



GOVERNMENT OF JAMAICA

FISCAL POLICY PAPER
FY 2020/21

INTERIM REPORT

6th October 2020

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PART 1

FISCAL RESPONSIBILITY STATEMENT

INTRODUCTION

Towards the end of January 2020, the World Health Organization (WHO) announced the outbreak of the Coronavirus Disease 2019 (COVID-19). By mid-March 2020, the WHO had declared COVID-19 a pandemic and Jamaica confirmed its first case of COVID-19 on March 10, 2020.

The GOJ moved quickly with the announcement of various measures to contain the spread of the virus, initially starting with quarantines in affected communities. This was followed by the closure of schools and bars, cancellation of entertainment and sporting events and the imposition of curfews and stay-at-home/work-from-home orders. Jamaica's international borders were closed to passenger traffic and this essentially shutdown the tourism sector.

Considering the developments arising from the pandemic, locally and in Jamaica's source markets, the macroeconomic profile for the economy was revised downwards in May 2020, with real growth projected at -5.1 percent as against the pre-COVID-19 forecast of 1.2 percent. The revised macroeconomic profile had negative implications for the recently approved Budget for FY 2020/21, with Revenue & Grants estimated to be \$81 billion lower than the approved budget. This, along with the GOJ's economic policy response (including its CARE package) meant that the expenditure budget would need to be reprioritized, culminating in the First Supplementary Budget which was passed on June 10th, 2020. The estimated cost to the central government, including the loss of revenue and new expenditures was approximately \$120 billion.

The proposal for the First Supplementary Budget included a revision to the primary balance target for FY 2020/21, down from 5.4 percent to 3.5 percent of GDP. This revised primary balance meant that the debt target of 60 percent of GDP by 2025/26 was unlikely to be attained and a two year extension to the target timeline was therefore approved by Parliament. The impact of the pandemic also resulted in suspension of the fiscal rules for FY 2020/21 given that the required fiscal balance to achieve the debt/GDP timeline could not be met for that year. Suspending the fiscal rules was facilitated through an amendment to the Financial Administration and Audit (FAA)) Act.

The FAA Act requires that the Interim FPP include:

- (a) The economic outturn of the previous financial year;
- (b) The performance of the first quarter of the financial year;
- (c) Projections to the end of the current financial year; and
- (d) Projections for the succeeding financial year and the medium term.

The FAA Act also requires that by September 30 of each financial year, the Budget Call be issued to accounting officers in Ministries Departments and Agencies (MDAs). The Budget Call contains the economic and fiscal parameters that will inform preparation of the Annual Estimates of Revenue and Expenditure for the next financial year and the medium term.

Despite the challenges presented by the COVID-19 pandemic, the GOJ maintains its commitment to fiscal discipline, economic reform and a return to resilient growth. The Government will continue to exercise fiscal prudence and to that end, seeks to ensure that all fiscal targets are met including the debt/GDP target of 60 percent or less by end-FY 2027/28.

FISCAL & ECONOMIC UPDATE

The Central Government's operations for FY 2019/20 continued to reflect the fruits of fiscal prudence and discipline by achieving another year of robust outturns. A combination of higher Revenue & Grants and lower Total Expenditures (above-the line) resulted in a (higher than budget) 0.9 percent of GDP fiscal surplus and a primary balance of 7.1 percent of GDP. Capital expenditure's execution rate was 99 percent of the approved budget. Real GDP declined by 0.1% for the fiscal year (see Table 1a below). The lower growth outturn against budget for FY 2019/20 largely reflects a contraction in Mining and Quarrying, due to the temporary closure of the Jiuquan Iron and Steel Company (JISCO) Alumina refinery to facilitate an upgrade of the facility, as well as a downturn in construction activities following the completion of some major infrastructural projects. Inflation remained low, with a Fiscal Year to March 2020 inflation rate of 4.8 percent. Net International Reserves (NIR) remained strong, and the debt/GDP ratio as at end March stood at 94.4% percent of GDP.

Table 1A: Summary of Economic Performance

	Unit	FY 2018/19 (Actual)	FY 2019/20 (Actual)	FY 2020/21 (Projection)
Real GDP Growth Rates	%	2.0	-0.1	-7.9
Inflation (Annual Pt to Pt)	%	3.4	4.8	5.6
BOJ Policy Rate (e-o-p)	%	1.25	0.50	
Unemployment Rate (January Labour Force Survey)	%	8.0	7.3	
Exchange Rate (weighted average selling rate)	J\$=US\$1	130.58	136.09	
Treasury Bill (average 3-month)	%	2.16	1.71	
Current Account	% of GDP	-1.9	-1.1	-6.4
Net International Reserves (NIR), (e-o-p)	US\$m	3,084.8	3,237.7	2,375.8
Gross Reserves (Goods & Services Imports)	Weeks	20.5	23.2	30.1
<u>Fiscal Accounts</u>				
Central Government Primary Balance	% GDP	7.5	7.1	3.1
Central Government Fiscal Balance	% GDP	1.2	0.9	-3.5
Debt Stock	% GDP	94.4	94.4	102.9

Source: MOFP/BOJ/STATIN

NOTABLE FISCAL DEVELOPMENTS

First Supplementary Estimates

The First Supplementary Estimates for FY 2020/21 was tabled in May 2020 and passed on June 10, 2020. With a revised macroeconomic framework, this led to a recasting of the Revenue & Grants for the FY 2020/21 Budget. The revised profile indicated a projected revenue loss of \$81.0 billion or 3.8% of GDP. On the Recurrent side, the additional expenditures amounted to \$9.9bn, of which \$4.99bn was for higher external interest cost, \$4.67bn for Programmes and \$0.254bn for Compensation. The Capital budget was reduced to \$46.6bn, generating a revised above-the-line expenditure of \$505.2bn. Projected Below-the-line payments remained at \$37bn. Total expenditure and payments were therefore estimated at \$838.2bn.

Central Government Operations

The April-July period of FY 2020/21 was a challenging period for the operations of Central Government on both the revenue and expenditure sides.

Provisional data indicate that Central Government operations to end-July 2020 generated a fiscal deficit that was 14.6% lower than the budgeted deficit. The deficit on the Primary Balance was 39.7% lower than targeted. This favourable fiscal outturn was driven, largely, by a better than budget performance of Tax Revenues and Total Expenditure (net of amortization) being broadly in line with budget. Revenue & Grants were ahead of budget by 6.3 percent while Total Expenditure was ahead of programme by 0.4 percent.

Fiscal operations occurred within the context of new revenue measures which reduced the expected tax intake from GCT (\$13.968bn) and through an Income Tax credit (\$1.010bn) for companies with annual sales less than or equal to \$500mn. The proposed reduction in the Asset Tax rate to 0.125 percent was deferred due to the pandemic.

Increased Expenditure on the Health Portfolio

The government's response to the COVID 19 pandemic included provision in the First Supplementary Estimates 2020/21 of an additional allocation of \$6.0bn in new COVID-19 related health expenditure to the Ministry of Health and Wellness. This was in-addition to the \$2.1bn that had been allocated to the Ministry in March 2020 in the Third Supplementary Estimates 2019/20.

GOJ CARE Programme

The COVID-19 Allocation of Resources for Employees (CARE) Programme is the GOJ's temporary social and economic support programme designed to cushion the impact of the COVID-19 pandemic on vulnerable households, workers, and businesses, which has been delivered through innovative and existing channels. The Programme went live on April 9 and receipt of applications were closed by August 31 for most components (details are available at www.wecare.gov.jm). As depicted in Box 3A - Part III, over 600,000 Jamaicans have benefited from the programme to date, at an estimated cost of \$15,000mn.

The CARE programme included: compassionate grants to those who were unemployed and informally employed prior to the pandemic; grants to those employed prior to the pandemic who have been laid off or terminated since emergence of the disease in the country (SET Cash component); grants to tourism entities that retained employees (BEST Cash component); grants to the self-employed whose regular earnings were disrupted by the pandemic; and grants to small businesses.

In August, the GOJ announced that it was expanding the CARE Programme to include a Back-to-School component to children within the PATH and Poor Relief programmes. This means that for children at the primary and secondary levels, the CARE component increased the PATH assistance by \$3,500.00 to \$8,500.00 for each child and provided \$8,500.00 per eligible child under the Poor Relief programme. The CARE also provided \$5,000.00 to each child at the early childhood level. The estimated cost of the Back-to-School component which is included in the \$15,000mn already spent is \$1,600.0mn.

Given the continued impact of COVID-19 on the country the Government will continue the SET Cash and BEST Cash components of the CARE Programme through December 2020 at an estimated cost of \$5,000mn.

Second Supplementary Estimates

The Second Supplementary Estimates for FY 2020/21 is being tabled alongside the Interim Fiscal Policy Paper. Taking account of the fiscal performance to date, the Second Supplementary Estimates proposes additional allocations for non-debt recurrent expenditure amounting to \$9.7bn, of which \$6.1bn is allocated to Programmes and \$3.6bn to Compensation. The capital budget is proposed to increase by \$6.9bn, generating a revised above-the-line non-debt expenditure of \$521.8bn. Below-the-line payments are at \$195.8bn, reflecting a \$0.5bn change in Amortization. Total expenditure and payments are therefore estimated at \$853.8bn. The total additional expenditure of \$15.7bn is expected to be covered by additional Revenue and Grants of \$5.2bn plus additional loan receipts. Given the downward adjustment to expected GDP and the continued impact of COVID-19, the Primary Balance is being reduced to 3.1% of GDP which generates a nominal target of \$63.3bn.

Fiscal Council

On May 10, 2018 Cabinet approved the establishment of an independent fiscal council for Jamaica. A series of consultations were held with key stakeholders including the country's development partners, members of the Opposition, civil society, as well as academia, in addition to a public forum to inform the design of the fiscal council. In August 2019, the proposed design was approved by Cabinet alongside the approval to issue drafting instructions to the Chief Parliamentary Counsel. The draft bill has been reviewed by a committee of experts convened by the Canada-funded project, Improved Access to Justice (Impact Justice) in the Caribbean as well as the Attorney General's Chambers. It is anticipated that legislation supporting the establishment of Jamaica's Fiscal Council will be tabled during this fiscal year.

Disaster Risk Financing Policy

The Disaster Risk Financing (DRF) policy development is being guided by a Policy Steering Committee, consisting of a wide cross section of stakeholders which has met to deliberate on drafts of the policy. A further draft of the policy was prepared for submission to a Sub-Committee of Cabinet, in mid-November 2019. Due to the preparation of the Annual Budget, as well as the emergence of the COVID-19 pandemic in March, the policy development process was put on hold. The MOFPS has resumed deliberations on the policy document, with a view to incorporating pandemics, as a clear disaster risk, which impacts fiscal operations.

CONCLUSION

The COVID-19 pandemic is expected to lead to a sharp decline in growth for this fiscal year. This contraction has been largely driven by the fallout in tourism and other supply chains with linkages to the sector. The GOJ remains fully committed to the path of fiscal discipline and will continue the fiscal consolidation efforts to reduce the debt ratio to 60.0% of GDP or less, by FY 2027/28. The GOJ will be leaving no stone unturned as it seeks to, not just build, but build back better and to build a COVID-19 resilient economy. The center-piece of this re-building will be the maintenance and entrenchment of macroeconomic stability alongside improvements in the business landscape that drive efficiency and productivity.

As Jamaica rebuilds, it must deepen its local supply chains, wherein our goods and services have a larger value added; it must strengthen its resilience to natural disaster shocks to include pandemics. Jamaica's economy must become less informal and digitalizing the economy is one way of increasing formality.

The GOJ remains resolute towards creating a resilient economy thus making the country **the place of choice to live, work, raise families and do business.**"



Nigel Clarke, D.Phil., MP
Minister of Finance and the Public Service
October 6, 2020

PART 2

MACROECONOMIC FRAMEWORK

Real Sector Developments

FY 2019/20 – Update

The Jamaican economy contracted by 0.1% in FY2019/20, reflecting the significant fall out in economic activity during the final quarter of the fiscal year, following the onset of the COVID-19 pandemic. The fiscal year contraction, the first recorded since FY 2012/13, emanated from a decline of 1.5% in the Goods Producing Industry which was tempered by a 0.5% growth in the Services Industry (Table 2A).

Lower output from Mining & Quarrying along with a decline in Construction accounted for the reduction in the Goods Producing Industry. Mining & Quarrying was negatively impacted by the temporary closure of the Jiuquan Iron and Steel Company (JISCO) Alumina refinery in September 2019, which resulted in declines in both alumina and crude bauxite production. The fall in Construction reflected a slowdown in building and other construction activities. On the contrary, growth was recorded for Agriculture, Forestry & Fisheries as well as for Manufacturing. The improvement in Agriculture, Forestry & Fisheries was facilitated by more favourable weather conditions, while the expansion in Manufacturing was driven by increased food as well as higher production of chemicals and petroleum products.

With the exception of Hotels & Restaurants, all components within the Services Industry registered increases. The Hotels & Restaurants sector was largely impacted by a reduction in tourist arrivals during the last quarter of the fiscal year due to travel restrictions imposed in response to the COVID-19 pandemic.

FY 2020/21- First Quarter Estimated Performance

Real GDP declined for the first quarter of the current fiscal year, as the economy was impacted by containment measures implemented locally and internationally to manage the spread of the infectious COVID-19 disease. The economy contracted by 18.4% for the quarter, reflecting declines in both the Goods Producing and Services industries (Table 2A).

Within the Goods Producing industry, all components contracted. Mining and Quarrying, with the largest decline, was impacted by lower capacity utilization due to the temporary closure of the Jiuquan Iron and Steel Company (JISCO) Alumina refinery in September 2019 to upgrade productive capacity. Agriculture, Forestry & Fishing declined due to drought conditions during the quarter, resulting in lower output of agricultural crops. The contraction in the Manufacturing industry reflected a decrease in food processing and lower production of chemicals and petroleum products. A reduction in capital

expenditure on civil engineering projects combined with a downturn in residential and non-residential construction activities largely accounted for the decline estimated for the Construction industry.

With the exception of Producers of Government Services which improved marginally, all components within the Services industry are estimated to have contracted. Leading the decline was Hotels and Restaurants which was impacted by a sharp fall in visitor arrivals and demand for restaurant services. This resulted from the imposition of international travel and public gathering restrictions as well as the implementation of curfew measures.

Table 2A: Change in Real Value Added by Industry at Constant (2007) Prices (%)

INDUSTRY	FY 2017/18	FY 2018/19	FY 2019/20	FY 2019/20:Q1	FY 2020/21:Q1
GOODS PRODUCING INDUSTRY	0.5	4.8	-1.6	0.6	-12.7
Agriculture, Forestry & Fishing	-2.3	3.9	2.4	-1.8	-7.9
Mining & Quarrying	4.7	29.1	-22.5	4.9	-25.2
Manufacture	1.3	0.3	2.7	3.3	-11.8
Construction	1.2	3.8	-2.4	-1.6	-14.5
SERVICES INDUSTRY	1.1	1.2	0.6	1.9	-18.9
Electricity & Water Supply	0.6	0.3	1.4	-0.1	-8.7
Transport, Storage & Communication	1.1	1.4	-0.2	0.6	-20.8
Wholesale & Retail Trade; Repair & Installation of Machinery	0.7	1.3	0.4	1.3	-15.6
Finance & Insurance Services	1.5	1.7	2.7	4.8	-5.5
Real Estate, Renting & Business Activities	0.8	0.8	0.6	1.0	-5.5
Producers of Government Services	0.1	-0.1	0.4	0.5	0.2
Hotels and Restaurants	4.2	3.1	-1.1	5.7	-85.6
Other Services	1.5	1.3	0.4	1.9	-44.3
Less Financial Intermediation Services Indirectly Measured (FISIM)	1.6	4.6	3.5	4.1	3.9
REAL GDP GROWTH	0.9	1.9	-0.1	1.4	-18.4

Source: STATIN, PIOJ

FY 2020/21- Second Quarter and Fiscal Year Outlook

The outlook for July to September 2020 reflects an expected deceleration in the rate of economic contraction, with real GDP projected to decline within the range of 8.0% to 10.0%. This projection is predicated on the expectation that the economic fall-out from the COVID-19 containment measures will continue. All industries are expected to contract, with the exception of Producers of Government Services.

The macroeconomic outlook for the overall fiscal year ending March 2021 has worsened; from the forecast of 1.2% growth in February 2020 and 5.1% decline in May 2020, to an expected contraction of 7.9% for FY 2020/21.

Labour Market Developments

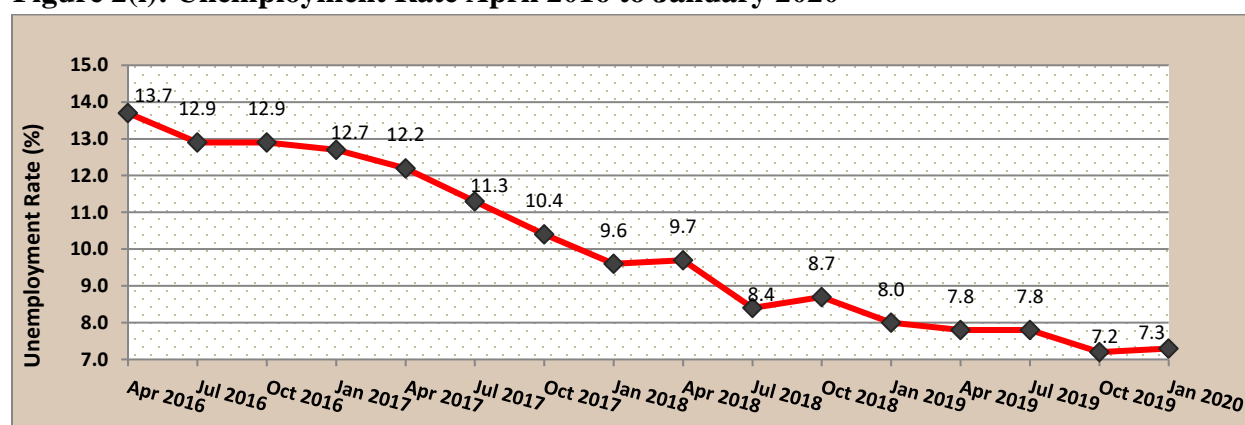
The January 2020 Labour Force Survey, produced by the Statistical Institute of Jamaica (STATIN), showed an improvement in the labour market relative to January 2019, with the unemployment rate

falling by 0.7 percentage point (Figure 2(i)). This reflected an increase in the employed labour force of 36,400 persons, 53.8% of which were females. The unemployment rate for youth aged between fourteen and twenty-four years declined 2.8 percentage points, from 21.8% in January 2019. The industry group that led the improvement in employment was ‘Wholesale & Retail, Repair of Motor Vehicle & Equipment’, while the occupation group “Service Workers and Shop and Market Sales Worker” recorded the largest increase in the number of persons employed.

The Labour Force Survey for April 2020 was not undertaken by STATIN. This resulted from a decision to terminate survey activities, temporarily, in order to minimize the risks to staff and households in respect of the COVID-19 pandemic.

The coronavirus outbreak is expected to impact employment adversely. The Bank of Jamaica, in May 2020, estimated that the unemployment rate could rise to 12.0%. Notwithstanding efforts by the GOJ to cushion the employment impact of the pandemic (primarily through the Business Employee Support and Transfer of Cash (BEST) programme, the Small Business Grant and the Tourism Grant), it is expected that businesses would adjust their staffing, temporarily or permanently, in response to the demand shock for goods and services caused by COVID-19. Employment is also expected to be affected by the imposition of curfew restrictions, which reduce commercial operation timelines. Additionally, there are negative implications for labour supply, as those most vulnerable to the disease due to underlying medical conditions may modify their decision to remain in, or join, the labour force to lessen their risk of infection.

Figure 2(i): Unemployment Rate April 2016 to January 2020



Source: STATIN

Monetary Developments - First Quarter FY 2020/21

The Bank of Jamaica (BOJ) maintained its accommodative monetary policy position during the first quarter of FY 2020/21, keeping the policy rate at its historic low of 0.5% per annum. This policy decision was predicated on the Bank’s assessment that the existing monetary stance is adequate to maintain inflation within the target range of 4.0% to 6.0%.

Recognizing the enormous shock to the economy brought on by the coronavirus outbreak, the Bank implemented several measures aimed at ensuring adequate liquidity in both the domestic and foreign exchange markets. The initiatives included a reduction in the Jamaica Dollar cash reserve requirement for deposit-taking institutions (DTIs) by 2.0 percentage points to the statutory minimum of 5.0%. The foreign currency cash reserve requirement for DTIs was also reduced by 2.0 percentage points to 13.0%. These measures boosted liquidity in the domestic and foreign exchange markets by J\$14.0 billion and US\$70.0 million, respectively. Additional liquidity assurance initiatives that were undertaken include: the removal of the limits on amounts that DTIs can borrow overnight, without being charged a penal rate; the re-introduction of a longer-term lending facility to DTIs for periods of up to six months; the reactivation of the Emergency Liquidity Facility, among others. As a result of the loosened liquidity conditions, there was a general decline in money market rates during the quarter.

Credit to the private sector slowed during the first quarter of FY 2020/21, with loans and advances expanding by 14.4% compared to 16.8% for the corresponding quarter of FY 2019/20. It is expected that growth in private sector credit will remain moderate due to a fall-out in demand.

Inflation

In July 2020, the Statistical Institute of Jamaica (STATIN) released a new Consumer Price Index (CPI) series, updated to appropriately capture the current spending habits of the Jamaican population as new goods and services are periodically introduced to the market and general expenditure patterns change over time. The goods and services included in the new CPI basket and the weights associated with each item are based on the 2017 Household Expenditure Survey. The base price reference period for the new series is the 2019 calendar year.

The change in the All Jamaica ‘All Divisions’ Consumer Price Index between August 2019 and August 2020 reflects an annual point-to-point inflation rate of 5.1%. This outturn mainly reflects higher food prices generally over the period and, more recently, rising prices for health services, personal care products and some processed food items, in light of increased demand for these goods and services. As at August 2020, inflation for the calendar year was 3.4%, and 2.1% for the fiscal year.

