (Efficacy):

To support the Recipient's efforts to: (a) improve and make its public service delivery affordable, efficient, accountable and effective in use of public resources: and (b) improve the policy, institutional and regulatory environment of its public service delivery institutions for sustainable economic growth.

Outputs that are applicable to all objectives :

- An Integrated Payroll and Personnel System was implemented in all government establishments, achieving the target.
- 100% of ministries, departments, and agencies (MDAs) and local governments, including departments of
 education, health, works, transport, water, and environment implemented a Results Oriented Management
 and Output Oriented Budgeting framework, achieving the target.
- A more transparent and meritocratic recruitment system for public service position was developed by designing exams for specific positions and implementing a computerized recruitment system.
- A new pay policy was developed through a Public Service White Paper.

• Improve and make public service delivery affordable and efficient in use of public resources: Modest

Outputs:

- The Uganda Land Commission was revised and six district land offices under the Ministry of Land, Housing and Urban Development were revitalized.
- The Petroleum Institute was re-organized and the Department of Petroleum in the Ministry of Energy and Mineral Development was established.
- The Ministry of Finance Planning and Economic Development, the Ministry of Public Service, and the Ministry of Education were re-organized.
- The project contributed to adoption of a pay reform policy, achieving the target.
- The National Records Center and Archives was constructed. However, it is not operational, and no records have been transferred, and therefore the target was not achieved.

Outcomes:

Efficiency:

- Due to funding constraints, not all recommendations could be completely implemented. Estimated savings
 from implementing the restructuring recommendations in a few MDAs were US\$ 2.16 billion; however, the
 Ministry of Public Services states that only 25% of these potential savings were achieved.
- Pension arrears decreased by 48%. This indicator was not monitored on a regular basis; values were based on overall reductions to pension arrears at project closing.
- The implementation of the Integrated Personnel and Payroll System resulted in US\$ 1.3 million in savings within the first three months of decentralizing the payroll system.

Affordability:

- Due to the implementation of the caravan training approach where mobile training units travel to different cities, transportation costs for participants were reduced by 97.5%, resulting into a total cost savings in training of 19%.
- Improve and make public service delivery accountable in use of public resources: Modest

Outputs:

- Through the implementation of the Results Oriented Management and Output Oriented Budgeting
 Framework, 43.5% of MDAs and local governments established client service charters, which are useful for
 communicating expected service standards and improving service delivery. However, the target of 100%
 was not achieved.
- · Systematic payroll inspections and audits were implemented.

Outcomes:

- The Public Service Commission reported that 100% of positions for internal promotion are now filled through open competition, achieving an increase from 35% in 2006 to the target of 100% in 2014. This indicator was not tracked during project implementation, and so the achievement is based on an endline value only.
- Ministry of Public Service officers now conduct inspections of local districts on a monthly basis to assess whether internal audits are being performed before changes to payroll are approved.
- No outcome data on accountability to the public, including outcome data related to the implementation of the client service charters, is provided.
- Improve and make its public service delivery <u>effective</u> in use of public resources: Modest

Output:

• The implementation of results-oriented management and output-oriented budgeting in MDAs and local governments increased from 30% in 2006 to 100% in 2014, achieving the target of 100%.

Outcome:

• Of targets contained in the government's Poverty Eradication Action Plan (2002-2013), 72% were achieved,

- not reaching the target of 85%. The ICR does not provide detail on these targets. The PEAP was also supported by other Bank projects, and therefore it is not clear to what extent these results can be attributed to this project.
- The ICR does not provide any additional data to indicate that effectiveness increased due to changes in management and budgeting.
- Improve the <u>policy environment</u> of public service delivery institutions for sustainable economic growth:
 Substantial

Outputs:

- Training on drafting policies was provided to all permanent secretaries.
- The Civil Service College conducted a policy research study on the tourism sector. Based on this research, two tourism and investment centers were established in Jinja and Entebbe.

Outcomes

- The Ministry of Public Service was restructured and a change management strategy developed.
- In order to strengthen the government's policy making capacity and foster awareness of reform objectives, a Cabinet Committee System, in which reforms can be debated before being discussed within the full cabinet, was established.
- Improve the <u>institutional environment</u> of public service delivery institutions for sustainable economic growth:
 Substantial

Relevant outputs are listed under previous objectives.

