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## **JAMAICA**

### **PROGRAM TO STRENGTHEN GOVERNMENT OF JAMAICA'S CAPACITY TO MANAGE FOR RESULTS**

**(JA-T1015)**

#### **PLAN OF OPERATIONS**

<p>This document was prepared by the project team consisting of: Gonzalo Afcha (RE3/SC3), Project Team Leader; Julie Feinsilver (RE3/OD6); Sandra Henry (RE3/SC3); Ralph Denize (COF/CJA); Kevin Mc Tighe (LEG/OPR); and Ana Lucia Saettone (RE3/SC3).</p>
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### BASIC SOCIOECONOMIC DATA

For basic socioeconomic data, including public debt information, please refer to the following address:

<http://www.iadb.org/RES/index.cfm?fuseaction=externallinks.countrydata>

### INFORMATION AVAILABLE IN THE FILES OF RE3/SC3

#### PREPARATION:

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[Laws of Jamaica - Ministry of Justice Jamaica](#)
- 2 CARICOM, Revised Treaty of Chaguaramas establishing the Caribbean Community including the CARICOM Single Market & Economy, July 5, 2001.
- 3 CARICOM/IDB, Country Procurement Assessment Report (CPAR), Jamaica, 2004.
- 4 Constitution of Jamaica of 1962, updated through Amendment Act 18/1999.  
[Bills and Acts - Jamaican Constitution in a Nutshell](#) and  
[http://www.jis.gov.jm/special\\_sections/Bills & Acts/pdf/constit.pdf](http://www.jis.gov.jm/special_sections/Bills%20&%20Acts/pdf/constit.pdf)
- 5 Government of Jamaica (1959), The Financial Administration and Audit Act, Jamaica.
- 6 Government of Jamaica (2001), Handbook of Public Sector Procurement Procedures (May, 2001).
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- 9 Government of Jamaica, Public Sector Reform Unit of Cabinet Office (2002), Public Sector Modernization Vision and Strategy 2002-2012, Action Plan Progress Report. Minister Paper No.56/2002 March 2005.  
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- 11 Government of Jamaica (2005), Public Sector Reform Unit of Cabinet Office, Consultation Code of Practice for the Public Sector.  
[http://www.cabinet.gov.jm/psru/pdf/Code of Consultation.pdf](http://www.cabinet.gov.jm/psru/pdf/Code%20of%20Consultation.pdf)

- 12 Government of Jamaica, Financial Instructions to Executive Agencies, Final draft 31 March 1999
- 13 Government of Jamaica, Access to Information Act (2002, modified 2003).  
[Bills and Acts - Access to Information](#)
- 14 Government of Jamaica, Code of Conduct (excerpts), Jamaica.
- 15 Government of Jamaica, Corporate Planning Guide and Template, Jamaica.
- 16 Government of Jamaica, Audit Committee Policy for Ministries, Departments, and Executive Agencies, July 2004, Jamaica.
- 17 Government of Jamaica, Internal Audit Manual, March 2002, Jamaica.
- 18 Government of Jamaica, Ministry of Finance and Planning, Ministry Paper No. 20, Deferred Financing, Jamaica.
- 19 Government of Jamaica, Policy on Public Sector Procurement; Jamaica.
- 20 Government of Jamaica, The Contractor-General Act (Acts 15 of 1983 | 17 of 1985 | 1 of 1999), Jamaica.
- 21 Government of Jamaica, The Corruption (Prevention) Act (May 1, 2001, revised 2002), Jamaica.
- 22 Government of Jamaica, The Executive Agencies Act 2002, Jamaica.
- 23 Government of Jamaica, The Public Bodies Management And Accountability Act, Jamaica.
- 24 Government of Jamaica, Auditor General's Department Audit Manual, Jamaica.
- 25 Government of Jamaica, Auditor General's Department Questionnaires, Sample of Standard and Special Audit Programs, Value for Money Audit Reports, and Audit Work papers, Jamaica
- 26 Government of Jamaica, Report of the Auditor General on the Appropriation and Other Accounts of Jamaica, for the Financial Year Ended 31 March 2004, Jamaica
- 27 Inter-American Development Bank, (2002) Fiscal Policy Issues in Jamaica: Budgetary Institutions, the Tax System and Public Debt Management, Washington D.C.
- 28 The Office of the Contractor-General, A quick Guide to Contract Awards, November 2000.  
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- 29 World Bank (2001), Jamaica Country Financial Accountability Assessment, Washington D.C.
- 30 World Bank (2004), Jamaica: Fiscal Consolidation for Growth and Poverty Reduction-A Public Expenditure Review, Washington D.C.
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- 32 World Bank (2003), Country Procurement Assessment Report (CPAR), Jamaica.