Exchange Rate

The weighted average selling rate of the US dollar at end-August 2020 was J\$149.29, which when compared to the end-August 2019 rate of J\$137.70, represents a depreciation of 8.4%. This significantly outpaced the 0.5% rate of depreciation for the previous twelve months. The main driver of this substantial depreciation is the sharp fall in US dollar inflows, consequent on the halt in tourist arrivals due to international travel restrictions imposed following the onset of COVID-19 and the weak recovery since the lifting of those measures. It is expected that strong remittance inflows combined with strategic interventions by the Bank of Jamaica will boost liquidity in the foreign exchange market and help to attenuate the fast pace of depreciation of the local currency.

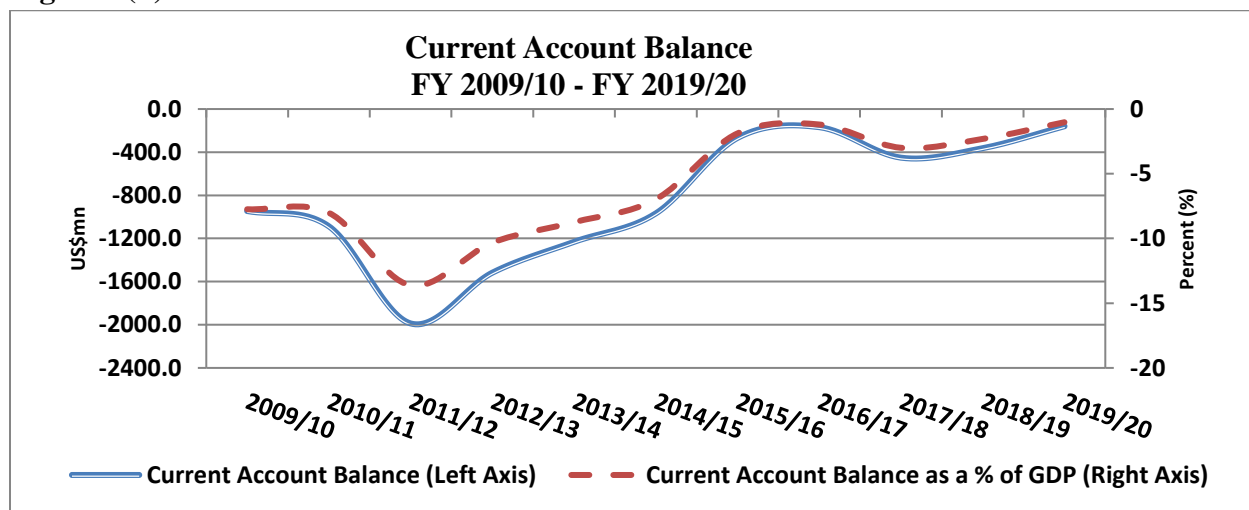
External Sector - FY 2019/20

There was an improvement in the Current Account Balance for FY2019/20 when compared with the previous year (Table 2B). As a percentage of GDP, the Current Account Deficit improved by 1.3 percentage points to 1.0% in FY 2019/20 (Figure 2(ii)). Except for the Secondary Income Account, all sub-accounts showed improvements, led by Goods and Services. The trade deficit declined by 65%, reflecting the combined effect of a 70.9% increase in the value of exports and a decrease of 17.4% in the value of Goods and Services imports.

The balance on the Capital Account worsened relative to FY 2018/19. However, due to the improvement of the current account deficit, the net borrowing balance improved by 44.4%.

At the end of FY 2019/20, the stock of Net International Reserve (NIR) stood at US\$3,237.7mn, reflecting an improvement by US\$106.40mn relative to the previous fiscal year.

Figure 2(ii): Current Account Balance



Source: BOJ

Table 2B: Balance of Payments for FY 2019/20

Balance of Payments (US\$MN)	FY 2018/19	FY 2019/20	Change
Current Account Balance	-362.6	-159.6	203.1
<i>Credits</i>	8982.7	8814.1	-168.6
<i>Debits</i>	9345.3	8973.7	-371.7
Goods & Services	-6204.6	-2172.1	4032.5
<i>Credits</i>	3349.5	5723.1	2373.5
<i>Debits</i>	9554.1	7895.2	-1658.9
Goods	-3640.4	-3852.9	-212.5
<i>Exports</i>	1953.5	1485.8	-467.7
<i>Imports</i>	5593.9	5338.7	-255.2
Services	-2564.2	1680.8	4245.0
<i>Credits</i>	1396.1	4237.3	2841.2
<i>Debits</i>	3960.3	2556.5	-1403.7
Primary Income	-573.4	-432.8	140.7
<i>Credits</i>	360.9	379.3	18.4
<i>Debits</i>	934.3	812.0	-122.3
Secondary Income	2455.1	2445.3	-9.8
<i>Credits</i>	2708.0	2711.8	3.7
<i>Debits</i>	252.9	266.5	13.5
Capital Account	-2.3	-29.1	-26.8
<i>Credits</i>	22.1	19.8	-2.3
<i>Debits</i>	24.4	48.9	24.5
Net lending (+) / net borrowing (-) (balance from current and capital account)	-365.0	-202.8	162.2
Financial Account	-365.2	-202.6	162.7
Net lending (+) / net borrowing (-) (balance from financial account)	-928.3	19.1	947.4
Direct Investment	-715.4	-122.8	592.6
<i>Net acquisition of financial assets</i>	12.6	448.0	435.4
<i>Net incurrence of liabilities</i>	728.0	570.8	-157.2
Portfolio Investments	15.7	-392.1	-407.8
<i>Net acquisition of financial assets</i>	-265.2	-377.4	-112.1
<i>Net incurrence of liabilities</i>	-280.9	14.8	295.7
Financial derivatives	-32.0	-41.6	-9.6
<i>Net acquisition of financial assets</i>	43.3	-43.9	-87.2
<i>Net incurrence of liabilities</i>	75.4	-2.3	-77.6
Other Investments	-144.9	492.4	637.3
<i>Net acquisition of financial assets</i>	85.6	263.7	178.1
<i>Net incurrence of liabilities</i>	230.5	-228.7	-459.3
Reserve Assets	-51.7	83.2	
Net Errors and Omissions	-563.1	221.7	

Source: BOJ

Macroeconomic Outlook - FY 2020/21 and the Medium Term (to FY 2023/24)

In light of the coronavirus outbreak, the macroeconomic outlook for FY 2020/21 has worsened and the medium term forecast has been revised compared to the profile presented in the FY 2020/21 Fiscal Policy Paper in February 2020. Similar to other governments, in response to the COVID-19 pandemic the GOJ imposed stringent measures to contain the spread of the disease, including the closure of our international borders. The economic impact of these restrictions has been harsh, particularly in relation to tourism. Despite the cushion that has been provided through the GOJ's CARE Programme, the economic impact of the COVID-19 pandemic on individuals and businesses is evidently severe. It is within this context that the projections for the key macroeconomic variables outlined in Table 2C were formulated.

Real GDP is currently projected to contract by 7.9% for FY 2020/21, compared to the growth forecast of 1.2% presented in the annual Fiscal Policy Paper in February 2020. The downward revision is predicated on the expected economic impact of the COVID-19 pandemic. The sectors expected to be most affected are Transportation, Storage & Communication and Hotels & Restaurants due to reduced travel and lower tourist arrivals. Inflation is expected to be more elevated than previously projected primarily on account of higher imported inflation, with oil prices anticipated to increase. The current account balance is expected to deteriorate, but adequate Net International Reserves will provide Balance of Payments support.

Over the medium term, real GDP growth is expected to average in the range of 3.0% to 5.0% as the economy recovers from the large contraction projected for the current fiscal year. Inflation is expected to stabilize within the target range of 4.0% to 6.0%. In the external sector, the current account deficit (as a percentage of GDP) is projected to average about 5.2% over the three years following FY 2020/21.

Table 2C: Medium Term Macroeconomic Profile

Macroeconomic Variables	2017/18 Actual	2018/19 Actual	2019/20 Est.	2020/21 Proj.	2021/22 Proj.	2022/23 Proj.	2023/24 Proj.
Nominal GDP (J\$bn)	1,927.2	2,052.9	2,130.1	2,070.0	2,250.5	2,484.2	2,683.7
Nominal GDP growth rate(%)	7.7	6.5	3.8	-2.8	8.7	10.4	8.0
Real GDP growth rate (%)	1.0	2.0	-0.1	-7.9	4.2	5.1	2.9
Inflation: Annual Pt to Pt (%)	3.9	3.4	4.8	5.6	4.7	5.0	5.0
Interest Rates:							
180-day Treasury Bill (end-period)	3.2	2.2	1.8				
90-day Treasury Bill (end-period)	3.0	2.2	1.8				
Average Selling Exchange Rate (J\$=US\$1)	128.0	130.6	136.1				
NIR (US\$m)	3,074.6	3,084.8	3,237.7	2,375.8	1,897.0	2,115.1	2,050.9
Current Account (%GDP)	-3.1	-1.9	-1.1	-6.4	-6.9	-4.8	-4.0
Oil Prices (WTI) (Average US\$/barrell)	53.7	62.8	54.8	37.9	45.6	53.2	56.3

Source: STATIN/BOJ/PIOJ

PART 3

FISCAL MANAGEMENT STRATEGY

Background

The Government of Jamaica (GOJ) remains fully committed to maintaining a fiscal programme that promotes a stable economy and sustainable growth. This programme has however been challenged by the ongoing global COVID-19 pandemic since the first local case was reported in March 2020. In response to the anticipated reduction in economic activity, and the need to expand social programmes to support both individuals and businesses adversely affected by the current economic climate, on 9 April 2020, the GOJ introduced a \$10.0bn stimulus package referred to as the COVID-19 Allocation of Resources for Employees (CARE) Programme to provide temporary direct cash transfers to cushion the economic shock.

Further, the GOJ undertook the revision of the Annual Budget by way of the First Supplementary Estimates tabled in May 2020. The revised estimates for FY 2020/21 show a reduction of 12.3% for Revenue & Grants while Expenditure outlay is expected to be 2.7% lower than reported in the FY 2020/21 Fiscal Policy Paper (FPP). Notwithstanding these revisions, the FY 2020/21 Fiscal Programme into the Medium Term is designed to weather the current economic shock and provide a firm foundation on which economic recovery and sustainable resilience is built.

Over the first quarter of FY 2020/21 the economy contracted by 18.4%, led by the Services Industry (down 18.9%) followed by the Goods Producing Industry (down 12.7%). This quarterly contraction is expected to continue, at a declining pace, throughout FY2020/21. Despite the significant downturn in economic activities, outturns against the revised estimates have been buoyant with Revenue & Grants recording inflows of \$9,608.9mn (or 6.3%) more than budgeted, while Expenditure has remained in line with projections.

This Fiscal Management Strategy provides an avenue for the monitoring and evaluation of the performance of the budget and includes the following reports:

- An assessment of FY 2019/20 performance;
- A summary of the FY 2020/21 Budget;
- A review of the Central Government's Performance: April - July 2020; and
- A revised Medium Term Outlook.

Central Government Performance: FY 2019/20 Outturn

Subsequent to the tabling of the Third Supplementary Estimates in March 2020, the overall performance for FY 2019/20 showed positive variances relative to the estimate provided in the February 2020 Fiscal Policy Paper. When compared to the original budget, actual Central Government performance for FY 2019/20 improved significantly, recording a Fiscal Balance and Primary Balance in excess of original budget by \$14,428.2mn (or 289.9%) and \$9,790.1mn (or 6.9%), respectively (See Table 3A)¹.

Table 3A: FY 2019/20 Performance (\$mn)

	FY 2019/20				
	Budget (Original)	Third Supplementary Estimates	Actual	Diff between Budget (Original) and Actual	Diff between Third Supplementary Estimates and Actual
Revenue & Grants	634,372.9	645,259.1	649,759.2	2.4%	0.7%
Tax Revenue	565,878.3	577,536.1	579,397.0	2.4%	0.3%
Non-Tax Revenue	59,608.5	61,747.7	64,505.2	8.2%	4.5%
Bauxite Levy	130.9	130.9	0.0	-100.0%	-100.0%
Capital Revenue	3,119.7	1,126.3	1,200.2	-61.5%	6.6%
Grants	5,635.5	4,718.1	4,656.8	-17.4%	-1.3%
Expenditure	629,396.3	642,612.1	630,354.4	0.2%	-1.9%
Recurrent Non-Interest	421,160.3	432,202.4	428,474.1	1.7%	-0.9%
Interest	136,125.4	139,131.1	131,487.3	-3.4%	-5.5%
Capital	72,110.6	71,278.6	70,392.9	-2.4%	-1.2%
Fiscal Balance	4,976.6	2,647.0	19,404.8	289.9%	633.1%
Debt Service	274,446.8	317,657.5	300,533.9	9.5%	-5.4%
Interest	136,125.4	139,131.1	131,487.3	-3.4%	-5.5%
Principal	138,321.4	178,526.4	169,046.6	22.2%	-5.3%
Overall Balance	-47,668.4	-15,910.4	42,660.0	-189.5%	-368.1%
Primary Balance	141,102.0	141,778.1	150,892.1	6.9%	6.4%

Source: MoFPS

Revenue & Grants

Actual collections for Revenue & Grants for FY 2019/20 totalled \$649,759.2mn, \$15,386.3mn (or 2.4%) more than the original budget. Of this total, Tax Revenue amounted to \$579,397.0mn, performing \$13,518.7mn (or 2.4%) better than projected. Tax revenue continued to be driven by record low unemployment and improving economic performance, which had a positive effect on the revenue base. Over-performance can primarily be attributed to Production & Consumption which exceeded budget by \$12,769.1mn or 6.6%, with GCT (Local), Special Consumption Tax (SCT) (Local), Telephone Call Tax and Other Licences driving the improvement. Other Companies (Corporate Tax)

¹ The Revised Budget refers to the Third Supplementary Estimates approved in March 2020 (see Table 3A)

and Pay-As-You-Earn (PAYE) also contributed positively to the overall improvement in Tax Revenues.

GCT (Local) contributed the highest nominal Tax Revenue increase, being \$3,769.9mn (or 3.6%) over original budget (see Table 3B). Improved collections were the result of expanded sales of taxable goods and services over the fiscal year. SCT (Local) collections were \$3,473.10mn (or 12.9%) higher than budget. The buoyant receipts recorded over the first three quarters of the fiscal year continued into the last quarter, with an increase in production activities at the local oil refinery, Petrojam. Telephone Call Tax, which recorded an increase of \$1,520.4mn, has continued to show improvement as taxable call minutes increased. Other Licences were ahead of target by \$1,390.1mn, primarily the result of higher than budgeted in-flows for Telecommunication Licence from Spectrum Management Authority.

Table 3B: FY 2019/20 Notable Tax Performances (\$mn)

FY 2019/20					
	Budget (Original)	Third Supplementary Estimates	Actual	Diff between Budget and Actual	Diff between Third Supplementary Estimates and Actual
Other Companies	66,422.3	68,614.8	68,282.8	2.8%	-0.5%
PAYE	65,125.8	66,240.9	66,670.1	2.4%	0.6%
Tax on Interest	18,609.3	17,835.8	16,695.8	-10.3%	-6.4%
SCT (Local)	26,866.6	29,710.9	30,339.7	12.9%	2.1%
Other Licences	1,195.1	1,750.2	2,585.2	116.3%	47.7%
Quarry Tax	63.6	79.8	83.0	30.4%	3.9%
Betting, gaming and lottery	5,431.7	6,311.7	6,261.0	15.3%	-0.8%
Telephone Call Tax	2,120.3	3,249.6	3,640.8	71.7%	12.0%
Contractors levy	2,759.6	2,231.1	2,160.3	-21.7%	-3.2%
GCT (Local)	105,533.9	109,386.5	109,303.8	3.6%	-0.1%
Stamp Duty (Local)	4,680.1	5,110.9	5,810.4	24.2%	13.7%
Stamp Duty (Import)	2,425.6	2,790.9	2,891.6	19.2%	3.6%

Source: MoFPS

Other Companies (Corporate Tax) recorded higher than budgeted receipts as a result of an increase in declared liability based on the estimated income tax returns (IT07) for CIT filed for FY 2019/20 in comparison to the previous year. Despite lower than budgeted PAYE receipts in March 2020, at the start of the COVID-19 pandemic, an overall buoyant performance over the fiscal year was supported by improved taxable benefits and robust arrears payments during the last quarter of the fiscal year.

Moderating these increases were reductions in Tax on Interest, GCT (Imports) and SCT (Imports). Lower outturns for Tax on Interest were primarily the result of an increase in refund payments over the period. Both SCT (Imports) and GCT (Imports) were affected by lower import demand, particularly for motor vehicles and building materials.

Non-Tax Revenue performed above expectation with total collections being above target by \$4,896.6mn, the bulk of which represents a financial distribution by the Petroleum Corporation of

Jamaica following the Wigton Divestment. Capital Revenue receipts were \$1,919.5mn lower than anticipated while Grant receipts amounted to \$978.7mn below original budget, due in part to slower than planned execution of capital projects.

Expenditure

Central Government Expenditure (net of Amortization) was \$958.1mn (or 0.2%) more than budgeted, and reflected a year-over-year aggregate increase of 4.3%. The increase in Recurrent Non-Interest Expenditure by 1.7% was the primary contributor to this outturn and was partially offset by the lower than budgeted spend recorded by both interest and capital expenditure, down 3.4% and 2.4%, respectively.

Capital Expenditure outturn for FY 2019/20 was \$70,239.9mn reflecting a reduction of \$1,717.7mn (or 2.4%) against the Original Approved budget and \$0.856mn (or 1.2%) lower than the revised estimates. Recurrent non-debt expenditure for FY 2019/20 was \$7,313.8mn (or 1.7%) more than the original budget, but \$3,728.3mn (or 0.9%) less than the revised estimates. (See Appendix 5 - Central Government Non Debt Expenditure Budget). The increase in Recurrent non-debt spending in FY 2019/20 was offset by the reduction in Interest Costs and Capital Expenditure - \$4,638.1mn (or 3.4%) and \$1,717.7mn (or 2.4%), respectively. Lower external interest payments were mainly the result of interest cost savings arising from liability management exercises while domestic interest costs were positively impacted by reduced interest rates over the period.

FY 2020/21 Budget

Fiscal discipline and a commitment to sustainable economic growth continue to be the cornerstones of the GOJs fiscal programme. Before the first case of coronavirus (COVID-19) in March 2020, the Jamaican economy was characterised by macroeconomic stability, a substantial reduction of the debt-to-GDP ratio, 19 consecutive quarters of economic growth and an all-time low unemployment rate of 7.2 per cent, after major fiscal and economic reforms. With the onset of the global pandemic however, the economy has been marred by a reduction in economic activity, a dampening of foreign exchange inflows, a disruption in tax revenues and a decrease in employment rates.

In light of the projected fiscal shock, an amendment of the fiscal rules was required, resulting in the passing of the Fiscal Administration and Audit (Suspension of Fiscal Target Requirements) Order, 2020 which extended the attainment of the debt/GDP target of 60% by two fiscal years to FY 2027/28. The GOJ remains committed to staying the course of fiscal prudence to ensure an even stronger recovery.

Revenue & Grants

The Revenue & Grants profile for FY 2020/21 is projected at \$579,885.8mn, 12.3% lower than the estimates provided in the February 2020 FPP and 10.8% lower than the estimated outturns for FY 2019/20 (see Table 3C). The reduction is largely on account of lower expected flows from Tax Revenue which are programmed to fall by 13.4%, a direct result of the anticipated fallout from lower economic activity due to containment measures used to slow the spread of the virus.

Non-Tax Revenue is projected to be \$2,265.0mn (or 3.4%) lower when compared to the original budget, but broadly in line with the outturn for FY 2019/20. The original projections for Bauxite Levy, Capital Revenue and Grants were maintained.

Table 3C: FY 2020/21 Revenue & Expenditure Budget vs FY 2019/20 Actual (\$mn)²

	2019/20 Actual	2020/21 Approved Budget	2020/21 First Suppl. Budget	% Change: 2020/21 Approved Budget and 2019/20 Actual	% Change: 2020/21 Budget and 2020/21 First Suppl. Budget
Revenue & Grants	649,759.2	660,907.1	579,885.8	1.7%	-12.3%
Tax Revenue	579,397.0	588,807.2	510,050.9	1.6%	-13.4%
Non-Tax Revenue	64,505.2	67,290.9	65,025.9	4.3%	-3.4%
Bauxite Levy	0.0	135.7	135.7	-	0.0%
Capital Revenue	1,200.2	336.0	336.0	-72.0%	0.0%
Grants	4,656.8	4,337.3	4,337.3	-6.9%	0.0%
Expenditure	630,354.4	661,017.8	642,841.1	4.9%	-2.7%
Recurrent Non-Interest	428,474.1	454,160.3	458,588.5	6.0%	1.1%
Recurrent Interest	131,487.3	132,654.2	137,649.8	0.9%	3.8%
Capital Expenditure	70,392.9	74,203.3	46,602.8	5.4%	-37.9%

Source: MoFPS

Expenditure

Recurrent Non-Interest Expenditure outlays for FY 2020/21 comprises: Recurrent Programmes totalling \$236,930.8mn and Compensation of Employees of \$221,657.7mn. The major adjustment to this category was a net increase in Recurrent Programmes by \$4,128.1mn, arising from a combination of an increase in and reallocation of resources to provide additional support to the Ministry of Health and Wellness (MOHW) and the CARE Programme.

Adjustments were also made for Recurrent Interest expenditure through increased allocations of \$4,995.6mn. Increased interest costs were solely attributable to external interest payments to account

² The FY 2019/20 forecast was extracted from the Fiscal Policy Paper FY 2020/21.

for the depreciation of the Jamaica Dollar. Capital expenditure was also affected, with a programmed net reduction in spending of \$27,600.4mn.

Central Government Performance: April-July 2020

Despite the ongoing global COVID-19 pandemic which continues to affect the Central Government Operations, the first four months of FY 2020/21 reflected a better than budgeted primary balance and fiscal surplus. This higher fiscal outturn was due to improved Revenues & Grants which were more than sufficient to cushion the higher than budgeted expenditures.

