



MINISTRY OF FINANCE AND THE PUBLIC SERVICE



July 2022 || Volume 1 || Issue 02

**THE NEW
PUBLIC SECTOR
COMPENSATION
SYSTEM**

**BETTER
PAY,
BETTER
PENSION**





MINISTRY OF FINANCE AND THE PUBLIC SERVICE

Prepared by the Corporate Communication
and Public Relations Branch

Ministry of Finance and the Public Service
30 National Heroes Circle, Kingston 4

Website: mof.gov.jm

Email: mofps.pr@mof.gov.jm

Tel: (876) 932-4655

Fax: (876) 922-2669



The Government of Jamaica (GOJ) is restructuring the compensation system as part of the continuous transformation of Jamaica's public sector, to solve present and emerging concerns, therefore building an equitable and justifiable pay and job evaluation system for the public service.

Due to the complexity with 325 salary scales and approximately 185 allowances, where the allowances make up a large portion of the total compensation for some groups, the GOJ is committed to fostering a working environment through the new compensation system, to encourage employees to provide high-quality services.

As such, the Government urges patience in the public sector compensation implementation and reassures public sector workers that the restructuring will not make employees worse off.

In this edition of the **MoFPS Insider**, we will share with you details on the GOJ Energy Co-Pay and the GOJ's partnership with international stakeholders.

If you wish to share feedback on this publication, please send an email to mofps.pr@mof.gov.jm.

TABLE OF CONTENTS

- 01** Honourable Nigel Clarke assumes Chairmanship of the Board of Governors for IDB and IDB Invest Annual Meeting
- 03** IFC to improve roads and strengthen the tourism sector in Jamaica, driving sustainable growth
- 06** GOJ signs MOU with JPS for GOJ Energy Co-Pay
- 08** World Bank Group launches Country Private Sector Road Map for Jamaica
- 10** GOJ strengthens partnership with the EU to address Environmental and Climate Change Challenges
- 14** GOJ and the IDB sign EU Funded Non-Reimbursable Financing Agreement for BIGEE
- 18** Nigel Clarke | Rationale, Cost Efficiency and Benefits of Upgraded Banknotes
- 21** Ministry Matters



HONOURABLE NIGEL CLARKE ASSUMES CHAIRMANSHIP OF THE BOARD OF GOVERNORS FOR IDB AND IDB INVEST ANNUAL MEETING

Hon. Nigel Clarke, DPhil., MP, Minister of Finance and the Public Service, assumes Chairmanship of the Board of Governors at the Inter-American Development Bank (IDB) and IDB Invest Annual Meeting.

The Board of Governors of the IDB and IDB Invest held the 2022 meeting virtually from Monday, March 28, 2022, to Friday, April 1, 2022.

In his opening remarks, Minister Clarke thanked his fellow Governors from countries of the Western Hemisphere, Europe, the Middle East and Asia for the confidence placed in him. He also recognises the work done by the outgoing Chairman, Minister of Finance of Colombia, José Restrepo.

"I hope to build on that work as we seek to strengthen the financial and institutional capacities of the IDB to enable the IDB to better support private sector-led economic and job recovery in Latin America and the Caribbean," Minister Clarke said.

Jamaica which is represented by Minister Clarke as Governor will assume chairmanship of the Board of Governors of IDB and IIC for 2022. He is the third Jamaican national to assume this role. The other two were David Coore in 1973 and Eric Bell in 1979.



(L-R) Hon. Nigel Clarke, DPhil., MP, Minister of Finance and the Public Service greets Jose Restrepo, outgoing Chairman and Minister of Finance of Colombia.

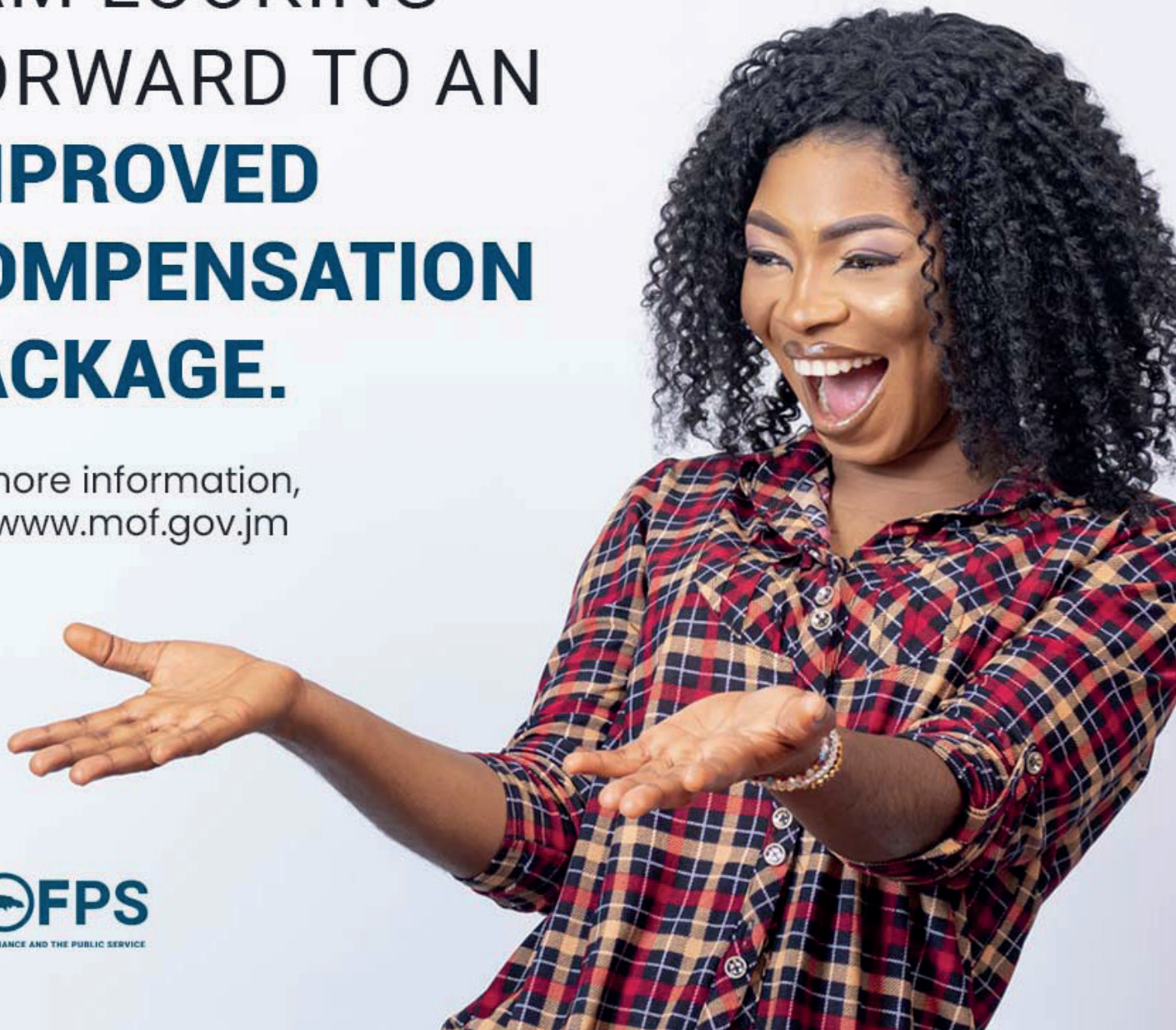
The Governors are the highest policy-formulation authorities of the IDB and IDB Invest. Governors are typically ministers of finance, ministers of the economy or central bank presidents of their countries.



