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IMPLEMENTATION COMPLETION AND RESULTS REPORT

ON A

GRANT

IN THE AMOUNT OF US\$2.56 MILLION

TO THE

THE GOVERNMENT OF SUDAN

FOR A

PUBLIC SECTOR REFORM, DECENTRALIZATION AND CAPACITY BUILDING
PROGRAM SUPPORT PROJECT – SUPPORT PROJECT I

January 24, 2013

Africa Technical Families PREM 2

Poverty Reduction and Economic Management
Africa Region

CURRENCY EQUIVALENTS

Exchange Rates
Currency Unit = Sudanese Pound

Effective rate at appraisal
US\$ 1.00 = SDG 2.04

Effective rate at closing date
US1.00 = SDG 5.5

FISCAL YEAR
January to December

ABBREVIATIONS AND ACRONYMS

AFES	Academy for Finance and Economic Studies
CIFA	Country Integrated Fiduciary Assessment
CPA	Comprehensive Peace Agreement
DCA	Development Credit Agreement
DFID	Department for International Development
FFAMC	Fiscal and Financial Allocation Monitoring Commission
GA	Grant Agreement
GONU	Government of National Unity
GOS	Government of Sudan
GOSS	Government of Southern Sudan
HR	Human Resource t
IAD	Internal Audit Department
IEG	Independent Evaluation Group
IFMIS	Integrated Financial Information Management System
INC	Interim National Constitution
IOC	Interim Oversight Committee
JAM	Joint Assessment Mission
LICUS	Low Income Countries Under Stress
MDC	Management Development Center
M&E	Monitoring and Evaluation
MOL	Ministry of Labor, Public Service and Human Resource Development
MOFNE	Ministry of Finance and National Economy
MDTF	Multi-Donor Trust Fund
MDTF-NS	Multi-Donor Trust Fund – National Sudan
MDTF-SS	Multi-Donor Trust Fund – Southern Sudan
NAC	National Audit Chamber
OC	Oversight Committee
PAD	Project Appraisal Document
PDO	Project Development Objective
PFM	Public Financial Management
PIU	Project Implementation Unit
PSCAP	Public Sector Reform, Decentralization and Capacity Building Program
SAAS	Sudan Academy of Administrative Sciences
TOT	Training of Trainers
TTL	Task Team Leader

Vice President: Makhtar Diop
Country Director: Bella Bird
Sector Manager: Paolo Zacchia (acting)
Project Team Leader: Rupert Bladon
ICR Team Leader: Rupert Bladon

SUDAN

PUBLIC SECTOR REFORM, DECENTRALIZATION AND CAPACITY BUILDING PROGRAM - SUPPORT PROJECT I

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SUDAN

PUBLIC SECTOR REFORM, DECENTRALIZATION AND CAPACITY BUILDING PROGRAM - SUPPORT PROJECT I

BASIC DATA SHEET

A. Basic Information			
Country:	Sudan	Project Name:	MDTF - Public Sector Reform, Decentralization and Capacity Building Program Support Project
Project ID:	P099758	L/C/TF Number(s):	TF-92615
ICR Date:	December 12, 2012	ICR Type:	Core ICR
Lending Instrument:	ERL	Grantee:	Ministry of Finance and National Economy
Original Total Commitment:	USD 2.57M	Disbursed Amount:	USD 2.56 M
Revised Amount:	USD 2.56M		
Environmental Category: C			
Implementing Agencies: Ministry of Labor, Public Service and Human Resource Development			
Cofinanciers and Other External Partners:			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	02/26/2008	Effectiveness:	09/11/2008	
Appraisal:	03/20/2008	Restructuring(s):	06/29/2011	
Approval:	09/11/2008	Mid-term Review:	11/20/2010	01/08/2012
		Closing:	06/30/2011	06/30/2012

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Moderately Unsatisfactory
Risk to Development Outcome:	Moderate
Bank Performance:	Moderately Unsatisfactory
Grantee Performance:	Moderately Unsatisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)			
Bank	Ratings	Borrower	Ratings
Quality at Entry:	Moderately Unsatisfactory	Government:	Moderately Unsatisfactory
Quality of Supervision:	Moderately Unsatisfactory	Implementing Agency	Moderately Satisfactory
Overall Bank Performance:	Moderately Unsatisfactory	Overall Borrower Performance:	Moderately Unsatisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performance	Indicators	QAG Assessments	Rating
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	No	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Moderately Satisfactory		

D. Sector and Theme Codes		
	Original	Actual
Sector Code (as % of total Bank financing)		
Central government administration	100	100
Theme Code (as % of total Bank financing)		
Administrative and civil service reform	34	34
Other accountability/anti-corruption	33	33
Other public sector governance	33	33
Public expenditure, financial management and procurement		
Tax policy and administration		

E. Bank Staff		
Positions	At ICR	At Approval
Vice President:	Makhtar Diop	Obiageli Katryn Ezekwesili
Country Director:	Bella Bird	Kenishi Ohashi
Sector Manager:	Paolo Zacchia (acting)	Anand Rajaram
Project Team Leader:	Rupert Bladon	Stephen Ndegwa
ICR Team Leader:	Rupert Bladon	
ICR Primary Author:	Jack W. van Holst Pellekaan	

F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)

The PAD stated that “The overall development objective of the project is to improve the capacity at the federal, state and local levels to deliver decentralized services to the citizens of Sudan”.

This was mistakenly adopted as the objective of this project whereas it was really the overall development objective of PSCAP (the program). The PAD explained, referring to the stated objective of the project quoted above, that “This was expected to be achieved through a phased, programmatic approach actualized through sequenced short and medium term projects...”

The PAD went on to state the objective of the first phase (Support Project I) as follows: “The current project – limited in scope and duration – would be the initial phase to build a foundation for supporting the full implementation of the constitutional mandate to decentralize governance and service delivery to states and localities.”

Revised Project Development Objectives (as approved by original approving authority)

“To improve the capacity in targeted agencies at federal and state level in the areas of human resources management, PFM, procurement, public sector training and the management and monitoring of fiscal transfers.”

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target
Indicator 1	Beneficiaries from training programs at the federal, state and locality levels			
Direct Project Beneficiaries	0	4,200		3,015
- of which female (%)	0	40		37.5
Date achieved		05/20/2008		06/30/2012
Comments	Partially achieved (72%). This reflects the total number of central, state and locality staff which has been direct beneficiaries of the project through training and workshops...			
Indicator 2	A study of the Ministry of Labor, Public Service and Human Resource Development financed by the project aimed at identifying new human resource management policies and restructuring for the Ministry which would provide a model for similar or parallel human resource management policies in other federal ministries.			
Yes/No	No policy	New target	Yes	Yes
Date achieved			09/30/2011	09/30/2011
Comments	Fully Achieved. According to the terms of reference this study was in seven parts. The most important were those parts that addressed the re-engineering and restructuring of the Ministry. The studies resulted in plans and actions by the Ministry to restructure and improve its efficiency.			

Indicator 3	Number of states adopted new HR management data base			
Number of states	No HR management data base	New target	5	0
Date achieved				
Comments	Not achieved. Program modules for state data bases were developed under PSCAP but their roll out to the states could not be started before PSCAP closed because of limited funding. The roll out is being implemented under the continuation of PSCAP financed by the Government.			
Indicator 4	New fiscal decentralization formula developed in accordance with international good practice			
Text	No fiscal decentralization formula	New target	Formula available	Agreed fiscal decentralization formula available
Date achieved		06/30/2011	12/31/2011	06/30/2012
Comments	Fully Achieved. Fiscal decentralization formula was developed and has been endorsed but its successful application by FFAMC depends on the availability of accurate budget data.			
Indicator 5	Number of targeted public sector training institutions that have undergone structural and functional assessment			
Number	0	3		3
Date Achieved		06/30/2012		06/30/2012
Comments	Fully Achieved.			
Indicator 6	Number of senior staff at the FFAMC trained in intergovernmental fiscal relations			
Number		New target	31	33
Date achieved			4/30/2012	6/30/2012
Comments	Fully achieved. FFAMC staff travelled to Malaysia for this training			
Indicator 7	Number of Finance Ministry staff at the federal and state level trained in procurement management, public financial management, project management and M&E			
Number	0	New target	270	243
- of which female (%)	0		50	52
Date achieved		06/30/2011		6/30/2012
Comments	Partially achieved (90%) Finance Ministry staff members received training in the various PSCAP training programs and workshops.			

(b) Intermediate Outcome Indicators

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target
Indicator 1	Percentage of staff being re-designated based on new job descriptions at the Ministry of Labor			
Percent	0	New Target	85	50
Date achieved		06/30/2011		06/30/2012
Comments	Partially achieved. The new job descriptions were based on the results of the re-engineering and restructuring studies financed under PSCAP.			
Indicator 2	Percentage of HR records that are migrated to HR management data base at federal level			
Percent	0	New target	90	100
Date achieved				06/30/2012
Comments	Fully Achieved. The electronic human resource data base was introduced using PSCAP funds.			
Indicator 3	HR procedure manuals developed in Ministry of Labor			
Yes/No	0	New target	Yes	Yes
Date achieved				06/30/2012
Comments	Fully Achieved. Overall 9 manuals were developed, one for each of the general departments in the MOL			
Indicator 4	Number of state and local government officials trained in accordance with the capacity building strategy			
Number	0	New target	2,070	1,847
- of which female (%)			36	35
Date achieved				06/30/2012
Comments	Partially achieved (89%). Training financed by PSCAP			
Indicator 5	Number of departments that have undergone restructuring at the Ministry of Labor, Public Service and Human Resource Development			
Number	0	New target	6	6
Date achieved		06/30/2011		06/30/2012
Comments	Fully achieved. The restructuring of departments was based on studies of the MOL financed by PSCAP			
Indicator 6	M&E systems developed in the FFAMC			
Yes/No	0	New target	Yes	Yes
Date achieved		06/30/2011		06/30/2012
Comments	Fully Achieved. Development of the M&E system in FFAMC was led by a consultant financed by PSCAP			
Indicator 7	Number of senior staff at the FFAMC and state government officials trained in M&E			
Number	0	New target	82	55
- of which female (%)			20	40
Date achieved		06/30/2011		06/30/2012
Comments	Partially Achieved (67%) Training of FFAMC and state officials was financed by PSCAP			

Indicator 8	Development of new standardized bidding documents			
Number	0	New target	Yes	Yes
Date achieved			06/30/2011	06/30/2012
Comments	Fully Achieved. Standardized bidding documents developed with financial support from PSCAP –			
Indicator 9	Development of Procurement Manuals			
Yes/No		New target	Yes	Yes
Date achieved		06//30/2011		06/30/2012
Comments	Fully Achieved. The preparation of manuals for the procurement of services and goods was financed by PSCAP			
Indicator 10	Number of SAAS and MDC staff trained as trainers of trainers in public sector reform, PFM and M&E			
Number		New target	90	20
- of which female (%)			30	30
Date achieved		06/30/2011		6/30/2012
Comments	Partially achieved (22%)			
Indicator 11	New curriculum in fiduciary management developed at AFES			
Yes/No		New target	Yes	No
Date achieved		06/30/2011		
Comments	Not achieved. The client declined this support during the project, indicating that it was an activity to be taken up as part of activities to be funded by government after the project formally closed.			

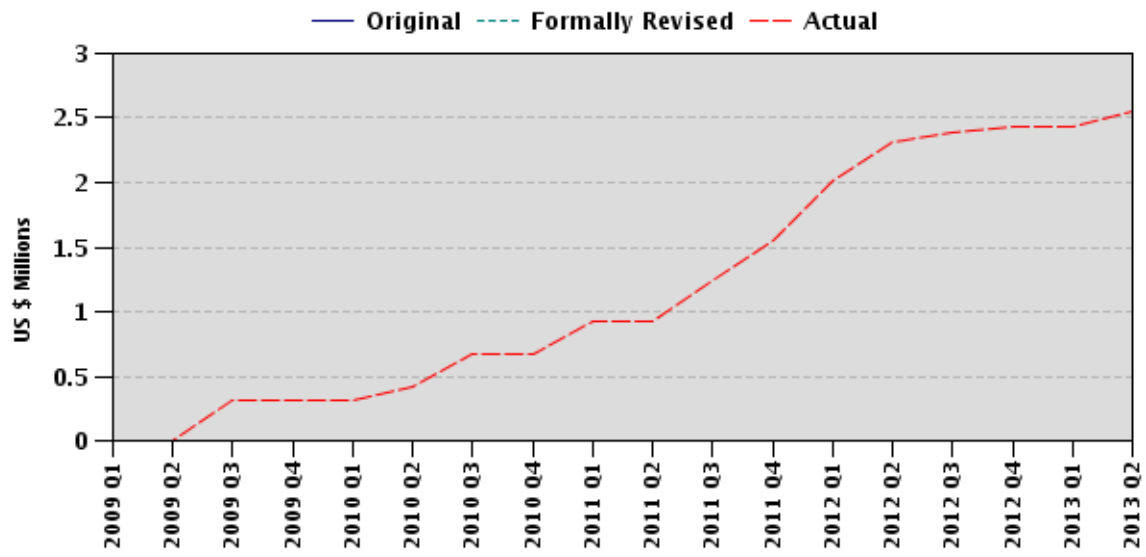
G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	6/30/2009	Satisfactory	Moderately Satisfactory	0.32
2	10/15/2009	Moderately Satisfactory	Moderately Satisfactory	0.43
3	12/21/2009	Moderately Satisfactory	Moderately Satisfactory	0.43
4	3/21/2010	Moderately Satisfactory	Moderately Satisfactory	0.68
5	6/12/2010	Satisfactory	Satisfactory	0.68
6	01/03/2011	Satisfactory	Satisfactory	0.94
7	1/31/2012	Moderately Satisfactory	Moderately Satisfactory	2.32
8	8/3/2012	Moderately Satisfactory	Moderately Satisfactory	2.43

H. Restructuring (if any)

1. The project was restructured in June, 2011 by making the following amendments to the Grant Agreement: (i) extension of the closing date from June 30, 2011 to June 30, 2012; (ii) reallocation of grant proceeds across components based on re-prioritized activities; and (iii) revision of the PDO and M&E indicators in line with the recommendations of the Country Portfolio Performance Review (CPPR) in 2011, and following reviews as part of subsequent implementation support missions.

I. Disbursement Profile



1. Project Context, Development Objectives and Design

1.1 Context at Appraisal

At appraisal Sudan was the largest country in Sub-Saharan Africa by land area. Despite considerable land degradation and desertification, it remains rich in terms of natural resources and has the potential for substantial growth. Sudan had, however, been affected severely by conflicts for five of the six decades since independence in 1956. In 1993 the Government became ineligible to borrow from the Bank because of its inability to co-finance on-going Bank projects and the deteriorating economic situation in Sudan (caused to a large extent by the civil war in the South) which was not conducive to a sustained development program. In 1993 the Bank closed its offices in Sudan during a period when average GDP growth was about 3.8 percent per annum.¹ After substantial cuts in public expenditures necessitated by the withdrawal of international support followed by the discovery and exploitation of oil, Sudan's rate of growth doubled. Nevertheless the Government remained in arrears to the Bank.

In December 2003, after a cease fire in the South and negotiations for a Comprehensive Peace Agreement (CPA) started in earnest, the World Bank and UN were asked to coordinate a Joint Assessment Mission (JAM) to determine the resource needs of Sudan over a six-year Interim Period and to develop with Sudan's authorities a framework for reconstruction and development. The JAM produced a "Framework for Sustained Peace, Development and Poverty Eradication," with strong government ownership, including clear commitments and a monitoring framework. The implementation of the JAM framework was supported by government resources and assistance from the development partners.

The many decades of civil conflict officially ended when the CPA was signed on January 9, 2005. As part of the Wealth Sharing Protocol in the Wealth Sharing Agreement of the CPA, two Multi-Donor Trust Funds (MDTFs) to finance reconstruction and rehabilitation programs were established under the administration of the World Bank. One MDTF (MDTF-NS) was designated for the Government of National Unity (GONU) focused on war-affected areas and including the three areas of Blue Nile, Abbey and Nubba Mountains, and the other (MDTF-SS) for the Government of Southern Sudan (GoSS).

