



GOVERNMENT OF JAMAICA

GROWTH AGENDA POLICY PAPER

FY 2015/2016

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GOVERNMENT OF JAMAICA

GROWTH AGENDA POLICY PAPER, FY2015/16

EXECUTIVE SUMMARY

Introduction and Overview

Economic growth contributes to ongoing improvement of living standards and national well-being. However, over the period since its independence, Jamaica has produced disappointingly low rates of economic growth, averaging 1.6 per cent in annual real GDP growth over the period 1962-2013, compared with average annual growth of 3.1 per cent for the global economy over the same period. The growth crisis has become more acute since the global economic downturn of 2008-2009. Jamaica's growth rate has averaged -0.8 per cent over the period 2008-2013, with only two calendar years of positive growth in the last six years. The persistent underperformance of the Jamaican economy has led to stagnating levels of per capita income, high unemployment and rising prevalence of poverty. The main constraints to economic growth in Jamaica include: macro-economic vulnerabilities including high levels of public debt; uncompetitive business environment; long-term declines in productivity; and high levels of crime and violence.

The Growth Agenda

In response to this disappointing economic performance, the Government of Jamaica (GOJ) has developed a comprehensive strategy to address the underlying factors and generate higher levels of economic growth in the medium term. The foundations of the Government's growth agenda are elaborated in the Growth-Inducement Strategy (GIS), developed by the Planning Institute of Jamaica (PIOJ) with wide stakeholder consultation over the period 2010-2011. This strategy addresses the binding constraints that the economy faces, and provides a framework to mobilize potentially productive assets and unleash entrepreneurial dynamism to generate inclusive and sustainable growth.

The GOJ's Growth Agenda has the following components:

Component	Role
1. Fiscal Consolidation	Provides Macroeconomic Stability
2. Business Environment Competitiveness Reforms	Addresses Constraints in the Business Environment including conditions for Micro, Small and Medium Enterprise (MSME) Development
3. Strategic Investment Projects	Provides Catalytic Capital Investments and Employment; Improves Business Environment
4. Human Capital Development and Protection	Builds Labour Productivity; Provides Social Protection
5. Human and Community Security	Addresses Crime and Violence Constraints
6. Environmental Resilience	Enhances Environmental Resilience; Reduces Impact of Disasters and Climate Change

The implementation of the Growth Agenda has recorded significant achievements to date including: programme of tax reform including comprehensive reform of the incentives regime; implementation of the Central Treasury Management System; adoption of a fiscal responsibility framework and fiscal rule; establishment of a Secured Transactions Framework and Central Collateral Registry; streamlining the business registration process; passage of a new Insolvency Act; increased levels of financing to MSMEs; development of a framework for the establishment of venture capital funds; Cabinet approval of reforms to the development applications process; advancement of specific growth projects in areas in which Jamaica has a comparative advantage including agriculture, logistics, tourism, IT and business process outsourcing; improvements in social protection and human capital development programmes including enhanced benefits for households under PATH, approval of a Graduation Strategy for PATH households, approval of a comprehensive Social Protection Strategy by Cabinet, establishment of the Poverty Reduction Coordinating Unit (PRCU) at the PIOJ, passage of legislation for Flexible Work Arrangements, and establishment of new HEART Work Force Colleges and three TVET institutes; sustained reduction in crime rates over the past five years; and implementation

of projects to enhance the resilience of the natural and built environment and reduce the impact of disasters and climate change.

The achievements of the Growth Agenda have led to improvement in the competitiveness of the business environment. Jamaica has increased its ranking under the World Economic Forum's Global Competitiveness Report for 2014-15, moving to 86 out of 144 countries, up from 94 of 148 countries in the 2013-14 report, while the Doing Business Report 2015 has indicated that Jamaica moved up 27 places in the ranking.

Macroeconomic Performance

However, the performance of the economy has remained subdued with GDP levels remaining below pre-crisis levels. Growth for FY 2014/15 is projected at 0.3 per cent, due to an expansion in the Services Industry as the Goods Producing Industry remained flat. This projected out-turn represents a downward revision from the initial estimate given the impact of: drought conditions; plant downtime; and weak domestic demand. However, this out-turn also represents the first two consecutive years of positive growth since 2007/08.

During FY 2014/15 the GOJ continued its fiscal consolidation programme started in FY 2012/13. The programme aims to increase tax revenue through tax reform and enforcing expenditure cuts mainly through wage restraints; the National Debt Exchange; and reductions in non-debt capital expenditure. Against the background of fiscal consolidation, the GOJ's reduced demand for loans has led to a reduced credit to the public sector. This facilitated a decrease in interest rates and a channelling of resources towards households and firms. Inflation for 2014 was 6.4%, which was below the Central Bank's targeted range.

The country's trade performance has been weak, as it has persistently recorded negative current account balances over the decade 2004-2013. The deficit to GDP ratio averaged 11.0%, reflecting mainly the deficit on the goods and income sub accounts. However, the Current Account deficit to GDP ratio has shown recent improvement, evidenced by declines in 2012 in

2013. The improved performance in the current account for 2013 stemmed partly from the impact of fiscal consolidation and exchange rate depreciation.

With respect to the labour market, improvements were evident. Employment levels increased during 2014 for the third consecutive year, owing to increased employment in twelve of sixteen industries. Additionally, the unemployment rate declined relative to the previous calendar year.

Growth Prospects and Projections

The medium term baseline growth projections are conservative estimates of the expected utilization of current and projected productive capacity for all industries, the expected impact of government expenditure as well as major private sector capital projects which have commenced prior to the start of the fiscal year. However, the scope and depth of the Growth Agenda, if implemented successfully, will lead to a more competitive socioeconomic environment that will change the “business as usual growth dynamics” and enable more robust and sustainable growth. The key strategic investment projects in the areas of agriculture, energy, tourism, Information and Communication Technology, Business Process Outsourcing as well as the doing business reforms are expected to yield upside potential to the baseline growth projections. The inclusion of the impact of the major investment projects and business reforms will yield an additional 1.3 percentage points to the baseline projection for FY 2015/16 and an additional 1.1 percentage points for FY 2016/17.

MEDIUM TERM GROWTH PROJECTIONS		
Indicators	FY 2015\16	FY 2016\17
Current GDP Baseline Forecast	1.6%	2.0%
Upside Potential (Estimated Impact of Reforms & Investment Projects)	1.3%	1.1%
Real GDP Growth including Upside Potential	2.9%	3.1%

It is important to note that the upside growth potential does not include the impact of the implementation of other major strategic investments, such as Integrated Resort Developments (e.g. Harmony Cove), the Global Logistics Hub Initiative projects, and the energy co-generation projects, for which specific timelines and capital expenditure projections are not currently available. Efforts to fast track and finalise arrangements for these projects would yield additional growth impetus in excess of the identified upside potential.

Policy Alignment and Imperatives

The holistic and comprehensive nature of the Growth Agenda requires adequate alignment with a supporting policy and institutional framework to ensure that the various components benefit from synergies with other complementary policies and strategies. In particular, the open nature of the Jamaican economy and high trade ratio (imports and exports total approximately 80 per cent of GDP) imply that trade policy and strategy will have important consequences for Jamaica's growth prospects. Of particular relevance to the Growth Agenda are the areas of trade policy and strategy that enable market access and strategic trade agreements, and improve trade facilitation and border transactions. The Growth Agenda will also benefit from alignment with relevant areas of industrial policy and investment policy, including development and implementation of sector/industry plans for key growth industries, development of industry-specific infrastructure and human capital training programmes, ongoing research into new competitive products and industries, strengthening of the framework for intellectual property (IP) rights, investment promotion, MSME policy, and finalization of the new policy for science, technology and innovation. The successful implementation of the Growth Agenda also requires the participation of a wide range of stakeholders, including the domestic and foreign private sector, households and communities, Government ministries, departments and agencies, international development partners, the Jamaican Diaspora and the general public. There is therefore benefit to be gained from collaboration on a more effective communication strategy for the Growth Agenda, which will provide current information on the main elements and benefits of the Growth Agenda, achievements to date, and upcoming reforms and plans.

The implementation of the Growth Agenda continues to be a key area of focus for the government during the medium term, to drive the quest for growth and improve the capacity and resilience of the country. However, there are a number of issues which must be addressed in order to ensure the successful implementation of the Agenda. These include: threats to fiscal sustainability; capacity constraints in the public sector; slower than expected pace of private investment; delays in implementation of public sector capital projects; emerging threats associated with changes in the global economic and trade landscape: and natural disasters and unpredictable weather conditions. The Growth Agenda therefore includes a range of mitigating strategies and actions to address these challenges and policy imperatives.

Implementation and Accountability Framework

A robust institutional framework has been established to lead the implementation of the GOJ Growth Agenda. The Growth Agenda Subcommittee (GASC) was established in May 2014 under the Economic Development Committee of Cabinet, with the Minister of Finance and Planning as Chairman and with broad responsibilities to develop growth initiatives and monitor the implementation of the reforms and strategic projects of the Growth Agenda. The operation of the GASC is supported by a multi-agency Technical Team and a GASC Secretariat housed at the Port Authority of Jamaica. The GASC will monitor the implementation of the business environment reforms and strategic projects of the Growth Agenda, with periodic reporting on progress to the Cabinet and to Parliament. The GASC Technical Team and Secretariat will also ensure that the Growth Agenda is fully aligned with the national planning, budgeting and monitoring framework, to ensure that the priority reforms and projects of the Growth Agenda are included in the strategic business plans and budgets of implementing Ministries, Departments and Agencies (MDAs). The Growth Agenda Policy Paper therefore forms a key component of the implementation and accountability framework, and sets out the priority actions and the institutional framework to support the efficient and effective implementation and monitoring of the GOJ's Growth Agenda in the medium term, with specific reference to FY2015/2016. The success of the implementation of the Growth Agenda will enhance the contribution of the economy to national development and the well-being of the Jamaican people in the short and medium term.

1.0 INTRODUCTION

Jamaica is poised at an important point in the country's development trajectory. After four decades of underperformance, and while still recovering from the global recession of 2008-2009, Jamaica has created the opportunity to bring fundamental change to its development paradigm. While still facing enduring constraints to economic growth including high crime rates, constraints in the business environment and low labour productivity, Jamaica has developed a comprehensive agenda for the rigorous implementation of fiscal and business environment reforms, and the initiation of strategic investment projects in energy, logistics, tourism, agribusiness and other industries, combined with human capital development and social protection measures, to put Jamaica on a new path of stronger and more inclusive growth and development.

By Cabinet Decision No. 01/15, dated January 5, 2015, Cabinet approved measures for the strengthening of the implementation and accountability framework for the Government of Jamaica (GOJ) Growth Agenda.

This is the first Growth Agenda Policy Paper, prepared in coordination with the Fiscal Year (FY) 2015/16 budget, as a key component of the implementation and accountability framework for the GOJ Growth Agenda. The Growth Agenda Policy Paper provides a clear presentation of the comprehensive strategy and action plan to achieve higher levels of economic growth in the short and medium term. The Growth Agenda Policy Paper will include, among other things:

- i) Strategic overview of the status of implementation and impact of the Growth Agenda based on the outputs of the Implementation and Accountability Framework during the current fiscal year to date;
- ii) Outlook for the Growth Agenda and economic growth prospects for the new fiscal year.
- iii) Summarised Growth Agenda Matrix which outlines the major projects and reforms and associated timelines.

2.0 GROWTH AND NATIONAL DEVELOPMENT - AN OVERVIEW

2.1 Economic Development and Growth

Economic development has become a central preoccupation of nations and governments particularly since the middle of the last century (the time frame when the first modern theories of economic development emerged),¹ and generally refers to the ongoing improvement of living standards and economic conditions for the populations of countries over time. There is a clear distinction between the concepts of economic growth and economic development. Economic growth refers to an increase in the amount of the goods and services produced by an economy over time, and is usually measured by an increase in real Gross Domestic Product (GDP).² Per capita GDP measures the increase in total output divided by the number of persons in the population. The concept of economic development has evolved from a focus on achieving economic measures such as growth in per capita GDP to also address broader aspects of improved quality of life, including increasing the ability to meet basic needs, raising living standards and self-esteem, and expanding the range of human choices and freedoms.³ Nobel Laureate Amartya Sen has said, “Economic growth is one aspect of the process of economic development...”⁴

To capture the broad characteristics of development the United Nations introduced the Human Development Index (HDI), which combines measures of life expectancy, school enrolment and per capita GDP into a single index to measure relative human development among nations. An even broader concept is that of sustainable development, which seeks to integrate and balance the economic, social, environmental and governance components of national development, and has been defined as development that “meets the needs of the present without

¹Including the economic development models of Harrod and Domar (1939-1946), W. A. Lewis (1954) and Robert Solow (1956)

²Gross domestic product (GDP) is the market value of final goods and services produced within a country in a given period of time. Other related measures include Gross National Product (GNP) and Gross National Income (GNI), which measure the output and income of the residents of a country, regardless of geographic location.

³ See for example Todaro and Smith (2012).

⁴ Sen, A. (1983). Development: Which Way Now? Economic Journal, Vol. 93 Issue 372. pp. 745-762.

compromising the ability of future generations to meet their own needs.”⁵ However economic growth remains a central component of these broader concepts of human development, and underpins the ability of nations to provide improvement in the living standards and well-being of their people over time. This integrated approach to national development recognizes the important relationships that exist between economic growth and development and the social, governance and environmental dimensions of development. For example, investment in human capital development will increase labour productivity and expand the range of productive capacities of the Jamaican people, thereby expanding the potential for generation of economic output and growth. Effective social protection empowers and protects vulnerable social groups and enhance social cohesion, and supports Inclusive economic development which can reduce poverty and economic inequality. Good governance and improved national security will provide an environment that encourages private investment and savings. Sustainable environmental management will maximize economic returns from the use of natural resources over time, while strengthening the resilience of the built and natural environment reduces the human and economic costs and losses from the impact of disasters and of climate change.

