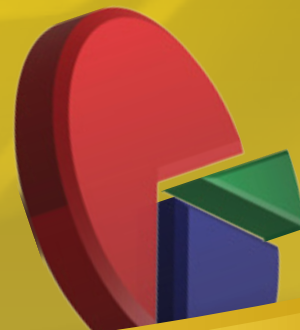




THE CITIZENS' GUIDE TO THE 2023/24



BUDGET

SUNDAY MARCH 19, 2023

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MESSAGE FROM THE MINISTER OF FINANCE AND THE PUBLIC SERVICE



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

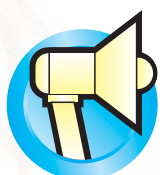
This Citizens' Guide to the 2023/24 Central Government Budget (the "Citizens' Guide") sets out, in a user-friendly format, a summary of the Central Government Budget (the "Budget") for the upcoming fiscal year, April 1, 2023 to March 31, 2024 (the "Fiscal Year"). The Budget is the principal policy document of the Government of Jamaica ("GOJ"). It contains the planned programme of expenditure for the Fiscal Year along with a projection of the sources of revenue. In publishing the Citizens' Guide we hope to broaden public understanding of the GOJ's finances and provide the foundation for rational discourse.

Stability of the Jamaican economy has been maintained throughout the shock of the COVID-19 pandemic and throughout the impact of the Russia/Ukraine crisis to date, with the economy projected to grow within the range of 4.0%-6.0% for the current fiscal year. Given the strong economic recovery our debt-to-GDP ratio continues on a downward path declining from 94.2% as at March 31, 2022 to a projected 79.7% by March 31, 2023.

With the return to pre-pandemic levels of economic growth, we are focused on rebuilding buffers and reprioritizing capital expenditure. As such, we have increased capital expenditure by \$11 Billion or 17% over the Revised Estimates for FY 2022/23 to \$75 Billion for FY 2023/24.

The first phase of the ongoing restructuring of public sector compensation which is being implemented over a three-year period is at an advanced stage of completion. The restructure aims to simplify compensation, improve fairness and equity, introduce performance pay, ensure we can attract and retain the talent we need while preserving fiscal sustainability.

The Citizens' Guide will also be published on social media broadening its reach and accessibility and thereby contributing to fiscal transparency. The Ministry of Finance welcomes your feedback to the Citizens' Guide to the 2023/24 Central Government Budget.



MESSAGE FROM THE FINANCIAL SECRETARY

The 2023/24 Citizens' Guide to the Central Government Expenditure Budget marks the 5th year that the Guide is being published by the Ministry of Finance and the Public Service.

The objective of the Citizens' Guide is to give greater access to the Central Government Expenditure Budget in less technical language so that all citizens can be aware of the activities to be implemented each year, in pursuit of the country's growth and development.

Fiscal Year 2022/23 heralded a number of changes for Jamaica, possibly the most visible of which, is the restructure of public sector compensation that commenced implementation in December 2022 following months of discussions with the unions and associations representing public sector employees. The compensation restructure has initiated simplification of the public sector compensation system and is also expected to positively impact the public sector's ability to attract and retain appropriately skilled staff thereby enhancing the Government's efforts to improve the country's productivity, growth and development.

For Fiscal Year 2023/24, implementation of the restructured compensation system will continue alongside the standard public services such as the provision of education and health services as well as the execution of capital programmes through which the Government contributes to advancing the development of the country as it continues the work toward Vision 2030 and an improved standard of living for all citizens.



Darlene Morrison
Financial Secretary



PART I: NOTABLE HIGHLIGHTS - FISCAL YEAR 2022/2023

ECONOMIC RECOVERY

Jamaica's economic recovery from the **COVID-19** pandemic continues to be strong. For the first half of fiscal year **2022/23**, the economy registered significant growth, with the result that real economic output is now comparable to pre-COVID levels of economic output. The economy is expected to record growth of **5.1 %** for the twelve month period of fiscal year **2022/23**.



AGREEMENT WITH THE IMF

The Government reached an agreement with the IMF following its request for a **Precautionary Liquidity Line (PLL)** and a **Resilience and Sustainability Facility (RSF)**. This will give Jamaica access to:

- **US\$963 million**, under the **Precautionary Liquidity Line (PLL)** in the event of balance of payment shocks. Access to these funds is limited to countries that have “sound economic fundamentals” that are “...implementing and have a track record of implementing sound policies and (countries that) remain committed to maintaining sound policies in the future”.

While Jamaica has **US\$4.3 billion** in gross foreign exchange reserves, the PLL ensures that the country is not overly exposed to external developments that could derail foreign exchange inflows;

- **US\$763 million** at an interest rate of approximately **3.8%** and a repayment period of 20 years with no principal repayment for the first 10 years, under the Resilience and Sustainability Facility (RSF). The funds are linked to policy actions that are designed to improve Jamaica's resilience to climate-related shocks;

PUBLIC SECTOR COMPENSATION RESTRUCTURE

Implementation of a new public sector compensation system commenced in **December 2022**, following the signing of Memoranda of Understanding with twenty-three (23) Public Sector Unions/Staff Associations, covering approximately **60%** of public sector employees.

The exercise is being spearheaded by the Ministry of Finance and the Public Service, and is intended to simplify and enhance transparency of the compensation system in the public service.

The new compensation system is being implemented over three fiscal years with an effective date of **April 1, 2022**.



“Jamaica's economic recovery from the COVID-19 pandemic continues to be strong. For the first half of fiscal year 2022/23, the economy registered significant growth, with the result that real economic output is now comparable to pre-COVID levels of economic output.”



TARGETED INTERVENTION: APRIL 2022 - SEPTEMBER 2022

Targeted measures implemented by the government to cushion the economic impact of price increases on the most vulnerable resulting from the Russia/Ukraine conflict, included:

MEASURES	\$BILLIONS
Energy Co-Pay Programme a. GOJ payment of 20% of the JPS bill over April 2022 to July 2022, of all post-paid households that consumed 200kWh of electricity or less; b. GOJ payment of \$3,000.00 per month over the same period for pre-paid residential customers	2.20
Back to School Grants a. \$10,000.00 to each student under PATH b. Education grants and assistance to vulnerable non-PATH students	1.25
Gas Relief Grant Assistance to owners of Contract Carriages and Route Taxi vehicles	0.80
Grant to Pensioners Grant to NIS and Social Pensioners in receipt of pension of \$1.5 million or less per annum	0.62
Welfare Support - Non-PATH Beneficiaries	0.55
One-off Grants to Public Servants with gross earnings of \$1.5 million or less	0.35
Low KYC Accounts Incentive Payment to Jamaicans One-time payment of \$2,500 dollars to persons who open low-risk, less stringent, 'Know Your Customer' (KYC) accounts; aimed at shielding the most vulnerable from bank fees	0.25
PATH Transportation Grant Increase	0.15
TOTAL	6.17*

Source: MOFPS

*(Slight Variation Due to Rounding of Numbers)





PART II: THE BUDGET PROCESS

The Budget Process, also known as **The Budget Cycle**, refers to the life of a budget from creation to evaluation. The budgeting process is generally described in the following phases:

- **Budget Formulation:** During this phase, the Executive (Cabinet) formulates the short to medium-term strategic plans of the Government based on the established resource envelope as provided by the Ministry of Finance and the Public Service. New capital expenditure is introduced into the budget process through the Public Investment Management System which is described on page 6. Specific programmes are defined at sector and activity levels to achieve national goals. A budget circular is issued which provides guidance to **Ministries, Departments & Agencies (MDAs)** on how to develop their budgets. Expenditure ceilings are provided to MDAs based on the macro-fiscal framework and defined national and sectoral strategies;
- **Budget Approval:** During this phase, the Legislature (Houses of Parliament) reviews and makes amendments where necessary to the budget and enacts it into law. The budget, when enacted is called the Appropriation Act;
- **Budget Execution:** Budget Execution is the process whereby MDAs collect revenue and make expenditures to implement the policies, programs, and projects outlined in the enacted budget. Budgets are executed in order to achieve national goals;
- **Budget Oversight:** Budget oversight includes activities that aim to measure whether public resources have been used appropriately, effectively, and efficiently. MDAs' operations and related expenditure/ budgets accounts are scrutinized and assessed through internal and external auditing. Audit findings are reviewed by the Legislature and may require MDAs to take corrective action;

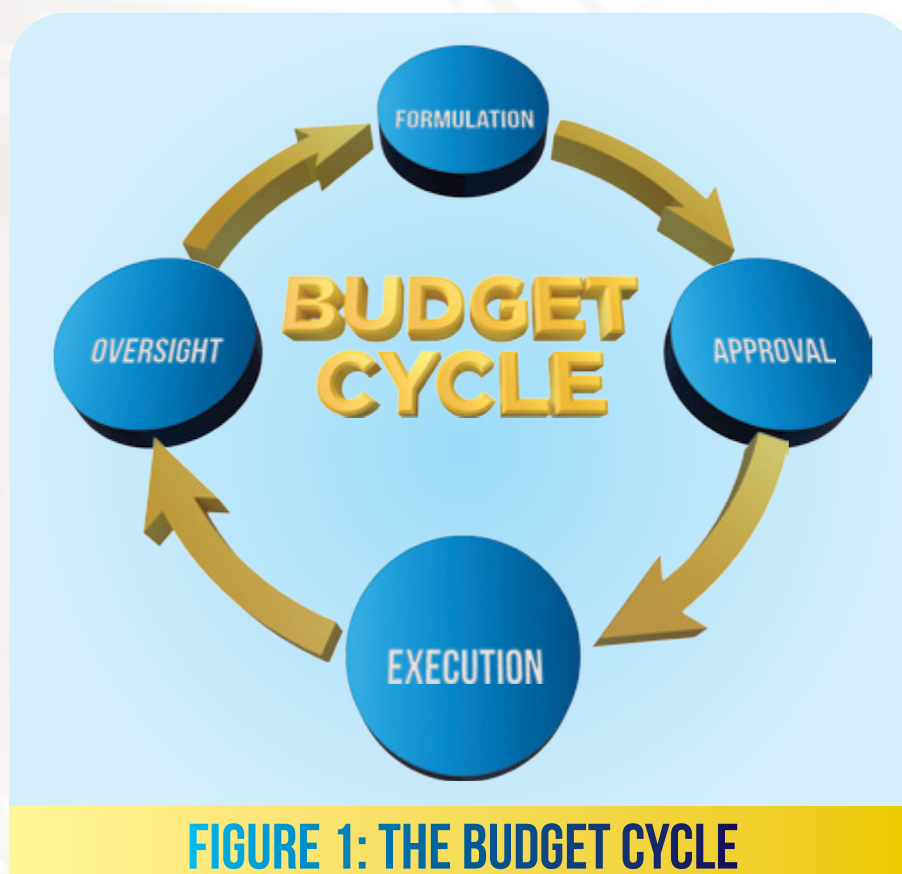


FIGURE 1: THE BUDGET CYCLE

APPROVAL OF PUBLIC INVESTMENT PROJECTS FOR IMPLEMENTATION

The GOJ Public Investment Management System (PIMS) – governs the preparation, approval and management of all **Public Investment Projects (PIPs)** within the Public Sector. A Public Investment project is non-recurrent expenditure aimed at creating new assets or substantially improving existing assets and is carried out as an integrated set of activities with specific cost and budget over a defined period of time.

Before public investment projects can be implemented they must first be approved. The approval process involves:

- screening of project concepts to ensure that the objectives and deliverables are in line with national development objectives and government's policy priorities; and
- reviewing the subsequent project proposals for technical, economic, and environmental feasibility;

These functions are carried out by the **Public Investment Management Committee (PIMC)**, a committee appointed by Cabinet, chaired by the Minister of Finance and comprised of Cabinet Ministers and Senior Technocrats in the Public Sector.

Projects that are found to be feasible and are in line with national development objectives and current policy priorities, are endorsed by the PIMC to seek approval from the Cabinet to proceed to implementation and secure funding in the budget of the implementing MDAs.

All projects are required by law to go through this approval process, with the exception of those that are proposed by Self-Financed Public Bodies that are designated by the Auditor General as operating commercially.

