



MEMORANDUM OF UNDERSTANDING WITH THE **GOVERNMENT OF  
MONTSERRAT FOR  
NON BUDGET SUPPORT FINANCIAL AID AND TECHNICAL  
CO-OPERATION}**

Between

The Government of the United Kingdom of Great Britain and Northern Ireland acting through the  
Department for International Development (“DFID”)  
and

The **GOVERNMENT OF MONTSERRAT}** (“The Government”)  
together called “the Participants”

**MONTSERRAT FINANCIAL AID 2020/21  
{ARIES 204728}**

1. The arrangements and the purpose for which the Grant will be used are set out in this Memorandum of Understanding (MoU) and its Annex’s and the corresponding **Business Case Montserrat Financial Aid 2019/20 – 2021/22**, collectively referred to as “this Arrangement”.
2. Following the 2019/20 Financial Aid Mission in January 2020 and recent discussions between the Participants, DFID, will make available:
3. A sum not exceeding **£23.6m** which at the time signing this MoU is equivalent to an EC\$ amount of EC\$81.65m. This supports non-budget support Financial Aid to the Government of Montserrat. The schedule of disbursement for Financial Aid will consist of three payment tranches released in April, September and December, subject to agreed actions outlined below.
4. The budget for financial aid is composed as set out in table 1:



Table 1. Composition of DFID Financial Aid to Montserrat

Component	Full Year	Details
Recurrent	£19,230,000 (EC\$66,530,896)	To support the Government's recurrent expenditure across its Ministries.
Access Subsidy	£1,560,000 (EC\$5,397,132)	To support and maintain access to Montserrat.
Technical Cooperation and Capacity Development	£2,810,000 (EC\$9,721,757)	To support the Government in filing key positions and building capacity.

5. The Grant will start on **1 April 2020** and is expected to end on **31 March 2021**.

### Funding Requirements

6. The funding amount and disbursement schedule above are subject to revision and will depend on the fulfilment of the provisions of this arrangement, any revisions to budgets, and actual expenditure. It will also depend on any additional specific conditions accepted by the Government.

7. DFID requires that the Government is transparent throughout the duration of this arrangement on the utilisation of funds and can provide records of expenditure to the required detail. The Government will ensure that all goods and services financed from the Grant will continue to be used for the purposes set out within this arrangement. In the event of such goods or services being used for other purposes, the Government must notify DFID in writing and DFID may seek to recover from the Government the value of the goods and services concerned.

8. Should there be any revenue shortfalls in the 2020/21 budget year caused by underperformance of revenue (which are not the outcome of extraordinary external factors such as a hurricane), the Government will be required to undertake spending restrictions, implement cost savings or use other methods to cover the shortfall. DFID will not disburse extra funding to cover non-performance of revenue.

9. Specific conditions which must be met to support continuation of funding, and which we monitor adherence to are:



- i. Implementation of recommendations from the Access Strategy review and procurement of new air and sea access contracts to improve value for money for tax-payers in UK and better services for visitors and residents alike.
- ii. Addressing of issues and actions arising from the Technical Cooperation review, building on improvements in 2019/20 to further strengthen recruitment timelines and the effective management of the TC programme.
- iii. Continued progress on PFM reforms, to address risks identified by DFID's Internal Audit Department and the GoM's Auditor General. Further details of the required actions, milestones and deadlines are in **Annex 7**.
- iv. Progress on improving revenue collection to meet the budget targets for 2020/21 including progress on enforcing compliance, collecting arrears and maximising the benefits from the recently introduced digitised tax system.
- v. Continuing improvement to strategic planning and reporting on performance by Ministries with on-time and informative quarterly and end of year reporting on financial execution of Ministry budgets and their achievements financial aid indicators, and against KPIs that demonstrate delivery to/for citizens shows and the overall quality of service provided.
- vi. A policy review of measures to ensure needs-based access to welfare support for resident non-islanders (for example, whether to include those in work, or have been resident for 2 years or more) so that UK funds are able to equitably reach the poorest and most in need.

## **Assurance and Audit Arrangements**

The Government will co-operate fully with DFID and its agents during any assessment of the public financial management system and make available information pertinent to transparency on the use of funds, including relevant audit reports. The Government will provide such information and evidence as is necessary for effective assessments to be made by DFID of the use of funds. Whenever required and practicable, the Government will permit DFID authorised personnel to visit the project(s) funded, directly or indirectly by this grant. The Government will within 12 months of the end of each financial year provide DFID with Annual Audited Statements from its Auditor General (or equivalent) confirming that DFID's Grant has been used for the intended purposes. DFID retains the rights to undertake an independent



Audit of any or all of its funds during or after the 2020/21 financial year. The Government will co-operate fully should DFID exercise this right.

