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BAHAMAS

MANAGEMENT FOR RESULTS

(BH-T1013)

PLAN OF OPERATIONS

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INFORMATION AVAILABLE IN THE FILES OF ICF/ICS

PREPARATION:

Terms of Reference

<http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=35159170>

PRODEV Action Plan IADB Nov. 2009

<http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=35139810>

Management for Results Analytical Report. IADB Nov. 2009

<http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=35139811>

IDB Country Strategy 2014. IADB March 2014

Enhancing Accountability and Transparency in Public Financial Administration,
Commonwealth of The Bahamas, Ministry of Finance

ABBREVIATIONS

AP	Action Plan
GOBH	Government of The Bahamas
ICF/ICS	Institutional Capacity of the State Division
IDB	Inter-American Development Bank
IMF	International Monetary Fund
MFR	Management For Results
MOF	Ministry of Finance
RBM	Results-Based Management

**PLAN OF OPERATIONS
MANAGEMENT FOR RESULTS
(BH-T1013)**

EXECUTIVE SUMMARY

Beneficiary:	Commonwealth of The Bahamas		
Team Leader/ Project Team:	Stefano Tinari (ICF/ICS), Team Leader; Marco Varea (ICF/ICF); Sharon Miller and Camille Davis-Thompson (CCB/CBA); María Teresa Soto-Aguilar (VPC/PDP), Rosina de Souza (LEG/SGO); and Valeria Wedolowski, (ICF/ICS), Project Assistant.		
Executing Agency:	Ministry of Finance		
Target Beneficiaries:	This Program will provide the public financial administration authorities of the country with technical tools and financial resources to support economic and strategic planning.		
Financing:	IDB: Non-Reimbursable resources from		
	PRODEV-Sub-account B:		US\$ 1,500,000
	Local counterpart:		US\$ 165,000
	Total:		US\$ 1,665,000
Objectives:	To introduce the principles of management for results into the various stages of public sector administration in The Bahamas.		
Execution timetable:	Execution: 24 months		
Special Contractual Conditions:	Selection and appointment of the Project Coordinator		
Exception to Bank policies:	None		
Environmental and Social Review:	Given the nature of the program involving institutional strengthening activities, no social or environmental issues are foreseen. Based on the afore-mentioned, and according to the Environment and Safeguards Compliance Policy GN-2208-20 and OP-703, the operation has been classified as "C".		
Cooperation with other agencies:	There is coordination with other donors in capacity building and reform issues, mostly based on grant financed projects. The activities to be financed by this Technical Cooperation will enhance coordination efforts by helping to shape the national agenda for more efficient public sector management and thereby providing a road map for donor support.		

I. BACKGROUND AND JUSTIFICATION

A. Background

- 1.1 In April 2009, the Inter-American Development Bank (IDB or Bank) received a communication from the Ministry of Finance of The Bahamas requesting assistance in the form of a technical cooperation Program to support the development effectiveness initiative underway in the country. The Program would consist in the design and implementation of a system to enhance the capacity of the country to program, budget, execute and evaluate public sector programs, by strengthening the capacity to manage for results. This technical cooperation would be funded by PRODEV, the Bank's arm to promote Management for Results (MfR) in the Region.
- 1.2 In September 2009, a Bank mission was conducted in The Bahamas to apply the PRODEV diagnostic tool, and to identify the current situation with respect to the implementation of management for results principles in the country. Results from this mission provided the inputs to prepare a diagnostic report on the state of implementation of MfR in the Country, and were used to compile an action plan. The report considered the country's institutional baseline to implement results-based management (RBM) in the areas of planning, budgeting for results, financial management, sector development and public investment, together with their respective monitoring and evaluation components. On the bases of the results of the diagnostic report, and subsequent discussions with the financial authorities in The Bahamas, an action plan was prepared to identify the areas and the methodology to implement MfR in The Bahamas.
- 1.3 During the selection and identification process of the areas and components of the action plan, the project team reviewed all the strategic areas related to MfR, specifically: Strategic Planning, Results Based Budgeting, Public Financial Management, Program Management, and Monitoring and Evaluation of Public Administration. Current initiatives underway in the country related to the strategic areas were analyzed and taken into consideration. Specifically, the plan incorporates actions identified as strategic by the Government and described in the proposal "Enhancing Accountability and Transparency in Public Financial Administration", a discussion paper that sets out proposals for changes in the structure of public financial management and audit, and lists several initiatives that are consistent with the introduction of the concept of MFR. The Action Plan also incorporates and builds on initiatives underway in the procurement sector to promote transparency and accountability, activities that the Bank is currently supporting in the country, and in support of a pilot initiative being implemented to strengthen strategic planning at a decentralized level in selected line ministries.
- 1.4 The action plan was submitted and approved by the PRODEV Committee, and presented to the authorities of the Ministry of Finance in November 2009. A summary of the plan was introduced into the text of the Aide Memoire of the Bank mission, and submitted and approved at Cabinet level. The project components that integrate this operation are consistent with the Action Plan approved by the PRODEV Committee and endorsed by the authorities in The Bahamas.

