

Public Financial Management Reform in Jamaica

EU-Jamaica: More than four decades of progressive partnership

Context of the European Union's Funded Action

Jamaica has a strong public financial management system and has been making progress to enhance confidence in the country's management of public finances. The Government of Jamaica (GOJ) has committed to continuous improvement of its public financial management system (PFM) by addressing weaknesses in the following areas:

- Management of expenditure and revenue arrears
- Control of contractual commitments
- Medium term programme budgeting
- Financial reporting
- Overall treasury operations

In this regard, the Ministry of Finance and the Public Service updated the PFM Reform Action Plan (PFM RAP) in 2016 to address weaknesses identified and undertake remedial activities.

The PFM RAP seeks to achieve some key outcomes such as:



Reduced expenditure arrears



Enhanced revenue collection



Budget formulation and execution linked to government economic and service policies



Greater returns from public investment



Better reporting to parliament



Improved public access to fiscal information

In 2018, the GOJ and the European Union (EU) signed a financing agreement totalling EUR 3.65 million (J\$638 million), to further public financial management reform in Jamaica. The financing agreement consists of:

- A budget support component of **EUR 2.95 million** (J\$454,907,970)
- A technical assistance of **EUR 650,000**
- An evaluation component of **EUR 50,000** to be contracted after the end of the implementation period.

To date, disbursements amount to **EUR 2.95 million** for the budget support component and **EUR 543,905** for the technical assistance on building the institutional structures and systems to facilitate the development and implementation of an integrated financial management system.

Objective

The overall objective of the EU funded PFM Reform Programme is to improve public governance, transparency, accountability and the delivery of public services in Jamaica.

Expected Results

The EU budget support focuses on achieving the following results:

- 1** Ratio of Total Revenue Arrears to Total Revenue collections reduced to 32%
- 2** The Budget is prepared using the new multi-year format in the Budget Preparation and Management System (BPMS)
- 3** The web-enabled Central Treasury Management Systems (CTMS) is operational and used to make payments.
- 4** The CTMS and BPMS are integrated and used for budget execution reporting.



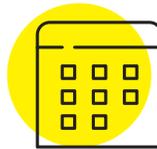
Achievements to Date

- Ratio of Total Revenue Arrears to Total Revenue collections has improved by 14 percentage points **(from 39% to 24.8%)**
- Budget for **FY2019/20** and three following years were prepared using BPMS
- Access to web-enabled CTMS by all ministries, departments and agencies
- The integration of the CTMS and the BPMS was not achieved. This indicator will remain a part of the policy dialogue between the EU and GOJ.

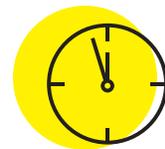
Key Facts



Total EU contribution
€3,650,000



Starting date
04 October 2018



Operational implementation
36 months

