

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

GUATEMALA

SUPPORT FOR MODERNIZATION OF THE MINISTRY OF PUBLIC FINANCE

(GU-L1031)

LOAN PROPOSAL

This document was prepared by the project team consisting of Gonzalo Afcha, Project Team Leader (ICF/ICS); Sergio Parrilla (ICS/CGU); Jorge Luis Von Horoch (ICF/ICS); Paloma Baena (ICF/ICS); Ignacio Corlazzoli (ICF/ICS); Roberto Camblor (ICF/FMM); Alberto Barreix (ICF/FMM); Miguel Coronado (LEG/SGO); and Marina Massini (ICF/ICS).

CONTENTS

PROJECT SUMMARY

I.	DESCRIPTION AND RESULTS MONITORING	1
A.	Background	1
B.	Diagnostic assessment and challenges for MFP modernization	1
C.	Program strategy and rationale	3
D.	Objectives and components	4
E.	Key results matrix indicators	7
II.	FINANCING STRUCTURE AND MAIN RISKS	7
A.	Financing and contractual conditions	7
B.	Environmental and social risks	8
C.	Fiduciary risk	8
D.	Other key issues and risks	8
III.	IMPLEMENTATION AND MANAGEMENT PLAN	8
A.	Summary of implementation arrangements.....	8
B.	Summary of arrangements for monitoring results.....	10

ANNEXES AND ELECTRONIC LINKS

Printed Annexes	
Annex I	Results Matrix
Annex II	Procurement Plan (summary table)

Electronic Links (required)	
1	Annual Work Plan http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=1629627
2	Monitoring and Evaluation Arrangements http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=1629624
3	Procurement Plan (complete) http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=1713960
4	Safeguard Screening Form for Classification of Projects http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=1592536

Electronic Links (optional)	
5	Country Procurement Assessment Report (CPAR) http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=1722489

ABBREVIATIONS

AWP	annual work plan
GDP	gross domestic product
IT	information technology
MDGs	Millennium Development Goals
MFP	Ministry of Public Finance
NGO	nongovernmental organization
SAT	Superintendencia de Administración Tributaria [Office of the Superintendent of Tax Administration]
SIAF	Integrated Financial Management System

PROJECT SUMMARY
GUATEMALA
SUPPORT FOR MODERNIZATION OF THE MINISTRY OF PUBLIC FINANCE
(GU-L1031)

Financial Terms and Conditions				
Borrower: Republic of Guatemala Executing agency: Ministry of Public Finance			Financing:	Ordinary Capital
			Amortization period	25 years
			Grace period:	42 months
			Disbursement period:	42 months
Source	Amount (US\$)	%	Interest rate:	Variable
IDB (Ordinary Capital)	8,500,000	97.0	Inspection and supervision fee	*
Local	260,000	3.0	Credit fee:	*
Total	8,760,000	100	Currency:	United States dollars from the Single Currency Facility
Project at a Glance				
Project objective: The program will support and complement the efforts toward institutional modernization of the Ministry of Public Finance, in order to: (i) make its internal operations more efficient; and (ii) strengthen its leadership of public administration systems and promote transparency in public expenditure.				
Special contractual clauses: (a) <i>Conditions precedent to the first disbursement:</i> submittal to the Bank of: (i) the annual work plan (AWP) for the first year of the program (see paragraph 3.10); (ii) evidence that the program execution team has been formed (see paragraph 3.2); and (iii) evidence that liaison staff have been designated to serve as technical coordinators for activities in their respective areas of action (see paragraph 3.3); (b) <i>Conditions during program execution:</i> (i) annual submittal of the AWP; and (ii) annual program monitoring and evaluation meetings.				
Exceptions to Bank policy: N/A				
Project consistent with the country strategy: Yes [X] No []				
Project qualifies as: SEQ [] PTI [] Sector [] Geographic [] Headcount []				
Verified by CESI on: N/A				
Environmental and Social Review: 9 April 2008				

(*) The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the applicable provisions of the Bank's policy on lending rate methodology for Ordinary Capital loans. In no case will the credit fee exceed 0.75% or the inspection and supervision fee exceed, in a given six-month period, the amount that would result from applying 1% to the loan amount divided by the number of six-month periods included in the original disbursement period.

I. DESCRIPTION AND RESULTS MONITORING

A. Background

- 1.1 Over the last four years, the Guatemalan economy has grown steadily, posting GDP growth of 5.7% in 2007—the highest rate in recent times. This expansion occurred against a backdrop of macroeconomic stability, underpinned mainly by fiscal factors.
- 1.2 Public finance management has been characterized by maintaining a narrow fiscal deficit (1.5% of GDP) and low public debt; while tax revenues have gradually risen to 12.3% of GDP, their highest level of the last few years. Nonetheless, this level is one of the lowest in the region, posing a major constraint on the new administration's ability to implement its government plan, which emphasizes social and rural development with a view to reducing poverty and inequality.
- 1.3 One of the greatest challenges facing the new administration is to improve social indicators (chronic malnutrition, extreme poverty, access to and quality of basic education and health services, among others) in order to address the demands of historically excluded groups (rural and indigenous populations). This cannot be achieved without maximizing efforts to channel scarce fiscal resources into social spending while strengthening institutional systems and mechanisms to improve expenditure management.
- 1.4 Because the new administration's government plan seeks to reduce poverty and inequality through larger allocations and better quality of expenditure, the economic authorities have framed a fiscal policy that pursues the following strategy lines: (i) redirect public spending toward social and rural development and public safety; (ii) implement comprehensive tax reform to provide adequate funding for priority spending programs; (iii) make public expenditure more transparent, improving accountability and reducing opportunities for inefficiency and corruption; and (iv) ensure disciplined financial management that guarantees macroeconomic stability.
- 1.5 To undertake these strategic efforts, which emphasize the strengthening of public finance management and promote transparency and accountability, the economic authorities have decided to embark upon a process to strengthen the institutions in charge of the financial management and government oversight systems. A key element of this institutional endeavor consists of the modernization of the Ministry of Public Finance (MFP), building upon the adoption of a new organizational structure recently approved by the Executive. The purpose of this loan operation is to support MFP modernization.

B. Diagnostic assessment and challenges for MFP modernization

- 1.6 Over the last few years, the Guatemalan government, supported by multilateral agencies, has been promoting public management reforms aimed at improving administrative processes and procedures, methodologies, and information systems. The most recent efforts have focused on public finance planning and management

and on procurement processes, with a view to making expenditure more efficient and transparent.

