

Project Completion Report

Programmatic Policy-Based Loan

PCR

Project Name: Public Financial and Performance Management Programme I, II and III

Country: Jamaica

Sector/Subsector: Reform/Modernization of the State

Original Project Team:

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Loan Number(s): 2058/OC-JA; 2298/OC-JA; 2521/OC-JA

Project Number(s): JA-L1003, JA-L1013 and JA-L1026

QRR Date: October 23rd, 2015

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Acronyms and Abbreviations:

AMANDA	Applications Management and Data Automation
CEO	Chief Executive Officer
CFAA	Country Financial Accountability Assessment
CPAR	Country Procurement Assessment Report
CPC	Chief Parliamentary Counsel
CTMS	Central Treasury Management System
EA	Executive Agency
EFF	Extended Fund Facility
EU	European Union
FAA Act	Financial Administration and Audit Act
FINMAN	Financial Management System
FRF	Fiscal Responsibility Framework
GDP	Gross Domestic Product
GOJ	Government of Jamaica
IDB	Inter-American Development Bank
IDP	International Development Partners
IA	Internal Audit
IIA	International Internal Audit
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
MDAs	Ministries, Departments and Agencies
MTAP	Medium-Term Action Plan for Managing for Results
MTEF	Medium-Term Expenditure Framework
MOFP	Ministry of Finance and Planning
NCC	National Contracts Commission
NIR	Net International Reserves
PBI	Performance Based Institution
PBL	Policy-Based Loan
PBMA	Public Bodies Management Accountability
PFM	Public Financial Management
PMES	Performance Monitoring and Evaluation System
PS	Permanent Secretary
SBA	Stand-by Arrangement
SBD	Standard Bidding Document
TSA	Treasury Single Account

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I. Basic Information

BASIC DATA

PROJECT #: JA-L1003, JA-L1013 & JA-L1026
LOAN #: 2058/OC-JA, 2298/OC-JA & 2521/OC-JA¹

TITLE: Public Financial and Performance Management Programme I, II & III

Programmatic : Yes

Related Project and Loan Numbers:

- Public Financial and Performance Management Programme I (JA- L1003)(US\$60,000,000)
- Public Financial and Performance Management Programme II (JA- L1013)(US\$60,000,000)
- Public Financial and Performance Management Programme III (JA-L1026) (US\$60,000,000)

Borrower: Government of Jamaica

Date of Board Approval: Apr-5-2011²

Executing Agency: Ministry of Finance and Planning (MOFP)

Date of Loan Contract Effectiveness:

JA-L1003 -Dec-05-2008, JA-L1013 – Feb-18-2010 & JA-L1026 – Oct-11-2013

Date of Eligibility for First Disbursement:

JA-L1003- Dec-18-2008, JA-L1013 – Feb-19-2010 & JA-L1026 - Oct-25-2013

Sector: Reform/Modernization of the State

Months in Execution

* from Approval: N/A PBL

* from Contract Effectiveness: N/A PBL

Disbursement Periods

Original Date of Final Disbursement:

JA-L1003 –Dec-05-2009, JA-L1013 – Feb-18-2011 & JA-L1026 – Oct-11-2014

Current Date of Final Disbursement:

JA-L1003 –Dec-05-2009, JA-L1013 – Feb-18-2011 & JA-L1026 – Oct-11-2014

Cumulative Extension (Months): 0

Social Equity (SEQ): No

Environmental Classification: C

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 checked="" type="checkbox"/> Very Satisfactory (VS)	<input 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)

¹ This PCR covers the results of the 3 operations included in the Programmatic.

² This date refers to the third and last operation.

II. The Project

a. Project Context

This programmatic series of policy-based operations was approved between 2008 and 2011 and comprised three single tranche operations of US\$60 million each. The first loan was disbursed in early December 2008, the second in February 2010, and the third in October 2013. The proposal for the first loan constitutes the framework document for the programmatic series. The second and third operations updated, supplemented, and followed up the framework of the first operation in accordance with the Office of the Executive Vice President's instructions (PO-LO-2006 Memorandum of March 6, 2006).

In this regard, the ultimate goals and results were planned to be achieved after the implementation of the third operation. The original policy matrix and the Logic Framework were presented in the three operations without changing the original goals and results. The PCR team compared the policy matrix and the logical framework of the three operations. In addition, the PCR team interviewed the Bank specialist who was the team leader of the third operation and team member of the first and second operation, in order to confirm the full harmonization of the three operations. Based on these evidences, the PCR team believes that by evaluating the results of the third operation the entire Program is being assessed. The macroeconomic context prevailing at the start of the program (2008) was characterized by low economic growth, large fiscal imbalances and high levels of public indebtedness, the latter originated mainly from debt absorption related to the financial crisis of the mid-1990s and the debt of public enterprises. Public debt peaked at 143.9% of GDP in March 2003 and declined to an estimated 127% of GDP in FY2007/08. High public sector debt imposed onerous debt servicing costs, leaving the country vulnerable to adverse shocks, increasing macroeconomic uncertainty and lowering the long term growth perspectives.

Different factors were also identified as constraints to growth. Importantly, the high level of public debt, which was a major constraint as it crowded out private investment and diverted scarce resources from investment and social services to debt service. The high demand on the Government of Jamaica (GOJ) for financing, combined with credit information asymmetries and inefficiencies in the legal and regulatory framework, resulted in high interest rates for commercial borrowers³. A second major factor was the tax system, which combined high tax rates with a substantial number of exemptions and waivers, resulting in distortions and rent-seeking behavior. Sustained fiscal discipline required the adoption of specific fiscal rules to circumscribe government borrowing, spending and debt accumulation. These rules together with improved debt, financial and performance management systems were essential in order to promote fiscal responsibility and credibility.

In this context, in 2008, the Inter-American Development Bank (IDB or the Bank) supported the Government of Jamaica (GOJ) in the design of the Public Financial and Performance Management Programme, aimed at improving expenditure management and performance management in the public sector.

Using a programmatic policy-based loan (PBL) modality, the Programme outlined a set of policy initiatives and actions oriented to establish a fiscal responsibility framework and for increasing the efficiency of public expenditure, which could contribute to easing the fiscal burden. The policy initiatives and actions aimed at supporting the GOJ in pursuing long-term policy reforms covered four areas: (i) fiscal responsibility; (ii) financial management; (iii) public procurement; and (iv) performance management and accountability. The first area of intervention aimed at enhancing accountability, transparency and sustainability in debt and medium term fiscal management through the adoption of fiscal responsibility legislation. The second area of intervention was designed to improve the effectiveness of Public Financial Management (PFM), such as the enhancement of the legal framework and supporting systems and instruments. The third area of intervention aimed at improving efficiency and transparency in public procurement focusing on reforms to support the standardization and enforcement of policies and procedures. The fourth and final area of intervention was designed to establish a Performance

³ There are substantial differences in the level and reduction of interest rates between loan types. For instance, loan rates for public entities stand now at 9.62%, down from 14.16% in January 2010. Conversely, the rate for personal credit stood at 21.17% in June 2012 after remaining at over 25% up to June 2011. Between January 2010 and June 2012 interest rates decreased from 21.72% to 18.56% and from 18.03% to 13.69% for installment and commercial credit, respectively. These are average rates with prime borrowers able to access credit at substantially lower rates.

Management and Evaluation System (PMES) and enhance the accountability framework for the improved functioning of the Executive Agency (EA) and Performance Based Institutions (PBIs).

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. As the three operations followed the same structure and pursued the same impact and results, this document presents the outcomes and outputs that resulted from the execution of the three operations.

b. Project Description

(i) Development Objectives

The objective of the operations of the programmatic series was to continue contributing to GOJ's efforts to enhance public management by strengthening fiscal discipline, improving public financial management, and increasing public performance management. The program combined policy initiatives and government actions in four areas: (i) fiscal responsibility; (ii) financial management; (iii) public procurement; and (iv) performance management and accountability.

(ii) Project Description

The third operation was divided into two components, each with targets related to changes in the relevant legal framework, as well as procedures and/or instruments necessary to achieve the desired goals. The Logical Framework and the Policy matrix of the third operation are available in the [Annex VI](#) and [VII](#) of this document.

Component I: Expenditure Management.

Under this component the program aimed to improve expenditure management by (i) enhancing the legal framework for fiscal responsibility and debt management, and (ii) addressing critical PFM and procurement issues identified in the Country Financial Accountability Assessment (CFAA) / Country Procurement Assessment Report (CPAR). The program's specific interventions and targets under this component follow below.

Fiscal Responsibility

To enhance accountability, transparency, and sustainability in fiscal management, the program sought the development and adoption of fiscal responsibility legislation. During the first two operations, the major challenge was to determine the parameters of the Fiscal Responsibility Framework (FRF) and develop the enabling legislation. Since this was a new area for the government, it required a long and complex process of intensive work, including raising the awareness of stakeholders about: (i) the need for a legislated FRF; (ii) existing alternatives; and (iii) international best practices. This process also required major political commitment and consensus for the design of the FRF, the drafting of the corresponding legislation, and the discussion and passage of the bill.

Public Financial Management

The emphasis in this area has been on improving the effectiveness of PFM in key areas by enhancing the legal framework and supporting systems and tools. This has included: (i) amendment of legislation to enhance the framework for internal audit and control and the adoption of improved instruments to perform these functions; as well as (ii) modernization of the financial management instruments, including: (a) the preparation and approval of a new chart of accounts and budget classification system in accordance with international standards and a corresponding implementation plan; and (b) the operation of an effective Integrated Financial Management Information System (IFMIS).

