



Project Completion Report

Policy-Based Loan

PCR

Project Name: Public Capital Expenditure Management Programme I

Country: Trinidad and Tobago

Sector/Subsector: Reform/Modernization of the State

Original Project Team:

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Loan Number(s): 2479/OC-TT

Project Number(s): TT-L1019

Final Approval Date of PCR: June 11th 2014

PCR Team:

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Acronyms and Abbreviations:

AGD	Auditor General's Department
CAROSAI	Caribbean Organization of Supreme Audit Institutions
CIPFA	Chartered Institute of Public Finance and Accounting
CTB	Central Tenders Board
EAA	Exchequer and Audit Act
EDB	Economic Development Board
EMD	Economic Management Division
FMR	Financial Management Reform
FY	Fiscal Year
GORTT	Government of the Republic of Trinidad and Tobago
IDB	Inter-American Development Bank
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
INTOSAI	International Organization of Supreme Audit Institutions
KCP	Knowledge and Capacity-Building Products
MPSD	Ministry of the People and Social Development
MP&SD	Ministry of Planning and Sustainable Development
MOFE	Ministry of Finance and the Economy
NAO	National Audit Office, United Kingdom
PBL	Policy-Based Loan
PCR	Project Completion Report
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PFMMU	Public Financial Management Modernization Unit
PMP I	Public Expenditure Management Programme I
PPRD	Policy Planning and Reconstruction Division
	Ministry of Planning and Sustainable Development
PSIP	Public Sector Investment Programme



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I. Basic Information

BASIC DATA

PROJECT #: TT-L1019
LOAN #: 2479/OC-TT

TITLE: Public Capital Expenditure Management Programme I

Programmatic : Yes

Related Project and Loan Numbers:

- Program to Support Implementation of a New Procurement Framework in T&T (TT-T1023) (US\$300,000)
- Institutional Strengthening of the Auditor General's Department (TT-T1024) (US\$300,000)
- Technical Support for Design and Implementation of Public Financial Management Reform (TT-T1018) (US\$1,500,000)

Borrower: Republic of Trinidad and Tobago

Date of Board Approval: December 3, 2010

Executing Agency: Ministry of Finance and the Economy

Date of Loan Contract Effectiveness: December 10, 2010

Date of Eligibility for First Disbursement: December 17, 2010

Sector: Reform/Modernization of the State

Months in Execution

* from Approval: 36

* from Contract Effectiveness: 36

Disbursement Periods

Original Date of Final Disbursement: December 10, 2011

Current Date of Final Disbursement: December 10, 2011

Cumulative Extension (Months): 0

Social Equity (SEQ): No

Environmental Classification: C

On Alert Status

Is project currently designated "on alert" by PAIS? No

If yes, then why is the project on alert (DO , IP Ratings and/or relevant PAIS indicators): N/A

Comments on relevance of "on alert" status for this project (if applicable): N/A

SUMMARY PERFORMANCE RATINGS

DO	<input type="checkbox"/> Highly Probable (HP)	<input checked="" type="checkbox"/> Probable (P)	<input type="checkbox"/> Low Probability (LP)	<input type="checkbox"/> Improbable (I)
IP	<input type="checkbox"/> Very Satisfactory (VS)	<input checked="" type="checkbox"/> Satisfactory (S)	<input type="checkbox"/> Unsatisfactory (US)	<input type="checkbox"/> Very Unsatisfactory (VU)
SU	<input type="checkbox"/> Highly Probable (HP)	<input checked="" type="checkbox"/> Probable (P)	<input type="checkbox"/> Low Probability (LP)	<input type="checkbox"/> Improbable (I)

II. The Project

a. Project Context

In 2010, the Inter-American Development Bank (IDB or the Bank) supported design of the **Public Capital Expenditure Management Programme** (the Programme). The Programme aimed to support the Government of the Republic of Trinidad and Tobago (GORTT) to revamp its capital expenditure management to better target public sector investment programming as well as achieve development goals.

Using a programmatic policy-based loan (PBL) modality, the Programme outlined a set of policy initiatives and actions geared to enhancing public capital expenditure management. The policy initiatives and actions were to be implemented in tandem with three independent, consecutive, and related operations aimed at supporting the GORTT in pursuing long-term policy reforms in three areas: (i) policy design and public investment management; (ii) public procurement; and (iii) public financial management and audit. The first area of intervention aimed to improve investment planning and prioritization through adoption of policies, practices, and mechanisms for enhanced project cycle management, including better strategic vision in the pre-investment stage. The second and third areas of intervention sought to improve the tools for project investment implementation. For each area of intervention, the Programme sought to establish targets related to changes in the relevant legal framework, as well as procedures and/or instruments necessary to achieve the desired objectives.

The Public **Capital Expenditure Management Programme I** (PMP I) (2479/OC-TT), the first of the three-part programmatic series¹, represented the initial step towards the achievement of overall Programme objectives. The US\$100 million operation focused on the definition and formal approval of the content and structure of the policies and reforms in each area; and was accompanied by grant financing totaling US\$2.1 million to support capacity strengthening activities within the Auditor General's Department (AGD), the Ministry of Finance and the Economy (MOFE), and the Ministry of Planning and Sustainable Development (MP&SD). By contrast, the proposed second and third operations were to focus on implementation of key regulations and institutional arrangements of the reforms defined in the first operation as well as support for the implementation of additional reforms necessary for the successful implementation of the overall reform and the attainment of initial outputs.

The programmatic approach was adopted because it was considered to be a more flexible mechanism for accompanying a complex and dynamic reform process, while firmly grounding the process in a medium-term reform framework with clear overarching objectives. Being the first operation in the series, the PMP I presented the reform program's medium-term framework as well as the overall objectives and outcome indicators for the entire programmatic series.

b. Project Description

i. Development Objectives

¹ With the final disbursement of the first PBL of the programmatic series, the GORTT no longer required IDB support, and therefore the remaining series were not carried out. A PCR was created for this first series in accordance with the IDB policy CO-309, to ensure that a PCR is prepared even if the series is interrupted or the subsequent operation in the series is indefinitely delayed.

The objective of the PMP I was to support the GORTT's major reform effort to enhance and modernize public capital expenditure management. The operation aimed to contribute to the GORTT's overall objectives of enhancing efficiency, effectiveness, transparency, and accountability in the use of public resources.

ii. Project Description

In keeping with the Programme's three pillars, the project was comprised of three components: (i) policy design and public investment management; (ii) public procurement; and (iii) public financial management and audit.

Component 1. Policy design and public investment management. The objective of this component was to improve the quality of public investment by enhancing the policy formulation process that guided investment decisions and establishing a system to screen proposed public investment projects based on objective criteria.