- 1.7 These reforms have brought about progress based mainly on the provisions of the Organic Budget Law and its regulations and procedures, and on the functionality of the information systems supporting financial management and government procurement. The integrated financial management system (SIAF), for instance, provides a positive example of the potential of computer-based tools to make government financial management more efficient and transparent. At the same time, implementation of the information system for state procurement and contracting—*Guatecompras*—and the adoption of an open contracting mechanism for public-sector procurement, are major government steps toward making expenditure management more transparent. In addition, a great deal of effort has gone into supporting modernization of the Office of the Superintendent of Tax Administration (SAT). The MFP has played a key role in steering and promoting these reforms.
- 1.8 Investments in the SIAF and *Guatecompras* have been supported mainly by funds from the World Bank. These operations have introduced specific changes to the way the MFP operates in terms of public finance management, although its other functions have not been modernized at the same pace.
- 1.9 Despite the progress made in the MFP modernization process, improvements still remain to be implemented and need to be supported if the Ministry is to become a modern, efficient institution that promotes transparent public finances and is capable of meeting the needs of a modern State. The following constraints were identified during the preparation of this operation:
 - a. **Human resources:** Although the MFP has a professional staff with the necessary technical capacity, several of the institution's key divisions, such as Public Credit, Information Technology, State Contracting and Procurement, Fiscal Analysis and Evaluation, among others, do not have sufficient professional staff to perform all assigned functions efficiently. Professional staff represent just 32% of all MFP civil servants, and 51% of these are on temporary contracts. The Ministry does not have an information system enabling it to manage its human resources effectively; there is no human resource database (computerized personnel records system); the performance review system needs to be revised; the internal organizational regulations and manuals on policies, standards, and procedures need to be updated; an analysis of existing positions needs to be performed; and a comprehensive career service plan is required that includes objective, transparent mechanisms for job entry, initial and in-service staff training, identification of in-house talent, and staff promotion.
 - b. **Oversight entities:** The development asymmetries that exist between the Ministry's various units clearly need to be corrected. This means improving the analytical and operating capacity of some of its regulatory units, and

closing the technology gap in areas not covered by SIAF projects. Internal oversight of the public expenditure execution process still presents some shortcomings, mainly in terms of the timely reporting and accountability of mechanisms for fiduciary management or delegated management of public funds. Improving timely accountability and transparency in the management of public funds necessitates strengthening the regulatory capacity of these oversight entities.

- c. **Information systems:** Persistent shortcomings in the area of information technology—a cornerstone of the institutional modernization process—need to be corrected and improved as part of an institutional modernization program. An information technology management and processes model is needed that strengthens the capacity of the Information Technology Division to overcome major weaknesses such as inadequately integrated systems, lack of standardization, vulnerability in terms of system security, lack or obsolescence of equipment, and the absence of an effective strategy to contend with the permanent threat of “brain drain” resulting from a rigid pay structure.
- d. The Ministry’s **internal administration** suffers from procedural overload and fragmented resource management, resulting in a duplication of functions and breakdown into horizontal administration systems. Processes need to be streamlined and simplified, and internal coordination improved. An example of the problems with internal processes is the lack of a single system for opening, following up on, and monitoring MFP files, which makes it hard for Ministry authorities to supervise and control records processing (of requests, claims, questions, complaints, etc.) and for citizens to keep track of the status of their requests, to the detriment of the institution’s efficiency and transparency.
- e. An appropriate **communications strategy** is vital to the success of the reforms that the MFP is embarked upon. A communications strategy needs to be designed and implemented to allow the various societal stakeholders to adequately understand: (i) the tax reform proposal being promoted by the government; and (ii) MFP reorganization and modernization.

C. Program strategy and rationale

- 1.10 To strengthen the MFP’s capacity to lead the ongoing public finance management reforms, the authorities are developing an organization and management model that is consistent with the changes already implemented and will make it possible to successfully tackle the strategic fiscal policy challenges set out in the government’s agenda. This effort clearly calls for actions to complement the initiatives on financial information and government procurement systems.
- 1.11 This program was conceived to address the issues identified in the previous section and to support MFP reorganization and modernization with a view to making internal management more efficient and public expenditure more effective and

transparent. The structure of the MFP modernization program and its specific activities were designed based on the modified organizational structure proposed by the authorities and consultations with directors regarding the key actions of the strategic plans of their respective divisions. Accordingly, it was decided that program activities would: (i) strengthen regulatory capacity; (ii) streamline existing processes; and (iii) strengthen analytical and operational capacity. These activities should also serve to institutionalize transparency as a management tool.

- 1.12 This program is part of a coordinated set of operations in support of the fiscal reform program being implemented by the new administration, including: a program to strengthen public finance (GU-L1020), a program to strengthen the Office of the Superintendent of Tax Administration (SAT) (GU-L1032), and a technical-cooperation program to support the results-based management system (GU-T1074).
- 1.13 **The Bank's strategy with Guatemala.** This program is consistent with the Bank's strategy with Guatemala (document GN-355-1), which includes improvements in the country's institutions in support of better governance as a crosscutting issue (see paragraph 3.3). The strategy also specifically calls for actions to improve public sector management, among others (see paragraph 3.34). The program supports this objective by promoting stronger, more transparent public finance management. The program is also consistent with the Bank's Modernization of the State Strategy (OP-1004), which identifies public management as a priority area for Bank action and, within this area, actions to improve efficiency and transparency in expenditure management.
- 1.14 **Rationale.** The Bank's continued support for the MFP—as part of a strategy of continuity and sustainability for the Bank-supported actions of recent years—is justified by the clear political will of the new administration to implement institutional reforms to improve public expenditure efficiency, transparency, oversight, and accountability.

D. Objectives and components

- 1.15 **Objective:** The program will support and complement the efforts toward institutional modernization of the Ministry of Public Finance, in order to (i) make its operational management and internal processes more efficient; and (ii) promote transparency in public expenditure management by strengthening the MFP's leadership role with regard to the public administration systems and improving its capacity to analyze and formulate economic and fiscal policies.
- 1.16 **Component I: Improvement of internal management.** This program component will support actions to raise the efficiency of the Ministry's internal operations by strengthening administrative, legal, human resource, and information technology management. The main interventions include the following:

- a. Administrative Services Division: Review and simplification of internal administrative procedures, including integration and re-engineering of the file monitoring and control system.
 - b. Human Resources Division: Support to consolidate the new organizational structure by updating internal organizational regulations and policy, standards, and procedural manuals. Development of a comprehensive career service plan that includes objective, improved processes for recruitment, promotion, performance review, identification of in-house talent, and both initial and in-service professional training. Financing for implementation of a human resource management information system, to enhance modernization efforts in this area.
 - c. Information Technology Division: Implementation of the division's strategic plan to improve the integration, standardization, and security of IT systems. Development of a permanent training program to ensure efficient and sustainable management, and procurement of hardware and software to effectively meet the requirements of a modern IT system.
 - d. Public Information Division: Design and implementation of the Ministry's communications strategy, to include actions to publicize—both within and outside the Ministry—institutional modernization initiatives, the tax reform agenda, and actions to promote expenditure transparency. The plan will include specific initiatives to make effective use of channels of communication with groups of message recipients.
 - e. Legal Department: Development of a proposal to facilitate the delegation of authority, for the purpose of simplifying and streamlining bureaucratic procedures. Development of a database of legal opinions to serve as a reference tool for the division's lawyers to perform their assigned duties.
- 1.17 **Component II: Promotion of transparency in central government expenditure.** This component will support the MFP in promoting the efficient, transparent use of public funds by strengthening its oversight functions, its policy analysis capabilities, and its role as facilitator (for other government agencies) of the means and practices to improve accountability. The interventions to be financed under this component include:
- a. Fiscal Transparency Division: Specialized technical support for the division's first few years of operation and for development of tools to promote more transparent public expenditure management practices. This will include: (i) development of electronic dissemination tools; (ii) preparation of baseline studies to justify proposals for improving transparency practices and standards, together with the corresponding regulatory changes; (iii) technical assistance to evaluate expenditure; (iv) development of risk management toolkits and methodologies; (v) identification of best practices; and (vi) technical support, studies and publication series, and roundtables.

