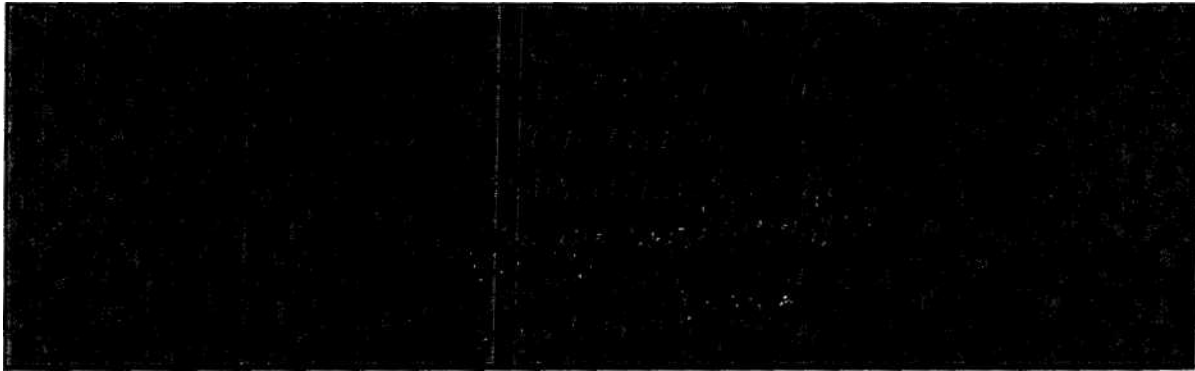


Feral Report December 5, 2001



State of Eritrea
United Nations Development Programme
United Nations Office for Project Services
Report of the Mission November 5-30, 2001

EVALUATION TEAM
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Asmara, 30 November 2001
EXECUTIVE SUMMARY

The over-arching aim of the Second Phase of PSMP, as stated in the Programme Support Document (PSD), was "to help the GoE establish and institutionalise a transparent, accountable, participative, and accessible form of government which protects the rights of all Eritrean citizens, cares about and is responsive to their needs, and is effective and efficient in its management of the nation's resources .

It was a comprehensive programme that was planned to be funded by a number of donors. The

programme implementation strategy, recognizing UNDP's comparative advantages and its mandate, called for UNDP support for the PSMP to be focused on the capacity-building aspects of the PSMP. A total of US \$ 9,619,950 was sought from UNDP for programming the proposed capacity and institution building activities in the four components of the PSMP. The data on the budget presented in the Programme Support Implementation Arrangements covering UNDP support for the Second Phase of PSMP show that:

- 38.6 percent, US \$ 3, 716, 000, representing the largest share, were allocated to component #2 - Strengthening Human Resources Management and Human Resources Development Systems;*
- 28.6 percent, US \$ 2,750, 000 to component #1 - Improving the Structure and Functions of the Eritrean Public Service;*
- 14.8 percent, US\$ 1,420, 000 to component #4 - Improving Operations and Service Delivery;*
- 3.1 percent, US \$ 300,000 to component #3 - Institutionalizing a Quality Management System;*
- 6.4 percent, US \$ 620, 000, for training and study tours covering all four components; and*
- 8.5 percent, US \$ 813,2000 for Programme Support Office, including travel and miscellaneous expenses.*

Support from other development partners was either not sought or secured. UNDP is the only development partner that has provided support for activities planned under the Second Phase of the PSMP.

The Evaluation Mission would like to note that the border conflict with Ethiopia, that started in 1998 and the subsequent full-scale war in mid 2000, had significantly changed the external environment for the implementation of the Second Phase of PSMP. The mobilization of population age 18-40 years for the war effort that included civil servants had made the normal continuation and effective implementation of many human resources development elements of the PSMP a very difficult task indeed.

The methodology used in this evaluation involved review of relevant documents, analysing information provided by UNDP, UNOPS, and programme staff in Asmara, officials in the various government ministries and agencies who were beneficiaries of the programme, and selected development partners in Eritrea.

*In terms of documents made available to the Evaluation Team, the CTA for the PSMP has been preparing comprehensive quarterly reports. The Mission would like to commend the CTA for his diligent reporting on the implementation status of the PSMP activities. The CTA also provided to the Mission a number of notes on specific aspects of the PSMP implementation. The Programme Terminal Report that the CTA is currently preparing was, however, not available to the Mission. The Mission had requested UNOPS, New York to make available information on expenditures by programme sub-targets, this information was not made available by UNOPS to the Evaluation Mission. Because of the absence of these data, the Mission has been unable to establish the level of expenditures on various activities supported under the **PSMP**.*

PROGRAMME IMPACT AND RESULTS

Many results, both general and specific, can be attributed to the Second Phase of UNDP supported elements of the PSMP. The results and impact would have been more significant, if the border conflict and the resulting mobilization for the war effort of the public servant had not occurred. Some of the obvious results achieved include:

- The establishment of a central institution, the Eritrea Institute of Management, for human resources development for the civil service. Its capacities, so far, are under utilized, for reasons beyond the control of PSMP.*
- The establishment of a state-of-the-art language laboratory which could potentially be an important national resource for language teaching in the country.*
- Some 1645 public service personnel have been trained through short term courses on various aspects of public administration, at a time when a new state required basic administrative and management skills.*
- An important contribution has been made to equipping public institutions with information technology, and building capacity of the available human resources.*
- Significant contributions have been made to the development of management systems in areas such as land administration, energy management, and licensing of businesses.*
- A model of quality management (BLO, Zoba Makel) has been developed, which could form the basis on which these practices can be further expanded.*
- Many studies undertaken by the programme (in the judicial sector, in energy, finance) have had an important influence in legislative and policy development.*
- There has been a modest contribution to stimulating and accelerating decentralization processes (lands, BLO, Zoba Makel, Ministry of Local Government).*
- Some PSMP activities have served as a vehicle for mobilizing resources from other development partners by the relevant agencies, such as Ministry of Justice.*

On the other hand, not enough attention has been paid to gender issues in the implementation of the PSMP. At present, the sustainability of the Eritrea Institute of Management that has been and will continue to be fully supported by PSMP until the end of 2001 is not clear. There is an urgent need for the government to ensure that the national budgeting process provide for the operations and maintenance costs of the Institute.

CONCLUSIONS

- 1. Overall, UNDP support for the PSMP has contributed significantly to enhancing the institutional capacity, both in terms of human resources and management tools/systems, of the ministries and agencies that have been the beneficiaries of the programme. The Department of Land, the Department of Energy, and the Business license Office are some of the examples.*
- 2. Some studies carried out under the programme have been important inputs in public policy formulation processes and the development of legislative instruments, as well as stimulating resource mobilization from other development partners.*
- 3. In spite of the difficult conditions on the ground, particularly the mobilization of the public servants for the war effort, the programme has provided training to some 1645 public servant in five different areas, supported 12 persons through fellowships to pursue graduate studies in*

management, and sent 59 government officials on study tours.

- 4. The Second Phase of the PSMP was conceptualised as a multi-donor supported programme. In reality, only UNDP support was secured that focused narrowly on capacity and institution building aspects of the programme. Given the vast needs of the country the involvement of other donors could have expedited the achievement of the PSMP's overall objective.*
- 5. Delays in formally establishing a central personnel administration agency responsible for working towards achieving the overall objective of PSMP has been a major constraint in achieving some of the sub-targets of the programme.*
- 6. PSMP support to the Eritrean Institute of Management was not only the major activity of the programme but also in terms of resources it has consumed the largest share of PSMP resources. The Mission would like to raise a few issues that it believes need further consideration by the government. First, there is the need to undertake a review of the management responsibility for the EIM. Second, the issue of sustainability of the EIM, there is urgent need to ensure that a provision for its operations and maintenance is made in the national budgeting process. Third, the language laboratory has been a major investment by PSMP. It is an important resource for the country, access to which should not be restricted to public sector only.*
- 7. The resources utilized for international and particularly national experts were significantly less than initially envisaged. In the case of national professionals/experts, just over 25 percent of the initially planned resources were utilized. Although the border conflict with Ethiopia may have somewhat resulted in this under utilization, the low level should be a cause for concern. Whether the reasons for this under utilization are a shortage of qualified national professionals/experts or a reluctance to pay a market price for the highly qualified national professionals, in either case there is a need to take some actions to alleviate the problem. Also, the evaluation of Phase I of PSMP, based on inputs received from some government officials, had recommended that in Phase II of PSMP more long-term international consultants may be needed than was the case in Phase I. As such, the under utilization of allocated resources for international consultants can be viewed as an outstanding issue that still needs to be taken care of in any future UNDP supported*

programme.