B. Diagnostic

- 1.5 The application of the diagnostic has shown that a legal framework to regulate economic planning does not currently exist in The Bahamas and as a consequence, no strategic planning is introduced into public sector management. Similarly, the practice of budgeting for results is not utilized, since the current budget is line based, and does not incorporate outcomes or evaluation criteria.
- 1.6 Due to the absence of a public investment planning framework, there is no integration between the project execution and the financial system. The country operates a central expenditure approval system or a payment system, but this does not integrate financial information from local governments. Public investment projects do not benefit from a prioritization system for programming and execution. Monitoring and evaluation still need to be carried out in a more systematic way. Three out of four line ministries interviewed do not have the practice and expertise to use planning systems.
- 1.7 In a few cases, statistics are used for planning; however, explicit indicators are not always applied to allocate funds according to expenditure effectiveness. Technology needs to be integrated into different areas in public administration. Treasury operates basically with a payment operating system.
- 1.8 In summary, The Bahamas has the potential to introduce management for results (MfR) in different sectors and at all levels of public policy formulation and implementation. The Ministries of Health and Education are already working with strategic plans and evidence based policy making process is a reality, while in other ministries the issue is not yet on the table. Given the current situation, a restructuring of the Public Financial Management System, and the introduction of mechanisms for planning, executing and evaluating public investment projects according to the principles of management for results has the potential to generate important savings and reduce the fiscal deficit.

II. THE PROGRAM

A. Objective

- 2.1 The objective of this program is to introduce the principles of management for results into the various stages of public sector management and administration in The Bahamas.
- 2.2 In particular, the program will provide technical and financial resources to facilitate the implementation of the proposals outlined in the Action Plan, approved by the IDB PRODEV Committee, and presented to the Ministry of Finance. The proposed activities are consistent with the substance of the discussion paper, "Enhancing Accountability and Transparency in Public Financial Administration" (see 1.3).

B. Description

- 2.3 The program is structured in the following components: (i) Strategic Planning; (ii) Budget; (iii) Financial Management; (iv) Project management; (v) Monitoring and Evaluation of Public Administration; (vi) Public procurement; and (vii) Audit.

Component I. Strategic Planning

- 2.4 This component will help in the preparation of the guidelines to convert government priorities into government plans. The program will finance the design of a multi annual plan that defines the strategic objectives of the administration, identifies the strategic units to take on responsibility to implement the plan, and creates a direct relation between the government plan, the strategic units and the budget. Once designed, the application of the methodology will be complemented by the preparation and design of a legal framework that will establish the guidelines to implement a system of performance indicators for measuring expenditure performance and promote the quality of public expenditure. The definition of the guidelines and of the legal framework will establish the base for a Government independent body to operate, in conjunction with the line ministries, a performance indicator system that will set the parameters for the allocation of budgetary funding based on the number of programs that satisfactorily meet their objectives.

Component II. Budget by Results

- 2.5 This component will complement the introduction of initiatives to link the strategic planning to budget execution with the measures proposed for the modernization of the Financial Administration and Audit Act of 1973, such as the requirement to include in the budget preparation a medium term perspective showing how revenues and expenditures are expected to evolve during the two years after the next fiscal year, and the requirement that the Budget should state the long term fiscal policy objectives. This activity is consistent and will support the implementation of recommendations proposed by the IMF.

Component III. Public Financial Management

- 2.6 The objective of this component is to ensure the efficient allocation and management of human, financial, and physical resources in public agencies. It will finance a study to define the structure, the process and the design of an electronic system that integrates the principal areas of government financial management: budget, tax administration, public credit, cash management, and accountancy, and the purchase of related electronic equipment or custom made systems for its implementation. The system will facilitate the connection between public investment, the electronic financial management system, and the electronic procurement system. Once the central system is implemented, the Government will have the option to integrate financial information from local governments into the electronic financial management system. The program will also support specialized technical training for select public officials in the use, maintenance and sustainability of the system.

