Government of Grenada
Public Investment Management System (PIMS)

FINAL REPORT

FEBRUARY 2016

_____

_

Prepared by: Beverley I. Charles - PSIP Consultant

Acronyms and Abbreviations

AG	Accountant General
BU	Budget Unit
CoA	Chart of Accounts
CS_DRMS	Commonwealth Secretariat Debt Recording and Management System
CSI	Construction Standards Institute
DMU	Debt Management Unit
ETCU	Economic and Technical Cooperation Unit
FRL	Fiscal Responsibility Law
GOG	Government of Grenada
ICT	Information Communication Technology
INFOR	INFOR Business Solutions
MfDR	Management for Development Results
MOFE	Ministry of Finance and Economy
MTDS	Medium Term Debt Strategy
MTFF	Medium Term Fiscal Framework
NTF	National Transformation Fund
OECS	Organization of East Caribbean States
PCC	Project Coding Structure
PDMA	Public Debt Management Act
PFM	Public Financial Management
PIMS	Project Investment Management System
POC	Public Sector Investment Programme Operations committee
PPCC	Priority and Planning Consultative Committee
PSIP	Public Sector Investment Programme
RBM	Results Based Management
SEMCAR	Supporting Economic Management in the Caribbean

UNDP   United Nations Development Programme

WBS   Work Breakdown Structure

Table of Contents

_____

Appendices

Appendix 1: Summary of Consultations Held

Appendix 2: Project Information Sheet

Appendix 3: List of Documents Reviewed by the Consultant

Appendix 4: Monitoring and Evaluation Framework – Grenada Solid Waste Management Authority

Annexes

ANNEX A: Project Cycle Manual – Public Investment Management System (PIMS)

ANNEX B: Learning Resource Handbook Trinidad and Tobago Workshop – 2014

ANNEX C: The PFM Regulations 2015 - Implications for the PSIP and Support Structures.

_____

1. INTRODUCTION

1.1 Background

The Government of Grenada (GOG) is seeking to improve the efficiency of its public expenditure management system, achieve greater alignment between resource allocation and the pursuit of its main policy goals, and provide improvements in the areas of service delivery and public accountability.

GOG is also seeking to maintain the total stock of debt within sustainable limits.

In June 2015, the Parliament of Grenada approved a suite of Public Financial Management (PFM) legislation comprising:

     a. The Public Financial Management Act (PFM);
     b. The Public Debt Management Act (PDMA); and
     c. The Fiscal Responsibility Law (FRL);

to regulate the preparation and execution of the annual estimates of revenue and expenditure both recurrent and capital; ensure proper financial management and control of public sector resources; and prescribe the responsibilities of the persons entrusted with public financial management.

Also the Minister of Finance by the power conferred under Sec. 88 of the Public Finance Management Act created the Public Financial Management (PFM) Regulations -2015. Part XIII of the Regulations establishes the Prioritization and Selection Criteria and Reporting Procedures for the Public Sector Investment Programme (PSIP) covering Identification and Development, Project Appraisal & PSIP Screening, Project Approval & Financial Mobilization, and .Project Implementation & Governance.

An important feature of the new legislative regime is the requirement for the annual budget to be prepared and managed within a medium term context. Achievement of this objective requires focused attention on the strengthening of medium term economic management systems, policies, procedures and practices.   Therefore, in parallel with its legislative agenda, GOG is focusing on establishing systems and building capacity to support the preparation and active monitoring of a Medium Term Fiscal Framework (MTFF); a Medium Term Debt Strategy (MTDS) and a multi-year Public Sector Investment Programme (PSIP).

This consultancy was undertaken with financial assistance from the United Nations Development Programme (UNDP) to provide technical leadership for the development of a project investment management system (PIMS) to support the requirements for collection, storage, retrieval and manipulation of data required for the preparation and management of the PSIP. The output is expected to provide a sound basis for the design of the web-based PSIP database (project bank) called for in the PFM Regulations.

1.2 Main Tasks

The overall objective of this consultancy was to provide detailed recommendations on the design of a PIMS to support the efficient discharge of the mandates enshrined in the recently approved PFM legislative package.

More specifically the consultant was expected to:

- Define the task and information flow arrangements that could satisfy the requirements of the project prioritization and selection criteria set out in the PFM regulations.

- Support the compilation and periodic updating of a multi-year PSIP to meet the operating requirements of the medium term budgeting system.

- Support the regular exchange of information among internal system actors and with external funding agencies and development partners; and

- Support the analysis of the PSIP and Project Bank based on thematic areas, sectors, ministries, departments, and other variables/filters that may be considered important in reviewing the allocation of resources.

1.3 Deliverables and Reports
In pursuit of these objectives, the consultant was required to:

1. Prepare and submit an Inception Report within the first two (2) days of commencing the assignment, detailing the approach to be adopted to successfully deliver the specified outputs.

2. Collaborate with the local team to prepare a training manual for the PIMS.

3. Conduct a PIMS training session with a core of local planning officers.

4. Prepare and deliver a Draft Final Report to the Permanent Secretary MOF, and a PowerPoint presentation of his recommendations for the PIMS to a group of senior public service managers within fifteen (15) days of submission of the Inception Report; and

5. Submit a Final Report within thirty (30) days of commencement of the consultancy or within three (3) days of receiving the final comments by the Permanent Secretary MOF on the Draft Final Report.

1.4 Duration
The timeframe for the consultancy was thirty (30) working days originally scheduled to be achieved during the period 2 - 30 November, 2015. However due to procurement delays contracting of the consultant was not concluded until 6 November, 2015

The Inception Report was submitted by the consultant on 9 November, 2015 and was reviewed and approved by GOG.

The Draft Final Report was scheduled to be delivered within fifteen (15) days of the submission of the Inception Report, however because of the annual budget process GOG was only able to schedule the consultations during the period 30 November - 11 December, 2015.

 A summary schedule of the consultations held is attached as Appendix 1.

The Draft Final Report was submitt17 December 2015, and submission of the Final Report was rescheduled for 30 January 2016.

The PIMS Workshop/Training Session was later rescheduled for 2 February, 2016.

1.5 Purpose of this Report

This report is presented in satisfaction of the requirement for the consultant to submit a Final Report after receiving the comments of the Permanent Secretary MOF on the Draft Final Report and the holding the PIMS Workshop/Training Session.

1.6 Report Structure

The rest of this report is structured as follows:

- Chapter 2 reviews the rules established for the development and management of the PSIP, defines the design and sequencing of the tasks and the information flow arrangements required to support the project prioritization, selection and approval, and execution processes, and the allocation of responsibilities among the various institutional actors at each stage of the project management cycle as specified in the PFM Regulations;

- Chapter 3 describes the information communication technology (ICT) architecture required to support the development and management of the PSIP; the content and formatting of information that needs to be stored in the proposed database (project bank), and the specific interface arrangements that should be established to enhance the operational linkages between the budgeting and investment project programming processes;

- Chapter 4 defines a project classification and coding structure to satisfy the reporting needs of the various institutional actors compatible with the revised GOG Chart of Accounts (CoA); and

- Chapter 5 summarizes the principal findings and recommendations of the report.

- Annex A contains a Proposed Project Cycle Manual that defines the Project Development and Management Framework to guide project pre-investment, investment and ex-post evaluation activities;

- Annex B contains a proposal for training of GOG staff engaged in all aspects of Project Development and Management based on training delivered recently in Trinidad and Tobago, to fill perceived gaps in project development and management capability particularly in the line ministries and state owned entities; and

- Annex C contains an extended review of the requirements of the PFM Regulations and the Implications for the PSIP and Support Structures, including the urgent need for strengthening and organizational restructuring of the Economic and technical Cooperation Unit (ETCU).

_____

1.7 Acknowledgement

Successful completion of this consultancy would have been impossible without the help and cooperation received from the management and staff of the Economic and Technical Cooperation Unit (ETCU), and the Macroeconomic Unit of The Ministry of Finance (MOF) as well as the persons in the various Ministries/Agencies with whom the consultations were held.

The Consultant wishes to express special thanks to Ms. Ivy Bain of the ETCU for developing and continually updating the schedule for the consultations to take care of the various time and location changes.

2. REVIEW OF THE PSIP FRAMEWORK

2.1 PFM Definitions

Sec. 2 (1) of the Public Financial Management (PFM) Regulations 2015 contains the following definitions:

> "public investment means non-recurrent expenditure on goods, works, and services carried out by any public entity on its own or by one or many public entities in conjunction with one or more non-public entities in conjunction with one or more non-public through public-private partnerships, and which is aimed at accumulating new physical or intangible assets or enhancing human resource capacities, or improving or rehabilitating existing physical or intangible assets or human resource capacities, to achieve development objectives."

> "public sector investment project" means public investment requiring planning, execution, monitoring and evaluation carried out as an integrated set of activities aimed at meeting a development objective, at a specified cost and within a defined timeframe."

However, in Part XIII of the Regulations (Opening statement) the Public Sector Investment Programme (PSIP) is referred to as:

> ". . . a progressing three year plan of Cabinet-approved, new and ongoing prioritized public investment projects . . ." and ". . . the guiding framework for the preparation, appraisal, approval and implementation of all public investments regardless of the source of funding and implementation modality."

Findings and Recommendations on PFM definitions.
The foregoing definitions may be in conflict. Non-recurrent expenditure on goods, works and services could refer to proposed expenditure on the acquisition and/or renovation of "fixed assets" e.g. the purchase of a motor vehicle, or piece of equipment, or repairs to buildings and equipment which individually, would not qualify as projects for inclusion in the PSIP.

Recommendation:
For the avoidance of doubt, GOG may wish to provide for the classification of items in the capital budget under two headings (1) for one-off expenditure items relating to the acquisition, and/or repair of fixed assets, and (2) for capital expenditure on approved investment projects in the PSIP including expenditure on Pre-Investment activities.