The core rationale of the MDTFs was to provide a financing facility within the framework of the CPA that could rapidly provide financial resources from pooled donor contributions for the most urgent development programs and projects to reconstruct and

¹ Bank Report No. 24620-SU; *Sudan: Stabilization and Reconstruction Country Economic Memorandum Volume I*, June 30, 2003; page 14

rehabilitate conflict affected areas, leading to the generation of increased employment, incomes and reductions in poverty.

The World Bank was requested to manage the two trust funds and to do this two Technical Secretariats were established, one in Khartoum to manage the MDTF-NS and the other to manage the MDTF-SS in Juba. At the Oslo Conference in April 2004 donors pledged about \$500 million to the two trust funds and both MDTFs became effective on August 24, 2005. The MDTFs in Northern and Southern Sudan were at first managed by two separate Interim Oversight Committees which later each became permanent Oversight Committees.²

This project, financed by the MDTF-NS, supported the key strategic pillar of “improving governance” in the World Bank Interim Strategy Note (ISN) for Sudan in 2008. As stated in that ISN, the “focus of the Bank’s support is to assist GONU in making decentralization work.” Moreover, the project goals are consistent with that ISN’s emphasis on the need to increase pro-poor spending for basic services in the context of the dramatically increased central government revenues at the time, more efficient allocation of fiscal transfers to the states and more effective decentralized service delivery, and especially to support the capacity of states, which have a crucial role in service delivery given their post-2005 constitutional responsibility and increasing ability to finance services.

As explained in more detail below, it was in this context and in light of a weak civil service at the federal and state levels that PSCAP was designed.

1.2 Original Project Development Objectives (PDO) and Key Indicators (as approved)

PSCAP’s project appraisal document (PAD) stated, under the heading of Project Development Objective at the front of the document that “The overall development objective of the project is to improve the capacity at the federal, state, and local levels to deliver decentralized services to the citizens of Sudan”.³ The Grant Agreement (GA) also states this as the project’s objective. Both the PAD and the GA also state that the project is in two phases and the GA adds that the two phases may overlap.⁴

² In the remainder of this ICR mention of Sudan refers to the Republic of Sudan which during the CPA Interim Period was referred to as the Government of National Unity. In January, 2012 the people of Southern Sudan decided to secede from Sudan. As a result South Sudan and Sudan became separate countries on July 9, 2012.

³ PAD, page 4

⁴ MDTF – NS Grant No. TF092615, “Public Sector Reform, Decentralization, and Capacity Building Program Support Project”, September 4, 2008, Project Execution, paragraph 2.01

However, the PAD for PSCAP Support Project I goes on to state that “The current project – limited in scope and duration – would be the initial phase to build a foundation for supporting the full implementation of the constitutional and legal mandate to decentralize governance and service delivery to states and localities. This was therefore the objective for the first phase of PSCAP, namely Support Project I. It is clear from the description of the two phases in the PAD and the GA that the PAD’s statement of the “overall development objective of the project” should have been expressed as the “overall development objective of the program” – namely PSCAP.⁵ The Grant Agreement made the same mistake in its statement of the “Project Objectives and Description” stating that the “The objective of the project is to assist the Recipient improve the capacity at the federal, state, and local levels to deliver decentralized services to the citizens of the Sudan”.⁶ There was one significant difference between the definitions in the PAD and Grant Agreement – namely the use of the word “localities” (well defined administrative areas in Sudan) in the PAD and “local levels” (undefined administrative area in Sudan) in the Grant Agreement.

Regrettably the approach to the early implementation and supervision of Phase I of PSCAP (until restructuring discussed below) used the much broader program objective as the project objective. The first phase of the program (PSCAP Support Project I) was much more limited in scope. Indeed, the PAD states that “In this first phase the project will focus on assisting select central government agencies to realign and manage their roles and processes, develop capacity to better perform their regulatory, facilitation, mentoring and monitoring roles, and improve human resources management processes. It would also support the implementation of transparent, credible, and efficient intergovernmental fiscal transfers and monitoring processes; immediate support to urgent procurement reforms at central level; and build capacity in key institutions for necessary policy analysis and design, training, and monitoring and evaluation to further decentralization with a results focus.”⁷

Hence, for the purpose of evaluating this project (PSCAP Support Project I) the objective is taken to be ***“to build a foundation for supporting the full implementation of the constitutional and legal mandate to decentralize governance and service delivery to states and localities.”***

⁵ This interpretation was verified during a consultation with PSCAP’s task team leader at project appraisal who stated that the word “project” in the statement of the “overall development objective of the project” at the start of Section 5 of the PAD on page 4 should have been “program”.

⁶ MDTF-NS, Grant No. TF092615, *Public Sector Reform, Decentralization, and Capacity Building Program Support Project, Annex A, Article II, Project Execution.*

⁷ Project Appraisal Document for a “Public Sector Reform, Decentralization, and Capacity Building Program (PSCAP) - Support Project I”, Section A5, page 4. While this is an official World Bank document, it does not have a Bank Report number.

The second phase was to be limited to supporting cross-cutting systems reforms in *service ministries*. Two triggers were contemplated for moving from Phase I to Phase II of the project, namely (a) a record of successful implementation of the first phase; and (b) nomination by government of ministries selected for reforms and the government's readiness to implement Phase II reforms. A more elaborate statement of the Phase II objective which reflects its components can be found in the GA. It also provides a statement about the conditions that would trigger Phase II. Towards the end of the first phase, however, the Government decided it did not wish to enter into the second phase, but opted instead for a continuation and deepening of Phase I.

1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and reasons/justification

In June 2011 (with the original closing date only weeks away, the Interim Period for the CPA at an end, and information from the recently completed Country Integrated Fiduciary Assessment (CIFA) which pointed to some specific issues that needed to be addressed in Sudan's public financial management) the first phase of PSCAP was struggling to achieve what the TTL and Bank management had mistakenly interpreted were the project's objectives. The Government and the Bank agreed that to achieve the objectives the project's closing date should be extended. This was an opportunity to restructure other aspects of the project such as the objectives.

The PDO was therefore revised "to improve the capacity in targeted agencies at federal and state levels in the areas of human resources management, PFM, procurement, public sector training, and the management and monitoring of fiscal transfers." This PDO was in effect a restatement of the intended objectives of the first phase and did not attempt the more far reaching program objective. The only new element in the revised objective was that it defined the areas of project activity more precisely.

This was an "opportunistic restructuring" because it was an opportunity to respond to the conclusions of the CIFA for Sudan published in May 2010 – namely that fiscal discipline in Sudan is undermined by a number of weaknesses in public financial management systems.⁸ The weaknesses were not a surprise, namely (a) limited credibility of the federal budget; (b) poor commitment controls in the budget; (c) poor budget execution controls; (d) an underdeveloped procurement management regime and (e) poor oversight of public enterprises.

The restructuring also led to substantial changes in PDO indicators. The original key project indicators proposed in the PAD were not well chosen because most of them were too ambitious, impossible to measure, or irrelevant to assessing progress towards the

⁸ Responding to the conclusion of CIFA had already been foreshadowed in the Project Appraisal Document, (page 2)

PDO because they were not attributable to the project's activities. Table 1 summarizes the original indicators and changes made at restructuring.

Table 1: Original and Changed Project Indicators Resulting after Restructuring

Original and Changed Project Indicators		Comments/ Rationale for Change
Original Indicator	Changes during Restructuring*	
Percentage of staff being evaluated based on the new job descriptions at each of the targeted ministries	Indicator dropped	Indicator not clear
Percentage of budget actually transferred to sub-national levels (as % of amount legally allocated)	Indicator dropped	Achievement of indicator and targets not directly attributable to the project
Percentage of budget that is actually transferred within 60 days (as % of total amount legally allocated)	Indicator dropped	Achievement of indicator and targets not directly attributable to the project
	New human resources management (HRM) policy developed for Ministry of Labor, Public Service and Human Resource Development	New indicator;
	Number of targeted states adopting new HRM database	New indicator describes key element of restructuring/HRM improvement process
	New fiscal formula developed in accordance with international good practice	New indicator; clear attribution of project to achievement of indicator
	Number of senior staff at the FFAMC trained in inter- governmental fiscal relations (of which female percentage at least 40%)	New indicator describes FFAMC capacity to manage fiscal transfers
	Number of targeted public sector training institutions that have undergone structural and functional assessment	No change
	Direct project beneficiaries (of which female percentage at least 40%)	New indicator
	Number of staff in Ministry of Finance and National Economy at the federal and state levels trained in procurement management, public financial management, project management and	Intermediate Result Indicator reworked

Original and Changed Project Indicators		Comments/ Rationale for Change
	M&E (of which female percentage at least 50%)	
Intermediate Results indicators		Comments/Rationale for Change
Original Indicator	Changes during Restructuring*	
Number of targeted ministries with new job descriptions	Revised percentage of staff being re-designated based on new job descriptions at the Ministry of Labor and Human Resources from 0 % to 85 %.	Indicator better reflects restructuring process
HR policy adopted by targeted ministries	Indicator to be dropped	Similar indicator now used at PDO level
	New indicator for HR management procedure manuals developed in the Ministry of Labor, Public Service and Human Resources	Indicator tracks key element of restructuring/HR management improvement process
	New indicator for number of state and local government officials trained in accordance with the capacity building strategy (of which female percentage at least 50%)	Indicator tracks key element of restructuring/HR management improvement process
	New indicator for number of departments that have undergone restructuring at the Ministry of Labor and Ministry of Human Resource Development	Indicator tracks restructuring process, taking into account scope of project
A stable transfer formula is issued, published and disseminated to the sub-national levels	Indicator was dropped – reflected at PDO level.	Reworked indicator at PDO level.
Percentage and number of senior staff at the FFAMC trained in intergovernmental fiscal relations, fiscal formulae, and M&E	Indicator was dropped – reflected at PDO level.	Reworked indicator at PDO level.
Financial and procurement policies adopted by targeted ministries	Indicator was dropped	Achievement of indicator and targets not directly attributable to the project
Percentage and number of		Reworked indicator now

Original and Changed Project Indicators		Comments/ Rationale for Change
senior staff at the MOFNE trained in procurement management and in new regulations, and M&E	Indicator was dropped – now reflected at PDO level	at PDO level.
Guidelines for planning and tracking performance at the federal, state, and local levels are issued and disseminated	Indicator was dropped	Achievement of indicator and targets not directly attributable to the project
Percentage and number of senior staff at the Ministry of Federal Governance trained in decentralization policy reform, sub-national economic and fiduciary management, and M&E	Indicator was dropped	
	New indicator: FFAMC M&E systems developed	Indicator now appropriately focused on project activity
	New indicator for number of senior staff at the FFAMC and state government officials trained in M&E (of which female percentage at least 40%)	Indicator now appropriately focused on project activity
	New indicator: Development of new standardized bidding documents	Indicator now appropriately focused on project activity
	New indicator: Development of Procurement Manuals	Indicator now appropriately focused on project activity and attributable to project
Training Plans for institutes (3) established	Dropped	Attribution to project unclear
Percent of annual training plan delivered for each institute	Dropped	No clear attribution to project. Indicator dependent on independent activities of training institutions
Number of staff trained at federal, state and local levels in planning, fiduciary and human resource management, including computer applications in	Revised of number of SAAS and MDC staff trained as TOT in public sector reform, PFM, and M&E (of which female percentage at least 30%)	Clearer attribution to project – indicator now dependent on project activities, not independent activities of training institutions

Original and Changed Project Indicators		Comments/ Rationale for Change
public management – financial, project and M&E management)		
	New indicator for curriculum in fiduciary management developed at AFES	Indicator takes into account scope of project and attribution more clearly linked to activities
Timely Quarterly progress (financial, procurement and results M&E) reports issued	Dropped	
100% of disbursements are compliant with IDA FM guidelines	Dropped	
100% of procurement actions are compliant with IDA Procurement guidelines	Dropped	

Source: Restructuring Paper, Public Sector Reform and Decentralization and Capacity Building Support Program, June 29, 2011; page 8 (no report number)

1.4 Main Beneficiaries,

The project beneficiaries were in four broad groups, namely (a) at the federal government level the Ministry of Labor, Public Service and Human Resource Development, the Ministry of Finance and National Economy, and the Fiscal and Financial Allocation and Monitoring Commission; (b) institutions with roles in the education of public administration namely MDC, SAAS and the MOFNE Training Center; (c) six state governments where support for improved financial management was focused; and (d) citizens of Sudan.

The expected benefits for the institutions were financial support for improving their institutional capacity through domestic and international training in how to improve the efficiency of allocating central government funds to the states, as well as the more effective formulation and management of federal and state government policies, programs, and projects. Sudan's citizens were expected to benefit from a more efficient public financial management system and more efficient public services.

1.5 Original Components

Component 1: Restructuring ministries and upgrading of human resource management processes (US\$ 1.60 million)

The objective of this component was to build capacity of the public sector at the federal and state levels, and realign the mission and role of central government ministries and states to the context of decentralization. This was to be achieved through institutional

restructuring/reengineering and better human resource management policies and processes.

The component was intended to finance: (a) restructuring of the Ministry of Labor, Public Service and Human Resource Development⁹ as a model for the design and realignment of ministerial policies and strategies in accordance with the CPA, INC and MDGs; (b) reengineering and redesign of two key processes in up to two ministries to make them efficient and effective by upgrading policies and procedures, and producing new operational manuals and guidelines; (c) computerization of civil servants records to upgrade security, reliability, and to presage an integration with the anticipated installation of an Integrated Financial Information Management System (IFMIS) at the Ministry of Finance and National Economy (MOFNE); (d) provision of technical support for the newly created National Civil Service Commission for development and launch of a strategy to meet CPA equity mandates.

Component 2: Implementation of fiscal decentralization and select fiduciary reforms (US\$ 1.35 million)

The objective of this component was to finance: (a) an assessment (leading to a reform and implementation support plan) of the current fiscal formulae and the existing fiscal transfer systems, including a monitoring and evaluation mechanism; (b) training in budget preparation and execution, financial management and procurement, investment planning and implementation for states and localities; (c) technical assistance to the Ministry of Federal Governance to strengthen its leadership role in policy and guideline formulation and development of a framework for continuous dialogue among stakeholders (e.g. national, state, and local agencies and citizen groups) so as to move the decentralization reform forward; and (d) support to Ministry of Finance and National Economy to train procurement officers at central ministries, establish a central website for procurement management, and develop regulations for the anticipated new procurement law.

Component 3: Building capacity of national public sector management training institutions (US\$ 1.38 million)

The objective of this component was to build a sustainable national training capacity at the Sudan Academy of Administrative Sciences (SAAS) and the Management Development Centre (MDC) to support the government reform efforts in public sector management and in decentralized governance; and to support capacity enhancement at the MOFNE Academy for Finance and Economic Studies (AFES).

⁹ In subsequent parts of this report the acronym for this ministry has been abbreviated to MOL. For part of this project's implementation there was a separate Ministry of Labor and Administrative Reform and a Ministry of Human Resource Development. By the time the project closed the two ministries had been amalgamated again.

The project financed support for these three institutions to transform them into centers for training public servants from states and local governments (SAAS), central ministries and senior civil servants to provide them with skills matching required competencies for their jobs, especially in the context of decentralized governance (MDC), and for improved economic governance given new challenges and economic realities such as the rise of the oil industry develops (AFES).

The component was intended to finance (a) an assessment of the existing capacity of three institutions to respond to the training needs emerging from the strategic reforms the Government of National Unity was undertaking to reform the public sector and improve service delivery via decentralization, and in economic management at the Academy for Finance; (b) development of curricula to address training needs supportive of the Government reform agenda; and, (c) purchase of relevant technology, equipment, training materials to support courses in public service management applications (especially budgeting, accounting, and personnel management) and analyses in economic management.

