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 declares disaster events that have implications for accelerated public spending.
• Digitalization and disaster-resilient arrangements for data storage and IT assets.
• Institutional arrangements for post-disaster financial relief and recovery.

BUDGET APPROPRIATION
• Availability of and access to several funding sources for responding to disaster events.

FINANCIAL MANAGEMENT CONTROLS
• Internal control in place for authorizing and discharging funds from special funds.
• Ability to track disaster-related external assistance commitments and inflows.
• Timely publication of disaster-related funding allocations.
• Payments that can be made in post-disaster situations even when no IT connectivity.
• Robust IT backup routines.

PUBLIC PROCUREMENT
• Clear protocols for emergency procurement in place.
• Pre-identified suitable and potential suppliers and alternate suppliers.
• Multiple agencies carry out procurement for disaster relief and response operations.
• Tools in place to expedite procurements of goods and services for post-disaster response.

KEY CHALLENGES

LEGAL AND INSTITUTIONAL FRAMEWORK
Gender directorate that is responsible for promoting gender equality lacks connection with disaster management.

BUDGET APPROPRIATION
Contingency arrangements for disaster response exist but not for all spending units.

FINANCIAL MANAGEMENT CONTROLS
Disaster response activities and spending outcomes are not systematically audited with enough frequency.

PUBLIC PROCUREMENT
No protocols exist to ensure adequate and timely access to information on each phase of the public procurement of disaster-related works, supplies, and services.

PUBLIC INVESTMENT AND ASSET MANAGEMENT
Climate-informed selection criteria are not systematically applied in pre-appraisal of public investment projects.

OPPORTUNITIES

LEGAL AND INSTITUTIONAL FRAMEWORK
Improvements to the national gender policy with considerations of the use of sex-disaggregated socioeconomic data during disaster response.

BUDGET APPROPRIATION
Introduction of a central contingency fund for addressing emergencies.

FINANCIAL MANAGEMENT CONTROLS
Strengthening the capacity of the Auditor General to conduct post-disaster audits.

PUBLIC PROCUREMENT
Strengthening contingency purchase planning to allow for the provision of goods and services if an emergency or unforeseen event arises.

PUBLIC INVESTMENT AND ASSET MANAGEMENT
Formal mechanisms established and documented for the appraisal, selection, and approval of public investments.