2.2 Jamaica – Economic Growth Performance

Jamaica’s post-independence economic performance becomes particularly problematic within this context which recognizes the importance of economic growth for national development. Over the period since its independence, Jamaica, an island endowed with abundant and diverse natural resources and a favourable geographic location, whose people have recorded world-class achievements in a wide range of endeavours, and which has sustained significant levels of capital investment, has produced disappointingly low rates of economic growth that compare unfavourably with its regional counterparts. Jamaica’s annual real GDP growth rate has averaged 1.6 per cent over the period 1962-2013. By comparison the annual real GDP growth rate of the global economy has averaged 3.1 per cent over the same period.

⁵ World Commission on Environment and Development. Our Common Future. Oxford: Oxford University Press. 1987.

The growth crisis has become more acute since the global economic downturn of 2008-2009. Jamaica's annual real GDP growth rate has averaged -0.8 per cent over the period 2008-2013, with only two calendar years of positive growth in the last six (1.4 per cent in 2011 and 0.2 per cent in 2013). The persistent underperformance of the Jamaican economy has led to stagnating levels of per capita income, high unemployment and rising prevalence of poverty, and is incompatible with the nation's ambitions for development and improved well-being of its people.

It is recognized that the global trade and economic landscape continues to evolve, presenting new challenges and opportunities for the domestic economy which must be deliberately addressed in order to realize robust and sustained economic growth. Jamaica is a small open economy which has relied on the export of traditional primary products to preferential markets in Europe and North America. However, during the last two decades the changes in the global economic and trade landscape have resulted in:

- a significant erosion of preferential market access;
- a resultant sharp reduction in the export volume of major traditional primary products;
- and
- anaemic economic growth out-turn due in part to weak external trade performance.

The global economy is projected to grow by 3.5% during 2015 and 3.7% during 2016. This is predicated on continued expansion of economic activities in the USA, and a steady uptick in the economies of the Euro Area, supported by improved prospects for Emerging Market & Developing economies. This compares with projected annual growth averaging under 2.0% for the Jamaican economy during the term. The disparity in growth rates highlights the need for deliberate policy intervention to encourage stronger economic growth, through a re-orientation of focus towards increased production for external markets, as well as satisfying a larger share of the growing domestic demand. This should include support for initiatives to drive the expansion of economic activities in new and emerging growth areas (Business Process Outsourcing, Digital Animation, etc.) as well as in Micro, Small and Medium Sized Enterprises (MSMEs).

The main constraints to economic growth in Jamaica that have been identified by numerous diagnostic studies and international reports include the following:

- Macroeconomic vulnerabilities including high levels of public debt that reduce resources for investment in human capital development and productivity-enhancing infrastructure;
- Uncompetitive business environment with delays in bureaucratic approval processes, complex and burdensome tax system, and high costs of capital and energy;
- Long-term declines in labour productivity and total factor productivity;
- High levels of crime and violence that impose economic costs and discourage inward investment and tourism.

The low growth rate which has characterized Jamaica's economic performance has taken place despite relatively high levels of capital investment. A number of factors have been proposed to explain this combination of low growth and relatively high investment including:

- (a) chronic state of fiscal imbalance
- (b) underutilization of productive capacity
- (c) economic waste of capital
- (d) disparate sectoral structure of the economy, with high investment rates in capital intensive and enclave sectors.⁶

2.3 Development of Growth Strategy

In response to this disappointing economic performance, the Government of Jamaica (GOJ) has developed a comprehensive strategy to address the underlying factors that constrain growth and generate higher levels of economic growth in the medium term. The foundations of the Government's growth agenda are elaborated in the Growth-Inducement Strategy (GIS), developed by the Planning Institute of Jamaica (PIOJ) with wide stakeholder consultation over the period 2010-2011. At its core, the strategy recognizes that there are latently available and potentially productive assets - financial assets, physical capital, buildings, labour, and land - that

⁶ Growth Inducement Strategy 2012.

currently lie fallow and/or underutilized. This strategy addresses the binding constraints that the economy faces, and provides a framework to mobilize potentially productive assets and unleash entrepreneurial dynamism to generate inclusive and sustainable growth.

The GOJ Growth Agenda builds on a programme of fiscal consolidation to provide macroeconomic stability and reduce over time the level of resources dedicated to servicing the public debt. The Growth Agenda includes a comprehensive agenda of structural reforms to improve the competitiveness and dynamism of the business environment and the implementation of strategic investments in key industries which will contribute directly to economic growth and employment. The Growth Agenda (which is fully aligned with the Vision 2030 Jamaica – National Development Plan) is at the core of medium-term policy initiatives that represent the Economic Reform Programme of the GOJ. The components of the Growth Agenda are reflected in the Memorandum of Economic and Financial Policies (MEFP), which underpins the IMF-supported Extended Fund Facility (EFF) Arrangement for the 4-year period from FY2013/2014-2016/2017.

The components of the GOJ's Growth Agenda, as detailed in this paper, provide a comprehensive programme of business environment reforms and strategic investments as the basis for generating higher levels of economic growth in the medium term, supported by components to build social and environmental resilience.

3.0 THE GROWTH AGENDA

The key pillars of the Growth Agenda are elaborated below, along with a summary of the achievements and status under each pillar:

3.1 Pillars of the Growth Agenda

The main components of Jamaica's Growth Agenda are outlined in Table 1 below.

Table 1: Main Components of the Government of Jamaica's Growth Agenda		
Component	Role	Specific Reforms
1. Fiscal Consolidation	Provides Macroeconomic Stability	Deficit Reduction; Debt Management; Tax Reform; Fiscal Accountability; Public Sector Transformation; Pension Reform; Financial Sector Stability; Inflation Control
2. Business Environment Competitiveness Reforms	Addresses Constraints in the Business Environment	Business Registration Process; Development Application Review Process; Collateral Reform; Insolvency Legislation; MSME Financing, Energy Sector Reform
3. Strategic Investment Projects	Provide Catalytic Capital Investments and Employment; Improve Business Environment	Global Logistics Hub Initiative; Agro-Parks; ICT Parks; Road Infrastructure Projects; Tourism Projects; Integrated Resort Development; Energy Diversification Projects; Urban Renewal Projects
4. Human Capital Development and Protection	Build Labour Productivity; Provide Social Protection	Social Protection; Education and Skills Training; Labour Market Reform; Primary Health Care; Youth Employment
5. Human and Community Security	Addresses Crime and Violence Constraints	Citizens Security; Community Renewal
6. Environmental Resilience	Enhance Economic Resilience at Individual and Community levels; Enhances Environmental Resilience and reduces the impact of disasters and of climate change	Hazard Risk Reduction; Climate Change Adaptation and Mitigation
<i>Source: Planning Institute of Jamaica</i>		

3.1.1 Fiscal Consolidation

Time bound fiscal consolidation, supported by fundamental fiscal and monetary policy reforms are being pursued to foster a stable, predictable and resilient macroeconomic environment conducive to high levels of long term foreign and domestic investment. Fiscal consolidation greatly reduces the chronic uncertainty over the impact of public finances on the private economy. Accordingly, the Government's medium-term fiscal strategy aims to eliminate the fiscal deficit and reduce the public debt to GDP ratio through prudent expenditure management practices along with the creation of a simple, equitable and fair tax system that will generate adequate revenue to facilitate the efficient provision of public goods and services.

Among the measures adopted are:

- **Tax Reform:** The GOJ has undertaken initiatives to strengthen the framework for fiscal responsibility and develop a fiscal management reform action plan. These initiatives include: simplifying the tax system, reducing economic distortions, eliminating ministerial discretion in the granting of incentives, broadening the tax base and reducing tax rates. The new system is expected to generate an adequate source of revenue for the treasury as well as reduce the cost of compliance. A key component of the tax reform includes the adoption of the Omnibus Fiscal Incentives Regime which incorporates four pieces of legislation⁷. This regime establishes a transparent rules based regime for limited tax incentives.
- **Central Treasury Management System (CTMS)** – allows for a single GOJ treasury account to be held at the BOJ. The CTMS will enable the government to, among other things, effectively control and monitor funds allocated.
- **The adoption of a fiscal rule in March 2014**, which places limits on the annual overall public sector balance, anchored on a reduction in public debt to GDP.

⁷ The pieces of legislation are (i) The Fiscal Incentives (Miscellaneous Provisions) Act, 2013; (ii) The Income Tax Relief (Large-scale Projects and Pioneer Industries) Act 2013 ; (iii) The Customs Tariff (Amendment) Act, 2014; and The Stamp Duty (Amendment of Schedule) Order, 2013.

3.1.2 Enhancing Business Environment/Competitiveness

Actions for improving the business environment are essential to reducing the transaction costs of doing business, modernising the legal and commercial architectural framework of the business environment, thus promoting private sector involvement in generating growth. Such reforms undertaken by the Government included:

- The establishment of a **Secured Transactions Framework** via the passage of the Security Interests in Personal Property Act, 2013. This allows for improved access to credit through the inclusion of movable property as allowable forms of collateral.
- **Streamlining the Business Registration Process** through the use of a multi-purpose registration instrument (“business registration superform” and associated IT platform), implemented on December 31, 2013 and allows persons to register their business in one location (Companies Office of Jamaica).
- **Insolvency Act.** The Bill which was passed in October 2014 is designed to reform the insolvency framework to allow for a more efficient mechanism for the liquidation and rehabilitation of bankrupt businesses.
- **Enhancing Access to Credit & Private Sector Project Finance.** This included:
 - An increase in MSME financing through the Development Bank of Jamaica (DBJ), targeted at \$3 billion for FY2014/15, up from \$2.3 billion in FY2013/14. For the period April 2014 to January 2015, 69.5% of its MSME target of \$3 billion was achieved.
 - Development of a framework for the establishment of venture capital funds is currently underway.
- Cabinet approval of reforms to the **Development Applications Process (DAP)** in December 2014, which are to be implemented over the short and medium term. The new process will result in a faster, more streamlined approvals process.

Additionally, there is evidence to suggest that with the recently implemented reforms, there has been an improvement in the business environment⁸. Significant progress in leading indices has resulted in the 2014 Forbes Best Countries for Business Report naming Jamaica the most improved business environment in the English speaking Caribbean⁹.

3.1.3 Strategic Investment Projects

Specific growth projects are targeted, particularly in areas in which Jamaica has a comparative advantage. These areas include agriculture, logistics, tourism, IT and business process outsourcing. The Public Private Partnerships (PPPs) modality is one vehicle used in the development and operation of these projects. This move seeks to leverage limited government resources, ensures value for money and determines that contingent liabilities are adequately managed. One of the major strategic investment projects currently being undertaken by the Government is the **North-South Link Highway 2000**. Section 2 (Linstead to Moneague) was opened on August 5, 2014. For Sections 1 (Caymanas to Linstead) and 3 (Moneague to Ocho Rios), works were approximately 48% completed at the end of December 2014. It is anticipated that Sections 1 and 3 will be completed by the first quarter of 2016.

3.1.4 Social Protection & Human Capital Development

In order to protect and empower the most vulnerable and enhance their productive capacities, actions have been undertaken to improve social protection programmes and strengthen training and certification of labour market participants.

⁸ The World Economic Forum's Global Competitiveness Report for 2014-15, indicates that Jamaica's has increased its ranking to 86 out of 144 countries, from 94 of 148 countries in the 2013-14 report. The Doing Business Report 2015 Report has indicated that Jamaica moved up 27 places in the ranking.

Among the key initiatives pursued were:

- **Enhanced benefits for households under PATH** – Increases to the benefit amounts payable under PATH were effected in the August 2013 and October 2014 payment periods.
- **Improved Health Care provision** – Specific initiatives included: (i) an expansion in the benefit coverage of the National Health Fund (NHF) through a review of the list of NCDs covered and drugs offered in addition to improved procurement and management of pharmaceuticals; and (ii) the revitalization of primary health care by establishing regional centres of excellence and improving health centres islandwide.

Strengthening the Social Protection Framework

- **A Graduation Strategy for PATH households** was approved by Cabinet in May 2014. This strategy includes the strengthening of agency networks to support the Steps-to-Work programme which is an integral part of the graduation strategy. Broad implementation of the graduation strategy for PATH households is anticipated in mid- 2015.
- **Social Protection Strategy** - A comprehensive Social Protection Strategy (SPS) was approved by Cabinet in March 2014, and launched on July 16, 2014. The Social Protection Strategy uses a life-cycle approach to examine the various issues that typically impact on social security for each age group. A National Social Protection Committee has been established to oversee the implementation of the SPS.

Poverty Reduction

The Government of Jamaica formally established the Poverty Reduction Coordinating Unit (PRCU) in December 2013. The PRCU represents the Government of Jamaica's coordination mechanism for poverty reduction. The PRCU will guide and monitor the development of a new National Policy on Poverty and a new Poverty Reduction Programme by the end of FY2015/16.

