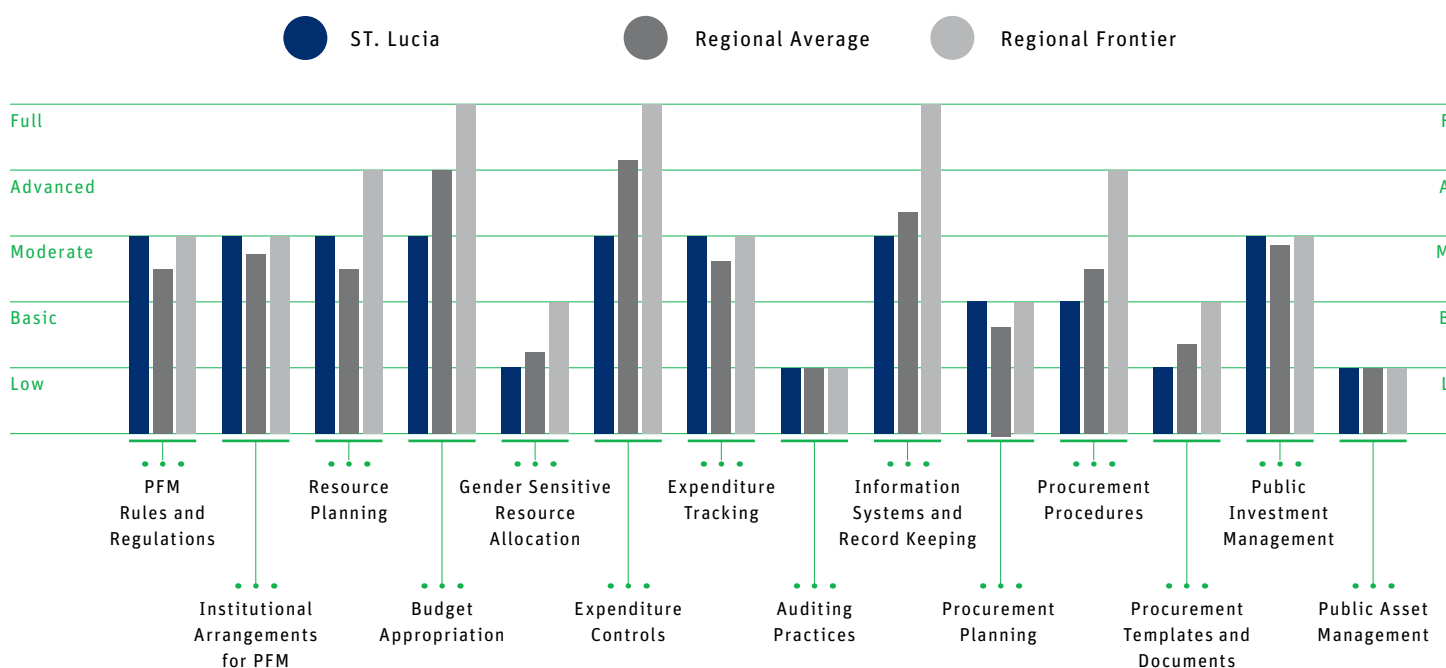


# ST. LUCIA

## How Disaster Resilient is St. Lucia'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

- Well-documented protocols for declaring events that have implications for accelerated public spending.
- Well organized and coordinated institutional arrangements for disaster response and financing.

### BUDGET APPROPRIATION

- Access to a reasonably good mix of financing sources to respond to disaster risks of high, medium, and low severity.
- Sufficient budget flexibility to reallocate, supplement, or advance approved provisions for unforeseen disaster expenditures.

### FINANCIAL MANAGEMENT CONTROLS

- Clear protocols to govern the accounting and reporting of disaster-related expenditures.
- Resilient information systems and data recovery protocols.

- Adequate segregation of financial management duties to minimize conflicts of interest.
- Strong basis to track disaster spending at the sub-program and activity levels.

### PUBLIC PROCUREMENT

- Flexibility in procurement rules that allows for expedited contracting.

## KEY CHALLENGES

## OPPORTUNITIES

### LEGAL AND INSTITUTIONAL FRAMEWORK

Unclear operating rules and definitions for PFM in emergencies, leading to disparate budget reallocation.

Public finance officers are not adequately trained or knowledgeable on response management to natural disasters.

Provision of specific support for disaster response in PFM legislation.

Development of emergency PFM education and updates to government continuity, and disaster recovery plans and operating procedures.

### BUDGET APPROPRIATION

No guidelines on how much, between what categories, and in what sequence adjustments to the budget can be done for emergency situations.

Inclusiveness and gender-sensitive considerations are absent in the allocation of resources for disaster response.

Interim finance procedures in place and in accordance with the provisions of emergency-related legislations.

Inclusiveness and gender-sensitive considerations are incorporated in the allocation of resources for disaster response.

### FINANCIAL MANAGEMENT CONTROLS

Insufficient external and parliamentary audit scrutiny and no follow through to ensure corrective actions are implemented.

Weaknesses in the design of the data center and inadequate off-site backups expose vital government information to the risk of loss.

Increase in the frequency of audits, tracking implementation of audit recommendations, and strengthened oversight by the legislature.

Policy created to guide the management of critical IT systems and data registers; and to enhance resilience of data centers.

### PUBLIC PROCUREMENT

Inadequate contract oversight and weak internal controls for vendor registration.

Lack of procurement planning and limited use of data and analytics to inform and optimize purchasing decisions proactively.

Creation and implementation of internal control plan for contract management.

Procurement policies for disasters and strengthened sourcing strategies.

### PUBLIC INVESTMENT AND ASSET MANAGEMENT

Climate-informed selection criteria are not systematically applied in pre-appraisal of public investment projects.

Formal mechanisms established and documented for the appraisal, selection, and approval of public investments.