

**Ministerial Response to Recommendations/Comments contained in
The Seventh Report of the Public Administration and Appropriations
Committee on the Examination into the Implementation of the Public
Sector Investment Programme (PSIP) for fiscal year 2021**

RECOMMENDATIONS AND COMMENTS

1. Non-adherence to the Project Screening Brief (PBS) document (Page 11)

Recommendations

The MPD should submit a report to Parliament on the following by December 31, 2022:

- i. The Project Screening Brief training conducted across all MDAs during FY 2022**

Response:

On January 13-14, 2022 a Project Screening Brief (PBS) workshop was conducted by the Ministry of Planning and Development (MPD) involving the Project Planning and Reconstruction Division (PPRD), Socio-Economic Policy Planning Division (SEPPD), National Transformation Unit (NTU) and the Environment Policy Planning Division (EPPD) for the following seven (7) Ministries:

- Ministry of Labour;
- Ministry of Education;
- Office of the Prime Minister;
- Ministry of Trade and Industry;
- Ministry of Tourism, Culture and the Arts;
- Ministry of Youth Development and National Service; and
- Ministry of Agriculture, Land and Fisheries.

The above Ministries were selected since their new projects and programmes emanated from the Roadmap to Recovery Report (R2R) and the Community Recovery Report (CRR) and were prioritised for execution. The online training was conducted over a two (2) day period involving a presentation and working sessions.

ii. The scheduled Project Screening Brief training initiatives for FY 2023

Response:

The first cycle of PSB training for fiscal 2023 is planned for February/ March 2023 and further cycles will be scheduled subject to interest of MDAs and their availability. The training session will consist of a virtual presentation on the PSB targeting all MDAs. Thus far, ten (10) MDAs have expressed an interest in receiving such training. In addition, MDAs that are desirous of receiving further training in certain areas of the PSB will be facilitated as required.

iii. The relationship between compliant/non-compliant MDAs and satisfactorily planned projects

Response:

Analysis of two (2) consecutive fiscal years revealed that there was a positive correlation between MDA compliance and satisfactorily planned projects as indicated by the utilisation rates of funds, bearing in mind that other factors may affect utilization rates. MDA projects and programmes for which PSBs had been prepared recorded higher utilization rates than those of the non-compliant MDA projects and programmes. The utilisation rate for a project or programme is the total amount expended divided by its total allocation for the fiscal year times 100 percent.

In that regard, in fiscal year **2021**, there were 66 new projects and programmes of which 50 projects did not have PSBs. At the end of fiscal 2021, 70 percent of the projects and programmes without PSBs had a zero utilisation rate. This meant that no expenditure took place on those projects or programmes. However, of the other sixteen (16) projects and programmes that were implemented with PSBs, only *43.8 percent* had a zero utilisation rate.

In fiscal year **2022**, there were 104 new projects and programmes of which 38 projects did not have PSBs. At the end of fiscal 2022, the projects and programmes without PSBs had a 56.2 percent zero utilisation rate whereas the 66 projects and programmes that were implemented with PSBs only had a *46.9 percent* zero utilisation rate.

The above results indicate that MDAs who implemented their new projects and programmes with PSBs utilised more of their allocation on expenditure for activities as opposed to those that were executed without PSBs under the reporting period. It should be noted that there were fewer new projects and programmes initiated in fiscal 2021 due to the effects of the COVID-19 Pandemic and the uncertainty of the logistics and supply chain.

2. High Staff Turnover within the Project Management Units (PMUs) of various MDAs (Page 12)

Recommendations

The MPD should submit a brief report to Parliament on the following by December 31, 2022:

- i. **The number of vacant, filled and no longer open positions within PMUs of the MDAs with high project management staff turnover**

Response:

Thirty-five (35) MDAs in the Public Service receive PSIP funding. Of this amount, the MPD received twenty-five (25) responses relating to some of the Public Administration and Appropriation Committee's (PAAC) recommendations. From the responses received, there were 550 positions in the Project Management Unit (PMU) for the period under review. In fiscal 2021, the total number of vacancies across twenty-three (23) MDAs amounted to 239. However, in the fiscal year 2022, total number of vacancies decreased to 226 as thirteen (13) of the vacant positions were filled across the public service. The average vacancy rate for 2021 and 2022 was 43.5% and 41% percent respectively. A breakdown of MDAs responses is attached at **Appendix I**.

With respect to staff turnover, the majority of MDAs indicated that they experienced low level of staff turnover for the period under review. However, one of the main challenges outlined was that their Project Management Units (PMUs) operated with limited staff as the majority of positions remained vacant for extensive periods of time. These vacant positions were not filled due to financial constraints, the lack of Cabinet's approval for the positions and the unattractive remuneration packages offered by the Chief Personnel Officer (CPO). Other factors that contributed to the high number of vacancies include the appointment of officers to other MDAs, expired contracts and delays in the recruitment process. Further, with staff departure, training is often required for new members of staff. Additionally, a few of the MDAs indicated that they have been operating without an established PMU and projects are usually managed by public officers within the Ministry. Further details on MDAs' staff turnover is attached at **Appendix II**.

