

Re-engineering Government Component of e-Sri Lanka Project

Loan Agreement No. : SRI-013-2004

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Country : Sri Lanka

The Export-Import Bank of Korea
(Government Agency for the EDCF)

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(Evaluated by Korea Institute for Industrial Economics & Trade)

I . Introduction

Sri Lanka's Network Readiness Index(NRI) is way below the world and Asia's average. Especially, since the majority of the government sector is using a dial-up method through regional service providers for Internet connection, there has difficulties in utilizing governmental network and standardizing security management. Consequently, a digital government expansion has been conducted as a part of the e-Sri Lanka development project.

Through this project, a government intranet(LakGovNet, LGN) and central data center(LGN HUB) were established, and a national communication network was used to connect 325 government branches and public organizations across Sri Lanka. The purpose was to enhance work efficiency between government branches, quality improvement and scaling of public service within Sri Lanka, and promoting public benefit by expanding online services for citizens through the Sri Lanka government intranet.

After the project was completed, work processing between government branches were made more efficient, a safe communications network and nationwide online service were provided which enhanced the efficiency of public services and improved their transparency. Due to the successful completion of this project, the goal of securing a digital government network, which is part of Sri Lanka's information communications development plan, was partially achieved, and Sri Lanka conducted a secondary digital government expansion project(2013. 7. 9) to increase its effectiveness through project connectivity enhancement.

II. Assessment for Each Evaluation Criterion

As a result of evaluating based on the evaluation methods and standards regulated in “EDCF after service evaluation report writing guideline”, evaluation categories - Relevance, Efficiency, Effectiveness, Impact, and Sustainability- were scored as ‘very successful (3.62 out of 4.00)’.

In terms of relevance, it was evaluated as 'very appropriate' based on criteria such as conformity to national development strategy, validity of the development loans, and appropriateness of project design.

In terms of efficiency, it was evaluated as 'very efficiency' based on criteria such as expenses, duration, and efficiency of end results.

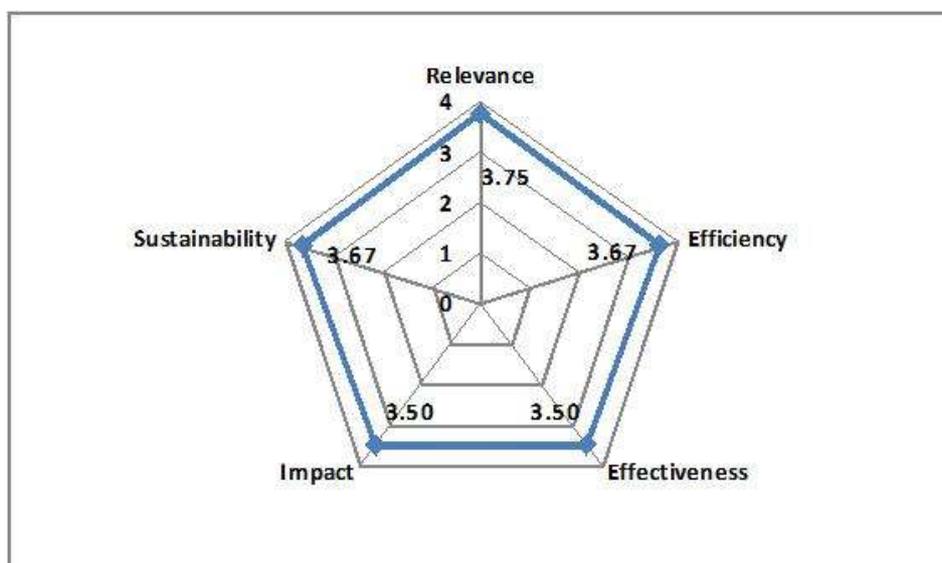
In terms of effectiveness, it was considered as 'very effective' based on criteria such as effectiveness of achieving results and achieving business goals.

In terms of impact, it was evaluated as 'highly influential' based on criteria such as economical and social impact.

In terms of sustainability, it was evaluated as 'very sustainable' based on criteria such as personnel, institutional, and financial sustainability.

