



## Public Sector Modernisation Project (P152398)

AFRICA EAST | Lesotho | Governance Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2016 | Seq No: 12 | ARCHIVED on 30-Nov-2021 | ISR48724 |

Implementing Agencies: Ministry of Finance, Kingdom of Lesotho, Ministry of Public Service

**Key Dates****Key Project Dates**

Bank Approval Date: 24-Mar-2016

Effectiveness Date: 25-May-2016

Planned Mid Term Review Date: 30-Jun-2018

Actual Mid-Term Review Date: 04-Jun-2018

Original Closing Date: 24-May-2020

Revised Closing Date: 30-Nov-2021

**Project Development Objectives**

Project Development Objective (from Project Appraisal Document)

The Project Development Objective (PDO) is to strengthen strategic-level planning, and to improve efficiency in the fiscal and human resource management of Selected Ministries.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

**Components Table**

Name

Component 1. Strategic Planning and Fiscal Management:(Cost \$2.00 M)  
Component 2. Strengthening Human Resource Management:(Cost \$4.94 M)  
Component 3. Improving Statistical Capacity:(Cost \$2.00 M)  
Component 4. Strategic Implementation Support:(Cost \$1.06 M)

**Overall Ratings**

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Moderately Satisfactory	<input type="checkbox"/> Moderately Satisfactory
Overall Risk Rating	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial

**Implementation Status and Key Decisions**

The Public Sector Modernisation Project (PSMP) was approved by the Board of the World Bank on March 24, 2016 and the Financing Agreement between the Ministry of Finance (MOF) and the International Development Association was signed on April 15, 2016. The project became effective on May 25, 2016 and was restructured in April 2020 to extend the closing date, at no cost, from May 2020 to November 2021. The project aims to strengthen strategic-level planning and to improve efficiency in the fiscal and human resource management of selected ministries. Direct



beneficiaries of this multi-sectoral operation are the Prime Minister's Office (PMO), Ministries of Public Service, Finance, Development Planning, Health, and Education, and the Bureau of Statistics (BOS), all essential to enhance the service delivery in Lesotho.

During the reporting period, the task team provided implementation support through regular video calls with the project coordination unit and implementing agencies, and a virtual mission October 18-22, 2021. All major activities under components 1, 3 and 4 have been completed. Remaining project activities relate to component 2 on strengthening Human Resource Management. To date, the overall performance of the project and progress toward achieving the PDO is rated **Satisfactory**.

**Component 1** provided capacity building support to the MOF in critical areas such as wage bill management, financial planning and macro forecasting. In addition, the pension modeling and an expenditure analysis tool (BOOST) have been developed, and a training program implemented. The National Strategic Development Plan II Strategic Framework has been published, as have two Ministry of Finance State Owned Enterprises Annual Report. Revised Public Investment Management Appraisal Guidelines have been adopted and are under implementation, as is the MODP Strategic Plan.

Under **Component 2**, the project supported a census of civil servants and civil pensioners led by the Ministry of Public Service. The Ministry is in the process of implementing a new Human Resource Information Management System, which is expected to be operational by the project closing date. As of the end of October, eight of the system's ten modules were operational.

Under **Component 3**, the Bureau of Statistics (BOS) launched the Poverty Assessment in December 2019. This marked a major milestone for the project. The BOS has revised the annual Continuous Multipurpose Survey to allow year to year tracking of key indicators. The BOS continues to produce quarterly GDP estimates following receipt of technical assistance.

**Component 4** provides support to project implementation. Technical assistance to support the OPM to pilot a citizen feedback mechanism has been completed.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	<input type="checkbox"/> High	<input type="checkbox"/> High	<input type="checkbox"/> High
Macroeconomic	<input type="checkbox"/> High	<input type="checkbox"/> High	<input type="checkbox"/> High
Sector Strategies and Policies	<input type="checkbox"/> High	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Technical Design of Project or Program	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Institutional Capacity for Implementation and Sustainability	<input type="checkbox"/> High	<input type="checkbox"/> High	<input type="checkbox"/> High
Fiduciary	<input type="checkbox"/> Moderate	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Environment and Social	<input type="checkbox"/> Moderate	<input type="checkbox"/> Low	<input type="checkbox"/> Low
Stakeholders	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Other	--	--	--
Overall	<input type="checkbox"/> High	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial

## Results

### PDO Indicators by Objectives / Outcomes

To strengthen strategic level planning



► New capital investment projects appraised according to PIM manual (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	95.00	75.00
Date	24-Mar-2016	28-May-2021	19-Nov-2021	30-Nov-2021
Comments:	Target achieved. As per reporting by the Department Project Cycle Management, 95 percent of concept notes and project proposals reviewed by the PSIC were appraised according to the revised PIM manual			

To improve efficiency in the fiscal management in selected ministries				
► Credibility of budget framework (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10.00	9.00	2.50	8.50
Date	24-Mar-2016	31-Mar-2021	19-Nov-2021	30-Nov-2021
Comments:	Target achieved. <ul style="list-style-type: none"> <li>9.5 for FY2018/19</li> <li>9.0 for FY2019/2020</li> <li>2.5 for FY2020/21*</li> </ul> *Note - The 2.5 percent variance may only be partially attributed to project interventions. See management issues for attention section for additional details.			

To improve efficiency in the human resource management in selected ministries				
► Irregular HR and payroll records corrected/removed (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Irregular human resource and payroll records not identified	35% of irregular HR and payroll records corrected or removed from the HRMIS. 97% of irregular records corrected or removed from the HRMIS data extract, which will be imported into the replacement HRMIS and used to run payroll by July 2021.	98% of irregular records corrected or removed from the HRMIS data extract, which was imported into the replacement HRMIS to run the payroll since October 2021.	90% of irregular HR and payroll records corrected/removed
Date	24-Mar-2016	28-May-2021	19-Nov-2021	30-Nov-2020
Comments:	Target achieved. The HR/payroll data cleaning exercise is complete and 98% of irregular payroll records have been corrected or removed from the HRMIS data extract. This correct data has been uploaded to the HRMIS. Note: It is estimated that at any given time there is a 1-2% margin of error in the payroll data due to transfers, retirements and other pending HR actions.			



### Intermediate Results Indicators by Components

Component 1. Strategic Planning and Fiscal Management				
► Revised Institutional Plan implemented by the Ministry of Development Planning (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N/A	Strategic Plan is approved and under implementation.	Strategic Plan is approved and under implementation.	Revised institutional plan under implementation
Date	24-May-2016	28-May-2021	19-Nov-2021	30-Nov-2020
Comments:	Target achieved.			
► Annual report on SOE fiscal impact published on MOF website (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No report on SOE fiscal impact developed	2016/17 and 2017/18 annual report on SOE fiscal impact complete and published on MOF website.	Annual SOE report has been published over the last two years, and the 2018/19 annual report is pending approval from PS MOF and should be published shortly.	Annual report on SOE fiscal impact published on MOF website regularly
Date	24-May-2016	28-May-2021	19-Nov-2021	30-Nov-2021
Comments:	Target achieved. The 2016/17 and 2017/18 annual report on SOE fiscal impact are published on MOF website ( <a href="http://www.finance.gov.ls/official_documents.php?id=PSD_documents">http://www.finance.gov.ls/official_documents.php?id=PSD_documents</a> ). The 2018/19 annual report is pending approval from PS MOF.			
► PIM manual updated and operational (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	PIM manual not updated	PIM manual updated and operational	PIM manual updated and operational	PIM manual operational
Date	24-May-2016	28-May-2021	19-Nov-2021	30-Nov-2020
Comments:	Target achieved.			

Component 2. Strengthening Human Resource Management				
► Training on new business procedures complete for HR officers (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Training not commenced, as new HR business	Training is planned to take place in June 2021 as part of training on the	Training on the new business processes and the new HRMIS is	Training on new business procedures