- 8. Essentially, Amendment one to the PSD in August 1997 changed the focus of PSMP significantly. PSMP became a more equipment oriented programme, as institution building placed heavy emphasis on IT and other forms of equipment. The shift towards equipment and supplies can be partly attributed to the fact that the mobilization of population in the 18-40 year group for the war effort, from both the public and private sectors, had significantly reduced the scope of human resources development related tasks. Second, there has been a sharp reduction in the role of advisory services to be offered through PSMP. Third, the emphasis previously placed on policy and legislative development diminished.*
- 9. To a large extent the successes of the programme implementation activities, in a very fluid public policy environment, are attributable largely to the role that the CTA has played in steering the programme implementation in an effective, efficient and a professional manner.*

LESSONS LEARNED

1. *Without a formally constituted entity responsible for personnel administration, in accordance with the provisions of the constitution, sustainable progress towards achieving the PSMP's overall objective, "to help the GoE establish and institutionalise a transparent, accountable, participative, and accessible form of government which protects the rights of all Eritrean citizens, cares about and is responsive to their needs, and is effective and efficient in its management of the nation's resources " will continue to be a formidable task.*
2. *While in the early post-independence era an evolving public policy formulation process where decisions have been made based on experiences and knowledge gained can be justified on many grounds, changes in policy direction did adversely effect the implementation of the PSMP.*
3. *Any amendments to carefully designed programmes should be also crafted with equal care, so that activities continue to be clearly focused on key objectives. Any change in activities should be in line with objectives that continue to be valid. Amendment one to the M for PSMP regrettably did not follow this course.*
4. *A well managed programme can withstand the uncertainties of the surrounding public policy environment, the successes of some of the PSMP activities are a testimony to this proposition.*
5. *The benefits of international experts can be optimized when there is a close collaboration between the international and the national staff. In the implementation of the PS/PP a good example is the external assistance provided to the Department of Energy and an opposite example is found in the assistance provided to the Department of Trade through an inter-agency agreement by ITC.*
6. *Sustainability issues need to be considered at every level of programme interventions. This is especially important for a programme that is highly equipment-oriented Issues concerning recurrent costs, full utilization of installed capacities, should be considered and agreed to, prior to programme implementation.*

RECOMMENDATIONS

1. *There is an urgent need to speed up the process of formally establishing a Central Public Administration Agency in accordance with the provisions of the constitution.*
2. *That a review of the management responsibilities for the EIM be undertaken urgently and that serious consideration should be given to the option of (i) making EIM an autonomous Institute associated with the CPA; (ii) whose management oversight functions should be performed by an independent Board of Directors whose membership should include representatives of both public and private sectors; (iii) the Institute should be open to members of both public and private sector; and (iv) its operations should be mostly self-financing.*
3. *The language laboratory is an important resource for the country, access to which should not be restricted to public sector only. In order to optimize the use of these facilities they should be open to not only members of the public and private sectors but also to tertiary level student population especially those who may be sent abroad for higher education. This raises the question about the location of the language laboratory that at present is located at Embatkalla, which is some distance from Asmara. The Mission recommends that the issue of the location of the language laboratory should be reviewed to optimize its use.*

4. *In the Second Phase of the PSMP, equipment for preparing maps has been provided to a number of agencies. There is now a need to establish a Central Mapping Agency with the responsibility for preparing basic maps that can be further developed by users both in the public and private sectors for their own purposes.*
5. *Phase I and II of the PSMP have been supported by UNDP from 1993 onwards. It is recommended that the programme in its current form should be closed in an orderly fashion as soon as possible and that any high priority continuing activities be incorporated in the Governance Programme in UNDP's new CCF (2002-2006).*

TABLE OF CONTENT

Page

EXECUTIVE SUMMARY.....	i
1. INTRODUCTION	
1.1 The Evaluation	1
1.2 The National Context	2
1.3 Government's Public Sector Management Programme.....	3
2. ERI/94/006: SUPPORT FOR THE SECOND PHASE OF PUBLIC SECTOR MANAGEMENT PROGRAMME (1995-2001)	
2.1 Overview of the Programme	3
2.2 Current Status of the Programme	9
3. FINDINGS OF THE EVALUATION	
3.1 Programme Concepts, Design, and Relevance	10
3.2 Programme Performance	12
3.3 Programme Management Framework	18
3.4 Programme Impact and Results	19
4. LESSONS LEARNED	20
5. RECOMMENDATIONS.....	

ANNEXES

A. Terms of Reference for the Evaluation	23
B. List of Individuals Consulted	28
C. List of Documents and Reports Reviewed	30
D. Summary of PSMP's Planned Components, Capacity-Building Targets, Resources Earmarked, Outputs Required to Achieve Targets, and Achievements/ Current Status/Comments	32
E. Dissenting View of the UNOPS Nominee on the Evaluation Team	42

***Terminal Evaluation
of the
Public Sector Management
Programme Support for the second
Phase 1995-2001***

ERU94/006: Support for Second Phase of the Public Sector Management Programme

Executing Agency: UNOPS

UNDP Contribution: US\$ 10,512,082

Government Inputs: (in kind)

Prior Phases: Phase I

Programme Signed: August, 1995

Programme Start Date: August, 1995

Programme Duration: 3 Yrs, extended to December 31, 2001

1. INTRODUCTION**1.1 THE EVALUATION**

1. This report presents the findings of the terminal evaluation of UNDP "Support for the Second Phase of the Public Sector Management Programme(PSMP)" of the State of Eritrea. The United Nations Development Programme's (UNDP's) support was funded from its core resources. This UNDP supported programme was executed by the United Nations Office for project Services (UNOPS).

2. The purpose of this evaluation is to assess the programme's accomplishments and document any problems encountered during its implementation through a review of programme concepts and design, programme performance relative to the criteria established at the inception of the

programme, and its results and impact. In addition to the major findings of the evaluation, the report also presents a summary of lessons learned, and makes recommendations for future activities in this important area.

3. The evaluation mission comprised a team of three independent consultants:
 - an international expert nominated by UNDP as the Team Leader, Dr. Farid Siddiqui, a Partner in Tarcen International Ltd, Toronto, Ontario, Canada;
 - an international expert nominated by UNOPS, Mr. Leelananda Silva.
 - a national expert nominated by Government, Dr. Tesfay Haile, Asmara, Eritrea.

4. The methodology used in this evaluation involved review of relevant documents, analysing information provided by UNDP, UNOPS, and programme staff in Asmara, officials in the various government ministries and agencies who were beneficiaries of the programme, and selected development partners in Eritrea.

Terminal Evaluation Report

I

5. In terms of documents made available to the Evaluation Team, the CTA for the PSMP has been preparing comprehensive quarterly reports. The Mission would like to commend the CTA for his diligent reporting on the implementation status of the PSMP activities. The CTA also provided to the Mission a number of notes on specific aspects of the PSMP implementation. The Programme Terminal Report that the CTA is currently preparing was, however, not available to the Mission. The Mission had requested UNOPS, New York to make available information on expenditures by programme sub-target, this information was not made available by UNOPS to the Evaluation Mission. Because of the absence of these data, the Mission has been unable to establish the level of expenditures on various activities supported under the PSMP.¹

1.2 THE NATIONAL CONTEXT

6. Eritrea has a population of over 3 million and land area of 125,700 [sq. km](#). The per capita GDP was estimated to be around US\$ 175 (US\$880 PPP) in 1998. In terms of UNDP's human development index, it ranked 148th out of 162 countries included in UNDP's Human Development Report of 2001.

7. Eritrea became formally independent following an internationally supervised referendum in April 1993, two years after the Eritrean People's Liberation Front achieved a decisive military victory over Ethiopia in May 1991. Successive colonial administrations and neglect lasting over a century, a protracted war of liberation lasting over three decades, and intermittent droughts severely damaged Eritrea's infrastructure, development institutions and productive capacity. Consequently, at the time of liberation, devastated infrastructure, weak institutions, and technologically backward agricultural, manufacturing and service sectors characterized the country's economy.

8. In the post independence period, the Government of Eritrea adopted a two-pronged approach to tackle its development challenges. Firstly, by addressing the immediate challenges of resuscitating the economy and rehabilitating key sectors through promoting an outward-oriented, private- sector

led market economy. Secondly, by looking beyond the horizon of immediate problems and examining in depth the long-term prospects to devise an appropriate macro framework and supporting policies. It

also moved away decisively from the central planning system it had inherited.