Human Capital Development:

- **Establishment of Flexible Work Arrangements** – legislation was passed in October 2014. A public education campaign to promote the use of flexible work arrangements is currently underway.
- **Enhanced Training Options and improve labour force training** – to enhance training options, efforts were geared towards the establishment of: (i) HEART Work Force Colleges and (ii) three TVET institutes. The HEART Trust/NTA has developed various training initiatives to support the (i) logistics hub project within the areas of maritime, aviation, and logistics plus various supporting sectors (ii) Business Process Outsourcing (BPO) industry; and (iii) digital animation.

3.1.5 Human and Community Security

Crime and violence has been identified as one of the binding constraints to economic growth, therefore, any growth strategy Jamaica pursues has to address this constraint. Projects and initiatives being pursued with particular focus at the community level include:

- Community Renewal Programme (CRP): This will address the holistic empowerment, economic development and broadening of freedoms of residents in volatile and vulnerable communities.
- Citizens Security and Justice Programme III (CSJP III)
- Community Empowerment and Transformation Project II (COMET II)
- Unite for Change

3.1.6 Environmental Resilience

Jamaica is a Small Island Developing State, which increases the country's vulnerability to the impact of natural disasters. Additionally, the relatively poor state of the built and natural environment has increased our susceptibility to natural disasters, which has resulted in an

average annual cost of approximately 2.0 per cent of GDP in damages for the period 2001-2010. Therefore, strengthening the built and natural environment is a crucial step in improving resilience and stabilizing the supply chain, especially for the agriculture and tourism industries. Projects implemented under this initiative include:

- GOJ/EU/UNEP Climate Change Adaptation and Disaster Risk Reduction Programme, which facilitated reforestation, costal restoration, policy development and sustainable alternative livelihood
- Phase I of the Pilot Programme for Climate Resilience (PPCR) which, among other things, expanded the hydro-meteorological network.

4.0 JAMAICA – OVERVIEW OF MACROECONOMIC DEVELOPMENTS

4.1.1 Real Sector Developments

For FY 2014/15 real GDP for the Jamaican economy is projected to grow at 0.3%, with the Services Industry expanding by 0.6% and the Goods Producing Industry contracting by 1.1%. This performance will emanate largely from improved domestic demand and external demand for some exports as well as increased non-residential construction activities. This contrasts with an initial projection for GDP growth of 1.4% at the start of FY 2014/15. The downward revision reflected the impact of:

- Drought conditions
- Plant downtime
- Lower than expected domestic demand.

All Goods Producing Industries with the exception of Construction are forecast to decline (Table 2). A contraction of 3.6% is expected for Agriculture, Forestry & Fishing industry owing mainly to a decline in domestic crop production stemming from the impact of drought conditions during June and July 2014. Production challenges at alumina plants contributed to an expected 1.7% decline in the Mining & Quarrying Industry. The projected contraction in the Manufacture industry is expected to reflect the impact of extended plant downtime at the petroleum refinery during the second and third quarters of the fiscal year, as well as, declines in domestic and external demand for locally manufactured items. The anticipated expansion in the Construction industry will be facilitated by an increase in hotel construction and renovation as well as civil engineering activities associated with the expansion of the road network. There is opportunity for growth going forward as all Goods Producing industries, with the exception of Agriculture, Forestry & Fishing, are still operating below pre-crisis levels of 2007.

Within the Services Industry, the Hotels & Restaurants industry is projected to record the largest increase of 3.9%. This performance is predicated on an increase in the number of stopover arrivals facilitated by greater seating capacity. The Transport, Storage &

Communication industry is projected to grow with increased activity expected at the island's seaports driving the expansion of the Transport & Storage segment. The Real Estate, Renting & Business Activities industry is expected to increase by 0.5% predicated on an improvement in the Business Activities component, driven by anticipated growth in Business Process Outsourcing. Five of the eight Services industries are still operating below pre-crisis levels, indicating the possibility for further growth.

TABLE 2: YEAR-OVER-YEAR PER CENT CHANGE OF VALUE ADDED BY INDUSTRY AT CONSTANT (2007) PRICES			
	FY 2012/13	FY 2013/14	FY 2014/15
	STATIN	Actual	PIOJ's Projection
GOODS PRODUCING INDUSTRY	-2.9	3.0	-1.1
Agriculture, Forestry & Fishing	-3.1	7.4	-3.6
Mining & Quarrying	-10.0	7.6	-1.7
Manufacture	-1.0	-0.6	-0.8
<i>of which: Food, Beverages & Tobacco</i>	0.5	0.1	2.0
<i>Other Manufacturing</i>	-2.9	-1.4	-4.5
Construction	-2.7	2.1	1.4
SERVICES INDUSTRY	-0.1	0.2	0.6
Electricity & Water Supply	-2.4	-1.1	-1.8
Transport, Storage & Communication	0.8	0.4	1.3
Wholesale & Retail Trade; Repair and Installation of Machinery	-1.2	-0.1	0.2
Finance & Insurance Services	0.6	0.3	0.3
Real Estate, Renting & Business Activities	-0.3	0.4	0.5
Producers of Government Services	-0.2	-0.3	-0.3
Hotels and Restaurants	1.0	1.8	3.9
Other Services	1.0	0.4	1.5
Less Financial Intermediation Services Indirectly Measured (FISIM)	-2.9	0.1	-0.8
TOTAL GDP AT BASIC PRICES	-0.7	0.9	0.3
Source: STATIN and PIOJ			

4.1.2 Labour Market Developments

Calendar year 2014 marked the third consecutive year that Jamaica recorded an increase in the level of employment, as the country continued to benefit from ongoing economic reforms geared towards improving the business environment and competitiveness.

The Labour Force Survey undertaken by the Statistical Institute of Jamaica indicated that the average unemployment rate for 2014 was 13.7%, which was 1.5 percentage points lower than the average for 2013. The Job seeking rate was 9.0%, representing a decline of 0.8 percentage point relative to 2013. The average **Employed Labour Force** during 2014 stood at 1 128 050 persons, an increase of 19 125 persons compared with 2013. The average **Unemployed Labour Force** amounted to 179 675, which was 19 875 fewer persons than in 2013. This reflected the rise in the Employed labour force, and a decline in the size of the labour force. There was an increase of 0.3 percentage point to 24.8% in the proportion of persons who have vocational and professional training with certificate. The Labour Force Participation Rate declined by 0.2 percentage point to 62.8% relative to 2013.

An examination of the Employed Labour Force by Industry Group for 2014 revealed that 12 of the 16 industries recorded increased employment relative to 2013. The largest increases in employment level were recorded in 'Agriculture, Hunting, Forestry & Fishing' (up 5 500 persons); 'Wholesale & Retail, Repair of Motor Vehicle & Equipment' (up 4 900 persons); and 'Hotels & Restaurant Services' (up 4 750 persons). The industry that recorded the largest decline was 'Construction' (down 2 100 persons). The industries that employed the largest number of persons were 'Wholesale & Retail, Repair of Motor Vehicle & Equipment' and 'Agriculture, Hunting, Forestry & Fishing', which accounted for 20.1% and 18.4%, respectively.

4.1.3 Monetary Developments

Credit to the Private Sector

An analysis of financial sector data indicates that the stock of credit obtained by the private sector from the financial industry¹⁰ increased by 58.4% over the period 2009–2014. The Private Sector Credit to Total Credit ratio trended upwards for the similar period. This indicated a shift away from credit to the public sector and towards households and firms. This ‘crowding in’ of private investment is associated with fiscal consolidation and the government’s declining appetite for credit; which has contributed to the downward trend in average lending rates from commercial banks, from 22.26% in 2009 to 15.07% in 2014.

However, further analysis of Private Sector Credit signals an increasing share being channelled towards consumption, and less for investment purposes. Specifically, for the period 2009–2014, Private Credit (Excluding loans to consumers) as a share of Total Credit declined by 5.6 percentage points to 45.7%. As a share of GDP, Private Sector Credit increased between 2009 and 2014. It should be noted, however, that credit for investment purposes – Private Sector Credit (Excluding loans to consumers) – as a share of GDP in 2014 was projected to decline relative to 2009. To foster a faster pace of growth, measures should be employed to encourage more robust crowding in for investment purposes.

Monetary Policy

Fundamental monetary policy measures continued to be pursued to foster a stable, predictable and resilient macroeconomic environment conducive to high levels of long term foreign and domestic investment. This is evident in the Bank of Jamaica’s (BOJ) policy stance which has been accommodative with an unchanged policy rate of 5.75% since the March 2013 quarter; and is consistent with the Extended Fund Facility (EFF) targets. The improved macroeconomic environment facilitated the decline in Treasury Bill (TB) Rates as follows:

¹⁰ Commercial Bank credit is being used a proxy for the financial industry.

- 28-day TB – ended at 6.38% compared with 6.25% at the end of 2013
- 91-day TB – ended at 6.96% compared with 7.53% at the end of 2013
- 182-day TB – ended at 7.14% compared with 8.25% at the end of 2013.

As at the December of 2014, the NIR was US\$2 001.1 million, which was US\$953.3 million above the out-turn at the end of 2013. At the end of December 2014, the Gross International Reserves¹¹ (GIR) was US\$2 473.89 million and represented 17.9 weeks of projected imports of goods and services.

Inflation

For 2014, inflation was 6.4% relative to 9.5% during 2013, below the BOJ's target range of 7.0% to 9.0% for the fiscal year. The inflation out-turn for the year reflects, in part, the impact of inflation control through monetary policy. Low inflation facilitated a downward trend in interest rates. This engendered a stable predictable environment which encouraged investments. Generally, the policy stance and out-turn has been consistent with the fiscal consolidation component of the Growth Agenda as it facilitates macroeconomic stability through inflation control and financial sector stability.

The out-turn during the period largely reflected increases in the indices for Food & Non-Alcoholic Beverages (10.1%), Transport (4.6%) and Furnishings, Household Equipment & Routine Household Maintenance (8.4%). Combined, these divisions accounted for approximately 79.8% of overall inflation. This out-turn was tempered by a decrease in the index for Housing, Water, Electricity, Gas & Other Fuels (2.0%) The inflation outcome for the calendar year emanated primarily from:

- severe drought conditions across the island, which resulted in higher prices for *Vegetables and Starchy Foods*
- an increase in bus fares for adult Jamaica Urban Transit Company (JUTC) passengers
- an increase in the National Minimum Wage effective January 6

¹¹ The minimum international standard for GIR is 12.0 weeks of estimated goods and services imports.

- some pass-through of the depreciation of the Jamaica Dollar¹².

Inflation for 2014 was mitigated by:

- weak domestic demand
- decreased cost for international crude oil for 2014
- lower food prices in the October to December 2014 quarter due to increased food supply.

4.1.4 Fiscal Performance

The Government of Jamaica embarked on a fiscal consolidation programme in FY2012/13. This programme is expected to be achieved through increasing tax revenue via tax reform (Omnibus) and cuts in expenditure. The fiscal consolidation programme has led to improved fiscal performance evident by the movement in the fiscal balance. There was a decrease in the fiscal deficit from 6.2% of GDP (\$72.7 billion) in FY2010/11 to a surplus of \$1.7 billion or 0.1% of GDP in FY 2013/14. The projected deficit for FY2014/15 is \$7.4 billion or 0.5% of GDP. Central government met the FY2013/14 primary surplus target of 7.5% of GDP, with an actual out-turn of 7.6%. This improvement in fiscal performance resulted in a lower debt-to-GDP ratio for FY2013/14 to 133.3% down 1.9 percentage points compared with FY2012/13. This decline is expected to continue with projected debt-to-GDP ratio for FY2014/15 at 131.2% and 120.4% for FY2015/16. The ratio is projected to reach 102.8% of GDP by FY2018/19.

The lower debt-to-GDP ratio has resulted in lower interest rates evidenced by the movement in the Treasury bill rates and the reallocation of funding to the private sector from commercial banks. This was facilitated by a reduction in lending to the public sector from commercial banks (down from 11.1% in FY 2010/11 to 6.9% in FY 2013/14). The fiscal consolidation will continue to create additional fiscal space in the medium term and the opportunity for 'crowding in' by the private sector. This will foster higher levels of investment in growth intensive projects thus

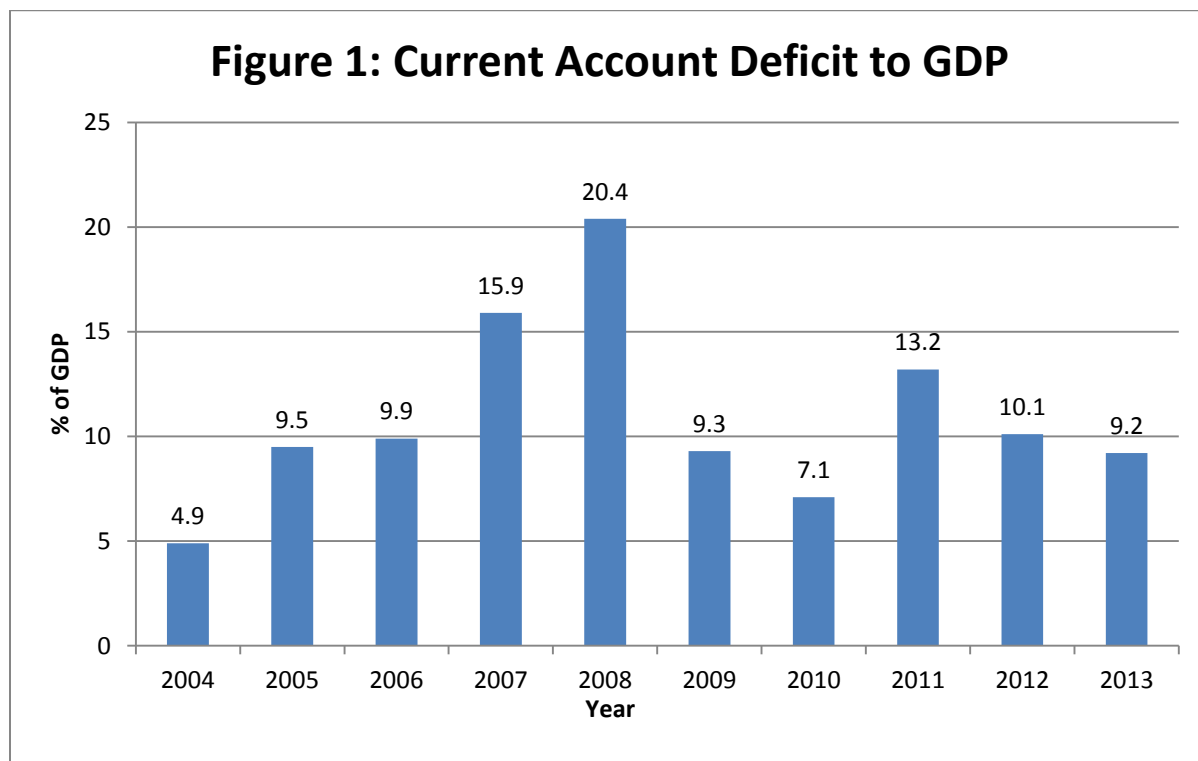
¹² The domestic currency depreciated nominally by 7.2 per cent against the USD during 2014.

creating additional jobs and stronger economic growth in the medium to long term. The success of such projects weighs heavily on the mobility of factors of production, that is, the ease with which labour, land and capital can be reallocated to new investment opportunities.

