

## Technical Cooperation Abstract

### I. BASIC PROJECT DATA

▪ Country/Region:	Guyana/CCB
▪ TC Name:	Support for Management for Development Results
▪ TC Number:	GY-T1101
▪ Team Leader/Members:	Stefano Tinari (ICS/CBA); Jorge Von Horoch (IFD/ICS); Javier Leon (CCB/CGY); Juan Pablo Martinez (IFD/ICS); Clevern Liddell (CCB/CGY); and Blanca Torrico (IFD/ICS)
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination.	Client Support
▪ Reference to Request: (IDB docs #)*	<a href="#">_____</a>
▪ Date of TC Abstract:	May 2, 2013
▪ Beneficiary (countries or entities which are the recipient of the technical assistance):	Ministry of Finance of Guyana
▪ Executing Agency and contact name	Ministry of Finance of Guyana Director, Office of the Budget, Sonya Roopnauth
▪ IDB Funding Requested:	US\$ 1,143,000
▪ Local counterpart funding, if any:	US\$ 100.000 (in kind)
▪ Disbursement period (which includes execution period):	36 months
▪ Required start date:	June 2013
▪ Types of consultants (firm or individual consultants):	Individual consultants
▪ Prepared by Unit:	ICS/CBA
▪ Unit of Disbursement Responsibility:	CCB/CGY
▪ Included in Country Strategy (y/n); ▪ TC included in CPD (y/n):	Included in current Country Strategy for Guyana
▪ GCI-9 Sector Priority:	Yes. It contributes to the GCI-9 priority: Institutions for Growth and Social Welfare.

### II. OBJECTIVE AND JUSTIFICATION

This Technical Cooperation (TC) aims to consolidate and accelerate developmental efforts made to date by central Government in Public Financial Management; this is expected to improve the Government of Guyana's (GoG) capacity to manage more effectively for development results (MfDR).

In December 2012, the PRODEV Evaluation Tool (PET) was applied in Guyana, with the objective of identifying the current situation with respect to the implementation of Management for Development Results (MfDR), a needed and powerful tool for improving the efficiency and effectiveness of public expenditure. Based on the results of the PET, an Action Plan Matrix was elaborated (attached). From the priorities identified in the Action Plan and as a result of the strategic priorities selected by the authorities in Guyana, a number of areas were incorporated in this Technical Cooperation.

\*Because of their nature such documents are not available to the public

**Strategic planning:** Guyana has a long term plan underpinned by consistent and complementary medium term strategies. The Low Carbon Development Strategy (LCDS) is a national vision (2009-2020) that acts as the umbrella for the Poverty Reduction Strategy (PRSP) and the National Competitiveness Strategy (NCS). In particular, the LCDS sets overarching goals and objectives that are developed in a comprehensive way by the PRSP for the 2011-2015 period. However, institutional weaknesses were found and operational planning needs to be strengthened, especially where strategies lack a detailed programmatic or cost-based definition.

**Results-based Budgeting:** Guyana has improved in terms of its consistency between the medium-term fiscal framework and the government agenda. The expenditure budget follows a programmatic classification although it still has deficiencies in its results-based approach. The main deficiencies are that programs are not directly or explicitly linked to the national or sector plans and that their performance framework is incomplete. This is being addressed under the M&E strengthening initiative. Finally, the use of performance evaluation and incentives mechanisms is still limited.

**Internal Auditing:** Internal auditing has been recognized by the GoG as an area for priority strengthening. While the majority of institutions do not have internal audit units, a recently established Internal Auditing Division at the Ministry of Finance is intended to audit government institutions, especially the ones that lack audit units, following a centralized approach to internal auditing.

**Monitoring and Evaluation systems:** Their implementation is still in an initial pilot stage through the National M&E Strategy and Action Plan. The Plan has the purpose of institutionalizing M&E across the Government, creating results-based monitoring and evaluation systems in order to overcome methodological, technical and institutional limitations of M&E as of present. The main issues found in the diagnostic (the need for a strong M&E institution, a system based on performance indicators, and the realization of different type of evaluations) are consistent with the substance of the plan.