## Reporting and Reviews

10. Formal reviews and reporting will be conducted, to assess progress against project objectives. It is expected that Ministry of Finance and Economic Management will meet with DFID on a monthly basis to report on the following:

- I. Financial and results performance to date and forecasts for both domestic (e.g. tax) revenues and expenditure;
- II. Related key budget policy and departmental developments;
- III. Programme delivery risks;

On a quarterly basis, in addition to the above, MoFEM will collate and present reporting on:

- I. GoM internal quarterly reporting from line Ministries, as related to Ministerial strategies and KPIs;
- II. Performance against financial aid targets (e.g. as set out in the DFID Financial Aid Business Case and supporting logframe);
- III. Quarterly reporting on activities and spend related to the Small Capital Assets Fund. DFID will also sit with observer status on the SCAF project board and will have advance sight of all SCAF proposals;
- IV. With the logistical support of MoFEM, the DFID team will meet with a selected Ministry each month to discuss progress on spend/revenue and key strategies and targets.

Additional discussions and reporting as related to the ring-fenced budget items will be as follows:

- I. Access subsidy: there will be a separate monthly meeting focussed on access issues, were GoM will provide updates on the financial and passenger performance of ferry and airlines and will report on progress with the planning and undertaking of any access related procurement and consultancies. GoM will provide passenger and financial data on a quarterly basis.
- II. Technical Cooperation: there will be a separate monthly Technical Cooperation meeting with GoM attendees including the DGM FS and CHRO. An update TC list in an agreed format and any relevant narrative reporting will be provided.



11. Expenditure in 2020/21 related to the use of surplus from any previous year's unspent funds will be strictly limited to those areas agreed upon by DFID and GoM and relate to justifiable increased funding for the legal sector and/or any necessary emergency response, subject to ongoing approval from DFID.

12. The Government must submit full and timely evidence in support of claims, including:

- a. Performance to date and a forecast to the end of the claim period of both domestic (e.g. tax) revenues; and of
- b. A breakdown of expenditure needs by key department and spending area including a separate section of each of the ring-fenced areas.

The evidence and required reporting must be submitted by the dates indicated in Table 2, to enable the planned disbursements to proceed. Failure to provide timely evidence may delay disbursement and may impact on levels of funds released.

13. As part of the claim process, the Government will supply DFID will an up-to-date estimate of the actual exchange rate they expect to apply in transferring the 3 Sterling claims to EC Dollars.

14. There will be a pre-Financial Aid Mission set of meetings in November 2020, to review performance of Government Spending Departments (including against KPIs and the Log Frame indicators) and their strategies (including updated Ministry strategies), new areas of spend and new programmes (as planned and agreed with Government during the budget process) and cost saving and discontinued operations. This will be undertaken primarily by Video-Conference with ToRs agreed in advance. There will be a full Financial Aid Mission ahead of the 2021/22 Financial Year to gather evidence for the 2021/22 Financial Aid settlement. The Mission will review progress with the 20/21 settlement and against the 20/21 Log Frame indicators ahead of the Annual Review. A timetable of key issues and actions relating to the management of this programme is set out at **Annex 6**. The timelines may be reviewed if jointly agreed by DFID and the GoM.

Table 2 – Payment Timetable		
Payment Tranche	Deadline for GoM submission of reporting and supporting documentation	Target for release of DFID funding
1 - April	15 April	24 April
2 - August	19 August	28 August
3 - December	11 December	18 December



### **Accountability and Indemnity**

15. DFID will not be responsible for the activities of any person, organisation or company engaged by the Government or its agencies as a result of this Memorandum, nor will DFID be responsible for any costs incurred by the Government or its agencies in terminating the engagement of the aforementioned persons, organisations or companies.

16. Although accountable to DFID for the appropriate use of funding and delivery of project objectives, the Government will retain ultimate responsibility for the appropriate delivery of aid funding and will as such be solely responsible for any adverse effects of aid expenditure that have an undesired or unexpected result upon recipients.