Outcomes:

- A Civil Service College was established, a core curriculum for civil servants was developed and delivered through a "caravan" approach, and 2,545 public officers completed specific Civil Service College training courses, surpassing the target of 600.
- Cross-cutting Human Resource guidelines for vulnerable groups within the public service sector were developed.
- HIV/AIDS focal points, for affected staff to seek counseling and treatment, were established in each ministry.
 Human Resource policies to support vulnerable groups such as women and civil servants with HIV and AIDS were developed.
- An MBA program was developed to train top managers in leadership.
- The percentage of women in mid-to senior-level public service positions increased from 12% in 2006 to 22% in 2014, not achieving the target of 35%. This indicator was not measured regularly, but only at project closing.
- Improve the <u>regulatory environment</u> of public service delivery institutions for sustainable economic growth: Substantial

Outputs:

Activities to improve the regulatory environment were implemented. These activities included the
mainstreaming of results-oriented management and output-oriented budgeting across the public sector.

Outcomes:

 Regulations were put in place for performance contracts, a meritocratic recruitment process, and systematic payroll inspections and audits.

5. Efficiency:

Negligible: Neither the PAD nor the ICR conducted a formal economic analysis. While the ICR (p. 19) reports on several project outcomes that led to efficiency increases in the public sector, it does not report on the

cost-effectiveness of use of project resources, or on whether costs involved in achieving the PDO were reasonable.

Delays in disbursement and implementation of activities were indicative of inefficiencies in the use of the project's resources. Together with lack of other evidence, this leads to an efficiency rating of Negligible.

a. If available, enter the Economic Rate of Return (ERR)/Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

Rate Available? Point Value Coverage/Scope*

Appraisal No ICR estimate No

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome:

Relevance of objectives was substantial, given the need to improve Uganda's weak public service performance, Relevance of design was modest, as planned activities were too complex and ambitious given the weak capacity of the Ministry of Public Service. The objective to make public services more efficient and affordable was modestly achieved, as some savings were realized, but not nearly to the level anticipated. The objective to make public services more accountable was also modestly achieved, as no evidence is provided on accountability to the public or to other entities. Similarly, the objective to make public services more effective was modestly achieved, as there are no data provided on increased effectiveness related to changes in management and budgeting. However, improvements in the policy, institutional, and regulatory environment were substantially achieved through the creation of a variety of new processes and institutions. Efficiency was negligible, given the lack of an economic efficiency analysis or evidence that project funds were used in a cost-effective manner. Taken together, these ratings are indicative of significant shortcomings in the project's preparation and implementation, and therefore an Outcome rating Unsatisfactory.

a. Outcome Rating: Unsatisfactory

7. Rationale for Risk to Development Outcome Rating:

The Risk to Development Outcome rating is Negligible to Low given the few achievements made under the project. The sustainability of these few achievements will depend on the government's commitment to continue supporting the reforms initiated, politically and financially. Uganda will have elections in 2016, and therefore it is unclear whether the reforms will be among the priorities of the new government. If the new government will not support the new agencies and structures, there is a risk that they will not be sustained. Also, while the current government requested the building and operationalization of the Civil Service College, the ICR (p. 26) states that the Ministry of Finance, Planning, and Economic Development intends to fund the Civil Service College's operations only for the short-term, and that the continued existence of the college will depend on its ability to sustain itself in the next three to five years. Since the second phase of the Civil Service College facilities has not been completed, cost savings have not materialized yet. Also, some of the project activities are still not functioning properly, such as the majority of Human Resources modules. Therefore, the government has limited ability to manage recruitment, leave, pension, career planning, performance management, and training. In addition, since the National Records Center and Archives is not operational yet, the government is carrying the costs of inefficiency in records storage and retrieval, and national records are still not properly kept.

a. Risk to Development Outcome Rating: Negligible to Low

8. Assessment of Bank Performance:

a. Quality at entry:

The Bank team prepared a project that responded to the government's request to move its public service reform forward. The project's design built on lessons learned from within the country and across the region. These lessons included: i) a programmatic approach fosters more ownership and better coordination; ii)

implementing the work program of the project within the main ministry helps to avoid draining public service human resources for a separate implementing agency; iii) higher public service salaries foster effectiveness and productivity; and iv) designing M&E to track outputs and outcomes allows more timely measurement of the impact of a public sector reform project.

The Bank implemented a Quality Enhancement Review and provided a Project Preparation Facility to advance project preparation. The intended outcomes of the project reflected the government's priorities at the time of appraisal.

However, there were significant shortcomings. The project was very ambitious and complex, including two large components, a Results Framework with a very large number of indicators, and reliance on financial management and procurement capacity within the implementing agency that did not exist at appraisal. The Bank tried to mitigate this risk by implementing activities such as building capacity in critical areas such as project management, procurement, financial management, and M&E. In order to mitigate additional risk related to limited commitment by political leadership to implement the project, the Bank tried to ensure continuous policy dialogue with political leaders.

M&E design also had significant shortcomings, in particular the complexity and highly decentralized nature of the data collection process (see Section 10a).

