



JAMAICA FROM DEVELOPING TO DEVELOPED

WHOSE RESPONSIBILITY IS IT?

Report to the Nation
For the period September 2016 - December 2016
Presented January 26, 2017

5ⁱⁿ4

economic
growth
council



**WHOSE
RESPONSIBILITY
IS IT?**

ACHIEVING 5 IN 4: IT'S OUR COLLECTIVE RESPONSIBILITY



The members of the Economic Growth Council (“EGC”) join me in thanking Jamaica for the wonderful reception of the EGC as we work with stakeholders to ensure that Jamaica achieves 5% GDP growth by the year 2020.

The outstanding cooperation from the public and private sectors, trade unions and the general citizenry, evidenced by the knowledge and experience shared in over 118 consultative meetings has been invaluable in helping the EGC to define the eight Growth Initiatives recommended to the Cabinet in September 2016.

The Government of Jamaica’s support for these initiatives and their component sub-initiatives is evident in the unprecedented inclusion of some of these recommendations as policy actions in the Stand-By Agreement (“SBA”) signed with the International Monetary Fund (“IMF”) in 2016, which has, in turn, defined deliverables and timelines to be monitored by the EGC.

The EGC will be making quarterly reports to the public of which this is the first. In this regard, we are pleased to confirm that some of these critical policy actions have been achieved ahead of schedule while others are in progress and, so far, on track to be achieved within the specified timeframe. Details are contained in this report.

However, the gradient of policy action steepens in the coming quarters and so it will be important

for the society to continue to support the implementing bodies as they seek to turn challenging yet critical commitments into action. We all have a role to play.

We extend special appreciation and thanks to the persons who have accepted the responsibility for chairing working committees as follows:

- Major General Antony Anderson - Citizen Security & Public Safety Committee
- Mr. Milverton Reynolds - Access to Finance Committee
- Mrs. Helene Davis-Whyte - Immigration Project Committee
- Dr. David Panton - Diaspora Engagement Committee

Buoyed by the energy and commitment of everyone we have interacted with, the EGC will continue to mobilise around the goal of elevating our growth experience above baseline expectations to 5% annual GDP growth.

For this, we will need your support in the implementation of the recommendations as in the final analysis, this is a collective exercise and success will depend on the level of your participation.

ACHIEVING 5 in 4 IS OUR
COLLECTIVE RESPONSIBILITY.

A handwritten signature in black ink, appearing to read 'Michael Lee-Chin'. The signature is fluid and cursive.

Michael Lee-Chin
Chairman, Economic Growth Council

ECONOMIC GROWTH COUNCIL GROWTH INITIATIVES POLICY RECOMMENDATIONS MATRIX IN THE IMF AGREEMENT

REFORM AREA	MEASURES	DUE DATE	RESPONSIBLE MINISTRY/ DEPARTMENT/ AGENCY	STATUS
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MACRO- ECONOMIC STABILITY

Create framework for public debt reduction through a program of privatizations and asset sales.

Mar-17

Ministry of Finance
and Public Service
(MOFPS)



On track



CITIZEN SECURITY AND PUBLIC SAFETY

Submit to Cabinet a plan for the rationalisation of police stations, the redeployment of assets into high crime areas and a more mobile strategy for policing.

Mar-17

Ministry of National
Security (MNS)



On track

Implement measures to allow witnesses to record their statements and give evidence via video-link.

Mar-17

MNS
Ministry of Justice
(MOJ)



On track

Improve border security and enhance monitoring of Jamaica's air and maritime space through an initial acquisition of surveillance aircraft and marine patrol vessels leading towards the eventual development of a full Domain Awareness Centre.

Mar-17

MNS



On track

Implement a full legislative review that leads to the tabling in Parliament of the following:



OCT-17 MNS

(i) A new Police Service Act to replace the Jamaica Constabulary Force Act, that supports the modernization and transformation of the Jamaica Constabulary Force into a modern intelligence-led police service that ensures Citizen Security, with stronger systems of administration, management and internal discipline.