### **Safeguarding for the prevention of sexual exploitation abuse and harassment**

17. The Participants have a zero-tolerance approach towards sexual exploitation, abuse and harassment. The Participants will take all reasonable steps to prevent the sexual exploitation, abuse and harassment of any person linked to the delivery of this Memorandum by both their employees and any Downstream Partners, including any actions set out in Annex 7 below.

18. The Partner will immediately contact DFID's Counter Fraud Section at [reportingconcerns@dfid.gov.uk](mailto:reportingconcerns@dfid.gov.uk) or +44 (0)1355 843747, to report any credible suspicions of, or actual incidents of sexual exploitation, abuse or harassment related to this Memorandum. The Participants should also report any credible suspicions of, or actual incidents that are not directly related to the Memorandum but would be of significant impact to their partnership or the reputation of DFID or UK aid. For example, events that affect the governance or culture of the Partner, such as those related to senior management, must be reported.

19. Both Participants will fully co-operate with investigations into such events, whether led by DFID or any of its duly authorised representatives or agents, or the Partner.

20. Both Participants commit to maintaining regular dialogue on the continual improvement of safeguarding.

### **Communication and Branding**



21. The Government will collaborate with DFID and proactively look for ways to build support for development and raise awareness of DFID's funding. Wherever appropriate, the Government will explicitly acknowledge DFID's support through the use of DFID's UK aid logo in all communications with the public or organisations regarding this funding.

22. The Government also commits to collaborate with DFID on other awareness raising activities, where feasible and appropriate, in the UK and overseas, to profile the partnership and the results it is delivering. Consideration of safety and security will always take precedence over the need to brand.

### **Intellectual Property**

23. Intellectual property developed in all material (including, but not limited to, reports, data and designs, whether or not electronically stored) produced by the Government or its personnel, members or representatives in the course of this project ("the Material") will be the property of the Government.

24. In signing this arrangement the Government hereby grants to DFID a worldwide, non-exclusive irrevocable and royalty-free licence to use all the Material, where "use" shall mean, without limitation, the reproduction, publication and sub-licence of all the Material and the intellectual property therein, including the reproduction and sale of the Material and products incorporating the same, for use by any person or for sale or other dealing anywhere in the world.

### **Fraud and Corruption**

25. DFID and the Government will immediately and without undue delay inform the other participant of any event which interferes or threatens to materially interfere with the successful implementation of the project, whether financed in full or in part by DFID, including credible suspicion of or actual fraud, corruption or any other financial irregularity or impropriety.

26. DFID have a fraud investigation unit, that should be contacted in the first instance at [fraud@dfid.gov.uk](mailto:fraud@dfid.gov.uk) or +44 (0)1355 84 3747. All suspicions will be treated with the upmost confidentiality.

27. DFID and the Government have a zero tolerance approach towards fraud and fraudulent behaviour that may lead to the misuse of funds and will fully co-operate with investigation into such events, whether led by DFID or the Government. DFID, may, at any time during the term of this



arrangement and up to five years after the end of the programme, arrange for additional audits, on-the-spot checks and / or inspections to be carried out. These may be carried out by DFID, or any of its duly authorised representatives.

28. DFID reserve the ability to recover funds that have been subject to a proven fraud and will work with the Government to do so. Where fraudulent or unethical activity is alleged, DFID reserve the right to suspend or terminate funding with immediate effect, in preference to the standard notice period and irrespective of any contractual requirements.

29. The Government will assure itself that UK funding, including financial assets or economic resources is not made available, either directly or indirectly to, or for the benefit of persons, groups or entities listed in accordance with European Council Regulation EC/2580/2001 (as amended) and/or the Terrorism (United Nations Measures) Orders 2009 of the United Kingdom, or contravene the provisions of those and that of any subsequent applicable terrorism legislation.

### **General Termination**

30. If DFID becomes concerned that the provisions of this MoU, partnership principles or specific conditions made under this arrangement have not been fulfilled by the Government or if any activities occur which in DFID's opinion will significantly impair the development value of the project, DFID will discuss with the Government and undertake an assessment. DFID may then take any of the following actions:

- Signal a possible future response
- Change the way DFID delivers aid
- Delay or reduce all or part of a specific aid disbursement
- Stop aid for this arrangement under the termination provisions set out within this MoU

31. This Arrangement including this MOU can be terminated by three months' written notice by either participant. It is accepted nonetheless that any decision of either participants regarding termination of this Arrangement will first be subject to discussion and the additional provisions cited within this arrangement.