9. Until the start of the border conflict with Ethiopia in May 1998, the new government had pursued policies, strategies and investments to promote rapid and equitable economic growth led by the private sector. It embarked on creating an enabling policy environment and investing in infrastructure and strategic industries. It adopted an investment code that opened up the economy to private investors, and began to rehabilitate, upgrade and expand transportation, communications, power, and water supply facilities; improve the capacity of the health care, education, and financial systems to deliver services; and restore the productive capacity of the economy particularly in agriculture and fisheries, tourism, construction, mining and manufacturing. These policies resulted in significant progress in education and health care during the 1992-97 period. The school enrolment increased and there was a sharp decline in infant and child mortality rates. Eritrea's real GDP grew at an average annual rate of seven percent during this period. By early 1998, most of the transition issues had been addressed, investor confidence was beginning to grow and private investment in a

¹ Please see Annex E that presents a dissenting view by the UNOPS nominee on the Evaluation Team. ² Purchasing Power Parity (PPP) GDP per capita as defined in UNDP's Human development Report.

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2

number of sectors was increasing, and the economy was growing rapidly.

10. Sadly, Eritrea's initial promising growth was disrupted by the border conflict with Ethiopia that started in May 1998 and resulted in a war in May 2000. This unnecessary war has not only caused huge damage to physical infrastructure, loss of human life, and the displacement of nearly one-third of total population (about one million people); but more importantly, it has reversed the positive economic trends of the pre-conflict post independence period. The country's food security situation has also been adversely affected by the persistent drought over the last three years. The mobilization of population between the ages of 18 to 40 into the army for the war effort has resulted in critical shortages of professional, skilled, and semi-skilled workers in both the public and private sectors, adversely affecting the delivery of public sector services, agricultural output, and the productive capacity of the private sector. In addition to its devastating social and human impact, the conflict has resulted in:

- a decline in real GDP growth to 3.9 percent in 1998, 0.8 percent in 1999, and a negative growth of 8.2 percent in 2000;
- inflation soaring from an average of 6 percent during 1994-97 to 27 percent in 2000;
- international reserves falling from 5 months of imports to less than one month in 2000; and
- fiscal deficit rising from 6 percent of GDP in 1997 to 48 percent of GDP in 2000.

11. At present, the country faces two daunting development challenges. Firstly, meeting immediate

needs for emergency humanitarian assistance, reconstructing infrastructure damaged during the war, assisting nearly one-third of the displaced population resume their economic activities, demobilizing and reintegrating nearly 200,000 combatants mobilized for the war effort, rebuilding the economy, restoring social services and completing the economic and political reforms initiated before the conflict began. Secondly, begin to plan a medium to long-term development programme to attain rapid, sustainable, pro-poor economic growth and reduction of poverty in an environmentally sound manner, led by a dynamic private sector based on the founding principles of Eritrea's constitution (participatory development, equitable economic growth, social justice, and rule of law).

12. Since independence, substantial *efforts* have been made to promote private-sector-led economic development. While it is a matter of policy that the State should do only what the private sector cannot do, the State is still an important player in strategic sectors of the country's economy. At the same time, the public sector institutions suffer from severe capacity gaps. Many ministries lack modern planning tools and data.

13. Notwithstanding the added challenges resulting from the recent war, the most critical constraints that continue to affect Eritrea's socio-economic development include:

Human resource deficiency: This has been the greatest bottleneck in Eritrea's development efforts. In the short-term the Government is tackling the problem by importing foreign experts on a temporary basis and as a long-term strategy through a concerted national effort aimed at increasing educational and skill development opportunities.

A financial and foreign exchange gap: With a low per capita income and widespread poverty, Eritrea's ability to mobilize sufficient domestic savings to finance domestic investments is limited.

Physical infrastructure: The extent and quality of Eritrea's infrastructure are still inadequate to attract private investment.

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Institutional capacity: Though much has been done to improve Eritrea's administrative, legal, commercial, judiciary and regulatory institutions, much remains to be done to achieve a standard that fosters investor confidence and private sector participation in long term investments.

Inadequate data: Although improvements have been made over the last eight years, there is still a great dearth of relevant, timely and reliable economic and social data. There is no reasonably accurate data on national income, fiscal and monetary developments, price indices, demographic and social trends.

1.3 GOVERNMENT'S PUBLIC SECTOR MANAGEMENT PROGRAMME

14. In 1992, in response to a request from the Provisional Government of Eritrea, UNDP fielded a programming mission to assist Eritrea in examining and in structuring a public sector management programme. The Mission consisted of a team of international and national experts. The mission submitted its comprehensive report, entitled "Public Sector Management Programme for Eritrea: A diagnostic" in January 1993. This 254 page report examined all public sector entities, including the public enterprise sector. It made specific recommendations and identified potential areas for UNDP and other development partners support. This document was adopted by the government as the national programme on public sector management.

15. UNDP's support for the government's Public Sector Management Programme began in July 1993

for a duration of two years with a total budget of US \$ 1.044 million. The focus of this assistance was on strengthening key central institutions, conducting a government-wide functional review analysis, developing a management model for the public enterprise sector, and providing assistance to the Ministry of Local Government. At the end of phase 9ne, UNDP has continued to provide support for the PSMP under a second phase of the PSMP that begun in August 1995.

2. PROGRAMME ERI/94/006: SUPPORT FOR THE SECOND PHASE OF THE PUBLIC SECTOR MANAGEMENT PROGRAMME

2.1 OVERVIEW

16. The over-arching aim of the second phase of PSMP, as stated in the Programme Support Document (PSD), was "to help the GoE establish and institutionalise a transparent, accountable, participative, and accessible form of government which protects the rights of all Eritrean citizens, cares about and is responsive to their needs, and is effective and efficient in its management of the nation's resources".

17. The second phase of the PSMP consisted of four main components, each of which included a number of sub-components constituting clusters of related activities. The four main components and the sub-components identified in the PSD are:

Components #1: Improving the structure and functioning of the Eritrean Public Service (EPS) as a whole.

Sub-component #1: Organizational analysis (government-wide and individual ministries).

Sub-component #2: Capacity building (job, management, organizational, and legal system)

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Components #2: Strengthening human resources management and human resources development systems.

Sub-component # 1: Capacity building (education and training).

Sub-component #2: Institution building such as the Eritrea Institute of Management (new institution).

Components #3 Institutionalizing a quality management system which identifies and solves consumer problems quickly, and is responsive to consumer needs and wants.

Sub-component # 1: Needs assessment (stakeholder/customer attitudes).

Sub-component #2: Capacity building (training, systems, and processes).

Sub-component #3: Institution building (new organizational units, and OD).

Components #4 Improving operations and service delivery by building on achievements of the first phase of the PSMP, comprising of increasing the availability and validity of information; women and gender issues; improving provincial and local government, and expanding decentralization; enhancing public enterprise performance, and assisting with the implementation of options for privatisation.

Sub-component # 1: Information availability of the PSMP, consists of, capacity building (systems); and needs assessment (systems).

Sub-component #2: Women in the EPS.

Sub-component #3: Regional government and decentralization, consists of capacity-building (implementation systems; communication processes, and practices); organizational analyses (urban sector); institution building (training).

Sub-component #4: Public enterprises, companies: institution building (market, product, and organization development); and capacity-building (training and systems).

18. At the time of the formulation of the second phase of the PSMP, it was envisaged that the planned activities will be funded by a number of donors. The justification for continuing UNDP support for the second phase of the PSMP was based on the rationale that sustainable human development can be achieved by promoting sound governance and public sector management *The programme implementation strategy, recognizing UNDP's comparative advantages and its mandate, called for UNDP support to be focused on the **capacity-building aspects of the PSMP.*** The following capacity and institution building elements in the four components of the PSMP were identified in the PSD for UNDP support (referred to as "capacity-building targets" in the PSD):

Components #1: Improving the structure and functioning of the Eritrean Public Service (EPS) as a whole.

1(a). Improve the structure and functioning of ministries, severally and individually, by analysing

their missions, structures and functioning, together with analyses of their internal work processes and how these affect the public by building on the analyses in Report 14.

1(b) Strengthen inter-ministry interactions and communications through, among others, application of inter-office communication techniques to minimise red

tape. 1(c) Establish retrenchment and redeployment policies and procedures.

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1(d) Produce a system of position classifications, including skill and knowledge requirements following the recommendations of Report 5.

1(e) Introduce job standardisation within position classifications using the recommendations of Report 26.

1(f) Identify and implement policies and systems for making, and keeping, government levels of remuneration competitive in order to attract and retain the best talent following recommendations of Report 5.

1(g) Carry on with the establishment of a management audit systems which, wherever possible, shifts service delivery from the public to the private sector following recommendations of Report 5.

1(h) Continue with the production of regulatory (legal) frameworks for the public service (organisations).

1(i) Carry on with capacity-building in the Office of Pensions and Social Security, particular in relation to the development of policy, actuarial systems, rules and regulations, structure and functioning, work processes, and training and development building on the recommendations in Report 8.

1(j) Continue to strengthen the License and Permits Office following recommendations in Report 15.