Under the new Public Sector Compensation System

I AM LOOKING
FORWARD TO AN
**IMPROVED
COMPENSATION
PACKAGE.**

For more information,
visit www.mof.gov.jm



IFC TO IMPROVE ROADS AND STRENGTHEN THE TOURISM SECTOR IN JAMAICA, DRIVING SUSTAINABLE GROWTH



Minister Clarke and Jamaican Delegation at the World Bank Group Spring Meeting held in Washington DC on Tuesday, April 19, 2022

Article source: IFC—a member of the World Bank Group <https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=26942>

The International Finance Corporation (IFC)—a member of the World Bank Group (WBG)—has agreed to support the Government of Jamaica (GoJ) in the development of three key brownfield road segments on the North Coast Corridor of the Caribbean country. The initiative aims to improve the mobility of people and goods as well as strengthen the Jamaican tourism and hospitality sector.

In the context of the 2022 Spring Meetings of the International Monetary Fund and the WBG, held this week in Washington, the parties signed a memorandum of understanding (MoU) as a first step towards the final advisory services agreement. Under the MoU, IFC is poised to help the Jamaican government design and implement a public-private partnership (PPP) transaction—including

due diligence, structuring and implementation—to identify and select a private sector participant to undertake the project. Investors will be expected to finance, build, and operate three road segments of 60 km on the northern coast of the island —Seacastles to Greenwood (6.8 km), Greenwood to Discovery Bay (40.7 km), and Salem to Mammee Bay (12.3 km). The investment amount for the successful completion of the project is estimated to be in the range of \$600 million to \$800 million, depending on the final design.

“Jamaica’s North Coast Road infrastructure is facing capacity constraints and is inadequate to sustain anticipated future economic activity. As such, the GoJ is intent on pursuing an open, competitive, and

transparent process to attract large investors who have the capital and ability to procure construction services from providers, who have the expertise to undertake this project, which will be the single largest infrastructure project in Jamaica's history," said Nigel Clarke, Minister of Finance and the Public Service.



Road traffic in Jamaica has steadily grown over the last decade given economic growth and a developing tourism sector along with demand for increased mobility.

Further, traffic has exceeded earlier volume projections, creating a capacity deficit of more than 5,000 vehicles a day on multiple sections of the North Coast Corridor, causing unwarranted road delays due to slower pace of traffic.

As a result, there is an urgent need to upgrade and expand roads on the North Coast Corridor from two to four lanes, add intersections, and create overpasses, among other critical investments. This will further help improve access to Montego Bay and Ocho Rios, two major tourist attractions on the Corridor.

"Good roads not only help move people and cargo; they also pave the way for sustained social and economic development," said Stephanie von Friedeburg, IFC's Senior Vice President, Operations. "This project will help reduce travel time, give a boost to tourism, and open up new areas for development and economic growth. We are pleased to bring IFC's extensive experience in public-private partnerships to support the construction of this important piece of infrastructure in Jamaica."

The project will be supported by the Global Infrastructure Facility (GIF).

"The GIF is glad to partner with the IFC, a key technical partner, to support the Jamaican Government's efforts

to improve infrastructure services through PPPs. By improving road circulation along one of the key tourism corridors of the country, the project shall contribute to a stronger post pandemic economic recovery, wider socio-economic benefits, and sustainable growth in Jamaica. The GIF is well positioned to support further strategic initiatives in the country and the Caribbean region through such partnerships," said Jason Zhengrong Lu, Head of GIF.

Since 2004, IFC has advised and closed 164 PPP projects that will lead to an expected \$41.6 billion in private financing being invested in developing countries and over 150 million people who will directly benefit through better access to services and infrastructure.



GOJ CO-PAY STARTS IN MAY!