Component IV. Project Management

- 2.7 This component will provide the means to improve the capacity to translate sector planning into policy goals and the formulation and execution of projects. It will cover the introduction of the use of annual and the adoption of multiyear targets in the planning

activities of selected pilot institutions¹, identify and train strategic units within the institution responsible for producing goods and providing services, introduce the use of management contracts with the executing agencies, identify parameters for performance evaluation, and link evaluation systems to incentives for results. In addition, it will support the introduction of a comprehensive Management for Result strategy in the selected institutions, covering areas such as programming, personnel and resources, and improvement in service quality, as well as introducing mechanisms for periodic consultation with civil society organizations with the goal to improve goods and services.

Component V. Monitoring and evaluation of public administration

- 2.8 The execution of this component will cover the relation between planning, funding and achievement of development goals. PRODEV resources will be used to strengthen the legal and institutional framework for evaluating government performance, and to establish an independent central government body responsible for evaluating performance and execution of public policies, programs and projects. This would be complemented by the definition of an evaluation methodology, based on common indicators shared by the monitoring and executing entities, and the definition of sanctions or corrective actions in case of no fulfillment of targets and objectives, and of the modalities to share the information with the legislature and the civil society.

Component VI. Public Procurement

- 2.9 Building on recent legislative reform initiatives, under this component, the program will strengthen the current legal framework by supporting the establishment of an independent body that centralizes the procurement needs of the public administration, and defines the guidelines for procurement and contracting processes, based on competition and transparency in awarding public contracts. This regulatory or policy-setting body for government procurement will define and assign regulatory functions to various government units, define enforcement and implementation arrangements, and set the extent of participation by the regulatory and supervisory body in procurement processes. In addition, the new independent body will produce and make available procurement statistics to the public, and introduce a legally established procedure to lodge and resolve disputes in the procurement process.

Component VII. Audit

- 2.10 Funds will be used to review the current legal framework governing external and internal audit in the Bahamas, to recommend organizational and procedural improvements with the objective to perform timely and reliable audits of all central government bodies, covering an increased percentage of total government expenditures. This component will complement the ongoing initiative outlined in the proposal “Enhancing Accountability and Transparency in Public Financial Administration”, to promote transparency and accountability in the public sector of the Country.

¹ This activity complements a pilot initiative undertaken by the Government. Pilot institutions will be selected based on the volume of public funds they receive and administer.

- 2.11 To promote transparency and improve public knowledge on the process of introducing Management by Results in the Country, the budget of this operation will include some funds dedicated to the promotion of outreach and communication activities related to the advance in the execution and implementation of the activities funded by the program.

III. COST AND FINANCING

- 3.1 The cost of the program has been estimated at US\$1,665,000, of which the Bank would finance up to US\$1,500,000 of the costs on a non-reimbursable basis from the funds allocated to PRODEV-Sub-account B. The Government of The Bahamas will contribute the amount of US\$165,000 as counterpart funds. Counterpart funds will be used to finance equipment for the Financial Management component, and the Executing Unit for the program. The table below summarizes the estimated cost of the program by components.

Category	IDB	Local Counterpart	TOTAL
Component 1. Strategic Planning	\$120,000		\$120,000
Component 2. Budget	\$81,320		\$81,320
Component 3. Financial management	\$731,360	\$84,840	\$816,200
Component 4. Project management	\$308,000		\$308,000
Component 5. Monitoring and evaluation of Public Administration:	\$69,680		\$69,680
Component 6. Public procurement	\$58,960		\$58,960
Component 7. Audit	\$51,680		\$51,680
Outreach and communication	10,000		10,000
Program evaluation and audit	\$30,000		\$30,000
Contingencies	\$39,000		\$39,000
Project Administration		\$80,160	\$80,160
TOTAL	\$1,500,000	\$165,000	1,665,000

- 4.1 **Sustainability.** The timing of this Program will provide the public financial administration authorities of the country with technical tools and financial resources to support economic and strategic planning, thus making the results sustainable once program resources are completely disbursed. In addition, the current political and social environment is conducive to the introduction of measures that promote strategic planning and accountability in public sector management, as a mean to counteract the current economic slowdown and improve the fiscal situation in the country.