OCT-17 MNS

(ii) Legislation to establish the Major Organized Crime and Anti-Corruption Agency as an independent national law enforcement agency focused on terrorism, major organized crime and serious corruption.



OCT-17 MOJ

(iii) Legislation to merge the Corruption Prevention Commission, the Integrity Commission and the Office of the Contractor General into a more empowered single Anti-Corruption Agency with the necessary independence and resources to carry out its functions.



Oct-17 MOJ

Subject to the ruling of the Constitutional Court, extend the Proceeds of Crime legislation to include all FATF-designated non-financial businesses and professions, including lawyers (consistent with attorney-client privileges), by way of ministerial order subject to affirmative resolution or other legislative means to assist in the detection, investigation and prosecution of the laundering of proceeds of crime, including corruption.



Oct-17 MNS

Submit to Cabinet a proposal for a comprehensive information system for the JCF, including acquisition of the necessary infrastructure that facilitates live feeds from CCTV to area-based control rooms to allow real-time operations control accompanied by the implementation of proper electronic crime and incident-recording procedures feeding into real-time data analytics to support both strategic management and operations control.

REFORM AREA

MEASURES

DUE DATE

RESPONSIBLE MINISTRY/
DEPARTMENT/
AGENCY

STATUS

Submit to Cabinet a comprehensive plan for normalising and reintegrating informal settlements, 'garrisons' and high-crime communities, creating safe civic spaces and decent, law-abiding neighbourhoods

Oct-17

Ministry of Economic Growth & Job Creation (MEGJC), Ministry of Local Government & Community Development (MLGCD), MNS



On track

ACCESS TO
FINANCE

Finalise the Terms of Reference for Banking Competition Review.

Dec-16

Bank of Jamaica (BOJ)



Completed

Expand the size of the partial credit guarantee programme at the Development Bank of Jamaica.

Mar-17

Development Bank of Jamaica (DBJ)



On track

Commence phased reviews of banking, insurance and pensions regulations that impact access to finance.

(i) Pursue required amendments to legislation to allow for inventory and receivables, intangible property and other non-traditional assets identified under the Secured Interest in Personal Property Act (SIPPA) to be recognised as security under the Bank of Jamaica (BOJ) regulations.

Mar-17

Ministry of Industry Commerce
Agriculture and Fisheries (MICAF)



On track

(ii) Pursue amendments to BOJ regulations to allow for capital relief for the portion of an SME loan that has a DBJ guarantee under the Credit Enhancement Facility programme where that guarantee is backed by segregated funds.

Mar-17

BOJ
DBJ

Completed

(iii) Review the Minimum Capital Test (MCT) requirement for insurance companies.

Mar-17

Financial Services Commission (FSC)



On track

(iv) Pursue regulatory reform with a view to unlocking the ability of pension funds to invest in broader categories of investable assets.

Jun-17

FSC


On track




BUSINESS CLIMATE AND RED-TAPE

Begin regulatory review of licensing, permitting and regulatory processes in fisheries, veterinary, agricultural, pharmaceutical, health and quality control divisions of government aimed at boosting efficiency and business competitiveness.

Mar-17

MICAF
MOH


On track

Complete the Public Procurement Regulations.

Mar-17

MOFPS


On track

Complete Handbook of Public Sector Procurement Procedures.

Mar-17

MOFPS

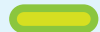

On track

Table the Building Bill in Parliament.

Mar-17

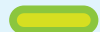
MLGCD


Completed

Implement electronic submission of development approval applications and mandatory use of AMANDA system for development approvals.

May-17

MEGJC
MLGCD

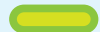

On track

(i) Table amendments to the Town and Country Planning Act and Local Improvements Act and regulations in Parliament.

(ii) Complete Public Portal Module II.

Sep-17

MEGJC
MLGCD


On track

(iii) Complete upgrade of infrastructure to all Local Authorities (LAs) and commenting agencies.