1(k) Establish scenarios for optimal size and cost of the EPS.

1(l) Lay the bases of a coherent framework for a national programme for the development of the

export trade sector and for strengthening the capacities of the Ministry of Trade and Industry to monitor and manage the programme formulated.

- 1(m) Strengthen the Department of Energy to enable it to assess existing energy resources and ensure the supply of low cost energy to the country in an economically viable way with minimum damage to the environment and introduce energy regulations.
- 1(n) Upgrade the institutional capacity of the Department of Mines to enable it to carry out of effectively geological mapping, mineral exploration and mining development projects.

Components #2: Strengthening human resources management and human resources development systems.

- 2(a) Implement approved public sector training programme, especially 'bridging' programmes following recommendations in Report 10.
- 2(b) Strengthen the Eritrean Institute of Management through the design and delivery (jointly) of a range of training programmes e.g., for FIRM professionals, entrepreneurs, project managers, and so on), the development of local case studies, and through the conduct of joint consultancy and applied research following the recommendations in Report 10.
- 2(c) Carry on with the training of trainers, particularly in the use of applied problem-solving, action research, simulations, and experiential methods so as to more effectively train civil servants following the recommendations in Report 10.
- 2(d) Design, organise and implement study tours abroad for senior public servants for exposure to relevant experience so as to enhance their policy formulation and management capabilities.
- 2(e) Up-grade and up-date the data- base of skilled Eritreans abroad to ensure availability of an effective roster for selecting Eritreans abroad qualified to fill requirement gaps in the Eritrean public sector.

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Components #3 Institutionalizing a quality management system which identifies and solves consumer problems quickly, and is responsive to consumer needs and wants.

- 3(a) Set-up pilot projects for the establishment of quality management systems in one or more of, for example, Municipal Government, Ministry of Health (hospitals), Inland Revenue, and Customs.

Components #4 Improving operations and service delivery by building on achievements of the first phase of the PSMP, comprising of increasing the availability and validity of information; women and gender issues; improving provincial and local government, and expanding decentralization; enhancing public enterprise performance, and assisting with the implementation of options for privatisation.

- 4(a) Increase the Availability and Validity of Information: (i) carry on with the development of an information system for personnel management (record), payroll and the computerization of the operations of the Central Personnel Administration (CPA)1 following recommendations contained in Reports 6 and 7; and (ii) complete public service-wide MIS user needs assessment to provide a foundation for systems design.
- 4(b) Women in the EPS: (i) establish policies and procedures for increasing the participation of women in the public service, and addressing gender issues; and (ii) develop and implement management training programmes aimed specifically at women.
- 4(c) Local Management Capacity Strengthening (Local Governments): (i) develop systems for the implementation and management of the new local government structure following

recommendations in Report 11; (ii) devise criteria, policies and procedures for the categorisation of existing and emerging urban sector entities (towns), paying attention to the categorisation of different urban management and organisational structures, the roles of senior administrators, and sources of revenue at local levels; and (iii) improve or establish basic systems of communication, and information retrieval, dissemination and storage at the lower levels of local government.

- 4(d) SOE Management Capacity: Strengthen performance of key public enterprises on the basis of comprehensive reviews of their strategic and financial management, financial structure, organisational structure, functioning, marketing, product development, and so on - in order to ensure profitability building on the management model in Report 2.

19. A total of US \$ 9,619,950 was sought from UNDP for programming the proposed capacity and institution building activities in the four components of the PSMP. The data on the budget presented in the Programme Support Implementation Arrangements covering UNDP support for the Second Phase of PSMP show that:

- 38.6 percent, US \$ 3,716,000, representing the largest share, were allocated to component #2 - Strengthening Human resources Management and Human Resources Development Systems;
- 28.6 percent, US \$ 2,750,000 to component #1 - Improving the Structure and Functions of the EPS;
- 14.8 percent, US\$ 1,420,000 to component #4 - Improving Operations and Service Delivery;
- 3.1 percent, US \$ 300,000 to component #3 - Institutionalizing a Quality Management System;

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- 6.4 percent, US \$ 620,000, for training and study tours covering all four components; and
- 8.5 percent, US \$ 813,2000 for Programme Support Office, including travel and miscellaneous expenses.

20. It is only in the first two years (mid 1995-mid 1997) that the PSMP was implemented as envisaged in the PSD and PSIA. At the first TPR of the PSMP in July 1997, the government announced its decision to cancel 9 out of the 14 planned activities under component one and one in component four.³ The rationale offered was that the interim measures being implemented by the government to restructure and streamline the public services have made many of the planned activities obsolete. At the TPR, it was also decided to channel the savings resulting from the cancellation of the planned activities, US \$ 1,772,431, to (a) human resources capacity building, and (b) institution building.

21. In August 1997, Amendment One to the PSD was signed that:

- i. created a new "sub-target", named "institutional capacity building" under component # 1, to which US \$ 552,729 from savings resulting from the cancellation of planned activities were allocated (the Mission has noted the precision of the allocation, which in the absence of any workplan remains a mystery);
- ii. allocated an additional US \$ 574,757 from savings to public sector training programmes, Target 2a, bringing the total earmarked funds for this activity to US \$ 1,774,757; and
- iii. allocated an additional US \$ 644,955 to funds earmarked for Eritrea Institute of

Management, Target 2b, bringing the total support level to US\$ 2,444,945.

22. In the post Amendment one period, the Government also introduced, under the new sub-target "Institutional Capacity Building", support for strengthening the capacity of the Land Department, the Ministry of Justice (study of bottlenecks in the delivery of justice and the study of International Human Rights Law), and support to the Ministry of Finance in drafting a budget law.

23. Essentially, Amendment one changed the focus of PSMP significantly from central issues concerning the machinery of Government (structure and functioning of ministries, inter-ministry interaction, redeployment policies, job classification, remuneration, personnel), towards more sectoral issues of concern to line agencies and Ministries. Instead of the emphasis placed previously on capacity building, a more narrowly defined objective of "institution building" was introduced.

24. The results of these changes were, first, PSMP became a more equipment oriented programme, as institution building placed heavy emphasis on IT and other forms of equipment. The shift towards equipment and supplies can be partly attributed to the fact that the mobilization of population in the 18-40 year group for the war effort, from both the public and private sectors, had significantly reduced the scope of human resources development related tasks. Second, there has been a sharp reduction in the role of advisory services to be offered through PSMP. Third, the emphasis previously placed on policy and legislative development diminished.

25. An important consequence, also of amendment one, was a greater importance attached to Eritrea Institute of Management (EIM), within the overall structure of PSMP. More resources were

s The cancelled sub-targets included: in component #1: 1(a), 1(b), 1(c), 1(d), 1(e), 1(f), 1(h), 1(i), and 1(k); and in component #4: 4(d).

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8

allocated to EIM, especially for equipment, buildings and related facilities, as well as establishing a state-of-the-art language laboratory.

2.2 CURRENT STATUS OF THE PROGRAMME

26. The second phase of the PSMP formally begun in August 1995 and had a planned programme duration of three years. UNDP allocated a total of US\$ 10,512,082 from its IPF resources. This included US \$ 9,619,950 for programming and US \$ 892,132 for AOS. UNOPS was selected to be the executing agency for the programme. The programme duration has been extended four times:

- in June 1998 to December 1999;
- in June 1999 to December 2000;
- in August 2000 to October 2001; and
- in May 2001 to December 31, 2001.

CURRENT STATUS OF PROGRAMME BUDGET

BUDGET (excluding AOS)

UNDP Contribution - Budget Rev "L" IJSS 9,619,950 Government (in kind)

27. According to the latest Budget Revision "L" approved in mid May 2001, total programme expenditures up to the end of 1998, nearly half a year after the planned completion date of the programme, had amounted to less than 70 percent of the total budget for the

INITIAL PLANNED BUDGET AND ACTUAL EXPENDITURES				
<i>Fear</i>	<i>Planned Budget</i>	<i>Actual Expenditure</i>	<i>Percent Distribution Actual Expenditure</i>	
1995	2,490,450	363,945	3.8%	
1996	„593,400	1,536,074	16.0%	
1997	64,400	2,366,946	24.6 ¹	
1998	1,271,700	2,455,021	255 ¹ %	
		739,418	o	
2000		964,210	10.0%	
2001 *		1,194,336	12.4 ^o	
Total	9,619,950	9,619,950	100.0%	

* The figure for 2001 represents planned expenditure.