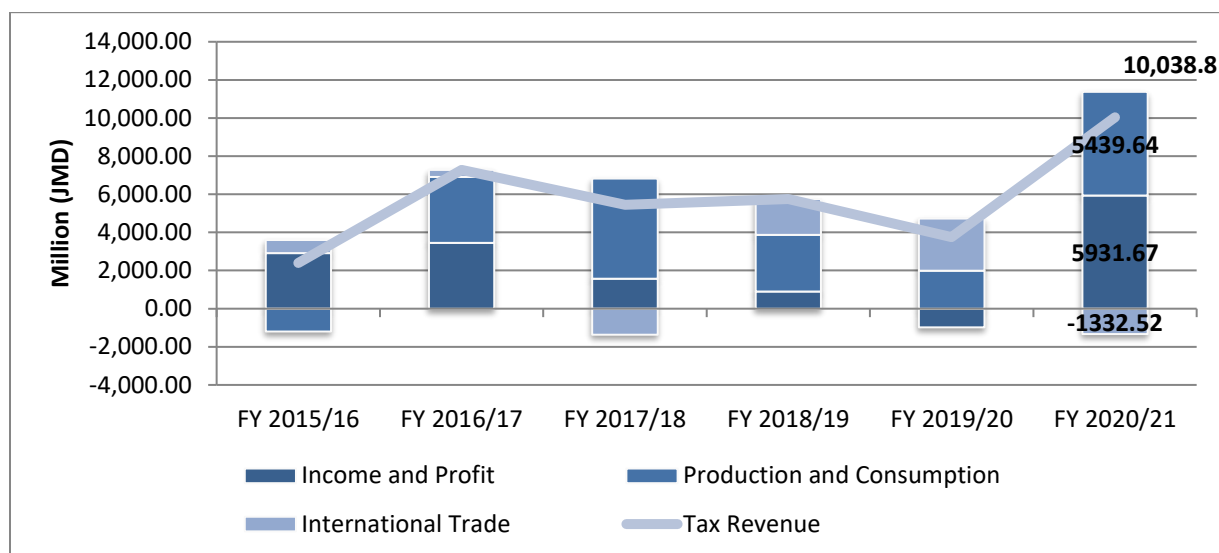
Revenue & Grants Outturn

Tax collections for the review period amounted to \$143,922.7mn, reflecting a surplus of \$10,038.8mn or 7.5% relative to the First Supplementary target. This outturn, however, was \$35,889.9mn or 20.0% below the similar period for FY 2019/20. The higher-than-target collection was due to above-budget performance of Income and Profits as well as Production and Consumption. On the other hand, International Trade taxes for the period were below target.

Collections from Income and Profits amounted to \$41,643.5mn, which is \$5,931.7mn or 16.6% more than the target for the period (see Figure 3A). All tax types within this category exceeded their respective target, with the exception of Bauxite Levy which, consistent with projection, did not record any inflows. Other Companies and PAYE were the key performers, with collections of \$2,310.1mn and \$2,258.4mn higher than target, respectively.

Production & Consumption tax receipts totalled \$54,057.7mn, reflecting a surplus of \$5,439.6mn. This was mainly attributable to the collections from Special Consumption Tax (SCT) (Local) which recorded inflows of \$5,439.6mn above target and Education Tax for which receipts were \$1,616.2mn above target. The performance of Production & Consumption was stymied by the below-budget outturn for General Consumption Tax (GCT) (Local), with collections falling short of target by \$1,671.8mn.

Figure 3A: April – July Tax Revenue Deviation from Budget - FY 2015/16 to FY 2020/21



Source: MoFPS

Taxes of \$48,221.5mn collected from International trade activities fell short of target by \$1,332.5mn. This shortfall was mainly as a result of lower collections from Custom Duty by \$1,621.1mn. Stamp Duty and Environmental Levy also recorded shortfalls. On the other hand, Travel Tax, SCT (Imports) and GCT (Imports) exceeded target by \$373.0mn, \$177.8mn and 83.2mn, respectively.

Inflows from Non-Tax Revenue were \$17,004.9mn, registering an excess of \$394.0mn or 2.4% relative to budget. The inflows included collections from the following sources, inter alia:

- De-earmarked funds amounting to \$1,387.4mn;
- Custom Administration Fee of \$1,040.5mn;
- Programmed NHT transfer of \$2,850.0mn; and
- Royalties totalling \$177.4mn.

Capital Revenue of \$10.6mn was recorded, although there were no inflows from this source projected for the period. Grant receipts of \$806.9mn were lower than budget by \$834.4mn. Lower Grant proceeds are associated with slower than budgeted implementation of grant related projects on account of the COVID-19 pandemic.

Expenditure

Total expenditure (net of amortization) amounted to \$212,653.2mn, comprising Recurrent Expenditure of \$197,127.6mn and Capital Expenditure of \$15,525.7mn. Recurrent Expenditure was \$742.6mn (or 0.4%) lower than budgeted due to higher than planned programmes spending, which was partially offset by below-budget payments for Interest and Compensation of Employees.

Recurrent programme spending of \$83,317.8mn was \$917.1mn (or 1.1%) higher than budget. Interest payments of \$40,133.6mn were lower than expected by \$1,580.9mn. This fall in outflow was due to

lower than projected domestic interest (of \$1,416.5mn) and external payments (of \$164.4mn). Compensation of Employees amounted to \$73,676.1mn, reflecting a marginal shortfall of \$78.9mn (0.1%) relative to budget. Spending on Capital Programmes exceeded the budgeted target by \$1,665.9mn.

Amortization payments of \$26,386.7mn were slightly below budget by \$363.6mn or 1.4%, mainly due to lower external principal payments.

Financing

Loan receipts of \$29,558.6mn were marginally lower than budgeted by \$288.4mn or 1.0%. This was as a result of lower external receipts (down by \$3,382.7mn), partially offset by higher receipts for domestic loans (up by \$3,094.3mn). The higher domestic receipts were due to greater than anticipated inflows from issuances of debt securities while the shortfall in external loan receipts was due to lower than projected project loan inflows.

Specified Public Sector Debt

At end-July 2020, Jamaica's Public Debt stock stood at \$2,137,790.7mn, an increase of \$125,931.1mn or 5.9% over end-March 2020. This increase is mainly attributed to an increase in Central Government External Debt and resulted from valuation changes associated with the depreciation of the Jamaica dollar.

Table 3D: Stock of Specified Public Sector Debt (J\$m)

	Mar-20	% Total	Jul-20	% Total	Change	
	J\$ millions	Public Debt	J\$ millions	Public Debt	J\$ millions	%
Total Debt - New Definition**	2,011,859.6	100.0%	2,137,790.7	100.0%	125,931.1	5.9%
Total Central Government Debt	1,946,798.9	96.8%	2,063,412.6	96.5%	116,613.7	5.7%
Central Government Domestic Debt	761,804.5	37.9%	776,579.5	36.3%	14,774.9	1.9%
Marketable Securities	761,653.7	37.9%	776,478.9	36.3%	14,825.2	1.9%
Bonds	751,353.7	37.3%	766,178.9	35.8%	14,825.2	1.9%
Treasury Bills	10,300.0	0.5%	10,300.0	0.5%	0.0	0.0%
Loans (Public Sector ...)	150.8	0.0%	100.6	0.0%	-50.2	-49.9%
Central Government External Debt	1,184,994.4	58.9%	1,286,833.2	60.2%	101,838.7	7.9%
Marketable Securities	697,217.9	34.7%	762,196.1	35.7%	64,978.2	8.5%
Bonds	697,217.9	34.7%	762,196.1	35.7%	64,978.2	8.5%
Loans	487,776.5	24.2%	524,637.0	24.5%	36,860.5	7.0%
Bilateral	98,591.6	4.9%	103,714.2	4.9%	5,122.6	4.9%
OECD	4,271.6	0.2%	4,449.1	0.2%	177.5	4.0%
Non-OECD	94,320.0	4.7%	99,265.1	4.6%	4,945.1	5.0%
Multilateral	387,763.3	19.3%	420,922.8	19.7%	33,159.5	7.9%
IDB	207,799.2	10.3%	222,948.0	10.4%	15,148.8	6.8%
IBRD	129,287.4	6.4%	141,828.4	6.6%	12,541.1	8.8%
Other	50,676.8	2.5%	56,146.4	2.6%	5,469.6	9.7%
Commercial Banks	1,421.6	0.1%	0.0	0.0%	-1,421.6	-
Non Central Government Debt	65,060.7	3.2%	74,378.1	3.5%	9,317.5	12.5%
Net Public Bodies	65,060.7	3.2%	74,378.1	3.5%	9,317.5	12.5%

Source: MoFPS

Note: Total Specified Public Sector Debt reflects the new GOJ definition

The stock of total Central Government debt increased by \$116,613.7mn or 5.7% to \$2,063,412.6mn, reflecting increases in both the domestic and external portfolios. Central Government domestic debt at end-July 2020 was \$776,579.5mn, an increase of \$14,774.9mn or 1.9% compared to end-March 2020. The increase reflected net financing inflows of \$14,852.2mn from Benchmark Investment Notes (BINs), partially offset by a \$50.2mn reduction in outstanding loans over the period.

Central Government external debt at end-July 2020 was \$1,286,833.2mn, an increase of \$101,838.7mn or 7.9% compared to end-March 2020. This increase is attributed to a depreciation of the Jamaica dollar relative to the US dollar, which reversed a USD\$50.8mn reduction in the nominal stock.

Non-Central Government Debt which includes Net Public Bodies debt increased by \$9,317.5mn from \$65,060.7mn at end-March 2020 to \$74,378.1mn at end-July 2020.

Self-Financing Public Bodies Operations - FY 2020/21

April – June 30 2020

The COVID-19 pandemic has impacted significantly the operations of the self-financed public bodies (SFPBs), particularly in the tourism and transportation industries. This has resulted in reduced revenue flows relative to comparative periods for previous years. The SFPBs that have generated adequate cash reserves over the years have been able to fund shortfall in revenues from accumulated internal resources. The SFPBs significantly impacted and that have benefitted from budgetary support are the:

- National Water Commission (NWC)
- Urban Development Corporation
- Port Security Corps
- Bureau of Standards Jamaica

The Port Authority of Jamaica's (PAJ) operations were significantly impacted given the discontinuation of cruise activities and reduced international trade. The Airports Authority of Jamaica's operations (AAJ) have also been impacted by the reduction in international travel.

Consequent on the expected impact of the COVID-19 pandemic, the projections for the SFPBs for the FY 2020/21 were revised in May 2020. For the period April 1 to June 30, 2020 the Group recorded an Overall Balance deficit of \$5,842.52mn, compared with the revised budgeted deficit of \$13,191.28mn; a reduction of \$7,348.76mn. The major contributors to this outturn were:

- i. **AAJ** – The AAJ recorded an Overall Balance surplus of \$2,257.16mn compared with a budgeted deficit of \$373.29mn. This improvement was attributed to a collection of \$2,278.31mn in respect of additional concession fees earned in FY 2019/20; this collection was also influenced by the prevailing exchange rate on the date of collection. The shortfall of \$842.76mn in capital expenditure also contributed to the AAJ's outturn.
- ii. **The National Insurance Fund (NIF)** – The NIF's improved performance of \$2,464.87mn resulted chiefly from increased revenue of \$8,024.38mn which was driven by higher

contributions collected being \$2,553.58mn above budget. The NIF projected conservatively given the uncertainty relating to the impact of the pandemic.

- iii. **NWC** – The continued impact of the COVID-19 pandemic resulted in an overall reduction in the Commission’s revenues, particularly from commercial customers (eg. schools and hotels). Notwithstanding, an overall delay in procurement and contracting resulted in NWC’s capital programme lagging behind budget and hence lower capital expenditure. Consequently, NWC recorded an Overall Balance surplus of approximately \$500mn, an improvement of approximately \$2,000mn over that projected.

Table 3E: SFPBs' Performance for the Three (3) Months to June 2020

(\$million)

PUBLIC BODIES - (SPBs & OPBs)				Projected Jun-20	Actual Jun-20	Proj vs Actual Variance
Statement 'A' Flow of Funds						
1	Current Revenue			62,462.53	69,752.66	7,290.13
2	Current Expenses			(66,140.38)	(64,139.19)	2,001.19
3	Current Balance			(3,677.85)	5,613.47	9,291.32
4	Adjustments			(1,598.05)	(3,239.57)	(1,641.52)
		Change in Accounts Receivable/Payable		(11,330.52)	(10,721.14)	609.38
		Items not requiring outlay of cash:		0.00	0.00	-
		Depreciation		3,863.77	3,227.24	(636.52)
		Other Non-Cash Items		5,868.71	4,254.33	(1,614.38)
		Prior Year Adjustment		0.00	0.00	-
5	Operating Balance			(5,275.90)	2,373.90	7,649.80
6	Capital Account			(3,115.40)	(2,461.72)	653.68
		Revenue		5,798.40	5,085.11	(713.29)
		Expenditure		(15,240.58)	(12,781.20)	2,459.38
		Investment		(390.98)	(80.26)	310.72
		Change in Inventory		6,717.76	5,314.63	(1,403.13)
7	Transfers from Government			3,815.50	3,343.32	(472.18)
		Loans		-	0.14	0.14
		Equity		-	-	-
		On-Lending		-	-	-
		Other		3,815.50	3,343.18	(472.32)
8	Transfers to Government			(8,615.49)	(9,098.02)	(482.54)
		Dividend		(2,855.45)	(2,850.00)	5.45
		Loan Repayments		-	-	-
		Corporate Taxes		(83.79)	503.91	587.70
		Other		(5,676.25)	(6,751.93)	(1,075.68)
9	OVERALL BALANCE (5+6+7+8)			(13,191.28)	(5,842.52)	7,348.76
10	FINANCING (11+15)			13,191.28	5,842.52	(7,348.76)
* 10a	Total			9,316.95	6,506.63	(2,810.32)
		Capital Revenue		6.84	115.57	108.73
		Loans		8,967.61	6,397.21	(2,570.40)
		Equity		-	-	-
		On-Lending		342.50	-	(342.50)
		Loan Repayments		-	(6.16)	(6.16)
11	Total Foreign (12+13+14)			(10,175.21)	(1,643.17)	8,532.04
12	Government Guaranteed Loans			(1,358.84)	(154.00)	1,204.84
		Disbursement		517.50	0.00	(517.50)
		Amortization		(1,876.34)	(154.00)	1,722.34
13	Direct Loans			(8,807.79)	(2,892.19)	5,915.60
		Long Term:		471.91	(703.72)	(1,175.63)
			Disbursement	600.00	1.49	(598.51)
			Amortisation	(128.09)	(705.21)	(577.12)
		Short Term:		-	-	-
			Change in Trade Credits	(9,279.70)	(2,188.46)	7,091.24
14	Change in Deposits Abroad			(8.58)	1,403.02	1,411.60
15	Total Domestic (16+17+18)			14,049.54	979.05	(13,070.49)
16	Banking System			9,040.13	(1,575.19)	(10,615.33)
		Loans (Change)		71.80	(198.60)	(270.40)
		Overdraft (Change)		0.00	351.65	351.65
		Deposits (Change)		8,968.33	(1,728.25)	(10,696.58)
17	Non-Banks (Change)			0.00	(6.25)	(6.25)
18	Other (Change)			5,009.41	2,560.50	(2,448.92)

The CARE Programme - Providing Economic and Social Support to the Vulnerable (As at end-August 2020)

The COVID-19 Allocation of Resources for Employees (CARE) Programme is the GOJ's temporary social and economic support programme designed to cushion the impact of the COVID-19 pandemic on vulnerable households, workers, and businesses. The Programme has a number of components to include the following; (a) SET CASH-Supporting Employees with Transfer of Cash which provides temporary cash transfers to individuals where it can be verified that they lost their employment on or after March 10th 2020, (b) BEST CASH- Business Employee Support and Transfer of Cash which provides temporary cash transfers to registered businesses operating within the tourism industry and who are registered with the Tourism Product Development Company (TPDCO) based on the number of workers they keep employed who are at or under the income tax threshold of \$1.5million per annum, (c) Covid-19 General Grant has a **one-time** amount of \$25,000 that was made available to barbers, hairdressers, beauty therapists, taxi and tour operators, a **one-time** amount of \$40,000 that was available to bars and night club operators who were registered with the Municipal Authority as at April 30th, 2020, a **one-time** amount of \$40,000 was also available to craft vendors, JUTA, MAXI and JCAL operators who were registered with TPDCO at April 30, 2020, (d) Covid-19 Compassionate Grant was available to anyone in need (tertiary students, unemployed, informally employed, elderly, pensioners) and who were not formally employed and who did not receive any other cash benefit under the CARE programme, except PATH Grant, (e) PATH Grant- this provided an additional payment of equal size to the regular payments, increasing the number of payments received in the April-June quarter to three (3), (f) Small Business Grants- any small business with sales of \$50mn or less, who filed taxes in the 2019/20 financial year and who filed payroll returns indicating that they have employees, were eligible for Small Business grant of \$100,000.00 , (g) Tourism Grants- were offered to business operators in the tourism sector, inclusive of hotels, attractions and tours which are registered with TPDCO and were therefore eligible to apply for a one-off grant from a pool of \$1.2 billion

The Programme, which went live on April 9 with applications closed by August 31 for most components, was the most impactful stimulus activity undertaken by any GOJ (details are available at www.wecare.gov.jm). As depicted in Box 1 below, over 600,000 Jamaicans are expected to benefit and the Programme is estimated to cost approximately \$15,000mn (0.7% GDP).

Salient features of the Programme include the development and deployment of a WECARE portal to: enable online application for the key CARE components; facilitate quicker processing and verification of information; and allow for swift approval and disbursement of cash. Each application is verified for eligibility against a robust set of pre-determined criteria. Moreover, to preserve the integrity and credibility of the exercise, the Auditor General's Department (AGD) conducts concurrent audits of the system prior to the MOFPS approving any payments. While the review by the AGD has slowed the process, it is considered essential to minimize the risks of grants being paid to unintended beneficiaries given the unprecedented scale, scope, and speed of implementation of the Programme.

The CARE Programme continues to deliver broadly in line with plans. Funds have been disbursed to approximately 95% of eligible applicants up to end-August. That said, unforeseen impediments have impacted the timely processing and disbursements to applicants, not least of which are:

- an initially large number of “invalid” bank accounts - since reduced from over 100,000 to about 20,000 currently;
- the quality of the registrants’ information maintained by some of the appropriate authorities, particularly for applicants within the occupational groups under the CARE General Grant component; and
- significant amounts of unclaimed grants for various reasons from remittance entities (e.g. lack of proper identification), credit unions, and commercial banks, which have since been returned to the Treasury.

In light of these challenges, the MOFPS is in the process of establishing alternate payment channels to facilitate disbursement of residual funds to the over 30,000 beneficiaries commencing in October 2020.

Applications for the CARE Tourism Grants commenced in September and are being administered by the EXIM Bank based on eligibility criteria developed in partnership with the Ministry of Tourism and MOFPS. Similar to other grants processed through the WECARE portal, the Treasury will handle disbursements to eligible applicants.

In August, the GOJ announced that it was expanding the CARE Programme to include a Back-to-School component to children within the PATH and Poor Relief programmes. This means that for children at the primary and secondary levels, the CARE component increased the PATH assistance by \$3,500.00 to \$8,500.00 for each child and provided \$8,500.00 per eligible child under the Poor Relief programme. The CARE also provided \$5,000.00 to each child at the early childhood level. The estimated cost of the Back-to-School component which is included in the \$15,000mn already spent is \$1,600.0mn.

Box 3A: CARE Expenditure (Actuals for April - August and Projections for September – October)

CARE Programme Expenditure (J\$M)					Number of Beneficiaries		
Component	FY 20/21 Budget	Actual Apr-Aug	Est. Sep-Oct	Est. Total	Apr-Aug	Sep-Oct	Total
BEST Cash*	1,200.0	1,043.8	502.9	1,546.7	15000 per mth	15000 per mth	15000
SET CASH*	4,700.0	2,789.4	908.7	3,698.1	35,172	3,828	39,000
Small Business Grant*	500.0	114.0	40.2	154.2	1,114	402	1,516
General Grant*	1,600.0	419.7	500.0	919.7	13,191	17,000	30,191
Tourism Grant*	1,200.0	-	1,200.0	1,200.0	n/a	n/a	n/a
Compassionate Grant*	5,095.0	3,637.5	113.2	3,750.7	363,751	11,316	375,067
Constituency Dev. Fund	189.0	189.0	-	189.0	n/a	n/a	n/a
MLSS - PATH	1,075.7	2,201.3	-	2,201.3	175,570		175,570
MLSS - Persons with Disabilities	40.0		40	40.0		4,000	4,000
MLGCD - Poor Relief	150.0	150.0	15.6	165.6		1,880	1,880
MICAF - Farmers/Fishermen	200.0	100.0	100	200.0	n/a	n/a	n/a
MICAF - Production Incentive	800.0	-	800	800.0		n/a	n/a
Municipal Corporations	140.0	140.0	-	140.0	n/a	n/a	n/a
Total	16,889.7	10,784.7	4,220.6	15,005.4	588,924	38,452	627,376
<i>*Processed thru WE CARE Online Portal</i>	<i>14,295.0</i>	<i>8,004.4</i>	<i>3,265.0</i>	<i>11,269.4</i>	<i>413,354</i>	<i>32,572</i>	<i>445,926</i>

N.B: Back-to-School Grants were introduced in August to benefit 175,570 and 1,880 students under the PATH and Poor Relief, respectively.

Fiscal Outlook

Uncertainty surrounds Jamaica's fiscal outlook, with the COVID-19 pandemic continuing globally. Notwithstanding the easing of restrictions generally, economic activity is expected to remain weak throughout FY 2020/21. While a gradual improvement is anticipated, it is not until the fourth quarter of the fiscal year that a marginal expansion is expected. The current forecast for the global economy is lower than previous projections, with direct implications particularly for revenue collections from international trade activities.

