



AN INCLUSIVE APPROACH TO NATIONAL DEVELOPMENT

**PANEL 2: MACRO-ECONOMIC AND FISCAL FRAMEWORKS FOR
INCLUSIVE SOCIAL DEVELOPMENT**

**GOVERNMENT OF JAMAICA
PRESENTATION
TO**

**REGIONAL CONFERENCE ON SOCIAL DEVELOPMENT IN
LATIN AMERICA AND THE CARIBBEAN**

LIMA, NOVEMBER 3, 2015

OUTLINE OF PRESENTATION

- * About Jamaica: Selected Indicators
- * Broad Framework for National Development
- * Growth Agenda
- * Achievements/Challenges
- * Recommendation to Regional Conference

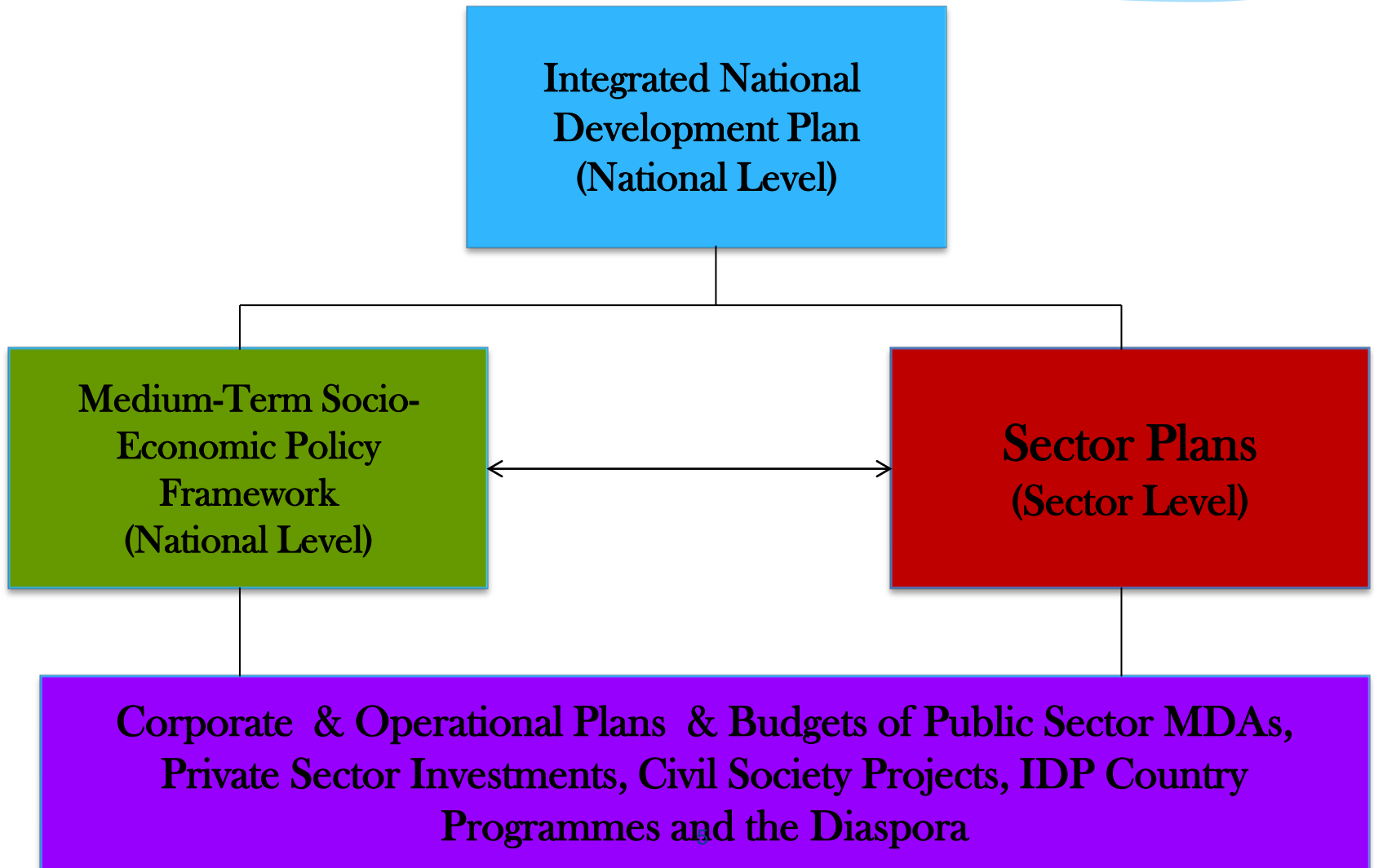
ABOUT JAMAICA

- * ENGLISH SPEAKING CARIBBEAN ISLAND
- * POPULATION – 2.7 MILLION
- * POPULATION GROWTH RATE OF 0.2%
- * MIXED ETHNICITY (PREDOMINANTLY BLACK)
- * UPPER-MIDDLE INCOME COUNTRY: HDI – 0.715
- * GDP PER CAPITA (CURRENT): J\$562,200.00
- * REAL GDP ANNUAL GROWTH RATE: 0.5%
- * MAJOR INDUSTRIES: SERVICE (TOURISM), AGRICULTURE
- * ENVIRONMENTAL PERFORMANCE INDEX : 58.3
- * LIFE EXPECTANCY (AT BIRTH): 74.1 YEARS
- * LITERACY RATE: 97.1 %
- * PERCENTAGE OF LABOURFORCE CERTIFIED: 24.6%
- * POVERTY PREVALENCE: 19.9%

Framework for National Development: Vision 2030 Jamaica – National Development Plan

- **First long-term (21 year) national development plan**
- **Integrated Planning Framework: Economic, social, environmental**
- **Broad Consultation – representation from all sectors and stakeholders**
- **Bipartisan support – commenced in 2006 under PNP administration, launched formally in 2007 under JLP**
- **First year of implementation FY 2009/2010**

