

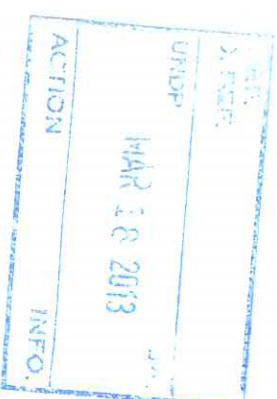
THE PLANNING INSTITUTE OF JAMAICA

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March 17, 2013

Resident Representative
United Nations Development Programme
1 Lady Musgrave Road
Kingston 5



Attention: Ms. Keesha Raymond

Dear Sirs:

Re:copy of Annual Report- Flex- Fund Facility.

Attached is a copy of the Flex- Fund report previously submitted to your office.

Sincerely,

for Andrea Shepherd Stewart
for Director General

Attachments



ANNUAL PROGRESS REPORT

Country:	JAMAICA		
Reporting period:	January – December 2012		
Project number and title:	00063208 Strategic Flexible Funding Mechanism		
Project Duration:	2008-2013		
Donors:	Department For International Development (DFID), UNDP		
Implementing Partner:	Planning Institute of Jamaica (PIOJ)		
Responsible Parties:	Planning Institute of Jamaica, Ministry of Finance and Planning		
Overall Project Coordinator:	Barbara Scott		
Initial Approved Budget:	US\$199,500.00	Revised Approved Budget:	US\$171,500.00
Total annual advance:	US\$52,973.98	Total annual expenditure	US\$87,985.94
Annual Delivery:	51.3%		

1. EXECUTIVE SUMMARY

The Strategic Flexible Funding Facility continued to provide support to the government of Jamaica for the development of short-term strategic interventions which will not only enhance the national growth agenda, but accelerate the efforts of the government to comply with the conditionalities of the International Monetary Fund and other signed Agreements.

The initial budget for the year was **US\$199,500** but this was later revised to **US\$171,500 with** expenditures totalling part to the absence of an Agreement with the International Monetary Fund. Support was provided to facilitate amendments to three critical pieces of legislation and development of a fourth which when all implemented will accelerate major reforms to the Jamaican financial system. The supported areas were:

- Amendment to the Bank of Bank of Jamaica Act to give the BOJ overall responsibility for financial system stability;
- Drafting Instructions for the Revision of FSC's Legislation to include Regulations for Collective investment schemes and to facilitate the pooling of these investment vehicles under one heading for better regulation.
- Drafting Instructions for the Revision of Jamaica's Probate laws to create greater administrative ease for the disposal of estates;
- Drafting Instructions for the development of the OMNIBUS umbrella Legislation to harmonize the various Financial Institutions Acts under a single umbrella for better supervision of these deposit-taking institutions by the Bank of Jamaica

The Public Sector reform process which is an element in the Government's reform agenda was facilitated with the research and documentation required for the modernization process.

Achievements:

1. Drafting Instructions to amend the Bank of Jamaica Act;
2. Revised Draft Securities Bill; Draft (Collective Investment Schemes 2012) Regulations
3. Proposal of recommendations on legislative reforms for review by the Administrator General's Department and Ministry of Justice;
4. Indicative Action Plan for Drafting Instructions; and' Discussion Draft' for OMNIBUS Banking Law.
5. Report with recommendations for core government ministries to be maintained for efficient management.
6. Briefs on critical policy issues for Management of the Public Sector Transformation Unit

Challenges:

Although the period was one of relatively modest activity, it was not devoid of challenges which impacted the efficiency with which the Flex-Fund was implemented. Of note were:

- The unavailability of sufficient legislative drafters which resulted in inordinate delays for the start-up of consultancies;
- Capacity constraints within the MOF and other ministries which impacted the quality and the timeliness of the preparation of TORs;
- Failure of consultants to complete deliverables within agreed timelines necessitating extensions to contracts;
- Failure to submit reports to meet the requirements of the development partner.
- Timely submission of requisite information (scope of works, /TORs/budget etc) by relevant MDAs for consideration and decision taking to move initiatives forward.