The gradual re-opening of the economy is expected to benefit tax collections, despite significant downside risks. Jamaica is already reporting an increase in the number of positive COVID-19 cases since the lifting of the travel restrictions. In the event that the situation worsens, there may be a tightening of the current restrictions that could result in further disruptions to economic activities. Additionally, a prolonged pandemic-induced uncertainty may eventually lead to deterioration in tax compliance.

Within this context, Tax Revenue will continue to be constrained. Fiscal prudence remains an imperative in order to ensure that the Government's programmes and policies are adequately funded.

Second Supplementary Budget – FY 2020/21

Additional expenditure requirements have emerged since the approval of the First Supplementary Estimates for FY 2020/21, leading to the formulation of a Second Supplementary Estimates. The additional non-debt recurrent expenditure being facilitated relates to allocations towards, inter alia:

- Additional Capital spending in respect of the Southern Coastal Highway Improvement Project (SCHIP);
- Additional COVID-19 related expenditures for the Ministry of Health and Wellness which includes staff costs, purchase of drugs and reagents, and rental and refurbishing of office space;
- Additional expenditure by the Ministry of National Security; part of which is to towards compensation with respect to JDF; and
- Additional spending by the Ministry of Education to assist educational institutions in responding to the COVID-19 pandemic.

The proposed adjustment to the Non-Debt Expenditure for FY 2020/21 is based on fiscal space availability and the extent to which existing budgetary resources have been identified for redirection to address some of the more critical priority areas.

The updated macro-fiscal profile for FY 2020/21 reflects additional fiscal space of \$16.6bn, of which \$3.6bn is allocated to Compensation of Employees, \$6.1bn to Recurrent Programmes and \$6.9bn to Capital.

The Non Debt Expenditure Budget also reflects additional grant-funding totalling \$350mn from multinational donors in support of activities being implemented by various MDAs under Recurrent Programmes and Capital - \$310mn and \$40mn, respectively.

Public Debt Service

The approved Public Debt Estimates of Expenditure First Supplementary FY 2020/2021 is \$295.70bn. This is apportioned as \$129.22bn for External Debt and \$166.48bn for Domestic Debt.

For the Second Supplementary FY2020/2021, public debt expenditure is projected to decrease to \$294.81bn. This is mainly attributable to an estimated decrease of \$1.57bn or 0.9% in Domestic Expenditure due to revised projections for Treasury bill rates. External debt is projected to increase by \$0.65bn or 0.5% due to a projected marginal increase in the foreign exchange rate.

Public Bodies: Prospects for remainder of FY 2020/21

The Overall Balance for the group of Self-financed Public Bodies (SFPBs) has been revised to a deficit of \$29,154.68mn, an improvement of \$12,512.02mn relative to the deficit of \$41,666.70mn approved by Parliament for FY 2020/21. This revision is based chiefly on the National Housing Trust's (NHT) planned disposal of a significant portion of its joint finance mortgage portfolio; the portion being disposed is now higher than originally projected. The inflows will be utilized to finance the Trust's operations.

Although the revised forecast for the group of SFPBs indicate improved expected results compared to that programmed, the revenue generating capacity of entities such as the AAJ, PAJ, and UDC in particular are being impacted (relative to previous years) by the slow recovery in the tourism sector. Accordingly, the outturn on the performance of entities within this Group may present additional risks to the Government as there may be additional requests for financial support to finance their operations.

FY 2020/21 and the Medium Term Fiscal Profile

The medium term fiscal profile presented in Appendix I reflects updated projections that are consistent with the adjustments to the medium term macroeconomic forecasts. The revised macroeconomic assumptions for FY 2020/21 include, inter alia:

- Real GDP contraction of 7.9%;
- Annual inflation rate of 5.6%;
- Average Oil price (WTI) of US\$37.9 per barrel; and
- Core Imports decreasing by 28.8% relative to FY 2019/20.

Revenue & Grants for FY 2020/21 are currently projected to total \$585,100.0mn (28.3% of GDP), representing an increase of \$5,214.1mn or 0.9% over the First Supplementary Estimates. Tax Revenue is projected to account for the largest share of the increase, with additional inflows of \$5,529.3mn

projected. Non-Tax Revenue and Bauxite Levy are projected to be marginally higher, with the revised projection of \$65,069.0mn and \$146.1mn, respectively. On the other hand, Capital Revenue and Grants are projected to be below the First Supplementary Estimates by \$25.4mn and \$343.2mn, respectively.

Over the medium term, Revenue & Grants, driven mainly by Tax revenue, are expected to gradually rebound from the shock due to the COVID-19 pandemic to average approximately 28.9% of GDP.

Total expenditure (net of amortization) has been revised to \$658,014.5mn (31.8% of GDP) for FY 2020/21, reflecting an increase of \$15,173.3mn or 2.4% relative to the First Supplementary Estimates. This comprises Recurrent Expenditure of \$604,500.1mn (29.2% of GDP), up \$8,261.8mn or 1.4%, and Capital Expenditure of \$53,514.3mn (2.6% of GDP), which has increased by \$6,911.5mn or 14.8%. The increase in Recurrent Expenditure reflects higher Programmes and Compensation of Employees by \$6,047.8mn and \$3,610.8mn, respectively. Interest payments are projected to be \$1,396.7mn (1.0%) lower than programmed in the First Supplementary Estimates.

The revised projection of \$158,555.6mn for amortization payments is \$507.4mn (0.3%) higher than projected in the First Supplementary Estimates, mainly due to the impact of exchange rate depreciation on the external principal payments.

Total expenditure (net of amortization) as a percentage of GDP is projected to fall to 27.9% in FY 2021/22, 3.9 percentage points below the ratio for the current fiscal year, due mainly to allocations for the CARE programme in FY 2020/21 which are not programmed to be repeated in the next fiscal year. Over the medium term, total expenditure (net of amortization) is expected to average about 27.0% of GDP.

Appendix I

Table A1: Central Government Summary Accounts – Fiscal Monitoring Table FY 2020/21
(in millions of Jamaica dollars)

Item	Prov. Apr - July	Budget Apr - July	Diff	Diff %	FY 19/20 Apr - July	Diff	Diff %
Revenue & Grants	161,745.0	152,136.1	9,608.9	6.3%	202,064.8	(40,319.8)	-20.0%
Tax Revenue	143,922.7	133,883.9	10,038.8	7.5%	179,812.6	(35,889.9)	-20.0%
Non-Tax Revenue	17,004.9	16,610.9	394.0	2.4%	19,427.3	(2,422.5)	-12.5%
Bauxite Levy	0.0	0.0	0.0	-	(0.0)	0.0	-100.0%
Capital Revenue	10.6	0.0	10.6	-	813.3	(802.8)	-98.7%
Grants	806.9	1,641.3	(834.4)	-50.8%	2,011.5	(1,204.6)	-59.9%
Expenditure	212,653.2	211,729.9	923.3	0.4%	194,754.2	17,899.1	9.2%
Recurrent Expenditure	197,127.6	197,870.2	(742.6)	-0.4%	179,152.0	17,975.6	10.0%
Programmes	83,317.8	82,400.7	917.1	1.1%	65,208.6	18,109.2	27.8%
Compensation of Employees	73,676.1	73,755.0	(78.9)	-0.1%	71,932.6	1,743.6	2.4%
Wages & Salaries	69,005.1	68,902.2	102.9	0.1%	66,306.0	2,699.2	4.1%
Employers Contribution	4,671.0	4,852.8	(181.8)	-3.7%	5,626.6	(955.6)	-17.0%
Interest	40,133.6	41,714.5	(1,580.9)	-3.8%	42,010.8	(1,877.2)	-4.5%
Domestic	10,540.5	11,957.0	(1,416.5)	-11.8%	11,656.3	(1,115.8)	-9.6%
External	29,593.1	29,757.5	(164.4)	-0.6%	30,354.5	(761.4)	-2.5%
Capital Expenditure	15,525.7	13,859.8	1,665.9	12.0%	15,602.2	(76.5)	-0.5%
Capital Expenditure	15,525.7	13,859.8	1,665.9	12.0%	15,602.2	(76.5)	-0.5%
Fiscal Balance (Surplus + / Deficit -)	(50,908.2)	(59,593.8)	8,685.6	-14.6%	7,310.6	(58,218.9)	-796.4%
Loan Receipts	29,558.6	29,847.0	(288.4)	-1.0%	43,006.5	(13,447.9)	-31.3%
Domestic	25,037.7	21,943.4	3,094.3	14.1%	35,102.9	(10,065.2)	-28.7%
External	4,520.9	7,903.6	(3,382.7)	-42.8%	7,903.6	(3,382.7)	-42.8%
Project Loans	4,496.4	7,879.7	(3,383.3)	-42.9%	7,903.6	(3,407.2)	-43.1%
Other	24.4	23.9	0.5	2.2%	0.0	24.4	-
Other Inflows (inc'ds PCDF)	93.9	1,031.5	(937.6)	-90.9%	13,430.3	(13,336.4)	-99.3%
Other Outflows	8,518.4	8,584.9	(66.5)	-0.8%	191.4	8,327.0	4350.2%
Amortization	26,386.7	26,750.4	(363.6)	-1.4%	76,664.6	(50,277.8)	-65.6%
Domestic	8,875.3	8,719.5	155.8	1.8%	47,816.0	(38,940.7)	-81.4%
External	17,511.4	18,030.9	(519.4)	-2.9%	28,848.5	(11,337.1)	-39.3%
Overall Balance (Surplus + / Deficit -)	(56,160.9)	(64,050.6)	7,889.7	-12.3%	(13,108.5)	(43,052.3)	328.4%
Primary Balance (Surplus + / Deficit -)	(10,774.6)	(17,879.4)	7,104.8	-39.7%	49,321.4	(60,096.1)	-121.8%

Source: MoFPS

Table A2: Details of Revenue - FY 2020/21

(in millions of Jamaica dollars)

Item	Prov.	Budget		Diff %	FY 19/20		Diff %
	Apr - July	Apr - June	Diff		Apr - July	Diff	
Revenue & Grants	161,745.0	152,136.1	9,608.9	6.3%	202,064.8	(40,319.8)	-20.0%
Tax Revenue	143,922.7	133,883.9	10,038.8	7.5%	179,812.6	(35,889.9)	-20.0%
Income and profits	41,643.5	35,711.8	5,931.7	16.6%	41,121.7	521.8	1.3%
Bauxite/Alumina	0.0	0.0	0.0	-	0.0	0.0	-
Other Companies	13,238.4	10,928.3	2,310.1	21.1%	14,136.9	(898.4)	-6.4%
PAYE	21,388.4	19,129.9	2,258.4	11.8%	19,827.9	1,560.4	7.9%
Tax on Dividend	706.4	342.3	364.1	106.4%	712.0	(5.6)	-0.8%
Other Individuals	1,058.4	994.6	63.8	6.4%	1,284.6	(226.2)	-17.6%
Tax on Interest	5,251.8	4,316.7	935.1	21.7%	5,160.3	91.6	1.8%
Production and consumption	54,057.7	48,618.1	5,439.6	11.2%	65,309.7	(11,251.9)	-17.2%
Min Business Tax	35.9	0.0	35.9	-	113.3	(77.4)	-68.3%
SCT (Local)	8,292.1	4,889.2	3,403.0	69.6%	9,034.9	(742.7)	-8.2%
Environmental Levy	279.1	275.0	4.1	1.5%	274.2	4.9	1.8%
Motor Vehicle Licenses	1,317.8	1,081.1	236.6	21.9%	1,536.2	(218.4)	-14.2%
Other Licenses	945.1	249.4	695.7	279.0%	751.6	193.5	25.8%
Quarry Tax	26.6	5.0	21.6	428.3%	26.5	0.1	0.2%
Betting, Gaming and Lottery	1,891.1	1,565.6	325.5	20.8%	2,057.5	(166.4)	-8.1%
Accommodation Tax	399.5	106.2	293.3	276.0%	966.2	(566.7)	-58.7%
Education Tax	9,451.4	7,835.2	1,616.2	20.6%	10,182.8	(731.4)	-7.2%
Telephone Call Tax	1,212.7	878.0	334.7	38.1%	1,312.0	(99.3)	-7.6%
Contractors Levy	482.8	503.5	(20.7)	-4.1%	781.0	(298.2)	-38.2%
GCT (Local)	28,273.3	29,945.1	(1,671.8)	-5.6%	36,622.3	(8,349.1)	-22.8%
Stamp Duty (Local)	1,450.4	1,284.8	165.6	12.9%	1,651.2	(200.8)	-12.2%
International Trade	48,221.5	49,554.0	(1,332.5)	-2.7%	73,381.2	(25,159.8)	-34.3%
Custom Duty	11,071.4	12,692.5	(1,621.1)	-12.8%	15,076.0	(4,004.6)	-26.6%
Stamp Duty	508.3	809.3	(301.0)	-37.2%	971.8	(463.5)	-47.7%
Travel Tax	1,431.5	1,058.5	373.0	35.2%	7,559.4	(6,128.0)	-81.1%
GCT (Imports)	21,821.5	21,738.3	83.2	0.4%	31,049.9	(9,228.4)	-29.7%
SCT (Imports)	12,431.9	12,254.0	177.8	1.5%	17,482.3	(5,050.5)	-28.9%
Environmental Levy	956.9	1,001.3	(44.4)	-4.4%	1,241.8	(284.9)	-22.9%
Non-Tax Revenue	17,004.9	16,610.9	394.0	2.4%	19,427.3	(2,422.5)	-12.5%
Bauxite Levy	0.0	0.0	0.0	-	0.0	0.0	-
Capital Revenue	10.6	0.0	10.6	-	813.3	(802.8)	-98.7%
Grants	806.9	1,641.3	(834.4)	-50.8%	2,011.5	(1,204.6)	-59.9%

Source: MoFPS

Table A3: Central Government Summary Accounts – Fiscal Monitoring Table FY 2020/21
(in millions of Jamaican dollars)

Item	Second Supplementary Apr - March	First Supplementary Apr - March	Diff	Diff %	FY 19/20 Apr - March	Diff	Diff %
Revenue & Grants	585,100.0	579,885.8	5,214.2	0.9%	649,759.2	(64,659.2)	-10.0%
Tax Revenue	515,580.1	510,050.8	5,529.3	1.1%	579,397.0	(63,816.9)	-11.0%
Non-Tax Revenue	65,069.0	65,025.9	43.1	0.1%	64,505.2	563.8	0.9%
Bauxite Levy	146.1	135.7	10.4	-	(0.0)	146.1	-
Capital Revenue	310.6	336.0	(25.4)	-	1,200.2	(889.6)	-74.1%
Grants	3,994.2	4,337.4	(343.2)	-7.9%	4,656.8	(662.6)	-14.2%
Expenditure	658,014.5	642,841.1	15,173.4	2.4%	630,354.4	27,660.1	4.4%
Recurrent Expenditure	604,500.2	596,238.3	8,261.9	1.4%	559,961.5	44,538.7	8.0%
Programmes	242,978.6	236,930.8	6,047.8	2.6%	216,856.6	26,122.1	12.0%
Compensation of Employees	225,268.5	221,657.7	3,610.8	1.6%	211,617.6	13,650.9	6.5%
Wages & Salaries	208,350.0	205,010.4	3,339.6	1.6%	195,936.2	12,413.8	6.3%
Employers Contribution	16,918.5	16,647.3	271.2	1.6%	15,681.4	1,237.1	7.9%
Interest	136,253.0	137,649.8	(1,396.7)	-1.0%	131,487.3	4,765.7	3.6%
Domestic	53,765.7	55,461.2	(1,695.5)	-3.1%	47,596.1	6,169.6	13.0%
External	82,487.3	82,188.6	298.8	0.4%	83,891.2	(1,403.9)	-1.7%
Capital Expenditure	53,514.3	46,602.8	6,911.5	14.8%	70,392.9	(16,878.6)	-24.0%
Capital Expenditure	53,514.3	46,602.8	6,911.5	14.8%	70,392.9	(16,878.6)	-24.0%
Fiscal Balance (Surplus + / Deficit -)	(72,914.5)	(62,955.3)	(9,959.2)	15.8%	19,404.8	(92,319.3)	-475.8%
Loan Receipts	188,624.4	144,695.1	43,929.3	30.4%	126,060.1	62,564.3	49.6%
Domestic	111,224.43	111,224.43	0.0	0.0%	74,978.7	36,245.7	48.3%
External	77,400.0	33,470.7	43,929.3	131.2%	51,081.4	26,318.6	51.5%
Project Loans	18,241.6	18,279.6	(38.0)	-0.2%	13,706.7	4,534.9	33.1%
Other	59,158.4	15,191.2	43,967.3	-	37,374.7	21,783.7	-
Other Inflows (inc'ds PCDF)	22,805.8	22,805.8	0.0	0.0%	104,174.9	(81,369.1)	-78.1%
Other Outflows	37,260.8	37,260.8	0.0	0.0%	37,933.2	(672.4)	-1.8%
Amortization	158,555.6	158,048.2	507.4	0.3%	169,046.6	(10,491.0)	-6.2%
Domestic	111,178.0	111,019.8	158.2	0.1%	70,480.6	40,697.4	57.7%
External	47,377.6	47,028.4	349.2	0.7%	98,565.9	(51,188.3)	-51.9%
Overall Balance (Surplus + / Deficit -)	(57,300.7)	(90,763.4)	33,462.7	-36.9%	42,660.0	(99,960.7)	-234.3%
Primary Balance (Surplus + / Deficit -)	63,338.5	74,694.5	(11,356.0)	-15.2%	150,892.1	(87,553.6)	-58.0%

Source: MoFPS

Table A4: Central Government Summary Accounts
(in millions of dollars)

Item	Act 2017/18	Act 2018/19	Act 2019/20	Proj 2020/21	Proj 2021/22	Proj 2022/23	Proj 2023/24
Revenue & Grants	560,773.6	628,985.2	649,759.2	585,100.0	644,178.3	721,631.1	782,600.1
Tax Revenue	496,894.6	542,919.4	579,397.0	515,580.1	568,743.0	638,617.2	693,088.6
Non-Tax Revenue	53,249.9	72,850.5	64,505.2	65,069.0	71,162.3	78,552.1	84,860.2
Bauxite Levy	127.5	136.5	(0.0)	146.1	148.6	153.2	157.9
Capital Revenue	4,887.1	2,531.7	1,200.2	310.6	337.7	372.8	402.7
Grants	5,614.4	10,547.0	4,656.8	3,994.2	3,786.7	3,935.8	4,090.7
Expenditure	552,050.1	604,597.5	630,354.4	658,014.5	627,376.0	638,441.3	737,118.1
Recurrent Expenditure	505,244.0	538,393.2	559,961.4	604,500.2	580,757.4	593,851.1	652,185.1
Programmes	176,779.5	209,079.7	216,856.6	242,978.6	218,432.0	222,800.6	265,481.9
Compensation of Employees	193,283.5	200,125.3	211,617.5	225,268.5	236,338.7	249,230.6	261,581.0
Wages & Salaries	178,366.3	183,505.5	195,935.5	208,350.0	219,171.2	230,129.8	241,533.7
Employers Contribution	14,917.2	16,619.8	15,682.1	16,918.5	17,167.5	19,100.8	20,047.3
Interest	135,181.0	129,188.1	131,487.3	136,253.0	125,986.7	121,820.0	125,122.2
Domestic	63,783.5	51,026.0	47,596.1	53,765.7	43,916.0	42,013.1	43,225.0
External	71,397.5	78,162.1	83,891.2	82,487.3	82,070.7	79,806.9	81,897.2
Capital Expenditure	46,806.1	66,204.3	70,392.9	53,514.3	46,618.6	44,590.1	84,933.0
Capital Programmes	46,806.1	66,204.3	70,392.9	53,514.3	46,618.6	44,590.1	84,933.0
Fiscal Balance (Surplus + / Deficit -)	8,723.4	24,387.7	19,404.8	(72,914.5)	16,802.3	83,189.8	45,482.1
Loan Receipts	207,133.0	114,180.1	126,060.1	188,624.4	130,305.6	52,823.5	68,636.8
Domestic	72,894.2	76,553.2	74,978.7	111,224.4	89,979.5	32,551.8	42,814.9
External	134,238.8	37,626.9	51,081.4	77,400.0	40,326.1	20,271.7	25,821.9
Other Inflows (inc'ds PCDF)	11,400.1	27,894.9	104,174.9	22,805.8	4,348.7	17,831.3	11,045.6
Other Outflows	14,260.6	35,164.5	37,933.2	37,260.8	0.0	0.0	0.0
Amortization	232,289.9	132,990.1	169,046.6	158,555.6	151,456.5	153,844.6	125,164.4
Domestic	168,627.6	80,008.1	70,480.6	111,178.0	68,318.3	103,364.7	25,783.3
External	63,662.3	52,982.0	98,565.9	47,377.6	83,138.2	50,479.9	99,381.1
Overall Balance (Surplus + / Deficit -)	(19,294.1)	(1,691.9)	42,660.0	(57,300.7)	0.0	0.0	0.0
Primary Balance (Surplus + / Deficit -)	143,904.5	153,575.8	150,892.1	63,338.5	142,789.0	205,009.8	170,604.3
Total Payments	798,600.7	772,752.1	837,334.1	853,830.9	778,832.5	792,285.9	862,282.5

Source: MoFPS

Table A5: Central Government Summary Accounts
(percent of GDP)