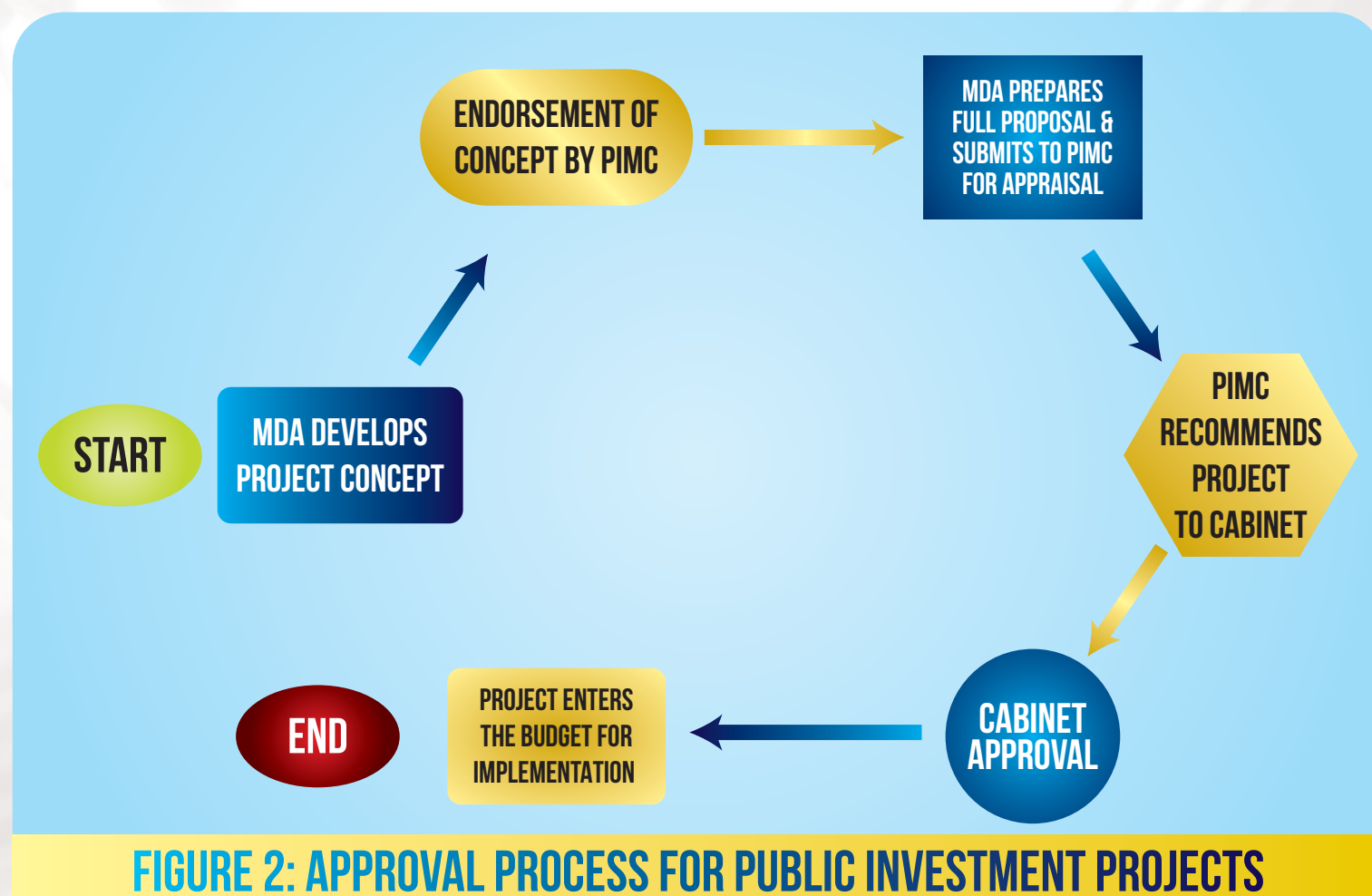


FIGURE 2: APPROVAL PROCESS FOR PUBLIC INVESTMENT PROJECTS



PART III: WHAT GOES INTO THE PREPARATION OF THE BUDGET?

In planning the National Budget, the current and past performances of the main macroeconomic indicators determine the fiscal policy direction for the new budget year and the projections made over the medium term.

THE KEY MACROECONOMIC INDICATORS FOR FISCAL YEAR 2023/24

Economic Growth Rate

The economy's growth rate is a measure of **Gross Domestic Product (GDP)** which is the total annual value of the goods and services produced in the country. For fiscal year **2023/24** and the medium term, GDP growth rate is expected to average **1.2%** annually.

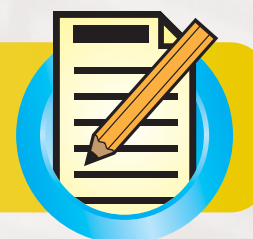
Unemployment and Job Creation

The continued recovery in economic activities has positively impacted the labour market. **Statistical Institute of Jamaica (STATIN) July 2022 Labour Force Survey** revealed an expansion in the labour force compared to **July 2021**

- The size of the labour force grew by **30,200** persons when compared to **July 2021**, with females representing **90.7%** of this increase.
- The employed labour force increased by **53,000** persons moving from **1,215,000** persons in **July 2021** to **1,268,000** persons in **July 2022**.
- The unemployment rate fell from **8.5%** to **6.6%**.



“The size of the labour force grew by 30,200 persons when compared to July 2021, with females representing 90.7% of this increase.”



Inflation Rate

The inflation rate for **April to December 2022** was **6.2%**, 2.4 percentage points lower than the **8.6%** recorded for the similar period of fiscal year **2021/22**. For fiscal year **2023/24**, inflation is expected to fall toward the target band of **4%** to **6%** in the latter part of the year.

Exchange Rate

The most common exchange rate utilised in Jamaica is the cost of one United States Dollar (USD) in Jamaica dollars (J\$). At the end of **December 2022**, the weighted average selling rate of the USD was **J\$149.46** to **US\$1.00** compared with **J\$155.09** to **US\$1.00** in **December 2021**. This change reflects an appreciation of **3.3%** compared with the **8.7%** depreciation in **December 2021**.

Fiscal Policy for Fiscal Year 2023/24

Fiscal policy provides the overall framework within which the government must operate.

Jamaica's fiscal policy is largely governed by fiscal rules that facilitate management of the level of expenditure that can be undertaken by the government to provide citizens with public goods and services within the context of available revenue while ensuring fiscal responsibility and debt sustainability.

The fiscal policy framework for Fiscal Year **2023/24** is formulated to ensure achievement of the medium term Debt to GDP target. The framework facilitates non-debt expenditure of approximately **\$741 billion** and debt expenditure of **\$280.6 billion** while keeping the Government on track to attain a public debt stock that is no more than **60%** of Gross Domestic Product by **2027/2028**.



***“Fiscal policy provides the
“overall framework within which
the government must operate.”***



PART IV: HOW BIG IS THE NATIONAL BUDGET?

The Central Government Budget is made up of estimates of EXPENDITURE and REVENUE.

Both estimates are tabled in the House of Representatives at the same time, by the Minister with responsibility for finance.

THE EXPENDITURE BUDGET

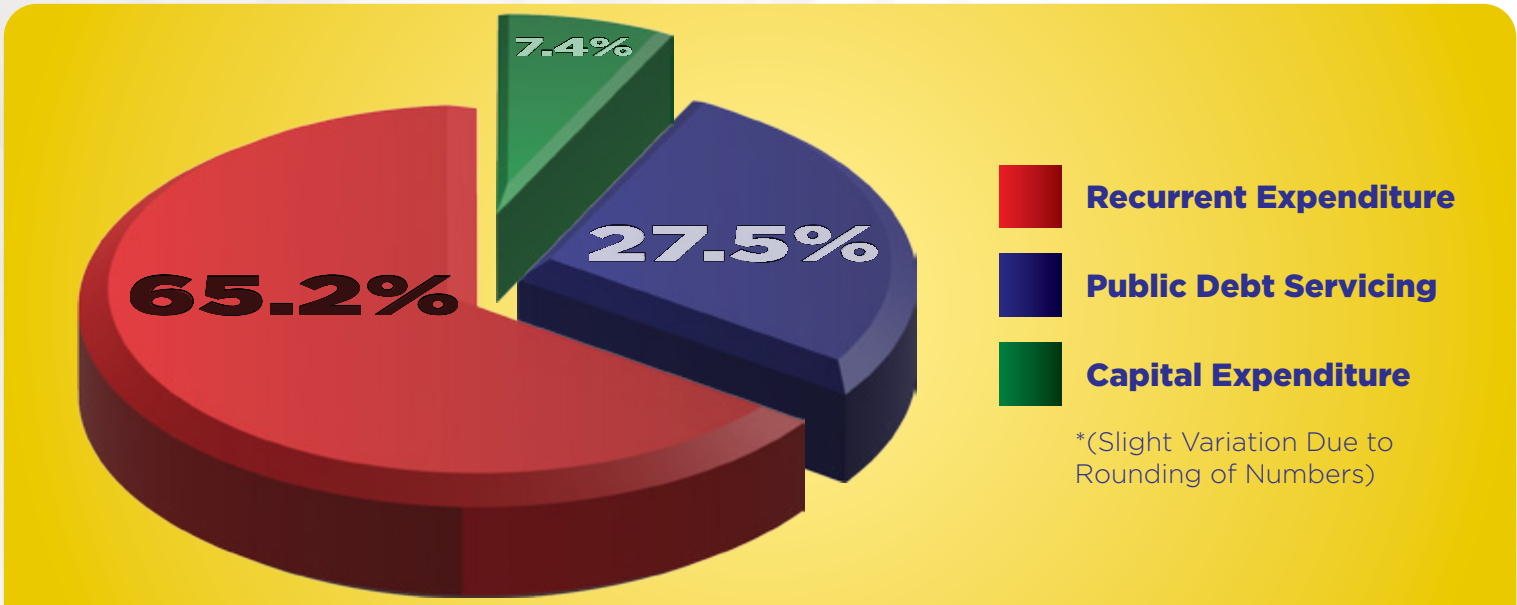
For Fiscal Year 2023/24, the government plans to spend \$1.02 trillion dollars. This includes:

- Non Debt Recurrent Expenditures of approximately of \$665.69 billion;
- Capital Expenditures of \$75.37 billion,
- Public Debt Servicing of \$280.61 billion;

THE EXPENDITURE BUDGET	
	J\$ BILLIONS
Recurrent Expenditure	665.69
Capital Expenditure	75.37
Public Debt Servicing	280.61
TOTAL EXPENDITURE	1,021.67*

Source: MOFPS

*(Slight Variation Due to Rounding of Numbers)



*(Slight Variation Due to Rounding of Numbers)

FIGURE 3: SHARE OF TOTAL EXPENDITURE

Source: MOFPS

THE REVENUE ESTIMATES

REVENUE represents the sum of non-borrowed resources that the Government receives during the fiscal year from various sources such as **Taxation, Duties, Fees** and **Grants**. These resources are used to finance the operations of government.

For fiscal year **2023/24**, total Revenue & Grants is projected at **\$913.39 billion** with Taxation Revenue accounting for **\$824.30 billion**. (See Part V).

Where total revenue does not cover the cost of total expenditure and debt servicing, the government has the option to borrow loans to meet the debt servicing costs. Total Loan Receipts projected for Fiscal Year **2023/24** is **\$139.4 billion**.

REVENUE & GRANTS	
	J\$ BILLIONS
Recurrent Revenue	889.52
Capital Revenue	15.99
Grants	7.87
TOTAL	913.39*

Source: MOFPS

*(Slight Variation Due to Rounding of Numbers)

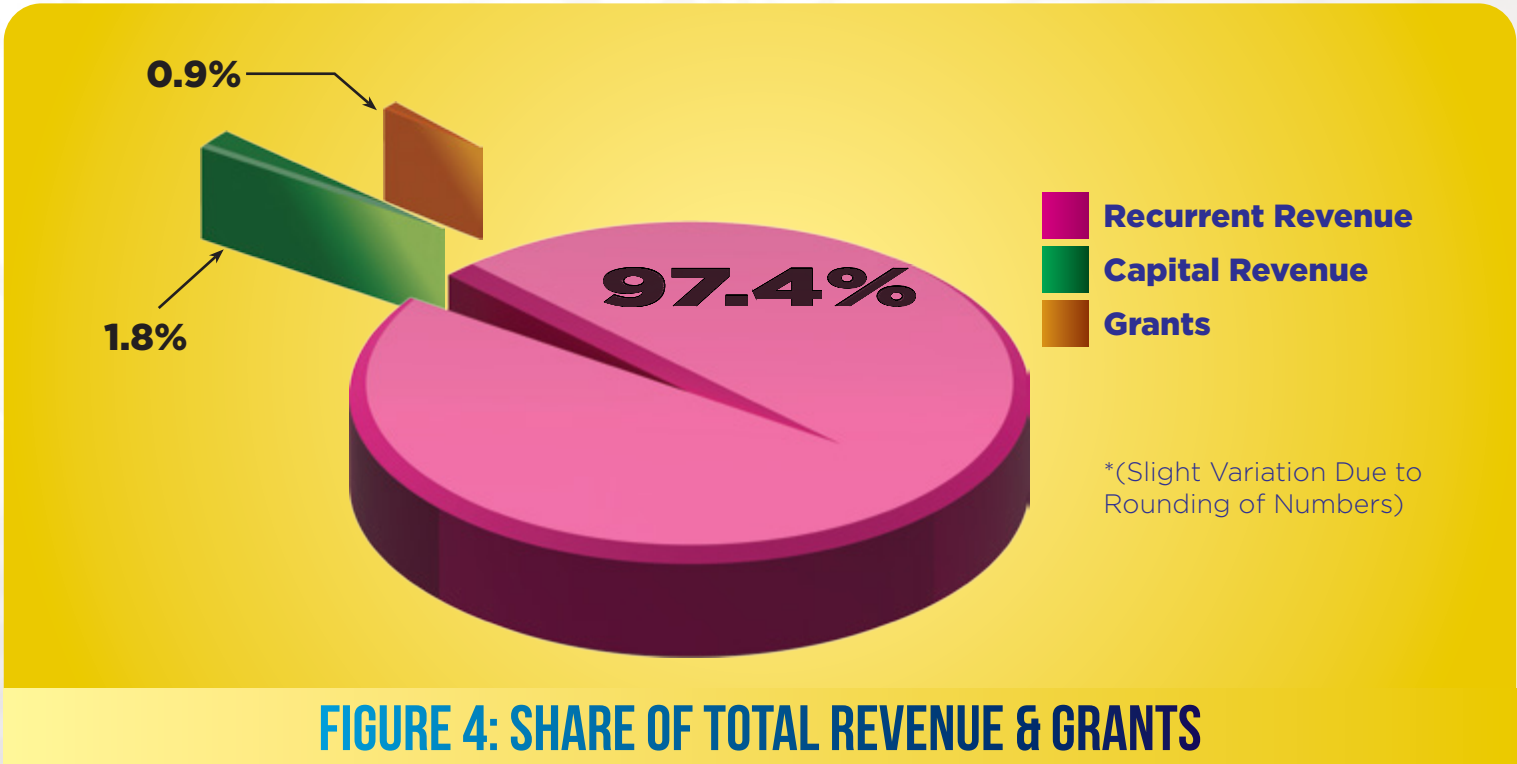


FIGURE 4: SHARE OF TOTAL REVENUE & GRANTS

Source: MOFPS

HOW BIG IS THE PUBLIC DEBT?

At the end of **December 2022**, the stock of Public Debt was **\$2.18 trillion** including **\$22.6 billion** related to the Self-Financed Public Bodies.

The Debt-to-GDP ratio is projected to be **79.7%** at the end of fiscal year **2022/23**. This represents a **14.5 percentage** point reduction over the outturn at the end of March 2022.

The debt ratio is expected to continue on this path towards meeting the Debt-to-GDP ratio of 60.0% or lower by the end of fiscal year **2027/28**.