Dec-17

MEGJC
MLGCD


On track

Complete improvements to the Development Approval Process inclusive of the following:

(i) Finalisation of the National Spatial Plan

Oct-17

MEGJC


In progress

(ii) Completion of the Development Orders for all parishes

Oct-17

MEGJC


On track

REFORM AREA

MEASURES

STATUS

DUE DATE
RESPONSIBLE
MINISTRY/
DEPARTMENT/
AGENCYASSET
UTILISATION

Submit to cabinet plan to divest up to 20% of assets held by the Urban Development Corporation and the Factories Corporation of Jamaica.

Mar-17

MEGJC



Improve the scalability and efficiency of the privatisation, asset sale and public-private-partnership processes by (i) Increasing the number of Account Executives at the DBJ who handle such transactions (to X) (ii) dedicated staffing at the AG's chambers and the Ministry of Finance who are exclusively focused on these transactions (iii) establish permanently-staffed Enterprise Team that handles multiple such transactions (iv) submit to cabinet the protocol and framework for the outsourcing of privatisations to for-profit firms

Mar-17

MEGJC
MOFPS
DBJ
AGCDIASPORA
INVOLVEMENT

Begin feasibility study on institutional framework for promoting, coordinating and organising economic and social investments by the Diaspora

Mar-17

Ministry of
Foreign Affairs
and Trade
(MFAFT)
MOFPS

Begin feasibility study of the creation of a Global Jamaican Immigration Card for issuance to members of the Diaspora

Mar-17

MFAFT
MNS
MLSS

CHAIRPERSONS Working Committees



Access to Finance
Mr. Milverton Reynolds,
Managing Director,
Development Bank of Jamaica



Immigration Policy
Mrs. Helene Davis-Whyte,
President of the Jamaica
Confederation of Trade Unions



**Citizen Security
and Public Safety**
Major General Antony Anderson,
National Security Adviser



Diaspora Involvement
Dr. David Panton,
Chairman and CEO,
Panton Equity Partners

EGC PUBLIC LAUNCH



The Most Hon. Andrew Holness (2nd right), Prime Minister of Jamaica and Economic Growth Council members (l-r) Adam Stewart; Hon. Michael Lee-Chin, O.J., (Chair) and Dr. Nigel Clarke (Vice Chair), demonstrate "5 in 4" with their hands referencing the vision of 5% GDP growth within 4 years at the public launch of the EGC at the Courtleigh Conference Centre on November 7, 2016.

EGC STAKEHOLDER CONSULTATIONS



GROWTH CHAMPIONS

Hon. Douglas Saunders, O.J., (4th left), Cabinet Secretary; with EGC members (seated l-r) Pat Ramsay; Hon. Noel Hylton O.J., JP; Hon. Michael Lee-Chin, O.J., Chairman; Paula Kerr-Jarrett and (3rd left standing) Maureen Denton, Executive Director/Head of Secretariat, following the consultation between Permanent Secretaries of various ministries and the EGC.



IMPROVING ACCESS TO FINANCE

(l-r) Hon. Audley Shaw, MP, Minister of Finance and the Public Service; Amb. Dr. Nigel Clarke, Vice Chair, EGC and Milverton Reynolds, Managing Director, Development Bank of Jamaica, following a press conference to announce the reduction of capital requirements for loans to Small and Medium Enterprises in Jamaica - one of the EGC's recommended initiatives to produce 5 percent GDP growth in 4 years.



REDUCING RED TAPE

(l-r) Hon. Desmond McKenzie, Minister of Local Government & Community Development; Hon. Michael Lee-Chin, O.J., Chairman of the EGC; Paula Kerr-Jarrett, Council Member and Denzil Thorpe, Permanent Secretary in the Ministry, following the consultation between the Ministry and the EGC.



SECURITY AND PUBLIC SAFETY

Hon. Delroy Chuck (left), Minister of Justice addresses the EGC meeting with representatives of the Citizens Security & Public Safety sector. Hon. Michael Lee-Chin, O.J., is at centre and Justice Zaila McCalla, Chief Justice of Jamaica (right).



