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USAID'S STRENGTHENING PUBLIC FINANCIAL MANAGEMENT IN LATIN AMERICA AND THE CARIBBEAN (PFM-LAC)

Year Two Work Plan

August 1, 2014 – July 31, 2015

Contract Number : AID-OAA-I-12-00036/AID-OAA-TO-13-00030

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Strengthening Public Financial Management in Latin America and the Caribbean

Year Two Work Plan

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List of Acronyms and Abbreviations

Acronym	Definition
CIAT	Inter-American Center of Tax Administrations
COR	Contracting Officer's Representative
CYPRESS©	Deloitte's Capacity, Performance, Results, Sustainability methodology
DEI	Dirección Ejecutiva de Ingresos (Honduran National Tax Authority)
FAD	Fiscal Affairs Department
G&A	General and Administrative Costs
ICGFM	International Consortium on Government Financial Management
IDB	Inter-American Development Bank
IFC	International Finance Corporation
IMF	International Monetary Fund
IT	Information Technology
LAC	Latin America and the Caribbean
LOE	Level of Effort
LPFM	USAID Leadership in Public Financial Management Project (a previous E3 task order implemented by Deloitte Consulting LLP)
LTU	Large Taxpayer Unit
MEF	Peruvian Ministry of Economy and Finance
MoFP	Jamaican Ministry of Finance and Planning
MP	Ministerio Publico (Ministry of Public Affairs of Honduras)
PFM	Public Financial Management
PMP	Performance Management Plan
RFA	Request for Grants Assistance
SLT	Sustainable Learning Transformation
STTA	Short Term Technical Assistance
TOTP	Training of the Trainers Program
WB	World Bank

Introduction

Sound public financial management (PFM) practices involve all levels of government and are at the heart of a healthy social contract whereby a government taxes its citizens and uses the resulting revenues to provide high quality public goods and services. Within the Latin America and Caribbean (LAC) region, the quality of expenditure management and revenue generation systems vary widely from country to country, within various levels of government, and by sector and ministries. The goal of the Strengthening Public Financial Management in Latin America and the Caribbean (PFM-LAC) Project is to increase understanding of PFM challenges in the region and create tools and approaches that can help governments adopt improved PFM practices.

This second year work plan for the PFM-LAC Project represents the proposed activities and tasks derived from the statement of work under the contract, ideas envisioned in the Deloitte PFM-LAC proposal, a review of Year One activities pursuant to the project performance management plan (PMP), feedback from interested USAID Missions and other relevant donors, and guidance received from USAID's Contracting Officer's Representative (COR) during discussions in the first year of the task order.

This document is divided into three sections and covers the period from August 1, 2014 to July 31, 2015: Section I presents the PFM-LAC technical tasks to be undertaken during the second year. These tasks are presented at a high level by task area or country and are intended to serve as placeholders for more detailed sub-activities to be defined through ongoing discussions between Project leadership and USAID. Section II provides budgetary information to illustrate how the tasks and activities detailed in Section I translate into costs. Lastly, Section III provides a visual timeline and estimated monthly funding requirements that match the activities to the timing details proposed in the work plan.

I. PFM-LAC Task Areas

This section presents the PFM-LAC Work Plan for the second year of the Project. The activities that are incorporated below have been reviewed and commented on by stakeholders at USAID, including the COR and interested USAID missions. Many of the activities outlined in the Year Two work plan are a continuation of activities that began in Year One of the Project. These follow-on activities will benefit from established relationships and built-up momentum with each corresponding Mission.

Overview of Activities

The tasks under contract are presented as high-level identifiers that serve to focus programming discussions, technical assistance, and interventions by the PFM-LAC Project. They are grouped under the following categories in accordance with Section C.2.2 of the task order:

- 1. Technical Analysis, Assessments, and Knowledge Management**
- 2. Seminars, Workshops, and Trainings**
- 3. Field-Based Capacity Building and Technical Assistance**
- 4. Grants Under Contract**

The Project will address several overarching regional PFM topics in LAC. Target countries in Year Two are subject to change, but are expected to include: **El Salvador, Honduras, Jamaica, Paraguay, and Peru.**¹ In accordance with the deliverable schedule and established targets in Section F.3 of the task order, the activities contained in the Year Two Work Plan are designed to meet the required deliverable totals over the life of the task order.