IV. PROGRAM EXECUTION

A. Executing agency

- 4.2 The Ministry of Finance will be the Executing Agency (EA) of this program. It is the central institution responsible for the Public Financial Management in The Bahamas. The pilot projects in selected ministries for the implementation of the project management component, and the program to support the office of the Auditor General will require the

selection and appointment of a coordinating liaison from these institutions to the Executing Unit, to be selected among senior staff. Services from individual consultants and consulting firms will be contracted to execute the components of this operation, according to the modalities described in the procurement plan of the program.

- 4.3 Each Government entity or Agency that will benefit and participate in the execution of this program will appoint a focal point, in order to ensure open and fluid coordination and communication among the beneficiaries. The executing agency will define the frequency and the subject of the focal point meetings.

B. Execution mechanism

- 4.4 The Executing Unit (EU) will be responsible for the financial management of the program, the related procurement, the preparation of financial reports and other contractual obligations related to the execution of the program and the proper channeling of financial resources from the program to all the entities involved. It will also review the progress reports and interface with other institutional actors in order to facilitate the orderly implementation of the Program.
- 4.5 For the purpose of carrying out the responsibilities of this TC, the MOF will hire a Project Coordinator to be responsible of the financial management, procurement, and proper channeling of funds from the program to all entities involved. The EA will also hire an Administrative Assistant. The selection and hiring of the Project Coordinator will be a condition prior to the first disbursement of the TC funds.

C. Program implementation readiness and sustainability

- 4.6 The PRODEV action plan and the activities funded by this program were reviewed by the Ministry of Finance and approved by the Cabinet. There is a high level of expectation and urgency in The Bahamas for the implementation of measures that contribute to the efficient planning, execution and oversight of public investment programs in the country.
- 4.7 The consultation process amongst public officials during the diagnostic phase has created a general awareness of the results management framework. Prior to that, government officials from key public sector agencies were introduced to the concept of MfR through workshops conducted by the Bank.
- 4.8 Given the high potential to introduce MfR in different sectors, and at all levels of public policies, this technical cooperation is just a first step; it is the Government's responsibility to build on the results of this technical cooperation to continue the implementation and strengthening of management for results in the public administration of The Bahamas.

D. Execution and disbursement period

- 4.9 The time for execution of this Program is estimated in 24 months. The time to finalize disbursements is estimated in 30 months after the effective date of signature of the

technical cooperation agreement between the Bank and the Government. Disbursements will be related to the chronology of project execution, as defined in the procurement plan of the program, and the related cash flow needs. To this end, the EU will prepare a financial plan related to the first 12 months of project execution.

E. Procurement

- 4.10 All procurement in the execution of the program will be done in accordance with IDB procurement procedures, as stated in the Bank policies GN-2350-7 ("Policies for selection and contracting of consultants financed by the IDB) and GN-2349-7 ("Policies for the procurement of works and goods financed by the IDB").
- 4.11 The Technical cooperation financing will be limited to activities related to consultancy and technical assistance, training, information technology (including equipment), and travel. In the case of procurement of goods to be financed under this TC, the amount should not exceed 30% of the Bank's financing, in accordance with the TC Policy.

V. MONITORING AND EVALUATION

A. Monitoring

- 5.1 The Executing Unit and the IDB Country Office in The Bahamas will closely monitor the execution of this program. ICF/ICS will provide technical assistance and follow the execution of the program.

B. Technical and basic responsibility

- 5.2 IDB staff will work closely with the Ministry of Finance of The Bahamas, and will offer technical support, in the monitoring and supervision of the execution of this program to the Ministry of Finance and participate in periodical monitoring meetings as needed.
- 5.3 Unit responsible for project design: ICF/ICS; Unit responsible for Execution and disbursement (UDR): CCB/CBH.

C. Evaluation and audit

- 5.4 During the execution of the program, the Ministry of Finance will provide the IDB with reports on the execution of project activities at a frequency of 6 months intervals. Project advancement will be measured with base on the indicators incorporated in the logical framework of the operation. An external technical evaluation of the program will be performed at mid point and at the end of the disbursement period of the program. The technical evaluation will be followed by an independent external audit after 60 days of finalizing the disbursement period of the program. The logical framework and PMR system for non reimbursable TCs should be used as tools during the periodic evaluation of the program.

