



Strategic Flexible Funding Facility Project Document – Addendum 1

1. This note refers to Project 00063208 - Strategic Flexible Fund signed by the Planning Institute of Jamaica (PIOJ), the UK Department for International Development (DfID) and the United Nations Development Programme (UNDP) in December 2008.
2. The PIOJ and DfID are requesting the following amendments:
 - i. Extension of project duration to December 31, 2013
 - ii. Increase DfID's initial contribution of £300,000 (US\$438,596.49) by £250,000 (US\$390,625.00) for a new total contribution from DfID of US \$829,221.49
 - iii. Adjustment of Strategy to ensure clear targeting of interventions
 - iv. Improvement in the management arrangements
 - v. Revision of the Results and Resources Framework
3. UNDP approves these changes.
4. This letter of Amendment records the parties' common understanding of the above changes and comes into operation on the date of confirmation associated with the signatures below. This note will be known as Amendment No. SFF01/2011

Programme Period:	2007-2011 2012-2016	Total resources required:	US\$1,047,000.00
Key Result Area	UNDAF Outcome 2	Total allocated resources:	
Atlas Award ID	00050953	o UNDP	US\$ 217,778.51
Start date:	December 2008	o DFID	US\$ 829,221.49
End Date	December 2013	Unfunded budget:	
Management Arrangements:	NIM	In-kind Contributions	

Agreed by Government: Barbara Scott Feb 16, 2012
 Barbara Scott, Planning Institute of Jamaica Date

Agreed by UNDP: Arun Kashyap Feb 23, 2012
 Arun Kashyap, Resident Representative Date

STRATEGY

This initiative will take the form of a donor funded umbrella project. A flexible pool of funds will be made available for utilisation by eligible applicants, to address emergent issues that require prompt policy response based on research and analysis in key areas linked to national development and UNDP practice that can be subsumed under the following general areas:

- Inclusive Growth Promotion and Poverty Reduction
- Macroeconomic and Financial Management (MEFM) Reform
- Resilience and Vulnerability Reduction

Funds provided by the Department for International Development (DFID) under this facility (as per Administrative Arrangement dated December 10, 2008 and this addendum, are expected to be used exclusively in the Government of Jamaica's (GoJ) Macroeconomic and Financial Management (MEFM) reform programme and Inclusive Growth related initiatives. Activities that directly contribute to the implementation of commitments made under the financing agreements signed with the International Financial Institutions (IFIs) will be given particular priority.

An Appraisal Committee will be established to assist in the selection of the initiatives to be funded under this project. Every effort will be made to ensure that, where possible, these initiatives complement and add value to existing programmes and activities. This funding document will be signed by the Government of Jamaica and UNDP, and will describe the activities, budget, outputs, and outcomes of the technical cooperation between the UNDP and the Government of Jamaica.

As part of UNDP's efforts to enhance the overall project management capacity of PIOJ, UNDP will be providing funding for a Project Administrator to assist to be based in the External Cooperation Division. The Project Administrator will handle the day to day operations of the Strategic Flexible Funding Facility as part of their responsibilities. This person's responsibilities will include receiving and processing requests, scheduling of Appraisal and project board meetings and assisting the Project Manager in monitoring and reporting on implementation of initiatives and preparing and submitting quarterly, annual and ad hoc reports to UNDP as required.

Criteria

Under this facility eligible applicants are restricted to Government agencies. A proposal must meet the following four (4) criteria if it is to be considered for funding:

- a) It must address a problem that is perceived by the Government and the development community as requiring immediate and strategic attention;
- b) It must have clearly specified outcomes that are demonstrably consistent with Government's strategic priority and the UNDAF in the particular area of focus;
- c) The applying organization must have the requisite staff, expertise, and systems to carry out the initiatives, including the recruitment and management of consultants;

Proposals for the procurement of equipment conferences and travel are specifically excluded under this initiative. Proposals for the funding of training will not be considered except where it is proven to be strategic in nature.