Integrated Planning and Implementation Framework





Vision 2030 Jamaica Structure

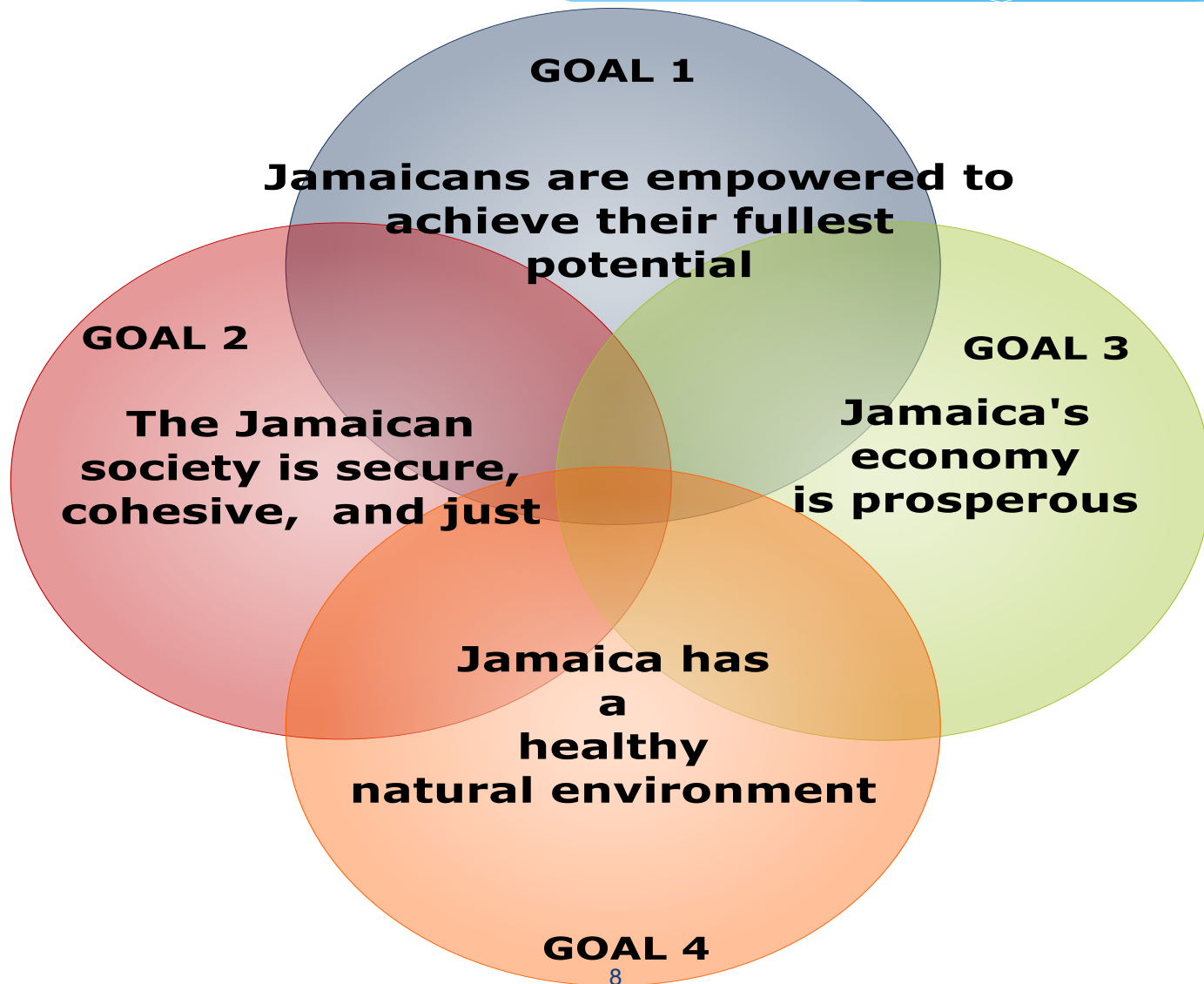




National Vision Statement

**“ Jamaica, the place of choice to live, work,
raise families, and do business ”**

National Goals



National Outcomes



1. A Healthy and Stable Population
2. World-Class Education and Training
3. Effective Social Protection
4. Authentic and Transformational Culture



5. Safety and Security
6. Effective Governance



7. A Stable Macroeconomy
8. An Enabling Business Environment
9. Strong Economic Infrastructure
10. Energy Security and Efficiency
11. A Technology-Enabled Society
12. Internationally Competitive Industry Structures



13. Sustainable Management and Use of Environmental Resources
14. Hazard Risk Reduction and Adaptation to Climate Change
15. Sustainable Urban and Rural Development

Provides national and sector priorities to guide and coordinate development efforts and initiatives of national stakeholders for next three years

Framework to align strategic plans and budgets of government MDAs with Vision 2030 Jamaica within the medium term