With regard to other instruments for financial management, the GOJ prepared the new budget classification and chart of accounts and implementation plan. For the other important PFM instrument, the GOJ decided to go beyond the initial core Integrated Financial Management Information System (IFMIS) modules and move toward an enterprise resource management information system to include other key processes and systems (such as full cost and accrual accounting, and human resource management).

Public Procurement

The programme has focused on reforms to support the standardization and enforcement of policies and procedures to enhance the efficiency and transparency of the GOJ's procurement administration. Reforms in this area were front-loaded. As part of the first two operations, the GOJ issued regulations for public procurement. These set legally binding and uniform rules for procurement in all public sector entities, thereby enhancing the regulatory and enforcement framework. The regulations include sanctions for those who contravene the rules. To support the implementation of the new procurement policies and procedures, the GOJ issued and declared mandatory the use of the revised Handbook of Public Sector Procurement Procedures. The Handbook includes and mandates the use of Standard Bidding Documents (SBD) for the procurement of goods, services and works based on international best practices. In addition, the GOJ approved an e-procurement strategy that establishes a road map to guide the implementation of electronic procurement, with the functioning of an e-tendering solution.

Component II: Performance Management.

Under this component the programme aimed at developing the frameworks, systems, instruments, and legal dispositions to assist the GOJ in improving its performance management, monitoring and evaluation of institutional performance, and its ability to enforce accountability. Two key areas are the establishment of an institutional Performance Monitoring and Evaluation System (PMES) and enhancement of the accountability framework for the improved functioning of the Executive Agencies and Performance Based Institutions models. The programme's specific interventions and targets under this component are detailed below.

Performance Management

The overall programme focused on key elements for enhancing performance management: (i) the implementation of the first phase of the Medium-Term Action Plan for Managing for Results (MTAP); (ii) the establishment of an institutional PMES;⁷ and (iii) the improvement of instruments to better link the planning and budgeting functions of government.

Accountability framework for Executive Agencies (EAs) and Performance Based Institutions (PBIs)

Institutional reforms have outpaced the accountability framework on which performance management relies. Therefore, the programme has sought to assist the GOJ in establishing frameworks for better control and accountability of (i) EAs and PBIs; (ii) the senior executives of Government Permanent Secretaries and CEOs of EAs and PBIs respectively; (iii) state-owned enterprise corporate boards; and (iv) regional service delivery entities. Consequently, the program has focused on: (i) the issuance of regulations for the Executive Agency Act; (ii) the development and approval of a detailed framework for improved performance contracts for PSs and CEOs of EAs and PBIs; and (iii) the development of an improved governance and accountability framework for the Regional Service Delivery System.

The operation presented an adequate diagnosis of the problems and a proper characterization of the proposed solutions. The main factors (or causes) contributing to the problems were clearly identified; however, the project document provides limited quantification (magnitude). The Public Expenditure Review 2005, the Public Expenditure Financial Accountability (PEFA-2007), as well as the Joint Country Financial Accountability Assessment (CFAA) and Country Procurement Assessment (CPAR) provided a solid diagnosis and identified the main gaps to be addressed by the Programme. The solutions proposed to address these deficiencies were built on a reform agenda led by the GOJ and supported by several International Development Partners (IDPs). The GOJ determined the overall policy matrix and each IDP supports a part of it and/or reinforces areas supported by others. This process follows a country-driven harmonized approach that clearly demonstrates the government's commitment to the reforms. The vertical logic of the proposed intervention, that is the cause and effect relationship between the programme's inputs, activities, outputs, outcomes and impacts, was reflected in the results matrix. The 3 operations followed the same policy matrix, without changes in its goals and objectives.

The composition of the individual operations and the sequence of the operations reflected the design of intervention that the Bank's team has identified along with the country to achieve the expected results.

The intended programme'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 impact expected from the Programme was beyond its scope. In order to reduce public debt, it is also necessary to improve tax revenue. In this regard, the Bank is supporting the GOJ through the Programmatic JA-L1038 and JA-L1051.

The initial programme was directly aligned with the 2006-2009 IDB Country Strategy with Jamaica (GN-2433)⁴. 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. Macroeconomic and Fiscal results and projections

Jamaica remains largely on track to achieve its medium term economic and financial goals. Growth is now projected at 1.4% in 2015-16. The unemployment rate declined to 13.2% in April 2015, with strong employment growth in tourism and in the business process outsourcing (BPO) sector. Inflation remained at a historic low of 4% in July 2015, in spite of higher food prices on account of the drought. International reserves have continued to increase, standing at US\$2.4 billion at the end of July. The recent PetroCaribe liability management operation is an important step in reducing Jamaica's public debt. The buyback has immediately reduced the debt-to-GDP ratio by about 10% of GDP, and the Net Present Value (NPV) gain of the transaction is estimated at about US\$300 million. This proactive operation will help keep public debt on a clear downward trajectory, with debt-to-GDP now projected at 125% by the end of this fiscal year.

In regard to the Fiscal Responsibility Framework (FRF), the country presented the following improvements:

- 1. A central government budget consistent with an overall fiscal balance of 0 per cent of GDP.** The overall central government deficit for the new financial year 2015/2016, like the current year, is again projected to be in near balance, at US\$4.8869 billion, or a central government fiscal deficit of just 0.3 per cent of GDP.
- 2. The stock of Public Debt.** The recent PetroCaribe liability management operation is an important step in reducing Jamaica's public debt. The buyback has immediately reduced the debt-to-GDP ratio by about 10% of GDP, and the Net Present Value (NPV) gain of the transaction is estimated at about US\$300 million. This proactive operation will help keep public debt on a clear downward trajectory, with debt-to-GDP now projected at 125% by the end of this fiscal year.
- 3. A ratio of wages/GDP for the central government of no more than 9 percent of GDP.** Wages and salaries have constituted an average of 52% of Central Government's primary expenditure over the last 5 years. A 1% increase in the wage bill represents an added expenditure of 0.1% of GDP (FY 2014/15). The FAA Act establishes a ceiling of 9% of GDP on the wage bill as at March 31, 2016. The Wages/GDP ratio is currently at 10.1% for FY 2015/16 and is projected to fall to 9% by March 2017. A major element of risk with respect to wages relates to negotiations and disputes where the outcome is uncertain. The 2012/15 Heads of Agreement (HOA) with unions representing public sector workers (in course) will reduce the risk element associated with wages by enhancing the predictability of the wage bill up to FY 2014/15.
- 4. Conclusion:** The medium-term fiscal outlook for Jamaica has improved, but remains relatively below the expectations. This is predicated on the expected positive impact of low oil prices on the performance of the economy as well as the effects of continued implementation of the Government fiscal reforms. The domestic economy is projected to benefit from strategic investments, improved competitiveness and enhanced efficiency resulting from inter-sectoral linkages; in addition to increased consumer and business confidence. Growth prospects, however, are expected to be tempered by the existing weak investment environment globally. The Medium Term Fiscal & Debt

⁴ Summary Strategy Matrix: Public financial management - Enhance the efficient collection and use of public resources, accountability and transparency through public sector reform, the introduction of a Financial Management Information System and accrual accounting, and strengthening of legal, financial and regulatory mechanisms.

Indicators (% of GDP) summarize the key fiscal projections underlying the development of the estimates of revenue and expenditure over the medium term (FY 2015/16 – FY 2018/19). These projections also provide a guide to the path the country's debt will follow over the period.

Medium Term Fiscal & Debt Indicators (% of GDP)							
Categories	2012/13	2013/14	2014/15	2015/16 (Est)	2016/17 (Est)	2017/18 (Est)	2018/19 (Est)
1. Growth Rate	-0.7%	0.9%	0.3%	1.6%	2.0%	2.9%	1.9%
2. Revenue & Grants	25.7%	27.2%	26.5%	27.1%	26.1%	25.5%	25.1%
3. Expenditure	29.8%	27.1%	27.9%	27.4%	25.2%	24.3%	22.9%
3.1 Wages and Salaries	11.0%	10.7%	10.1%	9.8%	9.0%	9.0%	9.0%
3.2 Interests Rates	9.5%	7.5%	8.2%	7.8%	6.6%	5.9%	4.8%
4. C.G. Fiscal Balance	-4.1%	0.1%	-0.5%	-0.3%	0.9%	1.1%	2.2%
5. C.G. Primary Balance	5.4%	7.7%	7.7%	7.5%	7.5%	7.0%	7.0%
6. Total Debt	135.2%	133.3%	131.6%	121.3%	115.7%	107.4%	98.5
6.1 Domestic	75.2%	70.2%	67.0%	61.2%	58.3%	52.1%	50.9
6.2 External	60.0%	63.1%	64.6%	60.1%	57.4%	55.3%	47.6%
Source: GOJ Fiscal Policy Paper 2015-2016							