**EXECUTION:**

Terms of reference for the short term consultancies as follows: [Terms of reference](#)

## ABBREVIATIONS

AGD	Auditor General's Department
CFAA/CPAR	Country Financial Accountability Assessment and Country Procurement Assessment Report
CG	Contractor General
CIDA	Canadian International Development Agency
COF/CJA	The Bank's country office in Jamaica
DFID	United Kingdom Department for International Development
EU	European Union
FAA	Financial Administration Act
FINMAN	Public Financial Management Information System
GOJ	Government of Jamaica
IT	Information Technology
MFR	Management for Results
MIND	Management Institute for National Development. MIND, an Executive Agency
MOFP	Ministry of Finance and Planning
MOTW	Ministry of Transport and Works
MTF	Medium Term Social and Economic Policy Framework
PFM	Public Financial Management
PIOJ	Planning Institute of Jamaica
PSMP	Public Sector Modernization Program
PSRU	Public Sector Reform Unit of Cabinet Office
SC	Steering Committee

## PLAN OF OPERATIONS

### Program to Strengthen Government of Jamaica's Capacity to Manage for Results

(JA-T1015)

#### EXECUTIVE SUMMARY

<b>Beneficiary:</b>	Jamaica		
<b>Executing agency:</b>	Public Sector Reform Unit (PSRU) of the Cabinet Office		
<b>Target Beneficiaries:</b>	Public Sector Reform Unit of Cabinet Office (PSRU), Ministry of Finance and Planning, Auditor General’s Department, Ministry of Transport and Works (MOTW), Planning Institute of Jamaica (PIOJ)		
<b>Financing:</b>	IDB: (PRODEV, Sub-account A)	US\$	450,000
	Local:	US\$	50,000
	Total:	US\$	500,000
<b>Objectives:</b>	In keeping with the Bank’s commitment to improve development effectiveness in member states, the current non-reimbursable technical cooperation seeks to strengthen results-based management in Jamaica by supporting the preparation of a Medium Term Action Plan to improve the performance, management, monitoring and evaluation capacity of the public sector. The preparation of the Action Plan will include critical capacity building activities to disseminate Management for Results (MfR) concepts within the public sector and civil society, and to facilitate future implementation of the action plan.		
<b>Execution timetable:</b>	Execution period:	18 months	
	Disbursement period:	24 months	
<b>Special contractual conditions:</b>	Conditions prior to the first disbursement: (i) the establishment of the Steering Committee; (ii) the appointment of the technical coordinator; and (iii) approval by the Steering Committee of a detailed implementation schedule subject to the satisfaction of the Bank.		
<b>Exceptions to Bank Policies and Procedures:</b>	None		
<b>Environmental and social review:</b>	Given the nature of the program involving institutional strengthening activities, no social or environmental issues are foreseen. The TC profile was review by CESI during its meeting CESI 48-05 on December 2, 2005 and no action was required.		



**Coordination with Other Donors:** DFID, CIDA and EU are currently supporting the public sector modernization efforts of the Government through technical assistance grants managed by PSRU. They also provided resources to prepare the results based social policy matrix of the Medium Term Social and Economic Policy Framework (MTF) and to design a monitoring system for it. There is a tentative agreement with CIDA to finance the audit module activities of on-the-job training in value for money and information technology audit. Any contribution to complement the program activities will be channeled through the PSRU.

## **I. BACKGROUND AND JUSTIFICATION**

### **A. Background**

- 1.1 To support the development effectiveness initiatives of the borrowing countries, the Bank approved a Program to Implement the External Pillar of the Medium-term Action Plan for Development Effectiveness (PRODEV), which provides resources to finance related activities with non-reimbursable technical cooperation funds.
- 1.2 In accordance with the regulations for accessing PRODEV funds, the Government of Jamaica (GOJ) and the Bank signed a Letter of Agreement on April 12, 2005, setting the framework for the implementation of PRODEV in the country. Through the Agreement, the Bank and the GOJ concurred to work together to strengthen performance capacity and enhance development effectiveness by designing and implementing systems for resource management and administration, as well as for measurement of results. The agreement also states that during the first phase of PRODEV, the Bank will assist the GOJ to complete relevant diagnostic work and develop a comprehensive Action Plan for enhancing the Country's development effectiveness.

### **B. Public sector modernization in Jamaica**

- 1.3 A number of previous government initiatives provide the background for this proposal. The Public Sector Modernization Program (PSMP) supported by the World Bank during the 1990s set the basis for a comprehensive approach to these matters. This approach also has been supported by other donors, including the United Kingdom Department for International Development (DFID), the Canadian International Development Agency (CIDA), the European Union (EU) and IDB. Under the PSMP, the government elaborated the *Public Sector Modernization Vision and Strategy 2002-2012*<sup>1</sup>, which identifies among its key objectives the establishment of systems to manage all the resources in the public sector to achieve better value for money in the delivery of services. It addresses the management of financial, physical and human resources in a framework of improved transparency, equity and accountability.
- 1.4 One of the main results achieved is the establishment of nine Executive Agencies emphasizing the separation of ministerial operational activities from policy and regulatory functions. Reported progress suggests that Executive Agencies also have introduced accrual accounting. Furthermore, the Ministry of Finance and Planning is piloting a new integrated financial management information system (FINMAN) to introduce accrual accounting within the Ministry, its revenue entities and the Ministry of Transport and Works.

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<sup>1</sup> [http://www.cabinet.gov.jm/docs/pdf/MVSP\\_Govatyourservice.pdf](http://www.cabinet.gov.jm/docs/pdf/MVSP_Govatyourservice.pdf)

- 1.5 Recently, the Government introduced a Performance Management and Appraisal System that is currently in its initial stages of development. This system mandates organizations, departments and individuals to focus on outputs and results and to monitor and manage the achievement of these results through individual work plans and regular appraisals. The system is also related to the review of the strategic planning framework and efforts to establish a prioritization process for financing Government's capital projects and programs.