All you need to know about the **Government's Co-Pay Subsidy on Bills**



We have good news for all our residential postpaid and prepaid customers! The Government of Jamaica has committed to paying a portion of the residential electricity bills for JPS customers over the four-month period of April 2022 to July 2022. JPS customers who are qualified to benefit from the Government's Co-Pay Subsidy on electricity bills will begin to see the discount on their bills in May. Here is what you need to know:

POSTPAID CUSTOMERS

Checking if you qualify is simple! If you are a postpaid customer, **your 'Energy Used' for the month must not exceed 200kWh**. Once your energy usage is 200kWh or less you will receive a 20% contribution on your bill. The contribution will appear as a line item in the section of your bill labelled, "How Your Bill is Calculated". **REMEMBER:** Only postpaid customers who use 200kWh or less per month will qualify for this contribution.

METER READING INFORMATION					
BILLING PERIOD (31 Days)	READING TYPE	DATE READ	PREVIOUS READING	CURRENT READING	ENERGY USED (kWh)
21-MAR-2022 24-APR-2022	Actual	24-APR-2022	16,006.89	16,198.17	191.28
					DEPOSIT \$1,500.00

1. You can check your kWh here. For the month of April, this customer used 191.28 kWh. That means they qualify and will see the subsidy on their May bill.

2. Since this customer qualifies for the GOJ subsidy, they will see this line item on their bill.

HOW YOUR BILL IS CALCULATED		
	UNIT COST	TOTAL
BALANCE BROUGHT FORWARD		\$0.00
ENERGY		
Energy 1st (\$7.320 for up to 100 KWH)	\$732.00	
Energy Next (\$21.030 for after 100 KWH)	\$1,919.62	
Customer Charge	\$531.93	
SUBTOTAL		\$3,183.55
FX Adjustment @ 5.850%	\$186.24	
Fuel Charge (\$36.420 per KWH)	\$6,966.42	
IPP Variable Charge (\$12.870 per KWH)	\$2,461.77	
TOTAL ELECTRICITY CHARGES		\$12,797.98
GCT @ 15 % on Electricity Charges		\$443.04
Taxable Portion of Bill (Above 150 kWh)	\$2,953.60	
Non-Taxable Portion of Bill (Below 150 kWh)	\$9,844.38	
GOJ 20% CARE PAYMENT OF PREV. BILL		-\$1,934.12

PREPAID CUSTOMERS

Our residential prepaid customers will also benefit from the co-pay programme beginning in May. The Government will pay **\$3,000 towards your electricity accounts if you have topped up at least once in the last three months**. If you have a smart meter, the credit will go directly to your meter and you will receive a notification when it does. If you do not have a smart meter, the credit voucher number will be sent as a text message to your phone. Please **ensure we have your contact information** so you do not miss out on this benefit.

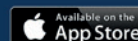
If you require further assistance or have questions about the Government's Energy Co-Pay Programme, you can contact JPS at 888-225-5577 (Flow) or 888-935-5577 (Digicel)



We encourage you to continue your efforts to **save energy** and **eliminate energy waste**.



TRACK YOUR USAGE WITH THE MyJPS APP



Download the MyJPS APP TODAY!

GOJ SIGNS MOU WITH JPS FOR GOJ ENERGY CO-PAY



Minister of Finance and the Public Service, the Hon. Nigel Clarke, DPhil., MP and Vernon Douglas, Chief Financial Officer of the Jamaica Public Service (JPS) on Friday, May 4, 2022, sign a Memorandum of Understanding (MOU) that brings the Government of Jamaica's (GOJ's) Energy Co-Pay Programme into effect.

For April 2022-July 2022 customers of JPS who consume 200Kwh or less of electricity in the previous month will receive a Co-Pay contribution from the GOJ, which will be reflected on their JPS bill.

Under the terms of the MOU between the GOJ and JPS, the GOJ will pay a portion of the residential electricity bills for JPS customers who consume 200 kWh of electricity or less per month, over the four months of April 2022 to July 2022. The contribution from the Government will be itemized on the customers' bills in red.

JPS Website: www.jpsco.com
 TRN: #000-006-947
 GCT REG. NO: 6947

ACCOUNT#: 123456-789999
 METER #: 5555555
 CUSTOMER NAME: Dee Lighted
 SERVICE ADDRESS: 2 Comfort Close

Invoice Date: 25-MAY-2022
 Invoice #: 0001234560789999250320004305
 Rate: RT10

PLEASE PAY TOTAL: \$11,306.90
 BY: 09-JUNE-2022

BILLING PERIOD (31 Days)	READING TYPE	DATE READ	PREVIOUS READING	CURRENT READING	ENERGY USED (kWh)	DEPOSIT
21-Apr-2022 24-May-2022	Actual	24-May-2022	16,006.89	16,198.17	191.28	\$1,500.00

LAST BILL	YOU PAID	BALANCE B/F	CURRENT CHARGES	TOTAL DUE
\$9,670.58	\$9,670.58	\$0.00	\$11,306.90	\$11,306.90

EXCHANGE RATE DETAILS
 Base Exchange Rate 145.00
 Billing Exchange Rate 155.60

HOW YOUR BILL IS CALCULATED
 UNIT COST TOTAL
 BALANCE BROUGHT FORWARD \$0.00

Minister of Finance and the Public Service, the Hon. Nigel Clarke (left), DPhil., MP and Vernon Douglas (right), Chief Financial Officer, Jamaica Public Service (JPS) shake hands on Friday, May 4, 2022.



The GOJ Energy Co-Pay Programme is estimated to cost the GOJ J\$2 billion and directly benefit 379,000 households.

This benefit for qualifying customers is automatic and does not require an application.

For further information on the programme or qualifying terms for pre-paid customers, please contact JPS Customer Care.



WORLD BANK GROUP LAUNCHES COUNTRY PRIVATE SECTOR ROAD MAP FOR JAMAICA



Minister Clarke (centre) with members of the World Bank Group and IFC officials.