4.1.5 External Sector Developments

Current Account Deficit to GDP Performance

Jamaica's current account balance has been persistently large and negative over the past decade (2004 – 2013). This is evidenced by an average deficit of 11.0% of GDP for the period. The negative balance primarily stemmed from deficits on the goods and income sub-accounts. The impact of these deficits has been partly offset by consistent surpluses on the services and current transfers sub-accounts.



Source: Bank of Jamaica

However, the Current Account deficit to GDP ratio has shown recent improvement, evidenced by declines of 3.1 percentage points in 2012 and 0.9 percentage point in 2013 (Figure 1). The improved performance in the current account for 2013 stemmed partly from the impact of fiscal consolidation and the impact of exchange rate depreciation on the demand for some types of consumer goods and raw materials imports. The Current Account also benefited from higher grant inflows, particularly from the European Union, to assist the Government with various reforms under the medium-term macroeconomic programme, supported by the Extended Fund Facility (EFF) with the IMF.

The upside risks to Jamaica's Current Account deficit mainly include greater than expected impact of exchange rate depreciation on imports and a sharper than projected fall in international commodity prices. The consistent reduction in global crude oil prices which began in July 2014¹³ is also expected to have a positive impact on Jamaica's current account performance, mainly through the goods and services balances. Over the past ten years, the importation of fuel has averaged approximately 33.0% of Jamaica's import bill, and is consequently an important component of the current account.

Factors which may prevent the further decline in the size of the current account deficit include: (i) the inability of the productive sectors to produce the required standard of goods and services being demanded by Jamaica's external partners in sufficient quantities; (ii) difficulty accessing international markets due to the effect of tariff and non-tariff barriers on the final prices of Jamaican exports; and (iii) Mobility of factors of production, that is, the ease at which resources can be reallocated from producing for the domestic market to producing goods and services for the external market (which usually require higher standards).

Given the downside risks identified, it is important that an integrated framework for trade and production be utilized to ensure that the country benefits from its external trade relationships. This can be achieved through:

¹³ Global crude oil prices also recorded declines in January, March and May of 2014.

- The alignment of trade agreements and negotiations with supporting policies via the Foreign Trade Policy to facilitate targeted market access;
- The identification of specific target markets in a Trade Strategy via market research and penetration, trade facilitation and alignment with industrial policy;
- The identification of target sectors/industries; value chain development; productive infrastructure and the requisite training and skills development;
- Complementary policies to facilitate: an enabling business environment; the development of MSMEs; labour market reform; improved national security; and environmental policy.

Expected Impact of the Reforms on External Trade Performance

To date, Jamaica has successfully met all prior actions, quantitative targets and structural benchmarks for the EFF programme with the IMF. In relation to foreign exchange performance, the weighted average selling rate of the Jamaica Dollar vis-à-vis the US dollar at the end of December 2014 quarter was J\$114.66. This reflected a slowing of the annual pace of depreciation to 7.8% from 8.8% at the end of the previous quarter. Underpinning the slower pace of depreciation for the year was the continued positive impact of the country's performance under the EFF, as expressed by the IMF's Managing Director in June 2014. In addition, the Government's successful Eurobond issue in July 2014 underscored investor confidence in the Government's programme and the country's economic prospects.

With respect to external trade, there is a need for Jamaica to take advantage of the relative fall in its export prices via increased export production. It is anticipated that the real depreciation of the exchange rate to more competitive levels has resulted in Jamaica's exports becoming more attractive to its external partners due to a continued reduction in the relative price of Jamaica's exports. This is expected to result in an increase in the resources to the tradable industries, such as Mining & Quarrying, Hotels & Restaurant, and Agriculture as investors take advantage of the higher returns in producing for the external market relative to the domestic market. Concurrently, it is anticipated that the depreciation in the exchange rate will have the

converse effect on the price of imports, thereby resulting in a decline in imports, as they become relatively more expensive. The fall in imports partly reflects import displacement—especially in the Tourism industry — as the more competitive exchange rate and the strengthening of the local supply chain in Agriculture, through the establishment of Agro Parks; have facilitated the reduction in the food import bill.

Additionally, the establishment of the Tourism Linkage Council with technical working groups for Tourism-Agriculture and Tourism-Manufacture has laid the foundation for further declines in the import bill and has facilitated growth and increased employment, especially in the Agriculture and Manufacture Industries. During 2013, approximately \$380 million in linkages was generated through targeted business matchmaking initiatives.

5.0 MEDIUM TERM GROWTH PROSPECTS AND PROJECTIONS

During the medium term, economic performance is expected to strengthen, contingent on increased emphasis on the effective implementation of all elements of the Growth Agenda, inclusive of fiscal and doing business reforms and major strategic investment projects. The Government will ensure continued prudent management of the Fiscal Accounts with priority focus on:

- containing wages as a share of GDP;
- reforming the public sector inclusive of pension reform; and
- ensuring the effective management and implementation of the Public Sector Investment Programme through the introduction of the Public Investment Management System (PIMS) to drive economic growth.

With respect to the doing business reforms, there will be continued focus on removing impediments to the creation of a more efficient and competitive environment for the conduct

of business. Priority attention will be placed on reforming the Development Applications Process and streamlining the Business Registration process. The effective implementation of these initiatives will result in more robust and sustained growth in economic activities through the realization of the upside potential during the medium term.

5.1.1 Projected Real Sector Performance FY 2015/16 to FY 2017/18

Baseline Growth Projections

The Growth estimates presented below incorporate:

- the anticipated utilization of current and projected productive capacity for all industries;
- implementation of capital projects included in the Public Sector Investment Programme (PSIP); and
- the implementation of major private sector capital projects.

Consequently, these form the baseline estimate of economic performance in the medium term and do not include the impact of the reforms currently being undertaken under the Growth Agenda.

FY 2015/16 Projected Performance

The economy is forecast to record a 1.6% increase in real GDP for FY 2015/16, based on projected increases of 2.5% and 1.2% in the real value added of the Goods Producing and Services Industries, respectively. This baseline forecast is predicated on the combined effect of: (i) an uptick in global economic activities which would augur well for Jamaican export industries; (ii) strengthened investor confidence consequent on the continued robust implementation of the macroeconomic programme under the EFF; (iii) favourable weather conditions which would facilitate improved agricultural production; (iv) the impact of business environment reforms and strategic investment projects; and (v) improved linkages within the domestic economy, due in part to the depreciation of the Jamaican dollar.

For the Goods Producing Industry, growth is expected to be supported by improved performances of all industries. Increased output from the Agriculture, Forestry & Fishing of

5.0% will emanate mainly from increased capacity utilisation at Agro Parks¹⁴, hence more acres under production relative to the previous fiscal year. Real value added for the Mining & Quarrying industry is expected to increase by 4.5% due to the limited reopening of the Alpart plant as well as higher global industrial production and the associated increased demand for alumina and bauxite. For the Construction industry there is an anticipated rise of 1.4% in real value added due to: continued road construction (highways), new hotels construction as well as the programmed construction of several energy plants.

For the Services Industry, all industries with the exception of Producers of Government Services are expected to record increases. The highest increases are expected for: Hotels & Restaurants (2.3%); Transport, Storage & Communication (2.0%) and Other Services (2.0%) industries. The improved performance in the Hotels & Restaurants industry is expected to be boosted by increased visitor arrivals consequent on continued marketing, particularly in new markets, and an increase in room stock. Growth in the Transport, Storage & Communication industry is predicated on an expansion in transport activities, associated with a strengthening of trade, including a rise in exports of alumina and bauxite, combined with continued competition in the telecommunication sector. Increased activity in the Business Process Outsourcing sector is the main driver of the 1.2% growth estimated for the Real Estate, Renting & Business Activities industry. The Producers of Government Services industry is expected to contract in keeping with the attainment of the revised programmed target of 9.8 per cent for the wage bill to GDP for FY 2015/16.

FY 2016/17 Projected Performance

For FY 2016/17, economic growth is projected at 2.0%. This performance is anticipated on the continued strengthening of most industries. Consequent on robust global economic activity and increased competitiveness there is an expected rise in the demand for Jamaican products and increased activities mainly in the following:

¹⁴ The Agro Parks are geared towards stabilizing the supply chain, thereby facilitating import substitution.

- ✓ Mining & Quarrying Industry which is expected to grow by 15.0%. This is projected to be pushed mainly by the planned reopening of Jamaica's largest Alumina refinery plant (Alpart) in December 2016 and increased capacity utilization at the other refinery plants
- ✓ Hotels & Restaurants is projected to grow by 3.3%, will be facilitated by an increase in the room stock and frequency of flights into Jamaica
- ✓ Agriculture, Forestry & Fishing industry is expected to grow by 4.9%. This is predicated on an increase in linkages between Agriculture and other industries (especially Hotels & Restaurants and Manufacture industries) and will be facilitated by increased output from Agro Parks and other GOJ initiatives to increase production and stabilize the production chain (e.g. through the utilization of storage houses)
- ✓ Construction Industry which is projected to grow by 1.5%, pushed mainly by: a sound macroeconomic environment, which is expected to lead to relatively lower interest rate and increase predictability in the market. This will promote private sector supported construction projects in Tourism; Manufacture; Logistics; Energy and ICT.

FY 2017/18 Projected Performance

The Jamaican economy is projected to grow by 2.9% for FY2017/18. All productive industries are anticipated to benefit from increased competitiveness associated with a more competitive exchange rate and structural reforms undertaken to improve the business environment and the quality of the labour force. It is expected that growth will be driven mainly by the tradable industries, which should benefit from an increase in global output and trade. Higher growth is expected from Mining & Quarrying (up 43.0%), Hotels & Restaurants, (up 3.6%), Transport, Storage & Communication (3.0%) and Agriculture, Forestry & Fishing (4.0%). The increase in Mining & Quarrying for 2017/18 is expected to be driven by the first full year of production at Jamaica's largest Alumina refinery which is expected to be re-reopened in December 2016. Growth in the Hotels & Restaurants industry is expected to be facilitated by increased room

stock as well as, airline seats into Jamaica. Higher value added in the Transport, Storage & Communication industry is expected to be spurred mainly by increase Transport & Storage activities. This increase is expected to be driven by higher air, sea and land transport activities associated with increased production and trade within the economy in general, especially within the Mining & Quarrying and Hotels & Restaurants industries. This will be facilitated by the full roll out of an integrated Port Community System¹⁵ to support increased trade.

TABLE 3: PROJECTED SHORT TO MEDIUM TERM CHANGE IN VALUE ADDED BY INDUSTRY AT CONSTANT (2007) PRICES			
	FY2015/16	FY2016/17	FY2017/18
GOODS PRODUCING INDUSTRY	2.5	3.6	6.7
Agriculture, Forestry & Fishing	5.0	4.9	4.0
Mining & Quarrying	4.5	15.0	43.0
Manufacture	1.0	1.2	1.9
<i>of which: Food, Beverages & Tobacco</i>	0.8	1.0	1.5
<i>Other Manufacturing</i>	1.2	1.4	2.4
Construction	1.4	1.5	1.6
SERVICES INDUSTRY	1.2	1.4	1.5
Electricity & Water Supply	1.0	1.5	2.0
Transport, Storage & Communication	2.0	2.8	3.0
Wholesale & Retail Trade; Repair and Installation of Machinery	1.0	1.2	1.0
Finance & Insurance Services	1.7	1.8	1.7
Real Estate, Renting & Business Activities	1.2	1.3	1.5
Producers of Government Services	-0.5	-0.8	-0.5
Hotels and Restaurants	2.3	3.3	3.6
Other Services	2.0	2.0	2.0
Less Financial Intermediation Services Indirectly Measured (FISIM)	-0.5	0.5	0.5
TOTAL GDP AT BASIC PRICES	1.6	2.0	2.9

¹⁵ The Port Community System which will be fully integrated with the Automated System for Customs Data (ASYCUDA) which will electronically integrate and streamline export and import procedures.