PUBLIC DEBT SERVICING	
Source	\$ Billions
Amortisation	125.45
Interest	155.16
TOTAL	280.61*

Source: MOFPS

*(Slight Variation Due to Rounding of Numbers)

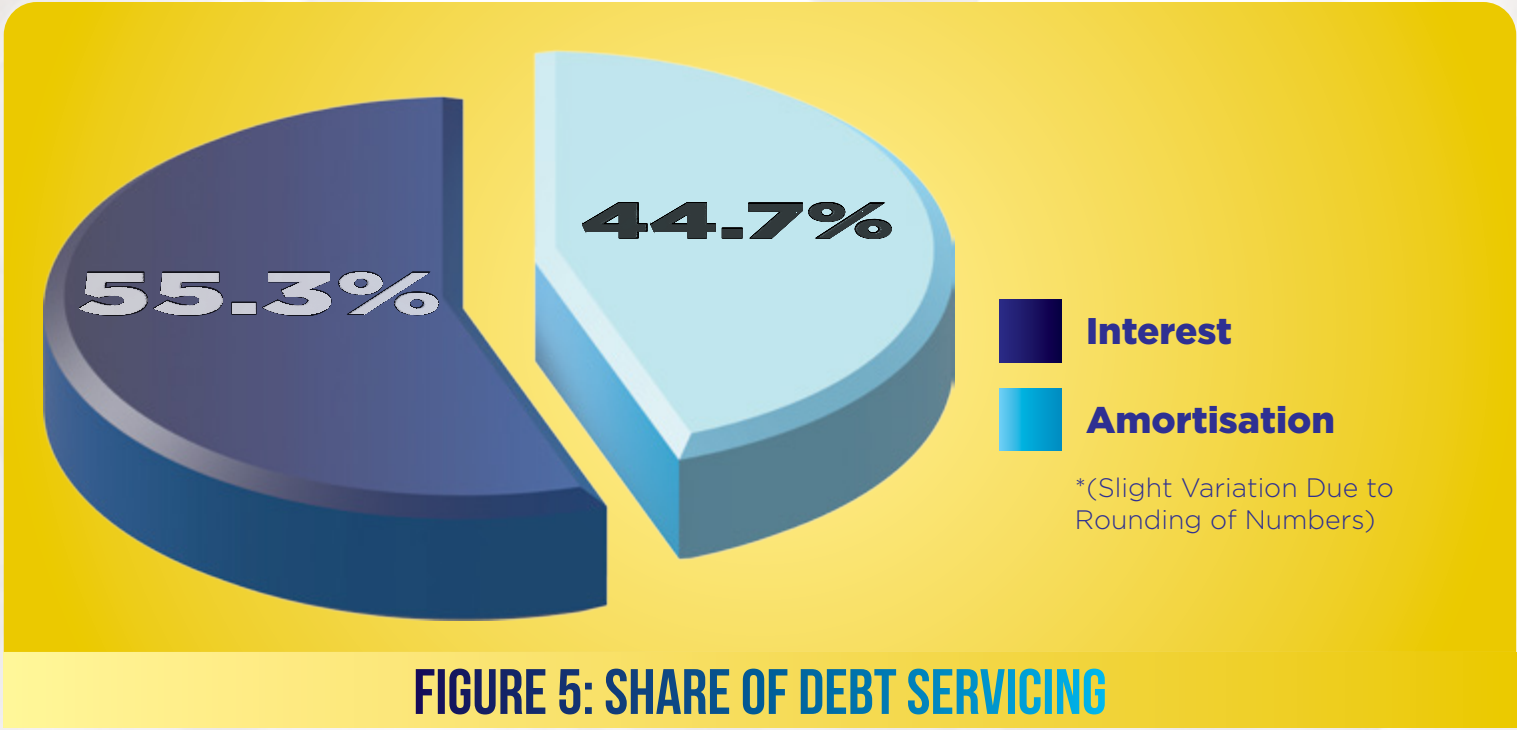


FIGURE 5: SHARE OF DEBT SERVICING

Source: MOFPS

“The Debt-to-GDP ratio is projected to be 79.7% at the end of fiscal year 2022/23.”





PART V: WHERE DOES THE MONEY COME FROM TO FUND THE BUDGET?

The Government expects to utilise resources from revenue, grants and loans to finance the Central Government Expenditure Estimates of **\$1.02 trillion** in fiscal year **2023/24**.

A total of **\$1.05 trillion** is projected to be raised from the following sources:

- **\$913.39 billion** from revenue and grants;
- **\$139.47 billion** from loans;

FINANCING OF THE EXPENDITURE BUDGET - FY 2023/24

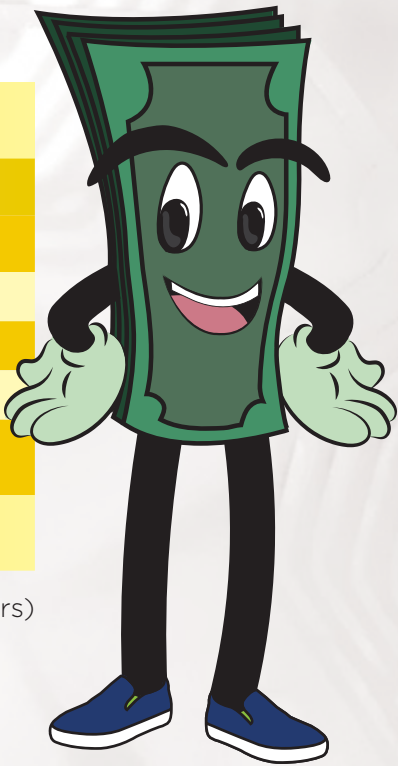
Total Revenue and Grants amount to **\$913.39 billion** and account for **87%** of the total sum required to finance Central Government Expenditure in fiscal year **2023/24**.

Total Revenue is comprised of taxation revenue (such as **GCT** and **Customs Duties**), non-tax revenue (miscellaneous receipts collected by various ministries, departments and agencies) and capital revenue such as receipts from the sale of assets and extra ordinary receipts. Receipts from the Bauxite Levy are included under Capital Revenue.

REVENUE & GRANTS - FY 2023/24	
	\$ Billions
Total Revenue	905.52
Taxation Revenue	824.30
Non-Tax Revenue	65.23
Capital Revenue	15.99
Grants	7.87
TOTAL	913.39*

Source: MOFPS

*(Slight Variation Due to Rounding of Numbers)



Taxation Revenue is the largest source of funds that the Government is projected to use in fiscal year **2023/24** to fund its operations. General Consumption Tax (GCT) of **\$279.04 billion**, Income Tax of **\$251.83 billion** and Special Consumption Tax (SCT) of **\$104.0 billion** together account for **\$634.87 billion** of total Taxation Revenue. See table on page 13 for the projected sources from which Taxation Revenue is expected to flow in fiscal year **2023/24**.

PROJECTED TAXATION REVENUE FLOWS - FISCAL YEAR 2023/24	
Sources	J\$ Billions
General Consumption Tax	279.04
Income Tax	251.83
Special Consumption Tax	104.00
Customs	63.51
Education Tax	48.12
Travel Tax	28.67
Stamp Duties	13.07
Betting, Gaming and Lotteries-Duties, Fees and Levies	10.71
Environmental Levy	6.62
Motor Vehicle Licences (Motor Vehicle Act)	5.89
Telephone Call Tax	3.61
Guest Accommodation Room Tax	3.59
Contractors Levy	3.12
Telecommunication Licences	1.84
Other	0.66
TOTAL	824.30

Source: MOFPS

LOANS

In fiscal year **2023/24**, projected loan funds of **\$139.47 billion** form the second major source of financing for the Central Government Expenditure Budget. This is approximately **13%** of the funds required to finance the Central Government Expenditure Budget in fiscal year **2023/24**.