VI. PROGRAM BENEFITS AND RISKS

- 6.1 **Program benefits and developmental impact.** The program will give strategic direction and added impetus to both new and existing public sector interventions by setting out coordinated policies, defining an improved regulatory framework with corresponding institutional support structures, and defining the core actions to enhance the strengthening of country systems and capacity to manage more effectively.
- 6.2 **Risks.** The implementation of new methods of planning, appraisal and medium term and performance budgeting will require strong political support from senior government officials as well as a profound cultural change among government staff. Specific consensus building and sensitization initiatives will be implemented through this TC and a comprehensive capacity building and training strategy will be developed to facilitate this transformation.
- 6.3 This program is providing seed money to start the implementation of management for results in the public sector of The Bahamas. Given the low level of public policies development in The Bahamas, the Government adherence to policy and financial commitments to follow up and expand the implementation and establishment of a reliable MfR system in the country is crucial to the achievement of the objectives of this program.

VII. ENVIRONMENTAL AND SOCIAL IMPACT

- 7.1 Given the nature of the program involving institutional strengthening activities, no social or environmental issues are foreseen. Based on the afore-mentioned, and according to the Environment and Safeguards Compliance Policy, the operation has been classified as “C”.

VIII. CERTIFICATION

- 8.1 The Grants and Co-financing Management Unit (VPC/GCM) has determined that the amount of US\$1,500,000 from the Sub-Account B of PRODEV is available to finance the activities proposed under this TC document.

(Original signed)

5/19/2010

Marguerite S. Berger
Chief
VPC/GCM

Date

ANNEX I
LOGICAL FRAMEWORK

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
GOAL			
The objective of this program is to introduce the principles of management for results into the various stages of public financial administration in The Bahamas.	The adoption of management by results principles will improve the performance, management, and monitoring and evaluation capacity of the financial public sector of the country.	Public funds are assigned and spent according to criteria established in principles of MfDR.	Political will to implement management by results principles is retained.
PURPOSE			
To assist the Government of The Bahamas in develop and implement an Action Plan to guide Results-based management initiatives agreed under PRODEV that are consistent with Government Reform agenda in public sector management and performance.	Design and adoption of Management for Results principles in allocating, invest and evaluate the use of public resources.	Improvement in the economic and efficiency indicators of the country.	Adoption of the recommendation, and implementation of the action plan.
COMPONENTS	<i>By the end of the Program:</i>		
<p>1. <u>Strategic Planning</u></p> <p>Introduction of a methodology to collect and appraise data on the performance of public agencies and programs, and to measure internal efficiency and costs effectiveness.</p> <p>Establish capacity in the line ministries that executes the public investment plan to monitor and evaluate public programs, outputs and outcomes.</p> <p>Establishment of a system for monitoring and evaluation of public administration</p> <p>Establishment of a system to measure outcome and outputs of public investment.</p>	<p>Methodology to collect data on the performance of public agencies and programs is produced. Parameters to measure internal efficiency and costs effectiveness are defined.</p> <p>A pilot exercise to build capacity in the line ministries that executes the public investment plan to monitor and evaluate public programs is designed.</p> <p>Information produced by monitoring and evaluation in selected pilot institutions is accessible for scrutiny and disseminated.</p>	<p>The methodology is designed.</p> <p>Internal efficiency indicators are defined.</p> <p>Quality and quantity is evaluated in public investment performance evaluation instead of financial indicators in selected pilot institutions.</p>	<p>The selection and permanence of a solid, technically oriented Executing Unit is crucial for the successful and timely execution of this component of the program.</p> <p>Political will to implement management by results principles is retained.</p>

Capacity is built in the line ministries that execute the public investment plan to monitor and evaluate public programs outputs and outcomes.		Indicators that monitor quality and quantity of results indicators are used when evaluating public project outcomes. Cost effectiveness and internal efficiency principles are introduced. Data related to the evaluation of public administration performance are produced and made public.	
<p>2. <u>Budget by Results.</u></p> <p>Design of a budgeting process that links strategic planning to budget execution.</p> <p>Design of a medium term perspective showing how revenues and expenditures are expected to evolve during the two years after the next fiscal year is included in budget preparation.</p>	<p>Strategic planning is linked to budget execution.</p> <p>The budget preparation process includes indicators to measure progress in the execution.</p> <p>A medium term perspective showing how revenues and expenditures are expected to evolve during the following two years is prepared for incorporation into budget preparation.</p> <p>Long term fiscal policy objectives are considered for incorporation into the budget.</p>	<p>A plan to incorporate performance and outcome indicators in the preparation of the capital budget is prepared in 18 months since the beginning of the program.</p> <p>Performance and outcome achievements are considered when appropriating public funds.</p> <p>A Plan to incorporate financial projection into public investment planning is prepared in 24 months since the beginning of the program.</p> <p>Budget states long term fiscal policy objectives.</p> <p>Efficiency and effectiveness criteria in public projects execution are considered and monitored in order to considered future budget allocations.</p>	<p>Budget programs should be better aligned with policy objectives and more costs should be attributed to them.</p> <p>There is no resistance to link programs to concrete output targets to improve the accountability of line ministries.</p>
<p>3. <u>Public Financial Management.</u></p> <p>A financial management system is designed with the objective of improving the efficient administration of the</p>	<p>A financial management system is designed and ready to start operating by the conclusion of this program.</p>	<p>Financial management system is established.</p>	

