GUYANA

How Disaster Resilient is Guyana’s Public Financial Management?

Effective institutions and systems of public financial management (PFM) play a critical role in the preparation and response to disasters. Strong PFM ties together often scarce available resources with their appropriate and sustainable use to ensure that governments can function reasonably well even in times of disasters.

Figure 1: Extent to which disaster resilience and recovery considerations are integrated into key PFM functions and processes.

NOTE: The assessment is based on the “Disaster Resilience and Recovery Public Financial Management Review”, developed by the World Bank Group’s Governance Global Practice, Latin America and Caribbean Team in 2019. It is an analytical instrument that seeks to help countries build resilient, responsive public financial management systems by pinpointing critical PFM policies, practices, and procedures that can be strengthened to improve a government’s capability to respond more efficiently and effectively to disasters, without loss of the integrity and accountability. The DRR-PFM review focuses on five key elements of the PFM system: legal and institutional foundations; budget appropriation arrangements; financial management controls; procurement arrangements, and public investment and asset management. Countries assessed in the sample include Antigua and Barbuda, Belize, Dominica, Grenada, Guyana, Jamaica, St. Lucia, and St. Vincent and the Grenadines.
KEY STRENGTHS

LEGAL AND INSTITUTIONAL FRAMEWORK
- Defined protocols on who and when to declare emergency events.
- The legal framework outlines procedures for execution of disaster budgetary resources.
- Centralized entity responsible for the overall coordination of disaster response activities.

BUDGET APPROPRIATION
- Availability of a contingencies’ fund to support disaster response.
- Submission of warrants for disaster related expenditure to approval can be done within a day.

FINANCIAL MANAGEMENT CONTROLS
- Mechanisms in place that reduce the risk of fraud or misappropriation of post-disaster spending.
- ICT data back-up processes are well documented.

PUBLIC PROCUREMENT
- Flexibility in procurement practices allows for expedited contracting.

KEY CHALLENGES

LEGAL AND INSTITUTIONAL FRAMEWORK
Budgeting rules do not explicitly address how to respond quickly to disaster emergencies.
Legal framework not in place for electronic payments and cloud storage.

BUDGET APPROPRIATION
No documented instructions exist for accelerating disbursements of funds in post-disaster situations.
Low compliance with requirements to prepare and submit disaster preparedness and response plans.
Limited menu of disaster risk financing options.
Inclusiveness and gender-sensitive considerations are absent in the allocation of resources for disaster response.

FINANCIAL MANAGEMENT CONTROLS
Insufficient scrutiny of disaster or emergency-related expenditures.
Limited capacity to monitor, track, and report on aggregate spending on disaster relief and response.
Very few performance audits of post-disaster expenditures are carried out.

PUBLIC PROCUREMENT
Lack of procurement planning and limited use of data analytics to inform and optimize purchasing decisions proactively.
Procurement law does not define what constitutes a disaster nor clarify authority responsible to declare when an emergency occurs.

PUBLIC INVESTMENT AND ASSET MANAGEMENT
No mechanisms for fast-tracking the appraisal, selection and approval of urgent disaster recovery public investments.

OPPORTUNITIES

LEGAL AND INSTITUTIONAL FRAMEWORK
Provision of specific support for disaster response in PFM-related legislation.
Introduction and adoption of new laws to enable installing cloud storage and enabling electronic payments.

BUDGET APPROPRIATION
Streamlined and documented steps to expedite the management of public funds in post-disaster situations.
Development of sector-specific disaster preparedness and response plans for spending units to improve readiness to react to disasters.
Strengthened collection and use of sex-disaggregated social data to inform budget allocations for disaster management activities.

FINANCIAL MANAGEMENT CONTROLS
Ex ante processes that are defined, developed and instituted to scrutinize emergency-related expenditures submitted for approval.
Improved chart of accounts expenditure classification to include post disaster related expenditures at the activity and project levels.
Implementation of an audit plan to audit expenditures and track the implementation of recommendation.

PUBLIC PROCUREMENT
Strengthened procurement planning that would introduce contingent contracting strategies to enhance response.
Review of procurement bill to ensure it addresses identified shortcomings of the existing procurement law.

PUBLIC INVESTMENT AND ASSET MANAGEMENT
Documented procedures instituted for fast-tracking the appraisal, selection, and approval of urgent disaster recovery public investments.