Quality-at-Entry Rating: Moderately Unsatisfactory

b. Quality of supervision:

According to the ICR (p. 25) development partners such as DANIDA and Irish Aid appreciated the Bank's regular supervision missions to provide technical expertise and identify challenges during project implementation.

The Bank's focus on development impact was limited, given that only one out of two PDO indicators and only three out of 18 intermediate outcome indicators were regularly tracked during implementation. Two indicators, which were not included in the PAD, were added and tracked on an ad hoc basis. The Bank did not address any of the M&E issues, and the lack of data did not allow for informed decision making.

Given the Parliament's request to limit the activities and the scope of component 2, the Bank restructured the project to reflect these requests before it became effective in November 2008. However, donor partners had already started to disburse funds to component 1 under a basket arrangement. By the time the Bank's loan became effective, the development partners had front-loaded their contributions, and by mid-2010, 100% of their funds were disbursed while the Bank had only disbursed 20% of its resources. The front loading of the Development Partners' contributions led to a crowding out of the Bank's resources.

The project's information, education, communication strategy and change management strategies were not sufficiently implemented, leading to a lack of visibility and understanding of the project, significant delay of the approval for project effectiveness by the Parliament, and resistance to change towards results-orientation and accountability by public service leaders. Also, the Bank's mitigation efforts to address the weak capacity within the Ministry of Public Service and the MDAs was not sufficient, and the lack of capacity led to delays in project implementation.

The Bank conducted the Mid-Term Review (MTR) as planned in May 2011. The MTR concluded that an extension of the project closing date would be necessary to achieve the PDO since the project had encountered delays in the implementation of the Integrated Personnel and Payroll System, the National Records Center and Archives, and the construction of the Civil Service College.

The project experienced several delays after the Mid-Term Review. Delays were related to the procurement of contracts, submission of financial management reports, weak performance in the rolling out of the integrated personnel and payroll system component, and the construction of the National Records Center and Archives. Just two months before the already-extended closing date in June 2013, only 50% of project funds had been disbursed. The ICR comments that the Bank granted another extension of the closing date by 12 months, but it does not comment on how the Bank addressed these challenges.

Quality of Supervision Rating: Moderately Unsatisfactory

Overall Bank Performance Rating: Moderately Unsatisfactory

9. Assessment of Borrower Performance:

a. Government Performance:

While the government requested the Bank's assistance for the implementation of its Public Sector Reform Program, the project experienced an 18-month effectiveness delay due to the lack of approval by the Parliament. The Parliamentary Committee on the National Economy suggested decreasing the scope for capacity building. The Bank worked with the Ministry of Finance, Planning, and Economic Development to restructure the project accordingly and to extend the deadline for effectiveness.

The government supported the implementation of the integrated personnel and payroll system. The Ministry of Finance Planning and Economic Development signed a memorandum of understanding with the Ministry of Public Service to ensure the operationalization of the remaining modules and that the system would work well with the integrated financial management system.

However, other areas did not benefit from the government's support to the same extent. The information, education, communication and change management strategies were not sufficiently implemented by the government. This had a negative impact on the project in terms of visibility and support. Also, recommendations from the government restructuring under the Public Sector Reform Program have not been implemented even though they could result in cost savings and efficiency gains.

The ICR does not comment on whether the government complied with covenants. Appropriate transition arrangements for regular operation of supported activities after credit closing are not in place. While the Ministry of Finance, Planning, and Economic Development indicated that it will continue supporting the Public Sector Reform Program with a particular focus on results-oriented management and performance contracts, it will only fund the Civil Service College in the short term.

Government Performance Rating Moderately Unsatisfactory

b. Implementing Agency Performance:

The project did not have a dedicated implementing agency and was implemented by the Ministry of Public Service and the relevant MDAs and local governments. Those entities were not ready for the implementation of the project and lacked procurement, financial management, and M&E capacity. Also, the project did not have a dedicated project manager to oversee implementation.

All these shortcomings led to delays in the procurement of contracts, preparation of annual work plans, and submission of Interim Financial Reports, as well as lack of implementation capacity of the integrated personnel and payroll system. Also, staff rotated often, and leadership within the Ministry of Public Services was weak. Given the poor M&E implementation, M&E data could not be used for decision making and resource allocation (see Section 10b).

Implementing Agency Performance Rating: Unsatisfactory

Overall Borrower Performance Rating : Unsatisfactory

10. M&E Design, Implementation, & Utilization:

a. M&E Design:

The objective was clearly defined and reflected by the selected indicators. The Results Framework in the PAD (p. 40) included 2 PDO indicators and 15 intermediate outcome indicators. Some indicators were selected from the

Results Framework of the Public Service Reform Program. After the restructuring, the number of indicators included in the Results Framework increased to 2 PDO indicators and 18 intermediate outcome indicators. Overall, the Results Framework was too extensive and involved the tracking of a large number of difficult-to-measure indicators.