<p>accounting, budget and cash management, administrative services, and human resources areas.</p> <p>Measures for the efficient allocation and management of human, financial, and physical resources in public agencies are defined.</p> <p>Technology is introduced to ensure the efficient and correct functioning of a results-based management model, particularly in the financial management sections.</p>	<p>Efficiencies are generated in the accounting, budget and cash management, administrative services, and human resources areas.</p> <p>Efficient and correct functioning of a results-based management model, particularly in the financial management sections is adopted.</p>	<p>A plan to generate savings and efficiencies in the allocating and management of human, financial and physical resources is prepared by project end.</p> <p>Operating savings and efficiency indicators in the use of public resources will be used as a measurement tool.</p>	
<p><u>4. Project management.</u></p> <p>Capacity to translate sector planning into policy goals.</p> <p>Use of annual and multiyear targets in the planning activities of selected pilot institutions is introduced.</p> <p>Use of management contracts with the executing agencies, identification of parameters for performance evaluation; link evaluation systems to incentives for results.</p>	<p>Formulation and execution of projects is improved.</p> <p>Annual and multiyear targets in the planning activities of selected pilot institutions are being considered.</p> <p>Management contracts with the executing agencies are designed and considered for adoption. Parameters for performance evaluation are defined.</p>	<p>Measurement of performance. % increase in the number of projects that meet initial policy goals.</p> <p>A plan to introduce strategic planning according to multiyear targets is prepared by project end.</p> <p>Parameters for performance evaluation are incorporated into agreement with executing agencies.</p>	<p>The executing agencies accept and adopt the use of a performance based evaluation.</p>
<p><u>5. Monitoring and Evaluation of Public Administration.</u></p> <p>Design of a central government body responsible for evaluating public policies, programs and projects performance, and project execution.</p>	<p>.</p> <p>A central government body responsible for evaluating public policies, programs and projects performance, and execution is designed. Operative rules are established.</p>	<p>Legal framework is designed by project finalization.</p>	<p>Legislative approval of the framework.</p>

<p>An evaluation methodology based on common indicators shared by the monitoring and executing entities is defined.</p>	<p>The legal and institutional framework for evaluating government performance is strengthened.</p> <p>An evaluation methodology, based on common indicators shared by the monitoring and executing entities is defined.</p>	<p>Saving and efficiencies are reported and documented.</p> <p>Gov. body is designed and ready to be considered for implementation.</p> <p>Methodology is defined.</p>	<p>The executing agencies accept and adopt the use of a performance based evaluation.</p>
<p>6. <u>Public Procurement.</u></p> <p>Definition and introduction of an independent body that centralizes the procurement needs of the public administration, and defines the guidelines for procurement and contracting processes.</p> <p>Regulatory functions are assigned to government units.</p> <p>A legally established process to lodge and resolve disputes in the procurement process, as well as enforcement and implementation arrangements are defined.</p>	<p>An independent body that centralizes the procurement needs of the public administration, and defines the guidelines for procurement and contracting processes is ready to start operations at project finalization.</p> <p>Regulatory functions are assigned and adopted by government units.</p> <p>Procurement statistics are compiled and available for review.</p> <p>A procedure to lodge and resolve disputes in the procurement process is designed and ready to be implemented.</p>	<p>Central procurement agency is devised and ready to be considered for implementation.</p> <p>Regulatory and enforcement functions are ready for assignment to government units.</p> <p>Implementation arrangements are defined.</p> <p>Conflict resolution process is established.</p>	<p>The related legal framework is revised and adopted accordingly.</p> <p>New conflict resolution method compatibility and advantages with current system are perceived positively.</p>
<p>7. <u>Audit.</u></p> <p>The current legal framework governing external and internal audit in The Bahamas is reviewed and upgraded according to established best practices.</p>	<p>Review of the current legal framework governing external and internal audit in The Bahamas.</p>	<p>Organizational and procedural improvements are identified.</p>	<p>Resistance to modify the current legal framework.</p>