5.1.2 Upside Growth Potential FY2015/16 to FY2016/17

The medium-term baseline growth projections will be complemented by the implementation of several strategic growth projects being facilitated by the Government of Jamaica. The GOJ's portfolio of Strategic Growth Projects includes:

- **Global Logistics Hub Initiative**

- the privatization and expansion of Kingston Container Terminal (KCT);
- the privatization and upgrading of the Norman Manley International Airport;
- the establishment of a Transshipment Port and an industrial and commercial economic zone in the Portland Bight Protected Area;
- development of a Port Community System which is to be pursued by private sector and ultimately merged with the ASYCUDA World to provide complete trade and logistics solution;
- the development of Special Economic Zones; and
- completion of highway construction projects to improve the internal logistics infrastructure.

- **Agro-Parks**

The Agro Parks Initiative aims to stabilize the agricultural supply chain, deepen inter-industry linkages, increase competitive import substitution and activate unutilized rural land and labour, complemented by improved inputs including irrigation and road infrastructure. Negotiations are ongoing for the establishment of at least three additional Agro Parks in the Western end of the island. Already, seven Agro Parks are operational, with one more to be initiated before the end of FY2014/15, namely, the Sweet River Abattoir in Westmoreland. Three more Agro Parks, at Meylersfield in Westmoreland, Hounslow in St. Elizabeth and Unity/Nonsuch in St. Mary, will be implemented in early FY 2015/2016.

- **Information Communication Technology/Business Process Outsourcing (BPO)**

The BPO sub-industry is identified as an area which will drive significant economic growth and employment generation. There are ongoing efforts to expand the BPO industry, with projections for the creation of an additional 2 500 jobs per year. New BPO projects to be completed during 2015-2016 are projected to generate an estimated new 7 880 BPO jobs. JAMPRO has also completed a new Strategic Plan for the development of the BPO sub-industry. The Strategy seeks to optimize the potential benefits and expansion of the global outsourcing sub-industry which has been identified as an area of focus to attract direct investment, create jobs, earn foreign exchange, and contribute to the economic growth and development of the country.

- **Energy Sector Projects**

The high cost of energy has been highlighted as one of the key constraints to growth and development. As a consequence, **several projects and initiatives to achieve fuel-source diversification, facilitate energy conservation, liberalize the electricity market and reduce the cost of energy** are underway. The projects and initiatives being undertaken include generation capacity expansion; the renewable energy generation projects; net billing; power wheeling; the Energy, Efficiency & Conservation Project and the Energy Security & Efficiency Enhancement projects; as well as fuel diversification in the mining and agriculture industries. It is anticipated that the implementation of these initiatives will have a positive impact on key productive industries, thereby leading to higher output. Initiatives underway include the following:

- **Creation of an action plan by the Electricity Sector Enterprise Team (ESET)** – the Plan foresees replacing current (oil-fired) generation capacity with gas, coal and ethane-fired plants, to achieve significant cost savings. The ESET team has indicated that the Plan will result in a 33.0% reduction in the cost of energy to approximately US\$0.27 per kWh. Next steps will include the conversion of the Bogue power station from oil to gas by December 31, 2015. In addition, the government has approved the construction of Jamaica's first natural gas-fired power plant, a 190MW facility, which subject to financing arrangements, is to be built and operated by JPS.

- **Complant Energy Solution** – Pan Caribbean Sugar Company Limited will, over the next three years, be moving towards converting bagasse into energy through the commissioning of a 10-megawatt generator. The company currently owns two generators which produce 10 and 5 megawatts of energy, respectively.
- **Jamalco Energy Solution** – Plans are ongoing for the development of a 100MW capacity Coal Plant. It is anticipated that the plant will be able to provide approximately 50 MW of energy to the national grid. This plant is expected to be operational by the July-September quarter of 2017. The plant is to be operated by an Independent Power Producer.
- **UC Rusal** – Energy solutions are being pursued for both the Ewarton and Alpart Alumina plants. In the case of Ewarton, coal will be the primary energy source providing 30 MW of electricity. It is anticipated that Ewarton will use all the energy produced by the coal plant. For Alpart, the source of energy will be gas; however, the capacity is yet to be determined. Generating excess from Alpart's gas plant will be sold to the national grid.
- **Construction and commissioning of several renewable energy plants**, which will bring the capacity generated from renewables to 12.5% of total generation. These include:
 - The US\$40 million expansion of the Wigton Wind Farm by an additional 24MW to complement its existing 38.7MW windfarm complex in South Manchester. The ground breaking for the project took place on February 20th 2015 with construction is scheduled to begin in April 2015. On completion, Wigton III will produce 63.1 MWh of energy. Wigton III is expected to be commissioned in February 2016.
 - The Blue Mountain Renewables 34-megawatt wind project valued at approximately US\$90 million in St Elizabeth. Construction is slated for 2015 and is jointly financed by the United States Overseas Private Investment Corporation (OPIC) and local private sector interests.
 - Construction of a 20 MW photovoltaic generation facility by WRB Enterprises in Clarendon. The project will cost approximately US\$60 million and will involve the

installation of 98 000 solar panels. It is anticipated that the project should save Jamaica the importation of more than 8.5 million gallons of fuel or approximately US\$170 million annually. Commissioning is scheduled for September 2015 and is expected to create between 30 and 60 new jobs.

- **Integrated Resort Developments**

- **Harmony Cove**

Harmony Cove is a 2,300-acre property on the north coast. It is planned for development into a resort to include world class golf courses, a luxury spa, marina facilities, commercial developments, luxury hotels, private residencies, a casino, convention and entertainment centres, restaurants and retail assets. The issues related to the financing and loan risk coverage for the project are being addressed.

- **Celebration Jamaica Hotel & Resort**

Plans to construct the Celebration Jamaica Hotel & Resort are awaiting approval by the Ministry of Finance and Planning of the application by Celebration Jamaica Development Limited that its project be declared an approved integrated resort development, as prescribed by Section 9 of The Casino Gaming Act, 2010.

- **Access to Capital**

Access to capital for existing and new projects will be enhanced by a range of measures under the Growth Agenda in FY2015/2016:

- **MSME Financing and Capacity Development** – The DBJ will be providing \$4.1 billion in MSME funding in FY2015/2016, up from \$3 billion in FY2014/2015. In addition the Mobile Money for Microfinance initiative will be fully rolled out in 2015 to drive efficiency, increase access to credit for small borrowers, and reduce interest rates. Grant funds to improve the capacity of eligible SMEs in supply chains will be made available under the Foundations for Competitiveness and Growth (FCG) Project, while the DBJ is developing a model to provide effective capacity development to over 20,000 microbusinesses by 2017.

- **Development of a Venture Capital Eco-System in Jamaica and Angel Investor Network**
 - will be advanced through the establishment of private equity and venture capital funds in 2015 and establishment of the requisite legal, regulatory and tax framework.

- **International Development Partner (IDP) Funded Projects**

The Growth Agenda will also receive impetus from a number of IDP funded projects during FY2015/2016:

- **Foundations for Competitiveness and Growth (FCG) Project**

Major project to strengthen the business environment in Jamaica for private sector investment with US\$50m funding from the World Bank over six (6) years with the following four (4) components:

- i. Enhancing competition in the business environment
- ii. Facilitating strategic private investments
- iii. Supporting SME capabilities and finance
- iv. Project implementation and M&E

Initiatives to be funded under the FCG Project in FY2015/2016 include the preparation of a Business Plan for the development of Jamaica's creative industries, a feasibility study for the Caymanas SEZ, undertaking the Logistics Hub Initiative Master Plan, and support for a comprehensive plan for the development of Downtown Kingston that will rationalize and integrate existing plans.

- **Strategic Transformation of the Public Sector Project**

Project to strengthen public resource management, improve the management and implementation of public sector capital investment projects through the Public Investment Management System (PIMS), and support selected public sector institutions, including the Jamaica Customs Agency and the Bureau of Standards Jamaica, in facilitating a more enabling environment for private sector growth.

- **Youth Employment in the Digital and Creative Industries Project**

Major project to contribute to the growth of digital and animation industries in Jamaica and provide new opportunities for youth employment and empowerment, including the development of curricula for 2D and 3D animation training programmes, organization of annual animation and mobile application festivals, preparation of an Animation Industry Policy, and the establishment of the Start Up Jamaica Accelerator (SUJ) facility to encourage the development of technology start-up companies.

- **Business Environment Reforms**

A range of reforms will be implemented to continue to improve the competitiveness and dynamism of the business environment in Jamaica, and enhance the prospects for increased economic growth by facilitating private sector investment and trade:

- **Madrid Protocol** – Jamaica will accede to the Madrid Protocol, an international intellectual property (IP) registration allowing for single and centralized filing of trademark and service marks that will provide for IP protection globally.
- **Standards** – Development of a National Quality Council comprising BSJ, JANAAC, NCBJ and a Compliance and Enforcement (Regulatory) Authority.
- **Electricity connection** - Streamlining procedures for electrical installations through institutional reforms, automation of work processes and outsourcing to the private sector.
- **Labour Market Reform** - The Labour Market Reform Commission will be established by April 2015 with a Secretariat at the PIOJ to develop comprehensive recommendations to improve the efficiency of Jamaica's labour market and enhance labour productivity over time.
- **Development Applications Process (DAP)**

The recommendations for improvement of the Development Applications Process (DAP) were approved on December 2, 2014 by the Cabinet to be implemented as follows:

Short Term Components (Immediately to One year)

- Establishment of a Joint Technical Team to review, assess and monitor specified applications
- MOU between the LPAs and the NEPA to facilitate the Joint Technical Team
- Development of criteria and mechanisms for standardization of timelines for all categories of buildings, additions and renovations
- Full implementation of the AMANDA system
- Amendments to the Local Improvements Act and the Town and Country Planning Act to allow for electronic filing and parallel processing of applications and documents
- Promulgation of the National Building Act
- Implement a programme of training in the modernized DAP in all relevant agencies

Medium Term Components (One to Two years)

- Strengthen capacity of NEPA, the LPAs, Portmore Municipal Council and the KSAC
- Completion of National Spatial Plan and up-to-date development orders and plans for the entire island
- Completion of National Fees Policy
- Pre-clearance for sites to be marketed to investors/ developers
- Strengthen the capacity of KSAC, Parish Councils and the Portmore Municipal Council
- Implement a programme of training for regulators and practitioners in the DAP and Building Code

Table 4 summarizes short term growth projections and upside potential that can be realized from the effective implementation of the growth strategy, particularly in the areas of doing business reforms and strategic investment projects.

TABLE 4: MEDIUM TERM GROWTH PROJECTIONS		
Indicators	FY 2015\16	FY 2016\17
Current Forecast (Without Impact of Reforms and Investment Projects)	1.6%	2.0%
<u>Upside Potential:</u>		
Additional Growth (Investment Projects)	0.7%	0.5%
Additional Growth (Reform Agenda)	0.6%	0.6%
<u>Current Forecast plus Upside Potential:</u>	2.9%	3.1%
Real GDP Growth (With Impact of Reforms & Investment Project Scenario)		

The current forecast (without impact of reforms and additional investment) is based on the implementation of capital projects included in the Public Sector Investment Programme (PSIP), as well as expected utilization of current and projected productive capacity for all industries. The upside growth potential includes private sector capital projects currently being facilitated by the government for implementation during the short term for which specific timelines and capital expenditure projections are available, as well as the expected impact of business reform on domestic investment. The strategic investment projects are being pursued in sectors such as agriculture, energy, tourism, IT and business process outsourcing. It is expected that the key elements of the growth agenda (fiscal consolidation, and structural reforms) will promote domestic savings¹⁶. This, with the government's reduced appetite for financing, increases the availability of resources to support private sector led investment facilitated by an efficient business environment. Table 4 sets out the growth forecast (Without Impact of Reforms and Investment Projects), as at February 2015, based on the latest available information as well as the estimated upside potential which could result from the successful implementation of growth reforms and the implementation of projects under the Growth Agenda.

¹⁶ The savings rate refers to the share of GDP which is saved and includes both private and public savings. The average savings rate from 2005-2007 was 16.0%, over the last three years (2011-2013) it was 10.4%.

It is important to note that the upside growth potential does not include the impact of the implementation of other major strategic investments, such as Integrated Resort Developments (e.g. Harmony Cove), the Global Logistics Hub Initiative projects, and the energy co-generation projects, for which specific timelines and capital expenditure projections are not currently available. Efforts to fast track and finalise arrangements for these projects would yield additional growth impetus in excess of the identified upside potential.

6.0 SUPPORTING POLICY FRAMEWORK

The holistic and comprehensive nature of the Growth Agenda requires adequate alignment with a supporting policy and institutional framework to ensure that the various components benefit from synergies with other complementary policies and strategies. In particular the open nature of the Jamaican economy and high trade ratio (imports and exports total approximately 80 per cent of GDP) imply that trade policy and strategy will have important consequences for Jamaica's growth prospects. Trade provides Jamaica the opportunity to specialize in the production of goods and services where it enjoys comparative advantages, to develop economies of scale and scope in accessing regional and global export markets, to benefit from transfers of skills and technology, and to participate in global value chains that are linked to the strategic areas of development under the Growth Agenda.