**C. Public financial management background studies**

- 1.6 The GOJ with the support of multilateral institutions and bilateral donors has prepared a wide range of studies in different areas, including some related to Management for Results (MfR). The most recent relevant study is the *Joint Country Financial Accountability Assessment and Country Procurement Assessment Report* completed in June 2005 by the World Bank and IDB (Joint CFAA/CPAR). Its main conclusions are presented in the following paragraphs.
- 1.7 A sound foundation for Public Financial Management (PFM) is provided by the Constitution and the Financial Administration Act (FAA), which set forth the basic principles for efficient management of public resources, including procurement. Since 2002, five major new pieces of legislation have been passed, governing public sector management and accountability, the role of the Contractor General in procurement, the creation of Executive Agencies, access to information, and prevention of corruption. A procurement handbook also has been issued, along with new Staff Orders for public servants, including a code of conduct. The impact of these reforms is, however, affected by two major issues.
- 1.8 First, evolution of the institutional framework is outpacing that of its underlying accountability and business processes. Institutional changes supporting PFM reform have included creation of Executive Agencies and of a Public Sector Reform Unit (PSRU) within the Cabinet, along with several new policy formulation and monitoring units in the MOFP. The newly created Executive Agencies are taking over management of a share of public resources from the central government ministries, but the new accountability mechanisms for these agencies are being implemented slowly and unevenly primarily due to lack of resources.
- 1.9 Despite the GOJ's reform efforts, there is still a weak link between planning and budgeting that defeats the purpose of corporate planning. This creates a disconnect between the current and capital budgets, and between stated objectives, costs and outcomes. The *Joint CFAA/CPAR* report also highlights two critical areas that require attention: (i) the need to upgrade the financial management information system; and (ii) the need to enhance the institutional setting of public sector oversight.
- 1.10 Secondly, the PFM regulatory framework includes no detailed legally binding and enforceable procurement procedures. The existing Procurement Handbook is technically weak and outdated and does not include sanctions for non-compliance.

The preparation of standard bidding documents is lagging due to lack of resources, and there is an inherent conflict of interest between the oversight and operational function in procurement, since the National Contracts Commission and the Contractor General (CG) share staff.

**D. Bank's strategy**

- 1.11 The Country Strategy currently in preparation, rests on three pillars: (i) promoting private sector development; (ii) getting better value for money; and (iii) reducing vulnerability to crisis. The proposed operation to be financed under PRODEV supports the second objective, an element of which is improving management systems for planning, financial management, procurement and fiscal and fiduciary oversight. The PRODEV operation will support improved mechanism for a more effective and efficient use of public resources. Related Bank operations include the support to strengthen the statistical system through Modernization of the Statistical Institute of Jamaica (ATN/SF-8238-JA); Support for Poverty Monitoring and Social Policy Analysis (ATN/SF-8594-JA); and Household Expenditure Survey (ATN/SF-8885-JA).

**E. Support of other donors**

- 1.12 DFID, CIDA and EU are currently supporting the public sector modernization efforts of the Government through technical assistance grants. They also provided resources to prepare the results based social policy matrix of the Medium Term Social and Economic Policy Framework (MTF) and to design a monitoring system for it. There is a tentative agreement with CIDA to finance the audit module activities of on-the-job training in value for money and information technology audit. Any contribution to complement the program activities will be channeled through the PSRU.

## **II. PROGRAM DESCRIPTION**

**A. Program goal and purpose**

- 2.1 In keeping with the Bank's commitment to improve development effectiveness in member states, the current non-reimbursable technical cooperation seeks to strengthen results-based management in Jamaica by supporting the preparation of a medium term action plan to improve the performance, management, monitoring and evaluation capacity of the public sector. The program will also include critical capacity building activities to disseminate MfR concepts within the public sector and civil society, and to facilitate future implementation of the action plan.

## **B. Components**

### **1. Preparation of the strategy and medium term action plan for improving government's management for results (US\$132,000)**

2.2 The component will consist of activities directed to developing the strategy and medium term action plan to promote MfR in the GOJ, and to facilitate consensus building around this. The main actions will include:

- a. Revision of the Ministry Paper 56 *Public Sector Modernization Vision and Strategy for 2002-2012*. The review will focus on the preparation of a detailed action plan for three of its core thematic areas for MfR: (i) Resources management and accountability; (ii) performance management; and (iii) technology. The review will follow a participatory process to include relevant stakeholders, and will take into consideration the GOJ's fiscal constraints for financing implementation of the reforms.
- b. Completion of the institutional and operational diagnostic work of PFM and other systems related to MfR, including the analysis of the country's capacity for ex-ante and ex-post evaluation of projects, and the quality and capacity of the statistical system as a whole. The diagnostic work will cover the analysis of the regulatory framework and applicable institutional arrangements, as well as the assessment of the technical and operational capacity of the public entities responsible for leading the systems. With regard to project evaluation capacity, the assessment should also include an analysis of current practices and the extent to which the conclusions of project appraisals are taken into consideration for the preparation of the government's annual capital budget.
- c. Review and streamlining of the Government's planning, prioritization and results monitoring mechanisms, including the Medium Term Social and Economic Policy Framework, the Capital Projects and Policy Prioritization System and the current Corporate Planning process. The review will focus on: (i) tools to strengthen the process in which priorities are set and decisions are made; (ii) the improvement of linkages between corporate planning and budgeting.
- d. Preparation of technical proposals to support the action plan that will include the following: (i) the provision of guidance and analytical capacity to enhance parliamentary oversight; (ii) improving methodologies and instruments for implementation of results-based budgeting; (iii) completing the design of the strategy for the improvement of the public financial management systems (including procurement and oversight) following the recommendations of the joint CFAA/CPAR; the design should include improved linkages between the financial management system, the procurement process and corporate planning; and (iv) the design of a strategy to enhance the institutional capacity of the leading public entities in the areas of planning, financial management, procurement and fiscal oversight.