The International Finance Corporation (IFC) which is the private sector arm of the World Bank Group (WBG), launches the Country Private Sector Roadmap for Jamaica at the AC Hotel by Marriott on Friday, May 6, 2022.

Mari Pangestu, Managing Director for Development Policy and Partnerships, World Bank, visited Jamaica from May 5 to 6, 2022 which marks her first visit to the Caribbean and Jamaica the first country to be visited. The purpose of the visit is to meet with key government officials and

stakeholders on the WBG engagements and priorities to build back stronger from the COVID-19 pandemic.

“The Country Private Sector Roadmap for Jamaica sets out strategic reforms and initiatives for deepening private sector participation and opening opportunities for more inclusive growth in economic output and jobs. We look forward to partnering with the IFC and the World Bank to unlock these opportunities,” said Minister of Finance and the Public Service, Hon. Nigel Clarke, DPhil., MP.

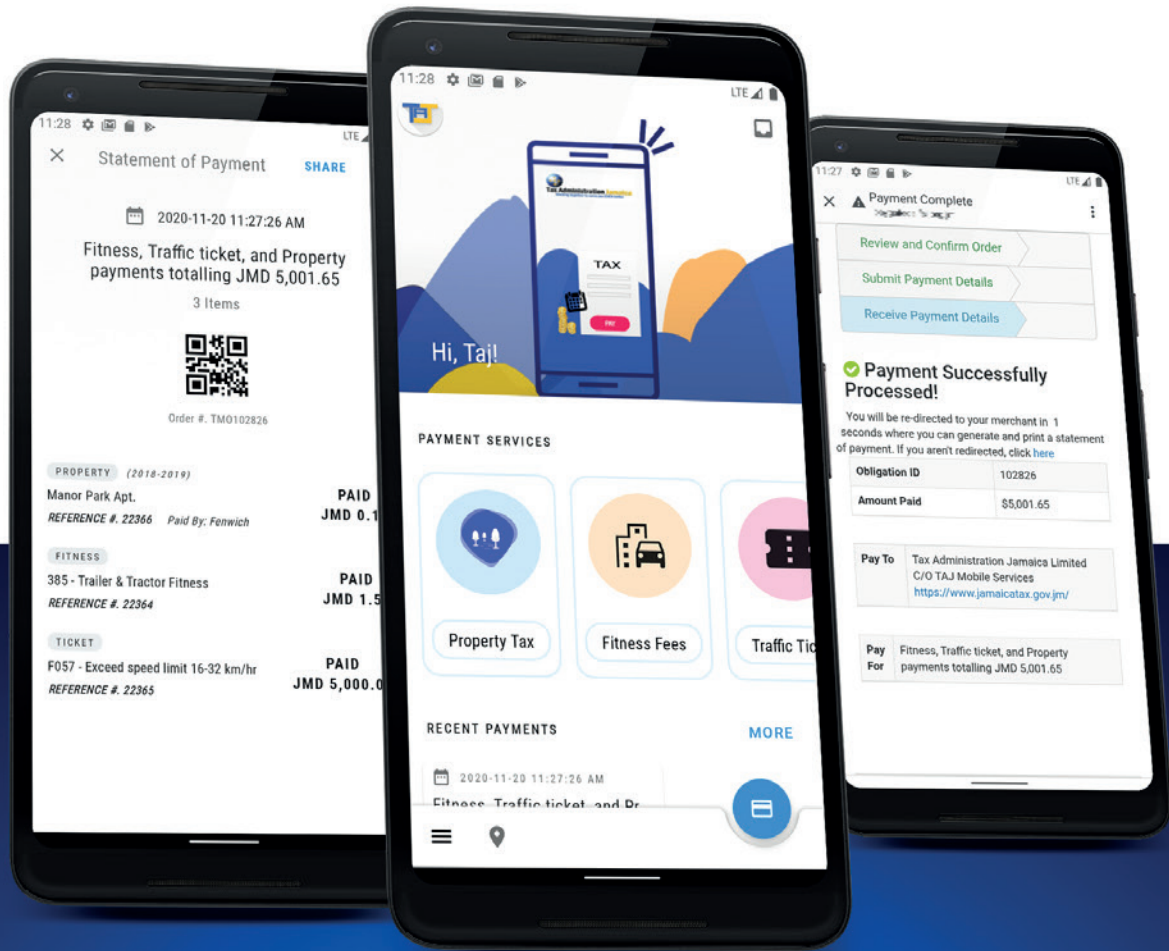


Tax Administration Jamaica
Changing The Way We Do Business

NEW

TAX ON THE GO!!

Download the TAJ Mobile App



Pay Taxes and More! Anytime! Anywhere!

➤ Pay & Query Property Tax
➤ Pay Fitness Fee

➤ Pay Traffic Ticket
➤ Get TAJ News



easy to use, saves time
Download app today!

jamaicatax.gov.jm / 888-829-4357
Discover more ways to **#TaxSmart!**

GOJ STRENGTHENS PARTNERSHIP WITH THE EU TO ADDRESS ENVIRONMENTAL AND CLIMATE CHANGE CHALLENGES



The Hon. Nigel Clarke, DPhil., MP, (4th left), Minister of Finance and the Public Service; Senator the Hon. Matthew Samuda (4th right), Minister without Portfolio at the Ministry of Economic Growth and Job Creation; Aniceto Rodriguez Ruíz (centre), Chargé d' Affaires at the European Union Delegation to Jamaica; Darlene Morrison (3rd left), Financial Secretary, Ministry of Finance and the Public Service; Dr Wayne Henry, CD, JP, (left), Director General Planning Institute of Jamaica (PIOJ); Ainsley A. Henry, JP (2nd left), CEO and Conservator of Forests, Forestry Department; His Excellency Hugo Verbist (right), Ambassador, Kingdom of Belgium; His Excellency Diego Bermejo Romero de Terreros (2nd right), Ambassador, Kingdom of Spain and His Excellency Olivier Guyonvarch (3rd right), Ambassador, The French Republic/France are all smiles at the Visibility Ceremony for the Financing Agreement between the GOJ and the European Union (EU) to address Environmental and Climate Change challenges through the improved Forest Management in Jamaica Programme held at the Ministry of Finance and the Public Service on Friday, May 20, 2022.

