



Government of Jamaica

Extract

of the forthcoming

GOJ PIMS Handbook & Operational Guidelines

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The following is an extract of the forthcoming edition of the Handbook and Operational Guidelines for the Government of Jamaica (GOJ) Public Investment Management System (PIMS).

List of Abbreviations and Acronyms

CRA:	Climate Risk Assessment
CRS:	Climate Risk Screening
DBJ:	Development Bank of Jamaica
EMD:	Economic Management Division
ICT:	Information and Communication Technology
JAMPRO :	Jamaica Promotions Corporation
MDAs/SPS:	Ministry/Department/Agency within the Specified Public Sector
MOF&PS:	Ministry of Finance and the Public Service
NEPA:	National Environment and Planning Agency
PDSS:	Proposal Development and Strategic Support
PED:	Public Enterprise Division
PEX-D:	Public Expenditure Division
PIAB:	Public Investment Appraisal Branch
PIMC:	Public Investment Management Committee
PIMIS:	Public Investment Management Information System
PIMS:	Public Investment Management System
PIMSEC:	Public Investment Management Secretariat
PIOJ:	Planning Institute of Jamaica
PPMC:	Programme Portfolio Management Committee
PPP:	Public Private Partnership
PSIP:	Public Sector Investment Programme
TRC:	Technical Review Committee
UDC:	Urban Development Corporation