2.2 Roles and Responsibilities

Part XIII of the Regulations (third para) states that annually, the department responsible for the preparation and management of the PSIP [ETCU] shall present to the Minister of Finance a PSIP policy paper which contains all projects approved for inclusion in the budget prior to the presentation of estimates of revenue and expenditure for the ensuing period.

The roles and responsibilities of the relevant agencies are also set out in the Regulations under four broad headings as follows:

1. Identification & Development

Sec. 257.

(1) Project ideas and concepts shall be generated by ministerial technical teams, statutory bodies, bi-lateral and multi-lateral development partners in consultation with key stakeholders and submitted to the Head of their respective organizations or implementing organization for preliminary screening;

(2) Unsatisfactory project ideas & concepts shall be discarded at this point; and

(3) Satisfactory project ideas and concepts shall be submitted to the Department responsible for the preparation and management of the ETCU via the project bank[1] for further development by Line Ministries, Statutory Bodies (Implementing Entity) and or Development Partners in collaboration with ETCU and social partners;

2. Project Appraisal & PSIP Screening

Sec. 258

(1) The ETCU shall appraise all project proposals in conjunction with other relevant organizations (Policy Unit, Debt Management Unit, National Climate Change Council, Social Partners and Social Development);

(2) Appraisal Reports and letters of support from social partners shall be forwarded to the "Priority and Planning Consultative Committee (PPCC)"

(3) Unsatisfactory project proposals shall be returned to the project bank with recommendations for modification by implementing entity

(4) PPCC approved projects shall be placed into the "PSIP pipeline" and forwarded to Cabinet.

(a) The PSIP Pipeline refers to projects that have been approved for the PSIP but for which funding has not yet been identified or finalized.

3. Project Approval & Financial Mobilization

Sec. 259.

(1) the Chairperson of PPCC (P.S. MOF) shall submit project proposals, letters of support and appraisal reports to the Cabinet for final approval;

---

[1] "The project bank is a proposed web based repository of all concept notes, project proposals, feasibility studies and other project documentation.

(2) Following Cabinet's deliberations; Cabinet conclusions shall be returned to the Permanent Secretary Ministry of Finance (PS MOF) for the mobilization of funding.

(3) Once a project is approved and funding is identified PS MOF shall request a "letter of no objection" from Cabinet to issue to the identified funding source(s) to facilitate financial disbursement.

(4) All projects that are approved and for which funding has been identified shall form part of the national budget.

4. Project Implementation & Governance

Sec. 260.

(1) The project executing agency shall be required to furnish the Chairperson of the [Programme Operations Committee] POC [PS MOF] annual work plans and quarterly progress reports for all projects being implemented that vividly outline milestones for the past current and future quarters, budget expended for the period, challenges and recommendations;

(2) The POC in collaboration with the social partners shall review the quarterly progress reports and make recommendations through the Chairperson whenever required, to the national implementing entity or executing agency and the Cabinet;

(3) The POC Chairperson (PS MOF) shall furnish the Cabinet with PSIP performance/progress reports bi-annually.

Findings and Recommendations on Roles & Responsibilities

1. Preparation, screening and selection of project ideas and concepts by Line ministries/executing agencies before entry into the project bank is an important first step towards project ownership and improvement of the PSIP.

   However there may not be sufficient numbers of personnel with the requisite training and/or practical work experience to be able to comply with the extended project appraisal and monitoring requirements outlined above and detailed for example, in Appendix D of the Regulations.

   The result is that ETCU and the other specialist MOF units (BNTF, PCU, EU, etc.) will need to become the principal practitioners of the extended project appraisal methodology and the key source of technical support on implementation, monitoring and status reporting requirements particularly in the case of major projects and/or projects involving external financing.

   Recommendation
   GOG may wish to review and redefine the roles and functioning of the MOF specialist units and seek to improve their efficiency and

> *effectiveness through additional staffing, project cycle training, and improved coordination under the direction of a single leader e.g. the Director, ETCU.*
> *N. B.*
> *This Recommendation is further supported by the findings presented in Chapter 4 of Annex C, an extended review of the PFM regulations and the implications for development and management of the PSIP undertaken after submission of the Draft Final Report.*

2. The requirement under Sec. 258 (1) for the inclusion of the Debt Management Unit (DMU) in the Project Appraisal & PSIP Screening process is an extremely positive step towards improved debt management and strengthening the linkages between the investment programming strategy and the fiscal policy framework.

3. The regulations provide clear and unambiguous direction for development and management of the PSIP with the possible exception of the implications of the imperative "shall" in Section 259 (4) which reads as follows:

> "All projects that are approved and for which funding has been identified **shall** form part of the national budget"

> *Recommendation:*
> *For the avoidance of doubt, and particularly with respect to loan financing, GOG may wish to reconsider this provision and require DMU to certify that the terms and conditions of the loan proposal have been examined and that acceptance is consistent with maintaining required debt levels and ability to meet projected debt service obligations.*

4. While Grant funding can be considered "free money" in and of itself, acceptance in particular circumstances may have undesirable impacts on the budget both with respect to immediate requirement for GOG counterpart contribution, and longer term recurrent costs implications. These are important considerations in the context of the controls that the FRL and the PDMA now place on the rate of growth of primary expenditure and the pace of debt build-up.

> *Recommendation:*
> *GOG may wish to include in the procedures a requirement for ETCU and/or the Budget Unit (BU) to express an opinion on acceptance of "Grant funding" as part of the Project Appraisal & PSIP Screening process, for consideration by Cabinet.*

5. The current requirements for quarterly and annual reporting and review during the Implementation and Governance phase may be sufficient for executive level management

but are inadequate for effective monitoring of physical and financial progress at the individual project level.

> *Recommendation:*
>
> *GOG may wish to modify the regulations to require implementing entities/executing agencies to provide more detailed information on the scheduling, monitoring and evaluation of project activities below the level of coding specified for the entry of project data in the GOG Chart of Accounts;*
>
> *GOG may also wish to consider giving approval for the electronic exchange of approved budget and actual payments between the Accountant General's Smart Stream system and the proposed project bank, to facilitate as near to real time reporting as possible on PSIP projects, subject to security considerations to be determined by the Accountant General (AG).*

2.3 Support Mechanisms

Compliance with the requirements of the PFM regulations may prove challenging in view of the limited availability of staff with formal project cycle management training and/or practical PSIP exposure,

One contribution to a solution is to make available a Project Cycle Manual to be used as desk reference on project development and management methodologies and "best practices" and to provide as well, a basis for a structured programme of training in project cycle management.

A Draft Project Cycle Manual covering various aspects of Project Development and Management is attached as Annex A for review and comment.

Another contribution to the solution is to implement a structured program of Project Cycle Management training possibly including a "Training of Trainers" component to ensure long term sustainability of the initiative.

A copy of a Learning Resource Handbook for a four (4) week Project Development and Management Workshop delivered in Trinidad and Tobago in 2014, is attached as Annex B.

_____

3. PROJECT INVESTMENT MANAGEMENT SYSTEM (PIMS)

3.1 Information Communication Technology (ICT) Support

GOG's need for improved ICT support has been triggered in part by the recent passage of Public Finance Management legislation. For example:

- Sec. 257 (3) of the PFM Regulations requires that "Satisfactory project ideas and concepts shall be submitted to the Department responsible for the preparation and management of the PSIP via the project bank for further development by the Line Ministries, Statutory Bodies, and or Development Partners in collaboration with the Economic and Technical Cooperation Department and social partners.

  Sec 257 (3) (a) of the PFM then provides the following definition:

  > "The project bank is a web-based repository of all concept notes, project proposals, feasibility studies and other project documentation."

- The requirement in Sec. 260 (1) that the project executing agency shall be required to furnish the Chairperson of the "Public Sector Investment Programme Operations Committee (POC)" annual work plans and quarterly progress reports for all projects being implemented that vividly outline milestones for the past, current and future quarters, budget expended for the period, challenges and recommendations, may also need to be channeled through the project bank.

The objective of this consultancy as previously stated, was to provide detailed recommendations on the design of a public investment management information system (PIMS) to support the efficient discharge of the mandates enshrined in the recently approved PFM legislative package.

However, it became clear from a review of the documentation, that a focus on the project bank alone would be too narrow given GOG's efforts to improve public finance management generally, and the specific requirement of the Public Finance Management Act. For example:

- Sec. 12 (2) of the Public Finance Management Act requires that:
  > "The Minister shall cause to be prepared a medium-term fiscal framework based on estimates for the fiscal year and for two consecutive years thereafter, which take into account the economic and the development policies that are consistent with the fiscal objectives.," and

- Sec. (2) 3 requires that:
  > "The Minister shall oversee the preparation of the National Budget in the context of the medium-term fiscal framework referred to in sub-section (2) for the purpose of achieving national objectives over a multi-year period."

The need for the investigation to have a wider focus than the Project Bank was further reinforced by the requirements of the Public Debt Management (PDM) Act Sec, 7 which mandates, in part, that the Public Debt Coordinating Committee (DCC) shall among other things:

- Consider proposals for the assumption of new debt obligations
- Review annual borrowing plans prepared by the Debt Management Office-before submission to the Minister;
- Review draft medium term debt strategy prepared by the Debt Management Office (DMO);
- Review annual budgetary estimates for debt servicing and advise the Minister;
- Monitor debt service payments and the total debt stock based on reports submitted by DMO;
- Monitor the progress of the PSIP for loan disbursements; and
- Submit quarterly reports to the Minister before the end of the first month following the end of each quarter.

3.2 Summary PIMS Requirements

In the light of the foregoing, the PIMS requirements have been examined from the point of view of a wider public financial management system comprising various sub-systems including the proposed Project Bank, the GOG Accounting System based on Smart Stream, and the Debt Management System based on CS_DRMS.