- e. Organization of consultations within the GOJ to discuss the content and the structure of the draft Action Plan, as well as workshops and seminars with other stakeholders, including parliament and civil society representatives.

**2. Capacity building for management for results: institutional and technical settings (US\$212,000)**

- 2.3 Under this component the program will support work in critical areas of public sector modernization and public financial management that will facilitate the implementation of the action plan once it is approved. The selected activities correspond to ongoing GOJ modernization efforts and are compatible with the recommendation of sector work studies performed by international organizations and bilateral donors. Some of these activities will be related to pilot experiences as a way of deriving lessons for implementation before the experiences are rolled out to other public entities.
- 2.4 In order to facilitate project implementation and monitoring, activities will be organized into discrete modules with clearly identified units responsible for implementation. Core modules are: (i) completion of FINMAN pilots; (ii) Performance Management System in the Ministry of Transport and Works (MOTW); (iii) public audit; and (iv) procurement policy and procedures. Specific training activities for each of these modules will also be included in this component<sup>2</sup>. In general, the activities of this component will include:
- a. Support the pilot program for the implementation of the financial management information system in the Ministry of Finance and Planning, and the Ministry of Transport and Works. At the conclusion of the pilots, the program will finance a technical evaluation.
  - b. Support the completion of the pilot experience of MfR in the MOTW.<sup>3</sup> This will include: (i) the establishment of a system to perform investment project monitoring and evaluation in the MOTW; and (ii) tools for monitoring and evaluating the overall performance of Executive Agencies in the sector.
  - c. Support to the Auditor General's Department in the preparation of a needs assessment for upgrading information technology (IT) and the design and initial implementation of a training program in IT audit and value for money auditing. It is expected that the training activities will benefit the Auditor General's Department, the Internal Audit Directorate of the MOFP and the Internal Audit Unit of the MOTW.
  - d. Revision of the regulatory framework and existing Procurement Handbook and development of Standard Bidding Documents in accordance with the recommendations of the joint CFAA/CPAR.

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<sup>2</sup> Training activities are not contemplated for the procurement module under this component. General training for procurement is incorporated in component 3.

<sup>3</sup> The MfR pilot will be evaluated under phase 2 of PRODEV.

### 3. Training and dissemination in MfR (US\$78,000)

2.5 Activities under this component will comprise of the following:

- a. A flexible training program in MfR organized in modules and focused on training for technical staff; individualized seminars for groups such as public sector executives, parliamentarians and civil society; internships; workshops on selected topics and cross cutting management systems. Training modules will consist of: (i) Basic training for GOJ official covering general concepts and core methods of MfR; (ii) specialized training in MfR for the staff of the leading entities (MOFP, PIOJ, Cabinet Office, MOTW, AGD), and initial technical training in public procurement; and (iii) training for public sector executives, parliamentarians and civil society.
- b. Preparation of a training strategy for MfR to support the implementation of the Medium Term Action Plan. This strategy should identify opportunities to introduce MfR concepts to a broader audience, and explore the need for the inclusion or strengthening of specific courses in the University curriculum.
- c. Preparation of the strategy for dissemination of the action plan and GOJ's results on plan implementation. The strategy will put emphasis on improving communications with and information to the public.
- d. Institutionalization and further expansion of the MfR training efforts by transferring the delivery of large-scale training courses and web-based training to the Management Institute for National Development (MIND). MIND, an Executive Agency of the Government of Jamaica, is the main public sector management training organization and is accredited at the tertiary level.<sup>4</sup> Moreover, the Bank has successfully used MIND to implement C and D Action Plan training. Besides classroom training, MIND has long offered online training.

### III. COST AND FINANCING

3.1 The cost of the program has been estimated at US\$500,000, of which the Bank would finance up to US\$450,000 of the

Summary Cost Table (US\$)			
	IDB	GOJ	TOTAL
1. Action Plan and Strategy	128,000	4,000	132,000
2. Capacity Building Activities	176,000	36,000	212,000
3. Training and Dissemination	78,000		78,000
4. Administration and Contingencies	68,000	10,000	78,000
<b>TOTAL</b>	<b>450,000</b>	<b>50,000</b>	<b>500,000</b>

costs on a non-reimbursable basis from the funds allocated to Sub-account A of

<sup>4</sup> <http://www.mind.edu.jm/Templates/start.html>

PRODEV. The Government of Jamaica will contribute the equivalent of US\$50,000 as counterpart funds. A detailed budget for the program is in Annex II.