**MTF 2015
- 2018**

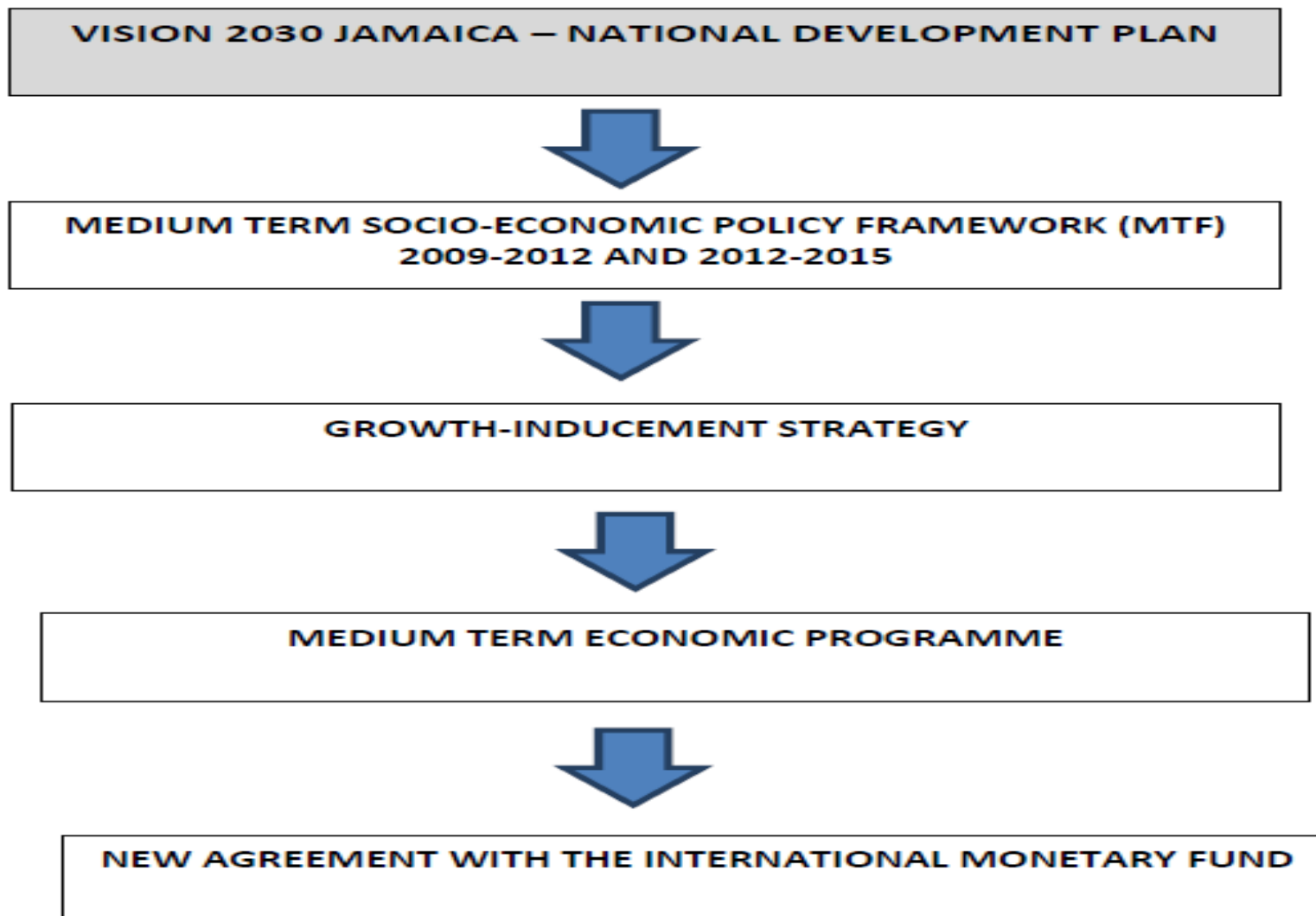
MTF 2015-2018 is highly aligned with other national planning frameworks including the Medium Term Economic Programme and Growth-Inducement Strategy

Accepted by IDPs as basis for formulation of country programmes for Jamaica and by EU as strategic document for design of development assistance to Jamaica