In fiscal year 2023/24, projected loan funds of \$139.47 billion form the second major source of financing for the Central Government Expenditure Budget.



PART VI: WHERE DOES THE MONEY GO?

The Central Government Expenditure Budget of **\$1.02 trillion** is comprised of:

1. Non Debt Recurrent Expenditure - **\$665.69 billion**;
2. Capital Expenditure - **\$75.37 billion**, and
3. Debt Servicing of **\$280.61 billion**;



NON DEBT RECURRENT EXPENDITURE

- i. **Compensation of Employees - \$367.35 billion** which covers the cost of gross wages and salaries including the estimated cost for implementing Year 2 of the new compensation system;
- ii. **Recurrent Programmes - \$289.34 billion**, including Below the Line Expenditure (loans to self-financed public bodies) of **\$8.54 billion**. Some key items, for which provisions are included in the **2023/24 Expenditure Budget** are listed below under the respective **Ministries, Departments and Agencies (MDAs)**;

PENSIONS

- **Pension Payments - \$42.01 billion** including **\$1.0 billion** towards the annual increase in pensions paid to some existing pensioners each year by **Minsitry of Finance and the Public Service (MOFPS)**;

MINISTRY OF ECONOMIC GROWTH AND JOB CREATION (MEGJC)

- i. **Traffic Management and Control - \$943.25 million**: support to implement road safety interventions;
- ii. **Bridge Development and Construction - \$1.36 billion** to support the replacement and maintenance of bridges across the island that need urgent improvement;
- iii. **Lengthman Programme - \$500.0 million**: The provision is for the preventative maintenance programme for rural roads and high-traffic corridors;
- iv. **Enhancement of Community Environs - \$275.0 million**;
- v. **Contribution to the Housing Fund - \$140.0 million** to support existing schemes and settlements islandwide;
- vi. **Pre-Investment planning - \$219.57 million** to support pre-investment activities for UDC managed projects;
- vii. **Social Housing Programme - \$522.22 million** to upgrade housing infrastructure;
- vii. **Maintenance of Roads, Repairs to Roads, River Training, Island-wide Disaster Mitigation, Cleaning of Gullies - \$4.67 billion**;

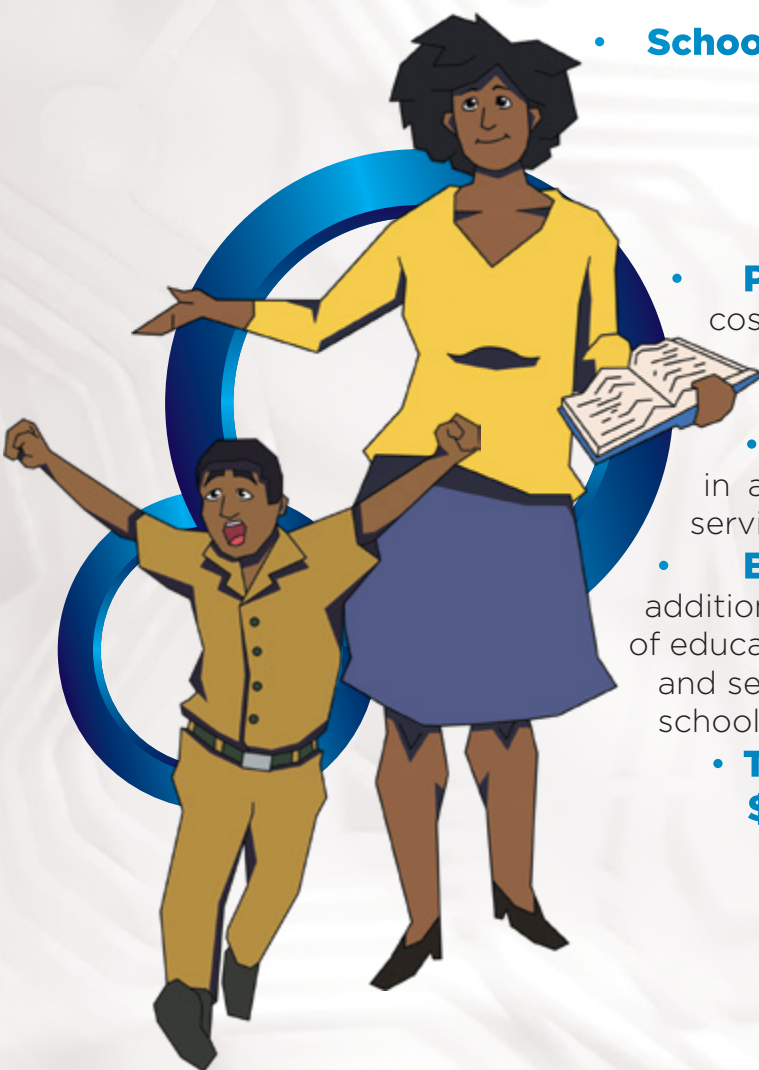
MINISTRY OF TRANSPORT AND MINING (MTM)

- **Jamaica Urban Transit Company - \$7.07 billion**; in subvention to support the operations of the company;
- **Jamaica Civil Aviation Authority - \$5.83 billion**; to support the Authority in carrying out its mandate;



MINISTRY OF EDUCATION AND YOUTH (MOEY)

- **School Nutrition approximately \$9.29 billion** allocated to support:
 - The Breakfast and Cooked Lunch Programme for PATH beneficiaries;
 - Nutrition Products Limited (NPL) for the production and distribution of breakfast and snacks for students;
 - Grants for the Maintenance of School Canteens;
- **PATH Transportation Support - \$380.0 million** to support the cost of school transportation for PATH beneficiaries;
- **Subvention to Universities - \$15.25 billion** to support universities in meeting their operating costs;
- **Utilities and Communication Services - \$1.0 billion** in additional resources to support payments to utility companies for services provided to schools;
- **Books and Education Materials - \$2.0 billion**; reflecting the additional **\$1.0 billion** allocated in FY **2023/24** to facilitate the procurement of educational materials that support the curriculum in infant, primary, all-age and secondary schools; and enable the payment for rights to print primary school textbooks;
- **Teachers' Scholarships (Mathematics Scholarships) - \$365.54 million**;



- **School Furniture - \$928.0 million**; which includes an additional provision of **\$278.0m** to facilitate the manufacture/maintenance of 40,000 pieces of furniture for schools across pre-primary; primary and high schools;
- **HOPE/LEGS Programme - \$570 million**; to facilitate training and development programmes for vulnerable and unattached young people;
- **Financial Assistance to Students - approximately \$423.65 million**; of which **\$156.0 million** is allocated under the **Jamaica Values and Attitude Programme (JAMVAT)** which assists tertiary students, engaged in community service, with a stipend to offset **30%** of their tuition fees; and **\$230.0 million** under the Examination Fee Assistance Programme to support secondary school students in meeting the cost of examination fees. This program is supported by the **Overseas Examination Council (OEC)**;
- **Career Advancement Programme - \$400.0 million** provided by the **HEART TRUST/NTA** to support the post secondary certification programme;
- **Information and Communication Technology Service - \$1.48 billion**; including **\$1.0 billion** for the procurement of laptops for teachers in keeping with the **Heads of Agreement (HoA)** between **GoJ** and the **Jamaica Teachers' Association (JTA)**;