Of particular relevance to the Growth Agenda are the areas of trade policy and strategy that enable market access and strategic trade agreements, and improve trade facilitation and border transactions. Specific areas of alignment include: the development of the new policy, legislative, regulatory and institutional framework for Special Economic Zones (SEZs); the negotiation of relevant Partial Scope and Free Trade Agreements; the development of the Port Community System and Single Electronic Window; the strengthening of the National Quality Infrastructure for international standards and certification; strengthening the capacities for market research, intelligence and penetration; and strengthening the capacity for collaboration between the public sector and private sector in developing new export markets, industries and

value chains. In this regard, the finalization of the new Foreign Trade Policy and the second National Export Strategy represent particular opportunities to advance the alignment of trade policy and strategy with the Growth Agenda. The recent establishment by the Ministry of Industry, Investment and Commerce (MIIC) of a Trade Facilitation Task Force reporting to the National Competitiveness Council (NCC) and the proposed development of a Trade Facilitation Implementation Plan will also serve to enhance the potential contribution of trade to economic growth.

The Growth Agenda will also benefit from alignment with relevant areas of industrial policy and investment policy, including: development and implementation of sector/industry plans for key growth industries that provide for progression to higher value-added stages; planning for development of industry-specific infrastructure and human capital training programmes; ongoing research into new competitive products and industries; strengthening of the legislative and institutional framework for the protection and use of intellectual property (IP) rights; investment promotion; MSME policy; and finalization of the new policy for science, technology and innovation. The development of industry-specific and customized training and certification by the HEART Trust/NTA for BPO, animation and logistics represent examples of the alignment of human capital development with the priorities of the Growth Agenda, while the planned accession to the Madrid Protocol will strengthen the protection of the intellectual property rights of Jamaican trademark and service mark owners.

Finally, the successful implementation of the Growth Agenda will require the participation of a wide range of stakeholders, including the domestic and foreign private sector, households and communities, Government ministries, departments and agencies, international development partners, the Jamaican Diaspora and the general public. There is therefore benefit to be gained from collaboration on a more effective communication strategy for the Growth Agenda, which will have the following objectives:

- i. Provide current information on the main elements of the Growth Agenda, and the achievements to date in the implementation of reforms and strategic projects;
- ii. Explain the benefits of the elements of the Growth Agenda to each group of stakeholders and the average citizen;
- iii. Encourage growth-inducing behaviour by key stakeholders, including private sector investment and trade;
- iv. Provide ongoing information on the upcoming reforms and plans of the Growth Agenda;
- v. Manage expectations of stakeholders within the context of the short-, medium- and long-term components of the Growth Agenda.

7.0 GROWTH AGENDA POLICY IMPERATIVES

The implementation of the Growth Agenda continues to be a key area of focus for the government during the medium term, to drive the quest for growth and improve the capacity and resilience of the country. However, there are a number of issues which must be addressed in order to ensure the successful implementation of the Agenda. These include:

- **Threats to Fiscal Sustainability** – Expenditure containment and revenue growth are critical to maintaining fiscal sustainability. Efforts to keep expenditure contained may be affected by unplanned liabilities that may arise from financial assistance to public bodies, guarantees, wage anomalies and expenses associated with natural disasters. With respect to revenue, constraints may arise from lower than anticipated tax compliance and economic growth. In this regard, the adoption of the fiscal responsibility framework and fiscal rule will serve to enhance expenditure containment, while the strengthening of tax compliance measures and the improvement in revenue forecasting for the budget for FY2015/2016 should reduce the risk of revenue slippage.
- **Capacity constraints** – the implementation of the reform programme outlined in the Growth Agenda requires the use of already limited resources in the key Ministries, Departments and Agencies. Effective coordination and sequencing of these reforms are,

therefore, critical to the successful implementation. The measures being implemented by the Government in its updated action plan for public financial management reform and action plan for public sector transformation and modernization are aimed at strengthening key capacities in the public sector including public financial management, strategic human resource management and utilization of information technology to enhance the efficiency and effectiveness of delivery of public services.

- **Slow pace of Private Investment** – In order to realize growth from the fiscal consolidation being undertaken by the GOJ, an expansion of private sector investment is required. This should occur through a ‘crowding out’ of government, followed by a greater than reciprocal ‘crowding in’ of the private sector. However, private sector absorption has not been materializing, as the pace of private investment ‘crowding in’ has been slower than expected.
- **Delays in implementation of public sector capital projects** – The capital projects in the Government’s Public Sector Investment Programme (PSIP) represent an important component of the Growth Agenda. However the implementation of these projects is often delayed and is reflected in the underperformance of public sector capital expenditure. For the first three quarters of the fiscal year 2014/15 (April – December 2014), capital expenditure amounted to \$18.3 billion which was \$8.3 billion (31.1 per cent) less than budgeted. The strengthening of the operation of the Public Investment Management System (PIMS) including the establishment of the PIMS data base and Secretariat will improve the implementation of public sector capital projects.
- **Emerging Threats associated with Changes in the Global Economic & Trade Landscape:** Jamaica is still heavily reliant on traditional exports. Changes in the global environment necessitates a re-orientation of focus towards the production and export of goods and services from new and emerging economic industries, including digital animation, BPO, logistics services, et cetera. The successful realization of more robust and sustained economic growth is dependent on this shift. This will be complemented by a more fulsome exploitation of new and existing trade agreements such as the Economic Partnership and the World Trade Organization Agreements, including through the

finalization and implementation of the new Foreign Trade Policy and the second National Export Strategy.

- **Natural disasters and unpredictable weather conditions** – Jamaica is susceptible to natural disasters and unpredictable weather conditions, such as drought and intense rainfall, which result in the need for unplanned fiscal expenditure to address damage and curtailment in output for the Agriculture industry. Initiatives to bolster the resilience of the built and natural environment are being pursued in order to mitigate the risks associated with the natural disasters and unpredictable conditions, including through the Pilot Programme for Climate Resilience (PPCR I and II), GOJ/Adaptation Fund Programme and the Community Based Landslide Risk Reduction Project.

The key issues and mitigating strategies for successful implementation of the Growth Agenda are summarized in the Table 5 below.

Table 5: Growth Agenda – Issues and Challenges to be Addressed

Issues	Mitigating Strategies
➤ Uncertainty in the global economy	<ul style="list-style-type: none"> ▪ Implement programme of fiscal consolidation and debt reduction with growth-inducing measures designed to reduce the vulnerability of the Jamaican economy to external shocks from the global economy ▪ In order to protect the vulnerable, the government has strengthened the social protection system ▪ Undertake diversification of products and markets, including marketing to emerging economies
➤ Impact of fiscal consolidation	<ul style="list-style-type: none"> ▪ Prioritize growth-enhancing capital expenditure through the Public Sector Investment Programme (PSIP) ▪ Implement structural reforms to improve the competitiveness of the business environment to increase the mobility of factors of production (land, labour and capital), stimulate investment and improve total factor productivity
➤ Delays in aid flows	<ul style="list-style-type: none"> ▪ Improve coordination of aid flows from international development partners
➤ Delays in implementation of reforms and projects	<ul style="list-style-type: none"> ▪ Strengthen the operation of the Public Investment Management System (PIMS) ▪ Establish and strengthen the operation of institutional mechanisms to expedite the implementation of reforms and projects including the Coordination and Implementation Unit (CIU) at the Ministry of Finance and Planning and the Growth Agenda Subcommittee (GASC) of Cabinet ▪ Undertake improvement in project management of capital projects, including through capacity development and training of project managers and improved systems of project monitoring and evaluation
➤ Impact of natural hazards	<ul style="list-style-type: none"> ▪ Implement projects to strengthen resilience of the built and natural environment ▪ Mainstream hazard risk reduction and climate change adaptation in national development planning across sectors
➤ Reform fatigue	<ul style="list-style-type: none"> ▪ Ensure proper planning and sequencing of structural reforms ▪ Undertake capacity development of implementing agencies and provide technical assistance for reforms as required ▪ Implement public campaign on achievements and their implications
➤ Loss of social cohesion/ political will	<ul style="list-style-type: none"> ▪ Engage key stakeholders in the implementation and monitoring of the growth agenda through a range of mechanisms including the Economic Programme Oversight Committee (EPOC)
➤ Business and consumer confidence	<ul style="list-style-type: none"> ▪ Implement communication strategy to inform the private sector and consumers of the progress and benefits of improvements in the economy and business environment

8.0 GROWTH AGENDA MATRIX AND IMPLEMENTATION AND ACCOUNTABILITY FRAMEWORK

A robust institutional framework has been established to lead the implementation of the GOJ Growth Agenda. The Growth Agenda Subcommittee (GASC) was established in May 2014 under the Economic Development Committee of Cabinet, with the Minister of Finance and Planning as Chairman and with broad responsibilities to develop growth initiatives and monitor the implementation of the reforms and strategic investment projects of the Growth Agenda. The operation of the GASC is supported by a multi-agency Technical Team with representatives from the Port Authority of Jamaica (PAJ), the Planning Institute of Jamaica (PIOJ), the Development Bank of Jamaica (DBJ), the Ministry of Investment Industry and Commerce (MIIC), the Ministry of Finance and Planning (MOFP), and Jamaica Promotions Limited (JAMPRO), and a GASC Secretariat housed at the PAJ.

In accordance with Cabinet Decision No. 01/15, the members of the GASC Technical Team and the GASC Secretariat have prepared a detailed Growth Agenda Matrix of Priority Business Environment Reforms and Strategic Projects as the basis for the implementation and accountability framework for the GOJ Growth Agenda. The Growth Agenda Matrix sets out the priority actions to implement the business environment reforms and strategic projects of the Growth Agenda, with clear assignment of responsibility for implementation by each Ministry, Department and Agency (MDA). For each project and reform, the Growth Agenda Matrix sets out the projected investment/employment (where available), implementation steps, timelines, status, constraints, implementing agency, monitoring agency, and a traffic light dashboard that signals the status of implementation of each action against the targeted timelines. The Growth Agenda Matrix focuses on the priority actions for three components of the Growth Agenda, namely business environment competitiveness reforms, strategic investment projects, and human capital development and protection. The priority actions for fiscal consolidation are primarily covered under the MEFP for the IMF EFF, while the priority actions for human and community security and environmental resilience are included in the work plans and budgets of the relevant MDAs.

The following are the key supporting measures proposed to support the operation of the Growth Agenda Implementation and Accountability Framework:

- 1) **Implementation:** The MDA with lead responsibility for implementation of each priority reform and project will be identified in the Growth Agenda Matrix. Other MDAs which are involved in implementation also will be identified. The lead MDA will be responsible for coordinating the participation of other MDAs for the timely implementation of each priority reform and project. The priority reforms and projects will be grouped under each Ministry with lead responsibility for their implementation. MDAs will be able to request intervention from the GASC Secretariat in order to resolve implementation issues.
- 2) **Reporting by MDAs:** The lead MDA will also be responsible for providing timely and regular information on the status of implementation of each priority reform and project, including information on the status of each implementation step with respect to the relevant timelines, and identification of any constraints to timely implementation. Information on the status of each priority reform and project shall be provided on a monthly basis or more frequently as required by the lead MDA to the GASC Secretariat or to the relevant monitoring agency identified in the Growth Agenda Matrix.
- 3) **Reporting to GASC:** The GASC Secretariat will compile the reports by MDAs and monitoring agencies and produce a monthly Growth Agenda report that will include at a minimum the following:
 - i) Updated Growth Agenda Matrix showing most recent information on the status of implementation steps, timelines and constraints, as well as traffic light dashboard status for each priority reform and project;
 - ii) Summary narrative report showing overall status of implementation, main achievements to date, and highlights of key constraints and delays to be addressed by the GASC, as well as proposed revisions to the Growth Agenda Matrix by additions and/or deletions of priority reforms and projects.

- iii) The GASC Technical Team will meet monthly to consider the report of the GASC Secretariat. The GASC Technical Team will be required to take actions as appropriate to resolve constraints to implementation identified in the report, and make appropriate recommendations to address these constraints for the GASC's consideration. It is proposed that the GASC will meet at a minimum every two months to consider the report of the GASC Secretariat and take decisions to resolve any constraints to the timely implementation of the Growth Agenda.
- 4) **Reporting to Cabinet:** The GASC will provide to the Cabinet periodically a Growth Agenda report that will include at a minimum the following:
 - i) Updated Growth Agenda Matrix and summary narrative report with the most recent information provided by the GASC Secretariat;
 - ii) Any matters concerning the timely implementation of the Growth Agenda that require consideration and decision by Cabinet.
- 5) **Reporting to Parliament:** The GASC will prepare for consideration and approval by the Minister of Finance and Planning and Cabinet an annual Growth Agenda Policy Paper to be tabled in Parliament during the annual Budget Debate. The Growth Agenda Policy Paper will include the following:
 - i) Strategic overview of the status of implementation and impact of the Growth Agenda based on the outputs of the Implementation and Accountability Framework during the current fiscal year to date; and
 - ii) Outlook for the Growth Agenda and economic growth prospects for the new fiscal year.
 - iii) Summarised Growth Agenda Matrix which outlines the major projects and reforms and associated timelines (see Appendix 1).
- 6) **Alignment with National Planning, Budgeting and Monitoring Framework:** The GASC Technical Team and Secretariat will ensure that the Growth Agenda Implementation and Accountability Framework is fully aligned with the growth strategy and the national planning, budgeting and monitoring framework, to ensure that the priority reforms and

projects of the Growth Agenda are included in the strategic business plans and budgets of implementing MDAs.