Item	Act 2017/18	Act 2018/19	Act 2019/20	Proj 2020/21	Proj 2021/22	Proj 2022/23	Proj 2023/24
Revenue & Grants	29.1%	30.6%	30.5%	28.3%	28.6%	29.0%	29.2%
Tax Revenue	25.8%	26.4%	27.2%	24.9%	25.3%	25.7%	25.8%
Non-Tax Revenue	2.8%	3.5%	3.0%	3.1%	3.2%	3.2%	3.2%
Bauxite Levy	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Revenue	0.3%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Grants	0.3%	0.5%	0.2%	0.2%	0.2%	0.2%	0.2%
Expenditure	28.6%	29.5%	29.6%	31.8%	27.9%	25.7%	27.5%
Recurrent Expenditure	26.2%	26.2%	26.3%	29.2%	25.8%	23.9%	24.3%
Programmes	9.2%	10.2%	10.2%	11.7%	9.7%	9.0%	9.9%
Compensation of Employees	10.0%	9.7%	9.9%	10.9%	10.5%	10.0%	9.7%
Wages & Salaries	9.3%	8.9%	9.2%	10.1%	9.7%	9.3%	9.0%
Employers Contribution	0.8%	0.8%	0.7%	0.8%	0.8%	0.8%	0.7%
Interest	7.0%	6.3%	6.2%	6.6%	5.6%	4.9%	4.7%
Domestic	3.3%	2.5%	2.2%	2.6%	2.0%	1.7%	1.6%
External	3.7%	3.8%	3.9%	4.0%	3.6%	3.2%	3.1%
Capital Expenditure	2.4%	3.2%	3.3%	2.6%	2.1%	1.8%	3.2%
Capital Programmes	2.4%	3.2%	3.3%	2.6%	2.1%	1.8%	3.2%
Fiscal Balance (Surplus + / Deficit -)	0.5%	1.2%	0.9%	-3.5%	0.7%	3.3%	1.7%
Loan Receipts	10.7%	5.6%	5.9%	9.1%	5.8%	2.1%	2.6%
Domestic	3.8%	3.7%	3.5%	5.4%	4.0%	1.3%	1.6%
External	7.0%	1.8%	2.4%	3.7%	1.8%	0.8%	1.0%
Other Inflows (inc'ds PCDF)	0.6%	1.4%	4.9%	1.1%	0.2%	0.7%	0.4%
Other Outflows	0.7%	1.7%	1.8%	1.8%	0.0%	0.0%	0.0%
Amortization	12.1%	6.5%	7.9%	7.7%	6.7%	6.2%	4.7%
Domestic	8.7%	3.9%	3.3%	5.4%	3.0%	4.2%	1.0%
External	3.3%	2.6%	4.6%	2.3%	3.7%	2.0%	3.7%
Overall Balance (Surplus + / Deficit -)	-1.0%	-0.1%	2.0%	-2.8%	0.0%	0.0%	0.0%
Primary Balance (Surplus + / Deficit -)	7.5%	7.5%	7.1%	3.1%	6.3%	8.3%	6.4%
Total Payments	41.4%	37.6%	39.3%	41.2%	34.6%	31.9%	32.1%
GDP	1,927,201.6	2,052,874.7	2,130,102.5	2,069,967.9	2,250,511.1	2,484,212.4	2,683,708.1

Source: MoFPS

Table A6: Public Bodies Revised Summary of Financial Forecast
(J\$ millions)

				2020/21		
				Approved Revised (May 2020)	Updated	Variance
STATEMENT 'A' FLOW OF FUNDS						
1.	Current Revenue			282,730.45	292,837.02	10,106.56
2.	Current Expenses			(268,875.03)	(271,999.02)	(3,123.99)
3.	Current Balance			13,855.43	20,838.00	6,982.57
4.	Adjustments			16,737.46	13,453.09	(3,284.37)
	Change in Accounts Receivable/Payable			(2,245.20)	(7,053.91)	(4,808.72)
	Items not requiring outlay of cash:			-	-	-
	Depreciation			15,647.22	15,705.95	58.73
	Other Non-Cash Items			3,335.43	4,801.04	1,465.62
	Prior Year Adjustment			-	-	-
5.	Operating Balance			30,592.88	34,291.09	3,698.21
6.	Capital Account			(39,798.29)	(29,298.34)	10,499.95
	Revenue			21,164.93	43,529.18	22,364.25
	Expenditure			(60,156.50)	(71,896.91)	(11,740.41)
	Investment			(5,451.93)	(4,287.13)	1,164.80
	Change in Inventory			4,645.21	3,356.52	(1,288.69)
7.	Transfers from Government			13,516.23	12,317.04	(1,199.19)
	Loans			-	0.14	0.14
	Equity			-	-	-
	On-Lending			-	-	-
	Other			13,516.23	12,316.90	(1,199.33)
8.	Transfers to Government			(45,977.52)	(46,464.47)	(486.95)
	Dividend			(17,113.61)	(17,108.16)	5.45
	Loan Repayments			-	-	-
	Corporate Taxes			(391.53)	191.76	583.29
	Other			(28,472.38)	(29,548.06)	(1,075.68)
9.	OVERALL BALANCE (5+6+7+8)			(41,666.70)	(29,154.68)	12,512.02
10.	FINANCING (11+15)			41,666.70	29,154.68	(12,512.02)
10a	Total			38,172.62	37,974.16	(198.46)
	Capital Revenue			851.84	1,485.82	633.98
	Loans			35,950.78	35,466.99	(483.79)
	Equity			-	-	-
	On-Lending			1,370.00	1,027.50	(342.50)
	Loan Repayments			-	(6.16)	(6.16)
11.	Total Foreign (12+13+14)			(30,961.45)	(21,967.39)	8,994.06
12.	Government Guaranteed Loans			(4,983.84)	(3,316.99)	1,666.85
	Disbursement			2,070.00	3,311.27	1,241.27
	Amortization			(7,053.84)	(6,628.25)	425.59
13.	Direct Loans			(27,016.22)	(21,100.62)	5,915.60
	Long Term:			(19,373.78)	(20,549.41)	(1,175.63)
	Disbursement			1,014.00	415.49	(598.51)
	Amortisation			(20,387.78)	(20,964.90)	(577.12)
	Short Term:					
	Change in Trade Credits			(7,642.44)	(551.20)	7,091.24
14.	Change in Deposits Abroad			1,038.61	2,450.21	1,411.60
15.	Total Domestic (16+17+18)			34,455.53	13,147.91	(21,307.62)
16.	Banking System			16,650.05	4,277.07	(12,372.98)
	Loans (Change)			2,283.78	3,259.33	975.55
	Overdraft (Change)			-	64.05	64.05
	Deposits (Change)			14,366.27	953.68	(13,412.59)
17.	Non-Banks (Change)			-	(6.25)	(6.25)
18.	Other (Change)			17,805.48	8,877.09	(8,928.39)

Appendix II

FISCAL RISK STATEMENT

This report serves as an update to elements of the Fiscal Risk Statement published in the February 2020 Fiscal Policy Paper (FPP). Among the risk sources identified in the 2020 publication are: the macroeconomic assumptions used to prepare the FY 2020/21 budget and projections for the medium term, which include economic growth, interest rates, exchange rates, inflation and changes in commodity prices, particularly that of oil; liabilities arising from natural disasters, the operations of state owned enterprises, judicial awards and public private partnerships, and other specific risks such as wage settlements, monetary policy and changes in government policy.

Macroeconomic Risks

Economic Growth

In response to the COVID-19 pandemic, which saw a shutdown of major industries during the first quarter of the fiscal year, the Bank of Jamaica revised the real economic growth forecast from 1.2 percent at the time of budget to -5.1 percent in May 2020. This was further revised downwards to -7.9 percent in August 2020. Growth in the first quarter of FY 2020/21 was estimated at -18.0 percent, led by an expected decline in the Mining and Quarrying industry associated with the closure of Alpart, as well as an 87.5 percent contraction in the tourism industry (see **Part II: Macroeconomic Overview**).

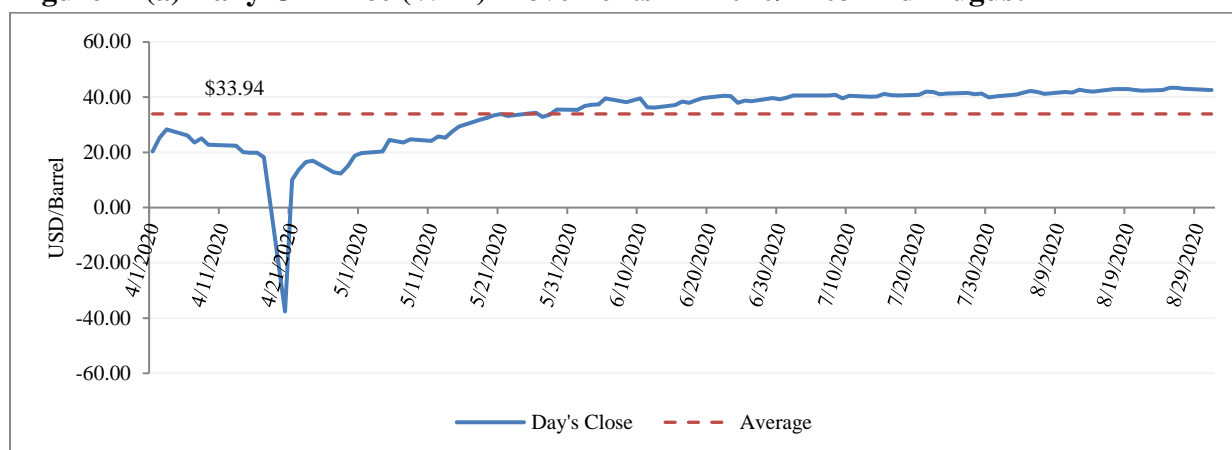
There is a direct link between economic growth and revenue collection, whereby lower than expected growth could lead to lower than budgeted revenue collection, thereby impacting the Government's fiscal position. However, despite the larger than expected contraction of the economy thus far, tax revenue has outperformed revised budget estimates for the April to July period by \$10,038.8 million, or 7.5 percent (see **Part III: Fiscal Management Strategy**).

Commodity Prices

Oil

Oil prices plummeted in the first quarter of the fiscal year amid weakening demand resulting from COVID-19 lockdowns, reaching a low of -US\$37.63/bbl. Following a cut in global output and the reopening of some economies, prices began to stabilize with the expectation of a steady rise once the global economy begins to recover. For the fiscal year to end-August 2020, oil prices averaged US\$33.94/bbl, which is lower than the projected fiscal year average of US\$54.48/bbl.

Figure II (a) Daily Oil Price (WTI) Movements FY 2020/21 to End-August



Source: Markets Insider

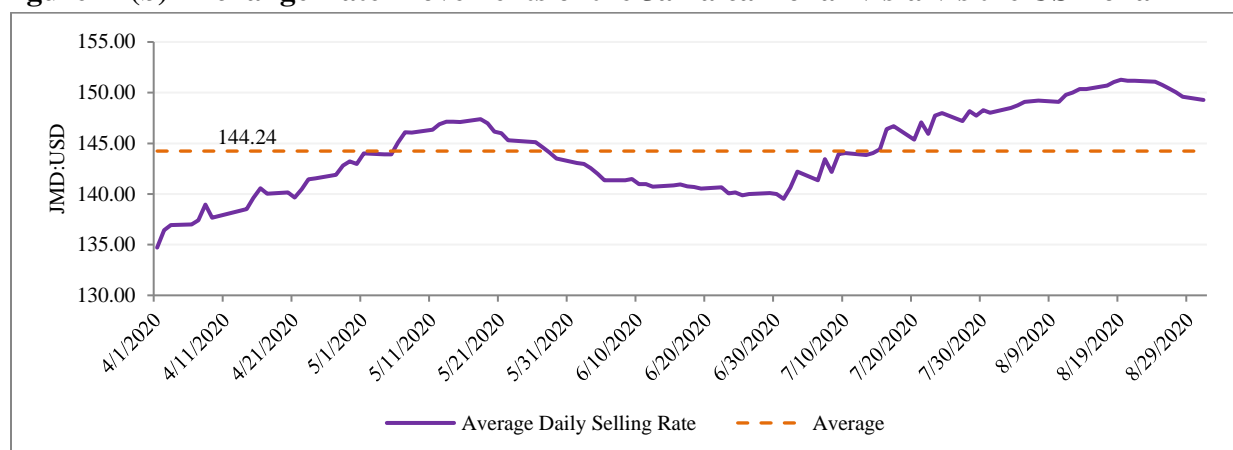
Oil prices influence the budget as it relates to the implications for revenue (SCT on petroleum and petroleum-based products) as well as for GOJ housekeeping expenses. Below average oil prices present a downside risk on the revenue side of the budget, resulting in lower than anticipated SCT collections. As a buffer, the tax on petroleum has a fixed component which helps to mitigate this impact. On the expenditure side, the GOJ could benefit from lower operating costs.

Exchange Rate

Changes in the foreign exchange rate impact the Government's fiscal position through the effect on foreign currency expenses including debt servicing costs, as well as the overall value of the debt stock. There is also an impact on the value of international trade taxes. A depreciation of the Jamaica dollar increases the cost of servicing foreign currency debt, and the debt stock in Jamaica dollar terms. On the other hand, a significant appreciation could result in the Government collecting less revenue from import duties. The exact impact on revenue depends largely on the import elasticity of demand. It is therefore important that the exchange rate volatility is limited as much as is possible.

For the fiscal year to end-August 2020, the Jamaica dollar depreciated against the United States (US) dollar by 10.8 percent, moving from a low of J\$134.71 to US\$1 at the beginning of the fiscal year, and peaking at J\$151.27 to US\$1 in mid-August. This depreciation was driven mainly by a reduction in the supply of foreign currency, resulting from the closure of the tourism industry, as well as a decline in remittances following job losses in the US and other countries with a large diaspora presence. The resultant average for the fiscal year to end-August is recorded at J\$144.24 to US\$1 (see **Figure II (b)**).

Figure II (b) Exchange Rate Movements of the Jamaica Dollar vis-à-vis the US Dollar



Source: Bank of Jamaica

The Bank of Jamaica (BOJ) has taken a stance to pace interventions in the foreign currency market to address temporary imbalances in demand and supply. This is necessary to ensure that foreign currency reserves are not rapidly depleted. Recently, the Bank has intervened in the foreign exchange market by way of direct sales to authorised dealers and cambios through its Foreign Exchange Intervention Tool (B-FXITT), raising the limit on the foreign currency net open positions of authorised dealers, as well as the provision of a US dollar repo facility valued at US\$170 million to financial institutions.

Inflation

As at August 2020, the annual point-to-point inflation rate was recorded at 5.1 percent. While this rate is within the BOJ's target band, it is higher than the originally budgeted rate. The expected fiscal year inflation rate has since been revised to 5.6 percent. This higher than expected inflation rate is likely as a result of inflationary pressures associated with the COVID-19 pandemic, and has the potential to increase GOJ housekeeping costs, and debt-servicing costs associated with inflation-linked debt.

Interest Rates

For the fiscal year thus far, the BOJ has maintained its policy rate at 0.50 percent, and Treasury bill rates have continued to decline. For the last quarter of FY 2019/20, the 90-day Treasury bill rate averaged 1.48 percent. This fell by 36 basis points to 1.12 percent in the second quarter of FY 2020/21 as the demand for safe, short-term securities increased. Lowered rates benefit the GOJ as domestic variable-rate debt become less costly³.

As it concerns external debt, interest rates on variable-rate debt are linked to the 3- and 6-month USD LIBOR. Since the start of the fiscal year, the US Federal Funds rate has been within the target band of 0.00 to 0.25 percent. Much like the 90-day Treasury bill, the 3-month USD LIBOR has been falling for the fiscal year thus far. For the final quarter of FY 2019/20, the 3-month LIBOR averaged 1.53 percent. For the second quarter of FY 2020/21 to end-August, the rate has averaged 0.26 percent, a

³ The 90-day treasury bill is the benchmark rate used to reset coupons on domestic variable-rate debt.

difference of 127 basis points. Likewise, the 6-month USD LIBOR average fell by 116 basis points to end the period at 0.33 percent.

Natural Disasters

The GOJ maintains a suite of instruments to ensure the country's readiness for the financial impact of natural disasters. In June 2020, the Government renewed its policy with the Caribbean Catastrophe Risk Insurance Facility Segregated Portfolio Company (CCRIF-SPC). CCRIF-SPC offers parametric insurance against the damage resulting from Tropical Cyclone (TC), Earthquake (EQ) and Excess Rainfall (XSR). A Contingent Credit Line offered by the Inter-American Development Bank (IDB) for up to US\$285.0 million in the event of a natural disaster also remains available to the Government. Following a transfer of \$2,400.0 million to the Contingencies Fund, the balance now stands at \$4,494.0 million, while the National Disaster Fund remains capitalised at roughly \$512.0 million.

National Natural Disaster Risk Financing Policy

The GOJ's policy to guide disaster risk financing in Jamaica is slated to be tabled by end-FY 2020/21. The draft policy proposes a risk layered approach to funding disaster relief, recovery and reconstruction without significant impact on the national budget.

Public Bodies

Public Bodies (PBs) present a possible source of both explicit and implicit contingent liabilities. In the event that PBs are unable to service loans extended by the GOJ, or those which are guaranteed, Central Government operations might be negatively impacted. An implicit liability arises if the Government is required to recapitalize a PB in the event of failure. The continuing transformation programme to rationalize public bodies contributes to reducing this risk.

It is expected that some PBs will face financial difficulty resulting from the impact of the COVID-19 pandemic. Among those which are likely to be negatively impacted is the Jamaica Urban Transit Company (JUTC), as restrictions imposed during the first quarter of the fiscal year resulted in limited movement of persons. The revenue impact on the JUTC was further exacerbated by the requirement to transport only seated passengers, as well a reduction in charters as gatherings were restricted. An increase in Government subvention for the fiscal year is a potential risk, however, the company has also been tasked to identify areas of savings arising as a result of the pandemic.

Public Private Partnerships (PPPs)

PPPs are important mechanisms to undertake infrastructure upgrade and development, while facilitating shared risks. Nonetheless, these may present fiscal risks to the Government if not appropriately designed and financed and the associated risks recognised and monitored. The enhanced fiscal rules that were adopted through amendments to the FAA and PBMA Acts in March 2014, have put in place the institutional changes required to strengthen the financial and risk analysis of projects, risk sharing arrangements and project assessment.

There are five commercial/user pays concession agreements that have been implemented. These are the agreements for the Sangster International Airport, Norman Manley International Airport, Kingston Container Terminal, North South Highway and the East West Highway 2000. The operations of the related assets have been impacted negatively by the COVID-19 Pandemic. Three of the existing concessionaires have indicated their intention to invoke the force majeure clause that is provided for in the concession agreements. The invoking of the force majeure clauses may result in the Government granting relief to the concessionaire for obligations under the contract and may also result in compensation events for the Government.

The Development Bank of Jamaica and the PPP Unit within the Ministry of Finance and the Public Service (MoFPS) continue to collaborate in reviewing and assessing PPP transactions.

PPPs In progress

An update on the PPP projects which are advanced is provided below:

Schools Solar Energy

Negotiations have been concluded with the preferred bidder for the Schools Energy Efficiency and Solar Energy PPP Pilot Project. A Submission to Cabinet is being prepared to facilitate approval of the transaction and the Energy Savings Performance Contract agreement.

Rio Cobre Water Treatment Plant

Negotiations for the construction and operation of the Rio Cobre Water Treatment Plant in Content, St. Catherine have been concluded. The negotiated Water Purchase Agreement is expected to be submitted to Cabinet for approval during the 2020/21 financial year.

Appendix III

Tax Administration Jamaica

Tax Administration Jamaica (TAJ) is charged with the responsibility to collect domestic taxes, duties, rates and fees payable in accordance with Jamaica's law and to do this in a manner that will sustain confidence in the tax system and its administration. In keeping with the mission to collect the revenue due in an equitable and efficient manner and foster voluntary compliance, TAJ contributes to a competitive business environment that will facilitate and enhance economic growth and development, while progressing towards its vision of becoming a "World Class Tax Administration".

The current pandemic has created the platform for the Authority to better understand the realities and opportunities to modify its delivery of services. Adherence to the COVID-19 protocols of the Government allowed for the implementation of a range of extraordinary measures to ensure continuity of critical operations and the safety of employees and taxpayers. As such, TAJ is seizing the opportunity to strengthen efforts to have critical services delivered online where possible, while consistently promoting those services that are already offered online. Against this background, TAJ continues to invest in digitization of services, the possibilities of flexible work arrangements, communication services and the responsibilities of the tax administration.

Performance of the Authority to date is essentially in line with projections, however, the current level of uncertainty demands agile business continuity strategies to address the needs of a rapidly changing environment. The performance of TAJ's core deliverables are presented below.

PERFORMANCE FY2020/21 (August 2020)

Collections

As at end-August 2020, the total collections of \$118.0B were \$10.2B or 9.4% above target, which was also \$12.3 billion or 9.4% below the corresponding period last year.

Compliance

In light of the negative impact of the COVID-19 pandemic, and as part of the Government's efforts to support the recovery process, the following COVID-19 compliance relaxation mechanisms were implemented:

- Issuance of one-off Tax Compliance Certificates (TCC) to businesses that fall into non-compliance over the period July 1, 2020 to September 30, 2020,

- No new summons were issued, court proceedings or enforcement actions taken for non-compliance up to September 30, 2020; and
- Taxpayers with outstanding interest and penalty charges, as a result of late payment and/ or late filing of tax obligations due for the period March 1, 2020 to June 30, 2020 could qualify for the reversal of charges incurred during that period.

The Authority employed a mixture of measures and approaches to positively affect taxpayer compliance through the promotion of online services. Special interventions targeted at delinquent taxpayers were designed to address filing and payment issues. Focus was also placed on notifying taxpayers identified for failing to file and/or pay their final Income Tax Returns, Estimated Income Tax Declarations and monthly PAYE obligations. Also, special attention was given to the identification of Stop Filers through the use of third party data captured in the Revenue Administration Information System (RAiS).

Since the start of the new FY, the taxpayer population increased by 1% with the registration of an additional 5,977 taxpayers. Arrears collections for April to August amounted to \$7.9 billion, which is 53% ahead of the target of \$5.2 billion. Given the COVID-19 protocols, TAJ shifted the focus of its audit programme to desk audits.

Customer Service

The Revenue Administration Information System (RAiS) continues to be an essential part of TAJ's strategy to be more customer centric, by providing taxpayers with direct access to view the status of their tax accounts; view all tax notices/correspondence; provide the ability to file and/or pay tax obligations online; apply for tax refunds; and make and check specific request for business related services such as TCC, Payment Arrangements and Objections. Client interactions with the system and website provide TAJ with a wealth of information about taxpayer issues and areas of concern. The system is constantly being improved to be more user-friendly based on this customer/user feedback. TAJ also uses this data to inform the design of its taxpayer programmes and outreach activities.