For the first operation, Programme conditions were: (i) the approval by Cabinet of the establishment of the EDB² to improve policy formulation and consultation with stakeholders; (ii) Cabinet approval of the framework for enhancing the system for management of public investment projects; (iii) the establishment of a multi-year forecasting framework for fiscal and macroeconomic aggregates to guide the preparation of future annual budgets; and (iv) the establishment of an agency at the ministry level to enhance policy analysis and institutional coordination to improve efficiency of social programs.

Component 2. Public procurement. The objective of this component was to support the GORTT's reforms to enhance efficiency in public procurement, through the introduction of fair and transparent legislation and practices.³

For the first operation, the condition prior for disbursement was the presentation to Parliament of a legislative proposal for the modernization of public procurement. The proposal defined a procurement system governed by the underlying operating principles of value for money, transparency, and accountability. The legislative proposal was to include provisions to enable: (i) increasing openness and accountability; (ii) greater scrutiny by the public; (iii) stakeholder participation in the development of policies and guidelines; (iii) flexibility to accommodate technological change; and (iv) greater monitoring of contract execution.

² The operation supported the establishment of an Economic Development Board (EDB), which was to consult with stakeholders and play an advisory role in policy formulation. The EDB was intended to play an important role providing strategic guidance for prioritizing and optimizing government expenditures. The EDB was to operate under the direction of the Ministers of Finance, Planning and Sustainable Development. Reporting to the Prime Minister through the Ministerial Council for Economic Development, the EDB's core mandates relevant for the Programme were: (i) the design of a new framework for the economic development of the T&T economy; (ii) to promote the alignment and strategic incorporation of existing and long term plans into the new T&T Development Framework; and (iii) to formulate recommendations for the implementation and execution of these development plans.

³ The reform aimed to promote enhanced competition and to generate savings in public procurement of goods, services and works. In order to achieve this objective, the GORTT was to adopt a new legal and institutional framework in accordance with best international practices, aimed at enhancing transparency and accountability. The new framework was to cover all entities that carry out public procurement for the GORTT. New legislation was to be enacted to establish the legal framework and prescribe operating principles. The details of process and procedures were to be developed in implementing instruments, including regulations, guidelines, and handbook. Under this component, the Programme aimed to also support critical government actions for the implementation of the new legislative framework. In this regard, the Programme was to also focus on the establishment and operation of the institutions to be created under the new Act, the issuance of new regulations and guidelines, as well as the adoption and dissemination of improved public procurement tools, methodologies, and practices.

Component 3. Public financial management and audit. The objective of this component was to modernize public financial management and strengthen the capacity of the AGD.⁴

For the first operation, the conditions prior for disbursement of the loan funds were: (i) the approval by Cabinet of a policy note on the modernization of the Public Financial Management (PFM) system. The note sets the framework, principles and core management arrangements for the modernization of the PFM; and (ii) the approval by Cabinet of a second policy note setting out the core actions to enhance the external audit function in Government.

c. Quality -At- Entry Review

Quality -At- Entry Review			
<input type="checkbox"/> Highly Satisfactory (HS) - 1	<input checked="" type="checkbox"/> Fully Satisfactory (S) - 2	<input type="checkbox"/> Less than Satisfactory (LS) - 3	<input type="checkbox"/> Unsatisfactory (U) - 4

The operation presented adequate diagnosis of the problem and a proper characterization of the proposed solution. The main factors (or causes) contributing to the problem were clearly identified and quantified. The Public Expenditure and Financial Accountability (PEFA) assessment, prepared by the European Union, provided a solid diagnosis and identified the main gaps to be addressed by the Programme. The solutions proposed to address these deficiencies were supported by evidence of their effectiveness in countries that faced similar challenges. The vertical logic of the proposed intervention that is, the cause and effect relationship between the program's inputs, activities, outputs, outcomes and impacts were reflected in the results matrix.

The composition of the individual operations and the sequence of the operations reflected the design of intervention that the bank team has identified along with the country to achieve the expected results. The intended program's beneficiaries and risks that may negatively affect the achievement of the programme's results as well as mitigation measures were properly identified. An ex-ante economic analysis was prepared based on conservative assumptions.

The program was directly aligned with the 2004-2007 IDB Country Strategy with Trinidad and Tobago (GN-2335), which was subsequently updated in 2008 (GN-2477) and again through 2010 (GN-2570). The programme was consistent with the "Lending to small and vulnerable countries" target of the Ninth General Capital Increase (GCI-9). The GCI-9 outlines key objectives and strategic goals for the IDB to follow.

III. Results

a. Outcomes

This section offers: (i) a brief review of the outcome of each of the original targets and their levels of achievement; (ii) information on the levels of compliance with agreed reforms; and (iii) the status of intended progress toward the triggers for the following tranches of the programmatic series in the period since the operation's approval.

Component 1: Policy Design and Public Investment Management

⁴ The programmatic series supported the introduction of a modern Integrated Financial Management Information System (IFMIS), accompanied by the modernization of processes and tools. For this purpose, the GORTT was to undertake the necessary changes in regulations and amend the legislative framework to enable its implementation. This would require new legislation for electronic transactions to allow for government electronic payments using IFMIS. In relation to the external audit system, the Programme was to support the implementation of critical actions to address the weaknesses identified in the area of external scrutiny and audit. These actions and directives were to be reflected in a policy note to be approved by Cabinet.

i. **Economic Development Board (EDB):**

Policy Matrix: The EDB was established in June 2010 under the MP&SD, with membership from both the public and private sectors.

Post-operation: Since its establishment, the EDB has focused on promoting a national economic diversification agenda. In this capacity, it has conducted planning activities aimed at identifying new business opportunities; and collaborated with the private sector and the Council on Competitiveness and Innovation on a National Innovation Policy. In addition, it has conducted assessments of the business environment and related stakeholder consultations.

The activities originally envisioned to be carried out by the EDB are currently being financed under *Technical Support for Design and Implementation of Public Financial Management Reform* (ATN/OC-13062-TT). Thereunder, draft standards for PSIP prioritization have been prepared and are currently being used for training purposes. The MOFE is expected to submit them to Cabinet in the near future.

ii. **Framework for enhancing the system for management of public investment projects, focused on the PSIP:**

Policy Matrix: A Policy Note to establish the Framework was submitted to, and subsequently approved by, Cabinet in October 2010.