RESULTS AND RESOURCES FRAMEWORK

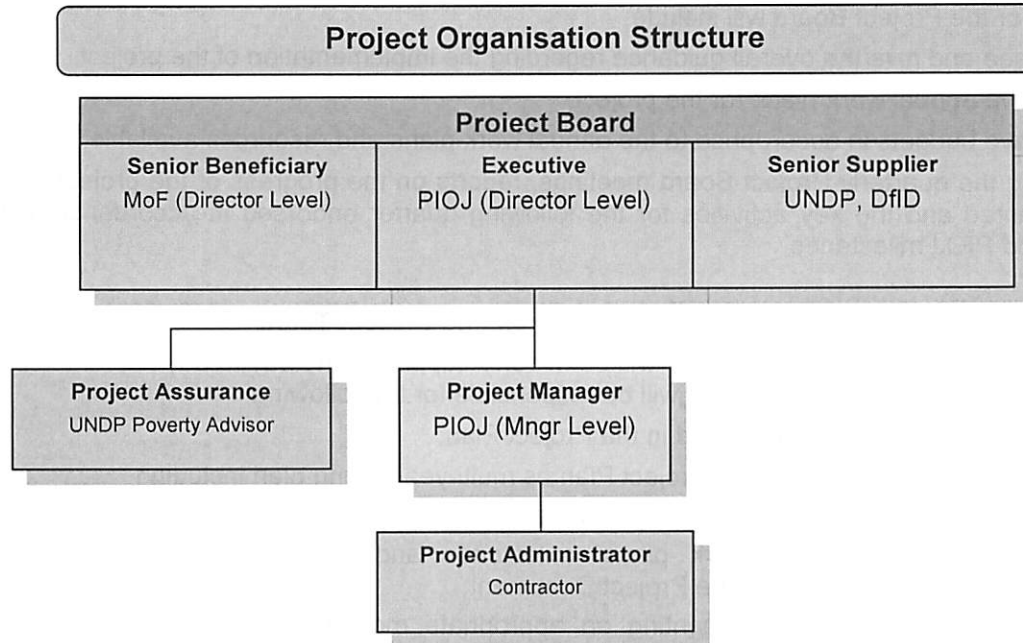
Technical assistance will be provided in any of the areas indicated in the strategy section above, but given the fact that the funding facility is responsive and the projects will vary, it is not possible to specify the outputs and activities, work plan and budget until each project proposal is being evaluated. However, it can be stated that the expected outcome, is improvement in the quality of life for Jamaicans, and progress in achieving the development targets set by the government in the specific area that each project seeks to address (see attached table).

Intended Outcome: Reduction in the incidence of poverty, unemployment and exclusion among vulnerable groups and selected communities, particularly in rural Jamaica.			
Outcome indicators: Additional Fiscal Space identified through Macroeconomic and Financial Management (MEFM) Reform and more funds made available for inclusive growth and poverty reduction			
Target: Assistance provided to GoJ by UNDP for its Macroeconomic and Financial Management (MEFM) Reform Programme results in increased fiscal space and inclusive growth			
Indicator: # of Reform Measures developed and/or implemented with UNDP assistance			
Partnership Strategy: National Implementation by the Planning Institute of Jamaica (PIOJ)			
Project title and ID: 00063208 - Strategic Flexible Funding Facility			
Expected Outputs	Output Targets	Indicative Activities	Inputs (\$US)
1. Enhance fiscal management framework to facilitate efficient resource allocation and management and to promote equitable growth	<p>Baseline:</p> <ul style="list-style-type: none"> • Limited fiscal space available for inclusive growth and poverty reduction <p>Target:</p> <ul style="list-style-type: none"> • Technical Assistance provided on Inclusive Growth Strategy, Policy 	<p>Project Administration</p> <ul style="list-style-type: none"> ○ Meeting Organisation and Note taking ○ Donor Reporting (Annual and Quarterly) ○ Project Accounting ○ Annual Work Plan Development <p>Consultancies: Legislative Drafting, Policy Papers and Studies</p> <ul style="list-style-type: none"> ○ Drafting Omnibus Banking Law ○ Drafting of Amendment to the BOJ Act ○ Drafting of Amendment to the Companies Act ○ Amendment to the Companies Act ○ Reform of the Non-Bank Regulatory Regime 	988,954.50

	<p>and Legislation</p> <ul style="list-style-type: none"> • Technical Assistance provided on IMF Stand-By Agreement compliance • Technical Assistance provided on wider Macroeconomic and Financial Management (MEFM) Reform Programme <p>Indicators: # of successfully implemented initiatives resulting in concrete measures undertaken by government to increase fiscal space and promote inclusive growth</p>	<ul style="list-style-type: none"> ▪ Securities Act (Regulation of Collective Investment Schemes) ▪ FSC Act (Consolidated and Conglomerate Supervision and Prompt Corrective Action) ○ Public Sector Transformation <ul style="list-style-type: none"> ▪ Strategic Policy Framework for the Transformed Public Sector ▪ Establishment of the Strategic Human Resources Management Unit ○ Review and rationalization of the Probate Law ○ Continuation of the Tax Reform Programme ○ Studies currently unidentified but which will arise for urgent attention <p>Technical Assistance</p> <ul style="list-style-type: none"> ○ Ministry of Finance - Tax Reform ○ Planning Institute of Jamaica - WB, IDB and CDB budget support programmes and elements of the SBA ○ Other requests as approved by Appraisal Committee <p>Project monitoring and assessment</p> <ul style="list-style-type: none"> ○ Project evaluation ○ Project auditing 	
GMS (7%)			58,045.50
TOTAL			1,047,000.00

MANAGEMENT ARRANGEMENTS

Project Organisation



The project will be implemented according to NIM (National Implementation) procedures. The Lead Agency who will undertake full responsibility for the implementation of the activities of this project is the Planning Institute of Jamaica (PIOJ) with support from the United Nations Development Programme (UNDP). PIOJ will therefore assume the responsibility for mobilizing and applying effectively the required inputs to reach the expected project outputs and results. This includes the procurement and delivery of programme activity inputs and their use in producing outputs, as set forth in a signed document, the Annual Work Plan (AWP)

PIOJ through its management shall be the Executive. The Project Executive will be able to make decisions in conformity with the expectations of all parties in order to facilitate the implementation of the project. A Project Manager will be primarily responsible for the implementation of the project plan, and preparation of quarterly work plans and financial reports to UNDP. S/He will also be the focal point for the partners involved in this project. The Project Manager will also be responsible for the production a quarterly and annual progress report as per the NIM guidelines. The Project Administrator will conduct the daily administration of the project, including receipt of proposals, preparations and arrangements for Project Board and Approval meetings and assisting the Project Manager in their duties.