During the period April – August 2020, TAJ strengthened promotion of its online platform, utilizing a mix of channels to include traditional and social media. TAJ also fast-tracked the expansion of online service projects. At the start of the fiscal year through to August, the property tax campaign (promoting the payment of the Property Tax for the FY2020/21) was rolled out over a number of mediums; print media, TAJ existing feature spots – Tax News and Views, Time Signals, Tax Tips in 60 seconds, WhatsApp, Online, Social Media and News Releases. The online payment of Certificate of Fitness was also promoted during the first quarter of the fiscal year.

The government introduced a COVID-19 Allocation of Resources for Employees (CARE) Programme to help mitigate the impact of COVID-19. The CARE programme required TAJ to modify the S01 and P45 forms to support the programme. A substantial public awareness programme supported the introduction of the modified S01 and P45 forms.

In the interest of the health and safety of staff and customers, TAJ suspended face-to-face Taxpayer Education activities. Contact with taxpayers is now done through online channels and/or telephone, primarily by our Customer Care Centre, Taxpayer Education Officers and Client Relationship Managers.

An online survey concerning “Online Payment for Renewal of Motor Vehicle Registration” was conducted in June 2020.

TAJ continues to:

- Leverage all existing media channels (traditional and social media platforms) effectively to promote existing services and increase its presence.
- Cooperate and collaborate with our international and regional partners regarding shared tax matters and issues affecting current tax environments. The Authority participated in OECD/CATA/COTA virtual workshop on Tax Policy and Tax Administration Response to COVID19 in the Caribbean, at which Jamaica shared its experience with the international community.
- *Expand Services Offered Online* - As part of the strategic customer service delivery, TAJ launched three (3) projects to expand online service offerings: 1) An online payment option for the renewal of Driver’s Licence completed in July 2020; 2) An online option for the payment and delivery with respect to the renewal of Motor Vehicle Registration Certificate (MVRC) scheduled for December 2020; 3) NCB Bill Payment option for individual customers launched in September 2020.
- *Mobile App* - Work continues with e-Gov Jamaica to develop and implement a phased roll out of TAJ’s mobile app to accommodate specific tax types, beginning with Property Tax, traffic ticket and fitness fee.
- *Tax Compliance Certificate* - The National Competitiveness Council, coordinated by JAMPRO is focusing on three key government reforms to drive the ease of doing business, to include Tax Compliance Certificate. As a result, TAJ is part of a sub-committee tasked with promoting these reforms.

Legal Framework

With respect to fighting tax evasion and other financial crimes, Jamaica has signed on to the BEPS Multilateral Convention treaty (a Convention that seeks to reduce opportunities for tax avoidance by multinational enterprises), as well as the multilateral Convention on Mutual Administrative Assistance in Tax Matters (MAAC) which facilitates international co-operation for better operation of national tax laws, while respecting the fundamental rights of taxpayers. It provides for all possible forms of administrative co-operation between states in the assessment and collection of taxes. This co-operation ranges from exchange of information, including automatic exchanges, to the recovery of foreign tax claims.

Jamaica Customs Agency

Introduction

The Jamaica Customs Agency (JCA) currently collects thirty eight percent (38%) of government's revenue and as such remains an essential arm of the Government of Jamaica (GOJ) and a key enabler to achieving the objectives of the National Development Plan 'Vision 2030'.

JCA mandate embodies collecting the revenue due to the Government of Jamaica, facilitating trade and travel; and border protection management. This mandate contributes to the economic and social development of Jamaica; through collecting the resources needed by government to meet its policy and delivery priorities.

Operating Environment

The JCA strives to secure the national and global trade landscape, thereby making the business environment more stable by streamlining procedures, tackling corruption, enhancing integrity, and facilitating the cross-border movement of people and goods.

Revenue Collection - April 2020 to July 2020

The revenue collection programme of the JCA has been challenged by the downturn in importation stemming from the disruption of the international supply chain resulting from the effects of the global COVID-19 pandemic. Despite the dynamics of the externalities, the Agency managed to stabilize its efforts with respect to the core mandate of revenue collection which was narrowly below the period's adjusted target by 1%. For the period April 1- July 31, 2020, tax revenue collected was \$48.217 billion which declined by \$25.160 billion or 34% in comparison to April 1- July 31, 2019. As it relates to non-tax revenue performance April 1- July 31, 2020, collection was \$4.772 billion, which grew by \$0.641 billion or 15% in comparison to April 1- July 31, 2019. Net revenue collected for April 1- July 31, 2020 was \$52.989 billion which declined by \$24.518 billion or 32% in comparison to April 1- July 31, 2019, the apparent significant decline from the comparative period is clearly due to the contraction of the sector arising from the global pandemic.

Trade Facilitation

Trade Facilitation as a mandate of the Jamaica Customs Agency (JCA) is imperative though grappling with the onset and impact of the COVID-19 global pandemic. The JCA having examined the global pandemic and the various adjustments required to facilitate the continuation of business, while at the same time assessing the health risks and protocols, recognized the need to ramp up its effort towards creating greater levels of trade facilitation geared towards moving cargo and people faster within the ports. In light of this the Agency introduced several initiatives towards achieving these objectives:

- Implementation of full automation where semi-automated processing was being practiced. The expansion of the Express Clearance Process (ECCP). This essentially removed the involvement

of the Customs Officer in the preparation of the simplified declaration which resulted in faster throughput and facilitates greater levels of social distancing.

- Introduction of Online Application for Refunds processing: this new approach facilitated online application and submission of request for refunds. This eliminated the need for a physical submission of a request letter at the Customs offices. This approach facilitates a faster response and turnaround time when requests for refunds are submitted.
- Rolling out e-Services to reduce or eliminate walk-in clients in some areas such as at Customs House at the Returning Residents Unit and the Valuation Verification Unit. Customers are facilitated in that they are required to make appointments and conduct interviews now online.
- Consistent monitoring of risk levels and risk profiles to manage compliance. Risk profiles are reviewed and adjustments to lane assignments made as necessary to reduce physical examinations where the risk is deemed low.
- Greater levels of facilitation for Authorized Economic Operator (AEO) Importers through management of the random selectivity. The robust AEO programme – allows for approximately a third of importers who make up the greater part of the local supply chain to benefit from no or little customs intervention (physical examination/inspection of shipments)
- The JSWIFT implementation for Trade Board Limited (TBL) went live on June 22, 2020, with mandatory use of the services for the Export Regime. This included online applications for licences as approved exporter of Scrap Metal, e-Payment, and approval by TBL. The export permits are now being applied for electronically, reviewed, and approved by both the Customs Site Inspection Officer and the Trade Board Assessor in a sequential workflow involving both agencies. The piloting phase also began for the Import Regime with successful submissions by members of the Used Car Dealers Association. The cut-off date was set for July 17, 2020 which commences the mandatory use of JSWIFT services for all TBL clients for permit and licence applications to TBL.

For the period April 1- July 31, 2020, thirty-eight thousand six hundred and twenty (38,620) commercial declarations were submitted for processing; of which thirty thousand four hundred and four (30,404) declarations or 79%% were documentary processed within 20 hours of submission.

Across the two main international airports, the Donald Sangster International Airport (DSIA) and Norman Manley International Airport (NMIA) **main passenger terminals** for the April 1 – July 31, 2020 period, passenger arrival plunged due to the periodic closure of the country's borders to incoming travellers and the restrictive measures imposed to stem the spread of COVID-19. Passenger arrivals totalled 69,678. This represented a significant decrease of 624,437 or approximately 90% when compared to the 694,115 for the same period of the previous year.

Overall, the average passenger processing time netted 3.26 minutes for the red channel and 16.5 seconds for the green channel.

Border Protection

The Jamaica Customs Agency seized one (1) firearm and one (1) magazine for the period. A total of 64,848 sticks of cigarette were also seized. Notably, one hundred and twenty-two (122) drugs/narcotics seizures were recorded. This included mainly a total of sixty-eight (68) cocaine seizures and thirty-eight (38) marijuana seizures. Cash seizures made by the Agency amounted to US\$18,325.00.

Legislative Amendments

To support the proposed revised Customs Act (that was tabled in Parliament and was being reviewed by a Joint Select Committee under the last administration) an Internal Technical Committee to forge the development of the Customs Regulations and Rules was formulated. The committee comprises representatives of the JCA, the Taxation Policy Division of the MOFPS and various technical sub-committees that continued to execute weekly meetings over the period to advance the research, review and drafting of the regulations and rules. Notwithstanding, an urgent next step is re-tabling of the Customs Act 2019 before the House of Parliament for discussion. The decisions taken with respect to the principal Act will directly impact the content of the Regulations and Rules.

Stakeholder Engagement

Amid the social restrictions resulting from the protocols due to COVID-19, the Jamaica Customs Agency sought to leverage the use of technology to reach its clients. On April 8, 2020, with the aim of emphasizing internationally that Jamaica's borders were still open for business, the Agency held a combined media and online Digital Forum/Engagement through a multiplicity of platforms. The event facilitated a dynamic discussion on Sustaining Jamaica's Economy amidst COVID-19. Supporting the acceleration of the online application process for Returning Residents and Students, JCA powered another online forum on July 29, 2020, titled Triple 'C' Online Series: 'Click, Connect and Converse with Customs' with said groups of stakeholders using Microsoft Teams 365. Between June and July 2020, the Agency's Jamaica Single Window for Trade (JSWIFT) project team held engagement sessions with exporters and importers ahead of the piloting of the online application process with respect to applying for permits and licences from the Trade Board Limited. One (1) Customs Business Partnership Forum was held in partnership with the Trade Board Limited and the Jamaica Manufacturers and Exporter Association under the theme Trade in Focus on May 28, 2020. Four (4) Quality Assurance stakeholder engagements have been held with various parties.

Appendix IV

DEVELOPMENTS IN THE FINANCIAL SECTOR

Introduction

During the review period, the Ministry of Finance and the Public Service (MOFPS) continued to pursue key financial sector reforms to enhance the resilience and stability of the financial system. The Financial Investigations Division (FID) continued to actively pursue its mandate of dealing with matters relating to financial crimes, including money laundering; while the Financial Sector Adjustment Company (FINSAC) Limited intensified its winding down operations. The key achievements are outlined below.

Bank of Jamaica (Amendment) Act

Subsequent to the tabling of the Bill to amend the Bank of Jamaica (BOJ) Act in Parliament in 2018, a Joint Select Committee of Parliament was established to consider the Bill. The Joint Select Committee of Parliament's review of the BOJ (Amendment) Act was completed in August 2019 and it is expected that the Bill will be passed before the next financial year. The Bill seeks to enhance the mandate and governance of the BOJ.

Banking Services Act (BSA)

During 2019, there have been several iterations of the Banking Services (Financial Holding Companies) (Licence Application) Rules, with the latest draft being submitted to the Attorney General's Chambers (AGC) for review in September 2019. The Licence Application Rules are expected to facilitate the development of the regime for Financial Holding Companies (FHC).

Private Sector Pensions Reform

The Investment (Amendment) Regulations under the Pensions (Superannuation Funds & Retirement Schemes) Act were tabled in Parliament in January 2019 and subsequently withdrawn to facilitate feedback on the Regulations. The amended Regulations were tabled again in Parliament in July 2019 and subsequently debated and passed in both Houses of Parliament in August 2019. The Investment (Amendment) Regulations are expected to increase the permissible quantitative limits as well as investment options available to pension plans thereby providing greater access to finance. With respect to the Pensions (Superannuation Funds & Retirement Schemes) (Amendment) Bill, the MOFPS sent further instructions to Chief Parliamentary Counsel (CPC) in July 2019, after receiving comments from stakeholders. In addition, the MOFPS received the revised draft of the Income Tax (Amendment) Bill from the CPC in June 2019, which was circulated to stakeholders.

Insurance (Amendment) Act

The FSC submitted their comments on the Bill to amend the Insurance Act in May 2019. Additional proposals were submitted to include enhancements for the regulation of auditors and actuaries, as well as safeguards for the protection of members of group insurance contracts and other connected matters relating to micro-insurance regulations in May 2019. The MOFPS issued additional drafting instructions to the CPC to revise the Bill and the latest draft of the Bill was received in July 2019. Additional proposals are being reviewed by the AGC.

Proposed Microcredit Act

The Microcredit Bill was tabled in Parliament in February 2019 and is awaiting debate. The Minister accommodated a request from a Joint Advocacy Committee of both Microfinance Associations for a meeting to discuss the tabled Bill in June 2019 and their concerns are duly being considered.

Proposed Credit Union (Special Provisions) Act

The Credit Union (Special Provisions) Bill for the enactment of legislation to facilitate the supervision of credit unions by the Bank of Jamaica was submitted to the AGC for review in May 2019. The MOFPS received comments in August 2019, which were forwarded to the relevant stakeholders. The next step is to have the issues raised by the AGC settled, after which the Bill can be submitted to the Legislation Committee.

Proposed Amendment to the Financial Services Commission (FSC) Act

The MOFPS received the latest draft of the FSC (Amendment) Act in March 2019. The CPC has raised some concerns resulting in ongoing clarifications, with the latest clarification sent to the CPC in August 2019. The next step is to submit the Bill to the AGC for their non-objection after which it will be submitted to the Legislation Committee. The amendment to the FSC Act seeks to facilitate consolidated supervision of groups comprising only non-deposit taking institutions.

Proposal for the enhancement of the Resolution Framework for Financial Institutions

The legislation for the Special Resolution Regime (SRR) for financial institutions (FIs) is being executed under three (3) work streams: the administrative component (ARR), the Funding component and the specialized modified insolvency framework (SIF) component (the latter component falls under the purview of the Ministry of Industry Commerce Agriculture and Fisheries). During the review period, additional drafting instructions were issued to the CPC to revise the Financial Institutions (Special Resolution Framework) Bill (the principal Bill) in May 2019. Subsequently, the MOFPS received the second draft of the principal Bill from the CPC in July 2019, which was circulated to the members of the technical working group led by the BOJ for review. The MOFPS received Cabinet's approval of the Cabinet Submission entitled "Proposed Funding Arrangements for the Special Resolution Regime" in June 2019 and drafting instructions were subsequently issued to the CPC to incorporate the funding provisions in the principal Bill. The proposed legislation for the SRR for FIs is intended to enhance the resilience and stability of the financial system in Jamaica by providing a

framework to address the resolution of non-viable financial institutions in an orderly way that minimizes the resort to public funds, whilst preserving vital economic functions.

National Financial Inclusion Strategy (NFIS)

The various working groups under the Financial Inclusion Steering Committee (FISC) continue to meet and work on the implementation of the action plans contained in the NFIS.

Financial Sector Adjustment Company (FINSAC) Ltd and Financial Institutions Services (FIS) Ltd

FINSAC has intensified the scaling down of its operations and since August 1, 2018 has two staff remaining to manage the legacy operations pending final closure in due course. In addition, it was decided that the number of directors would be reduced from seven to three, pending the inclusion of a representative from the Public Enterprises Division.

- Following the sale of the Culloden Lands in December 2017 owned by Ciboney Group Limited and payment of a capital distribution in March 2018 to shareholders, effort resumed to sell FINSAC's 72% shareholding in the company. This matter is receiving some further attention with a view to achieving sale during this fiscal year.
- There are two significant litigation matters still being pursued in the Courts by or against FINSAC, namely:
 - a) In 1993, Eagle Commercial Bank (ECB) and one of its customers filed suits against each other in the Supreme Court. FINSAC acquired ECB in 1997 and as a condition of the sale of ECB to RBTT Group in 2001, the Government of Jamaica and FINSAC indemnified RBTT and its successors in title for any liability arising from the actions. At the end of the trial in 2014, the Court ordered Sagicor Bank (the bank's successor in title) to repay the claimant plus interest compounded monthly from 1992, and costs. This decision was appealed and in 2018, the Court of Appeal changed the compound interest to simple and reduced the principal amount. FINSAC has settled the amounts payable. The Claimant has obtained leave to take the matter to the Privy Council, which is not likely to hear the appeal until late 2020.
 - b) In the Eagle litigation matter, resulting from the 4-year delay in handing down judgment as all three judges who heard the appeal had proceeded on retirement, the Claimant filed a motion in late 2017 seeking certain orders, including that the Government should bear his costs in the trial and the appeal. The application was heard in December 2017 by the Court of Appeal and in July 2018, its decision was handed down. A fresh appeal should be heard and no order was made for costs, meaning each party would bear its own costs. The claimant has obtained leave to take the matter of costs to the Privy Council.

Thereafter the substantive matter of the fresh appeal will be considered.

Finally, this Claimant brought an action in 2017 against FINSAC in the Miami-Dade County Court for wrongful injunction arising from an action brought by FINSAC in 2007 when it sought to enforce the local judgment in that jurisdiction. It appears this matter is on hold pending final outcome in the local courts.

- FINSAC continued to interface with the administrators, Guardian Life Limited (GLL) and the Actuaries as and when required with a view to resolving the following outstanding pension-related matters:-
 - a) Jamaica Mutual Life Staff Superannuation Fund –
 - i) Two of the three schemes have no surplus, while the third has a surplus. In line with the Trust Deeds and Rules, no part of this surplus is to be paid to the employer. Approval was received from the FSC to distribute the surplus in the administrative scheme to members of that scheme. Following a meeting held in April 2019 with beneficiaries, GLL has started the process of effecting payments and will continue this over time, as more beneficiaries make contact. A small contingency amount is being held by GLL to provide pension for any qualified former staff in the other two schemes who may have been inadvertently omitted.
 - ii) As required by relevant statutes, advertisements have to be done over a 5-year period to locate ‘missing’ beneficiaries across the three schemes as they have, to date, not contacted the administrators. Two of the five (5) annual mandatory advertisements were done in February 2018 and March 2019 which resulted in almost 180 beneficiaries coming forward – another 240 remain to be located. Efforts continue to locate as many as possible of the others and ultimately, where the benefits remain unclaimed after the 5 years, the moneys will be paid into the Supreme Court.
 - b) Scheme for the Jamaica Mutual Properties Limited – Distribution of the surplus to the beneficiaries commenced some years ago. Efforts will continue to locate the remaining beneficiaries.
- In relation to FIS, efforts continued to sell the two remaining properties, namely one residential lot in Black River, St. Elizabeth, and a 16-acre farm land in Hanover. If sale is not achieved by year-end, approval will be sought to transfer the lots to the Commissioner of Lands so that an application for strike-off of this company may be filed.

APPENDIX V Central Government Non - Debt Expenditure Budget

Table I - FY 2019/20 Non-Debt Expenditure Performance: Recurrent
\$'000

Ministry/Department	Original Approved Estimates 2019-20	Revised Estimates 2019-20	Actual Outturn FY 2019/20 (Un-audited)	Original Budget vs Actual Outturn		Revised Estimates vs Actual Outturn	
				\$'000	%	\$'000	%
His Excellency the Governor-General & Staff	290,111	290,111	289,313	(798)	0%	(798)	-0.3%
Houses of Parliament	1,089,639	1,104,039	1,069,080	(20,559)	-2%	(34,959)	-3.2%
Office of the Public Defender	137,953	143,650	138,127	174	0%	(5,523)	-3.8%
Office of the Contractor General	9,033			(9,033)	-100%	-	
Auditor General	848,028	905,108	832,309	(15,719)	-2%	(72,799)	-8.0%
Office of the Services Commissions	334,157	292,111	287,646	(46,511)	-14%	(4,465)	-1.5%
Office of the Children's Advocate	201,518	201,331	188,536	(12,982)	-6%	(12,795)	-6.4%
Independent Commission of Investigations	596,032	478,775	463,426	(132,606)	-22%	(15,349)	-3.2%
Integrity Commission	694,740	712,950	588,994	(105,746)	-15%	(123,956)	-17.4%
Office of the Prime Minister	6,777,377	6,897,823	6,691,057	(86,320)	-1%	(206,766)	-3.0%
Jamaica Information Service	697,424	697,424	697,424	-	0%	-	0.0%
Registrar General's Dept & Island Records Office	10,480	143,770	143,730	133,250	1271%	(40)	0.0%
Office of the Cabinet	512,504	478,504	474,096	(38,408)	-7%	(4,408)	-0.9%
MIND	225,234	225,234	225,234	-	0%	-	0.0%
Ministry of Tourism	11,525,361	11,525,361	11,481,228	(44,133)	0%	(44,133)	-0.4%
Ministry of Economic Growth & Job Creation	7,263,805	10,176,433	9,974,251	2,710,446	37%	(202,182)	-2.0%
Forestry Department	1,078,318	1,078,318	1,078,318	-	0%	-	0.0%
National Land Agency	766,552	766,552.00	748,039	(18,513)	-2%	(18,513)	-2.4%
National Environmental Planning Agency	1,063,382	1,073,382	1,073,382	10,000	1%	-	0.0%
National Works Agency	746,573	746,573	746,573	(0)	0%	(0)	0.0%
Ministry of Finance & the Public Service	26,739,971	24,122,625	22,744,891	(3,995,080)	-15%	(1,377,734)	-5.7%
Accountant General	863,877	811,977	792,339	(71,538)	-8%	(19,638)	-2.4%
Pensions	38,012,825	35,364,495	34,908,559	(3,104,266)	-8%	(455,936)	-1.3%
Tax Administration Jamaica	10,054,843	11,512,451	11,593,405	1,538,562	15%	80,954	0.7%
Ministry of National Security	24,607,058	27,078,107	27,035,816	2,428,758	10%	(42,291)	-0.2%
Police Department	39,423,260	40,953,519	40,971,793	1,548,533	4%	18,274	0.0%
Department of Correctional Services	7,611,526	8,076,526	8,074,753	463,227	6%	(1,773)	0.0%