b. Project Outcomes

ACHIEVEMENT OF DEVELOPMENT OBJECTIVES (DO)	
Development Objective(s) (Purpose): The objective of the operations of the programmatic series is to continue contributing to GOJ's efforts to enhance public management by strengthening fiscal discipline, improving public financial management, and increasing public performance management.	
1. IMPACT - Strengthened fiscal discipline	Classification: HP,P,LP,I
Planned Outcomes	Outcomes Achieved
1.1 Decrease from 139.8% to 102.8% the Debt to GDP ratio (% of GDP)	1.1 Not Achieved – The recent PetroCaribe liability management operation is an important step in reducing Jamaica's public debt. The buyback has immediately reduced the debt-to-GDP ratio by about 10% of GDP, and the Net Present Value (NPV) gain of the transaction is estimated at about US\$300 million. This proactive operation will help keep public debt on a clear downward trajectory, with debt-to-GDP now projected at 125% by the end of this fiscal year.
2. Component I: Expenditure Management.	Classification: HP,P,LP,I
Planned Outcomes	Outcomes Achieved
2.1 Increase from 10% to 100% the percentage of Ministries and Departments covered by the Financial Management Information System (FINMAN).	2.1 Totally Achieved – 100% - The Financial Management System (FINMAN) covers 100% of the central government Ministries, Departments and Agencies (MDA) across the country.
2.2 Increase from 0 to 95% the % of Bank Accounts incorporated into the Central Treasury Management System (CTMS).	2.2 Totally Achieved – 99% - The Treasury Single Account (TSA) comprises 99% of all MDAs' resources. There are approximately 40 bank accounts out of the TSA for small payments which will be closed in October 2015. There are also 12 Executive Agencies' accounts out of the TSA. The CTMS system manages all payments from the TSA.
2.3 Improve from C to B the score of the Coverage and quality of internal audit [PEFA PI-21 (i)]	2.3 Totally Achieved – B - Although the 2012 PEFA report rated this score as C+, substantial progress was made since that evaluation, among them the implementation of: (i) Quality Assurance and Improvement Program Policy reviewed in 2012 ⁵ ; (ii) permanent training program in IT subjects oriented to audits (2014); and (iii) Teammate audit tools (workflow and document management) automating the audit processes (FY 2015-2016).
2.4 Improve from D to C the score of the Commitment Controls [PI-20 (i)]	2.4 Totally Achieved – B - Although the 2012 PEFA report rated this score as D+, substantial progress was made since that evaluation. The FINMAN commitment module was implemented in April 2014. There is no possibility that a Purchase Order or a Payment can be done without a commitment registration.

⁵ Improvement in the business processes; Closing of Audits and reporting according to IIA – International Internal Audit.

2.5 Improve from C to B the score of the Timeliness in year reports [PI-24 (ii)]	2.5 Not Achieved - PI-24 (ii) C. Flash budget reports are prepared monthly and, on average, are submitted eight weeks after the close of each month, however there is a substantial number of MDAs (approximately a third) that submitted their reports well after eight weeks (PEFA 2013).
2.6 Improve from D to C the score of the Management response to internal audit findings [PI-21 (iii)]	2.6 Not Achieved - PI-21 (iii) D. The Audit Committees do not adequately keep track of the Auditor General and Contractor General recommendations either according to evidence provided. There is no requirement from the FAA Act or from regulations compelling Accounting Officers to undertake the necessary corrective measures within a time-bound framework (PEFA 2013).
2.7 Improve from C to B the score of the Timeliness of submission of annual financial statements [PI-25 (ii)]	2.7 Not Achieved - PI-25 (ii) C. For the most part, the financial statements of MDAs have been submitted to Auditor General for external audit within 10 months of the end of the fiscal year for the past three fiscal years. Some MDAs take more than 12 months to submit their financial statements (PEFA 2013).
2.8 Improve from C to B the score of the [PI-19 (i)] Use of open competition for award of contracts that exceed nationally established monetary threshold for small purchases	2.8 Totally Achieved - B - Although the 2012 PEFA report rated this score as D+, substantial progress was made since that evaluation, among them: (i) procurement plans are consolidated and posted on the MOFP website (2013); and (ii) there is a public procurement page published in the newspaper with all government opportunities;
2.9 Increase from 0 to 100% the percentage of procuring entities using Standard Bidding Documents for procurement transaction in excess of J\$10 million.	2.9 Totally Achieved - 100% - All entities use standard bidding documents (GoJ Standard Bidding Documents - GOJ Standard Bidding Documents - Ministry of Finance & Planning).
2.10 Increase from 0 to 100% the percentage of MDAs procurement plans posted on the MOFP website by the time of budget approval.	2.10 Totally Achieved - 100% - All procurement Plans are posted in the MOFPS Website. (Procurement Plans for financial year 2014/2015 - Procurement Plans for financial year 2014/2015 - Ministry of Finance & Planning)
2.11 Increase from 20 to 100% the Percentage of compliance with the requirement to present quarterly procurement award reports to the Office of the Contractor General	2.11 Totally Achieved - 100% - The quarterly reports are fully implemented according to the Office of the Contractor General (OCG records 100% quarterly contract award compliance - News - JamaicaObserver.com)
3. Component II: Performance Management. Classification: HP,P,LP,I	
Planned Outcomes	Outcomes Achieved
3.1 Increase from 0 to 6 the number of Ministries with a Performance Monitoring and Evaluation System (PMES)	3.1 Totally Achieved - 17 ministries have the PMES implemented.
3.2 Increase from 0 to 100% the percentage of new investment projects that comply with criteria and standards established by the Investment Prioritization Framework	3.2 Totally Achieved - 100% - The prioritizing of all projects is incorporated in the Public Investment Framework, which requires a concrete projects aligned with government priorities. A Public Investment Committee makes recommendations to Cabinet for their inclusion in the budget.
3.3 Increase from 0 to 6 the number of Ministries with a Medium Term Expenditure Framework	3.3 Substantially achieved - All 17 ministries prepare their corporate plan with a 3 year horizon. This is not totally achieved as the corporate plan is the final stage to comply with the MTEF requirements.
3.4 Increase from 0 to 4 the number of Parishes applying the AMANDA System for development approvals.	3.4 Totally Achieved - 14 - AMANDA Business Performance Platform is implemented in all 14 Parishes (Jamaica Extends AMANDA Access to Local Governments and Beyond CSDC Systems)
Reformulation. [X] N/A	
Summary Development Objective(s) Classification (DO):	
[] Highly Probable (HP) [X] Probable (P) [] Low Probability (LP) [] Improbable (I)	
Justification. 11 of the 16 results had been totally achieved, 1 results had been substantially achieved; and only 4 results had not been achieved.	
Country Strategy. The program objectives contribute to the objectives of the Country Strategy by ensuring fiscal and debt sustainability, by strengthening public expenditure management systems and by increasing the use of national procurement subsystems.	

c. Project Externalities

Among the externalities identified during the interviews with main stakeholders, the most relevant are:

- 1. Fiscal Responsibility Framework.** Acceleration of the implementation of the FRF, helped by the country's reengagement with the European Commission and the multilateral organization's support, as well as the establishment of the Extended Funds Facility (EFF) with the IMF.
- 2. Public Financial management.** (i) Increase of MDAs' awareness about the importance of having a long-term view (multi-year) for planning and budgeting; (ii) increase demand for improved automation of the budget preparation processes, culminating with the acquisition and

implementation of a Free Balance software application; (iii) improvement of the way government used to deal with vendors/providers, with the introduction of a strong fiscal discipline in the use of public resources, generated by the implementation of FINMAN commitment control; and (iv) a decrease in the high fees charged by the Bank of Jamaica to transfer funds from the Treasury Single Account (TSA) for payment purposes, with the development of a "CH - Clearing House System" platform solution based on commercial banks network.

3. **Procurement:** (i) Adoption of the government procurement handbook by the private sector, as well as the occurrence of considerable private sector participation in government's procurement training; and (ii) the increase of the good reputation of Jamaica's procurement model within the region with constant requests to assess the country's progress.
4. **Performance Management:** (i) An increased demand by MDAs for assistance to improve their capacity to develop better indicators and targets for the performance measurement framework; (ii) creation of a Corporate Planners' Network in which MDAs meet to discuss concepts and methodologies related to Results Based Management and which support knowledge transfer, and the strategic planning training program at the Management Institute of National Development (MIND); and (iii) certification of the relevant public servants within the parishes in processing private sector land development and construction applications according to the Canadian Standards, as a result of the increased demand for such training across parishes.

d. Project outputs

IMPLEMENTATION PROGRESS (IP)	
Planned Output	Outputs Achieved
1. Component 1: Expenditure Management. <u>Fiscal Responsibility</u> 1.1 As a condition for disbursement of this loan, the GOJ will have tabled in Parliament the fiscal responsibility amendments to the FAA Act as well as the regulations for the entire FRF within the FAA Act	1.1 Conditions Complied: Official Letter from the Parliamentary Clerk dated September 21, 2011 indicating that: (i) the Financial Administration and Audit (Amendment) Act, 2011 was brought into operation on the 19th day of September, 2011. A copy of the Act is attached for reference; and (ii) the Financial Administration and Audit (Fiscal Responsibility Framework) Regulations, 2011 under the Financial Administration and Audit Act were laid on the Table of the House of Representatives on the 20th day of September, 2011, a copy of which is attached. An extract from the Minutes of the House, certified by the Clerk to the Houses, is also attached as evidence of the laying of the document.
<u>Financial Management</u> 1.2 As a condition for disbursement of this loan, the GOJ will have: (i) tabled in Parliament the regulations for the FAA Act Amendment to enhance internal audit and control; and (ii) the Internal Audit Units of the MDAs will have begun implementation of action plans to address weaknesses identified in their self-assessments.	1.2 Conditions Complied: (i) Official Letter from the Parliamentary Clerk dated March 3, 2011 indicating the regulations were tabled in Parliament on March 1, 2011. In addition, a copy of the Jamaica Gazette dated Tuesday, April 12, 2011 containing the Regulations mentioned in Section 3.03 (d); and (ii) The MoFP submitted a Memorandum dated January 5, 2011, from the Director of the Internal Audit Directorate to the Financial Secretary (and signed off by the Financial Secretary) informing of the status of the implementation of action plans to address the weaknesses of the Internal Audit Units (IAUs) of Ministries, Departments, and Agencies (MDAs) as well as a matrix indicating recommendations and progress made in addressing them. Subsequently, the Financial Secretary submitted a letter dated February 23, 2011 indicating that the Internal Audit Directorate would conduct follow up reviews by March 2011 to verify implementation of the IAU's action plans. The Financial Secretary included a list summarizing the IAUs actions to implement their action plans.
1.3 As a condition for disbursement of this loan, the GOJ will have: (i) a new budget classification and revised Chart of Accounts and its implementation plan approved by the MOFPS; (ii) FINMAN with improved functionalities enhancing expenditure management, improving the quality and timely production of financial information, and the internal audit and control functions in operation of all Ministries and Departments; and (iii) definition of requirements prepared to accommodate the implementation of the interim CTMS solution into FINMAN.	1.3 Conditions Complied: (i) Letter from the Financial Secretary dated March 21, 2011 attaching a copy of the MOFPS Circular No. 2 dated March 18, 2011 approving the new budget classification and revised Chart of Accounts along with the implementation plan. Also submitted was a copy of the Chart of Accounts with the new budget classification integrated therein and a detailed implementation plan; (ii) Letter from the Financial Secretary dated February 21, 2011 attaching a summary report indicating the rollout to and improved functionalities of FINMAN in all 28 Ministries and Departments and the Accountant General Department. The report indicated that this has resulted in improved accuracy and timeliness of accounts as well as improved government control and audit and more accurate cash flow forecasts, among other things; and (iii) Letter Ref. No. 104 Vol. III from the Chairman of the CTMS Steering Committee (the Director General of MOFPS) dated March 1, 2011 indicating that the requirements definition for the FINMAN upgrade to accommodate the interim CTMS solution has been prepared and sent to the software developer. Also submitted was a copy of the detailed Public Procurement requirements definition for the interim FINMAN-CTMS solution.