Lessons Learnt:

- Consultants should only be paid in line with standard contract practices. To accept a contract that goes against these practices is to invite difficulties for the completion of assignments.
- Where possible the project should not await the availability of any consultant as the delivery of the project may be negatively impacted. There should be an available listing of recommended consultants from which candidates may be drawn as needed.

III. ACTIVITIES AND ACHIEVED RESULTS

Expected Outputs & Indicators (including annual targets)	Planned Activities	Planned Budget (US\$)	Expenditure (US\$)	Achieved Results	Progress Towards Achieving Outputs
<p>Output 1 Enhanced Fiscal Management Framework to Facilitate Efficient Resource Allocation and management and Promotion of Equitable Growth Baseline</p> <p><u>Targets:</u></p> <ul style="list-style-type: none"> -Documentation of methodologies, plans, processes of PSTU. - Revision of legislation governing securities dealers; -Drafting Instructions for revision of Probate Law; -Legislation for regulation of collective investment schemes; -Public Policy framework; -Drafting Instructions for OMNIBUS legislation; -Drafting Instructions for revision of companies act. <p><u>Indicators:</u></p>	<p>Documentation of methodologies, plans, processes and products of Public Sector Transformation Unit:</p> <p>Research and analysis into key areas for transformation; documentation of processes, products, risk factors, implementation challenges; institutional arrangements piloted and mainstreamed to effect transformation process in the Jamaican context.</p>	10,500	10,373.57	<p>-Report detailing:</p> <p>-recommendations on core ministries to be maintained for efficient management.</p> <p>-Brief presented to the PSTU on critical policy issues for the management of the PSTU.</p>	<p>Document will be utilized by the Government to guide the Public Sector Transformation process which has the objective of ensuring the more efficient allocation and management of government's resources.</p>
	<p>Drafting Instructions for the Revision of Probate Laws.</p>	60,067.64	30,033.82	<p>The Project is in Progress but no tangible results since commencement.</p>	<p>Amendments to the Probate Legislation are required to ensure that Jamaica's laws more easily facilitate the transfer of estates. It is expected that the ability to sell estates more quickly or to use them as security for loans will unlock resources to spur the growth of new businesses for development. Also, having a single legislation for Collective Investment Schemes will facilitate better monitoring of their activities to achieve growth.</p>
	<p>Legislation for Regulation of Collective Investment Schemes. (regulated and unregulated)</p>	14,000	26,110.26	<p>-Regulations and Arrangement for Collective investment schemes.</p> <p>- Revised Draft Bill</p>	

IV. PARTNERSHIPS AND SUSTAINABILITY

Partnerships		Impact on/Contribution to Project Activities
Ministry of Finance		Very helpful in clarifying the legislative process for projects; provided updates on the progress of projects at the CPC when required. Delays were however experienced with the preparation of TORs for consultancies.
Bank of Jamaica		Was helpful with preparation of TOR for Drafting Instructions and review of consultant's contract. Some delay was experienced to provide background research papers for commencement of the consultant's contract.
Office of the Chief Parliamentary Counsel		Very helpful in the identification and recommendation of suitable legislative drafters despite their inability at times to accept an offer.
Financial Services Commission		Generally cooperative in reviewing consultant's work to meet deadlines and supportive of the efforts of the PIOJ to deliver projects in a timely manner.
Ministry of Justice		Largely unresponsive to request for updates on consultancy.

SUSTAINABILITY

The PIOJ was instrumental in the preparation of work plan, review of TORs for consultancies, preparation of consultancy contracts, making timely requests, disbursements and liquidation of funds and with general monitoring of project activities. Based on the types of projects which are mostly legislative, these actions impact the delivery of project outputs but have no direct impact on their sustainability.