PRODEV has cooperated successfully with the majority of the countries of the LAC region in consolidating the capacity to plan, budget, execute, monitor and evaluate public expenditure. The experience accumulated will guide the preparation and execution of this program.

### III. DESCRIPTION OF ACTIVITIES AND OUTPUTS

Activities	Responsible and expected completion date	Expected Outputs	Expected Results
<b>Component 1 – Strategic Planning (US\$525,000)</b>			
1.1 Prepare the guidelines to convert government priorities into government plans, and create a direct relation between	MoF/IDB Dec 2013	Manual and methodologies to elaborate and update sector and regional plans.  Definition of output and outcome indicators.	Increased institutional capacity to elaborate and update plans, increasing the probability of this becoming a sustainable practice

Activities	Responsible and expected completion date	Expected Outputs	Expected Results
the government plan (LCDS, sector strategies), the strategic units and the budget.			
1.2 Update of Education Sector Strategy for 2014-2018	MoE/MoF/IDB Dec 2014	Education Sector Strategy 2014-2018 completed along with costing.	The education sector can more effectively prioritize activities; more effectively allocate resources; and increased accountability for performance.
1.3 Update of Health Sector Strategy 2013-2017 – Vision 20/20	MoH/MoF/IDB April 2014	Health Sector Strategy 2013-2017 completed along with costing.	The health sector can more effectively prioritize activities; more effectively allocate resources; and increased accountability for performance.
1.4 Development and costing of sector/sub-sector strategies for two selected Budget Agencies (BAs)	Identified BA's/ MoF/IDB Dec 2014	Two sector/sub-sector strategies completed, along with costing.	The identified sector/sub-sector agencies can more effectively prioritize activities; more effectively allocate resources; and increased accountability for performance.
1.5 Development and costing of a strategy document for two selected regions	Identified regions/ MoF/IDB Dec 2014	Two regions have completed and costed strategic plans.	The identified regions can more effectively prioritize activities; more effectively allocate resources; and increased accountability for performance.
1.6 Expand training in strategic planning to all sector ministries and regions	Identified BAs/ MoF/IDB April 2015	A training plan is elaborated and training programs are executed at the MoF, identified BAs and sectors.	Technical capacity to develop consistent and costed strategic plans is built within the sector ministries and regions.
<b>Component 2 – Results-based Budgeting (US\$270,000)</b>			
2.1 Updating programme budgeting manual and disseminating it to all BAs	MoF/ IDB December 2013	Updated programme budgeting manuals	Increased capacity of BAs to prepare budget requests that are aligned with sector priorities
2.2 Aligning the programme outline used in sector/ regional strategies to that used to inform the annual budget	Identified BAs/ MoF/ IDB August 2014	Clear programme framework that links planning and budgeting	More effective allocation of resources and evaluation of quality of public expenditures
2.3 Strengthening the medium-term expenditure framework (MTEF), and coordinating it with the annual budget	MoF/ IDB August 2014	Updated MTEF aligned with the annual budget that includes a results-based framework	Improved capacity of the MoF to assess progress w.r.t. medium-term targets and revise allocation of resources accordingly in annual budget
2.4 Training to build	MoF/IDB	A training plan is elaborated and	Improved capacity of staff to use

Activities	Responsible and expected completion date	Expected Outputs	Expected Results
capacity in use of updated MTEF	Sept 2014	training programmes executed	updated MTEF.  More robust information available to inform annual budget allocations.
2.5 Designing a MfDR framework to be mainstreamed across the public sector performance evaluation tools and incentive mechanisms specific for Guyana's context	MoF/ IDB August 2014	A document proposing next steps for MfDR implementation is elaborated. It at least includes: (i) design of performance evaluation tools, (ii) design of incentive mechanisms, and (iii) a participatory implementation program (complementary to the current M&E plan) to explain, involve, and motivate public sector employees regarding the new MfDR related processes	A clear path is designed and followed to implement the next set of elements for a full MfDR framework.  Increased motivation from public sector employees towards MfDR reforms
<b>Component 3 – Internal Audit (US\$35,000)</b>			
3.1 Training for IIA Certification for the staff of the newly established Internal Auditing Division at the MoF	MoF/IDB April 2015	A training plan is elaborated and training programs are executed at the MoF	The Internal Auditing Division has more IIA certified staff
<b>Component 4 – Monitoring and Evaluation (US\$403,000)</b>			
4.1 Improve manuals and methodologies to elaborate, and evaluate performance indicators, and disseminate across central government	MoF/ IDB April 2014	Manuals and methodologies improved and disseminated across central government	Increased institutional capacity for M&E activities, increasing the probability of this becoming a sustainable practice
4.2 Approve and disseminate policies and guidelines on M&E (specifically in areas of performance measurement and monitoring, performance reporting, and evaluation).	MoF/ IDB April 2014	Policies and guidelines approved and disseminated.	Improved framework to direct and guide the development and strengthening of M&E systems in central government.
4.3 Supporting training programs consistent with needs as identified through implementation of	Identified BAs/ MoF/IDB April 2015	A training plan is elaborated and training programs are executed at the MoF, and identified BAs	Increased technical capacity to introduce M&E practices