Component 4: Support for the Project Implementation Unit (PIU)
(US\$ 0.81 million)

Due to limited capacity across the public service in Sudan and specifically in relation to complex project implementation, it was necessary to create an independent Project Implementation Unit (PIU) to rapidly, efficiently and accountably support the coordination of the project.

The objective of this component was to provide the PIU with the capacity to: (a) ensure daily collaboration between the Ministry of Labour, Public Service and Human Resources Development, as the coordinating ministry, and the various beneficiaries/executors of the project components and sub-components; (b) provide the proper support to, and supervision of, the project's procurement of goods and services, and monitoring and reporting of results; (c) build the technical base to design the next phase of the program to scale up and to move from the entry-level reforms in this project to more complex ones in future phases; and (d) to prepare the PIU to transition into the technical secretariat for the Supreme Council for Administrative Reform that is anticipated to take over and continue with the broad set of public sector reform activities Government envisions.

The project financed and the PIU facilitated: (a) the recruitment of international and national experts to provide the PIU with in-house advisory services and implementation support during the life of the project in the following areas: procurement, financial management, monitoring and evaluation, and strategic communications; (b) international and national consultants to assist the Government to formulate relevant project components for a second phase of this project once the decision to scale up is made; and, (c) necessary equipment and office space for the efficient and effective functioning of the PIU.

1.6 Revised Components

There were no revisions to the project's components

1.7 Other significant changes

There were two other significant changes to the project when it was "restructured". They were a change in the allocation of the project's proceeds as shown in the Table 2. The second change was an extension of the closing date from June 30, 2011 to June 30, 2012.

Table 2: Allocation of Project Proceeds at Approval and Restructuring in June 2011

Item	Amount of the Grant Allocated at Approval	Amount of the Grant Allocated at Restructuring
(1) Goods	813,000	451,493
(2) Consultant Services	712,000	1,073,507
(3) Training	774,000	774,000
(4) Operating Costs	271,000	271,000
Total Amount	2,570,000	2,570,000

2. Key Factors Affecting Implementation and Outcomes

2.1 Project Preparation, Design and Quality at Entry

Context and Project Preparation: The preparation of this project started soon after negotiations of the CPA were completed in January 2005. There were, however, many complications during the early stages of PSCAP's preparation. First, the then GONU based in Khartoum had emerged from years of negotiations with a diminished status because it was no longer responsible for the autonomous administration of Southern Sudan. Nevertheless, it remained responsible for a number of policies for Sudan as a whole such as foreign affairs and defense. However, GONU's status was to last for only a six year interim period after which there was considerable uncertainty in Khartoum about the future structure of Government because of the unknown outcome of a plebiscite to be held in Southern Sudan in 2010 on the issue of secession from the rest of Sudan. Hence in 2005 there were many questions about the future reach of the Khartoum Government's future responsibilities. It should also be recalled that in 2005 the GONU was already heavily engaged in a conflict in the three states of Darfur and there was friction with Eastern Sudan. These regions were exerting strong pressure for greater autonomy from the government in Khartoum. Therefore, considering these uncertainties, it was not surprising that when the first exploratory discussions about MDTF-N support for public sector reform were held in 2005/2006 the GONU's commitment to any reform was cautious and limited.

Second, regardless of the uncertainties, there was already a public service structure in place and significant resistance to any reform because of numerous vested interests within the civil service which wanted no change to the power structure among various parts of the civil service.

Third, while Sudan was established on the basis of a decentralized federal system of government, there was weak compliance with the principles of decentralization in the course of daily government business. For example, up to 2005 the sharing of fiscal resources and administrative responsibilities between the central and state governments was limited. However, the principle of decentralization was strengthened in the Interim National Constitution (INC) by including clear provisions for revenue sharing. Awareness of the legal requirement for greater fiscal decentralization in the INC after 2005 raised questions about the impact of the redistribution of responsibilities for the delivery of services between the central and state governments and the implications for the future structure of the state and locality public sector administrations.

The Bank was aware that over the years various attempts at public service reform had been tried. For example a National Conference of Administrative Reform was held in 2001 to formulate a long term strategy for 2002-2006. A program was prepared but implementation did not start. A subsequent informal review of the project models used for strengthening the public sector in the program concluded that they were either outdated or inappropriate for Sudan. To assess the challenges of project preparation in light of the history of a steadily deterioration of the public service and the political realities in 2005, the trust fund for Low Income Countries Under Stress (LICUS) and the MDTF-NS funded a number of studies in collaboration with the Government which were aimed at analyzing issues associated with the preparation of a comprehensive public sector reform program.¹⁰ However, these studies had little impact on PSCAP's ultimate design.

Project Design: Given the political context in which this project was designed it was clear that comprehensive public sector reform program as a basis for the first phase of PSCAP was out of the question because of the GONU's justifiable uncertainty about its future needs as well as failed attempts in the past. Although there was agreement in principle among the authorities regarding the need for a program to improve the capacity of the public sector at the federal, state and locality levels to deliver decentralized services to the citizens of Sudan, the first phase (namely this project) was cautiously described in the PAD as "establishing the essential 'backbone' capacity and processes that enable actual service delivery by frontline ministries, departments and devolved authorities" (page 4).

The original PSCAP design had envisaged a \$20 million project based on an agreed public sector reform program. However, without agreement on a reform program, PSCAP's first phase was reduced to focus on the obstacles to achieving improved capacity at the federal, state and locality levels to deliver decentralized services. The original three components therefore appropriately addressed (a) restructuring ministries

¹⁰ See letter to the Minister of Labour and Administrative Reform from Vivek Srivastava dated October 27, 2005. A concept review for the earlier proposed project was held in November 2005 but for years after that date discussions continued about the appropriate objectives and framework for a project.

and upgrading of human resource management processes (Component 1); (b) implementation of fiscal decentralization and selected fiduciary reforms (Component 2); and (c) building capacity of national public sector management training institutions (Component 3). They were well chosen to deliver an initial and modest public sector capacity building program.

The revised project development objective did not change the components of the project. The only effect was a reduction in the scope of ministerial restructuring to one target ministry. The revised objective was still framed mainly in terms of processes and not outcomes. In addition capacity building in three Government civil service training institutions, the individual training of many civil service staff, and the studies of various aspects of the civil service functions including the structure of one ministry were implemented without a vision of the future policies and roles of central, state and locality governments. It has already been argued in this report that in 2007/08 it may have been premature to embark on a public sector reform program because of the many uncertainties facing the GONU. The PSCAP Steering Committee was therefore designed to provide the interim leadership and direction on strategic issues related to the evolution of public sector reform.

Design of Project Components. The first component's objective was "to build the capacity of the public sector at the federal and state levels, and realign the mission and role of federal and state government ministries to the context of decentralization".¹¹ According to Annex 4 of the PAD they were to be achieved "through institutional restructuring and reengineering and better human resource management policies and processes".¹² However, without an overall vision of a reformed public sector in Sudan the PAD could not make it clear how the design of this component would satisfactorily lead to the project's objectives.

With respect to "restructuring and reengineering", Annex 4 of the PAD explained that "design and realignment of ministerial policies and strategies" would be "in accordance with the CPA, INC and MDGs". However, this reflected a very limited and relatively short term perspective of the future. The component's original objective of restructuring of two ministries and upgrading human resource management were to be achieved by subjecting "a few selected processes in each (targeted) ministry to the reengineering and redesign in order to make them more efficient and effective".¹³ However the meaning of "reengineering and redesign" was not defined except that study groups would be formed to "to work on the selected processes in various ministries and to identify the appropriate reengineering processes".¹⁴ In regard to human resources development in the relevant

¹¹ PAD, Annex 4, page 37

¹² PAD, Annex 4, page 37

¹³ PAD, Annex 4, page 37

¹⁴ PAD, Annex 4, Page 37

institutions, the activities were designed to conduct reviews mainly by consultants. No follow up actions were anticipated or required by the project.

The objectives of the second component were focused on the institutions in Government responsible for fiscal decentralization and fiduciary reform, to “build foundations for further policy reform and make decentralization work” and finally “to begin initial support for core fiduciary sub-systems, especially procurement”.¹⁵ To achieve these objectives assistance was designed to provide consultant services to extend technical support, training, as well as office equipment to improve capacity of the FFAMC. Assistance to the Ministry of Federal Governance was aimed at formulation, coordination and monitoring the implementation of decentralization. Actions designed to achieve all these aims were a number of staff training programs in budgeting, financial management and project preparation, studies, as well as workshops and computers. The predominant training for FFAMC staff through this project was in budget management and fiscal decentralization. It was not clear how the project was designed to build the foundations for further public sector reform policies – indeed the only policies to be studied were “the foundations for further policy reforms to make decentralization work”.¹⁶ The design of support for core fiduciary systems turned out to be the preparation of a comprehensive procurement manual, and risk-based audits in two ministries. These were substantive contributions to the project.

The objective of the third component was to build the capacity of the three Government training institutes. The design of the assistance was built around the training of the staff at the three institutions with the aim of improving their effectiveness. To provide the basis for this assistance the project financed studies of the objectives, organization, capacity and performance of the three Government training institutions. In addition the FFAMC, SAAS and the Ministry of Finance were provided with a range of equipment to improve their operational capacity.¹⁷

Quality at Entry

There was no quality at entry review of the first phase of PSCAP by QAG or any other group in the Bank. Quality at entry issues are discussed under the evaluation of Bank Performance.

¹⁵ PAD, page 6

¹⁶ PAD, page 6

¹⁷ A local area network was installed in MDC financed by the earlier DFID project (See the PAD, Annex 10). However, it was never configured and remains inoperable. The technology is now probably obsolete.

2.2 Implementation

PSCAP Phase I was approved by the Oversight Committee of the MDTF-N on September 11, 2008 with commitment of \$2.43 million. It became effective immediately since the Grant Agreement had already been signed by the Government on September 4, 2008.

Implementation could start quickly. The United Kingdom's Department for International Development (DFID), in collaboration with UNDP, had from February 2008 provided a grant of \$400,000 for a PSCAP pilot project. This grant provided financing for a pilot on job description, targeted strengthening of capacity at MDC and SAAS, and also support for the physical establishment of the Project Implementation Unit (PIU).¹⁸ Hence the physical facilities for the PIU for PSCAP were already established when the project was approved. However, project implementation moved slowly because of factors the project could have controlled and factors it could not control.

Procurement started slowly. Among the factors the project could have controlled were inexperienced staff in the PIU who initially had difficulties processing the procurement of studies in line with World Bank guidelines and as a result procurement delays were significant. The procurement of the first equipment for FFAMC, SAAS and the PIU itself was not completed until mid-2009. It also took much longer than expected to formulate the early training programs, the terms of reference for the studies, and arrangements for study tours. For example, there were time consuming debates among stakeholders about training objectives and the terms of reference for studies. This delayed contracting and launching of training programs and studies. The first training programs were not implemented until the first quarter of 2011 and the first studies were not completed until March 2010 (see Annex 2).¹⁹ It is recognized that objectives and terms of reference for activities need to be carefully prepared and experience shows that this can take many months. For a project in which activities were almost totally focused on training and studies, the objectives for core training modules and the terms of reference for core studies should have been agreed as part of project preparation and appraisal and included in the PAD. Had this been done it would have accelerated the start of implementation by many months.

Funding shortfalls reduced the project's scope. The main factor that affected implementation negatively and that was beyond the project's control was the lack of support from the Ministry of Finance and National Economy (MOFNE), despite the Ministry's regular assertions that it strongly supported the project. The lack of support ranged from not sending a representative to meetings of the PSCAP technical committee

¹⁸ See PAD, Annex 10

¹⁹ Note that the first workshop for federal and state level policy makers and senior managers was arranged by the Ministry of Labor in Gezira state in August/September 2010.

to substantial delays in the disbursement of the agreed Government contribution of \$2.57 million which was half the total project cost. In the event the Government contributed 32 percent of the total cost but most of it was disbursed in the six months before the revised closing date when it was too late to launch some of the activities. It should be said, however, that towards the end of the project the Government offered to contribute \$2 million to finance an extension of the project's activities in the area of fiscal decentralization and asked the Bank to extend the closing date and continue supervision of implementation and provide technical assistance. As mentioned in Section 4 of this ICR the Bank did not extend the project's closing date. Nevertheless, the Government is financing a year's extension of PSCAP activities focused on fiscal decentralization.

The project also suffered a period of extreme uncertainty from August to October 2011 after the decision to restructure the project was made in June of the same year. During this time all project activities were halted by the World Bank pending the completion of discussions regarding the Government's payment of counterpart funds without which the project could not proceed.²⁰ It took about three months to resolve this matter with the Government making a commitment in October 2011 to disburse funds to the PSCAP account which would be adequate to cover the operational costs of the PIU.

Lack of leadership from PSCAP's committees. An overriding weakness in the project's implementation was the inadequate support from the project's Steering and Technical Committees.²¹ The Steering Committee did not have its first meeting until October 27, 2009 which was more than a year after the date of effectiveness. That was its only meeting during the project's implementation. As explained below PSCAP was implemented without a public sector reform policy. In these circumstances a Steering Committee was essential to provide leadership and advice to the PIU on strategic issues such as the type of staff training as well as the objectives and necessary content of studies. The only meeting of the Steering Committee provided no guidance on these issues. The project's implementation was to a large extent the procurement of a list of studies and training programs foreshadowed in the PAD, as well as some capacity building investments without a cohesive strategy for establishing the "backbone capacity and processes that enable actual service delivery"²² which described the core thrust of this first phase project. The Technical Committee met only three times (an equivalent of less than once a year during the project's implementation) but it too had an important potential role in monitoring the quality of training and studies. From a review of the minutes available from two of the three Technical Committee meetings it was clear that no technical issues related to the performance of PSCAP such as the quality of training and studies were discussed at these meetings. This was a major shortcoming in the Government's support for PSCAP.

²⁰ See Implementation Supervision Report, 81, June 28, 2012

²¹ Annex 6 of the PAD which sets out the project's implementation arrangements shows the committee structure.

²² See PAD, page 4

There was no vision on public sector reform strategy. The lack of a vision on public sector reform strategy as well as the absence of any leadership by the Steering and Technical Committees for PSCAP’s activities were two important and related implementation issues. PSCAP’s Phase I project was designed to establish a “foundation” to support the “full implementation” of fiscal decentralization and service delivery to states and localities – which was the core objective of the originally intended PDO for Phase I. But, the first phase, though sensibly simple, lacked even the outline of a strategy for public sector reform at the federal, state and locality levels that would achieve the “foundation”. The pragmatic reasons for this were explained earlier in this report, but the result was that PSCAP activities were planned and implemented without a strategic vision for public sector reform which the project was designed to support. The project therefore proceeded to establish the “foundation for supporting the full implementation of the constitutional and legal mandate to decentralize governance and service delivery to states and localities” without adequate information on what that foundation should be.

There was no agreed vision of what public sector reform would look like. Except for the detailed lists in the PAD of training program titles to be financed by PSCAP, there was also no agreed content for a program of capacity building, training and studies required to establish the necessary “backbone capacity and processes that enable actual service delivery by frontline ministries, departments and devolved authorities”.²³ This uncertainty was reflected in protracted discussions between the PIU and various government institutions about the terms of reference for the various studies and training programs.

The lack of a vision on reform was also reflected in the limited opportunity of those who received training to apply their knowledge. The beneficiary survey, discussed later in this report, indicates that 18 percent of trainees in a sample of 595 advised that the training had not provided sufficient information to apply to their current work, and a further 40 percent had limited opportunities to apply the knowledge gained in their current work. Hence, almost 60 percent of the sample of trainees stated that the training received was either inadequate or they had limited opportunity to apply the training in their current place of work. This confirmed the views of teaching staff in the Government training institutions that, while trainees may graduate with a useful set of theoretical skills, they seldom have an opportunity to apply those skills in their daily work.