	Timely and reliable audits of all central government bodies are performed.	Increased percentage of total government expenditures is reviewed.	
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Annex II - Detailed Budget

PROJECT COMPONENTS	IDB	Counterpart	Total
1. Strategic planning			
1.1 Definition of a Methodology to Collect and Appraise Data and Capacity Building in line Ministries (design of pilot exercise)			
Int. Consultant 60 daysxUS\$600	36000		36000
Per diem 15 days	6840		6840
One round trip	1000		1000
1.3 Design system for monitoring and evaluation of public administration and Design system to measure outcome and outputs of public investment			
Int. Consultant 60 daysxUS\$600	36000		36000
Per diem 20 days	9160		9160
One round trip x2	1000		1000
1.5 Dissemination of information on performance of Public Administration	30000		30000
Total Component 1	120000		120000
2. Budget by Results			
2.1 Design of budgeting process that links strategic planning to budget execution and Identification of Budget progress indicators			
Int. Consultant 60 daysxUS\$600	36000		36000
Per diem 20 days	9160		9160
One round trip x2	2000		2000
2.3 Analysis of evolution of revenues and expenditures			
Int. Consultant 40 daysxUS\$600	24000		24000
Per diem 20 days	9160		9160
One round trip	1000		1000
Total Component 2	81320		81320
3. Public financial management			
3.1 Design of financial management system			
Int. Consulting Firm	300000		300000
Per diem 60 days	27360		27360
Air fare	4000		4000
3.2 Software and hardware equipment for financial management system	400000	84840	484840
Total Component 3	731360		731360
4. Project Management			
4.1 Design of Project Management system			
Int. Consulting Firm	250000		250000
Per diem 90 days	54000		54000
Air fare	4000		4000
Total Component 4	308000		308000
5. Monitoring and Evaluation of Public Administration			
5.1 Design of the legal and institutional framework for evaluating government performance and definition of an evaluation methodology			
Int. Consultant 90 daysxUS\$600	54000		54000
Per diem 30 days	13680		13680
One round trip x2	2000		2000
Total Component 5	69680		69680
6. Public Procurement			
6.1 Design of centralized procurement agency and regulatory functions			
Int. Consultant 50 daysxUS\$500	25000		25000
Per diem 30 days	9120		9120
One round trip x2	2000		2000
6.2 Design of conflict resolution methodology			
Int. Consultant 30 daysxUS\$500	15000		15000

PROJECT COMPONENTS	IDB	Counterpart	Total
Per diem 15 days	6840		6840
One round trip	1000		1000
Total Component 6	58960		58960
7. Audit			
7.1 Review and upgrade of the current legal framework			
Int. Consultant 60 daysxUS\$600	36000		36000
Per diem 30 days	13680		13680
One round trip x2	2000		2000
Total Component 7	51680		51680
8. Program Outreach and Communication	10000		
9. Program Evaluation and Audit	30000		30000
10. Contingencies	39000		39000
11. Counterpart Contribution			
11.1 Program administration			
Responsible of the Executing Unit. 24 months x2500\$		60000	60000
Administrative support. 24 months x840\$		20160	20160
TOTAL	1500000	165000	1665000

Management for Results

(BH-T1013)

Procurement plan

Country: Commonwealth of The Bahamas

Beneficiary: The Ministry of Finance and other Central Government Agencies.

Executing agency: The Ministry of Finance

Project name: Management for Results

Project number: BH-T1013.

Brief description of the project's objectives and components: The general objective of this TC is to promote the introduction of management by results and development efficiency concepts through an integrated and coordinated public sector management approach in Suriname.

Estimated date of project approval by the Board: April, 2010

Estimated date of signature of the Letter of Agreement: April, 2010

Estimated date of the final disbursement: October, 2012

Assessment of the executing agency's capacity to administer procurement

This capacity analysis was made by informed judgment within the project team as the MOF has had prior experience in Bank financed operations and knows well the controls and record keeping that the Bank requires. The overall risk rate assigned to the EU capacity to carry out the execution of the procurement plan has been set to Medium; however most of the procurement processes have been set in the initial Procurement Plans with ex ante supervision. As the operation is executed and the EU becomes more knowledgeable of the procurement procedures a new assessment will be performed to decide to move some processes to an ex post supervision.