The Project Board is the group responsible for making by consensus management decisions when guidance is required by the Project Administrator, including recommendation for approval and revision of plans. Project Board decisions should be made in accordance to standards that shall ensure best value to money, fairness, integrity transparency and effective international competition. The project board for this project is also charged with responsibility for detailing and performing the resource mobilisation activities to ensure funding for the project is in place for years 2 and 3.

Project Board

The PIOJ will chair the Project Board which will be composed of the following members:

- a) The Director of External Cooperation - PIOJ
- b) Director/Senior Manager of MoF
- c) UNDP Representative
- d) DfID Representative

The Project Board shall convene quarterly throughout the lifetime of the project. The Terms of References for the Project Board will include:

- Oversee and give the overall guidance regarding the implementation of the project;
- Approve annual work plans for the project;
- Approve budgets in accordance to the annual work plans and resources available;
- During the quarterly Project Board meetings, reports on the progress of the project will be presented and the key activities for the following quarter endorsed in accordance to the agreed PIOJ milestones.

Overall support to the PIOJ management structures and Project Team

It is proposed that a Project Administrator will be hired to support in the day to day implementation of the project. The project administrator will be responsible for the following:

- Managing the activities contained in the Project Plan;
- Preparing and maintaining the Project Plan as multi-year rolling plan including
 - Coordinating annual updating and presentation for Project Board consideration;
 - Preparing annual work plans, milestones and budgets to facilitate tracking performance against the Project Document;
 - Designing and implementing an appropriate monitoring and evaluation system which permits harmonized single-format reporting to the Project Board against Strategic Plan technical performance, milestones, and financial performance on a quarterly or six-monthly basis;
 - Undertaking monitoring and evaluation and reporting on performance against the Plan;
- Administration of the project funds, including accounting and procurement activities;

The Project Manager will take primary responsibility for activities including follow up on the implementation of the project, preparing and submission of any funding requests, preparation of annual work plans, and preparation of project progress reports. The Project Manager will be empowered to ensure that the procedures, guidelines, standards including procurement are fully complied with accordingly during the implementation of the project.

The role of the PIOJ as key responsible party will be to:

1. provide a secretariat for the co-ordination of the project activities;
2. hire and manage consultant(s);
3. co-ordinate the input of the other responsible parties;
4. support the partnerships and the participatory processes;
5. manage financial resources according to budget and work plan (including safeguarding supporting documentation) and submit quarterly and annual reports on the use of funds;
6. procure, manage and safeguard project assets;
7. facilitate and coordinate the development of a platform for improved access to information;
8. compile an end of project report.

The role of UNDP will be to provide quality assurance and technical support in the implementation of the project through:

1. monitoring of the progress of the project in compliance with UNDP procedures and providing reports to the Project Board on this monitoring;
2. providing technical assistance and funding for standardization process.

Project Approval

The intent is to create a funding process that is fast, flexible and simple and so applications for project funding should be no longer than 4 pages, including a log frame and budget. The application will be provided by the Reporting Agency. A PIOJ chaired Appraisal Committee will be established to review applications and will consist of the following:

- i) A representative from the PIOJ
- ii) A representative from UNDP
- iii) A representative from DFID

The Approval may request the presence of technical advisors as needed.

Standard Approval Meetings will be scheduled to take place immediately following quarterly Project Board meetings. Ad-Hoc Approval meetings may be scheduled if needed. The quorum for this Approval Committee consists of the Chair - PIOJ and any one of the other 2 members where the other representative is invited but unable to attend the meeting. Members of the Approval Committee who are unavailable for the scheduled meeting time may participate via a conference call, video conferencing or other electronic means of communication where possible.

The applicant will submit the proposal for "fast-track" funding to the PIOJ. The PIOJ will transmit the application to the relevant Approval Committee for review. The Approval Committee will make the selection the PIOJ will arrange for the award to be processed and issued. The allotted time for the entire process is a maximum of 12 work days. In order to save time, electronic transmission of documents and information followed by hard copies should be utilized. A flow chart showing the approval process is attached.

An agency that is applying for funding under this initiative is expected to obtain prior approval from the appropriate section of the Government. It is expected that where the project is supporting implementation of a specific piece of conditionality or is under an area where there is a clear donor lead, the agency applying for funding would have already completed consultations with the relevant IFI/donor partners prior for applying for funding.

Where the contracts for approved initiatives become delinquent i.e. more than 60 days without any expenditure or more than 60 days beyond the scheduled completion date, it should be brought back to the Approval Committee by the Project Administration for extension or termination. Once a project is terminated due to delinquency, full or partial refunds of amounts already paid to the responsible entity may be requested.

FLOW CHART SHOWING THE PROJECT APPROVAL PROCESS

