



MINISTRY OF FINANCE AND THE PUBLIC SERVICE

**TERMS OF REFERENCE
Consultant to Develop
Public Investment Management System Handbook**

**STRATEGIC PUBLIC SECTOR TRANSFORMATION
PROJECT**

IBRD LOAN NO.: 8406-JM

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

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

Cabinet Decision No X of March 2014 gave approval for the institutionalization of the Public Investment Management System (PIMS) and, in doing so, standardize the treatment of public investment across the public sector with respect to the entire project cycle.

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

Since these amendments, more legislative and regulatory work has been done to further refine the PIMS and, by extension, the PSIP. In February 2015, additional amendments to both the FAA and PBMA provided for exceptions to the definition of public investment. The exception limits public investment to those undertaken by entities within the specified public sector. The specified public sector is defined as the public sector minus those entities that will be certified as commercial by the Auditor General and, therefore outside of the fiscal rules, as at April 1, 2017. It is anticipated that only a few entities will qualify and the specified public sector will encompass much more than 90% of the public sector. The ambit of the PIMS and PSIP, therefore, is quite extensive in scope.

Based on Section 48 B(2) C of the amendments, Public Investment Management Guidelines were developed to support the operational arrangements of the PIMS. The Guidelines as defined by law are “rules, procedures, guidelines which shall be prescribed for the governance of public investments (irrespective of source of funding and origin) in Ministries, Departments, Public Bodies and Public Private Partnerships” The guidelines are clear and concise and provide for the functioning of the system at a high level. Further elaboration of

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

the daily operational procedures of the major players within the system based on the guidelines is required. There is a close relation between the players within the system and despite the broad outline for operations being defined there is a risk of some overlap especially in the area of monitoring during the day to day operations of the system. The proposed handbook seeks to limit the probability of this overlap and decrease the burden on the entities being required to respond to various requests, which should ultimately contribute to greater efficiency in the system.

2. STRATEGIC PUBLIC SECTOR TRANSFORMATION PROJECT

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

COMPONENTS

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

COMPONENT I

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

This component will support the GOJ reform efforts through the following activities:

- (i) Migration of the current web-based database to a robust platform to manage all information about public investment across the project cycle and linked to the budgeting and financial systems of the country (expected to be compiled into IFMIS);
- (ii) Design and implementation of a public investment management training program for public sector;
- (iii) Reviewing legislation and carrying out dissemination activities to integrate the PIMS with the administrative systems (including procurement and human resources);
- (iv) Strengthening monitoring through Citizens Participation;
- (v) Designing a fund for the funding of pre-investment financial and economic analysis and post-investment evaluations of the Borrower's public investments; and

- (vi) Provision of technical assistance for the implementation of the Public Financial Management Action Plan.

3. OBJECTIVES OF CONSULTANCY

- A. The purpose of this assignment is to Design and develop a PIMS handbook that will be a detailed set of regulations to be used by all the stakeholders of the system to interpret and execute the requirements of the PIMS as set out in the legislation and operational guidelines; and

4. SCOPE OF WORK

- A. The consultant will design and develop a PIMS handbook to include the following components:
1. Project Concept Development
 2. Project Proposal Development and Appraisal
 3. Project Approval and inclusion in the PSIP
 4. Project Implementation
 5. Project Monitoring
 6. Project Ex-post Evaluation and Impact Assessment
 7. Project Library and Archiving

Each Component must clearly define the processes and procedures based on the following:

- Identification of the decision makers and role players within the PIMS systems
- Identification of the key processes within the PIMS systems and the preparation of detailed procedures for these processes;
- Defining the guiding principles for the operations of the PIMS;
- Clarification of roles and responsibilities for the institutions included in the system;
- Determination of roles and responsibilities for the periodic production of key documents identified in law or included in the handbook based on the resulting consultations;
- Process and Schematic representation of the relationships between the entities involved in the system;
- Development of operational and service standards for the processes of each component;
- Development of prioritization guidelines for the inclusion of projects in the system;
- Process flow for the monitoring process with templates for the required monitoring reports.

The consultant will be required to develop the necessary forms and templates for each component of the handbook ensuring that they are user friendly, fit for purpose and support the overall intention of the guidelines.

The consultant will be required to document the appropriate procedures for the implementation of projects using a Public Private Partnership (PPPs) modality. This will include (but not limited to);

- The definition of PPPs
- Process for assessing and determining the viability of PPPs
- The review process for PPPs

The consultant is to document process and procedures for unsolicited proposals. This will include (but not limited to);

- A review of existing guidelines
- The definition of an unsolicited proposal
- Guiding principles
- Objectives
- Process for submitting an unsolicited proposal
- Roles and Responsibilities

5. METHODOLOGY

The exercise to be undertaken by the Consultant will be informed by this Terms of Reference, the Preliminary Assessment already conducted, the Technical and Financial Proposals received from the Consultant, and any negotiations conducted following the selection of the Consultant.

The Consultant will be required to prepare a detailed methodology and work plan indicating how the objectives of the assignment will be achieved, and the support required from the Ministry.

6. DELIVERABLES

Key Deliverables	Proposed Timeline	Standard for Delivery
1. Work Plan and associated Gantt Chart outlining the assignment to be undertaken	2 weeks after signing of contract	A time-bound Work Plan in Microsoft Word identifying activities, methodology and required resources, this should be linked to a Gantt outlining tasks, duration and start and end dates. The format of the document should be agreed prior to submission
2. Draft PIMS Handbook	To be determined by work plan	The report should include a minimum: <ul style="list-style-type: none"> • Detailed procedures for the major processes of the PIMS

		<ul style="list-style-type: none"> • Detailed roles and responsibilities for entities that participate in the PIMS • Performance Standards for each entity in relation to the processes of the system • Prioritization guidelines for the inclusion of projects in the PSIP
3. Finalized Draft PIMS Handbook	Three weeks prior to the end of contract	Changes agreed should be reflected in the final report. Submitted within the timeframe agreed.

7. PROJECT MANGEMENT AND ACCOUNTABILITY

7.1 Sign-off Procedure

A Technical Working Group will be established to oversee the Change Process within the PIMS. Deliverables will be considered certified as satisfactory when they are accepted by the Technical Working Group, and the Deputy Financial Secretary Public Expenditure Division based on the defined and agreed performance standards for delivery. The consultant will report directly to the Technical Coordinator Component 1.

8. QUALIFICATIONS

The Consultant is required to have the following minimum qualifications:

1. At least a Master's degree in Public Sector Management, Project Management or Social Science;
2. At least 10 years' experience in institutional analysis and diagnosis and in developing and implementing Public Sector modernization strategies, with particular experience in governance, public administration and management, organization and management of central government institutions;
3. At least 5 years' experience in leading business process reviews and re-engineering.

9. COMMENCEMENT DATE AND PERIOD OF EXECUTION

The consultant must be prepared to complete the assignment within a sixty (60) day period commencing October 2017 and ending December 2017.