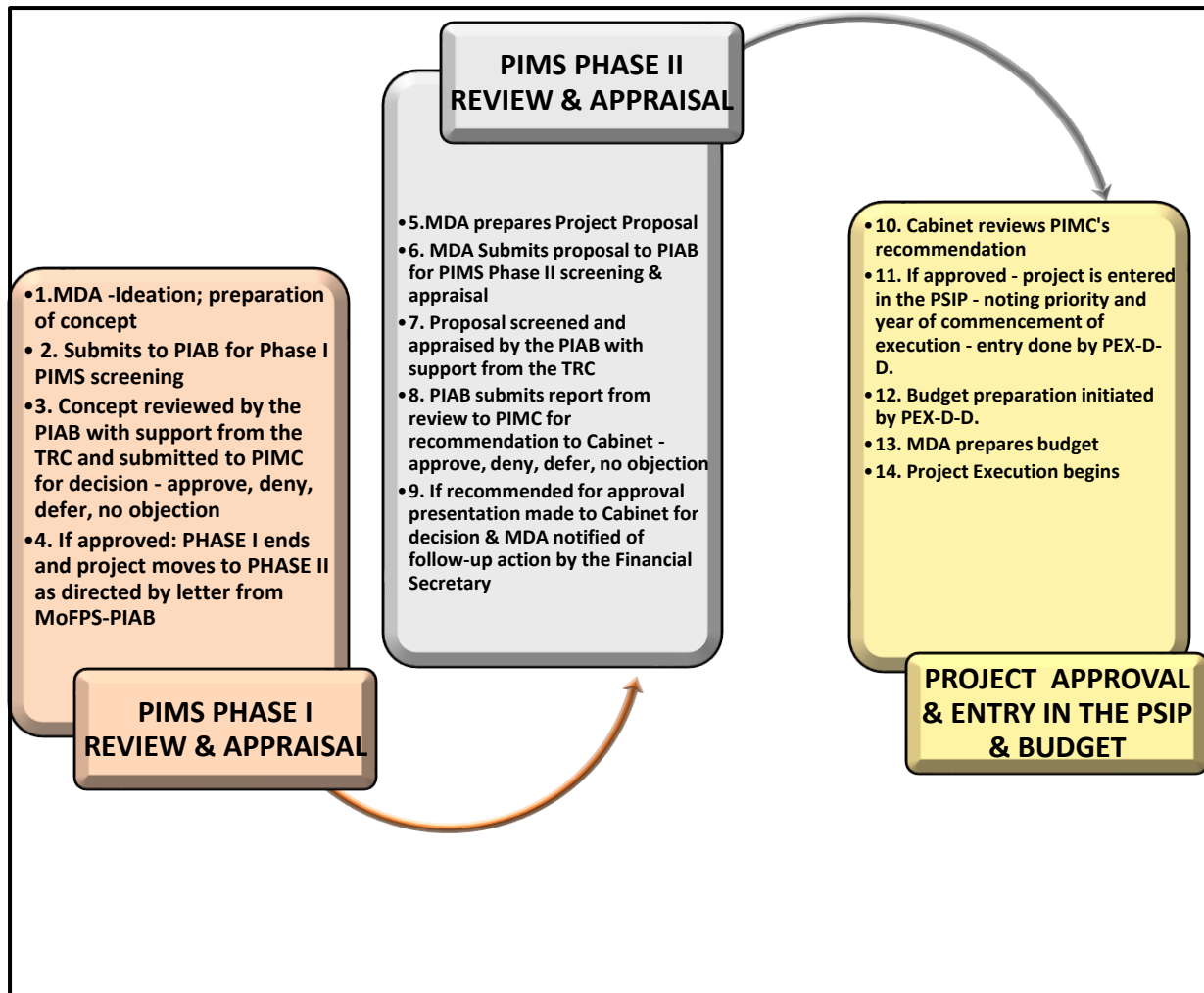
CHAPTER 5: THE PIMS APPROVAL PROCESS

The Public Investment Appraisal Branch (formerly PIMSEC)¹ serves as the point of entry under the PIMS for all public sector investment projects seeking to be programmed in the budget through the Public Sector Investment Programme (PSIP). The **standard** appraisal and decision process² is depicted in the diagram below:

Diagram 3 – The PIMS Approval Process

¹ By way of Cabinet Decision No. 1/20, communicated to Members of the PIMC via correspondence dated April 29, 2021, the Public Investment Secretariat (PIMSec) was institutionalised in the Ministry of Finance and the Public Service as the Public Investment Appraisal Branch within the Public Expenditure Division. This change was also effected in the Financial Instructions to the Financial Administration and Audit Act by way of Circular No. 8 dated May 3, 2021.

² Via Circular 22, with effect from August 1, 2023, the Financial Administration and Audit Act Financial Instructions of 2017 was amended to accommodate an exception to the standard pre-investment appraisal process for qualified Exigent Circumstances, Emergencies Associated with Disasters and Matters of National security (see **Appendix I** for further details).



PIMS PHASE I – Review & Appraisal

Step 1: Project Concept Development: Public Investment Projects are initiated by MDAs/SPS entities. MDAs/SPS entities will generate an idea for a project based on portfolio imperatives which could be political, demand or supply driven, a critical requirement for efficient service delivery or to satisfy strategic actions aligned to the portfolio's strategic business plan and respective sector plans under Vision 2030. MDAs/SPS entities should consult with the relevant technical experts to pre-determine national relevance, priority and compliance with standards. The relevant bodies at this stage will be planning institute of Jamaica (PIOJ), Development Bank of Jamaica (DBJ), Public Private Partnership (PPP) Unit of the Public Enterprise Division (PED)/ Ministry of Finance and the Public Service (MOF&PS), ICT

Authority, National Environment and Planning Agency (NEPA) depending on the nature of the public investment. It is of note that the PIOJ is a key resource at this step for all types of potential public investment in line with its legislative mandate. MDAs/SPS entities should be guided by the requirements as detailed in Chapter 4 of the Handbook.

Step 2: All public investment projects are required to be reviewed/appraised by the PIAB acting on behalf of the Public Investment Management Committee (PIMC). Having developed a concept note for a project idea, the Ministry/Department/Agency (MDA) within the Specified Public Sector (SPS) entity will submit an application to PIAB for its preliminary/first phase screening. Prior to formal submission, concepts are screened by the PIAB's Proposal Development and Strategic Support (PDSS) Unit. The officially submitted concept will incorporate the results of a hazard assessment (Step 1 of Climate Risk Assessment Methodology (CRA). The December 2023 Cabinet approved Climate Risk Assessment methodology, which by way of Circular 34 of 2023 now also forms part of the Financial Audit and Administration Act Financial Instructions are set forth in the diagram below and summarised in the ensuing table:

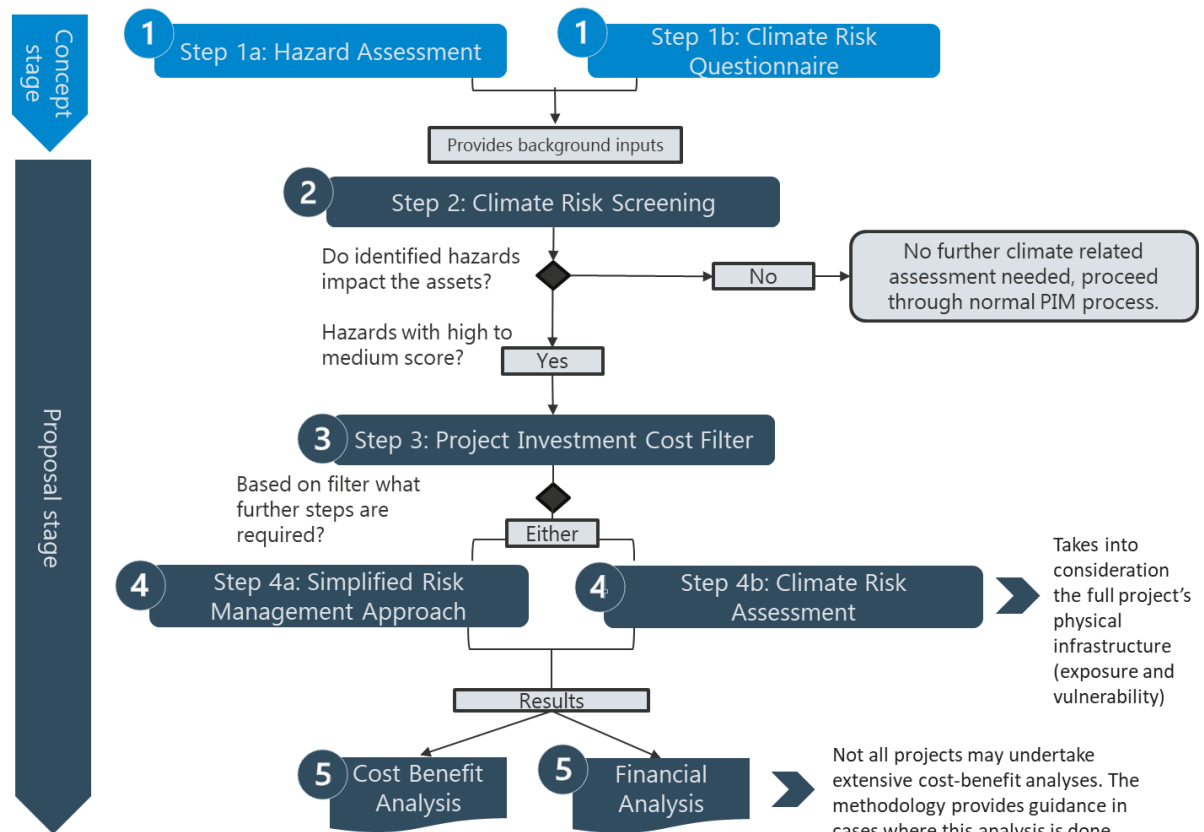


Diagram: Overview of Climate Risk Assessment Methodology

Table: Overview of Climate Risk Assessments Required at various stages during the PIM Lifecycle

PIM Phase	Type of Climate Risk Assessment	Application
Project Concept	<p><u>Step 1a – Hazard Assessment</u></p> <p>Using the suggested data sources and provided template, screen project's exposure for hazards.</p> <p>Note: Project proponents can make use of the separate Risk Register excel spreadsheet (Appendix 2) to aid with this step.</p>	All projects
	<p><u>Step 1b – Climate Risk Questionnaire</u></p> <p>Based on the hazards identified in Step 1a, project proponents answer relevant questions from questionnaire focused on assessing the risk related to potential impacts of climate change. This step seeks to diagnose the project's hazard risk preliminarily and qualitatively.</p>	All projects
Project Proposal	<p><u>Step 2 – Climate Risk Screening</u></p> <p>The goal of this step is to conduct a high-level screening to determine whether the project has a medium to high risks for certain hazards. If yes, project proponents will need to undertake additional risk analysis.</p> <p>Notes:</p> <p>Project proponents can make use of the separate Risk Register excel spreadsheet (Appendix 2) to aid with this step.</p> <p>If the project location has not changed, project proponents may use the hazard assessment information compiled in Step 1a. If the project location has changed, project proponents will need to update the hazard assessment.</p>	All projects
	<p><u>Step 3 – Post Climate Risk Screening Filter</u></p> <p>This step screens projects that have medium to high risks based on size so that not all such projects need to proceed to developing a Climate Risk Assessment (CRA)—only projects with ≥ 3 billion Jamaican dollars proceed to a full CRA whereas projects smaller than this threshold develop a simplified risk management approach.</p>	Those projects that flag as having a 'medium' to 'high' risk in the Step 2 screening.
	<p><u>Step 4a – Simplified Climate Risk Management Approach</u></p> <p>This step seeks to guide project proponents in developing a risk management approach to minimize the impacts of</p>	Those projects that flag as having a 'medium' to 'high' risk in the Step 2 screening but that were filtered in Step 3

Step 3: PIAB will conduct its pre-feasibility assessment of the overall project. Project focal points will be engaged as part of the PIAB's appraisal process. The Technical Review Committee (TRC) of the Public Investment Management System will subsequently be engaged once this internal review is completed by the PIAB and subsequently the PIMC for a decision on the concept. PIMC's decision will be conveyed to the MDA/SPS entity by MOF&PS-PIAB. This will trigger the next step in the PIMS process.