[Total Evaluation Chart]

Evaluation Criterion	Weight	Classification	The Value
Relevance	20%	Highly Relevant	3.75
Efficiency	20%	Highly Efficient	3.67
Effectiveness	20%	Highly Effective	3.50
Impact	20%	Highly Influential	3.50
Sustainability	20%	Highly Sustainable	3.67
Comprehensive Evaluation Score		Highly Successful	(3.62/4.0)



1. Relevance

When evaluating based on conformity to national development strategy, validity of the development loans, and appropriateness of project design, this project was evaluated as 'very appropriate'.

The LGN Project was conducted as the core method for establishing a Re-engineering Gov't Program within the area of strategies(e-Sri Lanka Initiative) that aims to establishing an information communications

infrastructure for creating a digital government. Therefore, it is evaluated that LGN is closely linked to the highest country digitalization strategy.

Because operations and maintenance cannot be successfully executed with the capacity of the Sri Lankan government, the project was conducted with a MSP(Managed Service Provider) method. The MSP method out-sources the entirety of establishing and operations to vendors that are selected from international competition bids, and was judged to be the right way to ensure success of the project for a country like Sri Lanka which has insufficient capacity obtained.

As the MSP, Samsung SDS wrote a proposal on the LGN's architecture and general demands, but the specific goals and technical specifications of the project, which are the core parts, were provided by Sri Lanka's ICTA. Therefore, it is considered that the recipient country assumed a leading role from the design state of the project. Also, the possibility of success was raised by not only approaching the demands of the organizations who use the service out of necessity but also considering the organizations' handling capacity.



Lanka Government System

2. Efficiency

When evaluating with criteria based on expenses, duration, and efficiency of the end result, this project was considered as 'very efficient'.

The 1st phase of the LGN project was planned to be \$ 15,000,000, but the actual expenses was \$14,896,000 which is 0.7% less. Considering the local circumstances, network establishment and system stabilization were conducted together and the subject areas were reduced from 500 to 325 due to the change in project execution method.

Despite being a large scale project that connects 325 organizations, the fact that it was completed within the planned 14 months shows that the scheduled plan was effectively executed.

The results of the LGN 1st phase satisfies the service agreement level 100% in terms of all performance indexes such as e-mail service, application servers, Internet phones, LAN and WAN from August 2007 to July 2010. From these results, LGN 1st phase is considered to have been executed extremely effectively.

3. Effectiveness

When evaluating based on the effectiveness of result achievement, and achievement of project goal, this project was evaluated as 'very effective'.

From the perspective of efficiently achieving results, the recipient country's insufficient capacity was controlled such that it does not become a risk factor for the project due to the change in conducting the project. The awareness of government employees are shown to be high when considering the computer skills of the Sri Lankan public offices, and it is

also evaluated that the government e-service and website satisfaction rate is high. With over 4,000 e-mail accounts used and over a monthly average of 160,000 e-mails processed, not only were the government's work expenses reduced but also the speed of processing work increased.

In terms of achieving the goals of the project, it has contributed to the productivity enhancement, service improvement, relevant administrative policy improvement in the Sri Lanka public sector. 84.5% of the planned number of people, which is 2,724, received user training, and 95.4%, which is 310, received manager training. A strong majority of them evaluated positively on the the level of the training program.

4. Impact

When evaluating based on economical influence, social influence, this project was evaluated to have 'high influence'.

LGNCA(certification authority) and LANKA Gate(gateway) establishment made through this project contributed to the development and human resource training of the relevant ICT industry. This is considered to have paved the foundation for Sri Lanka to go beyond industrialization and aim for economical growth through digitalization.

By providing enhanced government service in the 10 fields, foreigner employment management, vehicle management, residential ID management, pension management, labor welfare management, population registration management, handcraft management, it greatly contributed to the welfare enhancement of civil petitioners. The group of experts recognize that results of providing public service(e-Services) using LGN, establishing a public certification infrastructure and gateway have positive influence on the large scale impact of the LGN project.



LGN NOC



Department of Motor Traffic

5. Sustainability

When evaluated based on personnel, institutional, and financial sustainability, this project was evaluated as 'very sustainable'.

Although some in-demand organizations are raising voices that the response time for the help desk is problematic, overall it follows the service level agreement in terms of response time and failure rate of the help desk. Consequently, securing and training maintenance personnel is considered an important task.

Relevant laws and regulations such as the Information Communications Technology Basic Law, Digital Commerce Basic Law, and laws on computer crimes were established prior to initiating the project and has high sustainability institutionally. For three years of warranty, technical support on maintenance from Korea's MSP was sufficiently made.