32. Any unspent funds remaining at the end of a project, must be returned to DFID unless specifically decided between both participants, in writing. The template in **Annex 5** should be used when returning funds.





### **Additional Provisions**

33. Programme assets, specifically identified to be procured under the terms of this grant will be operated and controlled by the Government for the duration of the programme. The Government will be accountable to DFID for the appropriate use of these assets, in line with project objectives. Ultimate ownership of programme assets will be decided in writing by all participants.

34. When requesting payment the Government should complete **Annex 4**, Payment Request Form. Payment will be made to the bank account details provided in **Annex 3** of this arrangement.

35. The Grant will not, unless agreed by DFID in writing, be used to meet the cost of any import, customs duties or any other taxes or similar charges, applied directly or indirectly, by the Government or by any local public authority on the goods / services provided.

36. The Partner will work towards applying transparency standards in line with the UK aid Transparency Guarantee and the International Aid Transparency Initiative (IATI), to the funds received from DFID. In line with this guarantee and DFID's transparency commitment, the Partner will make substantive efforts to publish information about DFID funded projects, in line with relevant categories of the IATI standard, on their own website. In line with DFID's Transparency commitments, the Partner gives consent for this arrangement (and any subsequent amendments) and associated funding to be published on DFID's website.

37. If this arrangement is acceptable to the Government it will place on record the understanding of the Participants and will come into operation on the date of the Governments signature below.

38. In the event of translation the English text of this document will prevail.

39. Any amendments to the provisions contained within this Memorandum will be set out in writing and approved by the authorised personal through DFID's standard amendment letter or, where significant, a revised Memorandum of Understanding.



Department  
for International  
Development



Signed on behalf of DFID:

Name: John Gordon

Position: Head of Overseas Territories and the Caribbean

Address/Contact Details: Department for International Development, Abercrombie House, Eaglesham  
Road, East Kilbride, G75 8EA

Date: 31<sup>st</sup> March 2020

Signed on behalf of the Government:

Name: David Colin Owen

Position: Financial Secretary

Address/Contact Details: MOFEM, Brades, Montserrat

Date: 31/3/2020



## ANNEX 1. PROCEDURES AND PRACTICES FOR UNITED KINGDOM NON-BUDGET GOVERNMENT SUPPORT & TECHNICAL CO-OPERATION

### Introduction

1. This document sets out the procedures and practices applicable to Non-Budget Government Support and Technical Co-operation provided by the United Kingdom, including payment, procurement and audit arrangements. This guide should be read in conjunction with the Memorandum of Understanding (MOU).

### Disbursement of the Grant

2. In line with UK financial rules and regulations, disbursements, in advance of operational need should only be made when they have been properly justified. This justification will need to be set out in writing as part of this arrangement. All payments will be made on submission of an appropriate claim from the Government, or where applicable, the acting, Procurement Agent.
3. All claims should be accompanied by any relevant supporting documents and should include the necessary information to allow DFID to make payments to the bank details provided in Annex 3. The **Request for Payment template in Annex 4** sets out the recommended format for this information which must include the following information:
  - a. Title of Grant
  - b. Project location/official address
  - c. Amount of claim
  - d. Details of expenditure (Type of expenditure including how the amount claimed is calculated, material purchased, labour used, name of supplier/contractor, services used etc.)
  - e. Bank account details (To corroborate with the Bank details provided in Annex 3)
  - f. Details of audit discharge being applied to the project and confirmation that the relevant audit authority has been informed of the claim. (*See audit discharge options below*)
  - g. All claims must also include the following certification statements:



“I certify that this claim is correct and that the sum requested is properly due on the basis of the information provided, project objectives and on the work carried out or future work plans. I have the authority to sign this on behalf of the Government of...”

4. All outstanding claims should be submitted within 6 months of the project end date.
5. Any monies paid out and subsequently to be refunded to the Government by a contractor or by a guarantor must be returned to DFID by the contractor or guarantor

#### **Audit discharge for Partner Government expenditure**

6. For expenditure where audit discharge is not received through the submission of invoices and supporting documentation, there are three options through which audit discharge can be ascertained. These are:

##### ***Annual Audited Accounts***

- A Partner Government certifies that a particular sum of money has been spent on approved purposes and this statement is independently audited and a certificate given by a local independent audit authority. Each annual audited statement is provided in triplicate to DFID and is countersigned by the appropriate audit authority; it shows the drawing made from the Grant and the actual expenditure incurred during each financial year and certifies that the expenditure was incurred in accordance with the provisions of the MOU and any provisions on which the project/programme was accepted for financing from the Grant. Completed Annual Audited Accounts relating to expenditure actually and necessarily incurred and paid within a particular financial year must be received by the UK Government no later than 9 months after the end of the recipient's financial year.