The Growth Agenda Policy Paper therefore sets out the priority actions and the institutional framework to support the efficient and effective implementation and monitoring of the GOJ's Growth Agenda in the medium term, with specific reference to FY2015/2016. It should be noted that the Summary Growth Agenda Matrix which is included as Appendix 1 of the Growth Agenda Policy Paper is a summarised version of the full Growth Agenda Matrix to be used for monitoring and reporting by MDAs, with confidential and market sensitive information omitted.

The success of the implementation of the Growth Agenda will enhance the contribution of the economy to national development and the well-being of the Jamaican people in the short and medium term.



APPENDIX 1

GROWTH AGENDA MATRIX – PRIORITY BUSINESS ENVIRONMENT REFORMS AND STRATEGIC PROJECTS

This document provides a comprehensive list of reforms and projects by Ministry, Department or Agency aimed at improving the economic environment through the provision of catalytic investments and employment. Also included are issues/challenges which may hamper the pace of implementation and effectiveness of these reforms and projects.

PROJECT/REFORM	IMPLEMENTATION STEPS AND TIMELINES
MTWH	
North-South Link Highway 2000 Highway project is 67.2 km long, from Caymanas St. Catherine on the South Coast to Mammee Bay St. Ann on the North Coast, crossing the Rio Cobre River and bypassing Mount Rosser and Flat Bridge	<ul style="list-style-type: none"> • Construction works for Section 1 and Section 3 to be completed by 4th quarter FY 2015/2016
Southern Coastal Highway Improvement Project (SCHIP) Improvement of the southern coastal corridors of the island from Harbour View to Port Antonio and Negril to Mandeville. The SCHIP is divided into two (2) Segments: <ul style="list-style-type: none"> • Segment 1 – Harbour View to Port Antonio (106.4 km) • Segment 2 – Negril to Mandeville (131.4 km) 	<ul style="list-style-type: none"> • Finalise options for implementation and financing of the construction of Sections 1A and 1B of Segment 1– May 2015
Expansion and privatization of the Kingston Container Terminal (KCT) Contracting a suitable concessionaire to manage the KCT	<ul style="list-style-type: none"> • Finalize negotiations with Preferred Bidder – March 2015
Privatization and upgrading of the Norman Manley International Airport (NMIA) The process of recruiting a suitable concessionaire to manage the NMIA.	<ul style="list-style-type: none"> • Announcement of Preferred Bidder – September 2015
Major Infrastructure for Development Programme (MIDP) Programme for rehabilitation of roadways, major bridge projects, major road projects and	<ul style="list-style-type: none"> • Programme for FY 2014/2015: JEEP Component <ul style="list-style-type: none"> • Undertaking of infrastructure works at cost of J\$1.6B

PROJECT/REFORM	IMPLEMENTATION STEPS AND TIMELINES
employment creation	<p>Road Rehabilitation</p> <ul style="list-style-type: none"> • Commencement of the rehabilitation of approximately 60km of roadways across the network - \$1.5B – construction period of approximately 14 months. <p>Bridges</p> <ul style="list-style-type: none"> • Repair to six (6) bridges –J\$124M
<p>Portland Bight Development Project</p> <p>A proposal for the establishment of a transshipment port and an industrial and commercial economic zone in the Portland Bight Protected Area/Goat Islands</p>	<ul style="list-style-type: none"> • Environmental Impact Assessment Studies and submission to NEPA for approval - to be determined • The project will be executed in phases based on the approvals for each stage
<p>Establish a Port Community System (PCS)</p> <p>This system electronically integrates and streamlines export and import procedures</p>	<ul style="list-style-type: none"> • Preferred bidder selected – 1st quarter FY 2015/2016 • PCS Implementation - 24 months
<p>MIIC</p>	
<p>Caymanas Special Economic Zone (CSEZ)</p> <p>The development of the Caymanas Special Economic Zone (CSEZ) is the first of several SEZs and an enterprise team is responsible for its development</p>	<ul style="list-style-type: none"> • Issue RFP for Feasibility Study and procurement of Feasibility Study – May 2015 • Commence Feasibility Study – August 2015
<p>Special Economic Zone Act</p> <p>The development of the Special Economic Zone (SEZ) policy spearheaded by MIIC through a Policy Steering Committee (PSC) established in February 2014</p>	<ul style="list-style-type: none"> • Special Economic Zone (SEZ) Act to be passed by October 2015
<p>Legislation for the International Financial Services</p>	<ul style="list-style-type: none"> • Table the draft General Partnership Bill, Limited Partnership Bill and the Trust and Corporate Service

PROJECT/REFORM	IMPLEMENTATION STEPS AND TIMELINES
Centre (IFSC) Development of legislative framework for Jamaica to offer competitive international financial services	Providers Bill to the Legislative Committee of Parliament – March 2015
Mobile Business Clinic Development and promotion of entrepreneurship and government support services for MSMEs	<ul style="list-style-type: none"> • MSME/Entrepreneurship activities undertaken in all parishes – awareness building and training • Western Region – Nov 2014 to Feb 2015 • Eastern Region – March to May 2015 • Northern Region – June to July 2015 • Central Region – Aug to Oct 2015
Small Business Development Centre (SBDC) initiative To provide high quality professional service (counselling, management training, business plans and financial forecasting, business start-ups and formalization, marketing and sales, international trade, innovation, etc) throughout the firm's life cycle	<ul style="list-style-type: none"> • Establishment of a national association of SBDCs with supporting IT infrastructure – June 2015 • Prepare SBDC counselors in the design of strategic plans for SBDCs and in guidance of counselling sessions for their clients – December 2015
Establishment of Trade Facilitation Task Force	<ul style="list-style-type: none"> • First meeting of the Trade Facilitation (TF) Task Force to be held – March 2015 • Literature review and situational analysis of relevant studies – May 2015 • Development of Trade Facilitation Implementation Plan – September 2015
Single Trade Electronic Window Single Trade Window for improved clearance processes for imports and exports	<ul style="list-style-type: none"> • MOU between key Ministries on TF Cooperation to be signed – March 2015 • Situational Analysis to be prepared by the Task Force Secretariat – 1st quarter FY 2015/2016
Madrid Protocol International IP registration allowing for single and centralized filing of trademark and service marks in a way that will provide for IP protection globally	<ul style="list-style-type: none"> • Completion of drafting of amendments to the Trade Marks Act – March 2015 • Employment of four (4) persons to staff the Madrid Unit at the Jamaica Intellectual Property Office – 4th quarter 2015/2016

PROJECT/REFORM	IMPLEMENTATION STEPS AND TIMELINES
Standards Develop a National Quality Council comprising BSJ, JANAAC, NCBJ and a Compliance and Enforcement (Regulatory Authority)	<ul style="list-style-type: none"> • Cabinet Submission – March 2015 • Legislative framework established – FY2016/2017
Factories Corporation of Jamaica	
Naggo Head Tech Park Development of 750,000 square feet technology park in Naggo Head, Portmore	<ul style="list-style-type: none"> • Assess the proposals and enter into final selection of entities – 1st quarter FY 2015/2016
JAMPRO	
Business Process Outsourcing (BPO) Projects: <ul style="list-style-type: none"> • BTP Lot 3 Limited • Advanced Call Centre Technology • Xerox Commercial Services • New ICT Space Development – Creation of new BPO space across the country through the DBJ ICT Infrastructure Loan Facility Number of new jobs: 7,880 BPO jobs (estimate)	<ul style="list-style-type: none"> • 2015 - 2016
Hotel Projects: <ul style="list-style-type: none"> • Moon Palace Resort (formerly Jamaica Grande) • Braco Resort (Melia Resorts) • Marriott • Hospiten Jamaica Ltd • The additional hotel expansions along the North Coast expected to add approximately 1300 rooms 	<ul style="list-style-type: none"> • 2015 - 2016
Strategic Plan for the BPO Industry The strategy seeks to optimize the potential benefits of the global outsourcing industry as a sector of focus to attract direct investment, create jobs, earn foreign exchange, and contribute to the economic growth and development of the country	<ul style="list-style-type: none"> • Updating and Approvals – March 2015 • Submission to Cabinet – March 2015 • Start Implementation – April 2015

PROJECT/REFORM	IMPLEMENTATION STEPS AND TIMELINES
National Export Strategy 2015-2019 Plans for expansion of export earnings in five (5) targeted industries and business improvements in five (5) cross-cutting areas over the next five years	<ul style="list-style-type: none"> • Draft final report – March 2015 • Completion – April 2015
Shovel Ready Investment Projects (SRIP) Initiative SRIP seeks to secure as many planning approvals ahead of marketing in a bid to reduce the length of time to obtain approvals once an investor indicates interest	<ul style="list-style-type: none"> • Phase 2 projects packaged – September 2015
ENERGY Projects	
Blue Mountain Renewables The company has been recommended to supply 36.3MW of capacity from wind power at Munro, St. Elizabeth	
WRB Enterprises WRB is selected to provide 20MW of capacity from solar power	<ul style="list-style-type: none"> • Ground breaking – March 2015
MOFP	
Harmony Cove Development Harmony Cove is a 2,300-acre property on the north coast. It is being developed into a resort to include world class golf courses, spa, marina facilities, commercial developments, luxury hotels, residencies, casino, convention and entertainment centres, restaurants and retail assets.	<ul style="list-style-type: none"> • Issues related to the financing and loan risk coverage to be resolved – 1st quarter FY 2015/2016
Celebration Jamaica Hotel & Resort Celebration Jamaica Hotel & Resort is part of the wider Integrated Resort Development	<ul style="list-style-type: none"> • Evaluation of Celebration Jamaica Development Limited's application for an order to declare the project an Integrated Resort Development – 1st quarter FY 2015/2016

PROJECT/REFORM	IMPLEMENTATION STEPS AND TIMELINES
Definition of Large Scale Projects and Pioneer Industries Development of a regulatory framework for the Large Scale Projects and Pioneer Industries legislation	<ul style="list-style-type: none"> Regulations to be tabled – 1st quarter FY 2015/2016
Integrated Resort Development Orders and Casino Gaming Development of a regulatory framework for the Casino Gaming Act	<ul style="list-style-type: none"> Submission of draft regulations to CPC - March 2015
Foundations for Competitiveness and Growth (FCG) Project Major project to strengthen the business environment in Jamaica for private sector investment with US\$50 m funding from the World Bank over six (6) years and the following four (4) components: v. Enhancing competition in the business environment vi. Facilitating strategic private investments vii. Supporting SME capabilities and finance viii. Project implementation and M&E	<ul style="list-style-type: none"> Business Plan for Creative Industries – complete procurement and commence study by May 2015 Downtown Kingston – complete procurement and commence study by June 2015 Feasibility study for Caymanas SEZ – complete procurement and commence study by August 2015 Logistics Hub Initiative Master Plan – complete procurement and commence study by August 2015
Strategic Transformation of the Public Sector Project Project to strengthen public resource management and support selected public sector institutions in facilitating a more enabling environment for private sector growth with US\$37.5 m funding from the World Bank and DFID over six (6) years	<ul style="list-style-type: none"> PIMS Database to be updated with projects from Public Bodies – 2nd quarter FY 2015/2016
DBJ	
MSME Financing	<ul style="list-style-type: none"> Provide \$3 billion MSME funding in FY2014/2015 and \$4.1 billion in FY2015/2016 Expand the reach and number of MSME lending

PROJECT/REFORM	IMPLEMENTATION STEPS AND TIMELINES
	channels
Initiatives to support MSME Access to Financing	<ul style="list-style-type: none"> • Restructure Credit Enhancement Facility to expand utilization and optimize effectiveness - June 2015
BPO Financing	<ul style="list-style-type: none"> • Provide US\$20 million in FY2015/2016
Microfinance—Mobile Money	<ul style="list-style-type: none"> • Completion of User Acceptance Test (UAT) and Quality Assurance Test (QAT) - March 2015 • Deploy Mobile Money for Microfinance to drive efficiency and reduce interest rates - 2015
Microfinance—Capacity Development	<ul style="list-style-type: none"> • Develop model to provide effective capacity development to over 20,000 microbusinesses by 2017
Microfinance--Funding	<ul style="list-style-type: none"> • Disburse \$1.5 billion microloans in FY2015/2016, and \$2.5 billion in 2016/2017
Microfinance—Legislation & Regulation	<ul style="list-style-type: none"> • Enact legislation to protect micro business borrowers – FY 2015/2016
MSME Capacity Development -supporting MSME financing <ol style="list-style-type: none"> 1. Voucher for Technical Assistance(VTA) Project 2. Start Up Grant Programme 3. Capacity Development Programmes supporting a. Access to financing b. Facilitating exports and links to Global Supply Chains c. MSME business development through coaching and mentorship 	<ul style="list-style-type: none"> • End Pilot phase of VTA by May 2015 • Redesign VTA programme to include other services and distribution channels – 1st quarter FY 2015/2016 • Hire Business Accelerator Consultant to finalize design of programme – 1st quarter FY 2015/2016 • Launch Programme – 2nd quarter FY 2015/2016 • Initiate the provision of funding to up 30 MSMEs (new businesses) investing in innovations – December 2015 • Monitor & Evaluate projects under the capacity development portfolio. Over 15 projects are in the execution phase (e.g. MSME Finance Directory, EXPORTMAXII, BEEP) • Hire a Supply Chain Analyst to identify supply chains to be developed/improved – March 2015 • Hire Fund Manager to manage grant funds to improve supply chains – June 2015 • Commence disbursement of matching grants to SMEs – September 2015