Our view is that the approach to development of PIMS architecture must be functional rather than organizational, and as a consequence:

- The PIMS must have facilities for online data sharing between the various sub-systems;

- It must be multi-level with the ability for line ministries to submit and modify on-line, project data and reports in support of their multi-year capital expenditure proposals, and for ETCU, BU and DMU to conduct the necessary reviews, as a pre-condition for possible entry of a project into the approved PSIP, or Project Pipeline;

- It must be able to handle funds control accounts at the project, component, subcomponent/activity levels using the Work Breakdown Structure approach and provide unique codes/identifiers below Level 4 (the level of the posting account for Projects in the Grenada Chart of Accounts (CoA);

- It must have the capability to monitor physical and financial performance on PSIP projects during implementation at the level of granularity defined above, and be able to highlight and analyze variations from planned targets using Earned Value techniques; and

- It must be able to produce regular PSIP Reports and respond to ad hoc queries.

.

All of these capabilities will not be resident in any single subsystem of the PIMS, therefore the data requirements and information flows of the PIMS subsystems were reviewed individually and then in two combinations (options) to be able to identify gaps and opportunities in the PIMS architecture.

3.3 Proposed Project Bank Architecture

The current proposal is to acquire a custom built web based Project Bank for storing, analyzing and retrieving information on PSIP Projects and Pre-investment activities with arrangements for data exchange with other GOG software.

The Architecture of the proposed Project Bank is presented in Fig. 3.3.1, below.

Fig 3.3.1
Outline Systems Architecture for the Proposed Project Bank
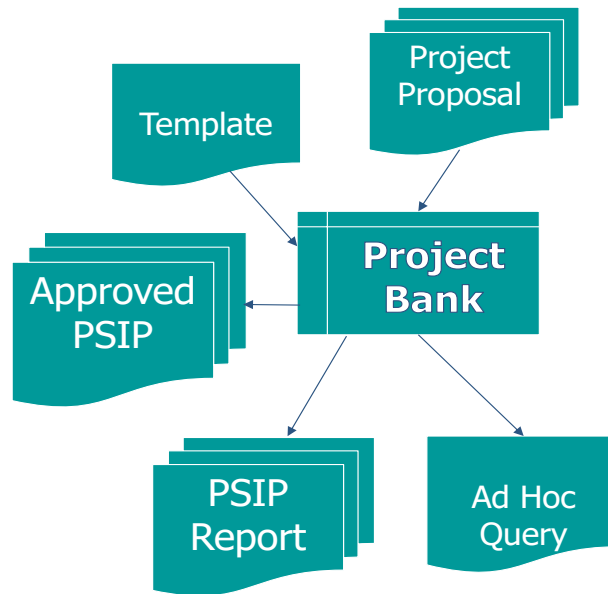
- Inputs to the Project Bank include:
    - Templates / Project Information Sheets providing basic data including Project Name, Sector, Thematic Alignments, Schedule, Cash flow, Source of Funding. A sample Project Information Sheet (template) prepared by ETCU is already available. See Appendix 2

    - Project Documents at the level of Profile, Pre-feasibility or Feasibility study depending on the stage of project development

- Outputs to support PIMS requirements include:
    - Regular PSIP Reports,
    - ad-hoc Reports,
    - Approved PSIP Proposals for submission to Cabinet, and.
    - Online access to project data and reports.

However the processing, storage and retrieval capability of the system is unknown at this time as the database is yet to be designed, developed and tested.

3.4 Accounting and Debt Management Architecture

The current ICT Accounting and Debt management systems architecture is based on Smart Stream and CS_DRMS.

<u>Findings on current Smart Stream configuration</u>

As presently configured, Smart Stream is geared more towards single year budgeting and not well suited to meet the challenges of the new multi-year requirements.

Upgrade of the Budget Preparation Module will be required.

A previous attempt by the Electronic Government for Regional Integration Project (EGRIP) commencing 7 October, 2011to acquire a "Software Package for National Budget Preparation" for Grenada and other OECS countries by way of an "Invitation for Bids" has not been successful to date, and the consultant does not know whether this effort has been abandoned.

The consultant understands that possibilities exist for acquisition of The Enhanced Smart Stream Budget Module under arrangements with SEMCAR that will satisfy GOG requirements for multi-year budgeting, and can be fully implemented (including staff training), in time for commencement of the 2016 budget preparation activities.

> *Recommendation:*
> ***GOG may wish to pursue acquisition of the Smart Stream Enhanced Budget Module under arrangements with SEMCAR as a matter of great urgency.***

<u>Findings on CS_DRMS</u>

1. <u>Impact on ICT configuration</u>

   The ICT tools currently available to DMU will have to be upgraded to meet the new requirements of the PDM Act.

   More ICT capability will be required to address the impact on typical DMU functions[2] including but not limited to:

   - Transaction processing and recording;
   - Risk modelling of the aggregate debt portfolio;
   - Analysis of potential constraints on debt portfolio management;
   - Monitoring compliance with established portfolio and risk management policies; and
   - Preparing Debt Management reports for use by the Minister, the Debt Management Committee, other internal users and international and regional financing institutions and donor agencies.

---

[2] World Bank – Public Debt Management Office Main Functions and Required Skills.

_____

The required upgrade to CS_DRMS can be achieved for example, through acquisition of The Commonwealth Secretariat *Com.Sec Horizon* ". . . a specialized middle office /front office decision support system designed to enable prudent debt management with a cost and risk focus.

> "ComSec Horizon[3] is a specialized middle office/front office decision support system designed to enable prudent debt management with a cost and risk focus. The tool supports formulation and implementation of a debt management strategy. Horizon is based on an integrated framework under which costs and risks of alternative borrowing strategies are assessed to formulate a debt management strategy . . . . The tool also supports implementation and monitoring of the desired debt strategy through integration of cash and debt management, development of an annual borrowing plan including an issuance calendar and liability management operations.. . "

A diagram of the GOG Accounting and Debt Management Architecture with the recommended upgrades is presented in Fig. 3.4.1, below.

Fig. 3.4.1
Upgraded Accounting and Debt Management Systems Architecture
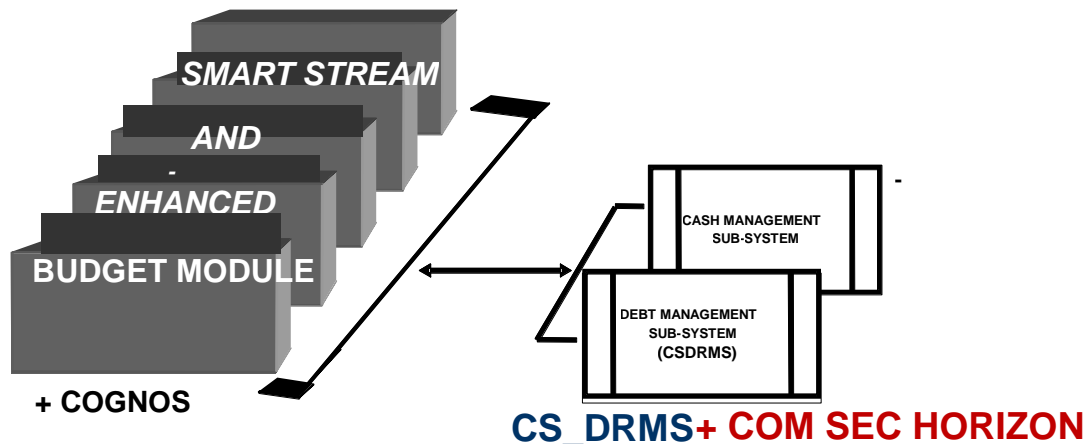
This configuration of an upgraded Smart Stream System together with the addition of the Com Sec Horizon to the Current CS_DRMS software will give GOG greater capability to address the new Budgeting and Debt Management requirements.

> *Recommendation:*
> *GOG may wish to examine the operational benefits of upgrading the current CS_DRMS software by acquiring Com Sec Horizon.*

_____

[3] Task Force on Finance Statistics (TFFS) International Agencies Contribution to Debt Statistics, section 19, page 9 .

_____

2. <u>Impact on available Technical Skills[4]</u>
The new legal requirements will also increase the need for improved technical skills in areas such as, but not limited to:
- Advanced risk quantification and portfolio management
- Public Policy - understanding the role of debt management within the context of overall macroeconomic policies;
- Mathematical and modelling skills;
- Good working knowledge of Debt risk indicators and
- Debt Strategy design.

Recommendation:
GOG may wish to undertake an audit of the debt management skills available within DMU and begin to develop a program of external and vendor provided training to address gaps, where they exist.

3.5 Improving Project Management Capability

Two approaches to improve GOG project management capability were examined.

3.5.1 Option 1.

This approach involves the integration of the proposed custom built web based Project Bank in Fig. 3.3.1 with the upgraded Accounting and Debt Management system shown in Fig, 3.4.1, above.

As previously indicated, inputs to the database will include:

1. Templates / Project information Sheets providing basic data including:
   - Project Name
   - Sector
   - Thematic Alignments
   - Schedule
   - Cash flow
   - Source of Funding etc.

2. Project Reports providing more detailed information and developed at Profile, Pre-feasibility and Feasibility levels depending on the stage of project development.