Post-operation: Subsequent to the Framework's approval, a consultant was engaged to prepare a report on the Public Sector Investment Programme: Strategic Impact and Alignment with National Objectives. This report was completed in December 2011 and produced recommendations for ensuring that public capital expenditure management remained aligned to national policy objectives. It was approved by Cabinet in March of 2012 by Cabinet Minute #772. This component was expected to have developed and approved:

- a. Strategic selection criteria for public investment projects
- b. Guidelines for formulation and appraisal of investment projects and
- c. Guidelines for monitoring and evaluation of projects

Under the Bank-financed grant project, *Technical Support for Design and Implementation of Public Finance Management Reform* ([ATN/OC-13062-TT](#)), a consultant was hired and consultant reports were produced which addressed these areas, as well as documented a procedures manual and a training programme for staff of the PPRD. A four week course has been completed using the procedures manuals and recommended guidelines. A system for monitoring and evaluating projects implemented under the PSIP was introduced in 2013 with the approval of the National Performance Framework 2012 – 2015 and the Annual Performance Report.

iii. **Multi-year Forecasting Framework for Fiscal and Economic Aggregates:**

Policy Matrix: The application of a Forecasting Framework to guide the preparation of future budgets was pursued with the 2008 Cabinet approval for the creation of the EMD within the Ministry of Finance. The Economic Management Division (EMD) was created by consolidating the functions of the former Monetary, Fiscal and Trade Division, the Co-ordinating and Monitoring Unit and the Public Sector Financial Management Unit.

Post-operation: In 2010, a Macro-Fiscal Advisor was hired to strengthen the capacity of the EMD to carry out its mandate with respect to macro-fiscal programming. This Advisor led the preparation of a medium-term fiscal framework used for the development of the

2010 national budget, and again for the 2012 budget as well as the production of several related assessments and recommendations.⁵

In its 2008 report “Strengthening Macro-Fiscal Capacity and Introducing a Medium Term Framework” the International Monetary Fund (IMF) had made comprehensive recommendations for developing the strategic vision of the EMD with respect to its macro-fiscal function and for strengthening the Division’s institutional capacity, structure, function and resourcing in a progressive manner in order to better carry out this function. The Macroeconomic Advisor of the EMD has estimated that a Framework should be in place to support top-down multi-year budget estimates for the 2014-2015 budget cycle. This will address the effort to establish both a 3-year PSIP and a multi-year platform for the recurrent budget. In advance of this, the MPSD developed an initial three-year rolling PSIP starting with FY 2013-2014.

iv. **Establishment of a Ministry-level Agency to enhance policy analysis, facilitate inter-institutional coordination, and improve efficiency with respect to social programs:**

Policy Matrix: The Ministry of the People and Social Development (MPSD) was created in 2010 to enhance policy analysis, facilitate inter-institutional co-ordination, and improve efficiency of GORTT-administered social programs. MPSD is the core social sector Ministry with responsibility for coordinating the implementation of Government’s social and human development objectives. The MPSD is mandated with responsibility for addressing the social challenges of poverty, social inequality and social exclusion. Particular emphasis is placed on developing and executing programmes and services that protect and assist vulnerable and marginalized groups in society. Among its major roles and responsibilities, the Ministry serves as a central coordinating body for the social sector with respect to the conduct of research, policy and programme planning and development; and monitoring and evaluation

Post-operation: Since its establishment, the MPSD has developed a monitoring and evaluation framework for social safety net programs.

Component 2: Public Procurement

i. **Presentation of legislation to modernize public procurement:**

Policy Matrix: Legislative proposals to modernize public procurement were presented to the Joint Select Committee of Parliament in 2010. The proposal defined a procurement system governed by the underlying operating principles of value for money, transparency, and accountability.

Post-operation: Currently, The Ministry of Planning and Sustainable Development (MP&SD) is leading a significant redrafting of draft procurement legislation to be based on a “framework” model. The redrafting exercise had been subject to significant delay. For this reason, related activities proposed as triggers under the Programme’s second and third phases – issuance of new procurement regulations and guidelines, the organizational re-configuration and creation to implement the new procurement legislation as well as appointment of key authorities, and Cabinet approval of an e-procurement strategy and detailed implementation plan – have yet to commence. In January 2014, the legislative proposal was completed and is to be vetted by the Ministry of Finance and the Economy, which has responsibility for the procurement function, before being submitted for the approval of Cabinet and the Parliament. Under the *Program to Support Implementation of a New Procurement Framework in Trinidad and Tobago* (TT-T1023), grant funding has been provided to train members of the Attorney

⁵ Relevant reports include *Strengthening the Medium-Term Fiscal Framework* commissioned by the Ministry of Planning and Sustainable Development.

General's Department and the Central Tenders Board in procurement best practices. Additionally, under the auspices of the grant, a regional conference is currently being organized that will include a procurement certification training for all participating GoRTT procurement personnel. Other components have been delayed including development of an action plan for transition to the new procurement regime, adoption of formal bidding documents and formal training for procurement officers. A procurement information website has been established, and is in operation. The frequency of data updating on the website is still being improved and the site still awaits implementation of a supplier registry module.

Component 3: Public Financial Management and Audit

i. Cabinet-approved Policy Note on modernization of public financial management

Policy Matrix: In 2010, Cabinet approved a Policy Note setting out the framework, principles and core management arrangements for the PFM modernization in Trinidad and Tobago.

Post-operation: Since Cabinet approval, implementation of the Policy Note has proceeded. Preparatory work to enable implementation of the Integrated Financial Management Information System (IFMIS) is underway; including approval of a comprehensive, time-bound PFM Reform Strategy, preparation of a new Chart of Accounts, and technical design of the proposed IFMIS. These activities will require co-ordination among key units of the MOFE, including the Budgets Division (determination of budget management strategy and system required for output-based budgeting or another performance-based budgeting model), the Treasury (to implement IPSAS-standard accrual accounting or intermediate cash basis with respect to the Chart of Accounts), and the Economic Management Division (to establish a multi-year budgeting framework that incorporates these decisions). In 2013, Parliament debated legislation permitting electronic payments to Government agencies, a necessary IFMIS precursor that will enable payments via the system. It is anticipated that the legislation will be approved in 2014.

ii. Cabinet-approved Policy Note setting out the core actions to enhance the external audit

Policy Matrix: Cabinet approved a Policy Note setting out the core actions necessary to enhance external audit in 2010.

Post-operation: Since the operation's approval, the Auditor General's Department (AGD) has undertaken a wide range of initiatives to enhance its audit functions; many supported under the Bank-financed grant program *Institutional Strengthening of the Auditor General's Department* (TT-T1024). These include:

- Diagnostics and Strategic Capacity Strengthening exercises conducted with support from Adam Smith International and INTOSAI/CAROSAI
- Implementation of priority recommendations from above-mentioned exercise, with support from the United Kingdom's National Audit Office and CIPFA. Below is a brief review of some accomplishments to date:
 - Completion of a revised financial Audit Manual to guide external audits. Final approval of the manual awaits final amendments. Initial training on use of the new manual was carried out in September 2013. Further training and four pilot audits have been rescheduled to May 2014.
 - Adoption of a Value-for-Money Audit Manual, conduct of a VFM Skills Gap analysis in June 2013 and currently ongoing conduct of two pilot VFM audits.
 - Adoption and implementation of an Ethics Code for Audit Officers.
 - Production of a draft Stakeholder Communications Plan (awaiting approval).