Ministry/Department	Original Approved Estimates 2019-20	Revised Estimates 2019-20	Actual Outturn FY 20219/20 (Un-audited)	Original Budget vs Actual Outturn		Revised Estimates vs Actual Outturn	
				\$'000	%	\$'000	%
Passport, Immigration and Citizenship Agency	28,811	28,811	26,411	(2,400)	-8%	(2,400)	-8.3%
Institute of Forensic Science and Legal Medicine	811,315	811,315	812,678	1,363	0%	1,363	0.2%
Ministry of Justice	2,061,385	1,994,675	1,968,000	(93,385)	-5%	(26,675)	-1.3%
Director of Public Prosecutions	517,942	481,126	464,067	(53,875)	-10%	(17,059)	-3.5%
Administrator General	317,177	317,177	317,177	-	0%	-	0.0%
Attorney General	1,031,846	1,025,846	1,011,057	(20,789)	-2%	(14,789)	-1.4%
Office of the Parliamentary Counsel	173,892	135,217	129,462	(44,430)	-26%	(5,755)	-4.3%
Legal Reform Department	96,405	88,841	82,420	(13,985)	-15%	(6,421)	-7.2%
Judiciary	4,348,842	4,362,406	4,231,214	(117,628)	-3%	(131,192)	-3.0%
Ministry of Foreign Affairs and Foreign Trade	4,811,749	4,996,749	4,999,750	188,001	4%	3,001	0.1%
Ministry of Labour & Social Security	2,770,863	2,997,379	2,854,059	83,196	3%	(143,320)	-4.8%
Ministry of Education	106,576,996	109,465,808	109,540,949	2,963,953	3%	75,141	0.1%
Child Development Agency	2,716,424	2,763,338	2,729,959	13,535	0%	(33,379)	-1.2%
Ministry of Health	67,845,615	68,345,615	68,090,562	244,947	0%	(255,053)	-0.4%
Bellevue Hospital	1,727,702	1,866,613	1,832,138	104,436	6%	(34,475)	-1.8%
Government Chemist	64,205	64,205	59,372	(4,833)	-8%	(4,833)	-7.5%
Ministry of Culture, Gender, Entertainment & Sport	4,119,479	4,245,039	4,068,072	(51,407)	-1%	(176,967)	-4.2%
Ministry of Industry, Commerce, Agriculture & Fisheries	9,597,784	10,277,954	10,246,547	648,763	7%	(31,407)	-0.3%
Companies Office of Jamaica	14,019	14,019	-	(14,019)	-100%	(14,019)	-100.0%
Ministry of Science, Energy & Technology	5,189,022	4,415,085	4,158,192	(1,030,830)	-20%	(256,893)	-5.8%
Post and Telecommunications Department	2,188,804	2,051,525	2,066,822	(121,982)	-6%	15,297	0.7%
Ministry of Transport and Mining	10,289,469	12,194,816	12,170,315	1,880,846	18%	(24,501)	-0.2%
Ministry of Local Government & Community Development	11,678,973	13,401,673	13,302,660	1,623,687	14%	(99,013)	-0.7%
TOTAL RECURRENT	421,160,300	432,202,381	428,474,200	7,313,900	1.7%	(3,728,181)	-0.9%

Table II - FY 2019/20 Performance: Capital

\$'000

Ministry/Department	Original Approved Estimates 2019/20	Revised Estimates 2019/2020	Actual Outturn 2019/20 (Un audited)	Original Budget vs Actual Outturn %	Revised Estimates vs Actual Outturn %
Office of the Prime Minister	6,340,325	4,114,058	4,269,653	(2,070,672) -33%	155,595 4%
Office of the Cabinet	578,002	691,390	645,394	67,392 12%	(45,996) -7%
Ministry of Tourism			7,181	7,181	7,181
Ministry of Economic Growth & Job Creation	18,424,497	23,912,756	23,720,935	5,296,438 29%	(191,821) -1%
Ministry of Finance	5,705,678	2,821,843	2,677,904	(3,027,774) -53%	(143,939) -5%
Ministry of National Security	20,229,749	19,538,977	19,315,566	(914,183) -5%	(223,411) -1%
Ministry of Justice	1,700,151	978,018	903,189	(796,962) -47%	(74,829) -8%
Ministry of Labour and Social Security	8,347,410	8,146,307	8,162,534	(184,876) -2%	16,227 0%
Ministry of Education, Youth & Information	1,251,483	1,216,223	1,145,935	(105,548) -8%	(70,288) -6%
Ministry of Health	3,747,200	5,154,497	5,034,143	1,286,943 34%	(120,354) -2%
Ministry of Culture, Gender Entertainment & Sport	25,000	25,457	-	(25,000) -100%	(25,457) -100%
Ministry of Industry, Commerce, Agriculture and Fisheries	2,761,081	2,279,340	2,215,085	(545,996) -20%	(64,255) -3%
Ministry of Science, Energy and Technology	1,332,166	358,776	314,030	(1,018,136) -76%	(44,746) -12%
Ministry of Transport and Mining	500	500	206	(294) -59%	(294) -59%
Ministry of Local Government & Community Development	1,667,378	2,040,478	1,981,185	313,807 19%	(59,293) -3%
TOTAL	72,110,620	71,278,620	70,392,939	(1,717,681) -2.4%	(885,681) -1.2%

Table III - FY 2020/2021 Second Supplementary Estimates :Recurrent

\$'000

Head No	Head Name	Approved Estimates 2020/2021	Incremental	Savings or Under Expenditure	Net Increase/ Decrease	Revised Estimates 2020/2021
01000	His Excellency the Governor-General and Staff	367,891	-	-	-	367,891
02000	Houses of Parliament	1,130,970	60,961	-	60,961	1,191,931
03000	Office of the Public Defender	120,085	25,228	-	25,228	145,313
05000	Auditor General	1,023,764	-	-	-	1,023,764
06000	Office of the Services Commissions	331,735	15,097	15,097	-	331,735
07000	Office of the Children's Advocate	200,470	-	-	-	200,470
08000	Independent Commission of Investigations	500,715	25,509	-	25,509	526,224
09000	Integrity Commission	766,749	216,836	59,935	156,901	923,650
15000	Office of the Prime Minister	9,451,935	29,788	48,516	(18,728)	9,433,207
15010	Jamaica Information Service	636,563	-	-	-	636,563
15020	Registrar General's Department and Island Records Office	388,603	79,862	50,862	29,000	417,603
16000	Office of the Cabinet	456,951	49,497	4,500	44,997	501,948
16049	Management Institute for National Development	261,676	-	-	-	261,676
17000	Ministry of Tourism	11,210,790	-	200,000	(200,000)	11,010,790
19000	Ministry of Economic Growth and Job Creation	7,247,429	846,695	846,892	(197)	7,247,232
19047	National Land Agency	767,571	-	-	-	767,571
19048	National Environment and Planning Agency	1,060,719	12,500	-	12,500	1,073,219
19050	National Works Agency	800,493	-	-	-	800,493
20000	Ministry of Finance and the Public Service	36,163,342	2,243,208	220,037	2,023,171	38,186,513
20011	Accountant General	1,373,429	11,000	263,000	(252,000)	1,121,429
20012	Jamaica Customs Agency	-	-	-	-	-
20019	Pensions	38,587,849	-	-	-	38,587,849
20056	Tax Administration Jamaica	12,445,614	500,000	-	500,000	12,945,614
21000	Ministry of Housing, Urban Renewal, Environment & Climate Change	-	841,892	-	841,892	841,892
21046	Forestry Department	1,025,527	40,000	40,000	-	1,025,527
26000	Ministry of National Security	26,069,105	2,338,099	-	2,338,099	28,407,204
26022	Police Department	41,007,018	1,094,000	294,000	800,000	41,807,018
26024	Department of Correctional Services	8,282,439	273,925	-	273,925	8,556,364
26053	Passport, Immigration and Citizenship Agency	331,001	500,000	-	500,000	831,001
26057	Institute of Forensic Science and Legal Medicine	810,733	102,359	102,359	-	810,733
28000	Ministry of Justice	1,996,694	46,300	16,300	30,000	2,026,694
28025	Director of Public Prosecutions	476,240	1,000	1,000	-	476,240
28030	Administrator General	333,389	-	-	-	333,389
28031	Attorney General	1,149,281	100,000	-	100,000	1,249,281
28033	Office of the Parliamentary Counsel	163,215	-	38,000	(38,000)	125,215
28052	Legal Reform Department	91,016	-	10,000	(10,000)	81,016
28058	Judiciary	4,198,811	73,500	73,500	-	4,198,811
30000	Ministry of Foreign Affairs and Foreign Trade	4,448,511	10,000	10,000	-	4,448,511
40000	Ministry of Labour and Social Security	4,685,986	199,500	849,500	(650,000)	4,035,986
41000	Ministry of Education, Youth and Information	111,754,413	1,140,728	1,254,935	(114,207)	111,640,206
41051	Child Protection and Family Services Agency	2,868,082	-	-	-	2,868,082
42000	Ministry of Health and Wellness	76,098,282	1,500,000	-	1,500,000	77,598,282
42034	Bellevue Hospital	1,845,922	14,200	-	14,200	1,860,122
42035	Government Chemist	60,584	-	-	-	60,584
46000	Ministry of Culture, Gender, Entertainment and Sport	3,821,530	143,116	123,133	19,983	3,841,513
50000	Ministry of Industry, Commerce, Agriculture and Fisheries	11,100,792	-	5,562,863	(5,562,863)	5,537,929
51000	Ministry of Agriculture and Fisheries	-	4,175,694	-	4,175,694	4,175,694
53000	Ministry of Industry, Investment and Commerce	-	1,387,169	-	1,387,169	1,387,169
53038	The Companies Office of Jamaica	-	-	-	-	-
56000	Ministry of Science, Energy and Technology	4,437,246	38,995	253,995	(215,000)	4,222,246
56039	Post and Telecommunications Department	2,195,960	4,500	4,500	-	2,195,960
68000	Ministry of Transport and Mining	10,895,792	1,106,323	-	1,106,323	12,002,115
72000	Ministry of Local Government and Rural Development (formerly Ministry of Local Government and Community Development)	13,145,581	838,464	84,376	754,088	13,899,669
	TOTAL RECURRENT	458,588,493	20,085,945	10,427,300	9,658,645	468,247,138

Table IV - FY 2020/2021 Second Supplementary Estimates : Capital

\$'000

Head No.	Head Name	Approved Estimates 2020/2021	Incremental	Savings or Under Expenditure	Net Increase/ Decrease	Revised Estimates 2020/2021
15000C	Office of the Prime Minister	4,042,215	349,928	349,928	-	4,042,215
16000C	Office of the Cabinet	91,258	-	-	-	91,258
19000C	Ministry of Economic Growth and Job Creation	10,159,995	5,016,399	1,108,377	3,908,022	14,068,017
20000C	Ministry of Finance and the Public Service	3,338,153	14,500	14,500	-	3,338,153
21000C	Ministry of Housing, Urban Renewal, Environment and Climate Change		357,377	-	357,377	357,377
26000C	Ministry of National Security	9,758,819	106,000	-	106,000	9,864,819
28000C	Ministry of Justice	581,500	-	-	-	581,500
40000C	Ministry of Labour and Social Security	10,931,724	2,427,797	46,000	2,381,797	13,313,521
41000C	Ministry of Education, Youth and Information	633,292	-	-	-	633,292
42000C	Ministry of Health and Wellness	3,260,852	-	322,400	(322,400)	2,938,452
46000C	Ministry of Culture, Gender, Entertainment and Sport	25,184	-	-	-	25,184
50000C	Ministry of Industry, Commerce, Agriculture and Fisheries	2,246,875	-	1,627,425	(1,627,425)	619,450
51000C	Ministry of Agriculture and Fisheries		1,499,173		1,499,173	1,499,173
53000C	Ministry of Industry, Investment and Commerce		128,252		128,252	128,252
56000C	Ministry of Science, Energy and Technology	468,732	-	-	-	468,732
72000C	Ministry of Local Government and Rural Development (formerly Ministry of Local Government and Community Development)	1,064,216	530,739	50,000	480,739	1,544,955
	TOTAL CAPITAL	46,602,815	10,430,165	3,518,630	6,911,535	53,514,350

Table V FY 2018/19 - 2020/21 Estimates of Expenditure Economic Classification: Recurrent

\$'000					
Object Classification	Revised 2018/2019	Revised 2019/2020	Approved Estimates of Expenditure 2020/2021	First Supplementary Estimates 2020/2021	Second Supplementary Estimates 2020/2021
Compensation of Employees	200,125,348	211,617,527	221,296,600	221,657,669	225,268,500
Recurrent Programmes (of which:)	212,797,954	220,584,865	232,863,749	236,930,824	242,978,638
Travel Expenses and Subsistence	17,353,615	19,593,188	21,919,784	20,422,034	20,639,766
Rental of Property and Machinery	4,595,558	5,098,631	5,592,261	6,214,926	6,426,666
Utilities and Communication Services	9,595,170	9,955,939	10,689,532	10,785,242	10,892,362
Use of Goods and Services	43,832,559	47,979,700	49,957,961	46,949,726	48,093,860
Grants, Contributions and Subsidies	82,430,167	80,850,733	83,334,409	95,256,350	62,644,738
Retirement Benefits	38,311,801	36,896,944	40,117,148	40,115,148	77,375,950
Awards and Social Assistance	12,615,931	12,037,960	15,034,483	13,455,957	11,495,045
Others	4,063,153	8,171,770	6,218,171	3,731,441	5,410,251
TOTAL RECURRENT	412,923,302	432,202,392	454,160,349	458,588,493	468,247,138

Table VI FY 2018/19 -2020/21 Estimates of Expenditure: Recurrent

\$'000

Heads	Revised Estimates 2018/2019	Revised Estimates 2019/2020	Approved Estimates 2020/2021	First Supplementary Estimates 2020/2021	Proposed Second Supplementary Estimates 2020/2021
His Excellency the Governor-General and Staff	337,370	290,111	409,774	367,891	367,891
Houses of Parliament	1,073,493	1,104,039	1,173,269	1,130,970	1,191,931
Office of the Public Defender	130,643	143,650	131,096	120,085	145,313
Auditor General	749,862	905,108	1,023,764	1,023,764	1,023,764
Office of the Services Commissions	311,381	292,111	353,172	331,735	331,735
Office of the Children's Advocate	189,298	201,331	207,234	200,470	200,470
Independent Commission of Investigations	424,208	478,775	500,715	500,715	526,224
Integrity Commission	463,809	712,950	766,749	766,749	923,650
Office of the Prime Minister	8,762,640	7,739,017	10,897,877	10,477,101	10,487,373
Office of the Cabinet	656,362	703,738	783,537	718,627	763,624
Ministry of Tourism	11,529,503	11,525,361	12,513,319	11,210,790	11,010,790
Ministry of Economic Growth and Job Creation	11,676,560	13,841,258	11,464,201	10,901,739	9,888,515
Ministry of Finance and the Public Service	75,018,824	71,811,548	78,546,149	88,570,234	90,841,450
Ministry of Housing, Urban Renewal, Environment and Climate Change	-	-	-		1,867,419
Ministry of National Security	70,891,260	76,948,278	78,006,354	76,500,296	80,412,320
Ministry of Justice	8,115,735	8,405,288	9,131,208	8,408,646	8,490,646
Ministry of Foreign Affairs and Foreign Trade	4,652,041	4,996,749	4,956,044	4,448,511	4,448,511
Ministry of Labour and Social Security	3,406,163	2,997,379	5,085,367	4,685,986	4,035,986
Ministry of Education, Youth and Information	105,300,382	112,229,146	117,072,996	114,622,495	114,508,288
Ministry of Health	68,440,718	70,276,433	74,140,257	78,004,788	79,518,988
Ministry of Culture, Gender, Entertainment and Sport	3,744,463	4,245,039	4,568,375	3,821,530	3,841,513
Ministry of Industry, Commerce, Agriculture and Fisheries	9,446,154	10,291,973	10,661,824	11,100,792	5,537,929
Ministry of Agriculture and Fisheries	-	-	-		4,175,694
Ministry of Industry, Investment and Commerce	-	-	-		1,387,169
Ministry of Science, Energy and Technology	5,459,354	6,466,610	7,273,667	6,633,206	6,418,206
Ministry of Transport and Mining	10,146,317	12,194,816	11,018,619	10,895,792	12,002,115
Ministry of Local Government and Rural Development (formerly Ministry of Local Government and Community Development)	11,996,762	13,401,673	13,474,782	13,145,581	13,899,669
TOTAL RECURRENT	412,923,302	432,202,381	454,160,349	458,588,493	468,247,183

Table VII - FY 2018/19 __2020/21 Estimates of Expenditure: Capital

\$'000

Portfolio Ministries	Revised Estimates 2018/2019	Revised Estimates 2019/2020	Estimates of Expenditure 2020/2021	First Revised Estimates 2020/2021	Second Revised Estimates 2020/2021
Office of the Prime Minister	4,363,478	4,114,058	6,566,215	4,042,215	4,042,215
Office of the Cabinet	928,466	691,390	91,258	91,258	91,258
Ministry of Economic Growth and Job Creation	29,555,964	23,912,756	22,355,858	10,159,995	14,068,017
Ministry of Finance and the Public Service	6,801,167	2,821,843	7,856,135	3,338,153	3,338,153
Ministry of Housing, Urban Renewal, Environment and Climate Change	-	-	-	-	357,377
Ministry of National Security	12,664,446	19,538,977	15,953,840	9,758,819	9,864,819
Ministry of Justice	1,717,629	978,018	941,500	581,500	581,500
Ministry of Labour and Social Security	7,901,764	8,146,307	8,596,012	10,931,724	13,313,521
Ministry of Education, Youth and Information	1,696,103	1,216,223	1,480,478	633,292	633,292
Ministry of Health	1,898,908	5,154,497	3,903,604	3,260,852	2,938,452
Ministry of Culture, Gender, Entertainment and Sport	20,725	25,457	25,184	25,184	25,184
Ministry of Industry, Commerce, Agriculture and Fisheries	2,252,145	2,279,340	3,519,016	2,246,875	619,450
Ministry of Agriculture and Fisheries	-	-	-		1,499,173
Ministry of Industry, Investment and Commerce	-	-	-		128,252
Ministry of Science, Energy and Technology	83,278	358,776	696,804	468,732	468,732
Ministry of Transport and Mining	771	500	-	-	-
Ministry of Local Government and Rural Development (formerly Ministry of Local Government and Community Development)	692,678	2,040,478	2,217,356	1,064,216	1,544,955
TOTAL CAPITAL	70,577,522	71,278,620	74,203,260	46,602,815	53,514,350

Appendix VI – Public Sector Investment Programme PSIP) (\$'000)

Project No	PROJECT NAME	Funding Agency	Approved Budget 2020/2021	First Supplementary Estimates 2020/2021	Second Supplementary Estimates 2020/2021
	OFFICE OF THE PRIME MINISTER				
29532	Implementation of the National Identification System (NIDS) for Economic Growth	IDB	1,615,000	895,000	895,000
29469	Youth Employment in Digital and Animation Industries	IBRD	986,653	501,653	501,653
29488	Jamaica Disaster Vulnerability Reduction Project	IBRD	1,903,336	1,323,336	973,408
29471	Poverty Reduction Project IV	EU	339,706	245,706	245,706
29451	School Sanitation Programme	PDF	50,000	50,000	50,000
29452	Jamaica Integrated Community Development Project	IBRD	276,204	276,204	626,132
29534	Basic Needs Trust Fund (BNTF9)	CDB	775,316	350,316	350,316
29567	Jamaica Integrated Community Development Project II	GOJ	570,000	350,000	350,000
29564	Rural Economic Development Initiative (REDI II)	IBRD	100,000	100,000	100,000
	Sub-Total Capital B		6,616,215	4,092,215	4,092,215
	Less AIA		(50,000)	(50,000)	(50,000)
	TOTAL OFFICE OF THE PRIME MINISTER		6,566,215	4,042,215	4,042,215
	OFFICE OF THE CABINET				
29263	Public Sector Transformation and Modernization Programme	GOJ/IDB	91,258	91,258	91,258
		IDB	-	17,364	17,364
		CHINA	-	17,480	17,480
		GOJ	-	56,414	56,414
	TOTAL OFFICE OF THE CABINET		91,258	91,258	91,258
	MINISTRY OF ECONOMIC GROWTH & JOB CREATION				
22068	Establishment of United Nations (UN) House	GOJ	150,000	25,258	25,258
22067	Third City Planning	GOJ	50,000	24,000	24,000
29537	Credit Enhancement Programme for MSMEs	IDB	830,000	410,750	410,750
29550	Access to Finance for MSMEs	IBRD	540,000	280,320	280,320
29565	Boosting Innovation, Growth & Entrepreneurship Ecosystem	IDB	485,800	100,000	100,000
26501	Southern Coastal Highway Improvement Project	GOJ/CEXIM	12,916,566	6,257,117	10,880,732
29083	Construction of Ministry of Foreign Affairs Head Office	GOJ/PRC	83,338	83,338	83,338
29334	Palisadoes Shoreline Protection & Rehabilitation Works	GOJ/CEXIM	-	-	-
29313	Road Rehabilitation Project II (Broadgate - Aqualta Vale)	GOJ	67,000	67,000	388,400
29421	Major Infrastructure Development Programme	GOJ/CHINA	350,000	350,000	350,000
29555	Montego Bay Perimeter Road	GOJ	3,766,025	516,470	16,470
29311	Rural Road Rehabilitation Project (May Pen - SourSop Turn)		400,000	-	-
29408	Integrated Management of Yallahs/Hope River Watershed Management Area	GOJ/GEF	137,690	121,586	173,586
29475	PPCR II - Adaptation Programme & Financing Mechanism	CIF/IDB	346,446	285,729	79,442
29505	Integrating Water, Land and Ecosystems Management in Caribbean Small Island Developing States (IWEco)	UNEP	144,657	138,032	140,732
29513	Developing a Comprehensive Bush Fire Warning Index	CDB	-	31,000	-
29546	Green Climate Fund Readiness Support Project	Green Climate	140,190	140,190	19,700
29548	Plastic Waste Minimization Project	IDB	49,987	25,701	42,385
29557	Montego Bay Waterfront Protection Infrastructure (Groynes) Project	GOJ	489,000	161,345	161,345
29558	Montego Bay Closed Harbour Beach Park Development Project	GOJ	881,159	614,159	614,159
21785	Construction/Maintenance of Water Supply Systems	GOJ	528,000	528,000	277,400
	TOTAL MINISTRY OF ECONOMIC GROWTH & JOB CREATION		22,355,858	10,159,995	14,068,017