The following section presents a narrative for each of the activities which describe at a high level the goal of each activity, expected outcomes, coordination with the USAID COR, host country, or implementing partner, and an estimated timeline. The Deloitte Team and the COR anticipate that the scope and timing of these activities will evolve further based on continued discussions with USAID missions, changes in USAID or host country priorities, and other factors prior to staffing and implementation.

Task Area #1 – Technical Analysis, Assessments, and Knowledge Management

The first task area allows for a broad range of analysis and knowledge sharing by the Project. Through desk and field-based assessments, the Project has the opportunity to assess and diagnose relevant issues and provide recommendations for enhancing PFM in LAC. Guidance notes, case studies, and technical briefs will improve the ability of USAID missions to understand, implement, and evaluate PFM activities in their respective countries. Knowledge sharing through dissemination of deliverables will encourage dialogue and build momentum on PFM-related topics.

¹ Year One target countries included the Dominican Republic, Honduras, Jamaica, Paraguay, and Peru.

Task Area #1 comprised a large share of the technical delivery in Year One, due to the Project’s first year focus on regional assessments to establish credibility and build relationships with USAID/LAC Missions and counterparts. The studies also helped the Project organize its approach to PFM in the region. The Project Team anticipates that, while the Project will continue to produce relevant and targeted analyses, Task Area #1 will be a lower priority during Year Two.

Technical Analysis and Assessments

1.1) PFM Guidance Note, Analysis, or Toolkit	<i>Timeline</i>
<p>Based on the demand-driven nature of the task order, this activity will serve as a placeholder for opportunities that may arise to deliver desk or field-based PFM guidance notes, toolkits and/or technical analysis in the region that are relevant to political and technical leaders across LAC.</p> <p>Potential topics for analytical work during Year Two are detailed in Section IV; however, some of these topics may also be appropriate for the use of Grants Under Contract (Task Area #4) with local organizations in the LAC region. Ideas in areas such as Global Climate Change would require further vetting with technical experts within USAID to ensure relevance and avoid duplication.</p>	4 months

Knowledge Management

1.2) Regional PFM Newsletter	<i>Timeline</i>
<p>The PFM-LAC Team will continue with its release of a quarterly newsletter communication to garner support, interest, and promote dialogue on relevant PFM topics in the region. The newsletter will also be used to share success stories, encourage participation by the donors, experts, and stakeholders, and serve as an outreach tool to the LAC missions for potential collaboration under the contract.</p>	Quarterly

Task Area #2 – Seminars, Workshops, and Trainings

The second task area encourages the creation of fora to bring together practitioners to discuss PFM topics that are relevant to work under the Project. Through seminars, workshops, and trainings, opportunities exist for the Project to promote dialogue, knowledge sharing, and discussion around PFM issues in the region.

The Project was able to participate in several seminars and workshops in its first year. Some highlights from Year One include strong coordination with counterparts at the World Bank (WB) to lead and co-host workshops/panel events, and attendance at the 2014 Inter-American Center of Tax Administrations (CIAT) General Assembly in Rio de Janeiro, Brazil. In addition to participating in the conferences below, the Project will continue to coordinate and partner with multilateral donors such as the Inter-American Development Bank (IDB), International Monetary Fund (IMF), and the International Finance Corporation (IFC) for joint planning of events on PFM-related topics as they develop.