- Completion of International Standards for Supreme Audit Institutions' (ISSAI) Assessment Report for Financial Audits.

To date, efforts to establish the AGD as an independent body have not been fruitful. No action has been taken to draft necessary legislation to establish the AGD as such or to empower the agency to audit non-state actors receiving government funding. Nevertheless, under TT-T1024, proposals were developed to strengthen existing legislation governing the AGD (*Exchequer and Audit Act*) to better align existing legislation with the actual scope of activities currently carried out by the AGD.

ACHIEVEMENT OF DEVELOPMENT OBJECTIVES (DO)

Development Objective: The objective of the Programme is to enhance and modernize public capital expenditure management. The Programme's objective will contribute to the government's overall objectives of enhancing efficiency, effectiveness, transparency, and accountability in the use of public resources.

1. ***Policy Design and Public Investment Management:*** Improved quality of public investment based on use of standard approved objective criteria for planning, screening, evaluation of public investment projects.

Key Planned Outcome Indicators

<u>Baseline :</u> 1.1 Establishment of EDB (2010)	<u>End of Project</u> 1.1 Completed
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1.2 Policy Note to establish the Framework for public investment projects approved by Cabinet in October 2010	1.2 Completed
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1.3 Initial iteration of a multi-year forecasting framework for fiscal and macroeconomic aggregates to guide the preparation of future annual budgets prepared in 2010	1.3 Completed
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1.4 Ministry of the People and Social Development established in 2010 with responsibility for policy development and implementation, monitoring and control of social sector projects	1.4 Completed
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Outcomes Achieved (revised PBL2 Triggers)

1.1 Economic Development Board formed but responsibility for establishment of strategic selection criteria for public investment re-assigned to MP&SD.

1.2 A Medium-Term Policy Framework 2011-14 prepared and approved by Parliament.

1.2.1 A Draft Manual has been developed to provide both a Framework and guidelines for the effective development and management of Public Sector projects. The manual has been approved by MP&SD as an operations document with respect to project planning. The Manual applies a results-based approach through all the phases of the Project Cycle, from formulation and implementation to monitoring and evaluation. MP&SD proposes to distribute the manual along with the annual budget circular.

1.2.2 Draft public investment selection criteria produced and manual

1.2.3 Guidelines for project formulation and appraisal, together with process manual produced and manual

1.2.4 Monitoring and Evaluation System for PSIP projects approved in 2013: National Performance Framework 2012 -2015 and Annual Performance Reports

1.3 An initial framework was developed and a pilot application conducted in 2010. A second iteration of the framework was prepared and applied in 2012. However, the framework was never finalized or formally approved. It is expected that a finalized framework will be sent to Cabinet in 2014 for formal application, following Cabinet approval, in the 2014/2015 fiscal year.

1.4 The Ministry of the People and Social Development was established in 2010, with responsibility for policy development and implementation, monitoring and control of social sector projects. However, subsequent to PMP I approval, responsibility for the design and implementation of a framework for identification, formulation, appraisal, monitoring and control of PSIP projects was reassigned to MP&SD.

ACHIEVEMENT OF DEVELOPMENT OBJECTIVES (DO) cont'd

2. **Public Procurement:** enhanced efficiency in public procurement, through the introduction of legislation and practices which are fair and transparent.

Key Planned Outcome Indicators

Outcomes Achieved

Baseline

End of Project

2.1 Legislative Proposal presented to Parliament

2.1 Completed

2.1 Two procurement bills were presented to Parliament in 2010. Subsequent to their presentation and discussion, Parliament sent the bills back to the Executive Branch, giving responsibility to the Minister, MP&SD to finalize and re-present a bill. Significant legislative redrafting was required. A draft revised bill is now being reviewed by key stakeholders, before being sent forward to Cabinet and to Parliament for approval.

3. **Public Financial Management and Audit:** Public financial management modernized and the capacity of the Auditor General's Department (AGD) strengthened.

Key Planned Outcome Indicators

Outcomes Achieved:

Baseline

End of Project

3.1 Policy Note on the modernization of public financial management system, approved by Cabinet in October 2010. The note sets the framework, principles and core management arrangements for the modernization of the PFM.

3.1 Completed

3.1 Electronic Transactions Act passed 2011. Legislative proposals for amendment of the Exchequer and Audit Act drafted and awaiting submission to Parliament

3.2 Policy Note setting out the core actions to enhance the external audit function in Government, approved by Cabinet in October 2010.

3.2 Completed

3.2 With the support of the Bank under *Institutional Strengthening of the Auditor General's Department* (TT-T1024), the Auditor General's Department implemented a number of reforms. These include:

- 3.2.a. (new) Manual to guide risk-based financial audits produced and awaiting final amendments and approval. A separate manual to guide value-for-money audits completed and approved.
- 3.2.b. Strategy for enhancement of the functions of external audit produced via Adam Smith (2012) and NAO/CIPFA consultancy reports. Several Training exercises for staff and management
- 3.2.c. Code of Ethics for audit staff approved by Auditor General (2013)

PPMR Retrofitting. Not applicable

Summary Development Objective(s) Classification (DO):

[] Highly Probable (HP)

[x] Probable (P)

[] Low Probability (LP)

[] Improbable (I)

The GORTT showed significant progress on the designated PFM agenda at approval of the PMP I. Nevertheless, the overall Programme agenda has been subsequently delayed by ministerial turnover. The proposed agenda will likely not unfold at the pace as foreseen as project approval; however, the GORTT demonstrated continued interest in PFM reform. It is likely that, going forward, the GORTT will employ more targeted focus on specific interventions, such as IFMIS implementation, where the implementing agency will have a greater span of control.

Country Strategy. This project was approved prior to the current Country Strategy. Nevertheless, it directly supports the effort to strengthen the budget process through achievement of a 3-year PSIP.

b. Externalities

No significant externalities preventing or hindering achievement of development objectives were noted by persons interviewed.