INITIAL PLANNED BUDGET AND EXPENDITURES as per Budget Revision "L" 13Y BUDGET LINE in USS				
B/1'	Category	Planned Budget	Budget Revision 1," Actual Exp.	Planned lisp.
	Int'l experts & Consultants	2,768,000	1,713,340	25,320
	Admin. Support Personnel	500	147,450	30,000
15/16	Official Travel	60,000	83,980	15,000
7	National Professionals	432,000	110,370	62,800
	Subcontracts	3,314,000	1,821,830	193,000
31	Fellowships		1,115,030	42,000
	Study Tours	620,000	66,360	
	In-service Training		105,280	100,000
40	Equipment	2,274,750	3,130,720	388,220
50	Miscellaneous	93,000	131,250	38,000
	TOI:u.	9,619,950	8,425,610	1,194,340

FUNDS COMMITTED BUT NOT **DISBURSED** as of November 2001

UNCOMMITTED BALANCE

and the magnitude

administrative structures of the government were faced with, the low absorptive capacity could be attributed to: (i) the government did not have a blue print for establishing the administrative structures. It has been an evolving process where decisions have been made based on experiences and knowledge gained overtime; (ii) the government undertook to carry out a number of tasks, that were included in PSMP, on its own and outside the UNDP supported PSMP framework. While the Mission recognizes the realities on the ground, it believes that a more speedy progress could have been made if a more systematic approach to prioritizing the tasks had been adopted. Without a thorough understanding and knowledge of the decision-making processes, on which little information is readily available, to an outside observer the decision-making processes could easily appear to have been ad hoc and lacking a well founded strategic framework.

second phase of the PSMP. Given the nature
of the tasks that the
nascent

3. FINDINGS OF THE EVALUATION

28. The approach adopted by the

evaluation team was not to attempt to pick apart each component, target and sub-target of the PSMP Programme to establish what has or has not been done, but rather to focus on examining the programme's performance in the broader context - what has worked and what hasn't and the reasons why, thereby extracting lessons learned which can be applied to any future technical assistance in this important area. The thrust of our analysis is to support each finding with constructive suggestions for improvement, where appropriate.

29. At **the outset, the Mission acknowledges the adverse effects** that the border conflict with Ethiopia, that started in 1998 and the subsequent full-scale war in mid 2000, has had on the implementation of the Second Phase of PSMP. The mobilization of population age 18-40 years for the war effort that included civil servants had made the normal continuation and effective implementation of many human resources development elements of the PSMP a very difficult task indeed.

3.1 PROGRAMME CONCEPTS AND DESIGN

30. This section presents our findings on PSMP's concepts and design, its linkages to the National Public Sector Management Programme, its relevance to UNDP's country programme in Eritrea, the articulation of UNDP supported PSMP's overall objective, targets, sub-targets, and outputs, and finally the programme's strategy.

31. When the Provisional Government of Eritrea

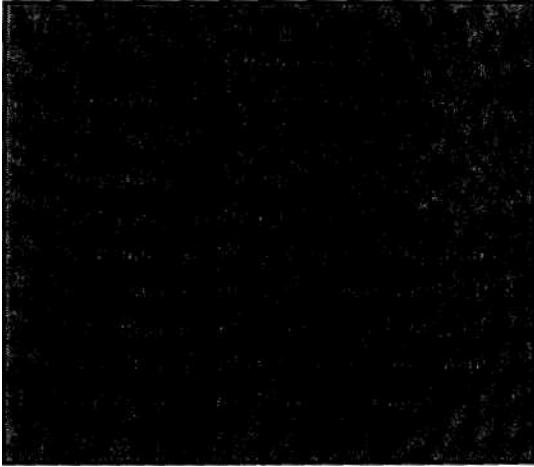
(PGE) took power in 1991, it found in place institutions that could implement policies decided in Addis Ababa. It did not find law- and policy-making institutions capable of nation building. To meet this challenge, PGE had to establish new institutions and define their functions and powers. In Eritrea the issue was not of strengthening or improving public sector management, but to structure them afresh.

32. The National PSMP was conceived as a framework document for public sector management. The National PSMP was a comprehensive document that included practically all aspects of public sector management. It was intended to serve as the framework for external assistance from all multi and bilateral sources. In this context UNDP constituted only one of these donors. The Programme Support Document for the Second Phase of PSMP provided for the establishment of a Steering Committee that was to oversee the implementation of PSMP activities supported by a group of



3.1.1

Programme Rationale



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10

donors. In the implementation of the PSMP, however, this aspect of more extended donor involvement did not take place. UNDP has been the only donor involved in the implementation of the PSMP, through its support to both Phase I and II of PSMP, extending over the 1993-2001 period.

3.1.2 Linkages to National PSMP

33. As mentioned earlier, the programme implementation strategy, recognizing UNDP's comparative advantages and its mandate, had called for UNDP support to be focused on the capacitybuilding aspects of the PSMP. The capacity-building elements in the four components of the PSMP, to be supported by UNDP are outlined in detail in para # 18 on page 5. Even though support from other donors was not sought or secured, the UNDP supported planned capacity-building targets represented a coherent set focusing on core public sector management issues.

3.1.3 Relevance to UNDP Country Programme

34. At the time of the preparation of Programme Support Document (PSD) for UNDP support for the Second Phase of the PSMP, UNDP was in the process of preparing its Country Programme for Eritrea. Thus, the Bridging Programme that was operational at that time was adopted as the framework for this assistance. Of the four areas of focus of the Bridging programme, the proposed UNDP support for the Second Phase of PSMP was considered to fall under the "economic management" focus area.

35. In the PSD for the PSMP, the relevance of UNDP support was justified on the following grounds, "The PSMP has been designed to foster Sustainable Human development and, in particular, contributes to building national capacity at the public sector level for sustainable human development as identified in UNDP's Ten Point Plan for a New International Cooperation for Development. The PSMP rationale is that a major strategy for achieving sustainable human development is to promote sound governance and public sector management". The Mission concurs that in the Eritrean context support for the PSMP was both needed and relevant to UNDP's country

programme.

3.1.4 Articulation of IJNDP Supported PSMP's Overall Objective, Targets, Sub-targets, and Outputs

36. It is important to reiterate that while the National PSMP intended to cover a much broader range of activities, the PSD for UNDP support for the PSMP outlines in details only aspects of the programme that were proposed to be supported by UNDP, namely the capacity building targets in the four component areas of the PSMP. The overall objective of the programmes was to "assist the government to establish and institutionalise a transparent, accountable, participative, and accessible form of public sector management/governance which protects the rights of Eritrean citizens, is responsive to their needs and is efficient and effective in the delivery of services". There is little one can argue about such a statement of the overall objective, except to note that for a proposed programme of three-year duration the addition of the words "work towards" (i.e. assist the government to work towards establishing and institutionalising) would have kept the expectations in line.

37. The targets, sub-targets and outputs in each of four components for UNDP's capacity-building support were well articulated in the PSD for PSMP. Although, it should be noted that after the first

Terminal Evaluation Report
11

TPR in June 1997 that resulted in Amendment I to the PSD, the amendment did for all practical purposes, change the nature and scope of activities that were subsequently implemented. The government views, amendment I as a vehicle that provided it the flexibility it needed to make optimal use of the available UNDP support and to focus on its emerging high priority needs. At the same, the absence of readily available information on government priorities concerning public sector management issues makes it difficult to judge whether in fact the changes had been based on well thought out strategies or were the result of ad hoc decisions.

3.1.5 UNDP Supported PSMP's Strategy

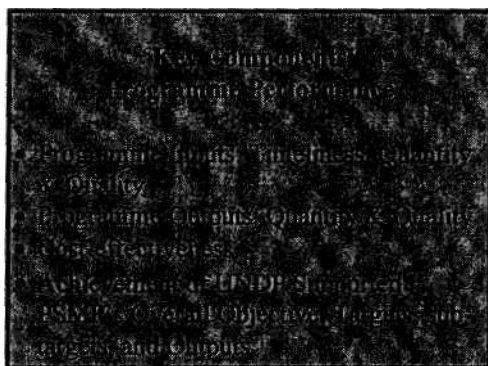
38. The strategy for the optimal use of UNDP resources, as outlined in the PSD, was that "The PSMP's capacity-building targets address the EPS as whole, namely: the civil service, the regional administration, and the training programme for public servants".

3.2 PROGRAMME PERFORMANCE

39. This section focuses on the programme's performance in terms of the timeliness, quantity and quality of inputs delivered by the UNOPS and UNDP; the quantity and quality of outputs produced, the costeffectiveness of activities undertaken, and the extent to which the programme's overall objective was achieved. It is not our intention to cover these topics in detail, but rather to present major findings and pertinent conclusions and lessons learned.