On the positive side, after delays during the first year after effectiveness, the PIU was able to make considerable progress on the implementation of studies, training programs and workshops as proposed in broad terms in the PAD. Over time the main factor constraining the PIU’s work to implement these activities was the limitation on funds

²³ PAD, page 4

because of delays in the disbursement of the Government's financial contribution to the project.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

It was not until March 2010 that a qualified M&E specialist started work in the PIU to establish baselines and to monitor and evaluate activities financed by the project.²⁴ An M&E specialist was an essential part of a PIU for a project which had so many activities, and should have been hired before or at effectiveness. It is understood that attempts were made by the PIU to appoint an M&E specialist from the start of the project. These attempts were at first unsuccessful but by the time an M&E specialist started work in the PIU in 2010 only a few of the training activities had been completed and hence the results for most of them were monitored. However, at the close of the project no evaluation of their impact had been attempted except for the usual assessment of the training by trainees immediately after it was held.

Design of M&E: The results matrix was the core element of the M&E design and was used as the main M&E instrument throughout the project's implementation to monitor performance. However the original project outcome indicators were extraordinarily ambitious and could not have been achieved by this project as designed. The reason was that, although they were defined as project outcome indicators, it was clear they were really program indicators. Their existence in the results matrix repeated the error in the definition of this project's objectives discuss in Section 1.2. Final and intermediate outcome indicators were amended at the time of project restructuring in June 2011 although the revised results matrix along with the revised key indicators did not appear in an ISR until 6 months after restructuring. Monthly and quarterly reports of PSCAP activities were designed to track the project's original and revised implementation indicators. However, the M&E design made no provision for evaluating the quality and impact of major outputs from the project, namely the training and studies.

M&E Implementation: Achievements of indicators in the results matrix could be regularly updated during supervision using data provided by the PIU. Despite the absence of an M&E specialist during the early phases of the project, the PIU prepared timely monthly and quarterly reports which were submitted to the Ministry of Labor, the Bank and the Monitoring Agent. The M& E specialist summarized the assessments of the trainees at all the training events during the life of this project. In addition, after the project closed the M&E specialist undertook a survey of trainees to assess the impact of the training, including the impact of training on their skills and its relevance to their current work. A summary of the results from that survey can be found in Annex 5. There were still no assessments by the PIU of the quality of the studies.

²⁴ See Implementation Supervision Report, #1, June 30, 2009

M&E Utilization: The main usefulness of the results matrix was that it provided the mechanism for an ongoing assessment of the project's progress through the original and revised key project indicators. However, during the project's implementation there was no evaluation of the project's impact on capacity building in the civil service at the federal, state or locality level. There appeared to be a tacit assumption that if studies were implemented and training was conducted that capacity building would be achieved. There is no evidence that the M&E system had any impact on the project's management or the decisions by stakeholders.

2.4 Safeguard and Fiduciary Compliance

There were no safeguard issues associated with this project

Procurement Capacity: Procurement activities in the PIU were competently and satisfactorily handled. There was no change in the procurement specialist during the project's life. However, procurement processes faced difficulties. Principally there were delays in reaching agreement on the terms of reference for many studies. As mentioned earlier, these delays were probably due to the lack of a vision about future public sector reform and hence the future role of the three Government training institutions – particularly AFES which is managed by the MOFNE. However, the terms of reference for many studies were based on short term perspectives, and in one case the time established for the task was completely inadequate.

Financial Management: A financial management specialist was retained in the PIU from the start of the project. In addition financial reports were produced on time and there were no qualified audits. There was no change in the financial management specialist during the project's life.

2.5 Post-completion Operation/Next Phase

The Grant Agreement established the pre-conditions that would trigger the implementation of the second phase of the project. However, towards the project's amended closing date the Government advised that it was not interested in pursuing a second phase of this project and preferred instead to extend the existing project. An earlier section of this ICR noted that to support an extension of PSCAP the Government (through the MOFNE) made a commitment to contribute the equivalent of \$2 million so long as future activities were directly related to improving the Government's capacity in the area of fiscal decentralization that can be replicated.²⁵ Even without a financial contribution from the MDTF-NS the Government wanted the Bank to provide technical support to the project's future implementation because it regarded PSCAP as a useful vehicle for enhancing the capacity of the public service at the central, state and locality levels.

²⁵ See letter from Faiza Awad Mohamed (Director-General of International Financial Cooperation, Ministry of Finance and National Economy) to Alassane Sow, Country Manager, World Bank, dated January 29, 2012.

The Bank declined to agree to an extension of PSCAP for one year as had been requested by the Government because “internal procedures make it difficult to extend the project which will be dependent entirely on counterpart funding”.²⁶ Nevertheless, the Government continues to support PSCAP with its own resources and it has approved an action plan for the next 12 months submitted by the PIU.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

Relevance of Original and Revised Objectives

Context: When the CPA was signed in January 2005 the GONU in Khartoum was presented with the opportunity to use prospective increases in its own financial resources from rising oil revenues, support from the MDTF-NS, and the possibility of additional funding from multi-lateral institutions and bi-lateral sources in the Gulf Region for the funding of its development program. The Interim Constitution prepared soon after the CPA included a mandate for the federal government to allocate domestic revenues to the states on a rational basis. The Government therefore needed to move quickly to improve its capacity to manage and distribute these funds rationally, but it was in a weak position to do so.

As the PAD for PSCAP stated, “With the CPA-mandated referendum to determine the political future of Sudan set for 2011, Government effectiveness, accountability, and results become especially critical to sustaining the peace and delivering dividends promised under by CPA. If Sudan is to make progress in moving from conflict to sustainable development, improved capability, accountability and transparency of Government institutions are imperatives.”²⁷

Relevance of Original Objective. The original intended objective “to build a foundation for supporting the full implementation of the constitutional and legal mandate to decentralize governance and service delivery to states and localities”. This objective, though ambitious and not completely clear because of doubts about the meaning of “foundation”, was relevant to the objectives of the Government, to the citizens of Sudan, to the Bank’s assistance strategy as expressed in the JAM documents, and to the Bank’s interim assistance strategy. This objective remained substantially relevant during project implementation but, as already discussed in Section 1.2, Bank staff mistakenly used the broader PSCAP program objective during most of PSCAP’s first phase.

²⁶ Letter from the Bank to Ms. Faiza Awad, Director-General of International Financial Cooperation, Ministry of Finance and National Economy dated June 21, 2012. It should be noted that at its meeting on May 9, 2012 the Oversight Committee of the MDTF-N had no objection to the extension of PSCAP until December 2013

²⁷ PAD, page 1

Relevance of Revised Objective: The revised objective defined at project restructuring was “to improve the capacity in targeted agencies at federal and state levels in the areas of human resources management, PFM, procurement, public sector training, and the management and monitoring of fiscal transfers.” This was in effect a restatement of the intended objective of the first phase. Its usefulness was that it clarified the meaning of “foundation” for the fiscal decentralization of governance and service delivery to states and localities in the original objective. The simpler revised objective was highly relevant to the current challenges facing public sector reform in Sudan.

Relevance of Original and Revised Project Designs

Relevance of Original Design: The project’s design supported human resource development, fiscal decentralization, and training institutions in Sudan’s government, by (a) improving institutions in Government that had a responsibility for human resource management through studies, training and technical assistance; (b) building the capacity of institutions that had a responsibility for decentralization through technical assistance and training; and (c) improving the capacity of Government training institutions (SAAS, MDC and AFES) to improve the quality of their training of public employees at the at the central, state and locality government levels through studies of the capacity and performance of these institutions and the training of their staff. The results matrix, while providing intermediate outcome indicators for these activities also listed three project development indicators which were far beyond the reach of the activities in this first phase project. They were obviously intended as outcome indicators for the two phase program. The results matrix also included requirements for regular reporting of the project’s progress and compliance with procurement guidelines which were not appropriate for a results matrix.

These activities were designed to be under review at least twice yearly by high level Steering and Technical Committees. The design was only moderately relevant to the project’s objectives because the activities of improving institutions and the efficiency of fiscal decentralization, as well as strengthening the training institutions for the civil service were not anchored to a clear explanation of how these activities would be relevant to building a “foundation for supporting the full implementation of constitutional and legal mandate to decentralize governance and service delivery to states and localities”.

Relevance of Revised Project Design: In the revised design the original project activities were retained but the key project indicators were revised by deleting the original three project development indicators and the indicators related to regular reporting and the procurement guidelines. Since restructuring re-phrased the objective of building a “foundation for supporting the full implementation” of fiscal decentralization and service delivery the activities originally designed for the project became more relevant to the revised project objective. The former project outcome indicators which could not be attributed to activities in PSCAP’s first phase were replaced by indicators which were attributable to first phase activities, namely capacity building in targeted agencies, in the

areas of PFM, procurement, public sector training, and the management and monitoring of fiscal transfers.

The remaining indicators and results matrix were shown in Annex 1 of the Restructuring Paper and were substantially relevant to the revised objectives of the restructured project.

Implementation As mentioned already, with the project nearing the original closing date the Bank and the Government agreed that an extension of the closing date was justified in order to compensate for the early implementation delays. This was also an opportunity to restructure the project as had been recommended at the Portfolio Review in May 2010. In June 2011 the closing date was extended by one year to end June 2012 and restructuring was achieved. The project's objectives were trimmed, some key project indicators were deleted, modified and many others were added. This was a highly relevant restructuring because it explicitly moved the project away from the mistaken burden of achieving the program objective.

3.2 Achievement of Project Development Objectives

It has already been argued that the intended and revised project objectives were materially the same. As indicated below about half of the project's achievements occurred before and the other half after restructuring. Moreover, disbursements do not reflect the timing of the project's achievements (outputs or outcomes). Therefore no distinction will be made here between the achievements under the two objectives.

Project's Achievements before Restructuring. By the time the project was restructured in June 2011 it had financed the study of the structure and functions of the MOL, had started the support for capacity building in the FFAMC, and had supported 33 training sessions and 7 workshops.²⁸ In addition six studies and related capacity building events were completed before the restructuring date.²⁹

Project's Achievements after Restructuring. After the project was restructured the work on the structure and functions of the MOL and capacity building in the FFAMC continued and implementation was started, an additional six training events were completed including the training of FFAMC staff at a short course on intergovernmental relations in Malaysia. Three workshops were also completed after restructuring and four additional studies were completed after restructuring.

The project's objectives were to be achieved through (a) institutional reform in government ministries; (b) strengthening the FFAMC in its role to support fiscal decentralization and related fiscal capacity building; and (c) strengthening government management and administration institutions. Training and workshops were an important

²⁸ For 2 training events the precise dates could not be obtained

²⁹ For 3 workshops the precise dates could not be obtained.

part of each of these thematic areas. This summary of achievements distinguishes between outcomes and outputs.³⁰

(a) Institutional Reform in Government Ministries. The structure and functions of the MOL were evaluated before restructuring, and subsequently a new human resources policy was developed for the Ministry, six departments were restructured, and new job descriptions for staff in the Ministry were prepared. It is understood that these changes in the Ministry are being implemented, but the applicability of actions in the MOL to other central ministries is uncertain. This achievement meets one part of the project's original and revised objective and is a substantial **outcome** from the project.

In addition to this outcome, the following were important outputs.

- Civil servants' records in the central government were computerized which upgraded the security and reliability of personnel records, and also prepared the way for the integration of these records with the Integrated Financial Information Management System (IFMIS) at the Ministry of Finance and National Economy (MOFNE). A start was made to extend the computerization of civil servants' records in all the states and this has already been achieved in two states since the project closed. There is strong demand from the other states for the computerization of their personnel records. On the other hand there is no hard evidence of the outcome from this work and it is therefore regarded as an output.
- Technical assistance was provided to the Ministry of Federal Governance to strengthen its leadership role in policy and guideline formulation and capacity to effectively develop a framework for continuous dialogue among the central government, the states, and localities on decentralization.
- Technical and logistical support was provided to the Supreme Council for Administrative Reform to rationalize and formulate its role in overseeing the introduction of a comprehensive public sector reform.
- The project financed training programs on financial management, budgeting, procurement and risk based auditing to strengthen the capacity of MOFNE staff.

However, some in-house training of state MOFNE staff and some international study tours to learn from the experience of other countries on civil service reform were not achieved because of the lack of funds caused by the shortfall in Government disbursements of counterpart funds.

(b) Strengthening the FFAMC in its role to support fiscal decentralization and related fiscal capacity building. The project successfully supported the development

³⁰ For more details see Annex 2

of a revised formula for the allocation of central government revenues which is in line with international practice. This formula is now being applied by FFAMC in all the states although the extent to which it is useful depends on the accuracy of the overall fiscal and sectoral data available. This was an important part of both the original and revised the project objective and was the second substantial **outcome** from the project. In five PSCAP focus states where data are most accurate the basis for the allocation of central government revenues is said to have improved.

In addition to this outcome, the following were important outputs

- The capacity to implement fiscal decentralization was strengthened through the project's support to FFAMC. A substantial number of FFAMC staff received hands on training in M&E and intergovernmental fiscal relations. In addition 25 staff attended a short course on fiscal decentralization in Malaysia.
- FFAMC also received a significant number of computers and related equipment to support improvements in its efficiency.
- The preparation of standard bidding documents and manuals in Arabic for the public procurement of services and goods were financed by the project. It has been proposed that they become the basis for national standards for all public procurement in the central government and the states. Such documents have never been available before in Sudan, however the substantial delay in completing the manual meant that the substantial training program that need to follow was not implemented. It therefore remains an important output because there are as yet no measurable outcomes
- The project completed most of the proposed training programs focused on financial management in the states and localities. An important training series on risk based auditing was added to the program after the project was restructured. There was a high degree of satisfaction among the 3,105 trainees with the quality of the training. Indeed there is a considerable demand for more in-depth training in the same subjects and additional training in different subjects such as computer literacy. As mentioned above almost all the training programs were held in 2011 and 2012 which was a considerable delay compared with the date of effectiveness of September 2008.³¹
- Studies of revenue mobilization and fiscal decentralization architecture, as well as a review of the implementation of Government's GRP system were not achieved because of the reduced finance available for the project. In addition a study tour for the National Council of Decentralized Governance was cancelled.

(c) Strengthening Government Management and Administration Institutions. The project financed studies of SAAS, MDC and AFES to assess their existing capacity, management structure, staffing and facilities. The purpose of the studies was to reach conclusions on the ability of these institutions to respond to the training needs emerging from the public sector reforms the Government is planning to undertake including fiscal decentralization and improvement of government and service delivery in the states and localities. The study reports were substantially

³¹ One IT training program was held in Gezira state in 2009.

delayed and of uneven quality. While the project did not require responses to the studies by the three institutions, some have voluntarily responded in various ways to improve their effectiveness as training institutions for civil servants.

The following were additional outputs

- PSCAP also provided modest assistance to these institutions for staff training, as well as the purchase of relevant technology, equipment, training materials to support courses in public service management.
- For this component some activities were also dropped because of the lack of funds, namely the purchase of IT equipment for the three training institutions and support for their capacity building.

In summary, overall four of the seven PDO indicators were achieved and six of the eleven intermediate outcome indicators were achieved.³² There were, however weaknesses in the quality of some of the study reports (which to some extent can be attributed to inadequate terms of reference), and delays in the completion of some important studies and training. Finally, there are significant questions about the extent to which the training, workshops and study tours had a positive impact on the performance of those who were trained.

On balance there were moderate shortcomings in achieving the project's objectives both before and after project restructuring.

³² See Data Sheet

3.3 Efficiency

The PAD noted in Annex 9 that World Bank studies have identified a number of factors that improve efficiency of public services and therefore contribute to the improvement of accountability and quality and quantity of services available to citizens. They included: (a) transparent processes; (b) improved human resource management systems and incentive structures focused on results; and (c) participative processes especially at the local level in tracking planning, expenditures and services. While it is feasible to postulate that these three processes mentioned could improve the efficiency of public institutions, there is no evidence regarding the impact of these factors in the context of PSCAP.

On the other hand, the following three examples show how PSCAP's contribution could potentially lead to improved efficiency in the public sector.