The proposed data collection was complex and highly decentralized. Many different departments within the Ministry of Public Services were responsible for tracking indicators, while external Ministries Departments and Agencies (MDAs) were responsible for monitoring agency-specific data.

b. M&E Implementation:

M&E implementation had several significant shortcomings. Costs to conduct service delivery, client satisfaction, and other surveys were underestimated by the government. As a result, only one of the two PDO indicators was tracked during project implementation. Component 1 included 16 indicators, of which only three were tracked regularly. Component 2 originally included one indicator, which was replaced by three indicators during the restructuring; according to the ICR (p. 15), of these three indicators, only one was monitored during project implementation. Implementation Status Reports relied on some data outside the project's Results Framework for reporting of progress toward achievement of objectives. During the first two and a half years of project implementation, none of the project's formal indicators showed any results that could be quantified. Therefore, it is not clear how all the endline data provided in the ICR for most indicators was derived, given the very limited tracking during the project's lifetime.

c. M&E Utilization:

Given the lack of monitoring of the majority of indicators, it is unclear to what extent M&E data was used to inform decision-making.

M&E Quality Rating: Modest

11. Other Issues

a. Safeguards:

The project was rated as category B under OP 4.01 (environmental assessment) and OP 4.12 (involuntary resettlement) due to the construction of the National Record Center and Archive, which could have potentially caused traffic disruption, dust, and noise. An Environmental Impact Assessment was prepared, approved, and disclosed by the Bank and the Government. Also, people who were living on the site had to be relocated. A Compensation Action Plan was developed by the Ministry of Public Services, approved and disclosed by the Bank and the Government.

After the project restructuring, the project remained in category B. An additional Environmental Impact Assessment was conducted to address additional construction activities related to the renovation of the Civil Service College in Jinja. According to the ICR (p. 16), the project did not face any major safeguard-related issues.

b. Fiduciary Compliance:

Financial Management

The ICR (p. 16) states that the project did not encounter any financial management issues, except delays in the submission of Interim Financial Reports. The ICR does not provide further information on financial management.

Procurement

According to the ICR (p. 14), project implementation experienced delays after the Mid-Term Review in May 2011 due to procurement challenges. The ICR does not specify what kind of challenges or how the Bank and the government addressed them. The ICR does not comment on the extent to which Bank procurement guidelines were followed.

c. Unintended Impacts (positive or negative):	
None reported.	
d. Other:	

12. Ratings:	ICR	IEG Review	Reason for Disagreement/Comments
Outcome:	Moderately Unsatisfactory	Unsatisfactory	Relevance of objectives was substantial, and relevance of design was modest. Three of the objectives were modestly achieved and three objectives were substantially achieved. Efficiency was negligible.
Risk to Development Outcome:	Significant	Negligible to Low	Given the limited achievements made under the project, Risk to Development Outcome is rated Negligible to Low.
Bank Performance:	Moderately Unsatisfactory	Moderately Unsatisfactory	
Borrower Performance:	Unsatisfactory	Unsatisfactory	
Quality of ICR:		Satisfactory	

NOTES

- When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.
- The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons:

The ICR identifies valuable lessons, including the following:

- 1. Ensuring political and technical support is critical throughout the entire project cycle. In this project, effectiveness was delayed by 18 months awaiting approval by the parliament. Even though the Bank identified the risk of potential lack of commitment and support by top leadership during project appraisal and developed an information, education, and communication strategy to provide information to lawmakers and the public, the strategy was not fully implemented. This might have led to lack of information and awareness about reforms and therefore insufficient political support.
- 2. Clear and simple implementation arrangements are important, especially when technical capacity in the implementing agency is weak. Even though the weak capacity of the Ministry of Public Service was identified as a potential risk during project preparation, the project was ambitious in terms of scope and included several complex components. Also, the Results Framework was too extensive and involved the tracking of a large number of difficult-to-measure indicators. This led to many implementation challenges and had a negative impact on the achievement of the project's objectives.

14. Assessment Recommended?	○ Yes ● No

15. Comments on Quality of ICR:

The quality of the ICR is rated Satisfactory, with shortcomings. The ICR provides a good overview of project preparation and implementation. The ICR is appropriately critical. However, the ICR could have provided more detailed information in critical areas such as financial management and procurement and how challenges during project implementation were addressed by the Bank and the government. The ICR did not conduct any economic analysis. The ICR is not sufficiently clear on project costs (appraisal estimates versus actual costs per component) and financing.

a.Quality of ICR Rating: Satisfactory