Outputs from this option would include:
1. The approved multi-year PSIP the first year of which will be included in the annual budget;
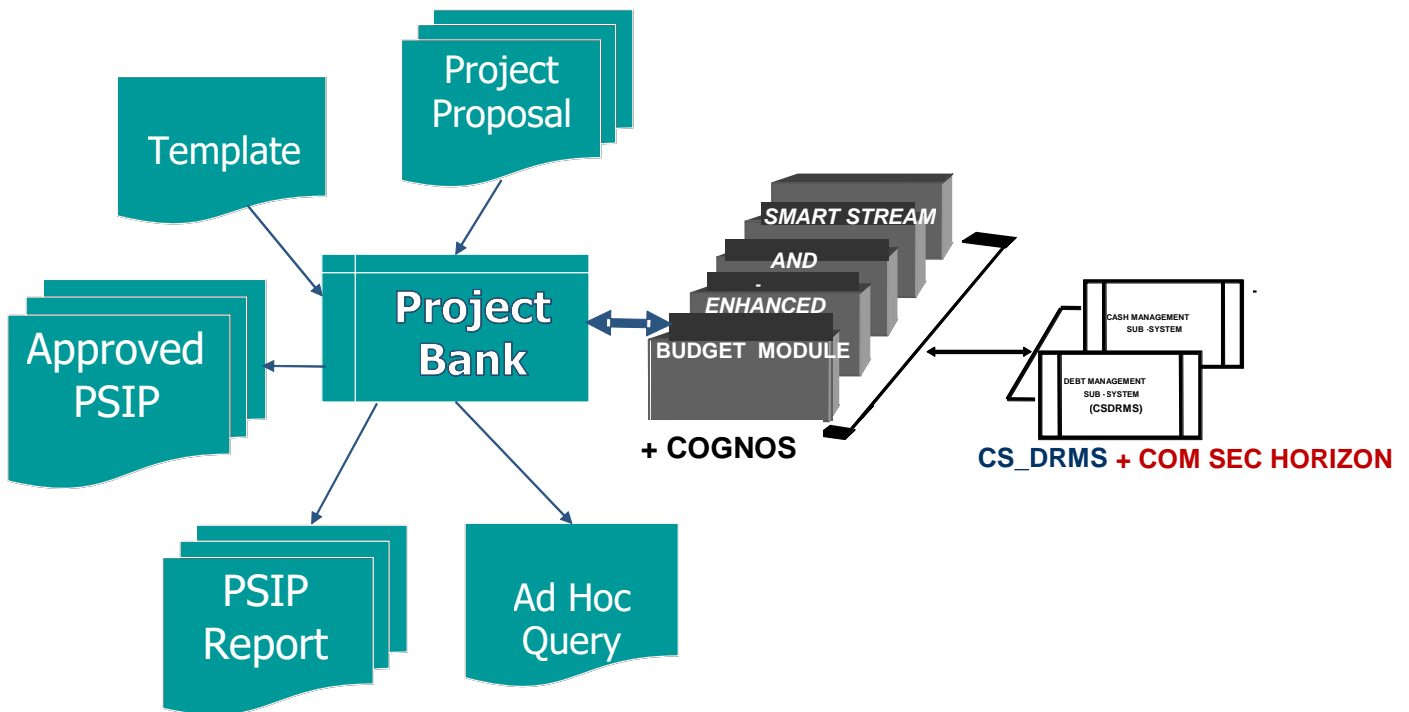2. Periodic PSIP Reports; and
3. Ad-hoc Reports

The Outline Systems Architecture for Option 1 is shown in Fig 3.5.1, below.

_____

[4] Public Debt Management Office: Main Functions and Required Skills, page 5

_____

Fig 3.5.1
Option 1- PIMS Integrating A custom built Database with the updated Smart Stream System.

Findings on Option 1.

It is possible that the enhanced Smart Stream Budget Module may have some capability to address the new PSIP Output requirements in which case Option 1 would lead to some level of redundancy.

> *Recommendation:*
> *GOG may wish to include research on this issues as part of any future discussion on the design and acquisition of the Project Bank.*
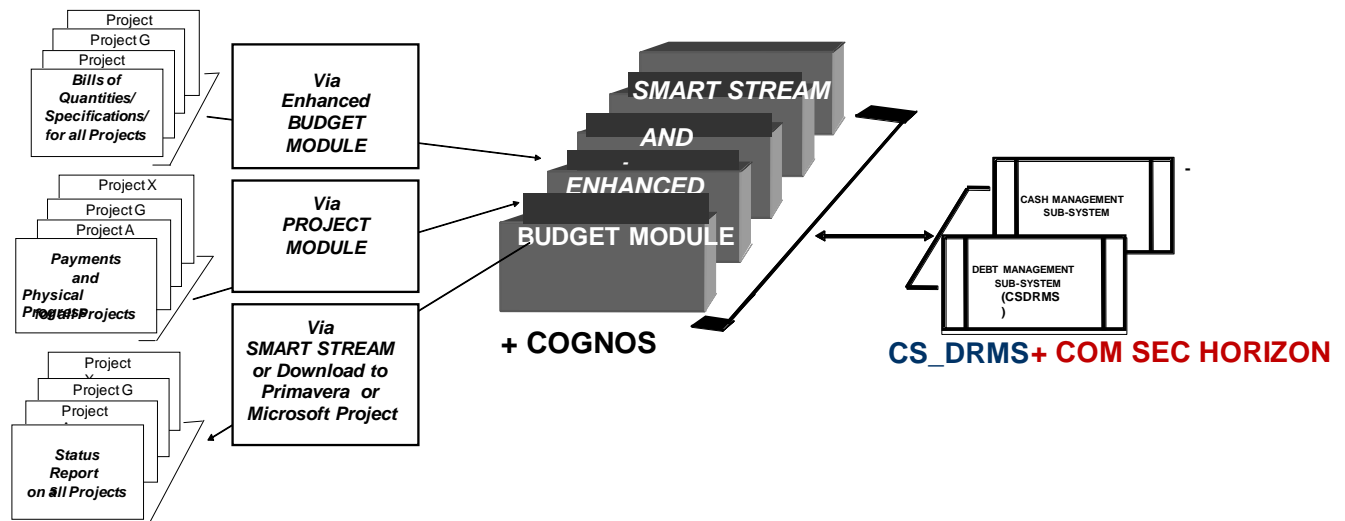
3.5.2 Option 2

This option involves acquisition of the Smart Stream Project Management Module to further enhance the Updated Smart Stream Accounting and Debt Management System.

The Outline Systems Architecture for Option 2 is shown in Fig 3.5.2, below.

Fig. 3.5.2

Option 2 - Smart Stream Project with Upgraded Accounting and Debt Management System

Findings on Project Management Capability

The capability of Smart Stream Project is known with respect to its provisions for scheduling monitoring, and reporting physical and financial progress at both rolled-up and detailed project levels.

Budget information on PSIP projects can be obtained on-line through the upgraded Smart Stream Accounting System; and.

Information on project payments and reported status can also be obtained on-line through the upgraded Smart Stream Accounting System.

However:
- It was not possible to make a fair comparison on these matters between Smart Stream and the Project Bank since the latter has not yet been designed;
- It is not known whether the latest version of Smart Stream Project can provide the web based capabilities that the Project Bank is intending to provide; and
- While the acquisition of Smart Stream Project can be acquired 'off the shelf' and its cost determined through discussion with INFOR/ Smart Solutions, the projected time and cost for completion of a fully integrated Project Bank are not known.

_____

Recommendation:
GOG may wish to include research on these issues as part of any future discussion on the design and acquisition of the Project Bank and/or Smart Stream Project.

A more extended analysis of the legal requirements and the wider implications for development and management of the PSIP and support structures are contained in Annex C, Chapters 2 and 3 of which highlight chronological gaps in the PSIP process as defined in the PFM Regulations, as well as knowledge gaps with respect to the capability of existing and proposed software acquisition to satisfy the new requirements.

3.6 Gaps in the Regulations.

The PFM Regulations define the PSIP project cycle as comprising four (4) major phases as follows:

1. Identification & Preparation;
2. Project Appraisal & PSIP Screening;
3. Project Approval & Financial Mobilization; and
4. Project Implementation & Governance.

With respect to Phase 4, the level of reporting required by Sec. 260 (1) of the Regulations (Annual Work plans and Quarterly Status reports) is geared more towards Executive Level supervision and omits the more detailed day-to-day monitoring and evaluation of physical and financial progress typically undertaken by a Project Manager.

Recommendation:
GOG may wish to consider extending Sec. 260 of the PFM Regulations to include a requirement for detailed monitoring and evaluation of physical and financial progress at the project level (as typically undertaken by Project Managers) and along the lines proposed in Chapter 4 of the Project Cycle Manual (The Manual) attached to this report as Annex A.
Such detailing would be reflected as follow:
    4. Implementation & Governance
      4.1 Executive level
      4.2 Project Level

Also as seen in the list of Project Cycle phases above the PFM Regulations do not include an Ex-post Evaluation Phase dealing with the monitoring and evaluation of Outcomes and impacts during project operations which is a key focus of Financing Agencies and Social Partners.

Recommendation:
GOG may wish to consider amending Sec. 260 of the PFM Regulations by adding a fifth phase (5. Ex-post Evaluation) to include the monitoring and evaluation of Outcomes and Impacts as part of the requirements for PSIP processing as outlined, for example, in Chapter 5 of the Manual.

The urgent need for action with respect to the last two recommendations is exemplified in a recent advertisement on the Caribbean Development Bank (CDB) Website, (See Appendix 3) in which the Grenada Solid Waste Management Authority is seeking to obtain consultancy services for the "Development and Implementation of a Comprehensive Results Based Monitoring and Evaluation (M&E) Framework."

There is no indication that integration with the current PSIP arrangements is being considered, and "covered" state owned entities generally could seek to follow this example leading to higher acquisition costs for several stand-alone systems, and greater fragmentation of the information on PSIP projects.

A way to avoid this eventuality is to ensure that the PIMS is designed and implemented to cover all phases of the project cycle and with sufficient capability to accommodate foreseeable demand including those of covered state entities. All covered entities could then be required to utilize the central system.

The outline systems architecture for this approach is set out as Option 3, in Fig. 3.6.1 below.

