



MINISTRY OF FINANCE AND THE PUBLIC SERVICE

TERMS OF REFERENCE

FUND ADMINISTRATOR - PRE-INVESTMENT AND EVALUATION FUND

**STRATEGIC PUBLIC SECTOR TRANSFORMATION PROJECT
IBRD LOAN NO.: 8406-JM**

BACKGROUND

1. RATIONAL FOR THE CREATION OF A PUBLIC INVESTMENT MANAGEMENT SYSTEM (PIMS) IN JAMAICA

The Government has committed to strengthen Jamaica's public investment management system, as part of a comprehensive public financial management (PFM reform) agenda. This reform has seen the incorporation of public investment management as part of an enhanced fiscal governance framework that seeks to increase fiscal surpluses over time and concurrently reduce the debt to gross domestic product (GDP) ratio so that public resources can be allocated to public investment and other activities that have the potential to contribute to growth in the economy.

Public investment projects are *“investments that require planning, execution, monitoring and evaluation carried out as an integrated set of activities aimed at meeting a development objective, at a specific cost and within a defined timeframe”* (Section 48A, FAA Act Amendments 2014). The Financial Administration and Audit Act (FAA Act) (Amended), 2014¹ sets out the elements of the strengthened Public Investment Management System (PIMS) which will seek to create a *common framework for the preparation, appraisal, approval and management of all public investments in Jamaica, irrespective of the source of funding or procurement and implementation modalities*. A key element of the system is the Public Sector Investment Programme (PSIP); a rolling 5 year plan of Cabinet approved public investment projects.

The Objectives of the PIMS are to:

- **Promote growth** and development and encourage capital formation for future investment
- **Maximize efficiency of public investment** “through better selection and management of investment expenditure.”
- **Improve** the quality of social and economic infrastructure in the country.

PIMS is an integrated approach to managing the public investment portfolio and projects, which is:

- **Extensive**; extends across all public entities and sectors
- **Inclusive**; includes all type of public sector expenditures (actuals and contingencies)
- **Complete**; covers all steps and phases that a project has to complete through its productive life, including the interaction with other administrative systems (budget, treasury, procurement, human resources, others).
- **Strategic**; all projects and overall portfolio will be selected and oriented to add value to a larger development purpose

¹ Gazette 31st day of March 2014, enacted April 1, 2014

2. STRATEGIC PUBLIC SECTOR TRANSFORMATION PROJECT

The Project Development Objective (PDO) is to strengthen public resource management and support selected public sector institutions in facilitating a more enabling environment for private sector growth.

COMPONENTS

- Component I. : Strengthening the Public Investment Management System (PIMS)
- Component II. : Strengthening the Budget Preparation Process and Results Based Budgeting (RBB)
- Component III. : Adaptive Public Sector Approaches to Promote Fiscal Sustainability
- Component IV. : Strengthening Property Tax Compliance and Administration.
- Component V. : Fostering Industrial Growth and Trade Facilitation
- Component VI. : Project Management

COMPONENT I

The objective of this component is for the PSIP to incorporate public investment projects with estimated five-year operating and maintenance costs fully linked to long term development goals and medium-term priority areas.

This component will support the GOJ reform efforts through the following activities: (i) migration of the current web-based database to a robust platform to manage all information about public investment across the project cycle and linked to the budgeting and financial systems of the country (expected to be compiled into IFMIS); (ii) design and implementation of a public investment management training program for public sector; (iii) reviewing legislation and carrying out dissemination activities to integrate the PIMS with the administrative systems (including procurement and human resources); (iv) strengthening monitoring through Citizens Participation; (v) designing a fund for the funding of pre-investment financial and economic analysis and post-investment evaluations of the Borrower's public investments; and (vi) provision of technical assistance for the implementation of the Public Financial Management Action Plan.

3. EXECUTING AGENCY OF THE PROJECT

The executing agency for the project is the Ministry of Finance and Planning (MOFP) and Project Implementation Unit (PIU) is established within the MOFP to implement the project. The project will support activities across selected service delivery ministries, departments, and agencies (MDAs), particularly for components I, II and III with significant coordination efforts that will be contributed by the Public Expenditure Division in MOFP and the Planning Institute of Jamaica (PIOJ). The Tax Administration of Jamaica reporting to MOFP and possibly together with inter-alia but not limited to National Land Agency (NLA) which reports to Ministry of Water, Land, Environment and Climate Change as well as the local

governments will be the key actors under component IV in the effort to improve the property tax administration.