c. Disbursements

DISBURSEMENT TRANCHES				
Tranches	Amount (US\$000)	Expected Date	Actual Date	Waiver Granted Yes/No
1 (Single-Tranche)	100,000,000	December 2010	December 2010	No
<i>Briefly explain any differences between expected and actual dates. If a waiver was authorized, please briefly describe condition waived and its justification: N/A</i>				

d. Outputs

IMPLEMENTATION PROGRESS (IP)	
Thematic Areas/Components:	Key Conditionalities/Output Indicators:
1. Component 1: Policy Design and Public Investment Management <u>Classification:</u> S	<u>Outputs Achieved</u> <ul style="list-style-type: none"> Parliament approval of MTPF 2011 -2014 National Performance Framework 2012 -2015 Annual Performance Reports PFM Reform Action Plan (subject to approval by the MOF)
Briefly explain differences between planned and actual outputs (if applicable): N/A	
2. Component 2: Public Procurement <u>Classification:</u> S	<u>Outputs Achieved</u> <ul style="list-style-type: none"> Website established for dissemination of procurement information (2013)
Briefly explain differences between planned and actual outputs (if applicable): N/A	
2. Component 3: Public Financial Management and Audit <u>Classification:</u> S	<u>Outputs Achieved</u> <ul style="list-style-type: none"> Legislation re Electronic Transactions (2011) Manual for conduct of External Financial Audits (2013) Strategy for the enhancement of the External Audit Function (2012) Ethics Code for Audit Officers (2013)
Briefly explain differences between planned and actual outputs (if applicable): N/A	
Summary Implementation Progress Classification: <input type="checkbox"/> Highly Satisfactory (HS) <input checked="" type="checkbox"/> Satisfactory (S) <input type="checkbox"/> Unsatisfactory(U) <input type="checkbox"/> Very Unsatisfactory (VU)	

IV. Project Implementation

a. Analysis of Critical Factors

Overall progress advancing the PFM reform agenda has suffered due a number of factors. These include: reshuffling of ministerial responsibilities following cross-governmental and internal reorganizations affecting stakeholder agencies; failure to dedicate necessary human and financial resources to accomplishing reform initiatives; and slow decision making arising from co-ordination lapses among key parties involved in the cross-functional aspects of reform. The need for project-based structures to ensure proper reform planning, scheduling, resourcing, execution, monitoring and control is clear.

Nevertheless, the GORTT has continued working with the PFM reform agenda. The technical work for the PFM Reform Strategy has been completed and is currently under consideration by MOFE senior authorities for its approval and submission to Cabinet.

b. Borrower/Executing Agency Performance

The Borrower performance to comply with the conditions set forth in the first operation under the programmatic series has been satisfactory. Looking forward, in order to successfully complete the programmatic series the borrower may require to set in place a proper management mechanism to ensure smooth reform implementation and adequate inter-agency coordination. This mechanism may encompass: (i) the adoption of an accountability mechanism for the Program's outputs and outcomes; (ii) a solid budget planning and fluid communication among stakeholders to secure budget allocation for the proper implementation and sustainability of the reforms supported by the program; (iii) the establishment of a Program's Steering Committee (SC) to ensure robust program governance, strategic direction and oversight. The SC will play a key role in enhancing coordination, promoting the dialogue, and disseminating program's results; (iv) the implementation of a change management plan to mitigate possible resistance to adopt reforms from the public administration; and (v) permanent training for capacity building.

Borrower/Executing Agency			
<input type="checkbox"/> Highly Satisfactory (HS)	<input checked="" type="checkbox"/> Satisfactory (S)	<input type="checkbox"/> Unsatisfactory (U)	<input type="checkbox"/> Very Unsatisfactory (VU)

c. Bank Performance

The Borrower Evaluation stated that during loan preparation, the "Bank has been highly supportive during the preparatory stage...[including] bringing technical resources to bear." During supervision, the Borrower characterized information Bank performance in the following manner, "[t]he Bank demonstrated a high level of responsiveness to the concerns raised by the Ministry."⁶

Bank Performance			
<input type="checkbox"/> Highly Satisfactory (HS)	<input checked="" type="checkbox"/> Satisfactory (S)	<input type="checkbox"/> Unsatisfactory (U)	<input type="checkbox"/> Very Unsatisfactory (VU)

⁶ Most of the government officers interviewed for this section participated in the design and/or implementation of the operation. Generally, the characterization of Bank performance that emerged from interviews was that the Bank had been proactive in engaging the GoRTT around reform activities, both during and following operation design and execution. Indeed, two of the operation's three associated grant programs (TT-T1024, TT-T1023, and TT-T1018) have been directly executed by the Bank; which has sought to facilitate cross-institutional coordination and sustained attention to the reform agenda. Still, it should be noted that the Bank has been constrained by the lack of a clear focal point within GoRTT, and specifically the MOF, to guide support and with whom to coordinate activities. For this reason, the Bank has experienced repeated inability to effectively support the achievement of proposed triggers for follow-on operations under the Programme.

V. Sustainability

a. Analysis of Critical Factors

(i) **Mechanisms to enable cross-governmental coordination with respect to PFM.** A recurring commentary during interviews conducted to prepare this Report was that decision-making and implementation requires the active coordination of workplans and activities within and across stakeholder ministries; and specifically the MOFE and MP&SD. To date, no such mechanism is in place.

(ii) **Programme and Project Management Capacity.** In line with the paragraph above, given the number of ongoing initiatives defined in the PFM reform agenda, there is a critical need to have an overarching programme management structure that can execute, and monitor achievement of, the various projects necessary to complete the reform agenda. Currently, most key reform initiatives are being handled as elements of the discrete projects within the existing structure MOFE or the MP&SD. The Programme's implementation is being carried out in a matrix project management environment. As such, an active programme management approach will ensure timelines are set and have a realistic chance of being achieved. Further, it will focus attention on the specific activities and deliverables required, allow for more timely decisions about the dedicated resources required, and allow for better co-ordination across the two implementing agencies and projects.

In a similar vein, given the number of PFM projects being carried out with the Ministry of Finance and the Economy, it would also be prudent to establish a project execution unit specific to PFM reform to ensure Programme sustainability. Also, it is recommended that milestones be established for intermediate targets to track progress toward the achievement of final targets and to allow early detection of issues that may threaten Programme success.

(iii) **Resource availability/capacity.** Resources for the design of the PFM Reform have been secured through three IDB grant programs. However, dedicated funding for implementation of comprehensive PFM reform will be necessary and has yet to be identified.

(iv) **Technical assistance in areas new to management and staff.** Additional, external support will likely be required to support GORTT in making key technical decisions related to the new PFM structure and framework; for example, when exploring IFMIS system options or resolving any uncertainties or conflicts between key decision-making groups (e.g. Treasury, Budgets, EMD, and Policy Planning and Reconstruction Division of the MP&SD).

(v) **Stakeholder engagement.** Key stakeholders, at both the technical and political levels, must drive the reform processes in their areas of responsibility. At present, three important technical support initiatives are driving achievement of some objectives. However movement will stall if there is not engagement, ownership, involvement, coordination, and learning on the part of the leadership of all key stakeholder agencies.

b. Potential Risks

(i) **Reform fatigue.** A loss of agency commitment to PFM reform may occur if the Programme is seen as extra work with no apparent relevance, benefit, or end. To guard against this, reform activities should be sequenced and supported in a manner that allows for repeated and regular successes.