2.1) CIAT General Assembly 2015	<i>Timeline</i>
The PFM-LAC Team will explore attending the 2015 CIAT General Assembly in Year Two, as the general purpose of the General Assembly is very relevant to the tax-related technical areas under the Project. In 2015, the main topic of the conference will be Risk Management as a Tool for Improved Tax Compliance. The conference is scheduled for May 2015 and will be held in Lima, Peru. Attending the conference will provide an opportunity for the Project to network and build relationships with other organizations and government officials for potential engagement under the Project. The PFM-LAC Team will explore opportunities to contribute working papers for submission in anticipation of the General Assembly and/or a presentation at the event itself.	1 month
2.2) ICGFM Winter Conference	<i>Timeline</i>
The PFM-LAC Team intends to participate in the International Consortium on Government Financial Management (ICGFM) Winter conference in Year Two. The conference will provide an opportunity for the Project to interact with experts on the latest trends in PFM and gain practical information on implementing PFM reforms. The 2014 ICGFM Winter Conference is scheduled for December 2014 and will be held in Washington DC, hosted by the IMF Fiscal Affairs Department (FAD). By attending this conference, the Project will plan to present case examples, such as PFM-LAC's Jamaica Activity, and/or submit working papers for publication.	1 month
2.3) PFM-Related Conferences, Events, and Trainings	<i>Timeline</i>
The PFM-LAC Team will also seek to partner with other organizations to host or present at selected conferences or events that tie directly to the core technical areas under the contract. Examples may include, but are not limited to: IDB regional events, WB/IFC seminars, and others. The purpose of participation by the PFM-LAC Team is to continue to build awareness, strengthen networks, and promote dialogue on PFM-related issues in LAC.	4 months

Task Area #3 – Field-Based Capacity Building and Technical Assistance

The third task area allows for targeted interventions with missions, host country governments, and/or local organizations in the core technical areas under the task order. The Year Two proposed activities have been identified through meetings with respective USAID missions and discussions with the COR. All activities are subject to continued discussions with the COR, respective USAID missions, host governments, and other relevant donors to further refine the proposed interventions.

In Year Two, the Project will shift its emphasis from Task Area #1 (Technical Analysis and Assessments) to focus more heavily on Task Area #3 as it continues to strengthen its relationships and enhance its delivery to the Project's Year Two target countries of, **El Salvador, Honduras, Jamaica, Paraguay, and Peru.**

Jamaica

The Project will leverage Deloitte's Capacity, Performance, Results, Sustainability (CYPRESS©) methodology for field-based capacity building in Year Two. This methodology was introduced in Year One of the Project, and was featured predominantly in the Jamaica Capacity Development for PFM Activity (3.1). The team launched a Sustainable Learning Transformation (SLT) as one of the offerings within CYPRESS© to build sustainable capacity through a counterpart-owned and led training and

development program with Deloitte’s customized facilitation and coaching. See Annex #1 for additional details on CYPRESS©.

3.1) USAID/Jamaica Capacity Development for PFM	<i>Timeline</i>
The PFM-LAC Team will continue with Phase II (Year Two) of the capacity building, Sustainable Learning Transformation (SLT) effort in Jamaica – working specifically with the Jamaican Ministry of Finance and Planning (MoFP). During Phase II, the MoFP personnel selected during Phase I will present or co-present, with the PFM-LAC Team, the Training of the Trainers Program (TOTP) to a new group of instructors, manage the remaining course curriculum development, and finalize the training policies started during Phase I. The main purpose of this phase is to ensure that the MoFP can deliver the subject matter courses and develop new trainers.	6 months

3.2) USAID/Jamaica MoFP CYPRESS Workshop	<i>Timeline</i>
After working extensively with the Jamaican Ministry of Finance and Planning in Year One of the Project, the PFM-LAC Team will apply a CYPRESS© methodology to conduct an assessment of finance operations and finance service processes within the Ministry of Finance to enable the Ministry to identify and prioritize efforts and action plans to maximize results of the PFM reform agenda in the country. This type of targeted technical assistance, self-highlighted as a focus area by the MoFP, will help the organization address its goals of developing capability and capacity for its key Financial Management functions.	6 months

El Salvador

At the end of Year One, the PFM-LAC Project began conversations with the USAID/El Salvador Mission regarding potential field-based technical assistance in Year Two of the Project. In June of 2014, the country inaugurated its new president, who has vowed to fight corruption and ensure transparency in his new term.