- ii. **The project implementation challenges and other challenges experienced by MDAs due to the frequent departure of project management staff**

Response:

The majority of MDAs did not experience implementation challenges as staff turnover was generally low across the Public Service. However, in instances whereby staff had departed, there was a notable increase in the workload of the existing staff as well as the reallocation of duties based on the availability of resources. The existing staff were

also retrained in order to perform the additional duties. In addition, MDAs continued to operate with limited staff which posed a challenge with respect to the monitoring of projects, the execution of special projects and the preparation of PSIP project documents for submission to the MPD. Further details on MDAs' project implementation challenges and other challenges is attached at **Appendix III**.

iii. Details on specific plans and the constraints to implementation, aimed at standardising remuneration for project management staff across MDAs

Response:

The remuneration packages for the established positions in the Public Service is determined by the CPO. For contractual positions within the Public Service, the determination for remuneration falls under the purview of the Human Resources Department of the relevant Ministry, under the guidance of the CPO and its relevant Circulars. **Personnel Department Circular No. 1 of 2019 dated November 29, 2019** relates to the '*Changes in administrative arrangement in respect of contract employment in the Public Service (Facilities Management, Project Management and Monitoring and Evaluation)*' (**Appendix IV** refers). The Circular entails standardized job descriptions, job designations and applicable salaries and other terms and conditions of employment for persons employed on contract on or after December 1, 2019 for Facilities Management, Project Management and Monitoring and Evaluation job categories. The positions listed under Project Management are as follows:

- i. Programme Manager;
- ii. Senior Project Manager;
- iii. Project Manager; and
- iv. Project Support Officer.

3. The Social and Economic effects of COVID-19 (Page 13)

Observation:

The Committee acknowledges the unexpected nature of the onset of the COVID-19 pandemic and that this constituted the greatest challenge to business continuity in recent memory.

Recommendation:

The MPD should report to Parliament on the challenges identified by the PPRD and the Planning Unit, how these challenges were overcome, as well as the Lessons Learnt and the Strategies to be adopted based on these lessons by December 31, 2022

Response:

The PPRD identified the following challenges experienced by the MDAs during fiscal 2021 resulting from the COVID-19 pandemic. These included delays in the execution or completion of its projects as the Public Health Ordinances and Quarantine Orders restricted interactions

among staff and stakeholders, disrupted site visits, and stymied work processes. The pandemic also caused disruption to the global supply chain which resulted in the increased cost of raw materials. In summary:

- 26% of MDAs experienced delays in the completion of projects due to procurement delays;
- 52% of MDAs were affected by the disruptions to the global supply chain and limited travel;
- 22% of MDAs incurred additional costs due to the high costs of raw materials;
- Public Health restrictions resulted in the disruptions of site visits, progress meetings, coordination with contractors/sub-contractors which resulted in project delays; and
- Disruption in work resulting from workers either contracting COVID-19 or being quarantined with family who contracted the virus.

The measures identified by MDAs to overcome the challenges identified included:

- adjustment of project timelines;
- conduct of remote meetings with contractors and executing agencies; and+-
- conduct of negotiations with project execution agencies to discuss claims that were submitted by contractors in instances where project activities were ceased.

The strategies to be adopted by MDAs based on the lessons learnt include:

- development of Business Continuity Plans featuring enhanced risk management strategies;
- increasing the use of Information and Communications Technology (ICT) and training of staff as it is critical for the continuation of work processes;
- adopting a hybrid work approach to improve workplace productivity; and
- adjusting the standard contract documents to include clauses that relate to pandemic situations (such as COVID-19) and other emergencies.

The MPD also experienced similar challenges to the MDAs. Further, the Ministry experienced human resource constraints within its Planning Division (PD) as it operates with a small staff of two (2) Project Officers. This poses an additional challenge for the PD to properly coordinate, monitor, manage the Ministry's PSIP as well as execute any special projects.

The MPD, in an effort to overcome the above challenges sought to implement measures such as adjusted project timelines, conducting virtual meetings with stakeholders and conducting hybrid training (virtual or in-person) where possible. With respect to the PD, the Ministry is seeking to strengthen its institutional capacity by re-structuring the PD thereby enhancing its ability to implement its PSIP. This will enable the establishment of the necessary professional project management positions to be established, and the requisite expertise recruited. The Ministry will also provide opportunities for the required training in areas such as project management which will enhance staff capacity and improve the monitoring and evaluation of projects and programmes under the PSIP.