Project No	PROJECT NAME	Funding Agency	Approved Budget 2020/2021	First Supplementary Estimates 2020/2021	Second Supplementary Estimates 2020/2021
	MINISTRY OF FINANCE & THE PUBLIC SERVICE				
29463	Strategic Public Sector Transformation	IBRD	1,000,000	719,738	719,738
29531	Strengthening the Institutional Capacity of Financial Services Commission (TC)	IDB	25,000	25,000	25,000
29364	Development of National Policy and Plan Action on International Migration and Development	GOJ/ IOM	60,000	56,437	41,937
29394	PPCR II - Improving Climate Data & Information Management	CIF/IBRD	451,235	451,235	451,235
29465	Economic Partnership II (EPA II) Capacity Building Project	EU	-	-	-
29399	Enhancing the Resilience of the Agri Sector and Coastal Areas	Adaptation	235,921	125,251	125,251
29462	Jamaica Foundation for Competitiveness and Growth	IBRD	972,557	650,863	650,863
29503	Technical Cooperation Facility (TCF) V	EU	-	-	-
29512	Technical Cooperation Facility (TCF) VI	EU	87,000	63,840	63,840
29536	Support to the Public Sector Transformation Programme	IDB	1,503,307	1,212,789	1,212,789
2'0591	Construction of Tax Offices	GOJ	94,000	33,000	33,000
21686	Contingency Provision - Public Investment Management System	GOJ	3,427,115	-	-
29478	Public Sector Transformation - Support to the MoFP Transformation Programme	UNDP			14,500
	TOTAL MINISTRY OF FINANCE & THE PUBLIC SERVICE		7,856,135	3,338,153	3,338,153
	MINISTRY OF HOUSING, URBAN RENEWAL, ENVIRONMENT AND CLIMATE CHANGE				
29475	PPCR II - Adaptation Programme & Financing Mechanism	CIF/IDB			206,287
29513	Developing a Comprehensive Bush Fire Warning Index for Effective Bush Fire Management	CDB			30,600
29546	Green Climate Fund Readiness Support Project	Green Climate Fund			120,490
	TOTAL MINISTRY OF HOUSING, URBAN RENEWAL, ENVIRONMENT AND CLIMATE CHANGE				357,377
	MINISTRY OF NATIONAL SECURITY				
20592	Acquisition of Aircraft JDF	GOJ	3,031,151	3,031,151	3,031,151
21424	Acquisition of Vehicles - JDF	GOJ	617,780	617,780	617,780
21425	Purchase of Vehicles - DCS	GOJ	151,000	87,749	87,749
21428	Acquisition of Vehicles - JCF	GOJ	1,200,000	490,000	490,000
21429	Cyber Security Initiatives (JDF)	GOJ	930,000	-	-
21430	Cyber Security Initiatives (JCF)		930,000	450,000	450,000
21431	Acquisition of Equipment - Coast Guard		2,881,000	1,291,000	1,291,000
21432	Purchase of Telecommunications Equipment - JDF	GOJ	124,880	124,880	124,880
21433	Purchase of Telecommunications Equipment - JCF	GOJ	1,210,000	811,167	811,167
21565	Construction and Improvement - JDF	GOJ	1,529,745	1,529,745	1,529,745
21511	Construction and Improvement of Police Buildings	GOJ	2,320,000	821,830	821,830
21517	Construction and Improvement of Correctional Facilities - DCS	GOJ	393,000	86,400	86,400
29538	Security Strengthening Project	IDB	400,000	204,833	204,833
29457	Citizens Security and Justice Programme III	GOJ/DFAT	235,284	212,284	318,284
		IDB	-	80,589	121,279
		DFID	-	30,825	96,135
		GOJ	235,284	100,870	100,870
	TOTAL MINISTRY OF NATIONAL SECURITY		15,953,840	9,758,819	9,864,819

Project No	PROJECT NAME	Funding Agency	Approved Budget 2020/2021	First Supplementary Estimates 2020/2021	Second Supplementary Estimates 2020/2021
	MINISTRY OF JUSTICE				
21513	Construction and Improvement of Courthouses	GOJ	453,500	296,800	296,800
21858	Justice Sector Reform Programme	GOJ	255,200	117,700	117,700
29457	Citizens Security and Justice Programme III	GOJ/ DFATD	232,800	167,000	167,000
		IDB	35,800	35,800	35,800
		DFATD	67,000	67,000	67,000
		GOJ	130,000	130,000	130,000
	TOTAL MINISTRY OF JUSTICE		941,500	581,500	581,500
	MINISTRY OF LABOUR & SOCIAL SECURITY				
29487	Integrated Support to Jamaica Social Protection Strategy	IDB	8,596,012	10,931,724	13,313,521
	TOTAL MINISTRY OF LABOUR & SOCIAL SECURITY		8,596,012	10,931,724	13,313,521
	MINISTRY OF EDUCATION, YOUTH & INFORMATION				
20780	Establishment of Diagnostic Centres (Special Education)	GOJ	143,000	72,000	72,000
20778	Education Transformation Programme I	GOJ	90,000	53,500	53,500
21777	National Education Trust Solar School Project	GOJ	60,000	31,500	31,500
20775	Renovation & Modification of Caenwood and Heroes Circle Premises	GOJ	70,000	54,800	54,800
29419	Promoting Quality Education and Advancing the reality of a Child Friendly Environment	UNICEF	21,500	21,500	21,500
29518	School Renovation and Construction - Japanese Grassroots Project	JAPAN/ GOJ	61,717	57,951	57,951
29527	Support for Sustainability of Education Sector Reform	IDB	34,261	34,261	34,261
29566	Primary & Secondary School Infrastructure Project		1,000,000	307,780	307,780
	TOTAL MINISTRY OF EDUCATION, YOUTH & INFORMATION		1,480,478	633,292	633,292
	MINISTRY OF HEALTH				
	Health Services Improvement				
29568	Redevelopment of the Cornwall Regional Hospital	GOJ	1,785,005	1,437,500	1,115,100
29540	Western Adolescence Hospital	GOJ	250,791	125,791	125,791
29430	Programme for Reduction of Maternal and Child Mortality (PROMAC)	EU	620,220	579,693	579,693
29552	Support for the Health Systems Strengthening for the Prevention & Care Management of Non-Communicable Diseases Programme	IDB/GOJ	453,957	354,237	354,237
29481	Support to the National HIV/AIDS Response in Jamaica (formerly New Funding Mechanism)	Global Fund	784,329	754,329	754,329
29521	Technical support to Reduce Teenage Pregnancy	IDB	9,302	9,302	9,302
	TOTAL MINISTRY OF HEALTH		3,903,604	3,260,852	2,938,452
	MINISTRY OF CULTURE, GENDER, ENTERTAINMENT & SPORT				
20954	Santa Cruz Outreach Centre	GOJ	25,184	25,184	25,184
	TOTAL MINISTRY OF CULTURE, GENDER, ENTERTAINMENT & SPORT		25,184	25,184	25,184

Project No	PROJECT NAME	Funding Agency	Approved Budget 2020/2021	First Supplementary Estimates 2020/2021	Second Supplementary Estimates 2020/2021
MINISTRY OF INDUSTRY, COMMERCE, AGRICULTURE & FISHERIES					
20167	Major Rural Farm Roads Rehabilitation/Dev't Programme	GOJ	1,250,000	525,000	100,000
20172	Bodles Redevelopment Project	GOJ	320,580	208,543	82,255
22066	Agricultural Competitiveness Programme Bridging Project	GOJ	326,000	210,300	122,284
29480	Promoting Community Based Climate Resilience in the Fisheries Sector	IBRD	90,000	90,000	56,953
20151	Rehabilitation of Irrigation Infrastructure (NIC)	GOJ	250,000	77,000	56,000
29510	Essex Valley Irrigation Infrastructure Development Prog.	CDB	612,378	612,378	110,620
21685	Feasibility Studies for GOJ Public Investment Projects -Pedro Plains Irrigation Feasibility Study	Govt of France	15,000	8,500	1,000
29560	Feasibility Studies for GOJ Public Investment Projects - South St.Catherine - South Clarendon Irrigation Feasibility Study	CDB	87,000	87,000	10,218
29562	Southern Plain Agricultural Development Project		250,565	250,565	30,783
29549	Implementation Support for Skills Development for Global Services	IDB	8,857	8,857	8,857
29554	Global Services Skills Project	IDB	308,636	168,732	40,480
TOTAL MINISTRY OF INDUSTRY, COMMERCE, AGRICULTURE & FISHERIES			3,519,016	2,246,875	619,450
MINISTRY OF AGRICULTURE & FISHERIES					
20167	Major Rural Farm Roads Rehabilitation/Dev't Programme	GOJ			425,000
20172	Bodles Redevelopment Project	GOJ			126,288
22066	Agricultural Competitiveness Programme Bridging Project	GOJ			88,016
29480	Promoting Community Based Climate Resilience in the Fisheries Sector	IBRD			33,047
20151	Rehabilitation of Irrigation Infrastructure (NIC)	GOJ			21,000
29510	Essex Valley Irrigation Infrastructure Development Prog.	CDB			501,758
21685	Feasibility Studies for GOJ Public Investment Projects -Pedro Plains Irrigation Feasibility Study	Govt of France			7,500
29560	Feasibility Studies for GOJ Public Investment Projects - South St.Catherine - South Clarendon Irrigation Feasibility Study	CDB			76,782
29562	Southern Plain Agricultural Development Project				219,782
TOTAL MINISTRY OF AGRICULTURE & FISHERIES					1,499,173
MINISTRY OF INDUSTRY, INVESTMENT AND COMMERCE					
29554	Global Services Skills Project	IDB			128,252
TOTAL MINISTRY OF INDUSTRY, INVESTMENT AND COMMERCE					128,252
MINISTRY OF SCIENCE, ENERGY & TECHNOLOGY					
29489	Upgrade to the International Postal System	ITU	-	-	-
29372	Energy Efficiency & Conservation Programme	GOJ	67,000	67,000	67,000
29516	Support to the Energy Management and Efficiency Programme	IADB	-	-	-
29533	Energy Management and Efficiency Programme	IDB	629,804	401,732	401,732
TOTAL MINISTRY OF SCIENCE, ENERGY & TECHNOLOGY			696,804	468,732	468,732

Project No	PROJECT NAME	Funding Agency	Approved Budget 2020/2021	First Supplementary Estimates 2020/2021	Second Supplementary Estimates 2020/2021
	MINISTRY LOCAL GOVERNMENT & RURAL DEVELOPMENT (formerly MINISTRY LOCAL GOVERNMENT & COMMUNITY DEVELOPMENT)				
20528	Acquisition of Garbage Trucks - NSWMA	GOJ	-	-	230,739
20528	Fixed Asset Acquisition - Jamaica Fire Brigade	GOJ	1,915,073	838,933	838,933
29509	Improvement of Emergency Communication System in Jamaica	JICA	239,000	162,000	112,000
21122	Drop-in-Centres - homeless people	GOJ	28,000	28,000	28,000
29544	Strengthening the Disaster Risk Management Capacity of Portmore	CDB	35,283	35,283	35,283
29545	Climate Change Adaptation and Risk Reduction Technology and Strategies to Improve Community Resilience	CDB	-	-	50,000
21785	Construction/Maintenance of Water Supply Systems	GOJ			250,000
	TOTAL MINISTRY LOCAL GOVERNMENT & RURAL DEVELOPMENT		2,217,356	1,064,216	1,544,955
	TOTAL CENTRAL GOVERNMENT		74,203,260	46,602,815	53,514,350
	PUBLIC ENTERPRISES - SELF-FINANCED PUBLIC BODIES				
	Airport Authority of Jamaica				
	NMIA Capital Development Programme (CDP) Phase 1b	AAJ	250,828	250,828	250,828
	NMIA Capital Development Programme (CDP) Phase 2a	AAJ	441,635	441,635	441,635
	Shoreline Protection	AAJ	950,000	950,000	950,000
	Ian Fleming Airport	AAJ	86,800	86,800	86,800
	Vernamfield Aerodrome	AAJ	252,000	252,000	252,000
	Negril Aerodrome	AAJ	98,000	98,000	98,000
	AAJ SubTotal		2,079,263	2,079,263	2,079,263
	Betting, Gaming and Lotteries Commission				
	Gaming Management Information System (GMIS)	BGLC	139,000	139,000	139,000
	BGLC Sub-Total		139,000	139,000	139,000
	Factories Corporation of Jamaica				
	Garmex Redevelopment Project	FCJ	630,000	630,000	630,000
	Morant Bay Urban Development Centre	FCJ	438,000	438,000	438,000
	FCJ Sub-Total		1,068,000	1,068,000	1,068,000
	Jamaica Urban Transit Company Limited				
	Bus Refurbishing	GOJ	252,000	252,000	252,000
	Bus Information and Tracking System	GOJ	440,000	440,000	440,000
	JUTC Sub-Total		692,000	692,000	692,000

Project No	PROJECT NAME	Funding Agency	Approved Budget 2020/2021	First Supplementary Estimates 2020/2021	Second Supplementary Estimates 2020/2021
	National Housing Trust				
	Masemure, Westmoreland	NHT	198,800	198,800	198,800
	Yeast Plant, Westmoreland	NHT	32,500	32,500	32,500
	Cashew Grove, St. James	NHT	102,700	102,700	102,700
	Monymusk Phase 2	NHT	194,200	194,200	194,200
	Hummingbird - Sevens Phase 1	NHT	195,900	195,900	195,900
	Windsor	NHT	152,000	152,000	152,000
	Colbeck Castle Ph 1 & 2	NHT	260,700	260,700	260,700
	Colbeck Castle Ph 3 & 4	NHT	274,900	274,900	274,900
	Perth Phase 2	NHT	6,000	6,000	6,000
	Friendship Phase 1	NHT	161,400	161,400	161,400
	Latium	NHT	6,000	6,000	6,000
	<i>Sub-Total</i>		1,585,100	1,585,100	1,585,100
	The Villages of Colebeck Castle - Ph 1 & 2, Clarendon	NHT	540,230	540,230	540,230
	The Villages of Colebeck Castle - Ph 1 & 2, Clarendon (Housing)	NHT	910,080	910,080	910,080
	The Villages of Colebeck Castle - Ph 3 & 4, Clarendon (Inf)	NHT	57,500	57,500	57,500
	The Villages of Colebeck Castle - Ph 4, Clarendon (Housing)	NHT	317,000	317,000	317,000
	The Villages of Colebeck Castle - Ph 5, Clarendon	NHT	481,400	481,400	481,400
	Hague, Trelawny	NHT	30,500	30,500	30,500
	Irwin, St. James	NHT	350,000	350,000	350,000
	Estuary - Phase 2, St. James	NHT	499,000	499,000	499,000
	Fontabelle, Westmoreland	NHT	510,000	510,000	510,000
	Penwood, Olympic Gardens, Kingston	NHT	21,400	21,400	21,400
	Twin Palms	NHT	643,500	643,500	643,500
	<i>Sub-Total</i>		4,360,610	4,360,610	4,360,610
	Monymusk Country Estate, Clarendon	NHT	33,000	33,000	33,000
	Monymusk Country Estate, Clarendon (Housing)	NHT	593,960	593,960	593,960
	Anchovy, St. James	NHT	350,000	350,000	350,000
	Barett Hall, St. James	NHT	131,500	131,500	131,500
	Dry Valley - Phase 1, Trelawny	NHT	180,000	180,000	180,000
	Friendship - Phase 1, St. Elizabeth	NHT	305,000	305,000	305,000
	Friendship - Phase 1, St. Elizabeth (Housing)	NHT	460,000	460,000	460,000
	Friendship - Phase 2, St. Elizabeth	NHT	380,000	380,000	380,000
	Hellshire Phase 2, St. Catherine (Service Lots)	NHT	34,000	34,000	34,000
	Hellshire Phase 3, St. Catherine	NHT	53,500	53,500	53,500
	Industry Cove, Hanover	NHT	105,000	105,000	105,000
	Perth 1a, Manchester	NHT	83,000	83,000	83,000
	Perth 2, Manchester	NHT	1,690,000	1,690,000	1,690,000
	Humming Meadows Phase 1, Clarendon (Housing)	NHT	110,000	110,000	110,000
	Humming Meadows Phase 2, Clarendon	NHT	560,000	560,000	560,000
	Twickenham Park, Phase 4, St. Catherine	NHT	479,000	479,000	479,000
	Ruthven Road, Phase 1, St. Andrew	NHT	307,760	307,760	307,760

Project No	PROJECT NAME	Funding Agency	Approved Budget 2020/2021	First Supplementary Estimates 2020/2021	Second Supplementary Estimates 2020/2021
	Ruthven Road, Phase 2, St. Andrew	NHT	68,000	68,000	68,000
	Vineyard Town - Central Avenue & Third Avenue	NHT	6,500	6,500	6,500
	Latium, St. James	NHT	400,000	400,000	400,000
	Albion, Manchester	NHT	22,000	22,000	22,000
	Passley Gardens, Portland	NHT	12,000	12,000	12,000
	Minard, St. Ann	NHT	156,850	156,850	156,850
	Mount Nelson, Manchester	NHT	25,730	25,730	25,730
	Negril Spots, Westmoreland	NHT	27,000	27,000	27,000
	Dundee, Trelawny	NHT	33,000	33,000	33,000
	Bromley, St. Ann	NHT	22,000	22,000	22,000
	Malvern, St. Elizabeth	NHT	70,980	70,980	70,980
	Hectors River	NHT	11,000	11,000	11,000
	Salt Springs, St. James	NHT	86,000	86,000	86,000
	<i>Sub-Total</i>		6,796,780	6,796,780	6,796,780
	<i>Inner City Housing /Community Renewal Programme</i>	NHT	-	-	-
	Magesty Gardens	NHT	38,000	38,000	38,000
	Metcalfe Street	NHT	40,000	40,000	40,000
	Maxfield Park (Frog City)	NHT	75,000	75,000	75,000
	Rasta City	NHT	5,000	5,000	5,000
	Cantebury	NHT	20,000	20,000	20,000
	<i>Sub-Total</i>		178,000	178,000	178,000
	Shewsbury, Westmoreland	NHT	143,000	143,000	143,000
	Jacksonville, (Housing) Clarendon	NHT	46,500	46,500	46,500
	Jacksonville, Clarendon	NHT	30,000	30,000	30,000
	<i>Sub-Total</i>		219,500	219,500	219,500
	NHT Sub-Total		13,139,990	13,139,990	13,139,990
	KMA Water Supply Improvement – Rio Cobre (Content) water Treatment Plant	IDB	853,750	853,750	853,750
	K-Factor Projects	Bond	1,386,000	1,386,000	1,386,000
	In-House Capital Projects	NWC	740,580	740,580	740,580
	Metering Programme	Bond	508,700	508,700	508,700
	Renewable Energy	NWC	379,090	379,090	379,090
	ICT Upgrade	Loan	800,000	800,000	800,000
	Ferry to Downtown Pipeline Replacement	GOJ	4,773,350	4,773,350	4,773,350
	Greater Mandeville Water Supply	NHT/NWC	400,000	400,000	400,000
	Greater Portmore Waste Water Treatment Plant Rehabilitation	Bond	370,000	370,000	370,000
	Port Royal Distribution and Sewerage		1,000,000	1,000,000	1,000,000
	NWC Sub-Total		11,211,470	11,211,470	11,211,470

Project No	PROJECT NAME	Funding Agency	Approved Budget 2020/2021	First Supplementary Estimates 2020/2021	Second Supplementary Estimates 2020/2021
	Port Authority of Jamaica				
	Upgrade & Renovation of Reynolds Pier (O/Rios)	PAJ	137,610	137,610	137,610
	Fisherman Village Beach Nourishment	PAJ	40,460	40,460	40,460
	BPO Portmore Informix centre	Loan/MOFPS	282,220	282,220	282,220
	Port Royal Anch Sys Seawalk	PAJ	-	-	-
	Port Royal Project	Loan	272,930	272,930	272,930
	Logistics Project	PAJ	170,080	170,080	170,080
	MV Jamaica 2 replacement	PAJ	880,110	880,110	880,110
	Construction of Berth 1 & 2	PAJ	38,000	38,000	38,000
	Pavement of Berths 1 & 2	PAJ	200,000	200,000	200,000
	Pipeline Works	PAJ	106,130	106,130	106,130
	Port Community System	PAJ	190,860	190,860	190,860
	PAJ Sub-Total		2,318,400	2,318,400	2,318,400
	Postal Corporation of Jamaica				
	Counter Automation System	PostCorp	69,600	69,600	69,600
	PostCorp Sub-Total		69,600	69,600	69,600
	Spectrum Management Authority				
	Montego Bay Office	SMA	21,800	21,800	21,800
	ASMS/RMDFS Equipment	SMA	226,490	226,490	226,490
	Server Room Upgrade	SMA	10,330	10,330	10,330
	SMA Sub-Total		258,620	258,620	258,620
	Enterprise Management Information System (EMIS)	SLB	469,390	469,390	469,390
	SLB Sub-Total		469,390	469,390	469,390
	Urban Development Corporation				
	Dunns River Beach Replenishment- Groyne	UDC	114,710	114,710	114,710
	Dunns River Jetty	UDC	60,060	60,060	60,060
	Ocho Rios Bay Beach Upgrade	UDC	180,240	180,240	180,240
	Hellshire Sewage Treatment Plant	UDC	507,800	507,800	507,800
	UDC Sub-Total		862,810	862,810	862,810
	TOTAL SELF-FINANCED PUBLIC BODIES		32,308,543	32,308,543	32,308,543
	TOTAL CENTRAL GOVERNMENT & PUBLIC BODIES		106,511,803	78,911,358	85,822,893
	PUBLIC PRIVATE PARTNERSHIPS				
	Norman Manley International Airport (NMIA)	PPP	2,157,153	2,157,153	2,157,153
	Ministry of Education - Schools Solar	PPP	271,998	271,998	271,998
	National Water Commission- Rio Cobre 15MGD WTP	PPP	3,466,551	3,466,551	3,466,551
	TOTAL PPPs		5,895,702	5,895,702	5,895,702
	TOTAL PUBLIC BODIES		38,204,245	38,204,245	38,204,245
	TOTAL PSIP		112,407,505	84,807,060	91,718,595