Press Release dated: Friday, May 20, 2022

The Government of Jamaica (GOJ), through the Ministry of Finance and the Public Service hosted a Visibility Ceremony at the Ministry on Friday, May 20, 2022, for the Financing Agreement between the GOJ and the European Union (EU) to address Environmental and Climate Change challenges through the improved Forest Management in Jamaica Programme.

Minister of Finance and the Public Service, Hon. Nigel Clarke, DPhil., M.P. in his opening remarks, used the opportunity to recognise what he called

**“an incredible partnership”
between the GOJ and the
European Union.**

"Today we are highlighting one of the more recent grants and it is the grant of Sixteen Million, Six Hundred and Ninety-Five Thousand EURO (€16,695,000.00) from the EU to the Government of Jamaica, a grant that is focused on Climate Change issues and Forestry Management issues. This grant has been critical in advancing policies and programmes in very important areas of Jamaica's environmental development," Minister Clarke said.

He further noted, "It is also important for us to recognise that, that contribution has yielded tangible, demonstrable, measurable success, and that goes to show that Jamaica is a partner on which the European Union can depend. When you support us with grant resources, we implement the policies that we commit to implement."

Chargé d' Affaires at the European Union Delegation to Jamaica, Aniceto Rodriguez Ruíz who was representing Ambassador Marianne Van Steen at the event said, "It is important to note that despite the COVID-19 pandemic, the Government has succeeded in achieving the relevant targets under the budget support modality. The eligibility criteria for the budget support fixed tranche are tied to satisfactory progress in the implementation of the forest sector policy, macroeconomic stability, public financial management and budget transparency."



Minister without Portfolio at the Ministry of Economic Growth and Job Creation, Senator the Hon. Matthew Samuda in his remarks commended the European Union for being an outstanding partner to Jamaica particularly in "environmental preservation and conservation and building our resilience to climate change."

Senator Samuda also added, "During the past financial year, 26 of the 46 projects approved were completed with the remaining 20 on track for completion by June 2022. Among the targets under the programme is Indicator 6, which is the completion of the work to declare the Cockpit Country a protected area (CCPA)."

The EU remains the largest provider of grant assistance to Jamaica and is an important partner in achieving the government's development objectives.

The Government of Jamaica welcomes the support of the EU to assist the GOJ in implementing the Forest Policy for Jamaica 2017 as well as supporting the 2016-2026 National Forestry Management Conservation Plan (NFMCP) to sustainably manage and utilise Jamaica's forest resources to enhance social and economic development and contribute to building the country's climate resilience.



The Hon. Nigel Clarke, DPhil., MP, (left), Minister of Finance and the Public Service and Senator the Hon. Matthew Samuda (centre), Minister without Portfolio at the Ministry of Economic Growth and Job Creation engage in dialogue with Aniceto Rodriguez Ruíz (2nd left), Chargé d' Affaires at the European Union Delegation to Jamaica; His Excellency Olivier Guyonvarch (2nd right), Ambassador, The French Republic/France and His Excellency Diego Bermejo Romero de Terreros (right), Ambassador, Kingdom of Spain.



Members of the audience listen as the Moderator introduces the next speaker.

JAM-DEX

Update

1. NCB is currently the only digital wallet provider in Jamaica for Jam-Dex. The opportunity is open to all financial institutions.
2. BOJ issued on 2 May 2022, CBDC of \$209.185 mill to NCB for 83,674 customers identified by name, TRN and Subscriber ID.
3. Each customer is to receive \$2500 in Jam-Dex from NCB.
4. NCB has advised that the customers will be able to see the Jam Dex wallet on Monday, 16 May 2022 and transact by end of May 2022.
5. NCB has been in communication with the relevant customers advising that they have qualified for the \$2500



GOJ AND THE IDB SIGN EU FUNDED NON-REIMBURSABLE FINANCING AGREEMENT FOR BIGEE



The Hon. Nigel Clarke, DPhil., MP (2nd left), Minister of Finance and the Public Service and Carmen Madriz (2nd right), Inter-American Development Bank's General Manager [Acting] for Caribbean Countries sign the European Union funded Non-Reimbursable Financing Agreement for the BIGEE Programme during a visibility ceremony held at the Jamaica Pegasus Hotel on Wednesday, May 25, 2022. Looking on is Her Excellency Marianne Van Steen (left), Ambassador/Head of Delegation, European Union and Anthony Shaw (right), Managing Director at the Development Bank of Jamaica.

Press Release dated: Wednesday, May 25, 2022

The Government of Jamaica (GOJ) and the Inter-American Development Bank (IDB) sign the European Union (EU) funded Non-Reimbursable Financing Agreement for specific contribution to support the Boosting Innovation, Growth and Entrepreneurship Ecosystems (BIGEE) Programme during a visibility ceremony held at the Jamaica Pegasus Hotel on Wednesday, May 25, 2022.

Before the symbolic signing of the financial agreement, the Minister of Finance and the Public Service, Hon. Nigel Clarke, DPhil., M.P. delivered the keynote remarks where he noted that

"We are here today, celebrating the €7 million non-reimbursable grant from the European Union to this BIGEE Programme. What this means is that, we don't have to pay the money back and that €7 million (USD 8.1 million) is over 1.2 billion Jamaican dollars. We are very grateful to the European Union for this support."