ASSET INVENTORY

Project Title: Strategic Flexible Funding Mechanism
 Award Number: 00050953
 Project Number: 00063208
 Date of Report: Dec-12

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S/N	Country Code	Business Unit	Item Description	Make & Model	Quantity	Location	Tag Number	Date acquired	Value	Custodian	Remarks
1	JAM10	B0512	Vehicle								
2	JAM10	B0512	Vehicle								
3	JAM10	B0512	Vehicle								
4	JAM10	B0512	Vehicle								
Asset Profile 2 - Furniture											
5	JAM10	B0512	Furniture or Fixture								
6	JAM10	B0512	Furniture or Fixture								
7	JAM10	B0512	Furniture or Fixture								
8	JAM10	B0512	Furniture or Fixture								
Asset Profile 3 - Electrical											
9	JAM10	B0512	Electrical Equip. or Computer								
10	JAM10	B0512	Electrical Equip. or Computer								
11	JAM10	B0512	Electrical Equip. or Computer								
12	JAM10	B0512	Electrical Equip. or Computer								
Asset Profile 4 - Heavy Machinery											
13	JAM10	B0512	Heavy Equip. or Generator								
14	JAM10	B0512	Heavy Equip. or Generator								
15	JAM10	B0512	Heavy Equip. or Generator								
16	JAM10	B0512	Heavy Equip. or Generator								
Asset Profile 5 - Non Capitalized Items											
17	JAM10	B0512	Other (less than 1,000 \$)								
18	JAM10	B0512	Other (less than 1,000 \$)								
19	JAM10	B0512	Other (less than 1,000 \$)								
20	JAM10	B0512	Other (less than 1,000 \$)						\$0.00		
TOTAL											

Deputy Resident Representative
 Date and Signature

Programme Officer
 Date and Signature

12/3/13
 [Signature]

Project Manager
 Date and Signature

Status	Last Update	Submitted, updated by	Owner	Countermeasures / Mngt response	Impact & Probability	Type	Date Identified	Description	1.	2.	3.
Dead. Project has ended.	October 2012	Project consultant	Project Consultant	Contact was made with consultant who explained the difficulties to complete assignment.	1 (low) to 5 (high) P = 5 Impact 3	Environmental	About September/October 2012.	The FSC Project was affected by Hurricane Sandy during which there was a loss of electricity. Consultant was unable to produce deliverable to agreed timelines.			
dead	August 2012	Development Partner and local counterpart	Project Consultant	Additional Funds have been restricted to Flex Fund Account by development partner to prevent further disbursements.	P = 3 Impact 5 (high)	Monetary loss	At the start of the consultancy in August 2012	The Ministry of Justice entered into a contract with the consultant to pay 50% of the agreed funds before commencement of the project and before submission of a deliverable			
pending	January 2013	Project consultant	Project consultant		P 4 (medium) Impact 5 (high)	Governmental	2012	Delay in achieving an IMF Agreement for the implementation of new projects			

#	Type	Date Identified	Successes	Shortcomings	Recommended Solutions	Submitted, updated by	
1.	Project management	August 2012	No particular success identified.	Design of the contract wherein an agreement was reached that the consultant should receive 50% of total fees for mobilization on signing. Mobilization fees are usually in the vicinity of 15-20%.	Given that the PIOJ is responsible for the funds allocated to the project, greater involvement should have been taken in the drafting of the contract to ensure consistency with standard mobilization practices.	December 2012.	
2.	Project Results	November 2012	<p>Drafting Instructions for amendment of FSC legislation was successfully completed. Consultant did not veer from the commitment to complete deliverables despite extenuating circumstances. (leg injury from a fall and loss of electricity from Hurricane Sandy.)</p> <p>The FSC was also timely in their review and gave suggestions for completion of deliverables.</p>	<p>The consultant not being accountable to the party responsible for project funds but to the Ministry that engaged his services. Based on this arrangement, difficulty was experienced satisfying reporting requirements of the development partner</p>	<p>Hurricane Sandy was a challenge that was unanticipated. Work on the project was temporarily disrupted owing to the loss of electricity, and injuries suffered by the consultant.</p>	<p>Completion of the project was delayed. No-cost extensions were granted to overcome this difficulty.</p>	Sept. 2012

Project Management:	Prepared by: <u>Aritha Weller</u>	Date: <u>18/3/13</u>
	Approved by: <u>Alexa Jones</u>	Date: <u>18/3/13</u>

UNDP Resource Persons:	Name, Programme Advisor – Governance, Environment & Energy, Poverty Reduction
	Name, Programme Analyst – Governance, Environment & Energy, Poverty Reduction
Accepted by:	_____ Date: _____