##### ***Agency Audit***

- A self-contained accounting and audit system is established within the management supervisory structure of a large scale project/programme. Local payments are paid direct to the contractor against claims certified by a consultant; an external auditor acceptable to DFID is appointed to the consultants to audit the accounts. Reports or certificates should be available to DFID and the National Audit Office (NAO).;



### ***Continuous Audit***

- Each request for reimbursement made by the Partner Government is certified by an external auditor acceptable to DFID and the Partner Government. The auditor confirms that the claim is correct and accords with the MOU and is acceptable for payment.

### **Procurement of Goods and Services**

7. There are three routes by which goods and services can be procured under the grant.
  - a) DFID may decide to control the process and buy goods or services directly from the supplier, on behalf of the Partner Government. In these cases, DFID will arrange a separate contract with the respective suppliers.
  - b) DFID may allow the Partner Government to take partial control of the process by managing and appointing a DFID approved procurement agent to procure the goods and services - *refer to guidance below*.
  - c) DFID may allow the Partner Government to take full control of the process and procure goods and services through their own internal processes – *refer to guidance below*.

### ***Procurement through a Partner Government appointed and DFID approved Procurement Agent***

- i. The partner Government appoints a DFID approved Procurement Agent, using the draft contract in Appendix 1. Fees for procurement agents are met from the Grant. The Partner Government will notify the Procurement Agent of authorised signatories and submit specifications to the Procurement Agent for goods and services to be procured.
- ii. The Procurement Agent sends the specification, call-down contract (under the Procurement Agent Framework) and any other relevant documents to DFID. DFID authorises the Procurement Agent to proceed where there are sufficient available funds.
- iii. On satisfactory delivery of the goods or services, in line with the call-down contract, the Supplier sends invoices to the Procurement Agent who submits



these to DFID for payment. DFID makes payments to the Procurement Agent for the goods and services to effect payment, and pays their fees.

- iv. Receipt of appropriate invoices and supporting documentation is considered to provide adequate audit discharge for DFID and therefore further audit provisions are not required for this type of expenditure.

***Procurement by the Partner Government***

8. If this arrangement allows for the Partner Government to arrange procurement for goods and services, without the use of a procurement agent, before any commitment is made to procure goods and/or services the following guidelines must be observed:
  - i. Prior approval for the procurement must be given by DFID (who reserves the ability to assess the procurement capacity and capability of the relevant government institution(s) at any time);
  - ii. No commitments should be entered into before the MoU has been signed;
  - iii. All procurement arranged by the partner government must be carried out in full accordance with current approved procurement and financial accounting procedures of the partner government and must be arranged by approved procurement personnel;
  - iv. financial records of all the procurement must be kept and must be made available for audit discharge purposes



**ANNEX 2**

(PARTNER GOVERNMENT HEADED PAPER)

(Draft contract for the appointment of Procurement Agents by the Partner Government)

United Kingdom/{**COUNTRY NAME**} {**NAME OF PROJECT / PROGRAMME IF APPROPRIATE**}  
Grant 20... {**YEAR**}

1. I confirm your appointment as Agents of the Government of {**COUNTRY NAME**} ("the Government") to procure and arrange the shipment of goods and services required under the above mentioned aid Grant {**NAME OF PROJECT / PROGRAMME IF APPROPRIATE**}.
2. Procurement and the arrangement of shipment of goods will be handled according to the procedures laid down by the Government of the United Kingdom's Department for International Development (DFID) and the terms and conditions of DFID's Procurement Agent's Framework Agreement.
3. Original documents generated or any goods or documents coming into the possession of your company in relation to this Contract will be the property of the Partner Government.
4. The method of calculating your fees and charges for the services rendered are subject to the prior approval of the Procurement Group of DFID.
5. Your approved fees for arranging procurement and arranging shipping will be paid directly to you by DFID, acting on behalf of the Government, on presentation of your company invoice for the sum due.
6. This arrangement is made on the understanding that the Government of the United Kingdom representatives may at any time have direct access to original documents and any information it may require to satisfy itself regarding fees and charges made.