	processes are not yet available.	new HRMIS. Given that training has not started, therefore zero HR officers have been trained (of which 0% are women).	complete for all HR officers. Over 75% of the officers trained are women.	complete for 50 percent of HR Officers
Date	24-May-2016	28-May-2021	19-Nov-2021	30-Nov-2021
Comments:	Target achieved. New HR business processes are approved and are implemented in the replacement HRMIS, which has gone live. Training on new business processes and the new HRMIS are complete. Final training reports with the precise percentage will be provided by the HRMIS vendor by November 30th.			
<input type="checkbox"/> Of which are women (Percentage, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	75.00	75.00
Date	24-May-2016	28-May-2021	19-Nov-2021	30-Nov-2021
▶ Revised establishment lists in MOET complete (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No revised establishment list in MOET	The revised Establishment List in the Ministry of Education and Training is still pending. In November 2020, MOET reported that the had been disrupted by reshuffling of HR Officers. In April 2021, MOET has not been able to take further action towards updating their establishment lists citing budgetary constraints	A MOET Establishment List was completed, but not endorsed by the Ministry.	Revised establishment list in MOET complete
Date	24-May-2016	28-May-2021	19-Nov-2021	30-Nov-2021
Comments:	Target partially achieved. The government has adopted an Establishment Policy and through a consultancy an establishment list was completed for MOET, but senior management at the MOET have not endorsed the new list.			
▶ Core HR business processes automated and operationalized (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	HRMIS payroll module in use. HRMIS assessment and human resource management business process review not yet carried out.	Configuration/automation of core HR business processes in the new HRMIS is ongoing and will be completed by June 2021.	All core HR business processes have been automated and operationalized in the new HRMIS. The new payroll and core human resources modules are in usage.	Core HR business processes automated and operationalized



Date	24-May-2016	28-May-2021	19-Nov-2021	24-May-2020
Comments:	Target achieved. The core business processes are those that relate to the employee profile and establishment management modules of the HRMIS. As of November 30, 2021, all ten modules of the HRMIS system are considered "live." These include the core modules of payroll and core human resources. A final assessment by the Quality Assurance firm confirms that the payroll and core human resources modules are in usage.			
► Civil servants and civil pensioners with accurate National ID number captured in HRMIS (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	34.00	78.70	98.00	95.00
Date	24-May-2016	28-May-2021	19-Nov-2021	24-May-2020
Comments:	Target achieved. 98% of civil servants and civil pensioners with accurate national ID number captured in the HR/payroll data extract. This extract has been uploaded into HRMIS and use to run payroll.			
► Staff on MOET and MOH payroll mapped to an established position in HRMIS (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	MOET and MOH staff are not mapped to established positions.	MOET – The exercise to map MOET staff to established positions has been completed. Given that the revised MOET establishment list has yet to be approved, staff have been mapped to the existing MOET structures.  MOH - Initial exercise to map MOH staff to established positions is complete, and the results being validated under ongoing data cleaning exercise.	MOET – The exercise to map MOET staff to established positions has been completed. Given that the revised MOET establishment list has yet to be approved, staff have been mapped to the existing MOET structures.  MOH -Staff on the payroll have been mapped to an established position	Staff on MOET and MOH payroll mapped to an established position
Date	24-May-2016	28-May-2021	19-Nov-2021	24-May-2020
Comments:	Target partially achieved. Partial achievement is possible given completion of the MOH mapping in the new HRMIS.			

Component 3. Improving Statistical Capacity

► Improved availability of reliable statistical data to enhance strategic level planning (Text, Custom)

Baseline	Actual (Previous)	Actual (Current)	End Target
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Value	No survey conducted	Results of first survey published. Revisions to 2020 CMS methodology is complete. Survey methodology was revised and implemented amid COVID-19 disruptions.	A second household survey was completed using the revised methodology.	Survey methodology revised and implemented
Date	24-May-2016	28-May-2021	19-Nov-2021	30-Nov-2021
Comments:	Target achieved. Note - In the restructuring, a decision was taken that rather than run another round of HBS, which has large cost implications, the Government would adapt the HBS method to the CMS, which the government runs every year, ensuring the sustainability of the exercise. In 2020, due to the pandemic, the Government decided not to run the CMS, but it is expected that it will be resumed annually utilizing the updated methodology.			
► Quarterly time series published consistent with SDDS requirements (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No quarterly GDP published	Quarterly GDP is published on the Bureau of Statistics' website: <a href="http://www.bos.gov.ls/Publications.htm">http://www.bos.gov.ls/Publications.htm</a> .	Quarterly GDP is published on the Bureau of Statistics' website: <a href="http://www.bos.gov.ls/Publications.htm">http://www.bos.gov.ls/Publications.htm</a> .	Quarterly GDP current price and volume time series commencing from the start of the annual time series published
Date	24-May-2016	28-May-2021	19-Nov-2021	30-Nov-2021
Comments:	Target achieved.			

Component 4. Strategic Implementation Support				
► Citizen feedback collected in one pilot sector (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No feedback collected	The citizen feedback management tool was piloted with the Ministry of Health and Ministry of Transportation starting in late November 2020. The results of data collection are being analyzed by OPM and shared with MOH/MOET.	The citizen feedback management tool was piloted with 2 Ministries (Ministries of Health and Transportation) starting in late November 2020. The results of data collection are being analyzed by OPM and shared with MOH/MOET.	Citizen feedback collected in one pilot sector
Date	24-May-2016	28-May-2021	19-Nov-2021	24-May-2020
Comments:	Target achieved.			