- b. In the area of State Trusts, given the MFP's new structure, the program will provide advisory services and technical assistance as well as develop electronic tools and instruments for the following: (a) organizational structure, procedures, operating manuals, spheres of competence, and profiles; (b) streamlined, specialized operating procedures; (c) technical support and training for staff; (d) development and installation of an electronic trust monitoring and evaluation system; and (e) provision of IT equipment (hardware and software).
- c. Fiscal Analysis and Evaluation Division: Strengthening of its analytical capacity and its strategic advisory role on economic and fiscal matters through: (i) consolidation and development of analytical tools for short-term financial programming, analysis of the fiscal sustainability of the public debt, and estimation of tax revenues; (ii) standardization of reporting, together with studies and research on priority issues on the Ministry's agenda, as inputs to support economic and fiscal policy-making; (iii) design and implementation of an internal working method enabling the division to provide leadership for studies and analyses of economic policy proposals and assessments.
- d. Public Debt Division: Strengthening of the regulatory framework for debt management, including formulation of a draft framework law on public-sector borrowing. Streamlining and automation of operating procedures to improve the division's internal management, and strengthening of strategic middle-office functions. Development and implementation of a training program that includes an induction module on basic debt management skills and a debt analysis module that includes training on the use of risk analysis tools and the analysis of the fiscal debt sustainability. Modernization of the debt recording/filing system and the securities custody system. Capacity-building for development of the secondary market. Enhancement of mechanisms to facilitate the reporting and recording of municipal public debt information and to provide information on the public debt to citizens. IT equipment (software and hardware) to boost the division's analytical and management capabilities.
- e. State Property Division: Strengthening of the regulatory framework for the registry, control, administration, and use of State-owned real property through the issuance of supplemental regulations. Configuration of the graphic information system for State-owned property and regulation of its operation. Entry of 5,000 properties into the State property register. Staff training and equipment to meet IT requirements.
- f. State Contracting and Procurement Regulatory Division: The program will promote sustainable efficiency and transparency in state procurement and contracting by strengthening and modernizing the leadership functions of this MFP division, as well as the operational and organizational tools of other public-sector institutions involved in public procurement. The following specific activities will be financed: (i) *strengthening of this policy-setting division*, to give it the institutional capacity needed to implement procurement

modernization processes; (ii) *development of system standards and regulations*, including secondary regulations, to standardize criteria and interpretations of procurement regulations; (iii) *development and implementation of a permanent procurement training system* that ensures a critical mass of staff qualified to perform procurement functions; (iv) *support for change management at procurement and contracting units*, strengthening the organization and internal contracting and procurement processes in five key line ministries, chosen for their importance in public expenditure; (v) development and implementation of a strategy to expand the range of goods and services procured via open contracts, to generate larger economies of scale, obtain better prices, and lower transaction costs.

- g. Financial management oversight entities: (i) support to improve, implement, and spread the use of accountability mechanisms with respect to advances for delegated expenditures, revolving funds, and trusts; (ii) support for financial management oversight entities in preparing and implementing rules that promote fiscal transparency in expenditure execution.

E. Key results matrix indicators

- 1.18 **Expected outcomes.** Program execution is expected to transform the MFP into a modern, effective institution that promotes transparent public finances. Greater efficiency in the Ministry's internal management is expected to produce the following results: (i) simplified, standardized processes, and more transparent administrative management; (ii) more efficient, better coordinated human resource management; (iii) professional staff development in its areas of competency through additional training; and (iv) greater integration, standardization, and security of IT systems. MFP actions to make public expenditure more transparent are expected to result in: (i) the adoption of more transparent expenditure execution practices by central government agencies; (ii) more efficient exercise of the Ministry's leadership functions; and (iii) public finance information that is complete, timely, and easy to access and understand.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing and contractual conditions

- 2.1 The total cost of the operation is US\$8.76 million. The Bank loan of US\$8.5 million will be drawn from the Single Currency Facility of the Ordinary Capital.

Table II-1 Cost Summary (in U.S. dollars)

Component	IDB	Local	Total	%
Component 1 - Improvement of internal management	3,268,000	0	3,268,000	37.3
Component 2 - Promotion of transparency in central government expenditure	4,911,000		4,911,000	56.1
Coordination unit (execution team)	126,000	248,000	374,000	4.3
Evaluation and audit	115,000		115,000	1.3
Finance charges (credit fee)		12,000	12,000	0.01
Contingencies	80,000	0	80,000	0.9
TOTAL	8,500,000	260,000	8,760,000	100.0

B. Environmental and social risks

- 2.2 No environmental or social risks are associated with the program. The operation will finance an institution-strengthening program that includes the provision of training, technical assistance, and the procurement of computer hardware and software. The program was classified as a category “C” operation pursuant to the Bank’s Environment and Safeguards Compliance Policy.

C. Fiduciary risk

- 2.3 This is considered a **medium-risk** operation, based on the Bank’s experience with the executing agency in implementing technical cooperation programs to support institutions, together with the project team’s analysis of the executing agency’s technical capabilities. As a result, it was concluded that the proposed structure is suitable for program execution.

D. Other key issues and risks

- 2.4 No institutional capacity risks have been identified in the executing agency that would adversely affect program execution.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 **Execution mechanism.** The borrower will be the Republic of Guatemala. The program executing agency will be the Ministry of Public Finance, acting through the Office of the Deputy Minister for Internal Administration and Systems Development.
- 3.2 For program execution purposes, the Office of the Deputy Minister for Internal Administration and Systems Development will be strengthened by hiring the following full-time personnel to form an execution team: (i) a technical coordinator; (ii) a procurement specialist; (iii) a financial specialist; and (iv) an administrative assistant. The technical coordinator’s position will be financed with the loan proceeds, while the other team members (contractors or staff assigned full-time)

will be financed with local counterpart resources. **Creation of the program's execution team will be a condition precedent to the first disbursement.**

- 3.3 For the purposes of coordinating the implementation of program activities, the Office of the Deputy Minister for Internal Administration and Systems Development will periodically call meetings with the MFP divisions directly involved with program execution. Each of the beneficiary divisions¹ will designate a liaison officer specifically to collaborate with the technical coordinator for technical supervision of the activities in their respective line of action, as well as for selection of consulting services and review of final reports. **The appointment of liaison staff to act as technical coordinators of the activities in their respective lines of action will be a condition precedent to the first disbursement.**
- 3.4 The technical coordinator will be responsible for operational and administrative coordination, reporting directly to the Deputy Minister for Internal Administration and Systems Development, and, together with the execution team, will: (i) support the beneficiary divisions in preparing the AWP's and implementing the activities contained in those plans; (ii) coordinate preparation of the status reports; (iii) obtain and manage counterpart resources, and process loan disbursement requests in accordance with the Bank's procedures (as well as arrange for creation of the revolving fund, if necessary, and its successive replenishments); (iv) maintain the file of supporting documentation; (v) prepare the program's financial statements for audit, and select and hire an auditing firm; (vi) in conjunction with the corresponding liaison officer, identify shortlists of consultants and/or conduct competitive processes to select professional firms to be hired by the program; (vii) present the proposed shortlists of consultants or consulting firms for the Bank's no objection, including terms of reference, schedules of activities, and the estimated cost in each case; (viii) conduct the procurement of goods and services required for program execution; (ix) authorize payments related to consulting services and/or goods procured by the program; (x) keep a registry of program consultants; (xi) coordinate with the Bank on the execution of program components and activities, responding to the relevant Bank requirements on a timely basis; and (xii) conduct other activities required for efficient implementation of the operation.
- 3.5 **Disbursements and execution.** The deadline for the final disbursement for the operation will be 42 months. The disbursement schedule is shown in the following table.