BUILDING HUMAN CAPITAL

Hon. Michael Lee-Chin, O.J., Chairman of the EGC greets Sir Hilary Beckles, Vice Chancellor, University of the West Indies (UWI) and his colleagues Amb. Richard Bernal, Pro Vice Chancellor, Global Affairs, UWI; Prof. Archibald McDonald, Principal, UWI Mona and Prof. Dale Webber, Pro Vice Chancellor, Graduate Studies, UWI Mona.



DIASPORA INVOLVEMENT

Senator the Honourable Kamina Johnson-Smith (right), Minister of Foreign Affairs and Foreign Trade addresses a meeting of representatives of the Diaspora. On her right are Permanent Secretary in the Ministry, Marcia Gilbert-Roberts and EGC members Paula Kerr-Jarrett and Hon. Hugh Hart, Q.C.

ECONOMIC PERFORMANCE AND PROSPECTS

- Real GDP for the Jamaican economy expanded by 1.7 per cent for the first half of FY 2016/17 (April-September 2016), reflecting primarily improvements in the Goods Producing Industry. This resulted from growth rates of 1.4 per cent and 2.0 per cent in the first and second quarter of the FY, respectively as reported by STATIN.
 - The economy's performance during the first half of the fiscal year occurred against a background of favourable weather conditions, improved business and confidence levels and higher employment levels.
- Preliminary PIOJ estimates indicate real GDP growth of 1.5 per cent for October-December 2016 relative to the similar quarter of 2015.
 - Real value added of the Goods Producing Industry is estimated to have increased by 3.5 per cent, due to estimated growth in three of the four industries. These were: Agriculture, Forestry & Fishing, Manufacturing; and Construction. The Mining & Quarrying industry was estimated to have contracted.
 - The Services Industry is estimated to have grown by 0.8 per cent, as all industries with the exception of Producers of Government Services recorded increases. Among the industries to have increased value added were: Electricity & Water Supply, Finance & Insurance Services, and Hotels & Restaurants.
- For the second half of FY 2016/17 growth is estimated to be 1.5 per cent, driven by improved out-turns of both the Goods Producing and Services Industries.
- For FY 2016/17 real GDP growth of 1.6 per cent relative to FY 2015/16 is projected, underpinned by real value added increases of 4.4 per cent and 0.8 per cent in the Goods Producing and Services Industries, respectively.
- Growth of 2.3 per cent is projected for fiscal year, FY 2017/18, predicated primarily on improvements in all industries with the exception of Producers of Government Services. It is anticipated that growth will be supported by the expected reopening of the Alpart Alumina Refinery following its sale to a Chinese producer; a strengthening of domestic confidence levels; as well as growth in the economies of Jamaica's trading partners.

DECLARATION OF INTENT

This Declaration of Intent is entered into between the **GOVERNMENT OF JAMAICA** ("GOJ" or "Government"), executing and implementing through its **MINISTRY OF ECONOMIC GROWTH AND JOB CREATION**, with office at 25 Dominica Drive, Kingston 5 in the parish of Saint Andrew and **THE ECONOMIC GROWTH COUNCIL** (the "Council" or the "EGC"), a body appointed by the Government, each a party and together, the parties.

PREAMBLE

WHEREAS

- (i) Jamaica's economy has stagnated over the last forty years with high levels of debt, unemployment and crime and violence. Jamaica has been on a trajectory of decreasing real GDP growth decade after decade. Over the last twenty (20) years real GDP growth averaged 0.5% per annum and 0.2% per annum over the last ten (10) years. The country consistently ranks among the slowest growing developing countries in the world;
- (ii) Jamaicans have made sacrifices over the past few years in the process of implementing and adhering to a necessary programme of fiscal consolidation. Although this programme created macro-economic stability, expansion in output has lagged and GDP growth has been slow and remains low;
- (iii) The GOJ is committed to enabling sustainable and inclusive economic growth;
- (iv) The GOJ established the Economic Growth Council on 27th April 2016. The Council was mandated to consult widely and to advise the Government on a framework of growth initiatives designed to facilitate and catalyse economic growth. The Council held over eighty (80) consultative meetings with diverse stakeholders including the Opposition, private and public sector entities, Ministries, Departments and Agencies ("MDAs"), the Jamaica Confederation of Trade Unions, members of academia, the media, diplomatic missions and multilateral development agencies. It reviewed the extensive literature and studies on the Jamaican economy, crime and violence and other factors impacting growth and development; and
- (v) On September 12, 2016, the EGC recommended to a meeting of Cabinet eight growth initiatives (the "Growth Initiatives"). The recommended Growth Initiatives reflect the views of the stakeholders consulted and findings reported in studies and reports regarding the major factors that continue to retard Jamaica's economic growth. They are therefore focused on the removal of the major obstacles to growth and the creation of an environment conducive to economic growth and development.