**Performance-Based Conditions**



**Data on Financial Performance**

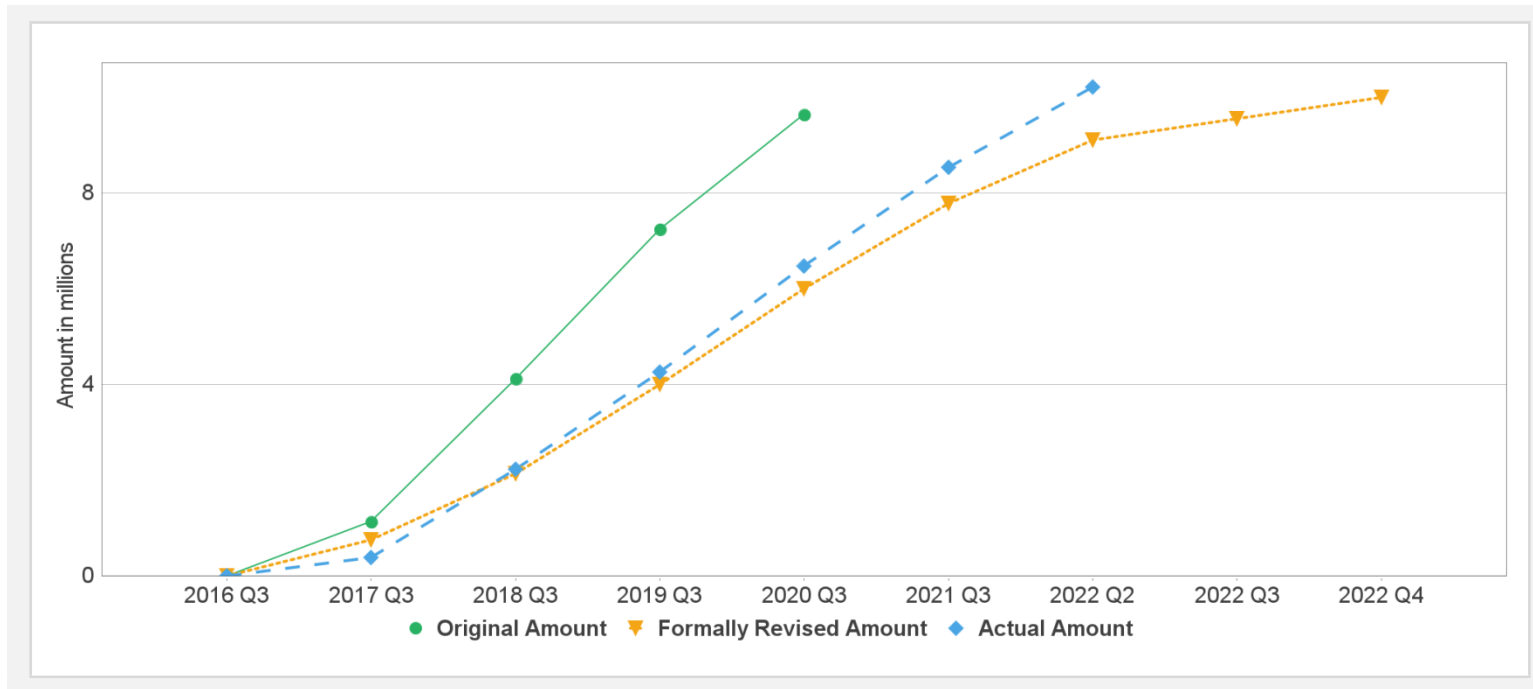
**Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P152398	IDA-57720	--	USD	10.00	10.00	0.00	10.22	0.00	100%

**Key Dates (by loan)**

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P152398	IDA-57720	--	24-Mar-2016	15-Apr-2016	25-May-2016	24-May-2020	30-Nov-2021

**Cumulative Disbursements**



**PBC Disbursement**

PBC ID	PBC Type	Description	Coc	PBC Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for PBC
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### **Restructuring History**

Level 2 Approved on 31-Jul-2019 ,Level 2 Approved on 26-Mar-2020 ,Level Approved on 09-May-2020

### **Related Project(s)**

There are no related projects.

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