¹ The divisions responsible for the component I activities are: the Administrative Services Division, the Human Resources Division, the Information Technology Division, the Public Information Division, and the Legal Department. The execution of component II activities will be the responsibility of the Public Debt Division, the Fiscal Analysis and Evaluation Division, the State Property Division, the State Contracting and Procurement Regulatory Division, the Fiscal Transparency Division, and the entities that oversee the State budget, national treasury, and accounting systems.

Source	Year 1	Year 2	Year 3	TOTAL
IDB	2,973,000	4,004,000	1,523,000	8,500,000
LOCAL				
TOTAL	35.0%	47.1%	17.9%	100.0%

- 3.6 A revolving fund of up to 5% of the Bank loan will be created for the purpose of making program disbursements. The executing agency will submit semiannual status reports on this fund within 60 days following the end of each six-month period.
- 3.7 **Procurement.** The program does not call for any exceptions to Bank policies and will not finance works. Program goods will be procured and consulting services contracted in accordance with the Bank's respective policies, given in documents GN-2349-7 and GN-2350-7.
- 3.8 The project team performed an analysis of the executing agency's capacity to manage the necessary procurements. On the basis of this analysis and the Country Procurement Assessment Report, it was decided that procurement processes would be reviewed by the Bank ex ante, based on the corresponding procurement plan.
- 3.9 Annex II contains the program procurement plan, which will be updated when the corresponding semiannual status reports are prepared.
- 3.10 **Annual work plans (AWPs).** The program will be implemented on the basis of AWPs that set out components, activities, and tasks. A preliminary version of the first year's AWP was produced during program preparation. **Official approval of the first year's AWP by the MFP will be a condition precedent to the first disbursement.**
- 3.11 **Audits.** The program's external audit will be performed by an independent auditing firm acceptable to the Bank in accordance with the terms of reference previously approved by the Bank. The firm will be selected and hired in accordance with the standard bidding processes for audit firms established by the Bank in document AF-200. The audit is included in the program costs, and will be financed with the loan proceeds.

B. Summary of arrangements for monitoring results

- 3.12 **Monitoring and evaluation.** The program will be monitored and evaluated on the basis of the targets and progress indicators determined in conjunction with the executing agency, which are given in the program's results matrix (Annex I). A midterm and a final evaluation will be performed when 45% and 90% of funds have been disbursed, respectively. These evaluations will aim to gauge the degree of progress and fulfillment of the established indicators, outcomes, and targets; and will make recommendations, propose corrective actions, and identify good practices and lessons learned. The evaluations will cover: (i) success in meeting the program and AWP targets; (ii) progress in implementing the activities set out in the results matrix; (iii) recommendations, as needed, including adjustments to the amount of

resources allocated to each component of the operation, to ensure the program's objectives are achieved as effectively as possible.

- 3.13 **Monitoring meetings.** Bank supervision of program execution will be undertaken by the Country Office in Guatemala and the Institutional Capacity of the State division. A joint monitoring meeting will be held between the executing agency and the Bank in the first quarter of each year, to discuss the following: (i) the status of activities identified in the AWP; (ii) the degree to which the targets given in the results matrix have been met; and (iii) the following year's AWP. Either party may request additional monitoring meetings if it feels they would help to enhance program execution.

SUPPORT FOR MODERNIZATION OF THE MINISTRY OF PUBLIC FINANCE (GU-L1031)
RESULTS MATRIX

Program goal	To help improve the management and quality of public expenditure through institutional modernization designed to improve the efficiency and transparency of expenditure execution mechanisms, in a context of fiscal sustainability and prioritization of social spending.
---------------------	--

Outcome indicators	Baseline	Expected outcomes
Targets for Millennium Development Goal indicators on education, gender equity, child mortality, and maternal health met in 2015. Rate of public investment equivalent to 4% of GDP (2015)	MDG indicators given in Annex II, IDB Country Strategy with Guatemala, 2008 Rate of public investment equivalent to 2.6% of GDP (2007)	Increase social spending and investment as a share of the budget and make it more effective.
Country risk rating (2015): BBB	Country risk rating (2007): BB+	Maintain fiscal debt sustainability indices

Program purpose	To support the authorities in their initiatives to transform the Ministry of Finance into a modern, effective institution that promotes public finance transparency.
------------------------	--

Outcome indicators (purpose)	Baseline	Expected outcomes
Component 1	Improvement in the MFP's internal management	
100% of transactions with the MFP are processed through the Master Case Monitoring and Control System, and available for consultation on the Ministry's website.	There is no single system for monitoring and control of transactions that follows standardized procedures and can be consulted by interested parties.	Simplified, standardized processes and greater transparency in administrative management.
The human resource management system is strengthened, as evidenced by: <ul style="list-style-type: none"> Information system with an automated database encompassing 100% of Ministry staff, with computerized personnel files. 	The MFP has no human resources database or computerized personnel file system to ensure that information is kept safe and secure.	Greater efficiency and coordination of human resource management.

Outcome indicators (purpose)	Baseline	Expected outcomes
<ul style="list-style-type: none"> • Performance review mechanism improved and applied to 100% of technical and professional staff once a year. • Functional manual updated to reflect the Ministry's new organizational structure. • Updated manuals on staff management policies and procedures being applied. 	<p>Since 2007, the MFP has been using a performance review system that needs to be modernized and applied more extensively.</p> <p>Functions manual needs to be updated to reflect the new Ministry structure.</p> <p>Staff management policies, standards, and procedures need to be updated and systematized, in compliance with general laws and internal regulations.</p>	
<p>At least 60% of technical and professional staff receive training in their areas of expertise.</p>	<p>The MFP has a general training program but lacks a permanent specialized training program that meets professional development requirements.</p>	<p>Professional staff development in their areas of expertise through additional training.</p>
<p>100% of MFP information systems are governed by technical and security regulations and standards issued by the Ministry's Information Technology Division.</p>	<p>The IT Division is just beginning to have overall responsibility for information technology matters.</p>	<p>Improved integration, standardization, and security of IT systems.</p>
<p>Component 2</p>	<p>Promotion of transparency in central government expenditure.</p>	
<p>100% of trusts under programs and projects implemented through agreements with third parties execute and report physical and financial information in accordance with the improved MFP provisions. This information is published on the fiscal transparency web page.</p>	<p>Inadequate control and transparency in the execution of expenditure delegated via transfers to NGOs and other agencies has led to the recent issuance of new provisions that make it mandatory to file physical and financial status reports, require more information from transfer recipients, and impose the condition that transfers be treated as an advance subject to later settlement.</p>	<p>More transparent expenditure execution practices by central government agencies.</p>