He further added, "For us to have the kind of economic growth that can support the kind of jobs, we need value-added private sector activity, which is all based on innovation."

**the GOJ has a "dependable partner"
in the European Union.**

Her Excellency Marianne Van Steen, Ambassador/Head of Delegation, European Union in her remarks shared the same sentiments as Minister Clarke as she commended Jamaicans for being “innovative and enterprising” during the pandemic.

“The EU’s contribution of a €7.4 million grant (approximately 1.2 billion Jamaican dollars) over a five-year period will complement the existing USD 25 million loans being provided to the Government of Jamaica by the Inter-American Development Bank within the framework of the BIGEE Programme. In this regard, I am pleased to note that the loan component of the programme has so far achieved encouraging results. Notably, the distribution of go-digital vouchers has allowed entrepreneurs to leverage important tools and services to scale up operations,” she further added.

Carmen Madriz, IDB’s General Manager [Acting] for Caribbean Countries noted that “This grant will provide additional resources targeted at gender access, climate change and COVID-19 impact for established MSMEs, scalable start-ups and high potential start-ups within the programme.”

She added, “The grant will also benefit public and private institutions that support the innovation and entrepreneurship ecosystem such as incubators, accelerators, academia and

technological transfer offices, with projects that show potential to solve problems in areas such as climate change, gender inclusion, and COVID 19 challenges.”

Anthony Shaw, Managing Director at the Development Bank of Jamaica (DBJ) noted that the grants received will help to build the local MSME ecosystem.

The BIGEE Programme is being implemented by the DBJ with the main objective of promoting sustainable and robust growth among start-ups and MSMEs in Jamaica.

The partnership with the EU and the IDB continues to be solidified through the continued on-going support of the GOJ’s growth and development objectives. The finalisation of the Non-Reimbursable Financial Agreement is a strong indicator of the commitment of the IDB and EU to the sustainable economic development of Jamaica’s MSME sector. Applications for grants funded through the BIGEE Programme are open at <https://www.thinkbiggee.com/>.



Hon. Nigel Clarke, DPhil., MP (4th left), Minister of Finance and the Public Service and Carmen Madriz (5th left), Inter-American Development Bank’s General Manager [Acting] for Caribbean Countries display the signed agreement.

MINISTER CLARKE'S TOUR OF THE BOOTHS AT THE EVENT



Under the new Public Sector Compensation System

**My net pay is more,
even though my
travelling is included
in my gross pay.**

That's definitely better pay!

For more information,
visit www.mof.gov.jm

MOFPS
MINISTRY OF FINANCE AND THE PUBLIC SERVICE



NIGEL CLARKE | RATIONALE, COST-EFFICIENCY AND BENEFITS OF UPGRADED BANKNOTES

Published in the Gleaner – Jun 12, 2022

Dr Nigel Clarke is the Minister of Finance and the Public Service and Member of Parliament for St Andrew North West. Send feedback to opedjamaica@gmail.com.

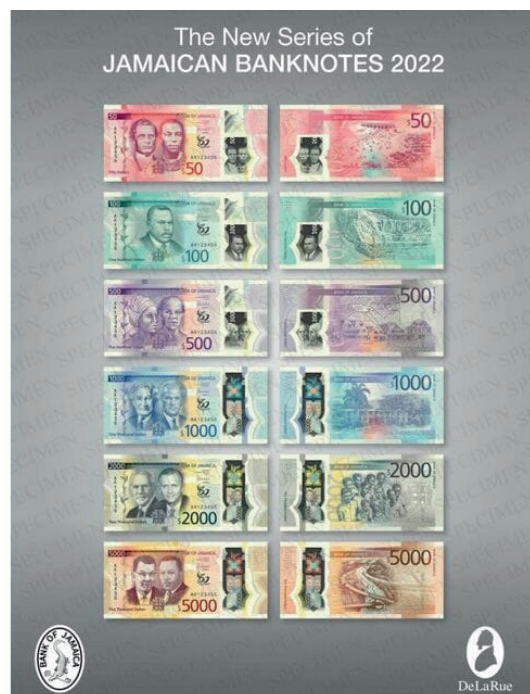
Public officials are accountable for the expenditure of public funds. Period. This is a fundamental principle. For this reason, I have been concerned about impressions which may have formed from The Gleaner story, published a few weeks ago, on the unavailability of the sums involved in the contract for printing Jamaica's upgraded banknotes. Some have interpreted the non-production of the specific information requested by The Gleaner as being at variance with the fundamental principle cited above. As we know, however, principles are often not absolute and apply provided that they do not violate other important principles.

Public disclosure of this specific information would constitute a breach of contract, which could subject the Bank of Jamaica (BOJ) to liabilities.

The BOJ is therefore correct that such a disclosure would "constitute an actionable breach of confidence" and, as such, this specific information is exempt from disclosure under the Access to Information Act.

However, we cannot leave it there. Fidelity to the cited principle demands a response to the motivating and underlying queries, "Will we be better off?", "Does this represent a good use of resources?" As minister of finance and the public service, with final responsibility for the form and design of notes and coins to be issued by the Bank of Jamaica by virtue of Section 14(1)(a) of the Bank of Jamaica Act, I see it as my duty to provide this account.

In my budget presentation I provided the background to, and rationale for, the upgrade of Jamaica's family of banknotes. Recapping, the BOJ independently and without prompting, recommended to me almost three years ago, that Jamaica's family of banknotes needed to be upgraded. In fact they advised that this was "overdue".