- (a) **Economic benefits:** Human capital development through training will improve skills that can be applied to a range of managerial and administrative tasks such as policy analysis to improve the efficiency of the civil service. In addition, those who have been trained can train others and the multiplier effect can be positive force for cohesion and collaboration in government institutions. Of course there needs to be a managerial culture and style that is open to the potential contributions of trained staff. Leaders of training institutions indicated that this culture and style is not always present in the Sudanese Government.
- (b) **Financial benefits:** Successful development of a human resource data base in PSCAP Phase I will make it possible to eliminate "ghost workers" which will reduce government staffing costs. The data base with its information on qualifications, skills, experience and performance will also allow for the possibility of allocating the Government's staff in more efficient ways than at present. The improved allocation of staff should in turn improve the productivity of government.
- (c) **Fiduciary benefits:** Manuals for guiding management decisions on important issues, such as procurement and financial management can make institutions more effective, consistent and predictable. While the impact of the procurement manuals prepared as part of this project and the associated training is difficult to measure, staff involved with procurement in Sudan's central and state governments who use the manuals will achieve a high level of efficiency in the procurement of services and goods. Hence there is a high probability that procurement throughout Sudan will become more efficient and result in substantial cost savings of Government resources.

Cost effectiveness of the PIU. Costs for the project's administration until it closed were \$940,000 against a total project cost of \$3.92 million or about 32 percent. This is a high proportion despite the fact that designing, contracting, monitoring and evaluating 37 detailed contracts for goods and services, 41 training programs and 22 workshops was time consuming and onerous. It should also be acknowledged that there were no major procurement or financial management issues in the PIU. Administrative costs for such technical assistance operations are usually relatively high. On the other hand, it is

significant that the cost of the PIU was more than double the expenditure on studies in Component 3 of the project.³³ Finally, although the project achieved important objectives it was also necessary to drop a number of activities, including some of the training, because of a shortfall in counterpart funds and hence the burden on the PIU was not as heavy as anticipated and overstaffing may have been an issue during the latter years of the project.³⁴

In summary, if PSCAP contributed to a well-trained and effective civil service it will have contributed to a potentially more efficient use of public resources, if trainees are well managed. Cost effectiveness estimates are elusive but the PIU was very costly (much higher than anticipated staff costs) and therefore did not provide value for money which was a significant shortcoming before and after restructuring.

3.4 Justification of Overall Outcome Rating

Rating: Moderately Unsatisfactory

Relevance

Original Objective and Design. As noted above the original development objective intended for PSCAP Phase I was relevant to a stronger public sector which was consistent with the Government's priorities, the aspirations of Sudan's citizens, and the World Bank's assistance strategy. The projects' original design in terms of components was relevant to the project's objectives, but the design of activities was inevitably imprecise because of the absence of clarity regarding the objective of building a foundation for fiscal decentralization and improved services to the states and localities. The results matrix contained either outcome indicators that could not be attributable to project activities or intermediate outcome indicators that were predominantly outputs. On balance the relevance of the project's original objective had minor shortcomings whereas the relevance of the original design had moderate shortcomings.

Revised Objective and Design. PSCAP's revised development objective after restructuring was less ambitious and more specific than the original objective because it referred to targeted agencies and discreet capacity building actions in those agencies. The project's design was unchanged but the number of project indicators was increased substantially and tailored to the project's known progress. There were a number of feasible outcome indicators in the results matrix that could be expected to contribute clearly to the achievement of the PDO. Nevertheless, the results matrix was still heavily weighted towards a substantial number intermediate process or output oriented indicators.

³³ This was pointed out by the MOFNE in its comments on the draft ICR.

³⁴ It should be added that the Government has retained the PIU to continue implementing the project, but it is understood that the MOFNE aims to trim the PIU's costs.

On balance the relevance of both the project's revised objective and design had minor shortcomings.

Efficacy

The achievements of the project were about evenly balanced before and after restructuring. The following discussion will therefore apply equally to original and revised activities. The project developed the draft of a model for the reorganization of the MOL that may be applicable to other ministries,³⁵ and also supported the development of a formula for fiscal decentralization. It also achieved a substantial program of training, workshops and studies. Nevertheless, the project displayed a number of shortcomings which included (a) substantial delays in the implementation of the project which was a serious issue in light of the urgency to improve the capacity of the civil service; (b) the evidence that the impact of the training program was modest because only about 40 percent of trainees said that they used their training in their everyday work; (c) some concerns about the quality assurance of the studies; (d) the applicability of the MOL reorganization to other ministries in the Government could not be confirmed; (e) and the formula for fiscal decentralization has so far had limited applicability although this is due to factors beyond PSCAP's control or the control of FFAMC. Overall the project achieved four of the seven PDO indicators and six of the eleven intermediate outcome indicators. The project's achievements are assessed as having moderate shortcomings. As noted above, this rating of efficacy is ascribed equally to the original and the revised objective.

Efficiency

In summary, a well-trained and effective civil service which PSCAP has sought to develop will result in a more efficient use of public resources. If in addition some of the main results from PSCAP such as the improved capacity of the MOL and the formula for fiscal decentralization can be sustained then benefits to the central government's administrative efficiency as well as the states and their populations will probably exceed costs. However, there is no certainty about this judgment. On the other hand it is certain that the PIU costs were high and some studies were weak. Therefore in terms of value for money, the project's efficiency had significant shortcomings before and after restructuring.

Overall Outcome

With moderate to minor shortcomings in relevance and moderate shortcomings in efficacy, but significant shortcomings in efficiency, the overall rating of outcome is ***moderately unsatisfactory***.

³⁵ The original objective was to achieve the reengineering and redesign of two ministries, but following restructuring this was achieved only in the Ministry of Labor.

3.5 Overarching Themes, Other Outcomes and Impacts

(a) Poverty Impacts, Gender Aspects, and Social Development

There was no measurable poverty reduction, gender or social development impacts of this project

(b) Institutional Change/Strengthening

The restructuring of the MOL was intended to improve its longer term capacity, but it is far too early to be able to make an evaluation of the longer term impact.

(c) Other Unintended Outcomes and Impacts (positive or negative)

There were no unintended outcomes or impacts

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

There was no beneficiary survey or stakeholder workshop undertaken. On the other hand there was a survey of trainees for which results are summarized in Annex 5.

4. Assessment of Risk to Development Outcome

Rating: Moderate

There are three areas where risks exist regarding the longer term impact of this project. The first is whether the restructured Ministry of Labor, whose capacity the project targeted for improvement, will ultimately be able to sustain a higher performance. Hence there are indications, such as the number of staff which has been re-designated based on new job descriptions and moves within the ministry to take advantage of the opportunity to improve its efficiency on a sustained basis, which suggest that the “reengineering and redesign” may be sustained.

The second area is the evidence from the FFAMC that it is using the revised formula for determining appropriate allocations of central government revenues to the states. This provides confidence, along with the decision that this Commission was continued after the end of the interim period of the CPA, that improved methods for the allocation of revenues to the states will be sustained

The development of HR records in the states, as was done for the central government, is said to have been implemented already in two states (Gezira and Northern State) since the project closed. Implementation is planned in other states which provides evidence that this other aspect of PSCAP will be sustained.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

(a) Bank Performance in Ensuring Quality at Entry

Rating: Moderately Unsatisfactory

The preparation of this project started in 2005 and it was at that time very difficult to arrive at a consensus on project objectives and design. It was also a sensitive time in the Sudan's development. Nevertheless, it was the right project for its time given the weak state of the public administration in the central government, the states and the localities.

The final PAD, prepared by the second task team leader (TTL) was dated May 2008 and by then all parties were weary of the seemingly endless discussions on the project's objectives and components. It was therefore perhaps no surprise that the PSCAP's program was mistakenly defined in the PAD as the objective for the project's first phase. This error automatically increased the project's scope and set up unreasonable expectations until the project was restructured in 2011. Bank management did not notice. On the other hand the project document described the project components very well and covered all the important issues in a PAD. The results framework was logical but again the PSCAP program objectives were defined as the objectives for the first phase. As a result some of the outcomes were unbelievably ambitious and could never be attributable to project activities. Also, while the PAD described the project's implementation plan in extraordinary detail, it fell short in not providing an overview of the Government's perspective on future public sector reform. Although there may have been difficulties in obtaining a considered Government perspective on its plans for reform, the absence of any perspective not only undermined the sense that the Government owned the project, its absence also made the efforts of the PIU to check the relevance of draft terms of reference for the studies and the subject of training programs more difficult because there was no solid context for these studies and training activities.

In summary the quality at entry was weak because (a) unfortunate error in not defining the PSCAP (program) objective clearly; (b) there was no overall strategic vision for public sector reform or for the foundation needed for fiscal decentralization and improved service delivery in the states and localities ; (c) the results framework was weak with indicators that either described processes or were not attributable to project activities; and (d) the project design gave insufficient attention to implementation arrangements and preparedness for implementation. These factors led to a rating of moderately unsatisfactory for quality at entry.

(b) Quality of Supervision

(including of fiduciary and safeguards policies)

Rating: Moderately Unsatisfactory

It was unfortunate that there was a succession of six TTLs developing and supervising this project during the eight years between the time it was conceived and the time it closed. This had an unsettling effect on the staff of the PIU since each of the five TTLs

over the four year implementation period needed to be briefed on the project's progress and history. In addition, each TTL introduced different approaches to the project's supervision and evaluation of progress. It is not known whether the frequent changes in the TTLs had any impact on the Government's view of the Bank's performance, but the views of the PIU were quite clear.

During all this time none of the TTLs realized that the project development objective used to gauge its progress in the ISRs was not the objective intended in the PAD for the first phase of the project. When it was clear that the incorrect project objective would not be achieved, the last TTL correctly initiated the restructuring which mainly meant a more modest project objective and new indicators.

Supervision missions made no assessments of the quality of studies. The largest and most costly study, namely the review of the structure of the MOL was only available in Arabic and was not reviewed by any supervision mission even though it was completed more than a year before the project closed. It was not until the ICR was launched that an English translation of the summary of one of the MOL studies was available.

In these circumstances it was regrettable that the Bank did not ensure the active involvement of the Steering Committee and the Technical Committee in the project's implementation.³⁶ The core reason the Committees did not function was because of tensions between the ministries over control of the project.

The Bank also lost an important opportunity to build on the project's moderate achievements when it rejected the Government's request to extend the closing date for at least 12 months during which the MOFNE agreed to finance PSCAP's activities with \$2 million so long as work was focused on strengthening the Government's capacity to implement fiscal decentralization with the Bank retaining responsibility for technical advice and overall supervision. The Bank's decision to allow PSCAP to come to an end in the face of the Government's offer to continue financing capacity building for fiscal decentralization was not only shortsighted but also contrary to the Bank's strategy in the ISN to support capacity building and a disappointment to the MOFNE. In addition the Bank's inaction to extend the project with Government financing reduced the likelihood of the project sustaining its development outcomes. Moreover there was no technical or institutional reason for the Bank's argument that the project could not be extended because it would be entirely dependent on counterpart funding. In conclusion, the Bank prejudiced the sustainability of a moderately successful public sector capacity building program and risked its reputation by rejecting of an offer to be a partner with the Ministry of Finance to continue PSCAP for at least a year.

³⁶ It is understood that some supervision missions discussed the weak performance of the Committees and requested action. It appears that nothing was done and subsequent supervision missions seldom followed up.

Based on (a) the succession of task team leaders; (b) inattention of all the TTLs to the correct project objective in supervision reports; (c) arms-length supervision of the quality of technical work financed by the project; (d) a disinterest in the committees which were established under the project to provide advice on strategic and technical issues; and (e) rejection of a reasonable opportunity to support the sustainability of the project the Bank's supervision performance is rated as moderately unsatisfactory.

(c) Justification of Rating for Overall Bank Performance

Rating: Moderately Unsatisfactory

The ratings for Bank and supervision performance were moderately unsatisfactory and hence the overall rating for Bank performance is moderately unsatisfactory.

5.2 Borrower Performance

(a) Government Performance

Rating: Moderately Unsatisfactory

During most of PSCAP's implementation period the Government provided only modest support for the project. The Ministry of Labor, the ministry responsible for the implementation of the project, provided very little critical overview of project activities. In addition, although the MOL was responsible for chairmanship of both the Steering and Technical Committees only one Steering Committee meeting was held and the Technical Committee held only three meetings throughout the implementation period despite the fact that the decree which established these committees required them to hold at least two meetings per year. The point emphasized already in this ICR is that PSCAP and the PIU needed the Steering Committee to frame the project activities in the context of the Government's policies on public sector reform and the Technical Committee to resolve disagreements on matters such as the terms of reference for studies and to provide a quality assurance mechanism for the 9 studies and the training program. ISRs made no mention of the inadequate performance of the two committees.

One of the major constraints faced by all TTLs during implementation was the delay in the Government's legal obligation to disburse counterpart funds to PSCAP. Each new TTL had to address this issue but before doing so needed to catch up on history and also establish his bon fide credentials with the Government. While TTLs acted on the counterpart funding issue they could not speak with authority about previous Bank/Government exchanges regarding the delays in the disbursement of counterpart funds. As time went on and the Government continued delaying its disbursements Bank management lost confidence in the Government's commitment. Soon after the project was restructured the delays in counterpart funding continued and Bank disbursements were terminated for three months which was the only recourse available to the TTL. This was a serious setback for the PIU and its processing of contracts. The Country Manager had to resolve the impasse, but this may not have been necessary if only one TTL had followed project implementation from the start and had established a collaborative working relationship with the Ministry of Finance which was responsible for the transfer of funds to PSCAP.

In summary the Government did not live up to a number of its contractual arrangements and also constrained PSCAP's performance by disbursing only 47 percent of its financial commitments. These were significant shortcomings in the Government's performance.

(b) Implementing Agency Performance

Rating: Moderately Satisfactory

As noted earlier in this report, the PIU already had physical facilities when the project started and all but one staff member was ready soon after the project was approved. The PIU was managed by a director and included a deputy director, procurement specialist, financial management specialist, accounting assistant, and administrator at the time of approval. The project director was a seasoned manager with relevant experience in the Ministry of Labor. He was successful in retaining the same PIU staff during the project's implementation and they were all very committed to their responsibilities. The deputy director position was financed by the Ministry of Labor, Public Service and Human Resource Development and, while the incumbent of the position changed about mid-way through the project it was occupied for almost all of the project's implementation period.

There were, however tensions between the MOL and the MOFNE because each considered that the project was primarily in their sphere of influence - the MOL with legal responsibility for administrative reform and the MOFNE with responsibility for fiscal decentralization. Both ministries wanted control over the project.

The main weakness in the PIU staffing was the absence of monitoring and evaluation (M&E) specialist until March 2010. But interim steps had been taken to prepare timely monthly reports on PSCAP and collect data on training feedback by trainees. After the M&E specialist was appointed there was a significant effort put into the collation of data on PSCAP's activities which was followed by evaluative work. The culmination of the M&E activities was the survey of a random sample of trainees seeking information on the impact of PSCAP training programs which was done in response to a request when the ICR was started.

Since the PIU was de facto the secretariat for the Steering and Technical Committees it had an obligation to arrange meetings of the two committees. There is no evidence that the PIU invoked its influential position to ensure that committee meetings were held. Since the PIU staff did not monitor the quality of studies and the two committees rarely met there was no quality control on either the studies or the training.

In terms of achievements the PIU managed 10 studies and associated training, 41 training programs over a substantial geographic area, 22 workshops, and processed the procurement of 33 contracts for goods and services related to the project – all without any reported implementation problems. The fiduciary issues were competently handled with no qualified audits. At the same time the costs of the PIU during the project accounted for about 25 percent of total disbursements which is high.

Overall there were moderate shortcomings in the PIU's performance.

(c) Justification of Rating for Overall Borrower Performance

Rating: Moderately Unsatisfactory

The ratings for Government and PIU performance were respectively moderately unsatisfactory and moderately satisfactory. According to the guidelines, in such a situation the overall rating for borrower performance is given by the earlier project outcome rating. Since it is moderately unsatisfactory that is also the rating here for borrower performance.