Fig. 3.6.1
Option 3 – Option 2 Plus a Modified Project Bank to include Ex-Post Evaluation

_____
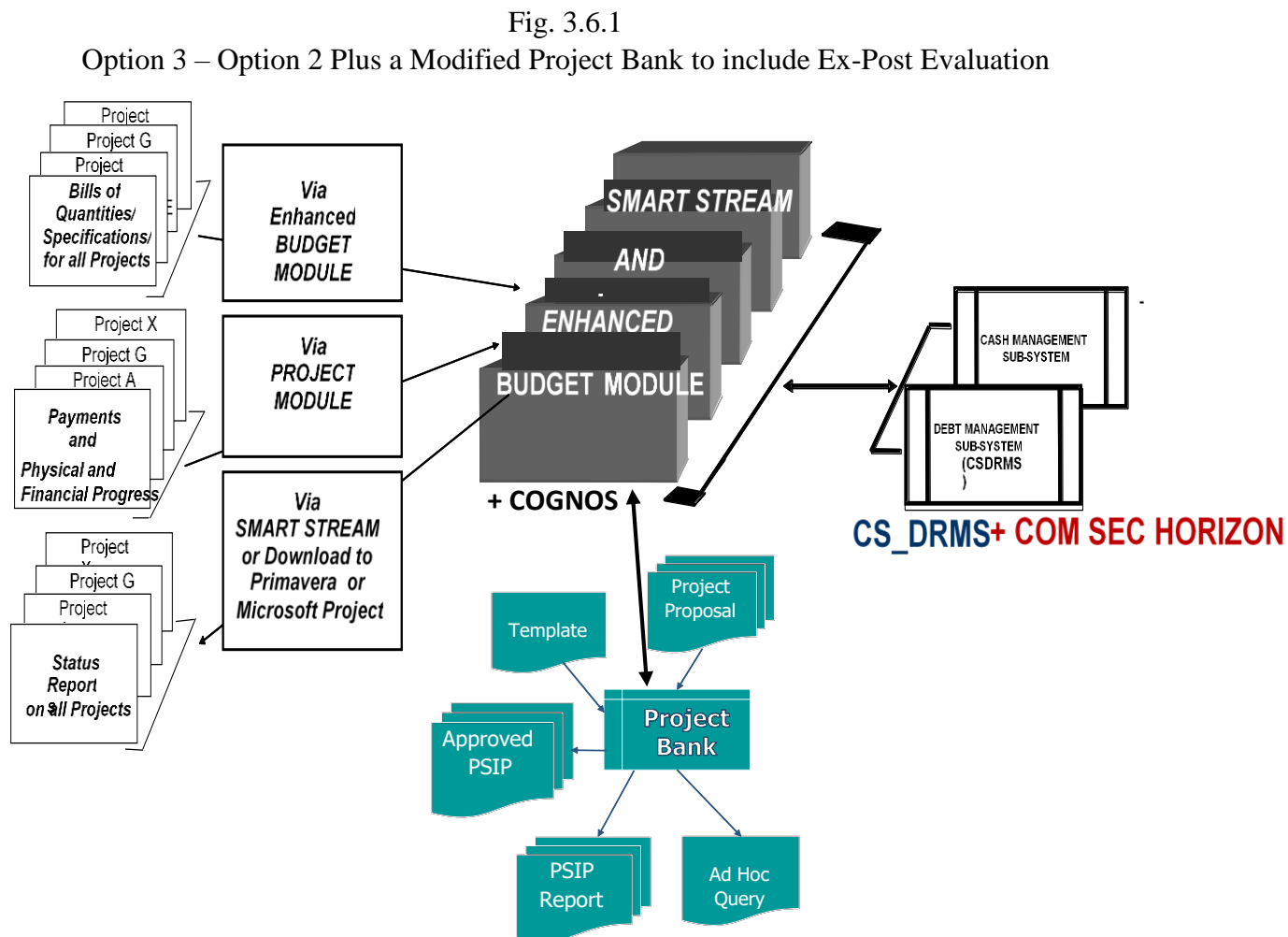
Option 3 is a combination of Option 2 discussed in 3.5.2 above, plus The Project Bank as defined in Option 1 at 3.5.1, but modified to include the recording and dissemination of Ex-post evaluation information i.e. baseline and actual results relating to Outcomes and Impacts.

Discussions with INFOR/Smart Solutions suggest that the Enterprise version of Smart Stream Project may be required to cover the projected number of users in central government and state entities. However, the process for creating graphics such as bar charts via download to Microsoft Project or other software is still being investigated.

These considerations will influence the design and implementation of the Project Bank.

_____

4. PROJECT CODING STRUCTURE (PCC)

4.1 Content and Purpose

The proposed Project Coding Structure (PCC) seeks to provide unique identifiers for activities and financial transactions that are separately funded in the Budget from external sources to meet specific objectives to be able to satisfy the reporting requirements of the various institutional actors in a manner consistent with the revised Government of Grenada Chart of Accounts (CoA).[5]

The PCC combines the hierarchical relationships within the CoA and those within the Project Work Breakdown Structure (WBS) diagram as indicated in Fig. 4.1.1 below.

Fig. 4.1.1
Proposed Project Coding Structure

Hierarchical Relationships Within the CoA

Level	Budget Entity	Program	Economic	Source of Funds	Function
1	Budget Entity/ Vote (BB)	Program (PPPPP)	Class (C)	Fund (FFFF)	Division (DDD)
2		Project (pp)	Object (OO)		Group (G)
3			Intermediate reporting levels		**Class** (C)
4			Account (AA)		
	2 digits	7 digits	5 digits	4 digits	5 digits

Source: GOG Chart of Accounts Manual - June 2015

Hierarchical Relationships Within the WBS

Level 1	PP
Level 2	100, 200, 300
Level 3	110, 120, 210, 220, 310, 320, 330
Level 4	210.1, 210.2, 210.3

_____
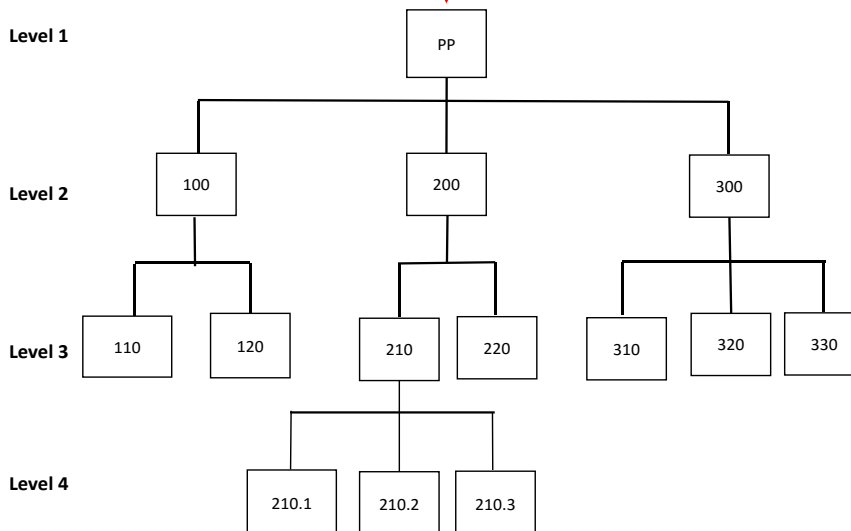
[5] Government of Grenada Chart of Accounts- June 2015

The CoA is the means by which all financial transactions are coded and recorded within Smart System. The WBS is the means by which a PSIP project can be broken down into components, sub-components and work packages where financial transactions can be recorded and then rolled up to Level 2 (the posting account level for projects) in the CoA.

This will allow each project budget to be defined, financing to be quarantined, and for regular and ad-hoc reporting on project status to occur below the PP level currently defined in the CoA.

There is no required coding structure for the WBS in Grenada at this time[6] and implementing entities/executing agencies may adopt any scheme that best fits the requirements for planning, scheduling, cost estimating, defining project scope and for monitoring physical and financial progress during implementation. However, particularly with respect to construction/engineering consultancy projects it would be advisable to seek the assistance of the Ministry of Works.

For purposes of the PIMS as a whole, the new CoA satisfies all the requirements for reporting at the project level and above. However, Policy and Procedures for the application of the WBS approach to PSIP projects will need to be developed.

A sample Policy and Procedures outline is suggested in the following section.

4.2 Sample WBS Policy and Procedures

PURPOSE

➢ The purpose of a WBS policy and procedures regime is to:

    a. establish the framework for project planning, scheduling, cost estimating and budgeting, defining project and/or contract scope, and developing project documentation (including specifications and drawings); and

    b. facilitate project/contract status reporting and evaluation (including integrated cost/schedule performance measurement) based on the Earned Value project management system.

POLICY

1. All work necessary to complete a project/contract will be defined using the WBS approach.

2. The WBS will be developed by or on behalf of the Client agency as a product-oriented, hierarchical division of deliverable items and associated services.

3. The appropriate segment of the WBS will be included in and made a part of the bidding and contract documents associated with a project.

- [6] *A unified framework*. Individual accounting units are allowed certain flexibility in developing their own specific account codes at a more detailed level. "However, the CoA should be unified to ensure that, at a minimum, the information at the aggregate level uses the same accounting classification." (CoA, p 4).

_____

4. The WBS will be used to define the code structure below Level 2 of the CoA for all Bills of Quantities (BQs) and other costing documents.

5. All contractor/consultant work schedules or statements of work will be developed from the hierarchical subdivisions of the WBS included in the bidding documents or contracts together with any further hierarchical breakdown to the Work Package level that the contractor/consultant may consider necessary for efficient execution of the job.

PROCEDURES

For all construction type projects including modifications and extensions:

1. Use Uniformat II[7] code structure or similar system to define the WBS down to the "work package" level at say WBS level 3, or level 4 in exceptional cases.