3.2.1 Programme Inputs

40. The mix of programme inputs (international and national experts, sub-contract, equipment, and training and study tours) has been substantially altered as a result of Amendment one to the PSD in August 1997. The resources utilized for international and particularly national experts were significantly less than initially envisaged. In the case of national professionals/experts, just over 25 percent of the initially planned resources were utilized. Although the border conflict with Ethiopia may have somewhat resulted in this under utilization, the low level should be a cause for concern. Whether the reasons for this under utilization are a shortage of qualified national professional/experts, or a reluctance to pay a market price for the highly qualified national professionals, in either case there is a need to take some actions to alleviate the problem. The evaluation of the First Phase of PSMP had reported that, "some government officials interviewed were of the view that activities planned in support of areas of their responsibility would have been more effectively carried out if a long-term (one year) international advisor had been provided rather than the short-term consultants. They argued that short-term international consultants, while valuable as catalysts in policy- and strategy-formulation questions and in conceptualising ideas, served too short a period to be able to assist them in the more practical problems they faced in implementing policies and strategies". It was, therefore, recommended that in Phase II of PSMP more long-term international consultants may be needed than was the case in Phase I. As such, the under utilization of allocated resources for international consultants can be viewed as an outstanding issue that still needs to be taken care of in any future UNDP supported programme.



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**PLANNED BUDGET ALLOCATIONS AND ACTUAL EXPENDITURES by
PROGRAMME INPUT**

Programme Input	Planned Budget Allocation (PSIA)		Actual Expenditure 1995-2000 & 2001 EST.			Actual Exp. 1995-2000 as % of Planned
	US \$ `000	of Total	1995-2000		Planned 2001	
			US \$ `000	%		
Int'l Experts	2768.00	28.8%	1713.34	20.3%	352.32	61.9%
National Experts	432.00	4.5%	110.37	1.3%	62.80	25.5%
Sub-contracts	3314.00	34.4%	1821.83	21.6%	193.00	55.0%

Equipment	2274.75	23.6%	3130.72	37.2%	388.22	137.6%
Fellowships		1115.03	13.2%	42.00	
Study Tours	620.00	6.4%	66.36	0.8%	0.00	10.7%
In-service training		105.28	1.2%	100.00	
Admin. Support Personnel, travel, & Misc.	211.20	2.2%	362.68	4.3%	83.00	171.7%
GRAND TOTAL	9619.95	100.0%	8425.61	100.0%	1194.34	87.6%

41. Programme inputs under the heading "sub-contract" were initially allocated over one-third of total PSMP budgeted resources. Only just over half of these allocated resources have been utilized. It is not clear as to what was intended to be procured under this heading. If the intention was to procure consulting/advisory services then the decline represents a significant shift in the programme thrust during its implementation.

42. Two areas, equipment and training overseas, have received significantly higher level of support from the programme than originally envisaged. The inclusion of additional agencies under institutional capacity building target introduced as an element of Amendment one is one reason for a higher expenditure on equipment. No resources were allocated for fellowships (training overseas) in the PSD or PSIA. The latest budget revision shows an expenditure of US\$ 1,115,030 for overseas training, i.e. fellowships. Over all, expenditures on training activities (fellowships, study tours, and inservice training) have amounted to just over 15 percent of the programme expenditures - as compared to 6.4 percent of programme budget initially allocated for these activities.

43. Except in a few cases, the inputs have been delivered in a timely fashion. There are a few cases where faulty equipment has been supplied and there has been little recourse to having the situation remedied. For example, 27 units of radio communications equipment supplied to the MoLG do not work properly. An attempt should be made to remedy the situation. Some questions have also been raised about the quality of services delivered by ITC under an inter-agency arrangement to the Department of Trade.

44. A detailed summary of the outputs produced under the Second Phase of the PSMP is presented as Annex E. It presents information on the achievements/current status of planned activities by PSMP component, capacity building sub-target and outputs. The intention here is to briefly outline the major accomplishments and problems/issues in the four main components of the PSMP.

45. **Component #1 - Improving the Structure and Functioning of EPS as a whole** - under the Second Phase of PSMP assistance was provided to the Ministry of Justice, Department of Trade, the two Departments (Energy and Mines) in the Ministry of Energy and Mines, and the Department of

3.2.2

Programme Outputs

Mines, the Business License Office; and a study on the location of ministries was completed. After Amendment One strengthening the institutional capacity of the Department of Land and the Ministry of Finance was also added under this component.

46. The support to the Ministry of Justice was delivered in two stages. The first study on the court system has served as an important input in enabling the Ministry to secure additional assistance not only from UNDP but also from other donors. Based on the recommendations of the study the Ministry on its own has developed a system for establishing the qualifications of lawyers and standards for their conduct; drafted a legislation and issued the "Advocates proclamation 88/1996"; and conducted an in-service training programme. After Amendment One, PSMP has also provided support for a study on identifying bottlenecks in the delivery of justice as well as a study on International Human Rights Law. The findings of the study on identifying bottlenecks in the delivery of justice is being used to introduce changes in the judicial process for the implementation of which the Ministry is in the process of seeking support from the donor community. The study on International Human Rights Treaties, and their implications for Eritrea, has been a high quality document, prepared jointly by international and national consultants. The study is an important input in government's decisionmaking process concerning multilateral relationships.

47. PSMP support to the Department of Trade was focused on providing assistance to enable the Ministry to enhance its capacities for international trade, including the possible establishment of a trade promotion organization. This task was entrusted to ITC, the UN agency with specialized skills in trade promotion. ITC attached an international consultant for a period of eight month to the Ministry. In addition, several short-term consultants supported him, on issues such as trade training. Two persons were also sent on study tours. Another activity involved sending two persons to study the market for leather goods in neighbouring countries. The most significant output of ITC has been a Programme Support Document for the trade sector, to seek additional assistance, with an estimated budget of over US\$ 4 million. Most of the budget was for foreign experts. The Government did not endorse the proposal and the Mission believes it was an appropriate decision. This component of PSMP has to be described as less than a success. There was little ownership of the effort by the Department of Trade. The ITC consultant did not develop sound working relationships with his counterparts. The performance of the national consultant recruited was also considered to be less than satisfactory.

48. PSMP supported the two Departments, Energy and Mines, within the Ministry of Energy and Mines. Support to the Department of Energy was provided to undertake an assessment of energy needs in Eritrea (Energy Survey), to adopt international energy standards, and also to train at least 20 officials, apart from the provision of software. PSMP contributed to building capacities within the Department of Energy to undertake continuing assessment of energy needs. The wind and solar energy potential of the country, was assessed, and subsequently this has been followed up by assistance from Sweden. Generating information, and developing analytical capacities has been an important feature. The training, undertaken through the Stockholm Environment Institute through a local Workshop, and related software, has enabled the Department to assess the impact of energy development on the environment. PSMP support was delivered through a consulting firm from

Germany (Lahmeyer International Ltd.). The consultants also prepared a TOR for an energy master plan. The contribution of the international consultants has been highly appreciated. It illustrates the value of international advisory services to Eritrea, provided there is effective interaction between the consultants and the counterpart agency. The activities of PSMP have stimulated other donors. Overall,

Terminal Evaluation Report

the assistance has made a significant contribution to building capacity of the Department of Energy. PSMP has also provided the Department of Mines with equipment to enable it to carry out effectively geological mapping, mineral exploration and mining development projects.

49. PSMP's has provided support for upgrading and expansion of the Business License Office (BLO) in the Second Phase of PSMP. It has provided computers and furniture to BLO, both to its central office and to several regional offices. An international consulting firm was selected to develop the computerized system. It was unable to complete the assignment as planned and the Eritrean Information Systems Agency was called upon to complete the task. The BLO is largely a creature of PSMP. It constitutes an important success story. It has now inventorized around 50,000 enterprises in Asmara. The process of issuing licenses has been speeded up. It has become a model of services delivery through computerized systems. One reason for its success is the commitment and technical competence of national staff that has also facilitated the decentralization process.

50. As mentioned earlier, Support to the Land Department was introduced as part of Amendment One to the PSD. The Ministry of Land, Water and Environment (MLWE) is entrusted, among other things, with the responsibility of developing an efficient information system, with the aim of putting the resources of land to good use. PSMP has provided to the Land Department the needed hardware and software and surveying equipment to enable it to establishment a computerized system in the Land Department and its branch offices. All equipment have been acquired and delivered to Land Department. Some training on the use of the equipment has also been conducted. PSMPs' supply of equipment and related training has been an important factor in enhancing the capacities of the Land Department. A good start has been made in land mapping and title registration, both at the central, regional and sub-regional levels. The Department has used the equipment to prioritize land applications, to allocate land, register cadastral information and prepare maps and plans. Many of the personnel associated with this work have been trained on the job. The PSMPs' interventions have enabled a degree of decentralization in land administration, although the technical resources of the Ministry are at present confined to Asmara.