<p><u>Public Procurement</u></p> <p>1.4 As a condition for disbursement for the third loan, the GOJ will have: (i) submitted the drafting instructions for new procurement legislation to the Chief Parliamentary Counsel; (ii) issued Financial Instructions to enhance transparency and accountability in public procurement mandating that: (a) all MDAs present to the MOFPS their procurement plans together with their institutional budget proposal for the FY2011/2012; and (b) all procurement plans be posted on the MOFPS website by the time of budget approval; (iii) established mechanisms and procedures to convene the Procurement Appeals Board; and (iv) used SBDs for the procurement process for all NCC approved contracts in excess of J\$10 million.</p> <p><u>Classification:</u> HS</p>	<p>1.4 Conditions Complied: (i) The Financial Secretary submitted a letter to the Bank dated February 24, 2011 indicating that Cabinet approved and submitted drafting instructions to the Chief Parliamentary Counsel (CPC) on November 1, 2010 via Decision No. 40. Subsequent to the Cabinet decision, the MOFP sent letters to the CPC on January 24 and February 7, 2011 to start the process. In his letter to the Bank, the Financial Secretary asserted that: "the process will include constant dialogue and on the spot consultation during the drafting process in order to expedite completion as we are committed to seeing the Law enacted."; (ii) With regard to (a) "all MDAs present to the MOFP their procurement plans together with their institutional budget proposal for the fiscal year 2011/2012". Section 13 of Budget Call - 2011/2012 Financial Year (Letter No. 907/120 from Mrs. Rolda Grey, for Financial Secretary, to the Principal Finance Officer, dated January 28, 2011) requires that: "...all budget proposals from MDAs must be accompanied by a Procurement Plan using the Templates attached at Appendix 10. With regard to (b) "all procurement plans be posted on the MOFPS website by the time of budget approval, have been issued". Letter from the Financial Secretary to the Bank dated March 10, 2011 attaching instructions to the Deputy Financial Secretary for Public Expenditure "in accordance with the GOJ Handbook of Public Sector Procurement Procedures (Handbook) dated October 2010, Volume 2, Section A1.6... [to] ensure that Annual Procurement Plans submitted by the various MDAs, Public Bodies, and self-financing agencies, are posted on the MOFP' website; (iii) Letter from the Financial Secretary dated February 24, 2011 attaching a copy of the guidelines for the operation of the Procurement Appeals Board; and (iv) 1.36 Letter dated February 10, 2011 from the Chairman of National Contracts Commission to the Financial Secretary confirming compliance with the use of Standards Bidding Documents (SBDs) by MDAs since their introduction in December 2008.</p>
<p>2. Component II: Performance Management.</p> <p><u>Performance Management:</u></p> <p>2.1 As a condition for disbursement of this loan, the GOJ will have: (i) implemented on schedule priority service delivery interventions contemplated in the MTAP, particularly: (a) established the Development Assistance Center in the National Environment and Planning Agency; and (b) have the AMANDA System for development approvals rolled out in four Parishes; (ii) approved by a Cabinet decision the PMES Framework and PMES in implementation in two additional Ministries; (iii) (a) approved by a Cabinet decision the Framework and Process for Public Investment Prioritization; (b) MTEF under implementation in six prioritized ministries; (c) established and made mandatory the use of criteria and standards for public investment prioritization for the MTEF prioritized ministries;</p>	<p><u>Outputs Achieved</u></p> <p>2.1 Conditions Complied: (i) By official communication dated February 25, 2011, the Cabinet Secretary informed the Bank that Ministry Paper No. 22/2010 dated March 10, 2010 authorized the establishment of the Development Assistance Center in NEPA. In addition, a copy of the Ministry Paper No. 22/2010 establishing the implementation of the Development Assistance Centre within the National Environment and Planning Agency (NEPA) and a print out of the web site for the Development Assistance Centre at NEPA is attached. The Cabinet Secretary also submitted a report on the operation of the AMANDA web-based system to track applications for development approvals in Local Planning Authorities in the following four Parishes as stipulated above: Kingston and St. Andrew Corporation (KSAC), St. James Parish Council, Manchester Parish Council and Manchester Fire Brigade, and St. Catherine Parish Council. AMANDA has also been implemented at the Confirmation Division in the Office of the Prime Minister. One hundred and forty-four subdivision applications are in various stages of processing within the AMANDA system. Phase II and III implementation, which is beyond the requirements of this loan, has been completed in eight additional Parishes: Clarendon, Hanover, St. Elizabeth, Trelawny, St. Mary, St. Ann, Westmoreland, Portland and the Portmore Municipality; (ii) The Cabinet approved the Performance Monitoring and Evaluation System (PMES) Framework by Decision Number 42/10 on November 15, 2010 as reported in a letter dated February 25, 2011 submitted by the Cabinet Secretary to the Bank (paragraph 3). The Cabinet Secretary also included a copy of the Framework and progress report on implementation of PMES in the two additional Ministries (Justice and National Security); (iii - a) Letter from Cabinet Secretary to</p>
<p>and (d) the Budget Call for FY 2011/2012 mandate that for the six pilot ministries, their prioritized three-year Public Investment Program is incorporated into their MTEF.</p>	<p>Financial Secretary dated March 1, 2011, indicating that on 31 January 2011, by Decision NO. 44/11, Cabinet approved the framework and process for investment project prioritization. In addition, The MOFPS submitted a copy of the Budget Call Circular for FY2011/12, Ref. No. 907/120 dated January 28, 2011, introducing the Public Investment Prioritization Framework (See Section 3 b) and mandating the application of prioritization criteria for new investment projects (See Section 10 and Appendix 9A); (iii - b) The MOFP submitted a copy of the Budget Call Circular for FY2011/12, Ref. No.: 907/120 dated January 28, 2011, with a mandate [Section 6 and Appendix 8 and 8A] for six major spending ministries to implement a MTEF for FY2011/12 through 2013/14. The ministries are as follows: Health, Education, National Security, Transport and Works, Agriculture and Fisheries, and Finance and Planning. In addition, letter from Cabinet Secretary to Financial Secretary dated March 1, 2011, indicating that on 31 January 2011, by Decision NO. 44/11, Cabinet approved the adoption of the MTEF budgeting approach into Central Government's annual budget preparation process; (iii - c) The MOFP submitted a copy of the Budget Call Circular for FY2011/2012, Ref. No.: 907/120 dated January 28, 2011, that includes mandatory use of the criteria and standards for public investment prioritization for the MTEF ministries [Section 10 and Appendix 9A]; and (iii - d) The MOFP submitted a copy of the Budget Call for FY2011/2012 with the mandate that the three-year prioritized investment programme for the six pilot ministries be included in their MTEFs [Section 10, Appendix 9 and Appendix 9A].</p>

Accountability Framework for Executive Agencies and Performance Based Institutions

2.2 As a condition for disbursement of this operation, the GOJ will have: (i) accomplished the first phase of implementation of the mechanism to monitor the performance agreements for PSs and CEOs of EAs and PBIs in accordance with the new framework; (ii) issued the Regulations of the Executive Agencies Act; (iii) approved by a Cabinet decision the Corporate Governance Framework; and (iv) approved by a Cabinet decision the Framework for the Standardization of Administrative Regions.

Classification: HS

2.2 Conditions Complied: Through a letter dated February 25, 2011 and accompanying report, the Cabinet Secretary informed the Bank of: (i) activities accomplished under first phase implementation of the mechanism to monitor the performance agreements; and, (ii) next steps for the subsequent phases under the Accountability Framework for Senior Executive Officers (Permanent Secretaries, Chief Executive Officers of Executive Agencies and Public Bodies); (ii) In a letter dated February 25, 2011, the Cabinet Secretary submitted a copy of the letter from the Clerk to the Houses of Parliament dated September 17, 2010 indicating that the Regulations for the Executives Agencies Act were approved on September 14, 2010. In addition, the GOJ submitted the relevant pages of the Jamaica Gazette Supplement Proclamations, Rules and Regulations Vol. CXXXIV, No. 19 dated Friday, March 4, 2011 containing the Regulations; (iii) On February 25, 2011, the Cabinet Secretary informed the Bank via an official letter that Cabinet approved the Corporate Governance Framework by Decision Number 06/11 on February 14, 2011. On March 19, 2013, the Cabinet Secretary informed the Bank via an official letter that the revised Corporate Governance Framework for Public Bodies in Jamaica was approved by the cabinet by way of Decision No. 29/12 dated 12th November 2012. A copy of the Corporate Governance Framework for Public Bodies in Jamaica is attached; and (iv) On March 1, 2011, the Cabinet Secretary submitted a letter indicating that Cabinet approved by Decision Number 43/10 dated November 22, 2010, the Framework for the Standardization of Administrative Regions.