A R T I C L E 1

PURPOSE

- 1.1 The purpose of this Declaration of Intent (the "Declaration") is to record the intention of
 - (vi) the GOJ to implement the Growth Initiatives listed in 2.1.1 below; and
 - (vii) the EGC to fulfill its mandate as set out in its Terms of Reference, dated 27 April 2016 (the "Terms of Reference"). The Terms of Reference is attached hereto as Appendix I. A list of the members appointed by the GOJ to the EGC is also attached as Appendix 2.

A R T I C L E 2

DECLARATION

2.1 The Government

- 2.1.1 The GOJ agrees with the following eight Growth Initiatives recommended by the EGC:
 - (i) MAINTAIN MACRO-ECONOMIC STABILITY AND PURSUE DEBT REDUCTION
 - (ii) IMPROVE CITIZEN SECURITY AND PUBLIC SAFETY
 - (iii) IMPROVE ACCESS TO FINANCE
 - (iv) PURSUE BUREAUCRATIC REFORM TO IMPROVE THE BUSINESS ENVIRONMENT
 - (v) STIMULATE GREATER ASSET UTILISATION
 - (vi) BUILD HUMAN CAPITAL
 - (vii) HARNESS THE POWER OF THE DIASPORA
 - (viii) CATALYSE THE IMPLEMENTATION OF STRATEGIC PROJECTS

2.2 The Economic Growth Council

- 2.2.1 The EGC in accordance with its mandate intends to:
 - (i) Receive reports and periodic briefings from the MDAs on the Growth Initiatives and to monitor their progress in achieving the Growth Initiatives.
 - (ii) Support the MDAs in the implementation of the Growth Initiatives, as required.
 - (iii) Raise with the Prime Minister / Cabinet, any concern which may arise with respect to the implementation of the Growth Initiatives.
 - (iv) Report on a quarterly basis to the Jamaican people on the progress of attainment of the Growth Initiatives.

- (v) Support the GOJ in securing investment for Jamaica.

Declaration upon written notice to the other party.

2.3 **Monitoring, Reporting and Implementation**

- 2.3.1 The GOJ and the EGC will agree to a monitoring, evaluation and reporting framework and a mechanism for removing constraints to ensure the timely implementation of the recommendations related to the Growth Initiatives, provided that the framework is to be agreed within fourteen (14) days of the date of this Declaration of Intent or such time as the parties mutually agree. The framework will set out the implementation steps, timelines and responsible party as identified by the GOJ with respect to each recommendation. A system for the collection, dissemination of information and reporting on progress against the deliverables will also be agreed to.
- 2.3.2 The GOJ commits to provide in a timely manner to the EGC such information and access to the relevant MDAs as the EGC requests and needs to efficiently undertake its responsibilities.
- 2.3.3 The GOJ agrees to make good faith efforts to find the resources necessary for the timely implementation of the Growth Initiatives.