51. At the request of the Ministry of Finance, PSMP has provided assistance in drafting a budget law. A draft budget law has been prepared by a national consultant. The Ministry of Finance submitted the draft to the International Monetary Fund (IMF) for review/comments, which have been received and the draft at present is with the Ministry of Justice for finalization.

52. Component #2 - Strengthening Human Resources Management and Human Resources Development Systems - under the Second Phase of PSMP assistance was provided to strengthen the Eritrea Institute of Management, for training overseas both through fellowships and study tours

as well as in-service training, and some support for upgrading and updating the database of skilled Eritreans abroad.

53. PSMP support to the Eritrean Institute of Management was not only the major activity under this component, but also in terms of resources it has consumed the largest share of PSMP resources. Through Amendment One the allocation of resources for this activity was significantly increased to finance the expansion and refurbishment of physical facilities, furniture, equipment including a state-of-the-art language laboratory, and several fellowships and study tours have been organized for the EIM staff. The EIM is located at Embatkalla, some 34 kilometers outside Asmara. To-date PSMP has financed not only the set up cost of the EIM but also its recurrent operations and maintenance costs.

Third Mission Evaluation Report

15

With respect to the EIM, the Mission would like to highlight a few issues that need some resolution. First, the management responsibility for the EIM. In Phase I of PSMP, the report commissioned on civil service training, had recommended that an autonomous Management Institute, that will have some linkages with the University, be established. When the EIM was established, because of existing shortages of skilled manpower this recommendation was not accepted and the University of Asmara was asked to oversee the management of Institute for a three year period. This arrangement has continued without a formal extension. The Mission strongly recommends that a review of the management responsibilities for the EIM be undertaken urgently and that serious consideration should be given to the option of: (i) making EIM an autonomous Institute associated with the CPA; (ii) whose management oversight functions should be performed by an independent Board of Directors whose membership should include representatives of both public and private sectors; (iii) the Institute should be open to members of both public and private sector; and (iv) its operations should be mostly self-financing. Second, The language laboratory has been a major investment by PSMP. It is an important resource for the country, access to which should not be restricted to public sector only. In order to optimize the use of these facilities they should be open to not only members of the public and private sectors but also to tertiary level students, especially those who may be abroad for higher education. This raises the question about the location of the language laboratory that at present is located at Embatkalla, which is some distance from Asmara. The Mission recommends that the issue of the location of the language laboratory should be reviewed to optimize its use.

54. So far, the EIM has provided training to some 1645 civil servants in five different courses. The border conflict with Ethiopia that resulted in the mobilization of public servants for the war effort has seriously hampered its operations. As a result, while during the two-year period from 1995 to 1997 a total of 849 persons were provided training, only 796 persons have been trained over the last four years (1997-2001). On the positive side, while only 129 or 15.2 percent of the 849 trainees were females, there were 160 or 20.1 percent of the 796 persons trained were females in the more recent period (see Table).

**NUMBER OF CIVIL SERVANTS TRAINED AT THE ERITREAN INSTITUTE OF MANAGEMENT BY
COURSE AND GENDER: 1995-2001**

Type of course	Before Amendment I 1995-July 1997			After Amendment I August 1997- 2001			Total Period 1995-2001			
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Percent
Financial Management	185	72	257	188	82	270	373	154	527	32%
Project Management	245	23	268	133	21	154	378	44	422	26%
Personnel Mgt.	290	34	324	235	38	273	525	72	597	36%
Materials Mgt.	-	-	-	72	10	82	72	10	82	5%
Small Business Mgt.	-	-	-	8	9	17	8	9	17	1%
Total	720	129	849	636	160	796	1356	289	1645	100%
Percent	44%	8%	52%	38%	10%	48%	82%	18%	100%	

55. PSMP has also supported training of civil servants abroad on fellowship to be trained at universities or on study tours. To-date, PSMP has financed 12 persons on fellowships to pursue graduate studies in management and 59 persons on study tours abroad. PSMP has also supported training within the Country outside EIM. Several ad-hoc specialized training programmes have been

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16

conducted within the country, which were specific to a ministry's needs. These training programmes have been provided to employees of the Department of Energy, Ministry of Local Government in computer and radio communications, at the Macro Policy Department, Office of the President, etc. Moreover, workshops were conducted in the Ministry of Local Government and Department of Energy and Mines.

56. **Component #3 - Institutionalizing a Quality Management System** - under the Second Phase of PSMP, the only activity supported was a study of the Zoba Maekel (Central Region) a.k.a. the Municipality of Asmara. The Study was conducted by three international and three national experts, joined by several government counterparts. The Group of Consultants produced a four volume Report focusing on an overview, organization and management; finance; management information master plan; and a pilot project (Sanitation Department of the Municipality). The consultants report was discussed at a Workshop attended by several government officials. This study, applying TQM principles to the sanitation sector, has been a valuable contribution to the restructuring process of the municipality of Asmara. The international and national consultants employed have been of good quality. The process of interaction between the international consultants and national staff of the municipality has been highly appreciated. The consultative process has been an important by-product. The questionnaires and seminars organized by the consultants have been a valuable experience for the national staff. The consultants worked with two counterparts from the municipality, one dealing with finance and the other dealing with organization and management. Although the recommendations of the study have so far not been implemented, they are still under consideration. The study has offered many new insights into feasible forms of organizational change, and could help in stimulating changes both in the municipality and in other organizations. The government task force currently looking into options for the restructuring of the government is using the study as a background document.

57. **Component #4 - Improving Operations and Service Delivery** - PSMP support in this

component was limited to the MoLG. It has included a package of assistance, supplying equipment and other facilities, conducting training and research and establishing a geographic information system (GIS). Most of the envisaged studies were carried out. The preparation of maps has not yet been finalized. The PSMP assistance has enabled the Ministry to develop basic skills and information on a geographic basis. It has played a critical role in supporting local government structures. Because of the border conflict some activities have been restricted in some of the regions.

3.2.3 COST-EFFECTIVENESS

58. There are no absolute standards that can be utilized to judge whether or not the programme activities were delivered in a cost effective manner. To address this issue indirectly it may be insightful to examine the activities that the programme has delivered. A major activity supported in the Second Phase of PSMP has been the Eritrea Management Institute. While in the long-term the facilities established may prove to be cost-effective, its costs and benefits when examined in the context of the last five years certainly raise questions about the cost effectiveness of the UNDP support. Especially, when considered in the context of other potential activities that could have been supported.

3.2.4 ACHIEVEMENT OF PSMP'S OVERALL OBJECTIVE

Fvnhintinn Report

17

59. Notwithstanding the generality of the stated overall objective of the PSMP, certainly some progress has been made towards achieving the overall objective of the PSMP.

3.3 PROGRAMME MANAGEMENT FRAMEWORK

60. The success in the implementation of any programme to a large extent depends not only on the capabilities of the personnel involved in the implementation of the programme and the appropriateness of its concepts and design but also on the management structures that are put in place to manage the implementation of the programme as well as the clarity with which the roles, responsibilities and authority of the various actors involved in the implementation is defined. In this section, we present our findings and observations on the overall management framework for the programme.

3.3.1 MANAGEMENT STRUCTURE

61. The management structure outlined in the PSD for the Second Phase of PSMP was defined on the premise that the programme will be financed by a number of multi and bilateral donors. In reality this did not happen. Thus, the proposed management structures that included a Steering Committee to provide the overall guidance never really materialized. Since this programme was being managed by an executing agency, UNOPS, and there is a CTA for the programme on site the absence of a steering committee did not have any material impact on the implementation of the programme. The CTA has managed the programme effectively and efficiently in a very professional manner. To a large extent the successes of the programme implementation activities are attributable to his diligence.

62. According to the PSD, "UNOPS, the executing agency, will provide for the necessary administrative backstopping and technical supervision and shall undertake bi-annual programme monitoring missions in accordance with the provisions of the programme and project Manual (

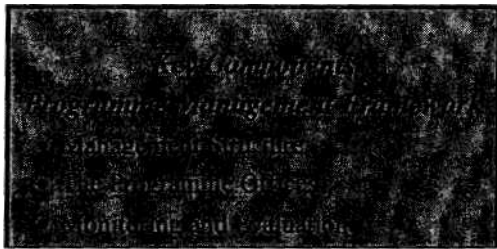
PPM)". The evaluation of the First Phase of PSMP had recommended that, "During Phase II, an appropriate system of technical backstopping needs to be agreed on as between CTA, UNDP Asmara, the Executing Agency, and the MDP, perhaps providing for regularly-scheduled visits from the Executing Agency to ensure technical support". The Mission did not find any evidence to support that this recommendation was seriously considered.