6. Lessons Learned

- (a) Political Economy.** Throughout this project's implementation there were tensions between the Ministry of Labor and the Ministry of Finance and Economic Planning. This made the job of the PIU very difficult because it was caught between two ministries which both wanted to exert power over PSCAP's activities. The issue of untimely Government contributions to the project was addressed in the PAD as a risk and it was assumed that since the MOFNE was a member of the Steering Committee such matters would be resolved. They were not. However the tension between the MOFNE and the MOL was not considered a risk. The lesson is that there should be a thorough analysis during appraisal of the political economy of the main institutions associated with project implementation (particularly in an environment such as Sudan at the time of the CPA), if two important ministries have responsibility for one of two project objectives. A way needs to be found to avoid tensions during implementation.
- (b) Clarity in Strategy for Achieving Objectives.** This original correct project objective was to achieve to the foundation for full implementation of fiscal decentralization and improved service delivery in Sudan. However the PAD did not define the "foundation" or the strategy needed to ultimately achieve the full implementation. The lesson is that ambitious objective needs to be accompanied by a strategic road map for its achievement. The PAD provided no such road map.
- (c) Terms of Reference for Studies and Training.** TORs for studies in such a project should be prepared at appraisal and discussed at the negotiation stage. This would not reduce flexibility because after effectiveness TORs would still need to be reviewed with all stakeholders but at least there would be a basis for discussion. The objectives and content of major training programs should also be discussed and agreed as part of the appraisal process.
- (d) Multiple TTLs.** For any project multiple TTLs is a major problem for the Bank and the client. This project certainly suffered greatly from having six TTLs. Relationships needed to be rebuilt with the client and the PIU for each change, and since there were differences in vision and priorities amongst TTLs each transition to a new TTL created problems for the client and the Bank.

- (e) **Language.** The quality of supervision was also compromised by a very important factor – that of language. Arabic is the working language of the public service in Sudan, but only one of the TTLs was an Arabic speaker. As a result, there were some significant lapses in focus on the substance of activities. For example, key studies financed by the project and written in Arabic were not assessed for quality. At the very least part of the supervision budget should be set aside for translation of important documents.
- (f) **Advisory Committees.** Partly as a result of the institutional tensions the Steering and Technical Committees established as part of the project design were never fully operational and made no contribution to the project’s substantive objectives. They should, however, be taken seriously, particularly in an environment where the structure of government changes often, government institutions are divided, and where there is no overall government strategy offering pilotage to the project. Also, having professionals from the private sector might have resulted in a better outcome for the Committees for this project
- (g) **Trainees and their Use of Skills.** A lesson emerging from a survey of trainees who had benefitted from the project found that about 60 percent of the trainees had not been given adequate opportunities to use their skills in their daily work. It was apparent that the reason was the stultifying management culture of the Sudanese civil service which accords considerable power to seniority and in so doing stifles the promotion of those with skills. This culture retards innovation, impedes technological change and lowers productivity. PSCAP’s long term benefits will be severely reduced unless there is a better system for rewarding good managers who value innovation and trained staff. Any future project needs to address this issue

7. Comments on Issues Raised by Grantee/Implementing Agencies/Donors

(a) Grantee/Implementing agencies

The Government provided comments on the draft ICR noting that the project development objective was a big challenge to achieve with the project’s short time frame. This is consistent with the draft ICR

The Government agreed that the establishing the Steering and Technical Committees had been a major challenge and indicated that the reason was the high levels of administrative staff required for the two Committees.

The Government also drew attention to the high cost of the PIU by pointing out that its cost was 116 percent more than the cost of Component 3 of the project. The ICR noted this and rated the efficiency of the PIU as having significant shortcomings.

(b) Cofinanciers/Donors

Not applicable

(c) Other partners and stakeholders
(*e.g. NGOs/private sector/civil society*)

None

Annex 1. Project Costs and Financing

(a) Project Cost by Component (in USD Million equivalent)

Components	Appraisal Estimate (USD millions)	Actual/ (USD millions)	Percentage of Appraisal
Component 1	1.60	1.13	71
Component 2	1.35	0.76	56
Component 3	1.38	0.09	6
Component 4	0.81	0.94	116
Total Project Costs	5.14	2.92	57
Project Preparation Costs	0.34	0.40	117
Total Financing Required	5.48	3.32	61

(b) Financing

Source of Funds	Type of Cofinancing	Appraisal Estimate (USD millions)	Actual/Latest Estimate (USD millions)	Percentage of Appraisal
MDTF-NS	Trust Fund	2.57	2.56	99.6
Government of Sudan	Budget	2.57	1.20	46.7
Total		5.14	3.76	73.2

Annex 2. Outputs by Component

Component 1- Restructuring of ministries and upgrading of human resource management: (actual cost \$1.13 million) A series of studies of the performance of the Ministry of Labor, the need for the re-engineering and restructuring of the Ministry and related issues were completed. As a result a new human resources policy and management as well as a restructuring of the Ministry's organization were achieved. It was part of PSCAP's design that the studies of the MOL would serve as a model for other ministries. As part of this component a human resources data base for the central government's work force was completed and IT equipment was provided to the Ministry of Labor to facilitate the use of the data base and prepare the harmonization of the data base with the anticipated installation of the Integrated Financial Information Management System (IFMIS) being developed in the Ministry of Finance and National Economy. A software program was developed for the use of the states so that they could also establish human resources data bases. Since the project closed human resource data bases have been developed for the state Governments in Gezira and Northern states and staff was trained to use the system. There is substantial demand for the development of these data bases in other states. Their development is being planned as part of the work plan as part of PSCAP's continuation with Government financing.

The Ministry of Federal Governance was provided with technical assistance to strengthen its capacity for a leadership role in policy, guideline formulation and capacity building to effectively develop a framework for continuous dialogue among stakeholders (national, state and locality institutions and citizens) so as to move the decentralization reform forward.³⁷ Finally the General Directorate of Public Procurement, Contracting and Disposal in the MOFNE received assistance to prepare a procurement manual for use in the central Government. It is understood that this manual will in future also become the standard procurement manual for all the states.

At the time of restructuring it was agreed that some activities (in-house training of state MOFNE officials and international study tours) could not be implemented because of the shortfall in the Government's financial contribution to the project.

The status of activities undertaken in this component is summarized below:

- **Study of Ministry of Labor, Human Resources Development.** A study of the structure and functions of the MOLHRD was completed. On the basis of the study a new human resources policy was developed in the Ministry. Six departments in the Ministry were restructured and the drafting of new job descriptions for staff in the Ministry was completed. The relevance of the results of this study to other central ministries is uncertain.

³⁷ Aide Memoire for a "PSCAP Implementation Support Mission", January 9-19, 2012

- **Computerization of HR Records.** The process for the computerization of the civil servants' records in the central government was completed. The objective of the computerization was to upgrade security, reliability, and to prepare for the integration with the Integrated Financial Information Management System (IFMIS) at the Ministry of Finance and National Economy (MOFNE) has been completed. A start was made to extend of the computerization of civil servants' records in Gezira and Northern states. There are active plans to undertake the same work in other states.
- **Capacity Building in Decentralization.** Technical assistance to the Ministry of Federal Governance to strengthen its leadership role in policy and guideline formulation and capacity to effectively develop a framework for continuous dialogue among stakeholders (e.g. national, state, and local agencies and citizen groups) so as to move the decentralization reform forward is currently ongoing and is expected to be completed shortly.
- **Re-alignment of HR Roles.** Technical and logistical support to assist the newly established Supreme Council for Administrative Reform to rationalize and formulate its role in overseeing the introduction of a comprehensive public sector reform.

Component 2 – Implementation of fiscal decentralization and select fiduciary reforms: (actual cost \$0.76 million) The core activity in this component was to contribute to the capacity building of FFAMC. This was done through technical assistance on matters such as fiscal decentralization as well as monitoring and evaluation. Staff also received training in fiscal decentralization and fiscal federalism. In addition FFAMC and the states received computers and other equipment as detailed in Annex 2. However, the level of technology and competence in the state Ministries of Finance to handle the implications of decentralization is still weak. It remains very weak in the localities which have substantial devolved responsibilities from the state governments to deliver public services such as primary health care and primary/basic education.

In addition to these activities PSCAP financed the preparation of perhaps the most important studies which were aimed at providing FFAMC with advice on approaches and formulae for fiscal decentralization and strengthening its monitoring and evaluation capacity. The outcome was that FFAMC was better able to address its main responsibility of making recommendations to the President and the MOFNE on the allocation of central government revenues to the states using a formula with ten criteria weighted in terms of their relative importance. However, the main weaknesses thwarting the full implementation of fiscal decentralization are (a) inaccurate data provided by the states on their revenues, expenditures and an unconvincing rationale behind their request for future financial assistance from the central government; (b) fiscal discipline at all levels of government needs to be improved so as to make more resources available at the central government level for distribution to the states; and (c) significant vestiges of informal processes within the central government on final allocations to the states.

This component also financed a large training and technical assistance program aimed at building and improving the capacity of government institutions. Annex 2 provides details of the programs that were financed. In summary 3,015 trainees benefitted from these programs, although the number of people who benefitted was less because many government staff attended more than one training program.

In this component also some activities could not be implemented because of the shortfall in the Government's contribution. They were a study of revenue mobilization and another on the current fiscal decentralization architecture, as well as a study tour for the National Council of Decentralized Governance and a review of the implementation of Government's GRP system.

The main activities completed under this component are summarized below.

- **Fiscal Decentralization.** The Fiscal and Financial Allocation and Monitoring Commission (FFAMC) has with technical support financed by PSCAP developed a formula that provides the basis for allocating central government revenues among the states that takes account of the wealth of the states, their needs for social services and their capacity to raise their own revenues.
- **Training** in M&E for Fiscal Allocations as well as fiscal federalism have been held for staff in FFAMC and the MOFNE which will be important once fiscal decentralization. The tables below provide details of these training programs.
- **Standard Bidding Documents and Manuals** for the public procurement of services and goods have been prepared and it is proposed that they become the basis for national standards for all public procurement.
- **Training** in risk based auditing, public financial management and procurement regulations have been held in a number of states and these programs will subsequently be extended to all states.

**PSCAP-Financed Capacity Building Training Programs and Workshops
in the States**

Training / Workshop Title	Total Courses and Target Participants	Total participants	Total Female	Date of Impl.- Gezira	Date of Impl.- S. Kordofan	Date of Impl.- Kassala	Date of Impl.. Blue Nile	Date of Impl. Khartoum	Date of Impl. Northern
Budgeting& Planning	6 courses- 180 participants	185	84	10 to 14/4/2011 Total 33 Female: 18	30/1/2011 to 3/2/2011 Total 29 Female: 1	30/1/2011 to 3/2/2011 Total 30 Female: 17	27/3/2011 Total 35 Female: 14	17- 21/4/2011 Total: 30 Female: 20	10- 14/4/2011 Total 28 Female: 14
Better state, local government accountability, transparency and information accessibility	6 courses- 180 participants	167	29	3- 7/4/2011 Total: 23 Female: 3	10- 14/4/2011 Total 30 Female: 7	17 to 21/4/2011 Total 31 Female: 5	10- 14/4/2011 Total: 29 Female: 4	1-5 /5/2011 To Total 27 Female: 6	10- 14/4/2011 Total 27 Female: 4
Strengthening of Policy Coordination mechanism	6 courses- 180 participants	169	45	30/1/2011 to 3/2/2011 Total 27 Female: 8	3-7/4/2011 Total 26 Female: 2	1 to 5/5/2011 Total 30 Female: 12	17 to 21/4/2011 Total 29 Female: 4	2-6 /10/2011 Total 27 Female 11	30/1/- 3/2/2011 Total: 30 Female: 8
IT- Basic course	5 courses- 150 participants	150	101	30/1/2011 to 3/2/2011 Total 30 Female: 18	10 to 14/4/2011 Total 27 Female: 18	17/4/2011 Total 30 Female: 23	1-5 /5/2011` Total 30 Female: 17		23- 27/1/2011 Total 33 Female: 25
IT-Advanced course	5 courses- 150 participants	147	70	3- 7/4/2011 Total: 30 Female: 11	3-7/4/2011 Total 26 Female: 11	24-to 28/4/2011 Total 31 Female: 18	27 to 30/3/2011 Total 30 Female: 15		17- 21/4/2011 Total 30 Female: 15
Project management & M&E	6 courses- 180 participants	184	75	27 to 31/3/2011 Total 30 Female: 12	1- 5/12/2011- Gezira, Total 29- Female 11	1 t 5/5/2011 Total 30 Female: 15	3-7/4/2011 Total 30 Female: 8	18- 22/9/2011 Total 35 Female 15	17- 21/4/2011 Total 30 Female: 14
Awareness of Local development and investment planning for constitutionalists, legislators, executives and local leaders	6 workshops- 450	295	65	13to14/6/ 2012 Total 57, Female 11		20to21/6/ 2012 Total: 69 , Female: 21	17 to 18/6/2012, Total 66 Female 10	24to25/6/ 2012 Total 49, Female 15	27to28/6/ 2012, Total: 54, Female 8
Revenue Generation	5 workshops, 375 participants	247	75	29- 30/3/2011 Total 39 Female: 16		24- 25/4/2011 Total 66 Female: 23	30 to 31/3/2011 Total 76 Female: 14		30- 31/1/2011 Total 66 Female: 22
Human Resources Polices and process	4 workshop 300 participants	303	119	First Workshop 7to8/8/ 2011- Total 80- Female 35	Second Workshop 10to11/8/ 2011 Total 70 Female 27	Third Workshop 14to15/11 /2011 Total 75 Female 30	Fourth Workshop 17to8/4/201 1 Total 78, Female 27		

Source: PSCP PIU – Monitoring and Evaluation Unit.

PSCAP-Financed Training and Workshops in Specific Ministries

Subject/Title	Date	Participants	
		Total	Female
Ministry of Labor			
1-Workshop for federal and state level policy makers and senior managerial level	Northern state,10-12/10/2010	123	23
2-Workshop for federal and state level policy makers and senior managerial level	Gezira state, 28/8 to 2/9/2010	29	5
3- Workshop on review of HRM policies and policies- for leadership	Khartoum, 10 to 11/11/2011	35	18
4- Workshop on review of HRM policies and policies for leaders and intermediate staff	Khartoum, 29 to 30/11/2011	36	23
5- Workshop on review of HRM policies and policies	Khartoum, 26/4/2011	38	22
6- Workshop on review of HRM policies and polices - final report	Khartoum, 27/6/2011	93	47
7- Workshop on Strategy for combating HIV AIDS in the world of work	2011	68	36
8. IT Training	Gezira, 2009	30	8
9- Corruption Workshop (Partial funding)	2011	7	0
Fiscal and Financial Allocation and Monitoring Commission			
1.M&E Training at states (orientation sessions)	Port Sudan, Medani	50	22
2. M&E Training for FFAMC	Khartoum, Feb. 2011	52	11
3. M&E Training PSCAP and Training institute (orientation sessions)	SAAS	20	7
Ministry of Finance and National Economy			
Procurement training (Standard Bidding document/ procurement manual)	Khartoum, June, 2012	62	34

Training on Public Financial Management	Khartoum and Gezira state. 13,17 May- 22,26 April, 2012	61	30
Training Workshop on Risk based Audit, 6-27 May, 2012	Khartoum, and different state	67	28
Training on Budgeting and Planning (for MOFNE only)	Khartoum, 17/21 June, 2012	29	24
Total		800	338

Source: PSCAP PIU – Monitoring and Evaluation Unit. Note: HRM = Human Resource Management

Component 3 - Building capacity of national public sector management training

Institutions (actual cost \$0.09 million) The project financed studies of SAAS, MDC and AFES to assess their existing capacity, management structure, staffing and facilities to reach conclusions on this ability to respond to the training needs emerging from the strategic reforms that the Government is planning in the civil service including the decentralization and improvement of government and service delivery. PSCAP also provided modest assistance to these institutions for staff training, as well as the purchase of relevant technology, equipment, training materials to support courses in public service management. While the project did not require responses to the studies by the three institutions, they have voluntarily responded in various ways to improve their effectiveness as training institutions for civil servants.