3.3) USAID/El Salvador Capacity Building (Corte de Cuentas)	<i>Timeline</i>
In Year Two, the PFM-LAC Project will plan to deliver capacity building technical assistance to the Corte de Cuentas (Supreme Audit Institution) whose mission is to ensure transparency in public administration. Anticipated field activities include designing a capacity development program focused on the induction of new auditors and development of trainers and curriculum to strengthen the trainees’ capacity in fraud detection.	4 months

Honduras

In Year One, the PFM-LAC Project kicked off a field-based assessment with the Honduran Public Ministry (Ministerio Publico – MP) to gain a better understanding of budget allocation and financial management processes within the General Prosecutor’s Office (Fiscalía) and identify strategic interventions to help the office with budget development and/or financial management.

3.4) USAID/Honduras Justice Sector Phase II – Ministerio Publico	<i>Timeline</i>
Upon completion of the Working Paper on Financial Management in the General Prosecutor’s office, the Project anticipates providing additional technical assistance to the MP in Honduras, in coordination with USAID/Honduras. Potential areas for TA that will be discussed and agreed with USAID/Honduras include strengthening financial management processes, the development of short and medium-term action plans, and other capacity building efforts.	4 months

3.5) USAID/Honduras Tax Administration (DEI) Support	<i>Timeline</i>
The PFM-LAC Project anticipates providing field-based technical assistance or capacity development to the national tax authority (Dirección Ejecutiva de Ingresos – DEI) in Year Two of the Project. Discussions are ongoing with representatives of the DEI concerning opportunities to provide technical assistance in coordination with other multilateral donors. The Project will work with the COR and USAID/Honduras to refine the scope of activities and to ensure coordination with other ongoing projects in the USAID/Honduras portfolio, as well as other donor support.	TBD

Paraguay

The PFM-LAC Project will use Deloitte’s CYPRESS© methodology to provide a delivery framework to identify, execute, and measure capacity development activities in a sustainable manner for Paraguay. The anticipated field-based activities are designed to strengthen the integration and utilization of information during budget planning, execution, and reporting, as well as build the capacity of staff involved in budget planning, preparation, and execution, and the evaluation of expenditure in both Hacienda and select line ministries.

3.6) USAID/Paraguay Budget Execution Analysis and Technical Assistance	<i>Timeline</i>
Technical assistance will focus on the creation of a blueprint of the key processes and creation of action plans pertaining to the management and utilization of information for program planning and management and reporting, as well as information flows between Hacienda and targeted line ministries. The Project will accomplish this using Deloitte’s CYPRESS© Methodology to lead Hacienda and other identified local stakeholders and resource partners, such as USAID/Paraguay’s local partner, CEAMSO, through a series of performance goal setting, benchmarking, and action planning workshops. This process will help Hacienda map their current state and future vision against a maturity spectrum that is defined by the participants, enabling the group to make comparisons to leading practice in the key areas of performance in a way that is specific to how they wish to operate. The action plans produced through these workshops will also guide the development of assistance for selected line ministries. In addition, as part of the workshop preparation and maturity modeling with Hacienda, information will be gathered from primary service delivery line ministries at the start of the activity to build a competency inventory of the processes and tasks involved in transaction recording, program monitoring and evaluation, and performance reporting. This inventory will be used to assist Hacienda during the workshops by providing information for the development of capacity development plans aimed at improving the quality of information provided by the line ministries to Hacienda as part of the budget preparation and execution lifecycle.	6 months

Peru

In Year One, the PFM-LAC Project kicked off technical assistance with the Peruvian Ministry of Economy and Finance (MEF) to assess public expenditure at the sub-national level among targeted regions/municipalities.