A R T I C L E 3

GENERAL PROVISIONS

- 3.1 The parties acknowledge that this Declaration does not constitute or create, and shall not be deemed to constitute or create, any legally binding or enforceable obligation on the part of either party to this Declaration, nor does it create an obligation to commitment of funds by any party to this Declaration. Nor shall any third party obtain any legal benefit from this Declaration.
- 3.2 Specifically, the EGC acknowledges that while the GOJ undertakes to identify the human and material resources required to implement the specific recommendations, the parties agree that nothing in this Declaration constitutes, or shall be construed as a statement by the GOJ that it has identified at this time all the resources and financing necessary to implement all the recommendations proposed by the EGC.
- 3.3 The GOJ acknowledges and agrees that neither the EGC nor its members in their individual or corporate capacity shall have any obligation towards the financing of the Growth Initiatives.
- 3.4 The EGC shall not take any step to create any binding obligation for the GOJ unless it has first sought and obtained the written approval of the GOJ subject to, and in addition to, any other requirements set out in the Confidentiality Agreement executed by the members of the EGC.
- 3.5 The EGC shall also notify the Prime Minister / Cabinet of any public announcement to be made and shall obtain the approval of the Prime Minister / Cabinet prior to publishing same.
- 3.6 This Declaration of Intent becomes effective on the date of signing. The Declaration may be amended at any time on the mutual agreement of the parties. The Declaration of Intent may also be amended at any time by the GOJ in keeping with its policy objectives, and may be amended at the request of the EGC subject to the mutual agreement of the parties. It is intended that this Declaration of Intent will expire on the 26th of April 2020. However, either party may earlier terminate this

IN WITNESS WHEREOF, the parties duly sign this Declaration of Intent on 7 November 2016.

For the Government of Jamaica:



The Most Honourable Andrew Holness, ON, MP
Prime Minister & Minister of Economic
Growth and Job Creation

For the Economic Growth Council:



Honourable Michael Lee-Chin, OJ
Chairman

We, the undersigned, agree that we have read and understand this Declaration of Intent. Each of our signatures below indicate the concurrence with and support of our organisation of the Growth Initiatives set out herein and the agreement of our organisation to collaborate with the Government and the EGC, as we deem appropriate, to facilitate the successful implementation of the Growth Initiatives.

The Declaration is open to participation by additional entities at any time upon signature of this Declaration by their authorised representative.

By signing below, we hereby consent to any modifications of the Declaration of Intent mutually agreed to by the Government and the EGC and therefore agree that our signature will not be required for any future modifications.

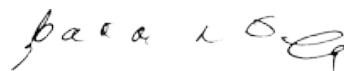
Each party signing below may terminate its association with this Declaration by sending a written notification to the Government and the EGC for its name to be removed from the list of signatories.

For The Jamaica Confederation of Trade Unions:



Helene Davis Whyte
President
November 7, 2016

For The Jamaica Chambers of Commerce:



Warren McDonald
President
November 7, 2016

For the Jamaica Manufacturers' Association Limited:



Metry Seaga
President
November 7, 2016

For The Private Sector Organisation of Jamaica:



Paul B. Scott
President
November 7, 2016

economic growth council

Hon. Michael Lee-Chin, O.J.	Chairman, Economic Growth Council Chairman, National Commercial Bank
Ambassador Dr. Nigel Clarke	Vice Chairman, Economic Growth Council Deputy Chairman & CFO, Musson Group of Companies
Senator Kavan Gayle, O.D.	Representative from Jamaica Confederation of Trade Unions to the Economic Growth Council President of the Bustamante Industrial Trade Union
Phillip Gore, O.D.	Founder & Executive Chairman of Gore Developments Limited
Hon. Hugh C. Hart, O.J.	Senior Partner, Hart, Muirhead & Fatta Former Minister of Mining, Energy and Tourism
Patrick Hylton, C.D.	Group Managing Director, National Commercial Bank
Hon. Noel Hylton, O.J., C.D., J.P.	President, Noel Hylton and Associates Former Chairman, President and CEO, Port Authority of Jamaica
Paula Kerr-Jarrett	Director, Barnett Limited
Pat Ramsay, O.D.	Cultural/Development Consultant
Adam Stewart, O.D., C.D.	Deputy Chairman and CEO, Sandals Resorts International
Maureen Denton	Executive Director

For Further Information, please contact:
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