(ii) **Loss of GORTT commitment/support.** Government stakeholder engagement throughout the reform process, ensuring their ownership of the process and the results, is key to sustaining the long-term reform effort. In line with this, it is important to pace reform success appropriately so as

not to lose government commitment to the continuing with the reform process. It should be further noted that national elections, scheduled for 2015, may give rise to political changes that may also affect GORTT commitment to the pace or substance of the reforms supported under the operation and the broader PBL series.

(iii) **Reduction in budgetary allocations for reform efforts.** Some of the more costly, system-wide reforms (such as the IFMIS) to come may be affected by changes in economic fortunes or the appearance of other urgent priorities. Access to dedicated reform funding such as budgetary support can mitigate this risk.

(iv) **Loss of institutional memory.** A number of persons who have been a part of the development of reform efforts over many years are nearing retirement. Younger staff have options for moving within or out of the government service. Loss of institutional knowledge in any of these ways can affect the ability to smoothly implement reform activities and achieve the deliverables and policy objectives. It is critical to create the second and third waves of PFM and FMR expertise. Early resolution of IFMIS design issues will allow the start of training of operations-phase personnel.

(v) **Timeliness of implementation of legislative changes.** The appetite for legislative change, and the ability to define and execute it, have not always given rise to confidence that the wide range of related legislative amendments will be achieved soon. However, many reforms will not succeed without support from new legislation. This is relevant not only to the procurement regime and to the IFMIS and its surrounding process reforms (in respect of both revenue and expenditure functions) but to the achievement of updated mandates for the Auditor General.

(vi) **Analysis paralysis.** A Cabinet Note was prepared by the Financial Management Branch of the Treasury Division and dated November 30th 1999 (Minuted in 2000). This note laid out the case for financial management reform and identified its rationale and key components. Since then, extensive work has been done in the areas of policy, strategy, diagnostics, programme design and institutional strengthening including training. Project identification and planning have been addressed comprehensively. Fourteen years later, however, the commencement of the implementation phase has eluded key components of the PFM reform⁷ while lesser endowed jurisdictions have gone ahead in these areas. There should be urgency in finalizing, financing, resourcing, implementing and managing the systemic change initiatives.

c. Institutional Capacity

By definition, reforms introduce new approaches and require capacities which are different in quantity, quality, and type from what currently exists. It is not surprising, therefore, that reforms will be challenged or eroded if capacity strengthening to carry out the new functions and modalities is not a core part of the reform.

While not directly addressed by the operation, the capacity strengthening to carry out the initial phases of the reform was accomplished by GoRTT efforts as well as with IDB support in the attendant grant programming. Notable activities include the re-organization of MOFE to create the EMD; institutional strengthening projects carried out in support of the PPRD and the AGD; and temporary outsourcing (the technical support and consultancies). These additions do not represent the final requirements and most of the consultancies have identified the organizational developments needed, key among them the continuous development of knowledge and competences. The various implementation initiatives will address these structural, staffing, process, systems and data enhancements. It is hoped that, in the next budget cycle, special

⁷ Among the components which have not yet arrived at implementation are those which were identified as urgent. These include a reformed procurement system, the IFMIS, and a government-wide asset management system. It should be noted that procurement reform legislation is currently being debated in Parliament.

attention will be paid to financing these upgrades. It may be particularly important to plan for when project-phase resources including technical assistance are no longer available.

Sustainability Classification SU:

[] Highly Probable (HP) [X] Probable (P) [] Low Probability (LP) [] Improbable (I)

VI. Monitoring and Evaluation

a. Information on Results

Results information was sought from a range of persons involved in the reforms, especially functional heads with responsibility for processes targeted by the reforms. Important were:

- i. documents (e.g. consultancy final reports) constituting deliverables, documents provided by the IDB, the Project Co-ordinator and the Macroeconomic Advisor
- ii. status reports provided by the Ministry of Planning and the Project Co-ordinator of the Public Financial Management Modernization Unit and
- iii. Verbal information provided in interviews with functional heads and project personnel

Status reports were very helpful. It was not clear that they were part of standard reporting systems for individual projects but were developed by central monitoring units of the Ministries of Finance and Planning. The reports contained milestone data with information on completion, non-completion and related dates.

b. Future Monitoring and Ex-Post Evaluation

The design of the Programme's next steps, to be determined in upcoming discussions, will drive the definition of future monitoring requirements and systems. It is expected that support for the definition and implementation of monitoring and evaluation systems will be part of bank support. The experience of the first PBL has underscored the need for adequate tracking of project progress and the achievement of results. While the Policy Matrix identifies expected deliverables, it is recommended that enhancing the likelihood of achieving PBL triggers requires the development of related project implementation plans identifying the scope, schedule, resourcing and organization of the initiatives. This would create the foundation for detailed monitoring and evaluation. In that regard, the GoRTT should set in place a cost-effective oversight and accountability mechanism to monitor and evaluate the Programme's performance on a permanent basis. This mechanism should comprise the following key elements: (i) a system to gather relevant, reliable and timely data, essential in tracking and measuring progress against the targets; (iii) the appointment of a person responsible for the generation of regular reports on improvements and challenges toward the achievements of the Programme's targets; and (iv) an effective format to ensure efficacious interaction, quality communication and swift adoption of strategic decisions on a routine and permanent basis among the key stakeholders, including the MOFE and MP&SD. The proposed mechanism will allow for all stakeholders to focus on the delivery and devote the time, attention and political commitment required to achieve the indicated Targets.

VII. Lessons Learned

a. Financial Instruments

The Bank and the GORTT opted for Programmatic PBLs rather than an investment loan because these lending instruments present the advantage of promoting on-going policy dialogue and fine-tuning of the implementation strategy during a dynamic reform process. The PBL improved the Government's sense of ownership of the reform and the Bank's responsiveness as well as strengthen the focus on developmental impact.

b. Institutional Capacity

The speed at which activities can be conducted and deliverables produced depends on the capacity of the relevant agencies in terms of manpower, expertise, skills, processes, equipment and data. Outsourcing can temporarily address specialist needs. However, this is the stage at which to design for both the project and operations phases. The need that was identified most often by interviewees was for “dedicated resources”. An important lesson learned is that the type of reforms supported by this operation has to be accompanied by comprehensive and continued training and knowledge transfer efforts to mitigate the natural resistance to change the institutional culture in the public administration, and to build the necessary capacity required to ensure the sustainability of these reforms.

c. Inter-Agency Co-ordination

The inherent inter-relatedness of financial management sub-systems requires a cross-functional approach to project design and management. Necessary co-ordination to achieve common goals may be enhanced by the establishment of forums which allow for conversations, information-sharing, joint action and resolution of issues. This will also avoid uncertainty and disagreement in the decision-making about the future of projects or their financing as well as avoid duplication and gaps in the scope of Programme initiatives. There is evidence that moves are being made, at the higher levels of the two key ministries, to initiate dialogue on this matter. Hopefully, this will lead to the establishment of institutionalized forums at all necessary levels of these agencies.

d. Goal Setting, Execution and Achievement

There have been several iterations of the targets which were considered both (i) necessary and sufficient for moving the Programme forward at a reasonable pace and (ii) achievable by the agencies involved. The repeated need to adjust these targets, usually downward, suggests that information and other resources may not be in place to allow for reliable goal-setting, resourcing, execution or implementation management. It also reflects the difficulty, of maintaining focus on the goals, on the part of officials with wider and continuously changing demands on their time and attention. Dedicated resources may have to be allocated for execution as well as monitoring. Leadership officials should also ensure that the monitoring data is reviewed at regular intervals and a control response – corrective action – undertaken where necessary.