Mitigating measures agreed upon are summarized below:

Deficiencies	Corrective action	Completion date	Comments
Project Coordinator may not be knowledgeable of IDB procurement Policies, procedures.	At the AOP meeting, the individual hired for this position will receive due training to enable him/her to initiate procurement processes .	Before first procurement process needs to be initiated.	All processes will be reviewed on an ex ante basis.

Frequency of procurement supervision

All procurement processes for this operation will be revised on an ex ante basis to ensure compliance with Bank policies and procedures.

**Management for Results
(BH-T1013)
April 2010- April 2012**

Ref. No. 1	Description of and category of procurement contract	Estimated cost in (US\$ thousand)	Procure- ment method 2	Review (ex- ante or ex- post)	Source of financing and percentage		Prequali- fication ³ (Yes/No)	Estimated Dates		Status ⁴ (pending, in process, awarded, cancelled)	Comments
					IDB %	Local / Other %		Publication of specific proc. notice	Completion of contract		
1	GOODS										
	Software and hardware equipment for financial management system	400	ICB	Ex ante	100		Yes	April 2011	Aug 2011		
	Dissemination of information on performance of Public Administration	30	ICB	Ex ante	100		No		Jan 2011		
2	CONSULTING SERVICES										
	Responsible of the Executing Unit. 24 months x2500\$	60	QCNI	Ex ante		100		April 2010	April 2012		
	Administrative support. 24 months x840\$	20									
	Definition of a Methodology to Collect and Appraise Data and Capacity Building in line Ministries (design of pilot exercise)	43	QCII	Ex ante	100			May 2010	Ago 2010		
	Design system for monitoring and evaluation of public administration and design system to measure outcome and outputs of public investment.	56	QCII	Ex ante	100			June2010	Ago 2010		
	Design of budgeting process that links strategic planning to budget execution and Identification of Budget progress indicators	48	QCII	Ex ante	100			Nov 2010	Mar 2011		
	Analysis of evolution of revenues and expenditures	35	QCII	Ex ante	100			Apr 2011	Sept 2011		

Design of financial management system	330	QCBS	Ex ante	100			Sept 2011	Dec 2011		
Design of Project Management system	300	QCBS	Ex ante	100			June 2011	Oct2011		
Design of the legal and institutional framework for evaluating government performance, and definition of an evaluation methodology.	70	QCII	Ex ante	100			June 2011	Oct2011		
Design of centralized procurement agency and regulatory functions	35	QCII	Ex antet	100			Aug2011	Dec2011		
Design of conflict resolution methodology	23	QCII	Ex post	100			Dec 2011	Mar2012		
Review and upgrade of the current legal framework	52	QCII	Ex ante	100			Sept 2011	Mar 2012		
Outreach and communication	10			100			Nov 2010	Mar 2012		

¹ If there are a number of similar individual contracts to be executed in different places or at different times, these can be grouped together under a single heading, with an explanation in the comments column, indicating the average of individual amount and the period during which the contracts would be executed. For example: an education project that includes school construction might include an item labeled “School Construction” for an estimated cost of US\$20 million and an explanation under the Comments column such as this: “This item encompasses some 200 contracts for school construction averaging US\$100,000 each, to be awarded individually by the participating municipal governments over a three-year period between January 2006 and December 2008.”

² **Goods and Works:** **ICB:** International competitive bidding; **LIB:** limited international bidding; **NCB:** national competitive bidding; **PC:** price comparison; **DC:** direct contracting; **FA:** force account; **PSA:** Procurement through specialized agencies; **PAs:** Procurement agents; **IA:** Inspection agents; **PLFI:** Procurement in loans to financial intermediaries; **BOO/BOT/BOOT:** Build, own, operate/build, operate, transfer/build, own, operate, transfer; **PBP:** Performance-based procurement; **PLGB:** Procurement under loans guaranteed by the Bank; **PCP:** Community participation procurement; **Consulting Firms:** **QCBS:** Quality- and cost-based selection; **QBS:** Quality-based selection; **FBS:** Selection under a fixed budget; **LCS:** Least-cost selection; **CQS:** Selection based on the consultants’ qualifications; **SSS:** Single-source selection; **Individual Consultants:** **QCNI:** Selection based on comparison of qualifications of national individual consultants; **QCII:** Selection based on comparison of qualifications of international individual consultants.

³ Applicable only to Goods and Works in case the new Policies apply. In the case of previous Policies, it is applicable to Goods, Works and Consulting Services.

⁴ Column “Status” will be used for retroactive procurement and when updating the procurement plan.