The benefits to be derived included:

- (a) enhanced security as the next generation of banknotes embeds features that make it more difficult to counterfeit;
- (b) the upgraded banknotes would allow for much clearer distinction among notes reducing errors made in trading (e.g. mistaking the \$500 bill for the \$5,000 bill, often at night);
- (c) the upgraded notes would have features that better meet the needs of the visually impaired;
- (d) the cost of the upgraded notes, over the expected lifetime of each note, would be less than obtains today.

TECHNICAL REASONS

In addition to these four benefits, and related to the last of these above, upgrading Jamaica's family of banknotes will allow Jamaica to entertain competition in the procurement of all our banknotes. This does not happen today. A little-known fact is that there are features on our current \$50 banknote and \$100 banknote, introduced in 2012 when the substrate was changed, that only one printer in the world can produce. (This was necessary at the time for technical reasons). Therefore, each time the BOJ tenders for the printing of banknotes there is only one printer in the world that can bid with respect to the \$50 banknote and \$100 banknote. Obviously, it is highly suboptimal, that we have only one

source when procuring these two banknotes. The upgrade of Jamaica's banknotes resolves this problem. Multiple banknote printers will be able to print all of the upgraded banknotes. With the upgraded notes each time banknotes need to be purchased Jamaicans can be assured of multiple bids for each denomination. This will be a vast improvement over current realities.

Today, our currency denominations use a mixture of materials called substrates. The \$50 and \$100 notes use a hybrid substrate, which is a mixture of cotton and polymer. The \$500, \$1,000 and \$5,000 are on varnished cotton. These, however, are not the most durable substrates available today. In the upgrade of Jamaica's banknotes the BOJ sought far more durable substrates that will improve the average circulation life of banknotes, thereby reducing reorder quantities and frequencies as compared with current practice.

The process to settle on the technical design of the upgrade of Jamaica's banknotes included a competitive international tender process in which six globally renowned banknote printers participated. One of these bids was deemed non-responsive and so eleven design concepts were considered from five global suppliers. Furthermore, the evaluation of the bids was conducted with the advice of an independent global technical currency advisory firm that specialises in the technology and security of banknote printing.

The upgraded Jamaica banknotes that emerged from this process will use polymer as the substrate. They will feel very different from our banknotes today. The feel and texture of the British Pound, the Canadian Dollar or the Eastern Caribbean Dollar are all based on polymer substrates and provide a close approximation to what our new upgraded banknotes will feel like.

The Eastern Caribbean Central Bank, which is the Monetary Authority for the Eastern Caribbean countries of Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, St Kitts and Nevis, St Lucia, Grenada and St Vincent & the Grenadines, upgraded its family of banknotes over the years 2019-2021 to make use of the polymer substrate. Trinidad and Tobago completed the same banknote upgrade exercise, also using the polymer substrate, over the same period. And, this year, Barbados upgraded their family of banknotes using the same polymer substrate. Jamaica, therefore, is behind its fellow CARICOM countries in implementing this much-needed modernisation.

THE \$2,000 NOTE

In a separate correspondence, almost three years ago, the BOJ also independently, and without prompting, advised me that technical studies showed the need for the introduction of a new currency denomination between the \$1,000 and

Further from the Caribbean, Australia, Canada, Ireland, New Zealand, Scotland, UK and 25 other countries around the world have similarly upgraded their banknotes to this more durable, less costly substrate.

the \$5,000 note. The Bank of Jamaica further proposed the introduction of a \$2,000 note that would bring greater efficiency to Jamaica's currency structure allowing cash transactions to be settled easier. With the introduction of the \$2,000 note alongside the \$1,000 and \$5,000 notes, consumers and businesses will require fewer notes to settle transactions.

COST OF PRINTING BANKNOTES

Over the past five years the BOJ has, on average, spent just under \$1 billion every year to acquire banknotes, and in the process replace banknotes that are worn out.

The BOJ projects that without upgrading Jamaica's family of banknotes it would spend \$16.6 billion over the next 10 years on banknote procurement. By upgrading Jamaica's banknotes, the BOJ projects to instead spend \$12.4 billion over the next 10 years, inclusive of the initial procurement. The upgraded banknotes, therefore, promise savings of at least \$4 billion over the next decade. The cost-efficiencies of the upgraded banknotes allow the BOJ to introduce an additional new denomination, the \$2,000 banknote, and still save \$4 billion over a decade.

We can also measure savings in terms of the number of banknotes purchased. Over the past five years the BOJ has procured an average of 122.6 million banknote pieces each year. The BOJ forecasts that if we retain the existing family of banknotes 123.9 million banknote pieces would be purchased annually over the next 10 years. The BOJ forecasts that with the upgraded family of notes, the BOJ will procure an average of 103 million banknote pieces per year over the next decade. So, though the BOJ will increase the number of denominations with the introduction of the \$2,000 banknote, they anticipate purchasing a smaller quantity of banknotes overall each year largely due to the increased durability of each banknote and the substitution effect of the \$2,000 note.

The modernisation of Jamaica's family of banknotes is indeed overdue and Jamaica is behind our peers in this regard. The upgraded banknotes will allow the BOJ to use public funds more efficiently, saving \$4 billion over 10 years, while improving the security and ease of use of our national currency.

Under the new Public Sector
Compensation System

New Annual Compensation

Gross Income – \$2,610,000

NIS+Pension - (\$208,800)

Statutory Deductions – (\$331,503)

Net Pay - \$2,069,697

For more information,
visit www.mof.gov.jm



Disclaimer: These figures are for explanatory purposes only.

MINISTRY MATTERS

MOFPS STAFF MEETING

On Wednesday, April 6, 2022, the Minister of Finance and the Public Service, the Financial Secretary and the Transformation Implementation Unit (TIU) attempted to

bring clarity to the work to be undertaken in the Restructuring of Public Sector Compensation during a staff meeting held at the Jamaica Conference Centre.