For this component some activities were also dropped, namely the purchase of IT equipment for the three training institutions and support for their capacity building. The following table shows the list of studies and supporting activities financed by PSCAP

PSCAP Studies and Supporting Activities

Study	Consultancy	Completion Date	Cost	Language
Analysis and Assessment of SAAS-	Individual	31 October, 2010	\$4,220	English
Computerization System for HR database and HR database transfer	Firm	10 October, 2010	\$18,300	Arabic
Review NTC, Higher Wages Council, Recruitment Board Workers' General Corporation and GSNCT	Individual	11 January, 2011	\$7,615	Arabic
Strengthening Capacity of FFAMC	Individual	11 March, 2011	\$39,250	English
Assess Capacity of MDC	Two Individuals	29 May, 2011	\$27,434	English
Restructuring & Reengineering of MOL and Facilitator for the Workshops on Restructuring, Manuals and Guidelines for Reengineering of MOL	Firm	22 June, 2011	\$150,000	Arabic
Structural review of AFES	Individual	6 June, 2012	SDG20,000	English
Preparation of Procurement Manual, Standard Bidding Documents and Training for GDPP	Firm	30 June, 2012	\$138,605	English and Arabic
M&E of Fiscal Allocation - Capacity Building at Federal and State Levels	Individual	30 June, 2012	SDG30,000	English
M&E of Fiscal Allocation - Capacity Building at Federal and State Levels	Individual	30 June, 2012	SDG30,000	English

Source: PIU Procurement Unit

Summary of Some Issues Emerging from Studies

- **Sudan Academy for Administrative Sciences (SAAS).** The study assessed the capacity of SAAS to provide training services more efficiently. Training manuals on decentralization, good governance, and effective delivery of social services, partnership building and project management were also developed. Among the key recommendations put forward by the consultant include: (a) SAAS and MDC should not be merged (the merging was suggested by government) into one institution because each one has its own specific and distinct mandate; (b) increase the capacity of SAAS to provide capacity building services at the federal and state levels since funds could be allocated through the National Council for Training; (c) the organizational structure should be modified in line with the recommendation of the study for providing training across the federal and state levels; (d) the Board of Directors should be headed by a very senior professional with high qualifications; (e) SAAS should become a financially autonomous institution so that it can perform its functions in a more flexible manner; and (f) the role of SAAS should be expanded to include organizing events/activities for addressing more fundamental and substantive issues on national policies.
- **Management Development Center (MDC).** The study assessed the training capacity of MDC. MDC was established in 1965 as a joint project by the Government of Sudan, UNDP and the International Labor Office. Its main role is to assist in raising the standards of management at all levels in the public and private sectors in order to increase productivity. Among the key recommendations by the consultant were the following: (a) MoFNE should relinquish its control of MDC so that the latter becomes a financially and administratively autonomous institution; (b) strengthen its capacity in its core services and establish each service as a business unit with the view that each should be budgeted separately and performance measured based on efficiency; (c) focus the role of the business units by sector (industry and oil or sugar) with the help of a coach (d) build internal systems and methodologies in the organization development field using participatory research over 12 months in order to learn from the experience; (e) establish a business unit for “Event Management” for conferences and symposiums that caters to senior managers and executives; and (f) seek accreditation from an internationally recognized agency.
- **Academy for Financial and Economic Studies (AFES).** The study reviewed the history of AFES noting its establishment by the Ministry of Finance and National Economy in 1976 with the support of the IMF. It was established to train civil servants in economics and finance. There is no evidence of any in depth or comprehensive evaluation of AFES, its role and performance other than two status reports on its operations. As a training institution it has, according to this study lapsed into “a repetitive pattern of training activity which is mostly limited to occasional courses about which little is known because of the lack of records or files. AFES has no legal status other than as a Directorate General in the MOFNE. It does not award professional certificates rather it provides students with certificates of attendance. It has a small staff, offers a set of 10 standard courses, and contracts staff from the academic community to teach courses. The report makes a number of recommendations including the need for AFES to have a “more visible legal identity”, that AFES should focus on core themes of macroeconomics, consider a restructuring proposal, and take on a more active research function.

The following is a brief summary of other study reports financed by PSCAP

- **General Secretariat for the Higher Council for Administrative Reform (GSHCAR).** The study analyzed the organizational structure of the agency in terms policies and processes and

assessed the problems and constraints that affects its performance. Among the key recommendations put forward were the following: (a) implement a rationalized career development stream across the diverse human resource base; (b) address the gap that exist between job descriptions and qualifications; (c) place staff with higher academic background (PhDs, Master's Degree, etc.) in a job stream that match or is consistent with their qualifications; (d) design of a technical diploma for each area of specialization; (e) seek higher level political support for its mandate; (f) develop a strategy on training that will motivate staff to move to jobs at the State level; and (g) ensure that adequate capacity exists in properly implementing administrative reforms.

- **National Council for Training (NTC).** The study assessed the functions and roles of the NTC as a body responsible for the formulation and implementation of training policies and plans at the national level. The consultants reviewed the activities and current structure of the institution. Job descriptions for 28 posts were also reviewed and a career development strategy for its staff was formulated. Some of the recommendations of the study are: (a) immediate adoption of the new structure; (b) linking of the career development strategy with the training plan; (c) further clarification of the role of the institution vis-a-vis other ministries at the national and state level; (d) involvement of the private sector in the conduct of practical and vocational training; and (e) further cooperation with national and international institutions to solicit technical support and other assistance especially the provision of teaching tools.
- **National Recruitment Board (NRB).** This institution was originally under MOL but was later transferred to responsible to the Cabinet. It was established for the purpose of recruiting civil servants to fill vacancies at the federal level with the view to unifying recruitment policies and ensuring that these are transparently applied. The study was carried out to assess the structure of NRB with the view to adopting and implementing agreed efficiency measures recommended in the study. The NRB also aims to minimize improper recruitment practices that lead to corruption, and to promote a system that uses a competitive selection process. The consultants carried out the following tasks: (a) developed a proposed structure of the institution; (b) drafted job descriptions for 28 positions across 6 departments; (c) developed a career development plan for each occupational stream (Grades 1-9); and (d) prepare a training plan. For the next steps, the study recommended: (a) adoption of a strategic plan that motivates and provide incentives to staff; (b) rationalize the allocation of the NRB budget; (c) revise the selection criteria of the Selection Committee from time to time so that it is more consistent with current realities. The NRB has accepted the results of the studies and is now in the process of developing an action plan to address the relevant findings.
- **Workers Education Organization.** The institution was established in order to promote awareness of the rights, roles and duties of skilled workers through workshops and training events. It also promotes dissemination of information on various by-laws and legislation on work relations. The institution receives funding from ILO, national NGO's and various unions. The study assessed the current situation and constraints faced by the institution in executing its mandate. A new structure was also developed and a career development and training plan for all staff were drafted. The recommendations of the study included the following: (a) urgent recruitment of new qualified personnel; (b) the institution should give priority to carrying out training needs assessment through research and development; (c) collaborate closely with the International Cooperation Department of MoFNE for the purpose of facilitating receipt of additional donor assistance; (d) implementation of international training programs for trainers and also pursuing relevant administrative training for support staff; and (e) improve work and classroom environments for staff and trainees respectively.

Overall Evaluation of Conclusions from Studies

Many of the terms of reference for studies were weak because they typically required an assessment of the performance of institutions in relation to existing mandates which were out of date. Inevitably the studies pointed to shortcomings and they typically argued for institutions to change or restructure their organizations but the recommendations were limited because the terms of reference did not provide a long term vision for the future of the institutions being studied. As a result the studies provided assessments of contemporary challenges that were sound but they lacked bold conclusions and recommendations.

For example PSCAP financed a number of a series of studies aimed at re-engineering and restructuring the MOL. The terms of reference for the first study required an assessment of the ministry's operational performance against the ministry's current mandate (defined in detail in the terms of reference). The second study required the development of an action plan to re-engineer the "organizational structure of the ministry's functions"³⁸ without any consideration of how the ministry's functions could evolve in the future. Another example is the terms of reference for the study of AFES which does mention "ongoing governmental reform" but without any explanation of its content. The deliverables for the study are completely focused on its current functions as are the study's recommendations.³⁹ A final example of the narrow and short-perspectives in the terms of reference can be found in the final report on the MDC in which the author noted that "Lack of outcome level objectives in the TOR impeded the ability for Consultants to determine the project's contribution to broader development goals for MDC. It was unclear how this assignment was to support MDC and who developed the TOR". The report goes on to state that "Assignment duration of 8 days was insufficient".⁴⁰

Component 4: Support for the Project Implementation Unit (PIU). The objective of this component is to create an independent Project Implementation Unit (PIU) that will rapidly and efficiently be accountable for support and coordination of activities under the project.

As the main text of this ICR has assessed, the performance of the PIU regardless of some weaknesses was a constant and reliable presence during project implementation. The PIU is in the process of developing the PSCAP website. It is expected to be launched on or before the end of 2012. The website will, it was said, continue to be a resource for stakeholders as a dissemination tool of the public sector reform agenda. The PIU will transfer the management and maintenance of the website to the General Secretariat for the Higher Council for Administrative Reform at project closure. The establishment of a public information center (PIC) that will enable the public to have access to relevant information regarding the project (e.g. studies, reports, assessments, etc.) was also ongoing. The PIC is expected to be open to the public before the end of 2012.

It had been recommended that an institutional study to be undertaken to perform a mapping exercise and suggest future options to examine the future role of the PIU as a focal point for public sector reform, coordinating activities across a wide range of stakeholders. This was envisaged in the PAD

³⁸ PSCAP, Terms of Reference, "Review of Existing HRM Policies and Processes for the Ministry of Labor", not dated.

³⁹ Abdalla Kafeel, "Re-Structure of the Academy for Financial and Economic Studies", Final Report, May 2012, pages 4 and 20.

⁴⁰ Real Thinking, "Capacity of the Management Development Centre of the Government of National Unity of Sudan", Final Report, 30 May, 2011

as the transition strategy for the PIU. While this activity was included in the list of activities in the project, it has not been accorded sufficient priority to benefit from the available funding. There are currently no plans to undertake it.

Annex 3. Economic and Financial Analysis

Annex 9 of the PAD for PSCAP stated that benefits from improvements of public sector performance are both economic and financial. It also underlined that the project was expected to strengthen the capacity and incentives among public sector actors at federal, state and local levels for greater competence, increased efficiency of public sector policy making and service delivery as well as improved accountability through more transparency, predictability and more participative opportunities for government processes.

Factors Contributing to Economic Efficiency

The PAD noted that World Bank studies have identified a number of factors that improve economic efficiency of public services such as (a) transparent processes; (b) improved human resource management systems and incentive structures focused on results; and (c) participative processes especially at the local level in tracking planning, expenditures and services. The studies on which these conclusions were based demonstrated both direct and indirect links between public sector performance and increases in economic development and sustained growth.

It is too early to measure whether PSCAP has achieved any of these outcomes but (a) transparency has been addressed by PSCAP training programs; (b) studies of the Ministry of Labor have examined human resource management systems and incentive structures; and (c) training in financial management and budgeting at the state as well as the central government levels will have left some mark on finance ministry staff although it is recognized that the stultified management culture in central and state governments can block progress that trained staff can contribute to.

Factors Contributing to Financial Efficiency

Competence in procurement and financial management have typically not been sound in the Government. The CIFA report identified these as significant weaknesses. Therefore manuals for guiding management decisions on important issues such as procurement and financial management can make institutions more effective, consistent and predictable. While the impact of the preparation of procurement manuals and the associated training is difficult to measure, staff involved with procurement in Sudan's central and state governments who use the manuals will achieve a high level of efficiency in the procurement of services and goods. Hence there is a high probability that procurement throughout Sudan will become more efficient and result in substantial cost savings of Government resources.

Annex 4. Grant Preparation and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit
Grant Preparation		
Jill Armstrong	Adviser	OPCDR
Asif Faiz	Country Manager	
Juvenal Nzambimana)	Operations Analyst	AFCET
Francesco Sarno	Procurement Specialist/Consultant	HDNSP
Vivek Srivastava	Task Team Leader	AFTPR
Stephen Ndwgwa	Task Team Leader	AFTCS
Ezzeddine Larbi	Task Team Leader	AFTPR
Waleed Malik	Task Team Leader	AFTPR
Ross Worthington	Task Team Leader	AFTPR
Rupert Bladon	Task Team Leader	AFTP2
Mohamed Yahia Ahmed Said Abd El Karim	Financial Management Specialist	AFTFM
Jamal Abdulla Abdulaziz	Senior Procurement Specialist	AFTPC
Reynaldo P. Castro	Consultant	AFTPR
Antonio J. Cittati	Procurement Specialist/Consultant	OPCFC
Aimnn Mohamed Hassan	Team Assistant	AFMSD
Nelia Polines Dinkin	Program Assistant	AFTPR
J. W. van Holst Pellekaan	Economist/Consultant	AFTCS
Moustapha Ould El Bechir	Senior Procurement Specialist	AFTPC
Richard Olowo	Senior Procurement Specialist	AFTPC
Juvenal Nzambimana	Operations Officer	AFCET
Azza Abdel Magid Iman Abd Alla	Team Assistant	AFMSD
Diego Garrido Martin	M&E Specialist	AFTDE

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	USD Thousands (including travel and consultant costs)
Lending		
Total	25	396
Supervision/ICR		
FY09	8.8	116
FY10	19.4	220
FY11	8.0	121
FY 12	10.3	100
FY 13	2.5	31
Total	49	589

Annex 5. Beneficiary Survey Results

Impact Assessment of the PSCAP-financed Training Program⁴¹

As part of its capacity building strategy, the Public Sector Reform Project (PSCAP) organized six training programs in the five focus states for the project during 2011. A survey was carried out in July/August 2012 in four of the states to assess the impact of the training. Questionnaires were sent to all trainees who attended the six training packages in these four states. Out of 716 questionnaires distributed 595 (83 percent) completed questionnaires were returned. Table 1 shows the distribution of the returned questionnaires from trainees in the four states:

Table 1: Percent of Trainees who Submitted Completed Questionnaires by States

State	Questionnaires distributed	Questionnaires returned	Percent
Northern	178	167	93.8
Kassala	182	146	81.9
Gezira	173	149	86.1
Blue Nile	183	133	72.7
Total	716	595	83.1

The distribution of total trainees who submitted completed questionnaires answered questions regarding the major training programs according to the type of the training is shown in Table 2:

Table 2: Distribution of Trainees who Submitted Questionnaires by Type of Training

Type of Training	Frequency	Percent
Budget and Planning	100	16.8
Better state and Good Governance	96	16.1
Policy Coordination	93	15.6
Basic IT	91	15.3
Advance IT	107	18.0
Project Management	108	18.2
Total	595	100.0

⁴¹ Prepared by Elham Abdalla (PSCAP PIU Monitoring and Evaluation officer)

The questionnaires distributed to trainees contained 13 questions about nine results. The distribution of responses on the key nine results from the trainees is shown in Table 3 below. Questions to managers were embedded in the trainee’s questionnaire but answered independently by relevant managers

Table 3: Distribution by Trainees of Responses on Nine Results Areas

Results	Number of responses	Percent
(a) Impact of training on achievement department/office objective	551	82.0
(b) Impact of training on working efficiency – manager’s assessment	545	81.1
(c) Impact of training on working efficiency – trainee’s assessment	584	86.9
(d) Impact of training on working effectiveness of department	541	80.5
(e) Impact of training on Department/Office – manager’s assessment	556	82.7
(f) Impact of training on ability to identify and solve problems	550	81.8
(g) Dissemination of knowledge by trainees to colleagues	548	81.5
(h) Reasons why knowledge was not applied in daily work.	443	65.9
(i) Promotion or transfer to a new position due to training	577	97.0

A more detailed analysis of the responses by trainees and their managers regarding the impact of PSCAP’s training programs is provided below.

(a) Impact of Training on Achievement of Department/Office Objective

Table 4 shows that out of a total of 595 respondents 63 percent judged that the training had a good or very good impact on the achievement of their department’s objectives, while 29.6 percent judged it had little or no impact.