MTF 2015–2018 Priority Themes and National Outcomes

National Goals	Medium Term Theme	Priority National Outcomes
<p><u>National Goal # 1:</u> Jamaicans Are Empowered To Achieve Their Fullest Potential</p>	<p>Development and Protection of Human Capital</p>	<p>A Healthy and Stable Population</p>
		<p>World Class Education and Training</p>
		<p>Effective Social Protection</p>
<p><u>National Goal # 2:</u> The Jamaican Society Is Secure, Cohesive and Just</p>	<p>National Security and Justice</p>	<p>Security and Safety</p>
		<p>Effective Governance</p>
<p><u>National Goal # 3:</u> Jamaica’s Economy Is Prosperous</p>	<p>Economic Stability, Growth and Employment</p>	<p>A Stable Macroeconomy</p>
		<p>An Enabling Business Environment</p>
		<p>Priority Economic Projects</p>
<p><u>National Goal # 4:</u> Jamaica Has a Healthy Natural Environment</p>	<p>Environmental Sustainability and Climate Change Response</p>	<p>Hazard Risk Reduction and Adaptation to Climate Change</p>

SUMMARY POLICY ALIGNMENT FRAMEWORK



Growth Agenda – Components

Component	Role
1. Fiscal Consolidation	Provides Macroeconomic Stability
2. Business Environment Competitiveness Reforms	Addresses Constraints in the Business Environment
3. Strategic Investment Projects	Provide Catalytic Capital Investments and Employment; Improve Business Environment; Support MSME Value Chains
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	Reduces Impact of Disasters and Climate Change

Growth Agenda – Core Economic Components

1. Fiscal Consolidation	2. Business Environment	3. Strategic Investments
<ul style="list-style-type: none">i. Deficit Reductionii. Debt Managementiii. Tax Reformiv. Fiscal Accountabilityv. Public Sector Reformvi. Pension Reformvii. Inflation Control	<ul style="list-style-type: none">i. Improved Access to Credit including for MSMEsii. Streamlining Approvals and Business Registrationiii. Legal Processesiv. Customs Processesv. Energy Sector Reforms	<ul style="list-style-type: none">i. Logistics Hubii. Agro Parksiii. ICT / BPOiv. Road Infrastructurev. Tourism Developmentvi. Energy Diversificationvii. Creative Industriesviii. Urban Renewal

Growth Agenda - Human Capital, Security and Environmental Components

4. Human Capital Development and Protection

- i. Social Protection
- ii. Poverty Reduction
- iii. Education
- iv. Skills Training
- v. Primary Health Care
- vi. Youth Employment

5. Human and Community Security

- i. Citizens Security
- ii. Community Renewal

6. Environmental Resilience

- i. Hazard Risk Reduction
- ii. Climate Change Adaptation and Mitigation

Social Protection and Poverty Reduction

* **Social Protection Strategy (2014)**

1. Role of all stakeholders
2. Protection of all citizens (Rights-based)
3. Social Protection Floor (basic social services and income security)
4. Recognizes the symbiotic relationship between economic development and social protection
5. Life-cycle and risk management approaches
6. Include Cross-cutting strategies: poverty, environment,

* **Poverty Reduction**

1. Appreciation for socio-economic context
2. Building capacity, livelihood creation and empowerment
3. Equitable access to basic goods and services

MACRO-ECONOMIC POLICIES ALIGNED TO SOCIAL PROTECTION

- * **Widening tax base**
- * **Simplify tax system**
- * **Increasing tax compliance**
- * **Increasing threshold for exemption on personal income tax**
- * **Lowering inflation**
- * **Protecting real level of social spending**
- * **Reviewing and increasing the Minimum Wage**
- * **Expanding access to funding for MSMEs (growth and job creation)**
- * **Flexible exchange rate (remittances)**

Growth Agenda–Key Implementation Achievements to Date

- **Macroeconomic improvements :**
 - **Reduction in fiscal deficits, debt, current account deficits, and inflation**
 - **Tax reform implemented (Pro-poor)**
 - **Fiscal responsibility framework established**
- **Concession Agreement for KCT signed**
- **Streamlining the Business Registration Process**
- **Secured Transactions Framework and National Collateral Registry**
- **Establishment of Labour Market Reform Commission**
- **Approval of reforms to the Development Applications Process**
- **Establishment of Flexible Work Arrangements**
- **Social Protection Strategy approved by Cabinet**
- **Institutional Framework for Coordination of National Poverty Reduction Programme in place, and new National Policy/Programme for on Poverty Drafted.**
- **Strategic Plan for Outsourcing Industry approved by Cabinet**
- **Nine Agro-Parks established to date**