3.7) USAID/Peru Sub-National PFM Analysis – Phase II	<i>Timeline</i>
As the Year One activity finalizes in Year Two, the Project anticipates follow-on (Phase II) technical assistance for the MEF and/or subnational governments in Peru. Areas for potential intervention are currently being identified with USAID/Peru and MEF based on the results of (Phase I) work during Year One.	4 months

Task Area #4 – Grants Under Contract

Under this task area, the PFM-LAC Project will administer grants on behalf of USAID with a focus on local organizations and PFM issues. In Year One, the PFM-LAC Team developed and approved the Deloitte Standards Grants Manual and the Grants Program Guide and was pending the release of a Request for Grants Assistance (RFA) in Paraguay. In Year Two, the Project expects to further develop its grants program by releasing additional RFAs and engaging more local organizations across the Project’s target countries.

4.1) Grants Implementation of Target Country RFA Assistance	<i>Timeline</i>
The PFM-LAC Team will work with target country USAID Missions and the COR to develop Request for Grants Assistance (RFA) applications and scopes of work for eligibility by local organizations. This activity will also encompass the implementation, monitoring, disbursement of funds, and execution of grants to be managed by the PFM-LAC Team. Potential grant topics during Year Two are detailed in Section IV.	Ongoing

Core Management Functions

A separate, fifth area labeled Core Management covers the project management and administrative functions that span across all four task areas. Its purpose is to ensure proper contractual reporting and deliverable management under the task order.

5.1) Quarterly Reporting	<i>Timeline</i>
The PFM-LAC Team will develop quarterly performance reports to be submitted to the COR after the end of each quarter. These reports will detail progress, accomplishments, and track the status of activities to the approved annual work plan.	Quarterly

5.2) Performance Management Plan (PMP)	<i>Timeline</i>
The PFM-LAC Team will use its PMP to track and document progress against task order components. Performance indicators will be established and monitored according to Section C.2.3 of the task order.	Quarterly

5.3) Core Management Functions	<i>Timeline</i>
The PFM-LAC Team proposes a core management allocation to assist with the overall Project planning and task order management. As the Project continues to expand in Year Two, particularly with field-based assistance, home office support is essential to the successful and timely response to USAID Mission and Project needs.	Ongoing

II. Budget Summary of Activities

The below table is an illustrative budget summary for the activities presented in Section I, expected to be completed in the second year of the Project. Final budget figures for each specific activity will be approved by the COR during scoping and activity approval phase for each activity.

BUDGET SUMMARY							
		Labor	LOE	Expenses	G&A	Grants	Total
	Year Two Activity Totals	\$ 1,562,865	1,486	\$ 286,698	\$ 64,278	\$ 250,000	\$ 2,163,841
Activity Summaries							
		Labor	LOE	Expenses	G&A	Grants	Total
Activity 1.1	PFM Guidance Notes, Analysis, Toolkit, or Assessment	\$ 104,040	90	\$ 500	\$ 112	\$ -	\$ 104,652
Activity 1.2	Regional PFM Newsletter	\$ 15,460	20	\$ 100	\$ 22	\$ -	\$ 15,582
Activity 2.1	CIAT General Assembly 2015	\$ 6,875	5	\$ 5,323	\$ 1,193	\$ -	\$ 13,391
Activity 2.2	ICGFM Winter Conference	\$ 21,480	20	\$ 500	\$ 112	\$ -	\$ 22,092
Activity 2.3	PFM Related Conferences, Events, and Trainings	\$ 17,184	16	\$ 500	\$ 112	\$ -	\$ 17,796
Activity 3.1	USAID/Jamaica Capacity Development for PFM	\$ 133,730	110	\$ 53,645	\$ 12,027	\$ -	\$ 199,402
Activity 3.2	USAID/Jamaica MoFP CYPRESS Workshop	\$ 174,980	140	\$ 40,324	\$ 9,041	\$ -	\$ 224,345
Activity 3.3	USAID/El Salvador Capacity Building	\$ 206,450	180	\$ 44,620	\$ 10,004	\$ -	\$ 261,074
Activity 3.4	USAID/Honduras Justice Sector - Phase II	\$ 100,194	90	\$ 27,440	\$ 6,152	\$ -	\$ 133,786
Activity 3.5	USAID/Honduras Tax Administration (DEI) Support	\$ 92,550	90	\$ 21,188	\$ 4,750	\$ -	\$ 118,488
Activity 3.6	USAID/Paraguay Budget Execution Analysis	\$ 208,626	165	\$ 43,038	\$ 9,649	\$ -	\$ 261,313
Activity 3.7	USAID/Peru Sub-National PFM Analysis - Phase II	\$ 115,480	150	\$ 44,520	\$ 9,981	\$ -	\$ 169,982
Activity 4.1	Grants Implementation of Target Country RFAs	\$ 29,450	35	\$ -	\$ -	\$ 250,000	\$ 279,450
Activity 5.1	Quarterly Reporting	\$ 15,460	20	\$ -	\$ -	\$ -	\$ 15,460
Activity 5.2	Performance Management Plan	\$ 27,500	20	\$ -	\$ -	\$ -	\$ 27,500
Activity 5.3	Core Management Functions	\$ 293,405	335	\$ 5,000	\$ 1,121	\$ -	\$ 299,526