In general, the timetables estimated at the inception of the PBL have proven to be optimistic. Alternatively, the resources and implementation capacity were optimistically estimated. Either way, while significant progress has now been made in some areas, many components including the IFMIS and a new budgeting framework have not been able to proceed with the required speed. Those achievements made have been at the cost of significant delays. This shows up in the eventual rating despite recent progress.

ANNEX I: Minutes of the Closure and Exit Workshop

Capital Expenditure Management Programme

Policy-Based Loan – Programme #1

Closure and Exit Workshop

Date: 6th February, 2014
Time: 9:30 a.m.
Venue: 20th Floor Conference Room
Eric Williams Finance Building
Port of Spain, Trinidad and Tobago

Participants:

Ministry of Finance:

Vishnu Dhanpaul, Permanent Secretary
Roselyn Ramdin-Doobraj, Comptroller of Accounts
Cherry-Ann LeGendre, Director, Budgets Division
Michael Mendez, Macroeconomic Advisor
Narine Charran, Senior Economist
George Bindley-Taylor, Project Co-ordinator, PFMMU
Michelle Durham-Kissoon, Ag. Asst Director, Macro-Fiscal Unit, EMD
Denise Ramsawak, Research Analyst
Melissa Mattoo, Assistant

Ministry of Planning and Sustainable Development:

Arlene McComie, Permanent Secretary
Melissa Bertrand, Planning Officer II

Auditor General's Department

Gaitrie Maharaj, Assistant Auditor General
Gary Peters, Ag. Assistant Auditor General

Inter-American Development Bank:

Michelle Cross Fenty, Country Representative
Julian Belgrave, Operations Senior Specialist
Shirley Gayle Sinclair, Procurement Specialist
Gregory Dunbar, Financial Management Specialist
Neece Brathwaite, Operations Associate
Anthony Bartholomew, Consultant

Valerie Ann Mercer-Blackman, CCB Lead Economics Specialist

Jorge von Horoch, Project Team Leader

Dana Michael King, Modernization of the State Specialist

David C. Benjamin, Consultant

Agenda

- | | |
|--|-----------------------|
| i. Introduction: IDB Country Support of PFM Reform | Michelle Cross-Fenty |
| ii. The Capital Expenditure Management Programme | Dana Michael King |
| iii. The Project Completion Report: Programme Achievements | David C. Benjamin |
| iv. The Technical Support Initiative: Strategy and Plans | George Bindley-Taylor |
| v. Discussion Session: The Way Forward | Dana Michael King |
| | Vishnu Dhanpaul |

1. General:

- The reform agenda envisaged at the beginning of the programmatic series remains relevant.
- The Government is convinced that the reform activities foreseen for the second and third tranches of the programmatic series are necessary and remains fully committed to the reform program. The Permanent Secretary confirmed that he expected Cabinet, when approached, to provide a clear mandate for the reforms
- At this juncture, certain components of the reform are more likely to achieve significant milestones within a medium-term timeframe.
- Inter- and intra-institutional coordination in reform activities is key to ensuring stakeholder ownership of reform agenda and capacity to fulfil the reform mandates following political approval. In-person meetings were necessary to further collaboration. Regular co-ordination meetings should be held, chaired by a Permanent Secretary of his designate and involving key functional heads.
- A proposed eight-month reform action plan was reviewed and agreed. Details of specific activities to happen during that period are given below

2. Policy Design and Public Investment Management

- Notional Multi-Year Budget Forecast Baseline Scenario for FY 2015/2016 by March 2014
- Budget division staff training in performance-informed budgeting (June 10-August 10, 2014)
- A new budget structure to be finalised and approved. A parallel run to be conducted using a “shadow” budget reflecting the new budget structure to be used alongside the active current budget structure (September 2014)

3. Public Procurement

- Draft legislation to be presented to Cabinet shortly.

4. Public Financial Management and Audit

- An initial Chart of Accounts to be submitted to Cabinet (June 2014)
- IFMIS Conceptualization to be approved by the Ministry of Finance (Technical and Operational System Specifications - IT, Budget, Treasury, Comptroller of Accounts) - by September 2014.
- AGD currently preparing draft legislation to amend the Exchequer and Audit Act to be presented to Parliament in 2014
- Legislative enablement of Electronic Transactions including receipts and payments via the IFMIS by September 2014).

Annex II: Original Policy Matrix

Objective	First Operation Triggers	Second Operation Triggers	Third Operation Triggers
Enhanced Macroeconomic Stability	The macroeconomic framework of the borrower is consistent with the objectives of the program.	The macroeconomic framework of the borrower is consistent with the objectives of the program.	The macroeconomic framework of the borrower is consistent with the objectives of the program.
Component 1 – Policy Design and Public Investment Management			
1. Improve the quality of public investment through the operation of a system to enhance planning and screening of proposed public investment projects based on objective criteria (economic, financial and social).	<p>(1.1) Establishment of an Economic Development Board (EDB) to improve policy formulation and consultation with stakeholders, approved by Cabinet.</p> <p>(1.2) Policy Note on framework for enhancing the system for management of public investment projects, approved by Cabinet.</p> <p>(1.3) Multiyear forecasting framework for fiscal and macroeconomic aggregates to guide the preparation of future annual budgets, established.</p> <p>(1.4) Agency at the ministry level to enhance policy analysis and institutional coordination to improve efficiency of social programs established.</p>	<p>(1.5) Recommendation/guidance for strategic selection criteria for public investment projects prepared by the Economic Development Board.</p> <p>(1.6) Rules for the formulation and evaluation of public investment projects, approved by Cabinet.</p> <p>(1.7) Multiyear budget forecast attached to the budget proposal which includes a breakdown by expenditure (recurrent and capital). Capital Budget for FY 2012 linked to the rolling three-year PSIP.</p> <p>(1.8) System for monitoring and evaluation of policies and projects for social development designed and officially approved.</p>	<p>(1.9) Strategic selection criteria for public investment projects approved by the Ministry of Finance, and all new investment projects (above the Cabinet approved threshold, included in the PSIP): (i) are in accordance to the strategic selection criteria; and (ii) have a previous independent appraisal.</p> <p>(1.10) Three-year PSIP incorporated into the Medium Term Budget Framework (at least 5 Ministries).</p> <p>(1.11) First phase of the system for monitoring and evaluation of policies and projects for social development implemented.</p>
Component 2 – Public Procurement			
2. Enhance the efficiency in public procurement, through the introduction of legislation and practices which are fair, efficient and	(2.1) Legislative proposal for the modernization of public procurement, presented to Parliament. The proposal defines a procurement system	<p>(2.2) Regulations of the new legislation issued.</p> <p>(2.3) Institutions created by the new</p>	(2.6) Adoption of standard bidding documents by all procuring entities (as defined by the new Act) for the procurement process.