Yours faithfully



### ANNEX 3. PARTNER GOVERNMENT BANK ACCOUNT DETAILS

Partner Government Name	
Bank Name:	
Bank Postal Address:	
Name of Account:	
Bank Account Number:	
Sort Code:	
Currency of Bank Account:	
IBAN number: [required for bank accounts within Europe]	
SWIFT number:	
ABA or BIC Number: [BIC required for bank accounts within Europe]	
Intermediary bank details:	
Bank Email Address:	





**ANNEX 4. PARTNER GOVERNMENT PAYMENT REQUEST FORM**

<b>To:</b>	<b>Allan Clarkin Overseas Territories Department</b>
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**Title and Details of Funding**

Partner Government			
Title of Grant / Project name			
Details of Expenditure			
DFID Component Code / Purchase Order No.			
Date of Claim			
Period of Funding Request	[dd/mm/yyyy]	<i>to</i>	[dd/mm/yyyy]
<b>Payment Request Amount</b>			

**Partner Government Bank Details**

Bank Name:	
Bank Postal Address:	
Name of Account:	
Bank Account Number:	
Sort Code:	
Currency of Bank Account:	
IBAN number: [required for bank accounts within Europe]	
SWIFT number:	
ABA or BIC Number: [BIC required for bank accounts within Europe]	
Intermediary bank details:	
Bank Email Address:	



Audit Discharge

***Specify details of audit discharge through annual audited statements / continuous audit / agency audit, confirming that the audit authority has been informed of the claim and attaching any applicable audit discharge documentation or details of any supporting documentation.***

Certification

I certify that this claim is correct and that the sum requested is properly due on the basis of the information provided, project objectives and on the work carried out or future work plans. I have the authority to sign this on behalf of the Government of **{Country}**

Authorised Signatory .....

Date .....

Name:

Position:

Address/Contact Details:



## ANNEX 5: NOTIFICATION OF RETURN OF FUNDS TO DFID

To:	Allan Clarkin Overseas Territories Department
Cc:	Treasury and Banking, DFID, Abercrombie House, East Kilbride, Scotland

### Project Details

Partner Name	
Title of Grant / Project name	
Purchase Order / Component Code	
Payment Date	
Payment Amount to DFID	

### Bank Details

DFID Bank:	Nat West
DFID Sort code:	60-70-80
DFID Account number:	10019057
DFID Account Code	
DFID Component Code	

### Payment Method

For UK Payments under £10,000 we recommend the use of BACS. For UK Payments in excess of £10,000 we recommend the use of CHAPS. Cheques should be made payable to 'Department for International Development' and sent to the DFID Programme Manager. All payments direct from overseas bank accounts should also quote the following:

Pay	Nat West
BIC/Swift	NWBKGB2L
IBAN	GB02NWBK60708010019057
Posting Address	Nat West, 2nd Floor, 280 Bishopsgate, London, EC2M 4RB

### Partner Contact Details

Name:	
Position:	
Address:	
E-mail:	



## ANNEX 6: ARRANGEMENTS FOR FINANCIAL AID

### Timeline of Key Activities

Activity	Dates	Lead	Requirements	Output
Tranche 1 Payment	April	MoFEM	GoM Reports & Supporting Documents	Payment of Tranche 1 during April
Annual Review 19/20	April	DFID	GoM reporting and engagement during review process	Completion by Deadline
Tranche 2 Payment	September	MoFEM	GoM Reports including Q1 Ministry reports	Payment of Tranche 2 during September
MYR of 20/21 Financial Aid & Pre FAM	TBC	MoFEM and FA Team	Submission on supporting documentation from GoM Ministries	Indications of progress in 20/21. Early indications of 21/22 budget and key focus areas.
Tranche 3 Payment	December	MoFEM	GoM Reports including Q2 Ministry reports	Payment of Tranche 3 by mid-December
21/22 Financial Aid Mission	January 2021	MOFEM	Submission of projected GoM revenue and spend during 2021/22	GoM provide a draft budget