III. Timeline Summary of Activities

Time & Budget Schedule	Aug '14	Sept '14	Oct '14	Nov '14	Dec '14	Jan '15	Feb '15	Mar '15	Apr '15	May '15	Jun '15	July '15
Task Area #1												
1.1. PFM Guidance Note, Analysis, and Toolkit												
1.2. Regional PFM Newsletter												
Task Area #2												
2.1. CIAT General Assembly 2015												
2.2. ICGFM Winter Conference												
2.3. PFM Related Conferences, Events, and Trainings												
Task Area #3												
3.1. USAID/Jamaica Capacity Development for PFM												
3.2. USAID/Jamaica MoFP CYPRESS Workshop												
3.3. USAID/El Salvador Capacity Building												
3.4. USAID/Honduras Justice Sector - Phase II												
3.5. USAID/Honduras Tax Administration (DEI) Support												
3.6. USAID/Paraguay Budget Execution Analysis												
3.7. USAID/Peru Subnational PFM Analysis – Phase II												
Task Area #4												
4.1. Grants Implementation of Target Country RFAs												
Core Management Function												
5.1. Performance Management Plan												
5.2. Quarterly Reporting												
5.3. Core Management Functions												
Estimated Monthly Funding Requirements² <i>*Budget Figures are displayed in '000's</i>	\$60.6	\$123.2	\$186.3	\$191.1	\$196.8	\$139.4	\$157.0	\$150.1	\$169.7	\$193.8	\$140.1	\$147

²Per Section F.2.3.1 of the Task Order, Estimated Monthly Funding Requirements are presented here. The figures are purely illustrative and calculated by evenly dividing the total activity budget figures (shown in Section II) by the estimated month-block duration (green-shaded cells) of the activity. The figures have been rounded to the '000's and slight rounding adjustments have been made. The Deloitte Team expects that the timing and funding projections of these activities will evolve with USAID priorities and COR direction.

IV. Potential areas for research, grants and local training in Year Two

The following are suggested topics for further exploration as desk studies under Task 1.1 and could also serve as the basis for grants assistance during Year Two in selected LAC countries.

A. Potential Desk Studies under Activity 1.1:

Assessing Revenue and Expenditure Effectiveness

Several countries in the LAC region have experienced significant gains in revenue collection since the global economic crises beginning in 2009, but there have been varying degrees of success during the recovery period in terms of improved outcomes in key service delivery sectors. Real gains in key service delivery sectors, such as health, education, and social protection, remain elusive for many countries in the LAC region, despite gradual overall increases in expenditure and increasing revenue bases. Some countries have been successful at utilizing their increasing revenue to make improvements to social programs, but increases in overall public value are varied throughout the region. This study will analyze social and economic indicators that contribute to improved outcomes – e.g., transparent and efficient revenue collection as well as improved outcomes in public expenditure in key delivery sectors. Illustrative questions include: What are the levels of expenditure in selected sectors that successful countries in the region have been able to achieve to generate economic growth and promote human development while controlling waste and corruption? What are the social and economic conditions that contribute to more efficient use of public funds and improved social and economic outcomes?