If necessary

2. Use CSI Masterformat[8] or similar code structure to allocate resources and cost within each work package**.**

    However do not apply codes from the CoA below the project level unless specifically provided for the purpose by the Accountant General (AG) either separately or as an addition to the current CoA. (See Note 1. below)

For all other projects e.g. consultancy/service type projects or contracts:

3. Use the Terms of Reference and the deliverables specified therein to define the WBS.

For all projects and contracts (construction, consultancy, service type etc.)

4. Send copies of the WBS and any updates or modifications thereof to ETCU and BU for review and comment before inclusion in bidding or contract documents.

<u>Note 1.</u>

Where a PSIP project results in the creation/acquisition of a physical asset, the total cost will be entered in the Asset Register on basis of the values rolled up to Level 1 in the WBS/ Project Level 2 (PP) in the Chart of Accounts.

As stated in the CoA Manual:

" Where Grenada produces an asset, e.g. a building or structure   such as a road, all of the expenditures incurred in producing that asset should be capitalised, i.e. recorded against the respective non-financial asset code. Such will include Planning and Design costs, Direct Material costs, Renovation costs that will prolong the life of the Asset, Support Staff Wages directly relating to those activities lend themselves to capitalization."[9]

_____

[7] UNIFORMAT II, defines a standard classification for building elements and related site work.

[8] **MasterFormat™** is a master list of numbers and titles classified by work results or construction practices, primarily used to organize project manuals, organize detailed cost information, and relate drawing notations to specifications.

[9] Government of Grenada Chart of Accounts Manual, pp 24-25.

Note however, that application of CoA codes (e.g. Object - OO) to individual items of expenditure below the PP level may cause duplication of the item in the financial accounts:

- once as part of the total value of an asset entered against the respective asset code; and
- once again as a separate item of expenditure based on the Object Code applied.

5. SUMMARY FINDINGS AND RECOMMENDATIONS

➢ **Findings and Recommendations on PFM definitions**.

Non-recurrent expenditure on goods, works and services could refer to proposed expenditure on the acquisition and/or renovation of "fixed assets" e.g. the purchase of a motor vehicle, or piece of equipment, or repairs to buildings and equipment which individually, would not qualify as projects for inclusion in the PSIP.

Recommendation:
For the avoidance of doubt, GOG may wish to provide for the classification of items in the capital budget under two broad headings (1) for one-off expenditure items such as Government Vehicles, Machinery and Equipment, Computers, Materials and Supplies and/or repair of fixed assets, and (2) for capital expenditure on approved investment projects in the PSIP including expenditure on Pre-Investment activities.

(See: Page 5)

➢ **Findings and Recommendations on Roles & Responsibilities**

Preparation, screening and selection of project ideas and concepts by Line ministries/executing agencies before entry into the project bank is an important first step towards improvement of the PSIP.

However there may not be sufficient numbers of personnel with the requisite training and/or practical work experience to be able to comply with the extended project appraisal and monitoring requirements outlined above and detailed for example, in Appendix D of the Regulations.

The result is that ETCU and the other specialist MOF units (BNTF, PCU, EU, etc.) will need to become the principal practitioners of the extended project appraisal methodology while continuing to be the key source of technical support on implementation and monitoring and status reporting requirements particularly in the case of major projects and/or projects involving external financing.

Recommendation:
GOG may wish to review and redefine the roles and functioning of the MOF specialist units and seek to improve their efficiency and effectiveness through additional staffing, project cycle training, and improved coordination under the direction of a single leader e.g. the Director, ETCU.
(See: Pages7- 8)

N. B.
This Recommendation is further supported by the findings presented in Chapter 4 of Annex C, an extended review of the PFM regulations and the implications for development and management of the PSIP undertaken after submission of the Draft Final Report.

_____

The regulations provide clear and unambiguous direction for development and management of the PSIP with the possible exception of the implications of the imperative "shall" in Section 259 (4) which reads as follows:

> "All projects that are approved and for which funding has been identified **shall** form part of the national budget"

> *Recommendation:*
> *For the avoidance of doubt, and particularly with respect to loan financing, GOG may wish to reconsider this provision and require DMU to certify that the terms and conditions of the loan proposal have been examined and that acceptance is consistent with maintaining required debt levels and ability to meet projected debt service obligations.*

➢ While Grant funding can be considered "free money" in and of itself, acceptance in particular circumstances may have undesirable impacts on the budget both with respect to immediate requirement for GOG counterpart contribution, and longer term recurrent costs implications. These are important considerations in the context of the controls that the FRL and the PDM now place on the rate of growth of primary expenditure and the pace of debt build-up.

> *Recommendation:*
> *GOG may wish to include in the procedures a requirement for ETCU and/or the Budget Unit (BU) to express an opinion on acceptance of "Grant funding" as part of the Project Appraisal & PSIP Screening process, for consideration by Cabinet.*

➢ The current requirements for quarterly and annual reporting and review during the Implementation and Governance phase may be sufficient for executive level management but are inadequate for effective monitoring of physical and financial progress at the project level.

> *Recommendation:*
> *GOG may wish to modify the regulations to require implementing entities/executing agencies to provide more detailed scheduling, monitoring and evaluation of project activities below the level of coding specified for the entry of project data in the GOG Chart of Accounts;*

> *GOG may also wish to consider giving approval for the electronic exchange of approved budget and actual payments between the Accountant General's Smart Stream system and the proposed project bank, to facilitate as near to real time reporting as possible, on PSIP projects, subject to security considerations to be determined by the Accountant General (AG).*

> *(See: Page 9)*

➢ Findings on current Smart Stream configuration

As presently configured, Smart Stream is geared more towards single year budgeting and not well suited to meet the challenges of the new multi-year requirements.

Upgrade of the Budget Preparation Module will be required.

A previous attempt by the Electronic Government for Regional Integration Project (EGRIP) commencing 7 October, 2011to acquire a "Software Package for National Budget Preparation" for Grenada and other OECS countries by way of an "Invitation for Bids" has not been successful to date, and may have been abandoned.

The consultant understands that possibilities exist for acquisition of The Enhanced Smart Stream Budget Module under arrangements with SEMCAR that will satisfy GOG requirements for multi-year budgeting, and can be fully implemented (including staff training), in time for commencement of the 2016 budget preparation activities.

> *Recommendation:*
> ***GOG may wish to pursue acquisition of the Smart Stream Enhanced Budget Module under arrangements with SEMCAR as a matter of great urgency.***
> *(See: Page 13)*

➢ Findings on CS_DRMS
Impact on ICT configuration
The ICT tools currently available to DMU will have to be upgraded to meet the new requirements of the PDM Act.

More ICT capability will be required to address the impact on typical DMU functions[10] including but not limited to:

- Transaction processing and recording;
- Risk modelling of the aggregate debt portfolio;
- Analysis of potential constraints on debt portfolio management;
- Monitoring compliance with established portfolio and risk management policies; and
- Preparing Debt Management reports for use by the Minister, the Debt Management Committee, other internal users and international and regional financing institutions and donor agencies. (See: Page 12)

---

[10] World Bank – Public Debt Management Office Main Functions and Required Skills.

_____

- The required upgrade to CS_DRMS can be achieved through acquisition of The Commonwealth Secretariat *Com Sec Horizon* ". . . a specialized middle office /front office decision support system designed to enable prudent debt management with a cost and risk focus.

> "ComSec Horizon[11] is a specialized middle office/front office decision support system designed to enable prudent debt management with a cost and risk focus. The tool supports formulation and implementation of a debt management strategy. Horizon is based on an integrated framework under which costs and risks of alternative borrowing strategies are assessed to formulate a debt management strategy . . . . The tool also supports implementation and monitoring of the desired debt strategy through integration of cash and debt management, development of an annual borrowing plan including an issuance calendar and liability management operations."

> *Recommendation:*
> *GOG may wish to discuss with DMU the operational advantages of upgrading the current CS_DRMS software as a basis for acquiring Com Sec Horizon.*
> *(See Pages13-14)*

➢ <u>Impact on available Technical Skills</u>
  The new legal requirements will also increase the need for technical skills in areas such as, but not limited to:
  - Advanced risk quantification and portfolio management
  - Public Policy - understanding the role of debt management within the context of overall macroeconomic policies;
  - Mathematical modelling;
  - Good working knowledge of Debt risk indicators and
  - Debt Strategy design.

  > *Recommendation:*
  > *GOG may wish to undertake an audit of the debt management skills available within DMU and begin to develop a program of external and vendor provided training to address gaps, where they exist.*
  > *(See Page 15)*

_____

[11] Task Force on Finance Statistics (TFFS) International Agencies Contribution to Debt Statistics, sec, 19 page 9.

➤ Findings on Option 1.

It is possible that the enhanced Smart Stream Budget Module may have some capability to address the new PSIP Output requirements in which case Option 1 would lead to some level of redundancy.

> *Recommendation:*
> *GOG may wish to include research on this issues as part of any future discussion on the design and acquisition of the Project Bank.*
> *(See: Page 16)*

➤ Findings on Project Management Capability

The capability of Smart Stream Project is known with respect to its provisions for project scheduling, monitoring, and reporting physical and financial progress.

Budget information on PSIP projects can be obtained on-line through the upgraded Smart Stream Accounting System; and.

Information on project payments and reported status can also be obtained on-line through the upgraded Smart Stream Accounting System.

 However:
- It was not possible to make a fair comparison on these matters between Smart Stream and the Project Bank since the latter has not yet been designed;
- It is not known whether the latest version of Smart Stream Project can provide the web based capabilities that the Project Bank is intending to provide; and
- While the acquisition of Smart Stream Project can be acquired 'off the shelf" and its cost determined through discussion with INFOR, the projected time and cost for completion of the Project Bank are not known.