#### IV. EXECUTING MECHANISM

##### A. Organization for execution

- 4.1 The project execution period will be 18 months and the disbursement period will be 24 months. The program will be governed by a Steering Committee (SC) that will be responsible for overall project guidance and oversight, as well as for the approval and supervision of the work plans. The SC will review the progress reports and will interface with other institutional actors in order to facilitate the orderly implementation of the program. The SC will be comprised of the Deputy Financial Secretary of the MOFP (Public Expenditure Policy Coordination), the Director of External Cooperation of PIOJ, the Director of Planning of the MOTW, the Deputy Auditor General and the Head of the PSRU of Cabinet Office, who will act as chair of the SC. The SC will meet at least twice a year. **The establishment of the Steering Committee will be a condition prior to first disbursement.**
- 4.2 The program's general coordination will be conducted by the PSRU, while the technical execution of the different activities will be undertaken by the GOJ's leading entities in the MfR process as presented in the following table:

**Table IV-1: GOJ entities responsible for program execution**

Activity/ Area of Intervention	Entity Responsible
<ul style="list-style-type: none"><li>▪ Component 1.<ul style="list-style-type: none"><li>○ Medium Term Action Plan for MfR</li></ul></li></ul>	<ul style="list-style-type: none"><li>• PSRU</li></ul>
<ul style="list-style-type: none"><li>▪ Component 2<ul style="list-style-type: none"><li>○ Module 1: FINMAN pilot implementation</li><li>○ Module 2: Performance Mgmt. Syst. MOTW</li><li>○ Module 3: Procurement.</li><li>○ Module 4: Auditing</li></ul></li></ul>	<ul style="list-style-type: none"><li>• MOFP</li><li>• MOTW</li><li>• MOFP</li><li>• AGD</li><li>• MOFP</li></ul>
<ul style="list-style-type: none"><li>▪ Component 3.<ul style="list-style-type: none"><li>○ Training Program</li><li>○ Workshops and Seminars</li></ul></li></ul>	<ul style="list-style-type: none"><li>• PSRU</li><li>• PSRU</li></ul>

- 4.3 The technical work related to planning, preparation of terms of reference and/or specifications,<sup>5</sup> selection of consultants and quality control of their work, and monitoring of the progress on implementation will be carried out by the respective responsible entity. The administrative support related to the preparation of bidding documents, contracting, purchasing and payments will be carried out by the PSRU. During the last decade, the PSRU has been responsible for the leading the technical

<sup>5</sup> The terms of reference attached to this Plan of Operations have been developed by the responsible government entities with the assistance of a consultant provided by the Bank. The TORs have been agreed with the project team.



effort for government's institutional modernization program, and has also successfully administered funds provided by different donors, including the World Bank, DFID, CIDA and the EU.

- 4.4 As part of the general coordination activities, the PSRU will be responsible for: (i) coordinating program execution; (ii) revising and presenting the work plans, semiannual and final progress reports to the SC for approval and later submission to the Bank, in addition to other reports requested by the Bank during the program execution period; (iii) monitoring execution performance, and collecting the information needed for the indicators specified in the logical framework (Annex I); (iv) conducting the procurement and processing the contracts required for program implementation; (v) providing technical advice to the agencies in charge of the execution of the program; (vi) preparing and presenting disbursements requests and justification of the use of funds to the Bank's satisfaction, and the semiannual reports on the use of the revolving fund; (vii) maintaining the financial and accounting records related to the use of program resources, demonstrating at any time that the funds are used for the purpose intended; (viii) keeping adequate documentation to support the disbursements received; this information shall be made available for review by Bank personnel and/or external auditors; and (ix) preparing and presenting the financial statements of the program to the Bank, duly certified by eligible external auditors. The PSRU will appoint a technical coordinator for the program. The TC program will provide the funds for contracting a task manager with direct reporting relationship to the technical coordinator. **The appointment of the technical coordinator will be a condition prior to the first disbursement.**
- 4.5 The program will be executed according to a detailed work plan containing (i) the activities to be carried out and the targets to be achieved every six months; (ii) the expenditures to be made and the sources of financing; and (iii) the units responsible for compliance. **A condition prior to first disbursement is the approval by the Steering Committee of a detailed implementation schedule subject to the satisfaction of the Bank.**
- 4.6 A revolving fund will be established, equivalent to 20% of the Bank's contribution. The PSRU will open separate bank account for the management of the Bank's grant and the local counterpart funds. The PSRU will prepare and submit to the Bank, within a period of thirty (30) days after the closing of each semester, a semi-annual report showing the status of the revolving fund.

## **B. Procurement**

- 4.7 Procurement of goods and consulting services will be done according to Bank standard procedures. All controls will be done on an *ex ante* basis. The procurement of goods will follow the procurement method of shopping. The contracting of consulting services will follow the Quality and Cost-Based Selection Method. The short list of consultants will be prepared by the PSRU with local consultants for the

contracts below US\$50,000. The Procurement Plan (Annex III) will be adjusted every six months. For this purpose the PSRU will submit the proposal to the Bank for no objection.