Summary Implementation Progress Classification:

☒ Highly Satisfactory (HS) ☐ Satisfactory (S) ☐ Unsatisfactory(U) ☐ Very Unsatisfactory (VU)

e. Project Costs

DISBURSEMENT TRANCHES				
Tranches	Amount (US\$)	Expected Date	Actual Date	Differences
1 - JA-L1003	60,000,000	Nov 19, 2008	Nov 19, 2008	No
2 - JA-L1013	60,000,000	Oct 26, 2011	Oct 26, 2011	No
3 - JA-L1026	60,000,000	Oct 28, 2013	Oct 28, 2013	No
Total	180,000,000			

IV. Project Implementation

a. Analysis of Critical Factors

The critical factors that affected, negatively and positively, the achievement of project results include:

- 1. Fiscal Responsibility Framework: Positives** - (i) The establishment of the Extended Fund Facility (EFF) with IMF; (ii) the implementation of the Fiscal Rules; (iii) the implementation of the Fiscal Policy Paper; (iv) the re-profiling of the public debt; and (v) the implementation of the tax reform (in course). **Negatives** - (i) The global economic meltdown 2008-2012; (ii) the escalation of Jamaica's Public Debt; (iii) the discontinuation of the IMF Standby Arrangement (SBA); (iv) the steady devaluations of the Jamaica dollar versus the US dollar; (v) the lack of appropriate sanctions for non-compliance in terms of fiscal discipline and reporting; (vi) insufficient stakeholder engagement for the preparation of the FRF legislation, which resulted in constant amendments in the FAA and Public Bodies Management Accountability (PBMA).
- 2. Public Financial Management: Negatives** - (i) The implementation of the Medium-Term Expenditure Framework was constantly postponed due to difficulties in estimating revenues and expenditure during the 2008-2012 global economic turmoil; (ii) the budget preparation software application did not support multi-year projections; (iii) FINMAN problems with the consolidation of information for the preparation of annual Fiscal Statement (FS); (iv) bank reconciliation significantly carried out with poor automation support (manually); (v) significant delays in deciding whether to adopt an off-the-self solution or to improve the existing FINMAN, as well as the occurrence of substantial delays to implement the selected decision (improvement of FINMAN); (vi) lack of MDAs' human resources capacity to consolidate and prepare annual FS, as well as weak sanctions against MDAs which do not submit FS on time; (vii) lack of capacity of the Auditor General to review

the FS prepared by the MDAs⁶; and (viii) inadequate cash-management mechanism to mitigate short-term Treasury borrowing⁷.

3. **Internal Audit: Negatives** - (i) Inability to retain qualified IA Human Resources because of difficulties in adjusting the internal audit personnel remuneration according to their counterparts' (accountants and external auditors) pay scales; (ii) lack of automation to carry out internal audit processes; and (iii) failure to implement MDAs' Internal Audit recommendations, mainly because of poor sanctions to enforce the processes.
4. **Public Procurement: Negatives** - (i) lack of specialized procurement personnel in the public and private sectors to carry out the reform, as well as considerable migration of government personnel to the private sector, because of non-attractive government remunerations; (ii) delays in engaging the stakeholders to finalize the procurement legislation, including the Chief Parliament Counsel; (iii) time consuming process to make sure that Jamaica's procurement model complied with the regional and international procurement obligations; and (iv) lack of financial resources for training in the use of bidding documents.
5. **Performance Management: Positives** - (i) Legislative requirements for MDAs to submit strategic business plans and reports; (ii) Existence of a PMES Implementation Strategy and Action Plan that was well informed by a capacity assessment of MDAs. **Negatives**- (i) lack of a results based management culture among some MDAs (iii) lack of statutory foundation to make the PMES mandatory; (iv) staff resistance to the use of the new AMANDA software application; (v) problems with internet speed during AMANDA implementation; and (vi) need for amendments in the legislation to support the application process for local development, especially the online applications through AMANDA.

Conclusion: The positive critical factors outweighed the negative factors. Most of the negatives factors contributed in delaying the achievement of the Program's results. This can be evidenced by the unsatisfactory results of the 2012 PEFA evaluation. Nevertheless, the commitment of the GOJ and the support of the multilateral organizations played an important role in changing that scenario in a very short period of time (2014 - 2015).

b. Borrower/Executing Agency Performance

The implementation of the reform programme was monitored by the GOJ and the Executing Agency was the MOFP, which provided all the needed evidence for compliance with the programme's conditions. The Borrower performance in complying with all three operations' conditions under the programmatic series was highly satisfactory.

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

c. Bank Performance

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

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

⁶ The Bank has provided support to the Auditor General through JA-T1078 (ATN/AA-13424-JA) and through FMP direct interventions.

⁷ In general, there is some misunderstanding between cash and payment management purposes.

V. Sustainability

a. **Analysis of Critical Factors**

The most relevant critical factors identified were:

1. **Fiscal Responsibility Framework.** (i) global economic crises; (ii) inability to decrease the Public Debt; (iii) discontinuation of the SBA with IMF⁸; (iv) devaluations of the Jamaica dollar versus the US dollar; (v) implementation of sanctions for non-compliance in terms of fiscal discipline and reporting; and (vi) completion of the tax reform.
2. **Public Financial Management.** (i) Challenges to implement a full multi-year budget environment; (ii) absence of a comprehensive integrated financial management system, as the FINMAN/CTMS is an interim solution; (iii) lack of comprehensive budget preparation and execution assessments to carry out a complete process reengineering; and (iv) inadequate cash-management mechanism to mitigate short-term Treasury borrowing.
3. **Internal Audit.** (i) career-path with adequate remuneration established for IA staff; and (ii) establishment of penalties and sanctions to improve MDAs accountability.
4. **Procurement.** Full and timely implementation of e-procurement system.
5. **Performance Management.** (i) Increase the demand for performance information; (ii) Political leadership, commitment and championing of M&E; and (iii) maintenance of the AMANDA system and its extension to local authorities and referral agencies.

b. **Potential Risks**

1. **Fiscal Responsibility Framework.** (i) Deterioration of the progress achieved in fiscal discipline, in case the country goes off-track with the targets and agreements established in the EFF with the IMF; (ii) non accomplishment of the government's economic growth targets, in case of problems with Jamaica's main commercial partners' economies (North America, China and UK); and (iii) loss of political consensus for the consolidation of the fiscal discipline due to the potential social backlashes from unpopular decisions that the government has to make in order to implement fiscal discipline, as is the case with the wage negotiations and settlements.
2. **Public Financial Management.** (i) Difficulties in fully implementing the multi-year budget, in a case where implementation of the MTEF in all MDAs is not achieved; (ii) Inability to keep improving Jamaica's budget preparation and execution performance, in a case where the government does not decide to review and reengineer the corresponding processes and adopt a comprehensive integrated automation, thus replacing the interim FINMAN/CTMS solution currently in place; (iii) failure to achieve the full integration of all budget execution processes, in a case where the requisition, commitment and verification functions are not integrated with the procurement activities; and (iv) not taking advantage of the implementation of commitment control, in a case where a comprehensive cash-management mechanism is not established.
3. **Internal Audit.** (i) Loss of qualified IA staff to other government entities and private sector, if career-path with adequate remuneration are not established; and (ii) increase inefficiency in the use of public resources, if appropriate penalties and sanctions are not introduced in the legislation and their application is not effectively enforced due to a lack of action in response to audit queries.
4. **Procurement.** Movement of qualified procurement staff outside of procurement to other government entities and private sector, in a case where a procurement career-path with adequate remuneration is not established.

⁸ The fourth and fifth reviews of Jamaica's SBA with the IMF were not completed by the IMF, thereby resulting in a suspension of the arrangement.

5. **Performance Management.** (i) Diminished focus on PMES due to a lack of importance placed on results based management; (ii) inadequate use of evaluation findings to ascertain lessons learned; to inform budgetary allocation to MDAs and to improve accountability; (iii) Non-alignment of PMES to the various accountability structures; and (iv) AMANDA does not reduce the time to process development applications, because of a lack of technical and financial resources to carry out appropriated system maintenance, as well as a constant rotation of staff.

c. **Institutional Capacity⁹**

1. **Fiscal Responsibility Framework.** The government made substantial progress implementing the FRF; however, there is still considerable need for technical assistance to support the government in finalizing the FRF implementation. The main technical assistance areas identified are: (i) development and implementation of appropriate sanctions for non-compliance in terms of fiscal discipline and reporting; (ii) a review from an independent specialized entity to evaluate the effectiveness of the measures implemented by the FRF and recommendations on how to correct eventual deviations; and (iii) a review of all legislation related to FRF and the preparation of a proposal for the necessary adjustments to ensure consistency among all legal instruments, avoiding possible contradictions.
2. **Public Financial Management.** There is a need to support the government to review and to reengineer the current budget preparation and execution processes, in order to guarantee the sustainability of the modernization, which is a pre-requisite for the implementation of a comprehensive integrated financial management system in substitution to the current interim FINMAN/CTMS solution. There is also need to support the country to finalize the MTEF implementation, which is the main requirement for the full establishment of a multi-year budget environment.
3. **Internal Audit.** The most urgent technical assistance areas identified for IA are: (i) the strengthening of performing Quality Assurance Reviews; and (ii) the strengthening of the Fraud training program that is being delivered at MIND.
4. **Public Procurement.** This is one of the key subjects in terms of institutional capacity. There is a very low level of expertise in the government on how to integrate the procurement and budget execution processes. It is imperative to prepare a special government team with a global overview of the roles of procurement in Public Financial Management, in order to implement a value-for-money procurement environment integrated with the budget execution processes. This will allow the government to rationalize the purchasing of goods and services, in addition to being able to better allocate public resources and avoiding short-term treasury borrowing. There are also additional needs for assistance in the following subjects: (i) continued training in procurement legislation and certification; (ii) preparation of a needs assessment of Jamaica's procurement system, with the recommendations to allow the country to move to the next reform stage, including reform of GOJ's insurance placement regime; and (iv) provide the country with successful experiences implemented in other countries.
5. **Performance Management.** The government made substantial progress in PMES subjects. However, there is still a need for technical assistance in the following subjects: (i) Capacity building/training in Results Based Management, National Evaluation (IPDET certification), and Development Research; (ii) digitization of Cabinet records to facilitate the monitoring of cabinet decisions; (iii) IT system development; (iv) IT support to monitor and audit of the use of AMANDA over a two year period; (v) support to implement the AMANDA systems in all Local Authorities and referral agencies; (vi) legal support for the review of the Town and Country Planning Act and the Local Improvement Act to support the streamlining of the development approval process; and (vii) support for the institutionalization of electronic submission of development applications.