> *Recommendation:*
> *GOG may wish to include research on these issues as part of any future discussion on the design and acquisition of the Project Bank.*
> *(See: Page 18)*

With respect to Phase 4, the level of reporting required by Sec. 260 (1) of the Regulations (Annual Work plans and Quarterly Status reports) is geared more towards Executive Level supervision and omits the more detailed day-to-day monitoring and evaluation of physical and financial progress typically undertaken by a Project Manager.

> *Recommendation:*
> *GOG may wish to consider extending Sec. 260 of the PFM Regulations*
> *to include a requirement for detailed monitoring and evaluation of*
> *physical and financial progress at the project level (as typically*
> *undertaken by Project Managers) and along the lines proposed in*
> *Chapter 4 of the Project Cycle Manual (The Manual) attached to this*
> *report as Annex A.*

_____

Such detailing would be reflected as follow:
   *4. **Implementation & Governance***
      4.1 Executive level
      4.2 Project Level
(See Page 18)

Also as seen in the list of Project Cycle phases above the PFM Regulations do not include an Ex-post Evaluation Phase dealing with the monitoring and evaluation of Outcomes and impacts during project operations which is a key focus of Financing Agencies and Social Partners.

Recommendation:

GOG may wish to consider amending Sec. 260 of the PFM Regulations by adding a fifth phase (5. Ex-post Evaluation) to include the monitoring and evaluation of Outcomes and Impacts as part of the requirements for PSIP processing as outlined, for example, in Chapter 5 of the Manual.

(See Page 18)

Schedule of Consultations Held November 30 - December 11, 2015

DATE	TIME	STAKEHOLDERS	AREA OF FOCUS	VENUE
Nov. 30, 2015	8.30-1100	DETC - Mr. Fitzroy James	Expectations for the Consultancy and Database. Overview of Exixting Arrangements. Listing of the current PSIP Projects	Department of Economic and Technical Cooperation Min. of Finance
	1.15 - 2.15	Policy Unit - Mr. Kendall Alexander - Head of Unit. Ms. Shari Joseph and Mr. Michael Baptiste-Policy Adviser		Policy Unit Conference Room
Dec. 1, 2015	9.00	Hon. Oliver Joseph, Minister of Economic Development	Introduction	Office of the Minister, Min.of Finance
	9.30-	Mr. Isac Baghwan	BNTF	
	11.00	Mrs. Joycelyn Paul-Thomas	Role of the EU in the PIMS	Office of the EU Min. of Finance
	2.00	Mr. Timothy Antoine, Permanent Secretary	Introduction and strategic context of the assignment. Clarify high level reporting requirements and high level expectations	Office of the PS
Dec. 2, 2015	9.00	ICT Staff Ministry of Finance, Works, Customs and Inland Rev.	ICT policies and protocols	PolicyUnit, Ministry of Finance
	2.00	Minister Alexandra Otway Noel, Minister of Implementation		Office of the Minister, Botanical Gardens
Dec. 3, 2015	9.00	Mr. Tomas	Assisting Debt Management Unit	Policy Unit Min. of Finance
	11.00	Eva Wutgee, GTZ		GTZ office Min. of Agriculture
	1.30	Mr. Ronnie Theodore, DVRP / Ian Mars Social Specialist	Reporting Needs, Role of the PCU in the PIMS	
Dec. 4, 2015	8.30	Cabinet Secretary - Mrs. Beryl Isaac, Mr. Dark- Policy Adviser, Mr. Robertson, Ms. Lyndonna Marshall	Reporting Requirements, Whole of Government	Cabinet Secretariat Ministerial Complex
	2.00	Ms. Natasha Sylvester - Debt Management Unit	CSDRMS, Listing of all Loan Agencies	Policy Unit Conference Room Min. of finance
Dec. 7, 2015	9.00	Ms. Kim Frederick and Team	PFM Rules, Budget Module in Smart Stream	
Dec. 8, 2015	10.00	CORE Management Team, Ministry of Finance	Presentation by Consultant	Min. of Finance, Conference Room
	1.30	Mr. Dieter Rothenberger	GTZ	Policy Unit Conference Room
Dec. 9, 2015	9.00	Project Planning and Technical Officers		Ministry of Finance Conference room
Dec. 10, 2015	10.00	Min. of Communications and Works - Mr. John St. Louis		Policy Unit, Min. of Finance
	1.30	Permanent Secretary - Min. of Foreign Affairs	Bilateral Atrangements	

Project Information Sheet (Template)

Public Sector Investment Programme (PSIP) of the Government of Grenada
Project Information Sheet
<u>On-going Projects</u>

Attention: Please fill out the project information sheet and be guided by Annex 1 (guidance sheet) which provides further clarification on what specifically is required for each section.

	1. Basic Information and Data
1. Project Name	Marian Multipurpose Centre Repairs
2. Project #	
3. Ministry	
4. Sector	
5. Thematic alignment	
6. Responsible Officer/ Contact Person	Name: Position: E-Mail: Landline: Mobile:
7. Reporting persons/ officer collecting this information	Name: Rebecca Roese Position: Junior Officer E-Mail: Rebecca.roese@giz.de Landline: Mobile: 417 7631
8. Project Duration	Start Date: End Date:
9. Project Cost/ Financing Structure	

Category	Amount (EC$)
Local	
Loan	
Grant	
Total	

10. Budget/ Financing Plan

Sources of Finance	2015				2016				2017			
	Local	Loan	Grant	Total	Local	Loan	Grant	Total	Local	Loan	Grant	To
Total												

11. Implementing Entity

12. Funding initiative

2. Content, Goals and Objectives

13. Project Rationale (max. 200 words)

14. Project Summary (max. 200 words)

15. Overall goals
(incl. indicator)

16. Outcome
(incl. indicators)

17. Outputs
(incl. indicators)

18. Parties & Target Groups

Partners

Direct Beneficiaries

Directly/Indirectly affected parties

Parties to Cooperate & Coordinate Project Activities

19. Relevance of Project to National Priorities

20. Climate Change Relevance

Result of screening exercise:

Annex 1
Guidance sheet (ongoing projects)

Part 1: Basic Information and Data

1. **Project name**
    Please write the official name of the project in its full length and its abbreviation (if available).

2. **Project number**
    You will find the project number in the Estimates of revenue and expenditure book.

3. **Ministry**
    Provide the full name of the Ministry and Division where the project is being implemented.

4. **Sector**
    Please list the sector in which your project is operating. Choose only ONE from Annex 2.

5. **Thematic Alignment(s)**
    List up to THREE thematic Alignments for the project that cover the different aspects of the project. Select from Annex 3.

6. **Responsible Officer/Contact Person**
    This form should be filled out by the project officer or a contact person who has a general overview of the project. Please state full name, position, e-mail address and phone numbers.

7. **Reporting Person/Officer collecting this information**
    Not to be filled out by the responsible officer of the project.

8. **Project Duration**
    Indicate the official starting date of the project (month/year). This might differ from the date the project was accepted. When is the official closing date for your project (month/year)? If the project is extended, please update this information with the reporting person.

9. **Project Cost/Financing Structure**
    Give the amount in EC Dollar
    Local: State Government contribution (also in-kind)
    Loan: State the amount the project was given as a loan.
    Grant: State the amount the project was given as a grant.

10. **Budget Financing Plan**
    More years can be added to the table in case the project duration is beyond 2018

11. **Implementing Entity**
    List all entities that are implementing this project. This could be one or several, for example: OECS, Agronomy Division in the Ministry of Agriculture, lands, Forestry, Fisheries and the Environment, United Nations Development Programme, FAO, GIZ etc.

12. **Funding Initiative**
    Some projects are funded through a specific funding initiative. If this is the case, please provide. Examples are: Climate Investment Fund (CIF), Green Climate Fund, European Partnership Agreement (EPA); etc.

Part 2: Content, Goals and Objectives

13. **Project rationale**
    A project rationale is an argument in favour of implementing the proposed project by your Ministry. It gives a detailed explanation of why the project is required in the area. In other words, it describes the issues and problems the community is facing and how your organization and the proposed project will address them with the funding support expected from the donor.

    Word limit: max. 200 words

14. **Project Summary**
    A project summary should give the reader a general understanding of the project. It should answer the following questions, without going into too much detail of "how" it will solve the problems: a) why the work is important and to whom, b) which problem is being addressed, c) which solution is proposed e.g. how the project is going to solve (or has solved) the problem.

    Please write in plain language, so even a non-expert can understand the importance of the project. Word limit: max. 200 words

15. **Overall goals**
    Goals are high-level statements that provide the overall context for what the project is trying to accomplish. Projects may have more than one goal, but many objectives per goal. Do not confuse goals with objectives.

    Please formulate your overall goal in 1-2 sentences.

    Examples:
    1. Water security is improved to facilitate economic growth and reduce poverty.
    Indicator: x Number of people benefitting indirectly from water security by 2018
    2. Relevant stakeholders in the forestry sector contribute to the sustainable resource management and stability of the forest policy and the forest resources of xx area.
    Indicator: By 2017, 30 % of the surface is permanent forest

16. **Outcome**
    Outcomes are specific statements that support the goal. Outcomes refer to "what difference

is there". A simple example would be "10 people are more confident reading after 3 months". They should not be vague. A well-worded objective will be specific, measurable, attainable/achievable, realistic and time-bound (SMART).

Examples:
1. The capacity of public, private and civil society actors to achieve water security is improved.
Indicator: 4 private and public sector contributions to local multi-stakeholder water stewardship partnership activities.
2. The ministries for forestry and environment fulfil their mandates in the collaboration with other stakeholders.
Indicator: 5 practice oriented management plans for the sustainable use of forest and protected areas are validated by the ministries.