MINISTRY OF LABOUR AND SOCIAL SECURITY (MLSS)



- **PATH Beneficiary Assistance - \$8.37 billion**; to support payment of cash grants to PATH beneficiaries;
- **Social Pensions for the Elderly - \$408.0 million**; to support bi-monthly cash grants to elderly persons, 75 years and older who are not in receipt of a pension, disability grant, welfare support or residing in a government state run facility;
- **Social Intervention Programmes - \$433.35 million**; to support execution of: **The Social Intervention Programme (SIP)**; **The Special Employment Programme (SEP)** And **The Steps To Work Programme**;
- **Rehabilitation Support - \$500.0 million** to support the operation of short-term poverty intervention programmes;
- **Persons With Disabilities and Support Services - \$286.21 million**; including support for implementation of the Disabilities Act, the Codes of Practice;

MINISTRY OF TOURISM (MOT)

- **Jamaica Tourist Board - \$3.55 billion**; to support tourism marketing activities;
- **Tourism Enhancement Fund (TEF) - \$1.08 billion** to support implementation of TEF projects
- **Tourism Product Development - \$1.02 billion** to support the implementation of TPDCo projects;



MINISTRY OF HEALTH AND WELLNESS (MOHW)

- **Repairs to Government Health Facilities - \$1.58 billion;**
- **Drug and Medical Supplies - \$ 14.67 billion;**
- **University Hospital of the West Indies - \$10.03 billion;**

MINISTRY OF SCIENCE ENERGY AND TECHNOLOGY (MSET)

- **Information Communication Technology initiatives - \$2.02 billion;** to support the National Broadband Initiative (**\$1.25 billion**) and the Tablets in Schools Programme (**\$770 million**);

MINISTRY OF AGRICULTURE AND FISHERIES (MOAF)

- **Production Incentives of \$1.13 billion** to bolster food security through various initiatives including increased livestock and fisheries production, irrigation and land equipment services;
- **Pre-Investment Planning - \$381.0 million** to support planning and development of projects including the Yallahs West Agricultural Development Project, and the Lucky Hill Pen Agricultural Development Project;
- **Maintenance of NIC's Irrigation Infrastructure - \$235.19 million;**
- **Rehabilitation of Farm Roads - \$610.0 million;**

MINISTRY OF NATIONAL SECURITY (MNS)

MINISTRY OF NATIONAL SECURITY (MNS) Group - \$112.69 billion, including **\$32.0 billion** to the JDF; **\$59.1 billion** to the Police Department; **\$11.4 billion** to the Department of Correctional Services and **\$2.0 billion** to the Major Organised Crime and Anti-Corruption Agency;

JUDICIARY

JUDICIARY \$7.95 billion to cover the cost of the various Courts under the Judiciary.

MINISTRY OF FINANCE AND THE PUBLIC SERVICE (MOFPS)

- **PIMS Pre-Investment Contingency - \$600.0 million** to support development of public investment project proposals;
- **Support to Local Authorities for Street Lights - \$3.10 billion** for street lights across all parishes;
- **JAM-DEX Incentive Programmes including:**
 - (a) Know Your Customer (KYC) Account Incentive, \$2,500** grant to the first 60,000 customers who sign up for a Low KYC account;
 - (b) Small Merchant JAM-DEX Incentive Programme, \$25,000** grant to the first 10,000 merchants on-boarded as of 1 April 2023; and
 - (c) JAM-DEX Cash Back, 2%** to consumers with JAM-DEX wallets, on total purchases of maximum JAMDEX spending of **\$5,000**;

CAPITAL EXPENDITURE - \$75.37 BILLION

Major projects/activities to be carried out during fiscal year 2023/24 are listed below:

I. NATIONAL SECURITY

- **Security Strengthening Project - \$770.0 million** to continue procurement of hardware, software and various management information systems;
- **Construction of St Catherine North and Westmoreland Police Divisional headquarters** to commence construction of the facilities;
- **Construction of the Forensic Pathology Autopsy Suite - \$323.0 million** to facilitate completion of the construction works;
- **Cyber Security Initiatives Project - \$900.0 million** to continue the build out of the cyber security system;
- **Purchase and Overhaul of Ships/Coastal Surveillance - \$3.16 billion** to make payments for radar, marine offshore patrol vessels, and other equipment;



II. SOCIAL SECTOR

- **Integrated Community Development Project II - \$631.76 million** to close out this phase of the project which includes road works in August Town and Treadlight and make retention payments on other works that are currently in their defects liability period;
- **Rural Economic Development Initiative - \$276.51 million** to commence work on the more than 55 initiatives in agricultural and tourism investment opportunities that have been identified;



III. EDUCATION

- **Primary and Secondary Infrastructure Programme (PSIP) - \$1.06 billion** to complete construction of classrooms at ten schools; carry out electrical upgrades at fourteen schools; install sewage treatment facilities at two schools; complete installation of security fencing at eight schools;
- **Education Transformation Programme (ETP) - \$305.65 million** to complete the build out of the 3rd and 4th form blocks and the administrative offices of the Mount St. Joseph High School in Manchester;

IV. HEALTH

- **Health System Strengthening for the Prevention & Care-Management of Non-Communicable Diseases - \$2.65 billion** to commence construction works at Spanish Town Hospital; facilitate procurement of civil works for 3 health centres in St Catherine and the implementation of the Electronic Health Record Management System;
- **Redevelopment of the Cornwall Regional Hospital - \$2.04 billion** to commence Phase 3 works and attain 30% completion;
- **Western Children and Adolescent Hospital - \$365.55 million**, GOJ contribution towards the construction of the hospital. Major works are scheduled to be completed by April 2024;
- **Redevelopment and Modernisation of the University Hospital of the West Indies - \$530.0 million** to facilitate commencement of activities;



V. AGRICULTURE

- **Southern Plains Agricultural Development Project - \$2.31 billion** to complete farm road and irrigation canal rehabilitation, irrigation infrastructure installation in Amity Hall/Bridge Pen and Parnassus;
- **Essex Valley Irrigation Infrastructure Development Programme - \$4.48 billion** to install irrigation pipes, pumps equipment for renewable energy plant; construction of agricultural buildings;

VI. ENERGY EFFICIENCY AND CONSERVATION

- **Energy Management and Efficiency Project - \$967.17 million** to procure equipment for maintenance of the **Urban Traffic Management System (UTMS)** physical structures, and commence deep retrofitting activities at seven (7) hospitals;