Step 4: If the concept is accepted, preparation of the project proposal should commence. The MDA/SPS entity in developing the project proposal will collaborate with the PIOJ, DBJ and the PPP Unit of the PED/MOF&PS, ICT Authority, NEPA, PEX-D/MOF&PS to ensure the proposal being developed meets with required conditions for the type of project, clearly demonstrates the project's technical, financial, environmental and economic feasibility and will fit within the country strategy and financing envelop if it is to be externally funded. The collaboration will provide support to the MDA/SPS Entity in developing the business case/feasibility study as relevant and to meet the requirements for appraisal in keeping with the standard requirements of the PIAB. During this transition phase to develop the project proposal, SPS entities will revisit the Hazard Assessment conducted at Step 1a of the CRA and, utilising the outcome of the assessment, complete the Climate Risk Questionnaire (Step1b of the CRA) and then the Climate Risk Assessment (Step 2 of the CRA) The proposal, which will be prepared and submitted through the Branch to the Public Investment Management Committee (PIMC), will be inclusive of either a Simplified Climate Risk Approach (Step 4a of CRA) or a full Climate Risk Assessment (Step 4b of CRA). The latter applies to

projects which have been assessed through the Post Climate Risk Screening Filter (Step 3 of the CRA) and deemed to have a high exposure to climate risks and the Investment Value exceeds the J\$3bn threshold. Once the project proposal has been fully developed, the MDA/SPS entity will submit same under the signature of the portfolio Ministry's accounting officer (the Permanent Secretary) for appraisal and the PIMC's recommendation to Cabinet regarding its admission to the PSIP.

PIMS PHASE II – Review & Appraisal:

Step 5: The MDA prepares the detailed proposal inclusive of a business case/feasibility study as appropriate. The MDA is advised to seek support from PIAB's Proposal Development and Strategic Support Unit, PIOJ, the Economic Management Division (EMD) of the MOF&PS and DBJ as required in preparing their proposal.

Step 6: The project is submitted by the MDA/SPS Entity for Phase II of the PIMS screening and appraisal process, which is managed by PIAB. Projects valued above \$3bn, which have been assessed to have a medium to high level of exposure to climate risks, will also be subject to an analysis of the costs and benefits, or cost effectiveness of proposed strategies to manage those risks. This analysis, conducted internally by the PIAB, forms a component of the overall appraisal for project feasibility.

Step 7: The TRC, chaired by the Director General PIOJ, will be convened by PIAB and as relevant, the technical expertise of the DBJ and the PPP Unit PED/MOF&PS, Projects Branch (MOF&PS), the ICT Council/ Programme Portfolio

Management Committee (PPMC), NEPA will be engaged in the review and appraisal of the project.

Step 8: PIMC which is chaired by the Minister of Finance and includes other stakeholders appointed by Cabinet and technocrats [PIOJ, DBJ, UDC, Office of the Cabinet, JAMPRO, MOF&PS] will, informed by the report presented by PIAB, undertake its appraisal of the project proposal. [The decision options are outlined in Chapter 4].

Step 9: PIMC's recommendation will be conveyed to the MDA/SPS entity by way of a letter from the Financial Secretary, MOF&PS with the directive for follow-up action by the MDA/SPS Entity.

Project Approval & Entry into the PSIP & Budget:

Step 10: Cabinet will review the report from PIMC and the relevant Cabinet Submission (if presented) to arrive at a decision regarding the proposed public investment. Decision options include: approve, deny, defer or offer no objection.

Step 11: Cabinet's decision will determine the project's placement in the PSIP whether in the current budget period (based on readiness and priority) or over the medium term. Placement in the PSIP and budget is only for approved projects. The PEX-D which has charge of the PSIP will enter the project in the Register of approved projects, with the period for commencement of implementation noted. The Register ultimately, will be housed on the PIMIS.

Step 12: The status will determine whether the project is included in the budget commencing in the current year or commencing at a future point over the next three-year period. The Public Expenditure Division (PEX-D) of the MOF&PS will initiate the budget preparation process and invite the MDA/SPS Entity to begin budget preparation.

STEP 13: The MDA/SPS Entity will prepare the budget and submit to PEX-D for deliberation, further discussion and final agreement on the budget in keeping with the ceilings established for the portfolio.

Step 15: Once the budget has been approved for the financial year project implementation begins.