Growth Agenda Priorities – FY2015/16 – FY2016/17





Growth Agenda Component	Priorities – FY2015/16 - FY2016/17
Fiscal Consolidation/ Macroeconomy	<ul style="list-style-type: none">➤ Debt management, tax reform, public financial management reform, CTMS, pension reform, financial sector reform, monetary policy➤ Public sector transformation and modernization➤ Negotiations for additional fiscal space for growth projects
Business Environment Reforms	<ul style="list-style-type: none">➤ Implementation of reforms to Development Applications Process (DAP)➤ Implement new SEZ regime➤ Implement online system for business registration➤ Trade Facilitation➤ Expansion of MSME financing and capacity development➤ Venture Capital Eco-System➤ Labour Market Reform Commission recommendations➤ Land titling initiatives (LAMP, LAMP II, MTWH)

Growth Agenda Priorities – FY2015/16 – FY2016/17

Growth Agenda Component	Priorities – FY2015/16 - FY2016/17
Strategic Investment Projects	<ul style="list-style-type: none">➤ Completion of privatization of KCT and NMIA➤ Road infrastructure projects (Highway 2000, MIDP, SCHIP)➤ Establish additional Agro-Parks and irrigation➤ Tourism development projects, IRDs➤ Implement Strategic Plan for Outsourcing Industry➤ Shovel Ready Investment Projects (SRIP) Initiative➤ Energy diversification projects – Bogue, Old Harbour, tender for new renewable energy projects for 37 MW➤ Key Strategic Plans and Feasibility Studies (Logistics Hub Master Plan, Creative Industries Business Plan, Caymanas SEZ Study, Downtown Kingston Plan)➤ Key privatizations and PPPs (incl. CIB, JRC, Caymanas)
Human Capital/ Security/ Resilience	<ul style="list-style-type: none">➤ Training programmes for key growth industries➤ Community security projects (CSJP, CRP, COMET etc.)➤ Development of new National Policy on Poverty Reduction➤ Hazard risk reduction and climate change projects

Indicator Framework – Summary of Performance over first six years 2009–2014

Vision 2030 Jamaica Indicators – Dashboard of Performance

<u>Traffic Signal</u>	<u>No. of Indicators</u>	<u>%</u>	<u>Selected Indicators</u>
 Green	11	23%	Literacy, Life Expectancy, Inflation Rate, Population Growth Rate, Debt to GDP
 Yellow	15	32%	HDI, Murder Rate, Renewables, Agriculture Production Index
 Red	20	43%	Poverty, GDP, Unemployment, Environment (EPI)
 Grey	1	2%	Bauxite export earnings
TOTAL	47	100%	

Traffic Signals (based on results up to and including 2014):

Green - Met or exceeded target (2015)

Yellow - Improved over baseline but did not meet target (2015)

Red - Equal to or worse than baseline year of 2007

Grey - Not applicable

Note: Measurement is against 2015 target for indicators with 2013 and 2014 data, and against 2012 target for indicators with pre-2013 data

Recommendation to Regional Conference

- **Long Term Development Planning with medium term frameworks for implementation and monitoring achievements**
- **Integrated approach to economic and social (and sustainable development) planning**
- **Benchmarking to regional and global best practices**
- **Build Acceptance by IDPs as basis for preparation of country strategy programmes**
- **Ensure alignment with 2030 Agenda and Sustainable Development Goals (SDGs)**
- **Addresses long-term sustainable development challenges including climate change**
- **Highly participatory planning processes**
- **Openness to innovation and²² improvement**



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