Here are some Highlights



Members of staff pose for our lens at the MoFPS staff Meeting.



The Hon. Marsha Smith (right), MP, Minister of State in the Ministry of Finance and the Public Service poses for our lens with Maria Thompson Walters (left), Executive Director, Transformation Implementation Unit (TIU).



MoFPS Chorale performs during the meeting.



Minister Clarke addresses the staff's concerns during the meeting.



A staff member asks questions during the meeting.



Financial Secretary, Darlene Morrison addresses staff's concerns during the meeting.



MoFPS staff members at the meeting held at the Jamaica Conference Centre.



Staff members indicate to ask questions during the meeting.

Coffee & Conversations

Check out Coffee and Conversations on the Ministry's **YouTube** channel at:
https://www.youtube.com/channel/UCtGMAv8OIl_ddinAddXgDfQ

See highlights from the season:



Farmers Market Highlights

MoFPS Farmers' Market happens every last Friday of each month.







MONA PREPARATORY SCHOOL VISITS THE MOFPS



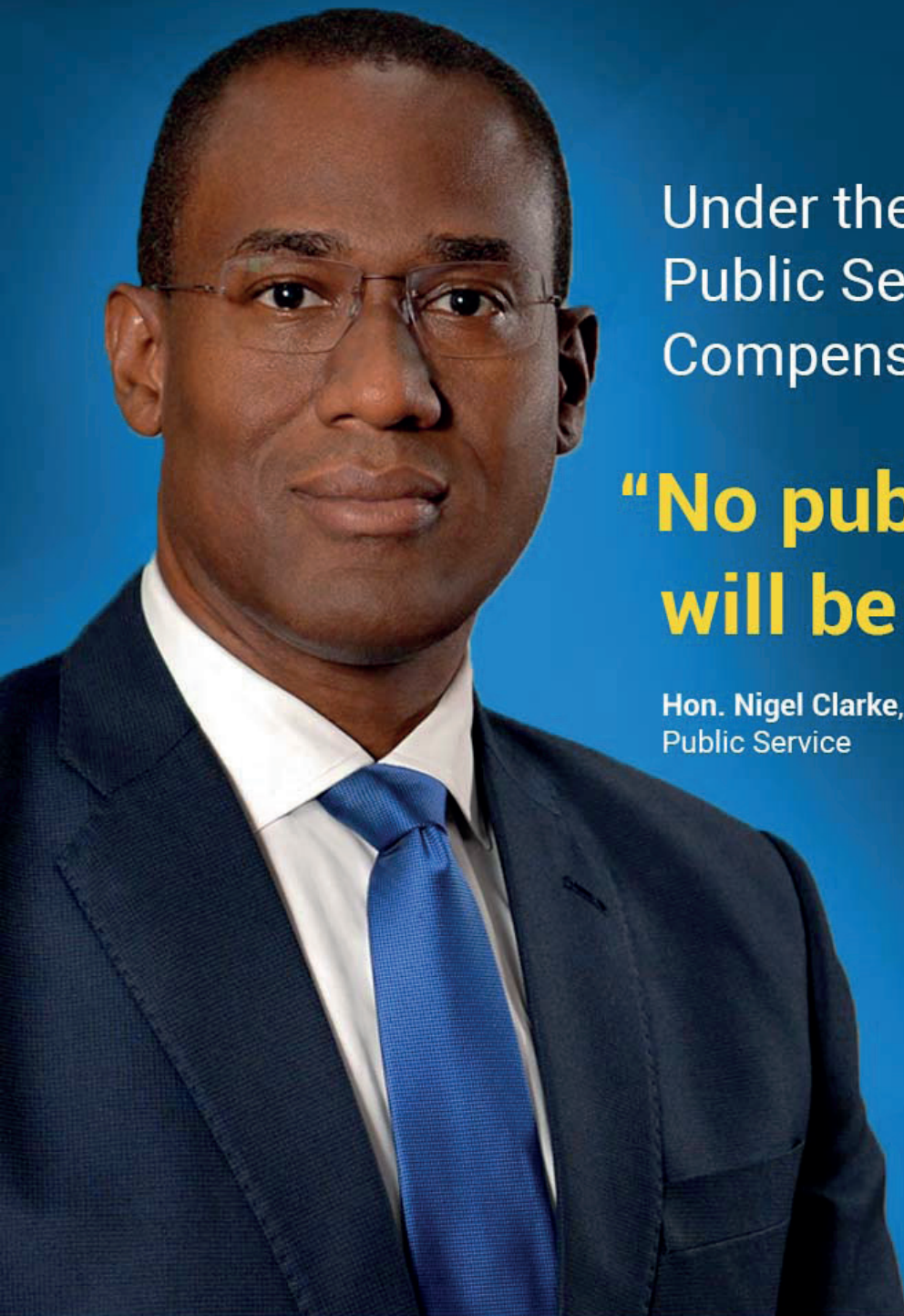
Minister Clarke engages in a conversation about Jamaica's economy with Grade 5 students of Mona Preparatory School on Wednesday, June 1, 2022.

OECD VISIT TO JAMAICA



Hon. Nigel Clarke, DPhil., MP, Minister of Finance and the Public Service and Pascal Saint-Amans, Director for the Organisation for Economic Co-operation and Development (OECD) Centre of Tax Policy and Administration held a sensitisation session with public and private sectors on advances in global tax cooperation at the Spanish Court Hotel on Tuesday, June 14, 2022. This forms part of the OECD visit to Jamaica.





Under the new
Public Sector
Compensation System

**"No public servant
will be worse off."**

Hon. Nigel Clarke, DPhil., MP, Minister of Finance and the
Public Service

MOFPS
MINISTRY OF FINANCE AND THE PUBLIC SERVICE