VII. INFRASTRUCTURE

- **Southern Coastal Highway Improvement Project - \$22.13 billion** to complete the Manchester leg of the east west highway and achieve 85% completion on the Harbour View to Port Antonio section;
- **Montego Bay Perimeter Road - \$7.20 billion** to complete land acquisition, designs for the Long Hill Bypass corridor; and commence construction of the Ironshore to Bogue carriageway;
- **Widening and Dualization of Grange Lane - \$878.0 million** to commence and complete the widening and dualization;
- **Montego Bay Waterfront Protection Project - \$405.65 million** to complete construction/rehabilitation works on the southern groynes;

VIII. ENVIRONMENTAL RESILIENCE & CLIMATE CHANGE

- **Jamaica Disaster Vulnerability Reduction Project (JDVRP) - \$868.46 million** for coastal works in Annotto Bay; works on and around the Big Pond/Myton Gully;

IX. PUBLIC SECTOR TRANSFORMATION

- **Public Sector Transformation Implementation (PSTI) Project - \$2.52 billion;**

X. SOLID WASTE MANAGEMENT

- **Acquisition of Compactor Trucks - \$1.85 billion** for the procurement of an additional fifty (50) garbage trucks;

PUBLIC DEBT SERVICE - \$280.61 BILLION

Debt service costs for fiscal year 2023/24 are projected at **\$280.61 billion** which is the equivalent of **34.0%** of tax revenue and is comprised of amortization payments of **\$125.45 billion** and interest payments of **\$155.16 billion**. Over the medium term, debt service costs as a percentage of tax revenue are expected to continue on a downward trend, falling to **30.6%** in FY **2026/27**.



ALLOCATION OF BUDGET 2023/24 TO PORTFOLIO MINISTRIES AND DEPARTMENTS

MINISTRY/DEPARTMENT	RECURRENT	CAPITAL	TOTAL
	J\$ Billions	J\$ Billions	J\$ Billions
Ministry of Agriculture and Fisheries	12.51	7.22	19.72
Ministry of Culture, Gender, Entertainment and Sport	5.02	-	5.02
Ministry of Economic Growth and Job Creation	15.94	33.01	48.96
Ministry of Education and Youth	146.78	1.55	148.33
Ministry of Finance and the Public Service	137.42	12.70	150.13
Ministry of Foreign Affairs and Foreign Trade	5.74	-	5.74
Ministry of Health and Wellness	118.67	6.43	125.10
Ministry of Industry, Investment and Commerce	5.39	0.81	6.20
Ministry of Justice	13.85	0.11	13.95
Ministry of Labour and Social Security	16.98	-	16.98
Ministry of Legal and Constitutional Affairs	0.88	-	0.88
Ministry of Local Government and Rural Development	18.35	2.21	20.56
Ministry of National Security	112.69	5.94	118.62
Ministry of Science, Energy and Technology	10.51	0.97	11.47
Ministry of Tourism	11.96	0	11.96
Ministry of Transport and Mining	15.81	0.69	16.50
Auditor General	1.21	-	1.21
His Excellency the Governor-General and Staff	0.44	-	0.44
Houses of Parliament	1.49	-	1.49
Independent Commission of Investigations	0.78	-	0.78
Independent Fiscal Commission	0.26	-	0.26
Integrity Commission	1.26	-	1.26
Office of the Cabinet	0.91	-	0.91
Office of the Children's Advocate	0.37	-	0.37
Office of the Prime Minister	9.58	3.73	13.32
Office of the Public Defender	0.40	-	0.40
Office of the Services Commissions	0.51	-	0.51
TOTAL	665.69	75.37	741.06

Source: MOFPS

*(Slight Variation Due to Rounding of Numbers)



PART VII: MEDIUM TERM INITIATIVES

1. HUMAN CAPITAL DEVELOPMENT

- **STEM Scholarships** will be provided by UTECH for 1,000 Jamaicans from low-income households over the next five years at a total cost of **\$2.4 billion**;
- **Full tuition Teaching Scholarships** will be provided through the Mico University College, for 1,250 new STEM Teachers over five (5) years; (250 STEM Teacher scholarships over each of the next five years), to ensure that there are sufficiently qualified teachers to fill existing gaps in the high schools and drive STEM transformation;

2. INFRASTRUCTURE DEVELOPMENT

- **Waterfront Park in Downtown Kingston** - to be developed on 9 acres of UDC-owned land; along 1 mile of the waterfront, which will eventually connect with a planned 25 kilometre "Kingston Harbour Walk" extending from downtown Kingston to Port Royal; design and planning will begin during this fiscal year;
- **New Buses for the JUTC** - further to the 70 buses already procured to be delivered early in fiscal year **2023/24**, an additional 200 electric buses will be acquired on a phased basis over a 3-year period, commencing in fiscal year **2023/24**, with 100 to be delivered in **2024/25** and 100 in **2025/26**;
- **North Coast Highway** - will include a By-pass for Runaway Bay and Discovery Bay to complement the current North Coast Highway widening project at a combined cost of **US\$1 billion**; to be implemented in a phased basis over a 3-year period;
- **Shared Prosperity through Accelerated improvement to our Road network (SPARK)** - a **\$40 billion** island-wide road development/rehabilitation programme to be executed over a three-year period, with the start of project development in fiscal year **2023/24**, and implementation over the medium term;



3. FILM INDUSTRY DEVELOPMENT AND FINANCING



The Ministry of Finance and the Public Service will partner with the Ministry of Industry, Investment and Commerce to establish the Jamaica Screen Fund in the initial amount of **\$1 billion** over two years (i.e. **\$500 million** in **2023/24**) to provide financing for the development and production of film and television shows in Jamaica. The Ministry of Industry, Investment and Commerce will be responsible for governance arrangements, which will be multi-stakeholder, in orientation and, will publish the rules of the Jamaica Screen Fund, along with guidance on how to access grants and financing, inclusive of what is expected of writers, creatives, and production companies who receive support.



4. FISCAL RESEARCH INSTITUTE

The institute, a non-partisan think tank, will be engaged in among other things:

- Conducting rigorous, high-level research, teaching, and training in public finance and public policy; offer courses in public finance and public financial management at the undergraduate and graduate levels;
- Analysing and informing economic and social policy decisions, particularly those involving public expenditure, taxation, and fiscal sustainability;
- Helping policymakers and the general population understand the impact of public choices on individuals, households, firms, the government's financial position, and the overall interaction between the domestic and global economy;



HOW TO ACCESS GOVERNMENT OF JAMAICA'S BUDGET DOCUMENTS

Please visit the MOFPS website at **www.mof.gov.jm** to access the following budget documents:

- Estimates of Expenditure 2023/24 (Central Government);
- Revenue Estimates 2023/24 (Central Government);
- Jamaica Public Bodies Estimates of Revenue and Expenditure for the year ending March 2024;
- Public Sector Consolidated Estimates of Expenditure 2023/24;
- Fiscal Policy Paper FY 2023/24;
- Medium Term Debt Management Strategy FY 2023/24 - FY 2026/27; and
- Tax Expenditure Statement 2023;

Questions on any aspect of the budget which require further explanation should be sent to the **Ministry of Finance and the Public Service Access to Information Unit:**

E-mail: **ati@mof.gov.jm**; Telephone: **(876) 932-5043**;

Feedback on the **Citizens' Guide to the 2023/2024 Budget** may be sent to: **mofps.pr@mof.gov.jm**



Strategic Public Sector
Transformation Project



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