PROJECT/REFORM	IMPLEMENTATION STEPS AND TIMELINES
<p>4. Energy Audit Grant Programme</p> <p>5. World Bank – Foundations for Competitiveness and Growth</p>	<ul style="list-style-type: none"> • Provide Line of Credit to SMEs through Approved Financial Institutions – May 2015
<p>Development of a Venture Capital Eco-System in Jamaica</p> <p>Establishment of a Legal, Regulatory and Tax Framework</p>	<ul style="list-style-type: none"> • Working Group to develop proposals to be presented to the Minister of Finance, relating to VC specific legislation as well as tax policies • Tax Accountant to be retained to review legislation re current tax liabilities – 4th quarter FY 2014/2015
<p>VC Ecosystem –Support the establishment of VC/PE Funds</p>	<ul style="list-style-type: none"> • Issue Call for Proposals – July 2014 • Due diligence process commenced – to be finalized 1st quarter 2015/2016 • Establish Investment Policy to govern selection for investment in PE & VC Funds – 1st quarter 2015/2016 • DBJ to co-invest in selected PE/VC Funds – 2nd quarter 2015/2016
<p>VC Ecosystem – Knowledge building – VC Stakeholders</p>	<ul style="list-style-type: none"> • Training Workshops for VC/PE – July 2015 • Legal Forum held – Feb 24, 2015 • VC Conference – October 2015
<p>Vc Ecosystem – Entrepreneurship building</p> <p>Partnering with tertiary institutions and PSOJ to undertake the National Business Model Competition to promote and reward innovative business models</p> <p>Support to Angel Investor Network</p>	<ul style="list-style-type: none"> • Establish Steering Committee – meetings held monthly • Seek additional sponsorship – ongoing • National Competition – end March 2015 • International Competition – May 2015 • Liaise with InfoDev and Angel Investor (AI) Consultant re a funding platform to complement the funding for the AI Network – ongoing
<p>Funding for Pvt/PPP Transactions</p> <p>Support for transactions which require funding for advisors and studies for development</p>	<ul style="list-style-type: none"> • DBJ to complete recruitment of Project Coordinator by end March 2015 • PPF Management Board to approve application to disburse by April 2015


PROJECT/REFORM	IMPLEMENTATION STEPS AND TIMELINES
Attorney Generals Chambers Task Force Increased project activity has resulted in increased demand and requirement for additional resources at AGC	<ul style="list-style-type: none"> PPF Management Board to approve application to disburse by April 2015
Review of the PPP and Privatisation Policies	<ul style="list-style-type: none"> Get comments from MDAs by end April 2015
Sale of Commercial Assets of the Cocoa Industry Board Facilitate expansion and increased efficiencies of cocoa production and increase exports	<ul style="list-style-type: none"> Finalize negotiations with the Preferred Bidder by end April 2015
Sale of PETCOM	<ul style="list-style-type: none"> Finalisation of bidding documents by end of March 2015
Privatisation of the Jamaica Railway Corporation Rehabilitation of rail infrastructure and resumption of rail operations through a privatisation strategy to maximize the return to GoJ and minimize fiscal exposure	<ul style="list-style-type: none"> Herzog updated proposal to be submitted end March 2015 DBJ to complete Business Case for the Tourism Rum Train - March 2015
Privatisation of Caymanas Track Limited	<ul style="list-style-type: none"> RFP to be issued by April 2015
School Energy PPP NET is examining the possibility of a private sector investor to install, finance and maintain the PV systems to supply energy to 30 public schools (pilot project) with similar public procurement being pursued by the PCJ	<ul style="list-style-type: none"> Subject to NET's approval, DBJ to engage consultants by March 2015, through IDB technical assistance, to support the NET in developing Business Case
LED Streetlights MLGCD is seeking to replace the current streetlight bulbs with LED streetlights	<ul style="list-style-type: none"> Due diligence report - May 2015
Expansion of Soapberry Wastewater Treatment Plant	<ul style="list-style-type: none"> NWC to circulate pre-feasibility to stakeholders for final comments in order to finalise the report by March 2015

PROJECT/REFORM	IMPLEMENTATION STEPS AND TIMELINES
	<ul style="list-style-type: none"> NWC/CWTC to have internal discussions to decide on strategy – expected conclusion by April 2015
MOAF	
Agro Parks	
1. Plantain Garden River –St. Thomas Designated acreage 290 acres Main crops – vegetables & condiments	<ul style="list-style-type: none"> Construction of Pump house to house newly acquired pump with capacity to serve entire 290 acres. Expected to be completed by March 2015
2. Amity Hall-St. Catherine Main crops - vegetables, condiments, hay, fruit trees and pasture for sheep	<ul style="list-style-type: none"> Upgrade/increase size of conveyance canal to increase volume of water supplied to flood irrigation system - To be done by NIC 700 acres remains to be cleared
3. Ebony Park - Clarendon Main crops - vegetables, condiments, roots & tubers	<ul style="list-style-type: none"> Installation of irrigation infrastructure for 975 acres to be completed by March 2015 Rehabilitation of roads and drainage works yet to be done
4. Spring Plain - Clarendon Main crops - vegetables, condiments, roots & tubers	<ul style="list-style-type: none"> Installation of Irrigation infrastructure for 831 acres to be completed by March 2015
5. Yallahs – St. Thomas Main crops - Onions	<ul style="list-style-type: none"> No outstanding projects. Agro Park infrastructural works completed
6. New Forest Duff House-Manchester	<ul style="list-style-type: none"> Installation of 2 additional pumps - funding is being sought
7. Hill Run – St. Catherine -fishing	<ul style="list-style-type: none"> Design of reed bed system to be undertaken Water Conveyance System to be designed
8. Meylersfield - Westmoreland <ul style="list-style-type: none"> To construct ackee & callaloo canning & packaging facility (3,683.8 sq. ft) Fishing 	<ul style="list-style-type: none"> Processing facility to be completed by April 2015 Rehabilitate 813 m2 of roads Erect 1,290 ft of electricity pole lines 10 pond acres targeted

PROJECT/REFORM	IMPLEMENTATION STEPS AND TIMELINES
9. Sweet River Abbatoir - Westmoreland	<ul style="list-style-type: none"> To commence – March 2015
10. Hounslow – St. Elizabeth	<ul style="list-style-type: none"> Finalise business plan – March 2015 Implementation in 1st quarter FY2015/16
11. Unity/Nonsuch – St. Mary	<ul style="list-style-type: none"> Phase 1 – Land clearing and assignment of lots Phase 2- Roads, drainage & irrigation system to be installed – FY 2015/16
MSTEM	
Wigton Wind Farm (WWF) Wigton Wind Farm was selected to provide 24MW of capacity from wind power at Munro, St. Elizabeth	<ul style="list-style-type: none"> Ground breaking for Wigton III in March 2015 Construction to begin April 2015 Wigton III to be commissioned in February 2016
37 MW Renewable Energy Projects	<ul style="list-style-type: none"> Request for Proposals – March 2015
JPS Old Harbour and Hunts Bay ESET has indicated that JPS proposes to replace the existing 292 MW HF Oil Power Plants at Old Harbour and Hunts Bay with a 190 MW Gas Turbine Power Plant fuel with LNG	<ul style="list-style-type: none"> Projected to be completed by Q4 2017
JPS Bogue ESET has indicated that JPS proposes to convert the Bogue Power Station by Q4 2015 - 115 MW Gas Turbine - JPS's Newest plant from Automotive Diesel Oil (ADO) initially to Propane	<ul style="list-style-type: none"> Proposed completion date is Q4 2015
Bauxite/Alumina Co-Generation Projects: Jamalco Energy Solution UC Rusal	<ul style="list-style-type: none"> 2017-2018
Electricity connection	<ul style="list-style-type: none"> Action plan for implementation of reforms to be completed by March 2015

PROJECT/REFORM	IMPLEMENTATION STEPS AND TIMELINES
Streamlining procedures for electrical installations through institutional reforms, automation of work processes and outsourcing to the private sector	
Electricity Act Electricity Act to be updated to clarify and codify the roles and responsibilities of the main actors in the sector	<ul style="list-style-type: none"> • To become effective by end-March 2015 • Issuing of drafting instructions for regulations by May 2015
Youth Employment in the Digital and Creative Industries Project Major project to contribute to the growth of digital and animation industries in Jamaica and provide new opportunities for youth employment and empowerment with US\$20 m funding from the World Bank over five (5) years	<ul style="list-style-type: none"> • Develop curricula for 2D and 3D animation training programmes – 2nd quarter FY 2015/2016 • Provide equipment (computers/tablets) and software to augment existing ones and initiate other training programmes in animation - Procurement of equipment to occur by the end of 2nd quarter FY 2015/2016 • Engage trainers to deliver animation training programme - Procurement of trainers to occur by the end of 2nd quarter FY 2015/2016 • Develop a business acceleration programme for animation studio - Business Acceleration Programme to be developed by end of 1st quarter FY 2015/2016 • Organize annual animation and mobile application festivals to promote a Jamaican Animation and Mobile Application Industry - KingstOOOn animation festival and Digital Jam mobile apps festival to be organized by the end of 2nd quarter FY 2015/2016 • Develop Animation Industry Policy – to be tabled in Parliament end of 4th quarter FY 2015/2016 • Encourage the establishment of technology start-up companies via the Start Up Jamaica Accelerator – Ongoing activity which is to occur at least every 6 months in each year, the next call for start ups is August 2015

PROJECT/REFORM	IMPLEMENTATION STEPS AND TIMELINES
MTE	
<p>Timeshare Legislation</p> <p>Expedite the passage of regulations, in order to facilitate the promotion of investments in timeshare tourism</p>	<ul style="list-style-type: none"> • Draft of Timeshare Vacations (Forms and Fees) Regulation to be circulated to key stakeholders for comments – March 2015
MLGCD, MWLECC and LOCAL AUTHORITIES (LAs)	
<p>Development Applications Process (DAP)</p> <p>The recommendations for improvement of the Development Applications Process (DAP) were approved on December 2, 2014 by the Cabinet and are as follows:</p> <p>Short Term Components (Immediately to One year)</p> <ul style="list-style-type: none"> • Establishment of a Joint Technical Team to review, assess and monitor specified applications • MOU between the LPAs and the NEPA to facilitate the Joint Technical Team • Development of criteria and mechanisms for standardization of timelines for all categories of buildings, additions and renovations • Full implementation of the AMANDA system • Amendments to the Local Improvements Act and the Town and Country Planning Act to allow for electronic filing and parallel processing of applications and documents 	<ul style="list-style-type: none"> • Action Plan to be reviewed by Local Authorities – March 2015 • Action Plan to be submitted to Cabinet for approval – April 2015

PROJECT/REFORM	IMPLEMENTATION STEPS AND TIMELINES
<ul style="list-style-type: none"> Promulgation of the National Building Act Implement a programme of training in the modernized DAP in all relevant agencies <p>Medium Term Components (One to Two years)</p> <ul style="list-style-type: none"> Strengthen capacity of NEPA, the LPAs, Portmore Municipal Council and the KSAC Completion of National Spatial Plan and up-to-date development orders and plans for the entire island Completion of National Fees Policy Pre-clearance for sites to be marketed to investors/ developers Strengthen the capacity of KSAC, Parish Councils and the Portmore Municipal Council Implement a programme of training for regulators and practitioners in the DAP and Building Code 	
Promulgate the new Building Act	<ul style="list-style-type: none"> June 2015
Implement Building Code and Application Document	<ul style="list-style-type: none"> August 2015
Establish Joint Technical Team to review, assess and monitor applications in the specified categories with Application Guideline Document to provide clear outline of procedure that result in processing of applications within 90 days	<ul style="list-style-type: none"> May 2015
Install and operationalize web based tracking system (AMANDA) in all local authorities and referral/commenting agencies (infrastructure/ software etc.)	<ul style="list-style-type: none"> June 2015
	
Labour Market Reform	<ul style="list-style-type: none"> Appointment of Chairman for Labour Market Reform Commission - End April 2015

PROJECT/REFORM	IMPLEMENTATION STEPS AND TIMELINES
Development, management, review and evaluation of policies, programmes and projects relevant to labour market reform	<ul style="list-style-type: none"> • Formal letters of appointment to members of the Commission - End April 2015 • Establishment of Secretariat and Staffing structure - End June 2015 • A Cabinet note regarding options for reducing high separation costs will be submitted by April 2015
Pension Reform Public service pension reform to accommodate a funded scheme	<ul style="list-style-type: none"> • Legislation to be tabled by November 2015
Graduation Strategy Strategy to prepare eligible recipients to move from reliance on welfare to employment and income generation	<ul style="list-style-type: none"> • Phased implementation of Graduation Strategy by mid-2015
HEART TRUST/NTA	
Development of training programmes to support the logistics hub initiative in the areas of maritime, aviation, and logistics plus various supporting sectors	<ul style="list-style-type: none"> • Implement Training Plan to address the manpower needs of the maritime sector – FY2015/2016
COMPANIES OFFICE OF JAMAICA	
Business registration Implementation of on-line system for business registration to reduce the turnaround time for applications to two business days	<ul style="list-style-type: none"> • On-line system to be piloted by 2nd quarter FY 2015/2016 • On-line system to be in place by end 2015

PROJECT/REFORM	IMPLEMENTATION STEPS AND TIMELINES
NATIONAL LAND AGENCY & LAMP	
Land titling	<ul style="list-style-type: none"> • 1,000 new titles to be issued under LAMP by end FY 2014/2015 • During FY 2015/2016, it is projected that an additional 1000 titles will be issued under LAMP I and 1500 titles issued under LAMP II extension contract • The Government is moving to deliver 15,000 titles per year over the next three years, beginning in FY 2015/2016