⁹ The PCR Team recognizes the continuous efforts of the GOJ in advancing these and other reforms since the implementation of this programme. Although, in this section opportunities were identified for immediate institutional capacity strengthening some are already being addressed under the current modernization agenda.

This programme also led to the generation of new IDB operations that have helped the GOJ continue the reforms started under the Public Financial Management and Performance Programme. The operations are: (i) Implementation of Electronic Government Procurement in Jamaica (ATN/KK-12694-JA), which financed the new e-tendering system; Fiscal Administration Modernization Programme (2658/OC-JA), which financed the Budget Preparation and Management System; and the Public Sector Efficiency Programme (3121/OC-JA, 3122/CH-JA & GRT/EX-14238-JA), which will provide audit software (TeamMate) and training to internal audit and the additional modules for the full implementation of the e-procurement system. Additionally, the Government of Jamaica has also made significant improvements in the PFM area including significant improvements in budgeting with the introduction of a pilot of medium-term results based budgeting in four ministries and a Centralized Payroll System (CPS) that will be completed by the end of this fiscal year and that will contribute to budgetary controls.

Sustainability Classification SU:			
<input type="checkbox"/> Highly Probable (HP)	<input checked="" type="checkbox"/> Probable (P)	<input type="checkbox"/> Low Probability (LP)	<input type="checkbox"/> Improbable (I)

VI. Monitoring and Evaluation

a. Information on Results

The MOFP as the Executing Agency of the programme provided needed information regarding evidence for compliance with the programme's conditions, in addition to the required information about the programme's results. For this purpose a technical coordinator was appointed who carried out the monitoring of the compliance with the conditions and performance benchmarks set out in the policy and verification matrix, in addition to reporting on the compliance progress to the MOFP and the IDB.

The Borrower and the Bank carried out a workshop seminar in order to assess the likelihood of achieving the programme's medium and long-term expected results, to determine the conditions for sustainability of the reforms, to identify any further support the GOJ may require for its public sector transformation and PFM reforms, and to discuss the Project Completion Report. Prior to these meetings, the Borrower provided information and documentation requested by the Bank regarding the near-term achievement of the programme's objectives.

b. Future Monitoring and Ex-Post Evaluation

The program results were very satisfactory; although, it is recommended that the programme's results continue to be monitored, especially because 4 of the 16 results were not yet achieved. The ex-post evaluation concluded that the financial return benefits estimated in November 2011 as a result of the implementation of the Public Financial and Performance Management Programme (phases I, II and III) are still robust. The current calculation presented an Internal Rate Return (IRR) of 19% (the original estimated IRR from the ex-ante evaluation was 28%) and a Net Present Value (NPV) of US\$ 4.3 million (the original amount from the ex-ante evaluation was US\$ 9 million). The main differences between the ex-ante and ex-post evaluations are: (i) the full benefits expected from procurement will start only in 2016 instead of starting in 2013, as was originally estimated. This is because the full procurement modernization is expected to be completed in October 2015, with the implementation of the e-tendering automated system; and (ii) the return benefits calculated from the AMANDA system implementation were lower because the number of applications estimated to be annually processed was adjusted to 5,430, 35 % less than the 8,308 originally expected.

VII. Lessons Learned

The main lessons learned identified are:

- 1. Fiscal Responsibility Framework.** (i) The implementation of a FRF as a master plan for a reform helps understanding and engagement of the various stakeholder involved in the process; (ii) having a well-developed Fiscal Policy Paper institutionalized and independently reviewed by the Auditor General, brings substantial transparency and accountability to the budget process; (iii) professional capacity support has promoted the strengthening of government decision making and the ability to better implement and enforce policies; (iv) the participation of key stakeholders from the very

beginning of a FRF development, reduces the need for future amendments to the FAA and Public Bodies Management Accountability (PBMA) Acts.

2. Public Financial Management. (i) The implementation of a MTEF is a gradual process, done step by step, and must be implemented according to capacity building of the personnel involved in the process; (ii) it is much easier to implement a MTEF in a stable fiscal situation with a stable global environment; (iii) having a MTEF implemented, mitigates against future external and internal turmoil; (iv) having a change-management instrument in place during a reform, avoids misunderstandings when implementing new procedures, in addition to saving time and financial resources; (v) carrying out changes in phases makes the reform process smoother, minimizes the sense of crises among stakeholders and reduces staff resistance.

3. Internal Audit. (i) Retaining qualified staff improves IA effectiveness; (ii) being unable to apply and enforce sanctions on MDAs' managers jeopardizes the effectiveness of IA functions; (iii) the partnership between accounting officers and the audit committee is critical for the improved understanding of IA roles and the value-added from Information and Technology Systems.

4. Public Procurement. (i) a strategic plan for the reform is critical for the achievement of the established objectives; (ii) the setting of realistic timelines is key to ensure success and the engagement of stakeholders; (iii) the hiring and retention of the right people with appropriate skills can accelerate a procurement modernization process; (iv) good procurement statistics/data can be obtained only through comprehensive process automation; and (v) a permanent and intensive training program is key to maintaining the quality of the procurement environment.

5. Performance Management. (i) starting with a readiness assessment to guide the PMES implementation process is key for the achievement of its objectives; (ii) the establishment of technical working groups at the Ministry level contributes to a smoother PMES implementation; (iii) it is essential that the preparation of an implementation strategy (PMES implementation strategy), is accompanied by an action plan and very clear and detailed terms of reference (TOR) for the M&E technical working groups; (iv) as the PMES pilot proved and the AMANDA pilot at the Natural Environment & Planning Agency, starting implementation by doing a pilot helps to improve efficiency in the actual roll-out of the system to other MDAs (v) having a champion at the highest government level helped to strengthen the importance of the entire PMES implementation process; (vi) for the AMANDA reforms, good governance and change management instruments are key when implementing new procedures and systems (AMANDA) in a variety of different entities across ministries with different needs and issues; and (vii) the selection of an off-the shelf software application (AMANDA) saved time and financial resources for the development and implementation processes.

Annex I – Borrower Evaluation



Inter-American Development Bank Project Completion Report – PCR Bank Evaluation

Project Name: Public Financial and Performance Management Programme

Executing Agency: Ministry of Finance and Planning (MOFP)

Borrower: Government of Jamaica

Date of Board Approval: apr-5-2011

Date of Loan Contract Effectiveness: oct-11-2013

Date of Bank evaluation: jun-29-2015

Expected date for PCR seminar: set-2-2015

Summary of Borrower Performance Rating

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

Borrower Performance

Please evaluate your own performance during Project preparation and execution:

☒ Very Satisfactory (VS)

☐ Satisfactory (S)

☐ Unsatisfactory (US)

☐ Very Unsatisfactory (VU)

Comments: Based on that 10 of the 16 results had been totally achieved, 2 results had been substantially achieved; 1 result had been partially achieved and only 3 results had not been achieved, the performance of the Borrower is Highly Probable.

Bank Performance

☒ Very Satisfactory (VS)

☐ Satisfactory (S)

☐ Unsatisfactory (US)

☐ Very Unsatisfactory (VU)

Comments:

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

The first loan was disbursed in early December 2008, and the second in February 2010. The third loan was approved by the Board of Executive Directors on May 4, 2011 and disbursed on October 28, 2013. The significant delay between Board approval and disbursement of the third loan was due to the suspension of policy based disbursements and any further exposure of the Bank, to Jamaica arising from application of the new macroeconomic sustainability assessment policy introduced by the Bank.

Additional Recommendation to improve future Bank performance

Comments/recommendations to improve future Bank performance:

Annex II - Exit Workshop Minutes

- **Sustainability**

- There was a general consensus that sustainability of the programme was highly likely, owing to the strong commitment of the Government of Jamaica to the public sector transformation agenda. Notwithstanding, there were a few critical factors identified by stakeholders in the report that could affect the programme's sustainability.
- The Government expressed that although the report identifies the cancellation of the EFF with the IMF as a risk for the sustainability, this had a low probability. Amongst the list of potential risks to the sustainability of the achievements made under the programme were the GOJ's political will to ensure that the public modernization agenda is adequately supported and loss of political power for the consolidation of the fiscal discipline.
- At the close of the workshop, the sustainability of the programme was classified as probable.

- **Feedback**

The following represents the comments made by stakeholders, as closing observations.