Objective	First Operation Triggers	Second Operation Triggers	Third Operation Triggers
transparent.	governed by the underlying operating principles of value for money, transparency and accountability.	<p>Act are in operation, and their key authorities are appointed.</p> <p>(2.4) Procurement guidelines consistent with the new Act issued.</p> <p>(2.5) E-procurement strategy that includes a detailed implementation plan, approved by Cabinet.</p>	<p>(2.7) Website with improved capabilities and functionalities for the dissemination of procurement related information in operation. Information of awarded contracts regularly published.</p> <p>(2.8) First phase of the e-procurement strategy implemented.</p> <p>(2.9) Ministries submit their budget proposals together with their procurement plans.</p>
Component 3 – Public Financial Management and Audit			
3. Modernize public financial management and strengthen the capacity of the Auditor General's Department.	<p>(3.1) Policy Note on the modernization of public financial management system, approved by Cabinet. The note sets the framework, principles and core management arrangements for the modernization of the PFM.</p> <p>(3.2) Policy Note setting out the core actions to enhance the external audit function in Government, approved by Cabinet.</p>	<p>(3.3) Amendments to regulations that enable the implementation of the Integrated Financial Management Information System (IFMIS) issued.</p> <p>(3.4) Design of the new IFMIS completed and its implementation initiated.</p> <p>(3.5) Legislative proposal for Electronic Transactions presented to Parliament. (It will enable government electronic payments using IFMIS).</p> <p>(3.6) Core actions defined in the Policy Note under implementation.</p>	<p>(3.7) Core modules of the IFMIS in operation in the MOF.</p> <p>(3.8) Adoption of guidelines to allow public access to detailed budget information through MOF web portal.</p> <p>(3.9) Regulations of the new electronic transactions act issued.</p> <p>(3.10) Formal mechanism to follow up Audit recommendations implemented and in operation.</p> <p>(3.11) Key milestones of the Institutional Strengthening program of the Auditor General Department achieved.</p>

Annex III - Results Matrix

The objective of the program is to support the GORTT's major reform efforts to enhance and modernize public capital expenditure management. The program's objective will contribute to the government's overall objectives of enhancing efficiency, effectiveness, transparency, and accountability in the use of public resources.

Expected Results

Indicators	Unit of measurement	Baseline		Goals		Source/means of verification	Observations
		Value	Year	Value	Year		
Expected result 1. Modernized public sector investment management system							
Percentage of new Public investment projects approved by Cabinet and incorporated in the PSIP program that have independent economic and social evaluations	%	0	FY 2009/2010	100	FY 2015/2016	GORTT Report.	
Time-horizon for PSIP presentation to Cabinet.	year	1	FY 2009/2010	3	FY 2015/2016	GORTT report on PSIP	
Expected result 2: Improved transparency and accountability in Public Procurement							
Evidence of the use of open competition for the award of contracts that exceed the nationally established threshold for small purchases.	PEFA Score	D	2008	C+	2015	PEFA Report	PEFA indicator: PI-19-i
Existence and operation of a procurement complaints mechanism.	PEFA Score	D	2008	B+	2015	PEFA Report	PEFA indicator: PI-19-iii
Number of annual reports of the Procurement Regulator to Parliament that include: (i) the total value of contracts awarded, (ii) a summary of transactions on an agency by agency basis, (iii) outcome of investigations conducted by the Regulator; and, (iv) a	Procurement Reports Per year	0	2010	1	2015	Parliament records.	

critical assessment of the effectiveness of the procurement system, per year.							
Percentage of procuring entities using Standard Bidding documents.	%	0	2010	100	2015	Procurement Regulator Report.	
Expected result 3: Enhanced public financial management and control systems.							
Effectiveness of internal controls for non-salary expenditure	PEFA Score	C+	2008	B	2015	PEFA Report.	PEFA indicator: PI-20
Timeliness and regularity of accounts reconciliation	PEFA Score	B	2008	B+	2015	PEFA Report	PEFA indicator: PI-22
Public access to key Fiscal Information	PEFA Score	B	2008	A	2015	PEFA Report.	PEFA indicator: PI-10
Availability of information on resources received by service delivery units	PEFA Score	D	2008	C	2015	PEFA Report.	PEFA indicator: PI-23
Quality and timeliness of annual financial statements	PEFA Score	C+	2008	B	2015	PEFA Score.	PEFA indicator: PI-25
Scope/Nature of audit performed (including adherence to audit standards).	PEFA Score	B	2008	A	2015	PEFA Score	PEFA indicator: PI-26-i

Annex VI – List of Individual Interviews (in date order)

NAME	INTERVIEW DATE	NOTES
Ayleen Ovid Director, Project Planning and Reconstruction Division, MP&SD	2 nd January, 2014	2:30 p.m.
Beverly Khan Co-ordinator, IDB Portfolio, MP&SD	2 nd January, 2014	Telephone Conversation
Roselyn Ramdin-Doobraj Comptroller of Accounts, MoF	3 rd January, 2014	Telephone Conversation
Vishnu Dhanpaul Permanent Secretary, MoF	3 rd January, 2014	Telephone Conversation
Eric James Permanent Secretary, MoF	8 th January, 2014	9.00 a.m.
Michael Mendez Macro-Fiscal Advisor, MoF	02150	9.30 a.m.
Melissa Bertrand Planning Officer II, MP&SD	9 th January, 2014	4.00 p.m.
George Bindley-Taylor , Project Co-ordinator, FMR	22 nd January, 2014	2:00 p.m.
Sharman Ottley Auditor General, AGD	15 th January, 2014	5.00 p.m.
Majeed Ali Ag. Auditor General Gaitrie Maharaj Asst. Auditor General Gary Peters Ag. Asst. Auditor General	13 th February, 2014	9:00 a.m.
Cherry-Ann LeGendre Director, Budgets Division	17 th February, 2014	2:30 p.m.
Michael Mendez Macroeconomic Advisor	17 th February, 2014	3:20 p.m.
Ayleen Alleyne-Ovid Director, PPRD	18 th February, 2014	2:00 p.m.