Maintenance costs are being supplied from the Sri Lanka government budget, and considering that approximately \$1,200,000 is being spent annually, it is evaluated that financial sustainability is also high.

6. Cross-cutting issues

Establishing an electronic government enables civil petitioners to receive administrative services at convenient places. The Non-Stop Service especially enhances the convenience of the disabled, and also helps prevent wasting resources and environmental pollution by reducing transportation demands.

Establishing an electronic government reduces the dependency on hard copies by implementing a paperless office. This also helps prevent wasting resources and environmental pollution.

III. Lessons Learned and Recommendations

1. Lessons

A. Establishing an institutional foundation of the project

The Sri Lankan government already established a systematic informatization strategy (e-Sri Lanka Initiative, 2002) 5~6 years before the start of the 1st phase of the LGN project and to execute this, created a specialized organization called the ICTA. Also, prior to the LGN project, relevant laws and policies such as the Information Communications Technology Basic Law(2003) were established.

B. Systematic selection of recipient organization

A field study on the current circumstances and demands of core government branches and public organizations, local governments was made, and direct control by the CIO was placed for the selected organizations to forward LGN usage.

C. Flexible project conducting

The Sri Lankan government decided that operations and maintenance cannot be successfully conducted with the country's capacity and demonstrated the flexibility of changing to MSP. Although the scale of the project was inevitably reduced due to this decision, the project was successfully completed due to changes in conducting the project.

D. Consideration of the recipient country's capacity

Because Sri Lanka's capacity was not sufficiently considered in the process of reviewing the basic agreements between the Sri Lankan government and Korea's EDCF, the change in project method was inevitable. As a result, the scope of the project was reduced, and the recipient country's capacity should have been considered as a risk in the initial agreement process.

E. Balanced results

Great results have been produced for services such as pension, vehicle management, foreigner employment management, public organization member management, but there was not much actual results in e-services such as labor welfare management for equipments and human resources, handcraft management, residential ID management, population registration management and for local governments outside of Colombo.

F. Providing planned equipments

Some equipments that were provided did not match with the material specification. Although changes in the models that did not match with the material specification were authorized by ICTA, the main body conducting the project, problems regarding equipments like router, monitor, switch were also found.

G. Securing maintenance personnel

Some experts pointed out that maintenance personnel were not sufficiently secured.

2. Recommendations

A. Consideration of the recipient country's capacity

Changing the method of the project was inevitable because Sri Lanka's operations and maintenance capacity was not sufficiently considered, and therefore, it resulted in reducing the scale of the project. If the capacity of the recipient country is overly evaluated, it can serve as a risk in the actual execution process of the project, and when considering the limitation of the budget, it can lead to the reduction of the project scope and obstruct the effectiveness of the project.

B. Formation of policy and organizations of the recipient country

The Sri Lankan government created the ICTA, the conducting organization, prior to the project, and greatly raised the possibility of successfully accomplishing the project by establishing a national digitalization strategy, and securing foundations for related laws and policies. The implication that can be obtained from the Sri Lanka case is that the government of the recipient country must be required to establish an institutional foundation before starting a large scale official development assistance project.

C. Leading a balanced performance between lower level projects

Balance between lower level projects is required. Because the success of a section does not guarantee the success of the whole, detailed management for parts that comprise the entirety to achieve results in a balanced manner is necessary. In the case of Sri Lanka, meaningful results were produced with LGN Hub, help desk, user education and training, general e-service satisfaction, but collected relatively insufficient results in terms of digitalizing local governments. From the perspective that a digitalization

project is a strategical method for change, it may obstruct the corresponding field or region's desire to develop despite failure of some parts, so it is necessary to establish internal stability even if it requires reducing the scope of the project.

D. Demonstrating flexibility in the process of conducting the project

From the perspective of the recipient country, official development assistance in the ICT field is likely to be an unprecedented project, and therefore, concerns that the established plan may not be meticulous due to the lack of accumulated experience always exists. The Sri Lankan government proposed a change to MSP considering the country's insufficient operations and maintenance capacity, and as a result, we were able to achieve success with the project, including operations and maintenance. Therefore, in the process of specifying the project, it must be managed such that a flexible strategy that adjusts to the circumstances is possible instead of insisting the initial plan.