Outcome indicators (purpose)	Baseline	Expected outcomes
<p>At least five central government institutions are strengthened in their internal contracting and procurement processes:</p> <ul style="list-style-type: none"> • Senior staff in these divisions' procurement units are trained and certified. • Time to process procurements is reduced by at least 20%.¹ • Prices of goods and services procured are reduced by at least 15%. 	<p>The capacity of most procurement units is limited by a lack of procurement planning linked to budgetary processes, and by partial application of the rules and regulations; while limited availability of training hinders the development of personnel responsible for procurement functions.</p>	
<p>The MFP issues at least five additional regulatory provisions² to make the administration of public funds more transparent, fulfillment of which is verified in internal audit reports.</p>	<p>The authorities have identified the need to strengthen secondary regulations governing procurement and contracting, management and control of properties, debt management, budgetary execution of recurrent expenditure and capital goods, administration of bank accounts, inventories of consumables and movable property.</p>	<p>More efficient fulfillment of the Ministry's regulatory functions.</p>
<p>The MFP website and fiscal transparency portals include, in addition to information on budgetary execution and government procurement, the updated compendium of secondary regulations issued by oversight bodies, quarterly reports monitoring the public finance situation, and semiannual reports monitoring actions to improve expenditure transparency.</p>	<p>The portals do not contain an updated compendium of secondary regulations. There are no systematized, regular reports on the monitoring of actions to make expenditure more transparent.</p>	<p>Public finance information complete, timely, and easy to access and understand.</p>

¹ Baseline information will be obtained by consultants, who will perform diagnostic assessments with a view to modifying the internal management of procurement in the five line ministries. The baseline will make it possible, at the end of the project, to measure how much has been saved in terms of cost (by making better use of economies of scale, suppliers, and transaction costs) and in terms of time (by shortening internal procedures at the line ministries).

² Provisions relating, among other things, to property management, budgetary execution of recurrent expenditure and capital goods, administration of bank accounts, inventories of consumables, and movable property.

Outcome indicators (outputs)	Component 1: Improvement of the MFP's internal management			
Output indicators by activity	Baseline	Year 1	Year 2	Year 3
1.1 Administrative Division				
1. Administrative procedures harmonized and simplified		Procedural redesign approved.	New administrative procedures implemented	Procedures implemented, evaluated, and adjusted
2. Master case monitoring and control system in operation		System designed	System installed and in operation	
1.2 Human Resources Division				
1. New functions manual in use and evaluated		New functions manual in use	New functions manual evaluated	
2. Staff policy and procedures manuals updated and in use		Proposed manual updates submitted for approval	Updated manuals in use and procedures automated	
3. Modern human resource management information system in operation		Consulting firm responsible for development contracted	Information system developed and functioning.	
4. Performance review system complemented by a tool to evaluate competencies			Instrument to evaluate competencies automated	Instrument in use.
5. Specialized training plan implemented	Technical staff: Permanent 421 Temporary 183 Professional staff: Permanent 227 Temporary 241	General training plan curricula updated and technical and professional training program designed	Specialized training plan in execution; at least 150 technical and professional staff trained under the program	Specialized training plan implemented. At least 60% of technical and professional staff trained under the program
6. Documentation center and library modernized		Software for library document management installed		
1.3 Information Technology Division				
1. New software for the pension system up and running		New application for the pension system up and running.		

Outcome indicators (outputs)	Component 1: Improvement of the MFP's internal management			
Output indicators by activity	Baseline	Year 1	Year 2	Year 3
2. Improved practices for: (i) administration of IT projects; (ii) system design and development; and (iii) IT management and processes		New IT management and processes model officially adopted	Manuals reviewed and improved for the administration of IT projects and systems design and development	
3. Continuing training program for the division's staff implemented	Training program that reflects the need to develop staff capacities, envisaging 40 specialized courses	Technical staff of the division has participated in at least 25% of the specialized courses envisaged in the training program.	Technical staff of the division has participated in at least 50% of the specialized courses envisaged in the training program.	Technical staff of the division has participated in at least 75% of the specialized courses envisaged in the training program.
4. Computer security improved		Hardware and software to improve computer security installed		
1.4 Public Information Division				
1. MFP communications strategy implemented and institutional image strengthened		Institutional image assessed, communications plan approved, and implementation started	Communications plan executed according to schedule, and fiscal and institutional reform publicized	Communications plan executed according to schedule
1.5 Legal Department				
1. Proposal for delegation of authority approved and being applied		Proposed regulation on delegation of authority submitted to the Minister for consideration	Regulation being applied.	
2. Database for legal opinions up and running		Database implemented		

Outcome indicators (outputs)	Component 2: Promotion of transparency in central government expenditure			
Output indicators by activity	Baseline	Year 1	Year 2	Year 3
2.1 Public Debt Division				
1. Legal framework for debt management strengthened		Secondary regulations supplemented. Draft law on borrowing formulated.		
2. Operational management simplified and automated		Diagnostic assessment and functional proposal completed	Processes streamlined and automated in accordance with the functional proposal	
3. Strategic middle office functions strengthened			Second phase of the development of risk analysis and sustainability tools completed (harmonization with the DAEF).	
4. Modular training program implemented		Modular training program designed	General and specialized training modules being applied	
5. Tools for reporting municipal debt improved	Reports not standardized; training needed on applicable standards and definitions	New debt reporting forms approved	New forms in use, with training provided to municipal staff	
6. Modern filing and securities custody system	Manual filing system		Proposal for the computerized filing system approved	Computerized filing system implemented
2.2 State Property Division				
1. Regulatory framework for the use and control of State-owned real property strengthened		Secondary regulations supplemented.		
2. Official register of State-owned property expanded (by 5,000 additional units)		Official register of State-owned property expanded by 1,000 additional units	Official register of State-owned property expanded by 2,000 additional units	Official register of State-owned property expanded by 2,000 additional units
3. Graphic information system up and running		Graphic information system implemented		