- The Government expressed their frustration with the delays in the disbursement of this loan, after it was approved in 2011, causing the Government inconveniences.
- The programme was one of the contributors that placed Jamaica on a path of positive economic activity.
- 100% of the programme policies were completed on-time and without major delays.
- The report needs to be adjusted to sufficiently capture the efforts made by the Government of Jamaica after the programme ended.
- The section of the report that deals with Institutional Capacity needs to provide a context within which the recommendations for institutional strengthening were made.
- The programme was implemented successfully during the financial and economic crisis. This demonstrates the commitment of the Government to this particular reform process.


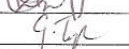

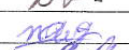



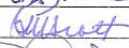




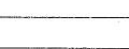
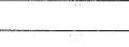
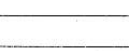
Annex III – List of Participants Exit Workshop

Inter-American Development Bank

Project Completion Report Workshop – September 02, 2015

Public Financial and Performance Management

Programme III – (2521/OC-JA)

Participant	Organization	Email	Telephone	Signature
Bradrick Watson	IDB	bradrickw@icdb.org	764-0845	
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Graham Williams	IDB	grahamw@icdb.org	764-0832	
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Camila Mejia	IDB	camilamejia@icdb.org	816-9410	

Annex IV. Exit Workshop Agenda

Date: September 2nd, 2015

Time: 10:00 a.m.

Venue: IDB Country Office

Inter-American Development Bank:

Brodrick Watson, Operations Senior Associate

Jorge von Horoch, Project Team Leader

Camila Mejia, Modernization of the State Specialist

Marcio Cracel, Consultant

Agenda

- | | |
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| I. Welcome and Opening Remark | Jorge von Horoch (Project Team Leader) |
| II. Presentation of PCR (part 1)
Project Results (Outcomes and Outputs) | Marcio Cracel (Principal Author) |
| III. Discussion/Comments/Feedback | All participants |
| IV. Coffee Break (15mins) | |
| V. Presentation of PCR (part 2)
Lessons learned | Marcio Cracel |
| VI. Borrower's Evaluation: Sustainability of achievements, Bank and Borrower performance and Borrower's Recommendations | |
| VII. Closing Remarks | Jorge von Horoch (Project Team Leader) |
| VIII. Lunch | |

Annex V – List of Individual Interviews

Time	lc	Participants	Venue
Monday, June 1, 2015			
3:30 p.m.	Opening Meeting Policy Matrix Actions Debt to GDP Ratio	Ministry of Finance and Planning (MOFP): Courtney Williams, Rose Lemonius-Stewart, Denis Parchment, Mark Redwood, Nicholas Isaacs. PIOJ Representative Mission Representative	Ministry of Finance and Planning Economic Management Division (EMD) Meeting Room G Block – 5 th Floor, West Wing
Tuesday, June 2, 2015			
9:30 a.m.	FINMAN coverage Bank Accounts incorporated in Treasury Single Account (TSA)	Financial Systems Unit Public Expenditure Policy Coordination Division, MOFP: Berome Edwards, Dean Irvin IPMB, EMD: Nicholas Isaacs Mission Representative	Ministry of Finance and Planning Public Expenditure Policy Coordination Division G Block – 3 rd Floor, West Wing
1:00p.m.	Number of Parishes applying the AMANDA System for development approvals. Number of Ministries with a Performance Monitoring and Evaluation System (PMES)	Public Sector Modernization Department Office of the Prime Minister: Marjorie Johnson, Shawn Grey and Team IPMB, EMD: Nicholas Isaacs Mission Representative	Office of the Cabinet 2A Devon Road, Kingston 10 Conference Room
Wednesday, June 3, 2015			
10:00 a.m.	Public Financial Management	Executive Office, Ministry of Finance and Planning (MOFP): Ms. Dianne McIntosh, Director General Donald Miller, Des Ferguson, Denis Parchment IPMB, EMD: Nicholas Isaacs Mission Representative	Ministry of Finance and Planning Director General's Meeting Room G Block – 6 th Floor, East Wing
2:00 p.m.	Commitment Control	Financial Systems Unit Public Expenditure Policy Coordination Division, MOFP: Berome Edwards, IPMB, EMD: Nicholas Isaacs Mission Representative	Ministry of Finance and Planning Public Expenditure Policy Coordination Division G Block – 3 rd Floor, West Wing
Thursday, June 4, 2015			
9:00 a.m.	Number of Ministries with a Medium Term Expenditure Framework. Percentage of new investment projects that comply with criteria and standards established by the Investment Prioritization Framework. Timeliness of in year reports. Timeliness of submission of annual financial statements.	Public Expenditure Division (PEX), MOFP: Lorris Jarrett, Carolyn Campbell, Barbara Gooden IPMB, EMD: Nicholas Isaacs Mission Representative	Ministry of Finance and Planning Public Expenditure Division Meeting Room F Block – Room F35, 2 nd Floor
10:30 a.m.	Coverage and quality of internal audit. Commitment Controls.	Internal Audit Directorate Public Expenditure Policy Coordination Division, MOFP:	Ministry of Finance and Planning Public Expenditure Policy Coordination Division

Time	lc	Participants	Venue
	Management response to internal audit findings	Suzette Campbell and Team IPMB, EMD: Nicholas Isaacs Mission Representative	Meeting Room G Block – 3 rd Floor, West Wing
3:45 p.m.	Percentage of procuring entities using Standard Bidding Documents for procurement transaction in excess of JS\$10 million. Percentage of MDAs procurement plans posted on the MOFPS website by the time of budget approval. Percentage of compliance with the requirement to present quarterly procurement award reports to the Office of the Contractor General. Use of open competition for award of contracts that exceed nationally established monetary threshold for small purchases. Percentage of procuring entities using Standard Bidding Documents for procurement transaction in excess of JS\$10 million. Percentage of MDAs procurement plans posted on the MOFPS website by the time of budget approval. Percentage of compliance with the requirement to present quarterly procurement award reports to the Office of the Contractor General.	Procurement and Asset Policy Unit Public Expenditure Policy Coordination Division, MOFP: Cecile Maragh, Samoya Smith IPMB, EMD: Mark Redwood Mission Representative	Ministry of Finance and Planning Public Expenditure Policy Coordination Division Meeting Room G Block – 3 rd Floor, West Wing
Friday, June 5, 2015			
8:30 a.m.	Fiscal Responsibility Framework	Fiscal Policy Management Unit, Economic Management Division, MOFP: Courtney Williams IPMB, EMD: Mark Redwood Mission Representative	Ministry of Finance and Planning Economic Management Division (EMD) Meeting Room G Block – 5 th Floor, West Wing
9:30 a.m.	Closing Meeting	Ministry of Finance and Planning (MOFP): Courtney Williams, Mark Redwood, Nicholas Isaacs. Mission Representative	Ministry of Finance and Planning Economic Management Division (EMD) Meeting Room G Block – 5 th Floor, West Wing

Annex VI - Results Matrix

Objective: The objective of this third and final operation of the programmatic series is to continue contributing to GOJ's efforts to enhance public management by strengthening fiscal discipline, improving public financial management, and increasing public performance management

Indicators	Unit of measure ment	Baseline		Goal		Source/means of verification	Observations
<u>Expected Result 1:</u> Strengthened fiscal discipline							
Debt to GDP ratio	% of GDP	139.8	2009/10	102.8	2014/15	IMF	<i>Express public debt as a percentage of GDP</i>
<u>Expected Result 2:</u> Improved Public Financial Management							
Percentage of Ministries and Departments covered by the Financial Management Information System (FINMAN).	%	10	2007/08	100	2010/11	<i>Ministry of Finance and Public Service (MOFPS)</i>	
Bank Accounts incorporated into the Central Treasury Management System (CTMS).	%	0	2007/08	95	2014/15	Report from the Accountant General Department and MOFPS	
Coverage and quality of internal audit [PEFA PI-21 (i)]	Category of the Indicator	C	2007	B	2012	<i>Public Expenditure and Financial Accountability (PEFA). Indicator PI-21 (i).</i>	C = the function is operational for at least the most important government entities and undertakes some systems review (at least 20% of staff time), but may not meet recognized professional standards. B = Internal audit is operational for the majority of central government entities (measured by value of revenue/expenditure), and substantially meets professional standards. It is focused on systemic issues (at least 50% of staff time).