Table 4: Distribution of the Impact of Training on Achievement of Department/Office Objective

Assessment	Frequency	Percent
No Impact	19	3.2
Little Impact	157	26.4
Good Impact	226	38.0
Very Good Impact	149	25.0
Missing	44	7.4
Total	595	100.0

(b) Impact of Training on Working Efficiency – Manager’s Assessment

Table 5 shows that 68.6 percent of the heads of department where trainees worked judged that the training which their employee received had a good impact or very good impact on increasing the department’s efficiency, while 23 percent judged it had little or no impact on increasing their employee’s efficiency.

Table 5: Distribution of the Impact of Training on the Working Efficiency of Trainee’s Department – Manager’s Assessment

Assessment	Frequency	Percent
No impact	25	4.2
Little Impact	112	18.8
Good Impact	289	48.6
Very Good Impact	119	20.0
Missing	50	8.4
Total	595	100.0

(c) Impact of Training on Working Efficiency – Trainee’s Assessment

Table 6 below shows that based on a self-evaluation by trainees 89.5 percent judged they applied what they had learned with various levels of confidence after they returned to their offices from training. For example 33.6 percent applied their knowledge and trained others. However, 11.4 percent did not apply what they had learned.

Table 6: Distribution Impact of Training on the Efficiency of Trainees - Assessed by Trainees

Assessment	Frequency	Percent
Did not apply training	2	11.4
Applied training with little support	132	22.2
Applied training independently	184	30.9
Applied training and trained other	200	33.6
Missing	11	1.8
Total	595	100.0

(d) Impact of Training on Working Effectiveness – Department Head’s Assessment

Table 7 shows that 65.2 percent of the heads department of trainees judged that the training which their employee received had a good or very good impact on increasing the effectiveness of their department, while 25.7 percent judged the training to have had little or no impact.

Table 7: Distribution of Impact of Training on Working Effectiveness – Manager’s Assessment

Assessment	Frequency	Percent
No Impact	57	9.6
Little Impact	96	16.1
Good Impact	224	37.6
Very Good Impact	164	27.6
Missing	54	9.1
Total	595	100.0

(e) Impact of Training on the Department/Office to which Trainees Return.

Table 8 shows that 61.7 percent of the heads department to which trainees returned judged the impact of the training on the department was positive. On the other hand according to 24.7 percent of department heads considered that the training had little or no impact on the department.

Table 8: Distribution of Impact of Training on the Department/section – Manager’s Assessment

Assessment	Frequency	Percent
No impact	31	5.2
Little Impact	116	19.5
Good Impact	235	39.5
Very Good Impact	174	29.2
Missing	39	6.6
Total	595	100.0

(f) Impact of Training on Ability to Identify and Solve Problems

Table 9 shows that 63.9 percent of the heads of department to which trainees returned reported that training had a good and very good impact on the ability of employees to identify and solve problems although 30 percent judged that training had either no or very little impact on their ability to compare to 5.7 percent those who reported that the training has no impact on identify obstacles face the department.

Table 9: Distribution of Trainees’ Ability to Identify and Solve Problems – Manager’s Assessment

Assessment	Frequency	Percent
No impact	34	5.7
Little Impact	136	22.9
Good Impact	255	42.9
Very Good Impact	125	21.0
Missing	45	7.6
Total	595	7.6

(g) Dissemination of Knowledge by Trainees to Colleagues

Table 10 shows that 62.1 percent of respondent trainees had a good to very good impact of their training through dissemination to others. On the other hand for 31.1 percent there was either no impact (9.7 percent) or very little impact (20.3 percent) of their training through dissemination. .

Table 10: Distribution of Trainees According their Impact on Others through Dissemination of Knowledge

Assessment	Frequency	Percent
No impact	58	9.7
little Impact	121	20.3
Good Impact	186	31.3
Very Good Impact	183	30.8
Missing	47	7.9
System	595	100.0

(h) Reasons why Knowledge was not applied in Daily Work.

Table 11 shows that 40.3 percent of trainees indicated that they found limited opportunity in their workplace to apply the knowledge they gained, while 31.6 percent advised that the information they gained was either not sufficient (16 percent) or too theoretical (15.6 percent)

Table 11: Distribution of Reasons why Knowledge Gained during Training was not applied in the Work Place

Assessment	Frequency	Percent
Insufficient information from training	95	16.0
Training is mainly theory	93	15.6
Limited opportunity to apply the gained knowledge	240	40.3
Other reason	15	2.5
Missing	152	25.5
Total	595	100.0

(i) Promotion or Transfer to a New Position due to Training

Table 12 shows that only 7.2 percent of trainees were transferred or promoted as a result of their training, compared to 89.7 percent who were not transferred or promoted.

Table 12: Distribution of Trainees who were Transferred or Promoted because of Training

Assessment	Frequency	Percent
Missing	18	3.0
NO	534	89.7
Yes	43	7.2
Total	595	100.0

Annex 6. Stakeholder Workshop Report and Results

No stakeholder workshop was held

Annex 7: Summary of Borrower's ICR and/or Comments on Draft ICR

The Executive Summary is reproduced

Government of the Sudan



Public Sector Reform, Decentralization and Capacity Building Project (PRDCBP)

Project Completion Report

EXECUTIVE SUMMARY

INTRODUCTION

PSCAP, which is three-year technical assistance grant, is designed to be co-financed by GONU and MTFD with the aim of improving the public sector performance and enhancing decentralization to cope with federal and states development needs set by the CPA and the proceeding studies.

The project primary targeted the federal and states ministries which included the MOLPSHRD, the national public sector training institutions; SAAS, MDC and AFES by restructuring and alignment, developing systems and procedures and building the capacity of the human resources, through distinct four components.

The project which has started on 30th of June, 2009, went over an exercise of an extension to another scaling phase, during the last quarter of the project implementation period, before a sudden decision for the project closure was taken on 30th of June 2012, by the World Bank, irrespective of the expressed government willingness for continuation into a new phase.

Since signature of the CPA, and commencement of the project, the Sudan has undergone major political and economic changes that included the joint cooperation agreement with Republic of South Sudan which is expected to reflect positively on the political and economic situation in the two countries.

PROJECT DESCRIPTION AND IMPLEMENTATION ARRANGEMENTS

Learning from the previous experience with externally financed projects, PSCAP has established an independent implementation unit to foresee implementation of the project, which is formed and equipped with the prescribed work facilities and staff. The unit is expected to receive support from a steering and technical committees, however, the input of both is very much constrained, which placed further burdens on PIU to prepare the specifications and insure quality of the implemented activities. In general, the project design has taken well care of the project activities at the different routine, technical and policy levels and thus laid concrete ground for the project success, as represented by the PIU, RC and ST.

PROJECT TARGET AND COMPONENTS

The selected ministries and institutions are indispensable for public sector performance strengthening and the improvement in the performance of these targets will directly reflect on the public sector performance, due to leading role and policy influence they possess.

DESCRIPTION OF THE PROJECT PERFORMANCE

The project performance is measured at the level of outputs achieved under each of the project 4 components. The information needed for measurement is obtained from the project monitoring system, which was then verified through field visits to selected beneficiaries to confirm implementation, assess application, sustainability and lessons learned and obtain beneficiaries feedback, in addition to interviewing of some of the training participants. Moreover, the report has the opportunity of reviewing some of the consultancy and training reports.

The selection of the visited beneficiaries for the completion report has considered review of different activities to represent the 4 components, as well as observing the relative beneficiary role in the implementation of project interventions and in public reform in general. Hence, the field visits included MOLHRD, CSD, SAAS, MDC and FFAMC in Khartoum and CSD, and institutions in Khartoum and CSD and MOF in Gezira state.

During the project implementation period, 11 government departments and initiations that included MOLPSHRD and its departments, MOFNE, three National training institutions and MOFNE has benefited from technical assistance in restructuring, institutional assessment and development of operating systems. Also, the project has availed training opportunity for 2223 employees, through delivering of 44 training courses and workshop. In addition, the project has organized 16 abroad study tours in 12 countries for 99 senior government officials.

To implement these activities, the project has succeeded to secure external technical input of 5 national experts, 2 international experts and 15 national and 1 international firms, besides working with a number of local suppliers to equip state and federal ministries and institution with necessary work equipment.

It worth mentioning here that the project has been working at about 75% of its designed capacity due to shortages in GONU finance, nevertheless, the project performance, at the output level revealed that the project has been making steady and satisfactory progresses towards achieving its intended objectives.

Component 1; Restructuring ministries and upgrading of human resource management processes

Technical assistance provided included restructuring of MOLPSHRD and its six departments, provision of a series of training courses for human capacity building. All the activities implemented are in line with the project document plan and are associated with tangible outputs represented by the consultancy reports, manuals laid and systems installed.

At the higher outcome level, these activities indicated varying magnitudes of effects. Where, the restructures developed seems less likely to have immediate outcomes due to the involvement of top management and high policy decision associated with application, contrary to manuals and systems which are implemented at the level of the executive management and hence, doesn't require such policy decisions for application.

Significant outputs of this component are realized along capacity building of human resources. The staff confirmed delivery of the training, the relevance of the subjects and the training methodology

and expressed their benefit from the training. The most likely risk they encounter is the stereotype attitude of management that may hinder use of the acquired skills.

In overall, the activities under the component are implemented with tangible outputs achieved along each. Below are the details of the activities planned versus implemented activities.

Component 2; Implementation of physical decentralization and select fiduciary system

Observable outputs are reached along this component particularly with respect to the core decentralization aspect of fiduciary system and the procurements. Where, a set of logically sequenced activities are implemented and included a tracking system, calculation of a fiscal transfer formula and establishment of a data base followed by result based management training. The direct beneficiaries are the MOFG and FFAMC who expressed their satisfaction with the associated outputs. The data base is operating and is handled by the FFAMC IT staff at this initial stage, who expressed acquaintance and possession of adequate basic necessary skills, acquired during system development and training they received, to operate and manage the data base relying on their own.

Like all newly established systems, further acquaintance and development of the system is expected to take place with time and progress of application, to resolve emerging difficulties encountered during implementation as well as gearing the system to respond to the specific needs of the department.

Along this component, a comprehensive procedure manual for procurement, coping with the international standards has been developed for the first time and an orientation and dissemination workshop has been organized for training of beneficiaries' staff. Besides, a series of support relevant training packages have been prepared and delivered to the federal and states ministries staff.

Unlike restructuring and human resources polices outputs, the use of outputs associated with this component activities fall to some extent greatly under the control of the middle management, hence, the component outputs are expected to have better chance in application and to yield immediate benefits.

In general, the planned activities under this component are almost fulfilled completely and that the associated outputs achieved support a steady progress towards attaining the objective of the component.

Component 3; Building the capacity of national public sector management training institutions

The institutions capacity assessment, which represent baseline for the training institutions strengthening is carried at the three institutions, however, carrying these studies forward is yet a waiting serious commitments from top management to lobby for attracting government and external support, due to the high competition the training institution is subject to with the private training institutions.

Also competent training course is designed and delivered to MDC staff and Configuration of the installed networks is still needed before the institutions are linked together and with MOLPSHRD.

In overall, the least outputs seem to be realized along this component, as the TOT workshops are not implemented, irrespective of the efforts exerted by the PIU.

Component 4; Support for the PIU

The PIU was established and is provided with the planned staff . The approach PIU implemented is compliant with the activity implementation cycle defined by the project operation manual. Where, beneficiaries are motivated to prepare their work plans and then involved throughout from

preparation of TOR up to end of the activities, including designation of focal point coordinators by the beneficiaries, which strengthened the project relevance.

THE STUDY TOURS

The PIU has succeeded in organizing 16 abroad study tours to 12 countries for 99 for the federal and state staff and participants in the study tours confirmed the benefit from the visits, and detailed reports are produced for each visit by the participants.

PURCHASE OF WORK EQUIPMENTS

To facilitate implementation of the studies conducted and systems installed at beneficiaries departments, the project provided necessary support equipment to federal MOLPSHRD and its departments and the 5 targeted states, MOFNE, the 3 national training institutions, employing direct shopping and CQB methods in compliance with the IDA and World Bank standards.

THE STEERING AND TECHNICAL COMMITTEES

Further burdens are added on PIU due to the poor input of the SC and TC to prepare specification and insure quality

ASSESSMENT OF THE PROJECT RELEVANCE

The project relevance is asserted at the stages of project initial design, implementation strategy and the subsequent outputs realized through consideration of CPA prerequisites, JAM and previous similar experience with international funding.

Relevance is enhanced further through PIU consultation with beneficiaries and their participation in the preparation of TOR of the implemented activities. Moreover, the wide range of national consultants and firms, which carried the project activities, has added additional relevance factor expressed in acquaintance of consultants with local contexts and hence ensured incorporation of the local context

THE PROJECT COST AND FINANCING

The grant agreement between GONU and World Bank provided the basis for a loan of USD m 5.14, to be equally shared by the two parties. At project completion 100% of the World Bank grant is disbursed. While the GONU flow of finance was interrupted and the total contribution of GONU at the time of the project completion time amounted to SDG 3.432 million.

ASSESSMENT OF SUSTAINABILITY

The outputs exhibited different level of sustainability, which varied according to the managerial organization implementation level, where, the activities implemented at the operational and middle management levels seems to have better sustainability prospects, contrary to the output at higher management level such as engineering restructuring that would require policy decisions and commitments and properly review and possibly amendments of associated laws and policies.

LESSONS LEARNED AND RECOMMENDATIONS

1. Extend PIU responsibility to cover the complete activity cycle from studies up to application and full adoption by the beneficiaries.
2. Senior management is a key element in taking forward the benefit of the outputs and availing the opportunity for the staff to practice the skills staff acquired by their commitment to the studies and systems outputs.

3. Focus in the future should be directed to technical activities, which implementation lies in the hands of the middle operation executive staff.
4. The reform should take a bottom up approach, by starting at the executive middle management, where public service reform is more easily.
5. The existence of PIU is vital for the future of the project, where PIU is suggested to continue its pivotal role in public reform, where, its efforts should be directed during the next short term period on consolidation of the activities implemented.
6. Advanced IT training for the staff responsible for operation of the computerized system, will improve the staff skills and enable them adapt the system to the emerging department needs for information.

Republic of the Sudan



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December 19-2012

Mr. Stephen Ndegwa
Country Manager (Ag)
World Bank, Sudan

Subject: PSCAP Implementation Completion Report • ICR

Ref. to your email dated 13/December concerning the above mentioned subject we do appreciate your effort in sharing with us ICR report. We think the idea of having the national counterpart comments is welcomed. However, due to the involvement of the MoFNE in budget preparation we are not able to give you a final opinion. Nevertheless, here are some preliminary general remarks to be taken into consideration:

1. Project development objective (PDO): Improve the capacity at the federal and state levels to deliver decentralized services to the citizen of Sudan ,was a big challenge to be envisaged in this short time .However, considerable results has been achieved.
2. The major challenge was the formulation of the high administrative setup of the steering and the technical committees from high authorities (ministers & undersecretaries). As a backup and support to the project.
3. Another challenge was the imbalance in the project component implementation, where the PIU support have achieved 116% in comparison of 6% for component 3 , building the capacity of national sector management and training institutions.

4. Also, the administrative cost was observed as high and it was mentioned as concern in some stages.

We take this opportunity to reaffirm our collaboration .

Sincerely,(

Fiza Awad Mohamed

Director General of International Cooperation

For /Undersecretary of Ministry of Finance and National Economy

Cc: Undersecretary Office

Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders

Not applicable

Annex 9. List of Supporting Documents

Country Portfolio Performance Review: Multi-Donor Trust Fund – National Sudan, May 26, 2012

Project Appraisal Document: Public Sector Reform, Decentralization, and Capacity Building Program (PSCAP) - Support Project I, May 20, 2008 (no Bank Report number)

Restructuring Paper: Public Sector Reform, Decentralization, and Capacity Building, June 29, 2011 (no Bank report number)

Sudan: Country Integrated Fiduciary Assessment (CIFA) 2005-2007 (no Bank report number)

Sudan: Multi Donor Trust Fund – National; Project Proposal Document for a Technical Assistance Facility, November 28, 2005