Outcome indicators (outputs)		Component 2: Promotion of transparency in central government expenditure			
Output indicators by activity		Baseline	Year 1	Year 2	Year 3
2.3 Procurement and Contracting Regulatory Division					
1. MFP regulatory division strengthened in its regulatory and oversight functions.			25% of division staff trained	50% of division staff trained; procedure and functions manuals developed	100% of division staff trained
2. Legal and regulatory framework for the procurement/contracting system strengthened			Secondary regulations supplemented	Draft law on procurement and contracting formulated	
3. System for ongoing procurement/contracting training developed and in operation			Permanent training system designed and approved by the division (plans, courses, and curricula developed)	First annual training cycle implemented	Second annual training cycle implemented
4. Procurement/contracting units at 5 government entities strengthened			Diagnostic assessments and strengthening plans for the 5 entities completed and agreed on with their authorities	Progress implementing the strengthening programs on schedule (internal procedures reorganized and in effect)	Strengthening programs completed (procurement quality control systems implemented)
5. Strategy to expand and consolidate the use of open contracts developed and implemented			Guatemalan experience evaluated and compared with best practices; methodology for expanding coverage designed and approved	Strategy for expanding coverage implemented	
2.4 Fiscal Transparency Division					
1. Instruments developed to promote expenditure transparency.			At least two proposals for standards and regulations to facilitate accountability submitted to oversight bodies for consideration	At least two methodologies proposed to evaluate expenditure in selected social programs	Proposed evaluation methodologies applied in test cases
2. Fiscal transparency studies and evaluations produced and disseminated.			At least two studies produced and disseminated	At least two studies produced and disseminated	At least two studies produced and disseminated
3. Activities developed to publicize and raise awareness of transparency issues.			At least 2 dissemination events held	At least 2 dissemination events held	At least 2 dissemination events held

Outcome indicators (outputs)	Component 2: Promotion of transparency in central government expenditure			
Output indicators by activity	Baseline	Year 1	Year 2	Year 3
2.5 Other entities overseeing public financial management				
1. Regulatory capacity of oversight bodies strengthened		Basic and secondary regulations of all systems governed by the Ministry compiled in a single digest	Analysis of consistency amongst the set of regulations on transparency completed.	Regulatory amendments to improve expenditure transparency completed; mechanism established for dissemination and comprehensive consultation of regulations
2. Mechanisms for accounting for advances improved		Budget execution manuals include improved mechanisms for accounting for advances.		
2.6 Fiscal Analysis and Evaluation Division				
1. Analytical tools for permanent functions improved and developed		Analytical tools for financial programming and estimation of revenues completed and being applied	Analytical tools for fiscal debt sustainability developed and harmonized with the Public Debt Division	
2. Periodic reports standardized and quality improved		Quarterly public finance report standardized		
3. Capacity to manage studies and consulting services strengthened		Proposed working methodology discussed and approved	At least two studies or consulting services executed and governed by this working methodology	Working methodology being applied to 100% of Division studies and consulting services
4. Basic studies conducted of issues on the economic agenda		At least two basic studies conducted	At least two basic studies conducted	At least two basic studies conducted

SUPPORT FOR MODERNIZATION OF THE MINISTRY OF PUBLIC FINANCE (GU-L1031)
PERIOD COVERED BY THIS PROCUREMENT PLAN: 18 MONTHS

Ref. No.	Category and description of procurement contract	Estimated cost of procurement	Procurement method*	Review (ex ante or ex post)	Source of financing and percentage		Pre-qualification (yes/no)	Estimated dates		Status (pending, in process, awarded, canceled)	Comments	Component
					IDB %	Local/ other %		Publication of specific procurement notice	Completion of contract			
1	NONCONSULTING SERVICES											
	Dissemination events, seminars, workshops, conferences, and roundtables: (i) general organization expenses; (ii) instructors/moderators											
	A. Administrative management topics	2,000	PC	Ex ante	100	0	No			Pending		
	B. Training program run by the Human Resources Division	20,000	PC	Ex ante	100	0	No			Pending		
	C. Dissemination events run by the Public Information Division	40,000	PC	Ex ante	100	0	No			Pending		
	D. Internal training workshops in the Public Debt Division	35,000	PC	Ex ante	100	0	No			Pending		
	E. Workshops for municipios on municipal debt reporting issues	20,000	PC	Ex ante	100	0	No			Pending		
	F. Roundtables and workshops on fiscal transparency	42,000	PC	Ex ante	100	0	No			Pending		
	E. Training events for entities overseeing financial management	15,000	PC	Ex ante	100	0	No			Pending		
	Survey (opinion poll)	50,000	PC	Ex ante	100	0	No			Pending		
	Graphic design services and printing of promotional materials; printing and publication services	60,000	PC	Ex ante	100	0	No			Pending		

Ref. No.	Category and description of procurement contract	Estimated cost of procurement	Procurement method*	Review (ex ante or ex post)	Source of financing and percentage		Pre-qualification (yes/no)	Estimated dates		Status (pending, in process, awarded, canceled)	Comments	Component
					IDB %	Local/ other %		Publication of specific procurement notice	Completion of contract			
2	CONSULTING SERVICES											
Individual consultants: 2009 – 1 st half of 2010												
	Administrative Division											
	Diagnostic assessment and preparation of terms of reference for redesign and implementation of procedures	24,000	NICQ	Ex ante	100	0	No	Q1- 2009	Q2- 2009	Pending		
	Human Resources Division											
	Study to analyze positions (consistency of functions with pay grades)	36,000	NICQ	Ex ante	100	0	No	Q1- 2009	Q3- 2009	Pending		
	Identification of need to recruit/reassign in view of the new structure	36,000	NICQ	Ex ante	100	0	No	Q2- 2009	Q4- 2009	Pending		
	Adoption of methodology for identifying in-house talent	24,000	IICQ	Ex ante	100	0	No	Q1- 2009	Q3- 2009	Pending		
	Diagnostic assessment and preparation of terms of reference for updating policies, rules, and procedures	6,000	IICQ	Ex ante	100	0	No	Q3- 2009	Q3- 2009	Pending		
	Updating of policy and procedural manuals	15,000	IICQ	Ex ante	100	0	No	Q4- 2009	Q1- 2010	Pending		
	Automation of procedures	9,000	NICQ	Ex ante	100	0	No	Q1- 2010	Q2- 2010	Pending		
	Preparation of terms of reference for design and development of human resource management information system	15,000	IICQ	Ex ante	100	0	No	Q3- 2009	Q4- 2009	Pending		
	Improvement and updating of the general training program curriculum	18,000	NICQ	Ex ante	100	0	No	Q3- 2009	Q2- 2009	Pending		
	Design of training plan for technical staff	21,000	IICQ	Ex ante	100	0	No	Q4- 2009	Q1- 2010	Pending		
	Design of training plan for professional staff	21,000	IICQ	Ex ante	100	0	No	Q4- 2009	Q1- 2010	Pending		