Budgeting for climate change

Climate change has a direct impact on the government's budget.³ Yet, climate change is a recent policy concern in many countries and governments cannot effectively finance climate change initiatives, because the necessary linkages between the policy formulation processes and the institutions responsible for climate adaptation and mitigation are not present. Conversely, and even less understood, the government's budget generates consumption-based carbon emissions. The purpose of this guidance note is to answer the basic questions of budgeting for climate change: How is information on climate change finance secured? Who is responsible for the overarching policy statements on climate change? How should climate concerns be represented in spending proposals? What are the institutions that should sponsor the climate science capabilities of the government? What is the needed technical capacity of these and other institutions?

³ The Chairman of the Senate Budget Committee, Patty Murray, notes: "Climate change impacts reverberate across the economy, putting the nation's transportation infrastructure, public health systems, agricultural producers, and critical energy and water infrastructure to the test. ... These effects are also beginning to have a significant impact on the federal budget as federal spending for weather related disasters has been climbing steadily." (Patty Murray, "Budget Blog. Climate Change is Real and It Is a Budget Problem", <http://www.budget.senate.gov/democratic/public/index.cfm/2014/5/climate-change-is-real-and-it-is-a-budget-problem>).

Financing road infrastructure

Deloitte recently completed an assessment of the road operations and maintenance (O&M) needs of the government of the West Bank. The assessment presented a leading practice model for safeguarding revenue for road O&M and discussed: 1) the importance of roads and road O&M; 2) the economic rationale for earmarking revenues for roads; and 3) the economic rationale for using specific types of revenues for road O&M. A main goal of this assessment was to propose a framework for the sustainable maintenance of infrastructure and holds important lessons for local governments and municipalities in LAC wishing to finance road infrastructure and road maintenance costs through own source revenues. Since roads represent one of the few government provided goods and services for which it is easier to identify beneficiaries and ensure that those beneficiaries pay for the full cost of the service, the financing of roads around the world is increasingly accomplished through specific revenues. Properly doing so requires that the government is able to design and collect such revenues. The purpose of this guidance note would be to synthesize this information into a digestible primer for USAID staff responsible for planning infrastructure projects in LAC.

Gender-responsive Public Financial Management

Gender-responsive budgeting is a relatively well-known concept, and there have been many initiatives to ensure that a gender equality perspective is incorporated into the budgetary process. Gender-responsive budgeting, however, while a commendable view of the role of PFM in gender equality is also a limiting one. It typically focuses on spending initiatives that raise awareness of or otherwise contribute to gender equality. Many of the ways in which gender and PFM interact are, in fact, little understood by most PFM practitioners. For example, drafting tradition and language in many countries prevent PFM laws, such as tax laws, from being gender neutral. The purpose of this guidance note is to research the areas of PFM that may require attention by PFM practitioners that would want to focus on gender issues.

B. Notional activities to support through the Grants Under Contract:

Ministry of Finance Training Grant(s)

Grants may be provided to local organizations or educational institutions to develop curriculum and conduct training for would be financial managers in areas related to budget execution, accounting, and reporting. Targeted training would focus on financial managers and ministry staff engaged in the preparation of payment processing, forecasts and cash flow projections, estimating commitments and obligations, and monitoring internal accounting controls.

Procurement Training Grant(s)

Grants may be provided to local organizations or educational institutions to develop curriculum and deliver training to line ministries or subnational governments to strengthen public procurement practices. Training would focus on procurement administration, contract administration, managing projects and risk, ethics in procurement, and compliance with laws and regulations.

Taxpayer Services Improvement Grant(s)

Grants may be provided to local organizations to create a plan to improve taxpayer services. These grants would help fund a feasibility study and implementation plan for an internal reform. This may involve ways to incorporate new technologies and further the reach of taxpayer service representatives.