4. THE PUBLIC INVESTMENT MANAGEMENT COMMITTEE (PIMC)

Under Section 48 B (2) D of the amendments a Public Investment Management Committee is to be appointed to:

- Screen all investment proposals for feasibility and consistency with government's strategies and objectives
- Review all projects for technical, financial, economic and environmental feasibility
- Prioritisation of projects for financing and recommending to Cabinet their inclusion in the Public Sector Investment Programme, and
- Reviewing project performance, monitoring risks to the achievement of objectives and continued relevance to government's policy priorities

5. GENERAL FEATURES OF THE PIMC

The main role of the Committee is to review/screen projects which are submitted for consideration for inclusion in the PSIP; review the recommendations of the PIMSEC concerning these projects and take a decision to approve, defer for further work or reject.

The two main functions of the PIMC in supporting this model are:

Project Approval - this is to ensure that project concepts and proposals are aligned with policy objectives and that submitted projects are technically, economically, and financially viable. Project approval is done in two phases

- **Phase one** – Project concepts/ideas are assessed for alignment with policy positions as articulated in the PSIP Policy Paper, the Medium Term Social and economic Framework and the National Development Plan Vision 2030. It is after this approval that projects are approved to be fully designed.
- **Phase two** – Project documents are appraised for financial and relevance approval, Funding agency for feasibility analysis, and submitted to Cabinet for final approval and inclusion in the PSIP.

6. PIMS SECRETARIAT AS INSTITUTIONAL SUPPORT FOR PIMC

The role and the responsibilities of the PIM Committee and the PIM Secretariat are laid out in the Fourth Schedule of the Financial Administration and Audit (Amendment) Act 2014 hereinafter referred to as ‘the Act’.

The PIM Committee (PIMC) and the PIM Secretariat (PIMSEC) have both been given central roles in the new PIM system. The establishment of these bodies and clarity about their roles and responsibilities is all the more critical since they exist currently in name only through the Act.

It is intended that PIMC will be the principle authority on PIMS in Jamaica and as such will be a key adviser to the Cabinet in terms of their executive decision making regarding the PSIP, in terms of which projects are included and which ones are not.

PIMSEC directly supports the work of PIMC and as such has a pivotal role in the whole system. It is PIMSEC that is the ‘Gatekeeper’ of the entire system. Its primary objective is to provide focus, co-ordination and direction to the PIM system and in doing so, improve the quality of the projects that are approved for funding whilst at the same time weeding out unsuitable or unaffordable projects early before they can waste the country’s limited resources. Like PIMC, it has no executive powers, only an advisory role; therefore it can only be sustainable if it achieves credibility and respect. This will happen if its decisions, based objectively on policy and supporting data, are in the main accepted by PIMC and, subsequently, the Cabinet.

Whilst all project proposals have to pass through the PIMSEC to stand any chance of approval and funding, the PIMSEC reports to the PIMC with its technical recommendations. The PIMC in turn reports to and makes recommendations to the Cabinet, which legally has executive authority on the PSIP. Under the revised legislation, Projects cannot enter the PSIP without Cabinet approval.

7. OUTPUTS OF THE PIMSEC SUPPORT TO THE PIMC

Through effective oversight of the PSIP and partnership with MDAs the main outputs of the deliberations of the PIMC are:

- a. **Viable Project Proposals for inclusion in the PSIP** –Projects that are ready for implementation after being appraised and assigned financing through Bi-lateral, Multi-lateral, Public Private Partnership or the Budget resources of Ministries, Departments and Agencies
- b. **Public Investment Performance Reports** – This is a comprehensive performance report on the Government’s PSIP which is produced periodically by the Minister of Finance and Planning.
- c. Administration of the PIMS through the Reports to Cabinet; Endorsed PSIP Policy Paper; Reports on ex-post evaluation of projects

8. PRE INVESTMENT AND EVALUATION FUND

The PIEF is a tool to assist the Government of Jamaica in the implementation of the Public Investment Management System (PIMS). More specifically, the fund will facilitate and provide resources for the implementation of technical assistance activities for the design, monitoring and evaluation of PIM Projects. These are projects that have been identified as having the capacity to deliver sound investments in quality infrastructure and public services. The fund will also assist in establishing a structure where limited public resources are allocated in the most efficient and effective manner.



The fund will provide support to Ministries, Department, Agencies (MDAs) and Public Bodies in the development of sound project concepts using evidenced based approaches as well as the formulation of business cases/project proposals for the support of projects that are to be considered for inclusion in the Public Sector Investment Programme



The PIEF will also support the work of the PIM Secretariat (PIMSEC), the Planning Institute of Jamaica (PIOJ) and the Ministry of Finance in monitoring the efficiency and effectiveness of the PSIP. This is to identify performance issues in active projects and provide information on possible remedial actions to strengthen the efficacy of PSIP.



The fund will support ex-post evaluations as a means of ensuring that lessons learned in the design and implementation of existing projects will benefit future developments.