Activities	Responsible and expected completion date	Expected Outputs	Expected Results
five-year M&E Strategy and Action Plan			
4.4 Implementing performance indicators in strategic plans of selected BAs	Identified BAs/ MoF/IDB April 2015	Performance indicators are operationalized and implemented in strategic plans of selected BAs	Increased use of performance based information in decision making processes
4.5 Updating the performance frameworks of selected BA's to ensure alignment with sector strategic plans, and budget process.	Identified BA's/ MoF/IDB April 2015	Performance frameworks are updated and operationalized for selected BA's.	Improved capacity to carry out performance-based planning

#### IV. INDICATIVE BUDGET<sup>1</sup>

Activity/Component	Description	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1: Strategic Planning	Methodologies prep.	50,000	-	50,000
	Strategy updates	100,000	20,000	120,000
	New Strategies prep.	200,000	-	200,000
	Training programs	125,000	30,000	155,000
Component 2: Result Based Budgeting	Methodologies prep.	50,000	-	50,000
	Programme update	50,000	-	50,000
	MTEF update	50,000	20,000	70,000
	Training programs	30,000	-	30,000
	Next steps prep.	70,000	-	70,000
Component 3: Internal Audit	Training programs	25,000	10,000	35,000
Component 4: Monitoring and Evaluation	Methodologies prep.	50,000	-	50,000
	Methodologies prep.	50,000	-	50,000
	Training programs	213,000	20,000	233,000
	Indicators prep.	70,000	-	70,000
Final Evaluation		10,000	-	10,000
<b>Total</b>		<b>1,143,000</b>	<b>100,000</b>	<b>1,243,000</b>

<sup>1</sup> The Indicative Budget has changed due to the following reason: The second component was the only one lacking a training plan to improve the implementation capacity for new policies (US\$30,000.00 increase). Additionally, given the importance of mainstreaming M&E activities, the training plan of the fourth component was expanded to cover more BA (US\$113,000.00 increase).

## **V. EXECUTING AGENCY AND EXECUTION STRUCTURE**

- 5.1 The Ministry of Finance, through the Office of the Budget, will be the Executing Agency (EA) of this program. It is the central institution responsible for the Public Financial Management in Guyana. Coordinating liaison from participating institutions will be selected among senior staff. Services from individual consultants and consulting firms will be contracted to execute the components of this operation.

## **VI. PROJECT RISKS AND ISSUES**

- 6.1 The implementation of this TC will require strong political support from senior government officials as well as a profound cultural change among government staff. Specific consensus building and sensitization initiatives will be implemented through this TC (such as in activity 2.4).
- 6.2 Other risks include weak executing capacity and sustainability of the reforms over time. As mitigation mechanisms, this TC includes extensive training components (such as activities 1.6, 3.1, 4.3), and the elaboration of methodologies (such as activities 1.1, 2.1, 4.1, 4.2) that can be used for future government periods.

## **VII. ENVIRONMENTAL AND SOCIAL CLASSIFICATION**

- 7.1 There are no environmental nor social risks linked to the activities of this operation. Because of the latter, its classification is “C”, according to the Environment and Safeguard Compliance Policy (OP-703). [IDBdocs# 37764490](#)