17. **Output**(s)

    Outputs *relate to "what we do"* **(as compared to outcomes which** *refer to "what difference is there."). Outputs are the products, services or facilities that result from a project's activities. A simple example would be "offering a reading course". Outputs are NOT the benefits or changes you achieve for your users, they are the interventions you make to bring about those achievements.*

    1. Stakeholder capacity development activities on water stewardship are successfully conducted.
    Indicator: xx number of national/regional/ international peer to peer learning/training events with 80% positive participant feedback.
    2. Replicable models for the sustainable use of forests and protected areas are developed.
    Indicator: one model for i) reuse of wood, ii) reuse of non-wooded products, iii) co-management of protected areas iv) the battle against soil and forest degradation and v) the development of reforestation has been developed.

18. **Parties and Target groups**
    a. **Partners**
       List all relevant partners involved in the implementation of the project?
    b. **Direct Beneficiaries**
       State the group of people that will directly benefit from the project, for example: fishermen, teenage mothers, local population of xyz.
    c. **Directly/Indirectly affected parties**
    d. **Parties to Cooperate & Coordinate Project Activities**
       Parties that have signed something.

19. **Relevance of project to national priorities**
    State if the project contributes to the objectives of the National Development Plan/Growth and Poverty Reduction Strategy. If yes, explicitly state the specific objective the project is linked to.

20. **Climate Change Relevance**
    Assess whether the project is of high/medium or low climate change relevance. In order to

check the climate relevance of the project, please use the Caribbean Climate Change Online Risk and Adaptation Tool (CCORAL). To assess by following these steps:

    a. *Please visit: http://ccoral.caribbeanclimate.bz/*

    b. *Select Grenada*

    c. *Scroll down and press "screening exercise" OR click on "screening exercise" on the left*

    d. *Insert the title of the project (copy and paste the title from section 1. of the project information sheet)*

    e. *Insert the short description of the project (copy and paste the project summary from section 14. of the project information sheet)*

    f. *Answer the 10 "yes-or-no" questions*

    g. *Click "calculate score"*

    h. *The website will then show you if your project has "high", "medium" or "low" climate change relevance. Include the answer in section 20. of the project information sheet. Please select "create pdf" and attach this file to the project information sheet (electronically or hard copy).*

Annex 2

Sectors

1. **Economic services**
   a. Agriculture, Forestry & Fisheries
   b. Co-operative Development
   c. Tourism
   d. Culture
   e. Environment
   f. Consumer Affairs
   g. Manufacturing

2. **Economic Infrastructure**
   a. Transportation & Communications
   b. Energy
   c. Water & Sewerage

3. **Social Services**
   a. Education
   b. Health
   c. Social Protection
   d. Youth/Sports
   e. Community Development
   f. Lands/Housing

4. **General Administration**
   a. Public Administration
   b. Public Finance Management

Annex 3
Thematic Alignments

1. **Economic management**
   a. Analysis of economic growth
   b. Debt management and fiscal sustainability
   c. Economic statistics, modeling and forecasting
   d. Macroeconomic management
   e. Employment and improving labor markets
   f. Poverty strategy, analysis and monitoring
   g. Other economic management

2. **Public sector governance**
   a. Administrative and civil service reform
   b. Decentralization
   c. Public expenditure, financial management and procurement
   d. Tax policy and administration
   e. Other accountability/anti-corruption
   f. Other public sector governance
   g. Managing for development results
   h. e-Government

3. **Rule of law**
   a. Access to law and justice
   b. Judicial and other dispute resolution mechanisms
   c. Law reform
   d. Legal institutions for a market economy
   e. Legal services
   f. Personal and property rights
   g. Other rule of law

4. **Financial and private sector development**
   a. Corporate governance
   b. Infrastructure services for private sector development
   c. Regulation and competition policy
   d. Micro, Small and Medium Enterprise support
   e. International financial standards and systems
   f. State-owned enterprise restructuring and privatization
   g. e-Services
   h. Financial Consumer Protection and Financial Literacy
   i. Anti-Money Laundering
   j. Other Financial Sector Development
   k. Other Private Sector Development

5. **Trade and integration**
   a. Export development and competitiveness
   b. Regional integration

    c. Technology diffusion
    d. Trade facilitation and market access
    e. Other trade and integration

6. **Infrastructure**
    a. Energy
    b. Transport
    c. Water
    d. Other

7. **Social development / gender / inclusion:**
    a. Social safety nets
    b. Other social protection
    c. Social Inclusion
    d. Participation and civic engagement
    e. Gender
    f. Youth
    g. Other social development

8. **Education**
    a. Education for all
    b. University, Science and Innovation

9. **Health**
    a. Child health
    b. Other communicable diseases
    c. Health system performance and strengthening
    d. Nutrition and food security
    e. Population and reproductive health
    f. HIV/AIDS
    g. Injuries and non-communicable diseases
    h. Social health care coverage
    i. Health promotion and disease prevention

10. **Urban development**
    a. Urban services and housing for the poor
    b. Other urban development
    c. Urban planning and housing policy
    d. City-wide Infrastructure and Service Delivery
    e. Urban Economic Development
    f. Cultural Heritage

11. **Rural development and agriculture**
    a. Rural markets
    b. Rural non-farm income generation
    c. Rural policies and institutions
    d. Rural services and infrastructure

e. Agricultural trade and standards
f. Food security
g. Other rural development

12. Environment and natural resource management
a. Climate change adaptation and disaster risk management
b. Green-house gas mitigation
c. Environmental policies and institutions
d. Land administration and management
e. Waste and pollution management and environmental health
f. Water resource management
g. Coastal zone management
h. Terrestrial and marine protected area management
i. Other environment and natural resources management

Documents Reviewed by Consultant

1. Grenada - Act 17 of 2015 Public Finance Management

2. Grenada Budget Call Circular 2014

3. Descriptors for Whole of Government Planning Framework

4. Grenada Fiscal Responsibility Bill, 2015 - Explanatory notes

5. Grenada PFM Regulations - July 2015

6. Grenada NTF Regulations March 2015

7. Grenada Template for PSIP

8. Handbook on Planning, Monitoring and Evaluating for Development Results, United Nations Development Programme

9. Government of Grenada - Chart of Accounts Manual

10. World Bank – Public Debt Management Office Main Functions and Required Skills.

GOVERNMENT OF GRENADA
INTEGRATED SOLID WASTE MANAGEMENT PROJECT

CONSULTANCY SERVICES FOR MONITORING & EVALUATION

REQUEST FOR EXPRESSIONS OF INTEREST

The Government of Grenada (GOGR) has received financing from the Caribbean Development Bank (CDB) in an amount equivalent to USD11.0 million towards the cost of the Integrated Solid Waste Management Project and intends to apply a portion of the proceeds to eligible payments under a contract for which this invitation is issued. Payments by CDB will be made only at the request of GOGR and upon approval by CDB, and will be subject in all respects to the terms and conditions of the Financing Agreement. The Financing Agreement prohibits withdrawal from the financing account for the purpose of any payment to persons or entities, or for any import of goods, if such payment or import, to the knowledge of CDB, is prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations. No party other than GOGR shall derive any rights from the Financing Agreement or have any claim to the proceeds of the Financing.

The Grenada Solid Waste Management Authority (GSWMA), the Executing Agency, now wishes to procure consultancy services for the Development and Implementation of a comprehensive results based Monitoring and Evaluation (M&E) Framework.

The objectives of the consultancy are to:

(a) measure the achievement of project outputs during implementation and the achievement of the intended development outcomes;

(b) contribute to strengthened M&E capacity within GSWMA;

(c) to establish a system for the long-term M&E of Integrated Solid Waste Management initiatives in Grenada; and

(d) design a Management Information System for M&E ensuring the sustainability of its operations and its adaptability for use with other initiatives of GSWMA.

GSWMA now invites interested eligible consulting firms to submit Expressions of Interest for the provision of these consultancy services.

Consultants shall be eligible to participate if:

(a) in the case of a body corporate, it is legally incorporated or otherwise organised in an eligible country, has its principal place of business in an eligible country and is more than 50 percent beneficially owned by citizen(s) and/or *bona fide* resident(s) of eligible country(ies) or by a body(ies) corporate meeting these requirements;

(b) in the case of unincorporated firms, the persons are citizens or *bona fide* residents of an eligible country; and

(c) in all cases, the consultant has no arrangement and undertakes not to make any arrangements, whereby any substantial part of the net profits or other tangible benefits of the contract will accrue or be paid to a person not a citizen or *bona fide* resident of an eligible country.

Eligible countries are member countries of CDB.

In the assessment of submissions, consideration will be given to technical competence, qualifications and experience, local and regional experience on similar assignments, financial capability and existing commitments. All information must be submitted in English. Further information may be obtained from the first address below between the hours of 9:00 am and 4:30 pm (Monday to Friday).

One original and three hard copies of each submission must be received at the first address below no later than **4:00 p.m. local time** on **Friday, January 22, 2016** and one hard copy must be sent simultaneously to CDB at the second address below. The sealed envelope containing each submission should include the name and address of the applicant and shall be clearly marked **'Expressions Of Interest: Monitoring & Evaluation Consultancy Services – Integrated Solid Waste Management Project – Grenada'.**

Following the assessment of submissions, a short-list of not less than three and not more than six applicants will be provided with full terms of reference and invited to submit technical and financial proposals to undertake the assignment. GOGR reserves the right to accept or reject late applications or to cancel this invitation partially or in its entirety. It will not be bound to assign any reason for not short-listing any applicant and will not defray any costs incurred by any applicant in the preparation and submission of Expressions of Interest.

1.	**2.**
Ms. Karen Roden Layne General Manager Grenada Solid Waste Management Authority P. O. Box 1194, Grand Anse St. George's **GRENADA, W.I.** Tel: + (473) 444-2019 or (473) 444-3009 Fax: + (473) 444-0330 Email: kroden@gswma.com	Procurement Officer Caribbean Development Bank P.O. Box 408 Wildey, St. Michael **BARBADOS, W.I.** Tel: + (246) 431-1600 Fax: + (246) 426-7269 Email: procurement@caribank.org