- 4.8 The GOJ authorities have requested that the Bank recognize up to US\$50,000 from its contribution as retroactive financing for consulting services, procurement of computer software for the MOTW, and initial project activities carried out after January 2, 2006. Provided it can be demonstrated that procedures substantially similar to those of the Bank have been followed, it is recommended that the expenditures be recognized. The Bank's Country Office will review the documentation prior to final approval of the retroactive financing.

## **V. MONITORING AND EVALUATION**

### **A. Monitoring and evaluation**

- 5.1 The Bank's country office in Jamaica (COF/CJA) will have the basic and technical responsibility for this operation. The PSRU will submit to COF/CJA semiannual progress financial reports. The semiannual reports should discuss progress toward the achievement of the Semiannual Progress Indicators in Annex IV, which have been agreed between the GOJ authorities and the Bank's team.
- 5.2 The GOJ and the Bank will hold semiannual meetings in order to review the progress achieved in implementing the Program. For this purpose, PSRU will furnish, prior to each meeting, information and documentation requested by the Bank regarding the advancement of the program.
- 5.3 A final evaluation financed with TC funds will also be conducted for project supervision and monitoring, based on the indicators and goals established in the logical framework. This evaluation will focus on: (i) verifying the degree of compliance with the indicators for the program and the different components; (ii) taking stock of the successes and shortcomings of program design and execution and its effectiveness in working toward the country's development objectives; and (iii) recommending corrective or monitoring measures for future programs of this kind.

### **B. Auditing**

- 5.4 The PSRU will prepare and submit to the Bank within 120 days after the date of the last disbursement of the financing, the financial statements of the program audited by an independent auditor acceptable to the Bank and based on the terms of reference previously approved by the Bank. The independent auditor will be selected and contracted in accordance with the Bank's bidding procedures for auditing firms, and will be paid using the TC funds.

## **VI. PROGRAM BENEFITS AND RISKS**

### **A. Program benefits and developmental impact**

- 6.1 The TC activities will contribute to the design and development of plan containing core reforms to strengthen results based management in the public sector. In particular, the projected reforms are expected to improve the performance, management, monitoring and evaluation capacity of the public sector as critical elements for a more efficient and effective delivery of public services and resource allocation. A complementary benefit is the enhancement of mechanisms to improve transparency and accountability in the public sector. Finally, the TC will initiate the establishment of a MfR culture in the government entities, parliament and key civil society institutions.

### **B. Risks**

- 6.2 Main risks for the program are related to political will and the inter-institutional rivalry for program leadership. The proposed program is built around the government's own vision and strategy to mitigate the risk of insufficient political will. Moreover, the revision of this strategy will follow the same participatory approach as the original process of consensus building of the early 2000s. This participatory approach will also contribute to diminish the potential risks associated with the upcoming general elections programmed to take place before October 2007. In relation to program leadership, the risk is substantially diminished because all stakeholders agreed on an execution mechanism that guarantees coordinated program implementation.
- 6.3 From the technical point of view, the main risk is associated with the effectiveness of the financial management information system that has been questioned by the CFAA/CPAR. Since this system will be a critical element for the future implementation of the MfR action plan, the current program will finance the completion of the pilot in the MOTW and the MOFP in order to have fully implemented versions to evaluate in terms of its efficiency and effectiveness before it is rolled out to the rest of the central government agencies.

## **VII. ENVIRONMENTAL AND SOCIAL REVIEW**

- 7.1 **Date of CESI review:** The TC profile was review by CESI during its meeting CESI 48-05 on December 2, 2005 and no action was required.
- 7.2 **Measures taken to avoid negative social and environmental impacts:** Given the nature of the program involving institutional strengthening activities, no social or environmental issues are foreseen.

**LOGICAL FRAMEWORK**  
**STRENGTHENING GOVERNMENT OF JAMAICA CAPACITY TO MANAGE FOR RESULTS**  
**(JA-T1015)**

Narrative summary	Indicators	Means of verification	Assumptions
<b>Goal</b>			
To contribute to a more effective and efficient management of public resources.	<p><i>Five years after completion of the Program:</i></p> <ul style="list-style-type: none"> <li>At least 2/3 of government entities apply established systems and procedures for MfR. At least 80% of planned targets are achieved in these entities.</li> </ul>	<ul style="list-style-type: none"> <li>PSRU reports to Cabinet on compliance with Annual Operating Plan Targets.</li> </ul>	<ul style="list-style-type: none"> <li>Continued Political support to Public Sector Modernization Process.</li> <li>Macroeconomic stability is maintained.</li> </ul>
<b>Purpose</b>			
Strengthen the planning capacity of the government of Jamaica to manage for results.	<p><i>Two year after completion of the Program:</i></p> <ul style="list-style-type: none"> <li>All Public Sector Modernization (PSM) efforts guided by the Official Medium Term Action Plan (MTAP) for MfR, as evidenced by: <ul style="list-style-type: none"> <li>Public Investment Program follows MfR approach.</li> <li>At least two Executive Agencies and one Ministry apply MfR in their operations.</li> </ul> </li> <li>Lessons from pilot preparatory activities incorporated into the MTAP and PSM activities.</li> <li>100% of central government entities use standard bidding documents.</li> </ul>	<ul style="list-style-type: none"> <li>PSRU ongoing reports to Cabinet.</li> <li>Annual Operational Plans for implementation of FINMAN (PSRU responsible for verification)</li> <li>Procurement Policy Unit (MOF) annual report.</li> </ul>	<ul style="list-style-type: none"> <li>Continued Political support to Public Sector Modernization Process</li> <li>Available financial and technical support for implementation of the Action Plan.</li> </ul>