Ref. No.	Category and description of procurement contract	Estimated cost of procurement	Procurement method*	Review (ex ante or ex post)	Source of financing and percentage		Pre-qualification (yes/no)	Estimated dates		Status (pending, in process, awarded, canceled)	Comments	Component
					IDB %	Local/ other %		Publication of specific procurement notice	Completion of contract			
	Strengthening of career service plan: diagnostic assessment, proposal, and implementation	30,000	NICQ	Ex ante	100	0	No	Q4- 2009	Q3- 2010	Pending		
	Information Technology Division											
	Management of IT projects (adoption of best practices)	15,000	NICQ	Ex ante	100	0	No	Q3- 2009	Q1- 2010	Pending		
	Systems maintenance and development (adoption of best practices)	20,000	NICQ	Ex ante	100	0	No	Q3- 2009	Q1- 2010	Pending		
	Models for IT management and processes (adoption of best practices)	20,000	NICQ	Ex ante	100	0	No	Q3- 2009	Q1- 2010	Pending		
	Models of IT management and processes (adoption of best practices); international consultant, phase 1	30,000	IICQ	Ex ante	100	0	No	Q1- 2009	Q3- 2009	Pending		
	Models of IT management and processes (adoption of best practices); international consultant, phase 2	30,000	IICQ	Ex ante	100	0	No	Q1- 2010	Q3- 2010	Pending		
	Technical design support for modernization of MFP website	24,000	NICQ	Ex ante	100	0	No	Q1- 2009	Q3- 2009	Pending		
	Preparation of action plan to guarantee a relevant, up-to-date MFP website	18,000	NICQ	Ex ante	100	0	No	Q1- 2009	Q3- 2009	Pending		
	Public Information Division											
	Specialized advisory services for communication of the fiscal agenda and MFP reform	40,000	NICQ	Ex ante	100	0	No	Q2- 2009	Q4- 2009	Pending		
	Legal Department											
	Proposal for delegation of authority to streamline and simplify procedures and bureaucracy	18,000	NICQ	Ex ante	100	0	No	Q2- 2009	Q3- 2009	Pending		
	Design of database of legal opinions	15,000	NICQ	Ex ante	100	0	No	Q3- 2009	Q4- 2009	Pending		

Ref. No.	Category and description of procurement contract	Estimated cost of procurement	Procurement method*	Review (ex ante or ex post)	Source of financing and percentage		Pre-qualification (yes/no)	Estimated dates		Status (pending, in process, awarded, canceled)	Comments	Component
					IDB %	Local/ other %		Publication of specific procurement notice	Completion of contract			
	Compilation, organization, and computerization of legal opinions	15,000	NICQ	Ex ante	100	0	No	Q1- 2010	Q2- 2010	Pending		
	Public Debt Division											
	Supplementation of secondary regulations and draft law on borrowing	20,000	NICQ	Ex ante	100	0	No	Q4- 2009	Q2- 2010	Pending		
	Supplementation of secondary regulations and draft law on borrowing	40,000	IICQ	Ex ante	100	0	No	Q4- 2009	Q2- 2010	Pending		
	Updating of the Division's functions manual	30,000	NICQ	Ex ante	100	0	No	Q1- 2009	Q3- 2009	Pending		
	Streamlining and automation of operating procedures: functional specialist	30,000	NICQ	Ex ante	100	0	No	Q3- 2009	Q4- 2009	Pending		
	Streamlining and automation of operating procedures: IT specialist	40,000	NICQ	Ex ante	100	0	No	Q4- 2009	Q1- 2010	Pending		
	Design of training module on basic debt management skills	10,000	NICQ	Ex ante	100	0	No	Q2- 2009	Q3- 2009	Pending		
	Proposal to improve municipal debt reporting tools	20,000	NICQ	Ex ante	100	0	No	Q1- 2010	Q2- 2010	Pending		
	State Property Division											
	Formulation of supplemental regulations on the control and use of property	21,000	NICQ	Ex ante	100	0	No	Q1- 2010	Q2- 2010	Pending		
	Technical support to enter properties into the register (5 individual consultants)	75,000	NICQ	Ex ante	100	0	No	Q1- 2009	Q4- 2009	Pending		
	Support for implementing the graphic information system: automation and data management	30,000	NICQ	Ex ante	100	0	No	Q4- 2009	Q3- 2009	Pending		
	Procurement and Contracting Regulatory Division											
	National consultant to develop rules and regulations for the procurement system	30,000	NICQ	Ex ante	100	0	No	Q1- 2009	Q3- 2009	Pending		

Ref. No.	Category and description of procurement contract	Estimated cost of procurement	Procurement method*	Review (ex ante or ex post)	Source of financing and percentage		Pre-qualification (yes/no)	Estimated dates		Status (pending, in process, awarded, canceled)	Comments	Component
					IDB %	Local/ other %		Publication of specific procurement notice	Completion of contract			
	International consultant to develop system rules and regulations	60,000	IICQ	Ex ante	100	0	No	Q1- 2009	Q3- 2009	Pending		
	Fiscal Transparency Division											
	Enhancement of the transparency portal	30,000	NICQ	Ex ante	100	0	No	Q1- 2009	Q4- 2009	Pending		
	Proposals for standards and rules to facilitate accountability	24,000	NICQ	Ex ante	100	0	No	Q3- 2009	Q4- 2009	Pending		
	Proposals for standards and regulations to promote expenditure quality evaluations	20,000	NICQ	Ex ante	100	0	No	Q3- 2009	Q4- 2009	Pending		
	Development of toolkits and methodologies for corruption risk management	25,000	NICQ	Ex ante	100	0	No	Q3- 2009	Q4- 2009	Pending		
	Technical advisory services for State institutions	25,000	NICQ	Ex ante	100	0	No	Q3- 2009	Q4- 2009	Pending		
	Specialized studies on transparency (2)	50,000	NICQ	Ex ante	100	0	No	Q2- 2009	Q3- 2009	Pending		
	Preparation and dissemination of monitoring reports (2 per year)	40,000	NICQ	Ex ante	100	0	No	Q3- 2009	Q4- 2009	Pending		
	Specialized transparency advisory services	30,000	NICQ	Ex ante	100	0	No	Q2- 2009	Q4- 2009	Pending		
	Other entities overseeing financial management											
	Compilation of basic and secondary regulations for the systems	40,000	NICQ	Ex ante	100	0	No	Q3- 2009	Q4- 2009	Pending		
	Regulatory amendments to make expenditure execution more transparent	20,000	NICQ	Ex ante	100	0	No	Q2- 2010	Q3- 2010	Pending		
	Development of a permanent mechanism for dissemination and comprehensive consultation of the regulations	30,000	NICQ	Ex ante	100	0	No	Q4- 2009	Q2- 2010	Pending		
	Fiscal Analysis and Evaluation Division											
	Financial programming	30,000	IICQ	Ex ante	100	0	No	Q1- 2009	Q4- 2009	Pending		

Ref. No.	Category and description of procurement contract	Estimated cost of procurement	Procurement method*	Review (ex ante or ex post)	Source of financing and percentage		Pre-qualification (yes/no)	Estimated dates		Status (pending, in process, awarded, canceled)	Comments	Component
					IDB %	Local/ other %		Publication of specific procurement notice	Completion of contract			
	Analysis of fiscal debt sustainability	30,000	IICQ	Ex ante	100	0	No	Q2- 2009	Q4- 2009	Pending		
	Estimation of tax revenues	24,000	IICQ	Ex ante	100	0	No	Q2- 2009	Q4- 2009	Pending		
	Standardization and improvement of periodic reports: Quarterly Public Finance Report	30,000	IICQ	Ex ante	100	0	No	Q2- 2009	Q4- 2009	Pending		
	Development of new working methodology and research; management of studies	45,000	IICQ	Ex ante	100	0	No	Q1- 2009	Q1- 2010	Pending		
	Basic studies in anticipation of the economic agenda (2)	50,000	NICQ	Ex ante	100	0	No	Q2- 2009	Q4- 2009	Pending		
Consulting Firms: 2009 - 1st half of 2010												
	Administrative Division											
	Harmonization and simplification of administrative procedures: redesign and implementation	180,000	QCBS	Ex ante	100	0	No	Q4- 2009	Q3- 2010	Pending		1
	Master case monitoring and control system: system development and implementation	200,000	QCBS	Ex ante	100	0	No	Q3- 2009	Q2- 2010	Pending		1
	Human Resources Division											
	Monitoring and evaluation of the implementation of the new functions manual	40,000	QCBS	Ex ante	100	0	No	Q3- 2009	Q4- 2009	Pending		1
	Human resource management information system: design and implementation	300,000	QCBS	Ex ante	100	0	No	Q2- 2010	Q4- 2010	Pending		1
	Creation of a competencies-based performance review tool	40,000	QCBS	Ex ante	100	0	No	Q1- 2010	Q2- 2010	Pending		1