The Minister of Finance through the Public Investment Management Committee has overall responsibility for PIEF and will provide policy advice and direction on the implementation actions that are to be supported by the Fund, however, the PIMSEC, as the Secretariat to the PIMC, will be responsible for the day to day management and administration.

GOAL AND OBJECTIVES OF THE PIEF

The specific goal of the PIEF is to support the outcomes of Public Investment Management System in Jamaica through better designed and rationalised projects, and ultimately, an efficient and effective Public Sector Investment Programme. This will be achieved through the following objectives:

1. To provide technical assistance and other support for the evidenced based design and development of strategic projects

2. To facilitate the assessment and evaluation of PIM projects either during or after implementation.

GOVERNANCE OF THE PIEF

1. The ultimate owner and responsible person for the PIEF is the Financial Secretary in the Ministry of Finance and Public Service.
2. The PIEF will be overseen by the PIM Committee (PIM Com) of the Government of Jamaica.
3. The PIEF is to be managed and administered by PIMSEC, however, fiduciary support will be provided by the Strategic Public Sector Transformation Project (IBRD Loan # 8406JM) for the period of the project after which the full responsibility for the fund will be that of the PIMSEC.
4. The administration of the PIEF under the Loan will be facilitated by the PIU of the Strategic Public Sector Transformation Project and will therefore be subjected to the procurement and financial management procedures of the Bank as outlined in the Operations Manual of the project.

9. OBJECTIVES OF THE ASSIGNMENT

The consultant will be required to manage the day to day operations of the PIEF ensuring the timely and effective delivery of services as outlined in the operational procedures of the Fund. The Officer will also be responsible for providing administrative support to the Technical Review Committee and the Public Investment Management Committee, ensuring that decision related to the Fund are implemented.

10. SCOPE OF WORK

The coordinator will be responsible for the day to day administration of the fund and will ensure that the fund is viable and can achieve the stated objectives.

The officer will be responsible for the coordination of the agreements with proposing entities ensuring that these agreements are in congruence with the tenets of the PIEF and the PIMS Process in general.

The officer will be responsible for the administration of the application process ensuring that applications for financing are reviewed in a timely manner.

The Officer will also undertake all procurement functions for Grants and will provide support to the PIMSEC in the administration of the procurement process in accordance with the processes and procedures of the donor agency from which the PIEF is being funded.

The offer is responsible for drafting and administering the contracts that will be let under the PIEF and will be responsible for ensuring that proposing authorities maintain and fulfil their obligations under the relevant agreements.

The Officer will also:

1. Develop and administer the workplan for the Fund
2. Manage the Communication of fund achievements, process and procedures
3. Finalise and update the operational procedures of the PIEF
4. Advise Proposing Authorities on the process of applying for PIEF funding;
5. To receive initial requests for applications and consider their validity,
6. To ensure the PIEF is able to meet the demand for project support;
7. To administer the disbursements and receipts of the PIEF in a manner to be expected of public monies and in conjunction with all legal requirements;
8. To keep records of all activities, disbursements and receipts of the PIEF and report them to the PIM Com at least every 6 months and to make them freely available at request to anyone with a legitimate interest in the PIEF;
9. To appoint consultants to specific assignments on behalf of Proposing Authorities;
10. To make payments for satisfactorily completed assignments approved by the Proposing Authorities;
11. To keep any administrative costs to the absolute minimum; and
12. To ensure the sustainability of the PIEF through good management of disbursements and effective charges to be raised against successful projects.

11. DELIVERABLES

Twenty Four (24) Monthly reports detailing: (a) the progress of the establishment of the PIEF; (b) the progress of the implementation of activities under the Fund; and (c) Status report on all fiduciary matters to include a procurement report and disbursement reports.

12. CHARACTERISTICS OF THE CONSULTANCY

- Level of effort: Full time level of effort of Two Years will be required, in the first instance.
- Duration of contract: The Consultancy will begin in March2017.
- Location: Jamaica
- Type of Consultancy: Individual Consultant.
- Type of contract: Lump sum (with monthly payments).

13. QUALIFICATIONS

- Masters' degree in Project Management, Economics or related Social Science area
- At a minimum, 3 years' proven experience working with international development partners in the administration of resources
- The Officer should have:
 - Government of Jamaica Procurement Guidelines and an appreciation of the procurement rules of the World Bank
 - Understand and apply effective contract management procedures
 - Good negotiation and communication skills

14. REPORTING

The PIEF Administrator will report all matters to the **Executive Director, Public Investment Management Secretariat (PIMSEC), Ministry of Finance and the Public Scerice** who has overall responsibility for the PIEF. The officer will receive oversight on all fiduciary matters from the Project Implementation Unit of the Strategic Public Sector Transformation Project.