Narrative summary	Indicators	Means of verification	Assumptions
Components			
1. Medium Term Action Plan for MfR prepared and approved.	<p><i>By the end of the program (18 months):</i></p> <ul style="list-style-type: none"> <li>Official Medium Term Action Plan for MfR prepared under a participatory planning process and published.</li> <li>A detailed proposal to establish a mechanism to support parliamentary oversight activities prepared.</li> </ul>	<ul style="list-style-type: none"> <li>Ministry Paper approved by Cabinet. MTAP published on the Web.</li> <li>Technical Document describing the mechanism.</li> </ul>	<ul style="list-style-type: none"> <li>GOJ maintains commitment to Public Sector Modernization.</li> <li>Public sector entities willing to participate in the participatory planning process.</li> </ul>
2. Capacity Building activities for critical components of MfR completed.	<p><i>By the end of the program (18 months):</i></p> <ul style="list-style-type: none"> <li>FINMAN operational in the pilot of the MOTW and of the MOFP.</li> <li>Performance Management and Monitoring System in MOTW established.</li> <li>Basic procurement tools updated, Web-published and in use. (Procurement Handbook, standard bidding documents).</li> <li>Standard methodologies and procedures for IT audit and value for money audit developed and in use by AGD and IAD (MOF).</li> </ul>	<ul style="list-style-type: none"> <li>Program's quarterly progress reports.</li> <li>Tools published in the Web site of the MOFP and NCC. Ministerial Resolution issued by the MOFP mandates the use of the procurement instrument.</li> <li>Methodologies and procedures approved by AGD. AGD annual audit report shows the use of this instrument.</li> </ul>	<ul style="list-style-type: none"> <li>GOJ staff willing to adopt new tools for procurement.</li> </ul>
3. Training and Dissemination Program on Basic Concepts of MfR executed.	<p><i>By the end of the program (18 months):</i></p> <ul style="list-style-type: none"> <li>At least 150 GOJ officials are trained in the basic module of MfR.</li> <li>At least two seminars on MfR imparted to parliamentarians, civil society representatives, and public sector executives.</li> <li>Strategy for Dissemination of the Action Plan developed and approved.</li> <li>Training program to support the implementation of the Action Plan developed.</li> </ul>	<ul style="list-style-type: none"> <li>Program's quarterly progress reports</li> </ul>	

Narrative summary	Indicators	Means of verification	Assumptions
Activities			
See annex II – Detailed Budget			<ul style="list-style-type: none"> <li>• Government support for reviewing the Vision and Strategy for PSM.</li> <li>• Key technical personnel of GOJ leading entities made available.</li> <li>• Willingness of technical staff to actively participate in the program.</li> <li>• Public entities willing to release staff for training purposes.</li> </ul>

**DETAILED BUDGET**  
**(US Dollars)**

	<b>Total</b>	<b>IDB</b>	<b>GOJ</b>
<b>1. Action Plan and Strategy</b>	<b>132,000</b>	<b>128,000</b>	<b>4,000</b>
Revision of the Public Sector Modernization Vision and Strategy	16,000	16,000	
Completion of diagnostic work of PFM and other systems	24,000	24,000	
Review of GOJ's planning, prioritization and results monitoring mechanisms	40,000	36,000	4,000
Preparation of technical proposals to support the action plan for MfR	32,000	32,000	
Consultations (workshops and seminars)	20,000	20,000	
<b>2. Capacity Building Activities</b>	<b>212,000</b>	<b>176,000</b>	<b>36,000</b>
Ministry of Planning and Finance	138,000	134,000	4,000
Financial Management: Pilots, Asset Mang., Training program design	104,000	100,000	4,000
Procurement	34,000	34,000	
Ministry of Transport and Works	42,000	42,000	
Auditor General Department	32,000	0	32,000
<b>3. Training in MfR</b>	<b>78,000</b>	<b>78,000</b>	<b>0</b>
Design and development of Basic training module	30,000	30,000	
Specialized training and internships	20,000	20,000	
Development of Training Strategy to support the MTAP	10,000	10,000	
Training for executives	10,000	10,000	
Strategy for dissemination of the Action Plan	8,000	8,000	
<b>4. Administration and Contingencies</b>	<b>78,000</b>	<b>68,000</b>	<b>10,000</b>
Task Manager	45,000	45,000	
Audit and Evaluation	13,000	13,000	
Other Administrative costs	5,000	5,000	
Contingencies	15,000	5,000	10,000
<b>TOTAL</b>	<b>500,000</b>	<b>450,000</b>	<b>50,000</b>