### Regular Meetings

Meeting	Purpose	Attendees	Requirements	Dates
Monthly Financial Aid Meeting	To discuss progress against budget performance	MoFEM and DFID FA Team	Submission of monthly financial reports ahead of meeting	Monthly from April 2020, dates to be confirmed and recurrent appointment
Monthly Ministry Meeting	To discuss progress against Log frame milestones and KPIs	Agreed GoM Ministry	Submission of latest quarterly report from Ministry	To coincide with Monthly FA Meeting.
Access Monthly Meeting	To discuss access provision and performance against the access budget and indicators	PS OoP, Access Coordinator, Montserrat FA Team and MOFEM representative	Updated Access Reporting	Monthly from April 2020
Monthly TC Meeting	To discuss performance and utilisation of TC budget	DG, HRMU, FS and DFID FA Team	Updated TC list and reporting	Monthly from April 2020



## ANNEX 7: FINANCIAL AID ASSURANCE: PRIORITY REFORM CRITERIA

<p>Annex 7 agreements are drawn from existing GoM commitments and the GoM PFM reform tracker, additions relate to areas identified through audit reports (OAG and DFID-IAD). Agreed areas: a) improve quality of public financial management and accountability for the people of Montserrat; b) contribute to better overall public systems and delivery for the people of Montserrat.</p>	
<p>By end of 2nd quarter</p> <p>Six month actions</p>	<p><b>Assurance and Financial Integrity</b></p> <ul style="list-style-type: none"> <li>• Approval by Legislative Assembly of the Amendment to The <b>Public Finance (Management and Accountability) Act</b> with regards to the implementation of the Audit and Risk Committee.</li> <li>• GoM whistleblower policy and mechanisms agreed and operationalised.</li> <li>• Conflict of Interest policy/provisions adopted, in-line with the joint GoM/DFID Corruption Risk Assessment report.<sup>1</sup></li> <li>• Approval of the Montserrat National Audit Office Bill by Legislative Assembly and published annual report on follow-up to audit recommendations.</li> <li>• Preparatory work for 2<sup>nd</sup> VfM audit completed and PFM peer review of OAG completed (CAROSAI). <b>[To be agreed by DFID with OAG/MNAO]</b></li> </ul>
	<p><b>Sustainability, Delivery and Value for Money</b></p> <ul style="list-style-type: none"> <li>• Active implementation of the Procurement Action Plan and continued collaboration with CDB.</li> <li>• OAG risk management advice follow-up – Ministries review processes and provided reports to Cabinet covering: nature of assessed risks, potential impact/probability, actions to mitigate the risks, residual potential probably and impact, with MoFEM covering fiscal risks.</li> <li>• Drafting of safeguarding legislation (or amendments to existing drafts - such as the rehabilitation of offenders bill) to introduce a <b>Disclosure Barring Service</b> (DBS certificates allow formal scrutiny of an applicant’s suitability for types of licenses and employment, e.g. licenses – e.g. to sell alcohol or to work with children).</li> </ul>

<sup>1</sup> See separate summary of CRA CoI



<p>By end 4th Qtr</p> <p>12 months actions</p>	<p><b>Assurance and Financial Integrity</b> (continued progress ongoing reform areas above, e.g. procurement, risk management)</p> <ul style="list-style-type: none"> <li>• GoM finalises and disseminates its anti-corruption strategy, including awareness raising, and recommendation paper completed on wider Integrity reform (e.g. new ombudsperson), identifying legislative or constitutional amendments;</li> <li>• Audit and Risk Committee operational and disseminating an annual public report on implementation of audit recommendations, and quality and timeliness of IAU audits.</li> <li>• Recommendations from OAG peer review integrated into workplan, and a report published on GoM rate of implementation of recommendations from external audit <b>[To be agreed by DFID with OAG/MNAO]</b>;</li> </ul>
	<p><b>Sustainability and Value for Money</b></p> <ul style="list-style-type: none"> <li>• Approval of safeguarding legislation to introduce a Disclosure Barring Service (DBS certificates allow formal scrutiny of an applicant’s suitability for types of licenses and employment, e.g. licenses – e.g. to sell alcohol) by Legislative Assembly.</li> <li>• Methodology for a Pensions &amp; Salary review agreed. To review both to ensure these remain financially sustainable within the current funding envelope, and the latter to support maintaining capacity and performance of civil servants, including removal of the 10-year entitlement and published;</li> <li>• Preparatory work on an options paper sent to Cabinet on how to build on GoM strengths in budget transparency and engagement, by encouraging greater public engagement and citizen feedback with attention to marginalised and vulnerable groups, specifically people living with a disability.</li> </ul>