3.3.2 THE PROGRAMME OFFICES

63. The implementation of the Second Phase of PSMP was supported by a Programme Support Office and has been the base for the CTA. The Office has also served as the focal point for institutional memory on the implementation of the UNDP support for the National PSMP from its inception in 1993. Given the capacity gaps all around without the Programme support Office and the CTA it would have been difficult to achieve the results that the PSMP has managed to achieve.

3.3.3 MONITORING AND EVALUATION

64. Neither the PSD nor the PSIA for the Second Phase of PSMP include information on the



Final Report

18

monitoring and evaluation aspects of the programme implementation activities.

65. The only information on the monitoring and evaluations of the implementation of the Second Phase of the PSMP that has been made available to the Evaluation Team include: reports on the minutes of the two TPR's of the programme, one in July 1997 and the other in June 1999, and a programme audit report that was carried out in 1996. There is no evidence that UNDP Asmara carried out any independent monitoring of the programme implementation. This an area where greater attention needs to be paid in the formulation of any future programmes.

3.4 PROGRAMME IMPACT AND RESULTS

66. Many results, both general and specific, can be attributed to the Second Phase of UNDP supported elements of the PSMP. The results and impact would have been more significant, if the border conflict and the resulting mobilization for the war effort of the public servant had not occurred. Some of the obvious results achieved include:

- The establishment of a central institution, the Eritrea Institute of Management, for human resources development for the civil service. Its capacities, so far, are under utilized, for reasons beyond the control of PSMP.

- The establishment of a state-of-the-art language laboratory which could potentially be an important national resource for language teaching in the country.
- Some 1645 public service personnel have been trained through short term courses on various aspects of public administration, at a time when a new state required basic administrative and management skills.
- An important contribution has been made to equipping public institutions with information technology, and building capacity of the available human resources.
- Significant contributions have been made to the development of management systems in areas such as land administration, energy management, and licensing of businesses.
- A model of quality management (BLO, Zoba Makel) has been developed, which could form the basis on which these practices can be further expanded.
- Many studies undertaken by the programme (in the judicial sector, in energy, finance) have had an important influence in legislative and policy development.
- There has been a modest contribution to stimulating and accelerating decentralization processes (lands, BLO, Zoba Makel, Ministry of Local Government).
- Some PSMP activities have served as a vehicle for mobilizing resources from other development partners by the relevant agencies, such as Ministry of Justice.

67. On the other hand, not enough attention has been paid to gender issues in the implementation of the PSMP because of explicit government policy decisions. At present, the sustainability of the Eritrea Institute of Management that has been and will continue to be fully supported by PSMP until the end of 2001 is not clear. There is an urgent need for the government to ensure that the national budgeting process provide for the operations and maintenance costs of the Institute.

Terminal Evaluation Report

19

4. CONCLUSIONS AND LESSONS LEARNED

68. The team has drawn the following conclusions and lessons that can be learned from the experiences of the implementation of the PSMP.

CONCLUSIONS

1. Overall, UNDP support for the PSMP has contributed significantly to enhancing the institutional capacity, both in terms of human resources and management tools/systems, of the ministries and agencies that have been the beneficiaries of the programme. The department of Land, the Department of Energy, and the Business license Office are some of the examples.
2. Some studies carried out under the programme have been important inputs in public policy formulation processes and the development of legislative instruments, as well as stimulating resource mobilization from other development partners.

3. In spite of the difficult conditions on the ground, particularly the mobilization of the public servants for the war effort, the programme has provided training to some 1645 public servant in five different areas, supported 12 persons through fellowships to pursue graduate studies in management, and sent 59 government officials on study tours.
4. The Second Phase of the PSMP was conceptualised as a multi-donor supported programme. In reality, only UNDP support was secured that focused narrowly on capacity and institution building aspects of the programme. Given the vast needs of the country the involvement of other donors could have expedited the achievement of the PSMP's overall objective.
5. Delays in formally establishing a central personnel administration agency responsible for working towards achieving the overall objective of PSMP has been a major constraint in achieving some of the sub-targets of the programme.
6. PSMP support to the Eritrean Institute of Management was not only the major activity of the programme but also in terms of resources it has consumed the largest share of PSMP resources. The Mission would like to raise a few issues that it believes need further consideration by the government. First, there is the need to undertake a review of the management responsibility for the EIM. Second, the issue of sustainability of the EIM, there is urgent need to ensure that a provision for its operations and maintenance is made in the national budgeting process. Third, the language laboratory has been a major investment by PSMP. It is an important resource for the country, access to which should not be restricted to public sector only.
7. The resources utilized for international and particularly national experts were significantly less than initially envisaged. In the case of national professionals/experts, just over 25 percent of the initially planned resources were utilized. Although the border conflict with Ethiopia may have somewhat resulted in this under utilization, the low level should be a cause for concern. Whether the reasons for this under utilization are a shortage of qualified national professionals/experts or a reluctance to pay a market price for the highly qualified national professionals, in either case there is a need to take some actions to alleviate the problem. Also, the evaluation of Phase I of PSMP,

Pvnlvntion Report

20

based on inputs received from some government officials, had recommended that in Phase II of PSMP more long-term international consultants may be needed than was the case in Phase I. As such, the under utilization of allocated resources for international consultants can be viewed as an outstanding issue that still needs to be taken care of in any future UNDP supported programme.

8. Essentially, Amendment one to the PSD in August 1997 changed the focus of PSMP significantly. PSMP became a more equipment oriented programme, as institution building placed heavy emphasis on IT and other forms of equipment. The shift towards equipment and supplies can be partly attributed to the fact that the mobilization of population in the 18-40 year

group for the war effort, from both the public and private sectors, had significantly reduced the scope of human resources development related tasks. Second, there has been a sharp reduction in the role of advisory services to be offered through PSMP. Third, the emphasis previously placed on policy and legislative development diminished.

9. To a large extent the successes of the programme implementation activities, in a very fluid public policy environment, are attributable largely to the role that the CTA has played in steering the programme implementation in an effective, efficient and a professional manner.

LESSONS LEARNED

- I . Without a formally constituted entity responsible for personnel administration, in accordance with the provisions of the constitution, sustainable progress towards achieving the PSMP's overall objective, "to help the GoE establish and institutionalise a transparent, accountable, participative, and accessible form of government which protects the rights of all Eritrean citizens, cares about and is responsive to their needs, and is effective and efficient in its management of the nation's resources" will continue to be a formidable task.
2. While in the early post-independence era an evolving public policy formulation process where decisions have been made based on experiences and knowledge gained can be justified on many grounds, changes in the policy direction did adversely effect the implementation of the PSMP.
3. Any amendments to carefully designed programmes should be also crafted with equal care, so that activities continue to be clearly focused on key objectives. Any change in activities should be in line with objectives that continue to be valid. Amendment one to the PSD for PSMP regrettably did not follow this course.
4. A well managed programme can withstand the uncertainties of the surrounding public policy environment, the successes of some of the PSMP activities are a testimony to this proposition.
5. The benefits of international experts can be optimized when there is a close collaboration between the international and the national staff. In the implementation of the PSMP a good example is the external assistance provided to the Department of Energy and an opposite example is found in the assistance provided to the Department of Trade through an inter-agency agreement by ITC.
6. Sustainability issues need to be considered at every level of programme interventions. This is especially important for a programme that is highly equipment-oriented. Issues concerning recurrent costs, full utilization of installed capacities, should be considered and agreed to, prior to

5. RECOMMENDATIONS

69. Based on the findings and conclusions, the evaluation mission recommends that:

4. There is an urgent need to speed up the process of formally establishing a Central Public Administration Agency in accordance with the provisions of the constitution.
5. That a review of the management responsibilities for the EIM be undertaken urgently and that serious consideration should be given to the option of: (i) making EIM an autonomous Institute associated with the CPA; (ii) whose management oversight functions should be performed by an independent Board of Directors whose membership should include representatives of both public and private sectors; (iii) the Institute should be open to members of both public and private sector; and (iv) its operations should be mostly self-financing.
6. The language laboratory is an important resource for the country, access to which should not be restricted to public sector only. In order to optimize the use of these facilities they should be open to not only members of the public and private sectors but also to tertiary level student population especially those who may be sent abroad for higher education. This raises the question about the location of the language laboratory that at present is located at Embatkalla, which is some distance from Asmara. The Mission recommends that the issue of the location of the language laboratory should be reviewed to optimize its use.
4. In the Second Phase of the PSMP, equipment for preparing maps has been provided to a number of agencies. There is now a need to establish a Central Mapping Agency with the responsibility for preparing basic maps that can be further developed by users both in the public and private sectors for their own purposes.
5. Phase I and II of the PSMP have been supported by UNDP from 1993 onwards. It is recommended that the programme in its current form should be closed in an orderly fashion as soon as possible and that any high priority continuing activities be incorporated in the Governance Programme in UNDP's new CCF (2002-2006).