Commitment Controls [PI-20 (i)]	Category of the Indicator	D	2007	C	2012	PEFA Report <i>Indicator PI-20 (i).</i>	D = Commitment control systems are generally lacking OR they are routinely violated. C = Expenditure commitment control procedures exist and are partially effective, but they may not comprehensively cover all expenditures or they may occasionally be violated.
Timeliness of in year reports [PI-14 (ii)]	Category of the Indicator	C	2007	B	2012	PEFA Report <i>Indicator PI-14 (ii).</i>	C = Penalties for non-compliance generally exist, but substantial changes to their structure, levels or administration are needed to give them a real impact on compliance. B = Penalties for non-compliance exist for most relevant areas, but are not always effective due to insufficient scale and/or inconsistent administration.
Management response to internal audit findings [PI-21 (iii)]	Category of the Indicator	D	2007	C	2012	PEFA Report <i>Indicator PI-21 (iii).</i>	D = Internal audit recommendations are may not be implemented for major issues or major delay in addressing serious breaches. C = A fair degree of action taken by many managers on major issues but often with delay.
Timeliness of submission of annual financial statements. [PI-25 (ii)]	Category of the Indicator	C	2007	B	2012	PEFA Report <i>Indicator PI-25 (ii).</i>	C = The statements are submitted for external audit within 15 months of the end of the fiscal year. B = The consolidated government statement is submitted for external audit within 19 months of the end of the fiscal year.
[PI-19 (i)] Use of open competition for award of contracts that exceed nationally established monetary threshold for small purchases	Category of the Indicator	C	2007	B	2012	PEFA Report <i>Indicator PI-19 (i)</i>	C = Available data shows that less than 50% of contracts above the threshold are awarded on an open competitive basis, but the data may not be accurate.
Percentage of procuring entities using Standard Bidding Documents for procurement transaction in excess of J\$10 million.	%	0	2007	100	2012	Procurement Policy Implementation Unit at the MOFPS (PPIU) Report	

Percentage of MDAs procurement plans posted on the MOFPS website by the time of budget approval	%	0	2007	100	2012/13	PPIU Report MOFPS	
Percentage of compliance with the requirement to present quarterly procurement award reports to the Office of the Contractor General	%	20	2007	100	2010/11	PPIU Report MOFPS and website of the Office of the Contractor General	
Expected Result 3: Increased Public Performance Management							
Number of Ministries with a Performance Monitoring and Evaluation System (PMES)	Ministry	0	2007	6	2012/13	PMES Unit Report	<i>Performance Monitoring and Evaluation System Unit at the Public Sector and Modernization Department. Cabinet Office.</i>
Percentage of new investment projects that comply with criteria and standards established by the Investment Prioritization Framework	%	0	2008	100	2012/13	MOFPS	
Number of Ministries with a Medium Term Expenditure Framework	Ministry	0	2008	6	2010/11	MOFPS	
Number of Parishes applying the AMANDA System for development approvals.	Parish	0	2007	4	2010	Public Sector and Modernization Department. Cabinet Office(PSMD) Report	<i>The AMANDA system is a management tool that allows automation and streamlining of land-development applications, reducing the waiting time for development permit approvals and enabling online tracking of all applications across the entire process.</i>

Annex VII – Policy Matrix

Objective	First Operation: Policy Reforms	Second Operation: Policy Reforms	Third Operation: Policy Reforms
1. Enhanced macroeconomic Stability.	The macroeconomic framework of the borrower is consistent with the objectives of the programme and the GOJ Policy Letter.	The macroeconomic framework of the borrower is consistent with the objectives of the programme and the GOJ Policy Letter.	The macroeconomic framework of the borrower is consistent with the objectives of the programme and GOJ Policy Letter.
2. Improve the efficiency of expenditure management by enhancing the legal framework for fiscal responsibility and the mechanisms for public financial management and procurement.	<u>Fiscal Responsibility</u> (a) Proposal for a new Framework for Fiscal Responsibility that includes amendments to the FAA and the PBMA Acts in the areas of fiscal responsibility, reporting and debt and cash management, submitted to Cabinet.	(a) Drafting instructions for the Legislation to enable the New Framework for fiscal responsibility, which includes debt management related dispositions, issued by Cabinet to the Chief Parliamentary Counsel. (b) Ministry Paper stating the Government's intention to enact legislation to establish a Fiscal Responsibility Framework within the current fiscal year, tabled in Parliament.	(a) Amendments to the fiscal responsibility legislation as well as the regulations for the FRF tabled in Parliament.
	<u>Public Financial Management</u> (a) An amendment to the FAA Act that enhances the framework for internal audit and internal control, submitted to Parliament.	(a) Drafting Instructions for the Regulations of the amended FAA Act, issued by Cabinet to the Chief Parliamentary Counsel.	(a) Regulations for the amended FAA Act related to the enhanced internal audit tabled in Parliament.

Objective	First Operation: Policy Reforms	Second Operation: Policy Reforms	Third Operation: Policy Reforms
	<p>(b) Internal audit quality assurance manual, issued and provisions that make its use mandatory, approved by the MOFPS.</p>	<p>(b) At least 2/3 of the Internal Audit Units of Ministries and Departments submit mandatory self-assessments following the quality assurance program. These assessments are validated by the Internal Audit Directorate of the MOFPS.</p> <p>(c) Call for bids for a new financial management information system issued.</p> <p>(d) Revision of the Chart of Accounts and budget classification to comply with international standards initiated.</p>	<p>(b) Action Plans to address the weaknesses identified in the self-assessments carried out by the internal audit units of the MDAs under implementation.</p> <p>(c) (i) FINMAN with improved functionalities enhancing expenditure management, improving the quality and timely production of financial information, and the internal audit and control functions in operation at the Accountant General Department and all Ministries and Departments; and (ii) definition of requirements to accommodate the implementation of the interim CTMS solution into FINMAN prepared.</p> <p>(d) New budget classification and revised Chart of Accounts and its implementation plan approved by the MOFPS.</p>

	<p><u>Public Procurement</u></p> <p>(a) New regulations for public procurement that include sanctions for non-compliance, submitted to Parliament.</p> <p>(b) Provisions that increase procurement thresholds, approved by Cabinet.</p>	<p>(a) Proposal to separate General Secretariats of NCC and Office of the Contractor General, approved by Cabinet.</p> <p>(b) E-Procurement program to be applied to all public sector entities submitted to Cabinet. E-tendering system selected.</p>	<p>(a) Drafting instructions for new Procurement Legislation submitted to the Chief Parliamentary Council.</p> <p>(b) Financial instruction to enhance transparency and accountability in public procurement mandates that: (i) all MDAs should present to the MOFPS their procurement plans</p>
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Objective	First Operation: Policy Reforms	Second Operation: Policy Reforms	Third Operation: Policy Reforms
	<p>(c) Revised procurement Handbook, approved by Cabinet.</p> <p>(d) E-government procurement strategy, approved by MOFPS.</p> <p>(e) Standard bidding documents approved and issued by the MOFPS.</p>	<p>(c) Procurement Appeals Board constituted.</p> <p>(d) First phase of the training program for procurement officers of all ministries on the use of standard bidding documents completed.</p>	<p>together with the institutional budget Proposal for FY 2011/2012; and (ii) all procurement plans be posted on the MOFPS website by the time of budget approval.</p> <p>(c) Mechanism and procedures to convene the Procurement Appeals Board established.</p> <p>(d) All National Contracts Commission (NCC) approved contracts in excess of J\$10 million use the standard bidding documents for their procurement processes.</p>

<p>3. Establish a public sector Performance Management and Evaluation System and enhance the accountability framework for the improved functioning of the Executive Agency and PBIs models.</p>	<p><u>Performance Management</u></p> <p>(a) Implementation of the Medium Term Action Plan (MTAP) for Management for Results, initiated.</p> <p>(b) Pilot Performance Monitoring and Evaluation System (PMES) in the Ministry of Transport and Works, implemented.</p>	<p>(a) Implementation of priority service delivery interventions contemplated in the MTAP on schedule, particularly: (i) one stops shop for Food Safety implemented; and (ii) pilot system to track applications for development approvals, under implementation in three Parishes.</p> <p>(b) Proposed framework for the PMES that includes monitoring requirements and independent evaluations of Government programs, submitted to</p>	<p>(a) Implementation of priority service delivery interventions contemplated in the MTAP on schedule, particularly: (i) the Development Assistance Center in NEPA established; and (ii) the AMANDA System for development approvals rolled out in four Parishes.</p> <p>(b) (i) PMES Framework approved by Cabinet; and (ii) PMES implemented in two additional Ministries.</p>
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Objective	First Operation: Policy Reforms	Second Operation: Policy Reforms	Third Operation: Policy Reforms
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	<p>(c) Draft proposal for an enhanced system for project prioritization for public investment, prepared by the Working Group appointed by the Cabinet Office.</p>	<p>Cabinet; PMES Unit at the Cabinet Office to lead implementation of the system, established.</p> <p>(c) Framework for the enhanced system for project prioritization, submitted to Cabinet.</p>	<p>(c) (i) Investment Prioritization Framework and process approved by Cabinet; (ii) MTEF under implementation in 6 prioritized ministries; (iii) criteria and standards for public investment analysis and prioritization established and its use made mandatory for the 6 MTEF prioritized ministries; and (iv) 3-year public investment prioritization program incorporated into the MTEF for the 6 prioritized ministries' budgets.</p>
	<p><u>Enhancing the Governance and Accountability Framework</u></p> <p>(a) A detailed framework for improving performance agreements and service contracts for PSs and CEOs of Executive Agencies and PBIs, submitted to Cabinet.</p> <p>(b) Draft regulations of the Executive Agencies Act, submitted to the EAs Inter-sectorial Technical Advisory Body comprised of the Ministry of Finance, the Attorney General's Chamber, and CEOs.</p>	<p>(a) Framework for improving performance agreements and service contracts for PSs and CEOs of Executive Agencies and PBIs, approved by Cabinet.</p> <p>(b) Proposed Regulations of the Executive Agencies Act submitted to Cabinet.</p>	<p>(a) First phase of the implementation of the mechanism to monitor performance agreements for PSs and CEOs of Executive Agencies and PBIs accomplished in accordance with the new framework.</p> <p>(b) Regulations of the Executive Agencies Act issued.</p>

Objective	First Operation: Policy Reforms	Second Operation: Policy Reforms	Third Operation: Policy Reforms
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		<p>(c) Draft technical proposal for a Corporate Governance Framework which includes procedures for appointing Boards of Directors and principles to improve accountability structures, capacities, and responsibilities of Boards of PBIs, submitted to the Steering Committee comprised of MOFPS, Cabinet Office, the Attorney General's Chambers and the PS Board.</p> <p>(d) Draft Proposal to improve the governance and accountability framework for the Regional Service Delivery System, submitted to Cabinet.</p>	<p>(c) Corporate Governance Framework approved by Cabinet.</p> <p>(d) Framework for the standardization of Administrative Regions to improve regional service delivery approved by Cabinet.</p>
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