**PROCUREMENT PLAN**  
**PROGRAM TO STRENGTHEN GOVERNMENT'S OF JAMAICA CAPACITY TO MANAGE FOR RESULTS**  
**(JA-T1015)**

Project main acquisitions		Resource	Quantity	Method	Financing		Precalific.	Tentative Date	
				of Selection	BID	GOJ			
Consulting									
1. Action Plan and Strategy									
Assesment of the Medium Term Action Plan	Individual Consultant	1	Quality and Cost	100.0%	0.0%	NO	1er Semester	2006	
Project Investment Ex ante and Ex Post Evaluation	Individual Consultant	1	Quality and Cost	100.0%	0.0%	NO	2nd Semester	2006	
Assessment of the Statistical System	Individual Consultant	1	Quality and Cost	100.0%	0.0%	NO	1er Semester	2006	
Monitoring and Evaluation (M & E) Framework for the MTSEPF	Individual Consultant	1	Quality and Cost	100.0%	0.0%	NO	2nd Semester	2006	
Capital Projects Prioritisation System	Individual Consultant	1	Quality and Cost	100.0%	0.0%	NO	2nd Semester	2006	
Mechanism to enhance parliamentary oversight, ,	Individual Consultant	1	Quality and Cost	100.0%	0.0%	NO	2nd Semester	2006	
Methodologies for implementation of results-based budgeting	Individual Consultant	1	Quality and Cost	83.3%	16.7%	NO	1er Semester	2007	
Strategy for the improvement of the public financial management systems	Individual Consultant	1	Quality and Cost	100.0%	0.0%	NO	2nd Semester	2006	
2. Capacity Building Activities									
Business Analyst to support Implementation of the Pilot FINMAN	Individual Consultant	1	Quality and Cost	90.0%	10.0%	NO	1er Semester	2006	
Asset and Inventory Management Systems	Individual Consultant	1	Quality and Cost	100.0%	0.0%	NO	1er Semester	2006	
Desing of strategy to implement an improved Integrated Financial Management System	Individual Consultant	1	Quality and Cost	100.0%	0.0%	NO	2nd Semester	2006	
DesignTraining Programme and Manual for rolling-out the system	Individual Consultant	1	Quality and Cost	100.0%	0.0%	NO	2nd Semester	2006	
Review of the Handbook of Procurement	Individual Consultant	1	Quality and Cost	100.0%	0.0%	NO	1er Semester	2006	
Prepararion Standard Bidding Documents	Individual Consultant	1	Quality and Cost	100.0%	0.0%	NO	2nd Semester	2006	
Proposed changes to regulatory Framework for procurement	Individual Consultant	1	Quality and Cost	100.0%	0.0%	NO	1er Semester	2007	
Design of a strategy for E-Government Procurement, inc. implementation plan	Individual Consultant	1	Quality and Cost	100.0%	0.0%	NO	2nd Semester	2006	
Development of a Performance Monitoring System for Executive Agencies and other Entities	Individual Consultant	1	Quality and Cost	100.0%	0.0%	NO	2nd Semester	2006	
Value for Money Hands-On Training;	Individual Consultant	1	Quality and Cost	0.0%	100.0%	NO	1er Semester	2007	
Information Technology (IT) Hands-On Audit Training;	Individual Consultant	1	Quality and Cost	0.0%	100.0%	NO	1er Semester	2007	
Hardware and software									
Acquisition of an electronic performance monitoring system, incl.TA and training.	Software	1	Shopping	100.0%	0.0%	NO	1er Semester	2006	



## SEMINANNUAL PROGRESS INDICATORS

End of First Semester	End of Second Semester:
1. Revision of the Ministry Paper 56, Public Modernization Vision and Strategy Action Plan, completed.	1. Participatory draft Action Plan for Management for Results completed.
2. Complementary diagnostic work of PFM in progress.	2. Complementary diagnostic work of PFM completed.
3. Consultancies for reviewing the GOJ's planning, prioritization and results monitoring mechanism are contracted.	3. Consultancies for reviewing the GOJ's planning, prioritization and results monitoring mechanism are completed.
4. Procurement Handbook revised.	4. Mechanism for parliamentary oversight completely designed.
5. Basic MfR training program designed. At least one workshop for executives is delivered.	5. FINAM Pilots are operational as reported by the Business Analysts.
	6. Procurement Handbook approved by the MOFP.
	7. Basic training program is delivered by MIND to at least 100 public officials.
	8. Performance Management System in the MOTW in operation

**TERMS OF REFERENCES**

**Link to TOR: [TERMS OF REFERENCE](#)**

1. Institutional and Organizational Assessment of the Medium Term Action Plan (MTAP);
2. Establishment of a Monitoring and Evaluation (M & E) Framework for the Medium Term Social and Economic Policy Framework (MTSEPF);
3. Assessment of the Public Sector Investment System;
4. Task Manager for Public Sector Reform Unit (PSRU);
5. Consultant to Develop *Ex ante* and *Ex Post* Evaluation;
6. Business Analyst to Undertake Independent Evaluation of the Experiences of the MOTW and MOFP in the Implementation of the Pilot FINMAN Computer Accounting System;
7. Integration of GOJ's Asset and Inventory Management Systems;
8. Development of the strategy to implement an improved Integrated Financial Management System;
9. Design and Development of a Training Program and Manual for Facilitate the full Roll-Out of the Accrual Accounting System;
10. Review/Revision of the Handbook of Public Sector Procurement Procedures;
11. Preparation of Standard Bidding Documents;
12. Design and Development of an E-Government Procurement and Implementation Plan;
13. Value for Money Hands-On Training;
14. Information Technology (IT) Hands-On Audit Training;
15. Development of a Performance Monitoring System for Executive Agencies and other Government Entities.