Ref. No.	Category and description of procurement contract	Estimated cost of procurement	Procurement method*	Review (ex ante or ex post)	Source of financing and percentage		Pre-qualification (yes/no)	Estimated dates		Status (pending, in process, awarded, canceled)	Comments	Component
					IDB %	Local/ other %		Publication of specific procurement notice	Completion of contract			
	Pending											
	Software re-engineering for the pension system	70,000	QCBS	Ex ante	100	0	No	Q2- 2009	Q4- 2009	Pending		1
	Public Debt Division											
	Development of risk analysis tools; design of the respective training module	60,000	QCBS	Ex ante	100	0	No	Q4- 2009	Q2- 2010	Pending		2
	Development of tools to analyze debt sustainability; design of the respective training module	60,000	QCBS	Ex ante	100	0	No	Q4- 2009	Q2- 2010	Pending		2
	Procurement and Contracting Regulatory Division											
	Consulting firm to help strengthen this policy-setting division in: organization, procedures, operating manuals, competencies and profiles, training of regulatory unit staff, and development of indicators and a monitoring and control system	224,000	QCBS	Ex ante	100	0	No	Q1- 2009	Q4- 2010	Pending		2
	Consulting firm to support planning and coordination of dissemination and communication of the procurement reform	120,000	QCBS	Ex ante	100	0	No	Q1- 2009	Q4- 2010	Pending		2
	Consulting firm to develop a system for permanent training on procurement and contracting processes: (i) development of curricula and courses; and (ii) training of civil servants in procurement and contracting, and certification	550,000	QCBS	Ex ante	100	0	No	Q1- 2009	Q4- 2011	Pending		2

Ref. No.	Category and description of procurement contract	Estimated cost of procurement	Procurement method*	Review (ex ante or ex post)	Source of financing and percentage		Pre-qualification (yes/no)	Estimated dates		Status (pending, in process, awarded, canceled)	Comments	Component
					IDB %	Local/ other %		Publication of specific procurement notice	Completion of contract			
	Firm to support change management in procurement/contracting units (support for 5 institutions) as well as help implement the reorganization, strengthen managerial and planning capacity, provide on-the-job human resource training, and implement a procurement/contracting quality control system	631,000	QCBS	Ex ante	100	0	No	Q2- 2009	Q4- 2011	Pending		2
	Consulting firm to support the expansion and consolidation of the open contract modality, including: (i) market survey and development of the strategy and tools (contract, etc.); (ii) strategy implementation	440,000	QCBS	Ex ante	100	0	No	Q2- 2009	Q2- 2011	Pending		2
3	GOODS: 2009 – 1st half of 2010											
	Procurement of hardware and software to support strengthening in the following interventions:											
	A. Administrative Division: Implementation of the master case monitoring and control system	50,000	PC	Ex ante	100	0	No	Q1- 2010	Q1- 2010	Pending		
	B. Information Technology Division: Information technology quality and security.	100,000	NCB	Ex ante	100	0	No	Q2- 2009	Q2- 2009	Pending		
	C. Public Debt Division: Hardware and software for middle office functions	30,000	PC	Ex ante	100	0	No	Q1- 2010	Q1- 2010	Pending		

Ref. No.	Category and description of procurement contract	Estimated cost of procurement	Procurement method*	Review (ex ante or ex post)	Source of financing and percentage		Pre-qualification (yes/no)	Estimated dates		Status (pending, in process, awarded, canceled)	Comments	Component
					IDB %	Local/ other %		Publication of specific procurement notice	Completion of contract			
	E. State Property Division: Graphic information system and entry of properties in the register	25,000	PC	Ex ante	100	0	No	Q3- 2009	Q3- 2009	Pending		
	F. Fiscal Transparency Division: Database and special reporting applications	30,000	PC	Ex ante	100	0	No	Q1- 2009	Q1- 2009	Pending		
	G. Fiscal Analysis and Evaluation Division: Applications for financial programming and sustainability analysis	35,000	PC	Ex ante	100	0	No	Q1- 2009	Q1- 2009	Pending		
	Procurement of books and documentary material	24,000	PC	Ex ante	100	0	No	Q3- 2009	Q3- 2009	Pending		
	Procurement of vehicle	30,000	NCB	Ex ante	100	0	No	Q2- 2009	Q2- 2009	Pending		
	Procurement of furnishings	10,000	PC	Ex ante	100	0	No	Q2- 2009	Q2- 2009	Pending		
	Audiovisual equipment (public information)	40,000	PC	Ex ante	100	0	No	Q2- 2009	Q2- 2009	Pending		
4	OTHER ITEMS: 2009 - 1st half of 2010											
	Scholarships for employees to pursue higher education (payment of tuition)	50,000	In accordance with the MFP's internal provisions	Ex ante	100	0	No			Pending		
	Internships with government institutions abroad	10,000		Ex ante	100	0	No			Pending		

Ref. No.	Category and description of procurement contract	Estimated cost of procurement	Procurement method*	Review (ex ante or ex post)	Source of financing and percentage		Pre-qualification (yes/no)	Estimated dates		Status (pending, in process, awarded, canceled)	Comments	Component
					IDB %	Local/ other %		Publication of specific procurement notice	Completion of contract			
	Registration in specialized IT courses; certification of technical staff	200,000	Payment of registration /certification fees	Ex ante	100	0	No			Pending		

Goods and works: **ICB:** International competitive bidding; **LIB:** Limited international bidding; **NCB:** National competitive bidding; **PC:** Price comparison; **DC:** Direct contracting; **FA:** Force account; **PSA:** Procurement through specialized agencies; **PAs:** Procurement agents; **IAS:** Inspection agents; **PLFI:** Procurement in loans to financial intermediaries; **BOO/BOT/BOOT:** Build, own, operate/build, operate, transfer/build, own, operate, transfer; **PBP:** Performance-based procurement; **PLGB:** Procurement with loans guaranteed by the Bank; **CPP:** Community participation procurement. **Consulting firms:** **QCBS:** Quality- and cost-based selection; **QBS:** Quality-based selection; **FBS:** Selection under a fixed budget; **LCS:** Least-cost selection; **CQS:** Selection based on the consultants' qualifications; **SSS:** Single source selection. **Individual consultants:** **NICQ:** National individual consultant selection based on qualifications; **IICQ:** International individual consultant selection based on qualifications.