



## First Competitiveness and Fiscal Management Programmatic DPL (P151448)

LATIN AMERICA AND CARIBBEAN | Jamaica | Macro Economics & Fiscal Management Global Practice | IBRD/IDA | Development Policy Lending | FY 2015 | Seq No: 1 | ARCHIVED on 04-Jan-2016 | ISR21204 |

Implementing Agencies:

### Key Dates

#### Key Project Dates

Bank Approval Date:03-Mar-2015

Effectiveness Date:12-Mar-2015

Planned Mid Term Review Date:--

Actual Mid-Term Review Date:--

Original Closing Date:31-Dec-2015

Revised Closing Date:31-Dec-2015

### Program Development Objectives

Program Development Objective (from Program Document)

The First Competitiveness and Fiscal Management Programmatic Development Policy Series supports policies aimed at (i) improving investment climate and competitiveness and (ii) sustaining fiscal consolidation and enhancing public financial management.

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	● Moderately Satisfactory
Overall Implementation Progress (IP)	--	● Moderately Satisfactory
Overall Risk Rating	--	● High

### Implementation Status and Key Decisions

As the reforms underpinning the World Bank's First Competitiveness and Fiscal Management DPL for Jamaica gather pace, early results and dialogue with the authorities indicate that some progress has been made on achieving the goals under this program, namely an increase in competitiveness and improved public financial management. While the pace of some reforms (such as revision of the development approvals process) is slower than originally anticipated, in this case due partly to a backlog in legislative actions, other reforms, such as those related to debt reduction and strong budgeting procedures have shown early success. Initial data also give confidence that the results indicators associated with this reform program would be achieved by the expected target date of end-March 2017. Indeed, some results (rollout of the AMANDA system for processing development approvals, reduction in the use of virements in the budget) are already achieved. The program is being implemented in close collaboration with the IMF and the Inter-American Development Bank, which are both supporting related reforms.



## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Substantial	--	● Substantial
Macroeconomic	● High	--	● High
Sector Strategies and Policies	● Low	--	● Low
Technical Design of Project or Program	● Low	--	● Low
Institutional Capacity for Implementation and Sustainability	● Substantial	--	● Substantial
Fiduciary	● Moderate	--	● Moderate
Environment and Social	● Low	--	● Low
Stakeholders	● Moderate	--	● Moderate
Other	--	--	--
Overall	● High	--	● High

## Results

### Results Indicators

#### ▶ 100 percent usage of AMANDA system in Local Planning Authorities (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	4.00	--	14.00	14.00
Date	31-Mar-2014	--	01-Oct-2015	31-Mar-2017

Comments



As of October 2015, the AMANDA system had been successfully rolled out in all 14 Parishes (or Local Planning Authorities). It was in varying stages of operationalization, with some Parishes using it for all approvals while others ramping up its usage steadily. The AMANDA system had also been rolled in 10 commenting (or referral) agencies as of end-October 2015.

► Reduction in the percent of electricity generation using petroleum (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	94.00	--	94.00	75.00
Date	31-Mar-2014	--	01-Oct-2015	31-Mar-2017

Comments

While data was not available on this indicator as of October 2015, the Government's electricity generation procurement plan which envisaged the conversion of a significant share of generation capacity to natural gas provided a degree of confidence that Jamaica's dependence on fossil fuels for energy generation will be steadily reduced. Much will depend on the success in implementing this procurement plan. The result indicator is expected to be achieved in large part due to the conversion of the Bogue power plant from diesel to natural gas, and the procurement of new generation based on natural gas and renewables.

► Improvement in the Logistics Performance Indicator - Customs Aspect (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2.88	--	2.88	3.00
Date	31-Mar-2014	--	01-Oct-2015	31-Mar-2017

Comments

The 2015 LPI data was not published at the time of preparing this ISR. It is expected that updated results will be available in 2016, and, given the customs and logistics related reform initiatives, the indicator will move to its expected value of 3.00 by the time the programmatic series closes.



► Reduction in the public debt to GDP ratio (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	141.60	--	135.60	125.00
Date	31-Mar-2014	--	31-Mar-2015	31-Mar-2017

Comments

The progress on fiscal consolidation, maintenance of a 7.5 percent primary fiscal surplus, and debt buyback transaction with PetroCaribe provide reasonable confidence that the target debt to GDP ratio of 125 percent will be achieved by end-March 2017.

► Value of virements on compensation and capital expenditures (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.9 Billion Jamaican Dollars	--	zero	zero
Date	31-Mar-2014	--	01-Oct-2015	31-Mar-2017

► PEFA indicator P1-12 dimension iv, measuring linkages between investment budget and forward expenditure estimate (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	C	--	C	B or better
Date	--	--	01-Oct-2015	31-Mar-2017

Comments

Updated data for this indicator will be available after the next PEFA for Jamaica is done. At this point it is not clear when the next assessment will be undertaken.

► Share of employee contribution to public sector pension as a percent of annual public sector pension payments (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.80	--	1.80	16.20
Date	31-Mar-2014	--	01-Oct-2015	31-Mar-2017

Comments



Progress is expected on this indicator after the new pension legislation is enacted. This is currently scheduled for the FY16/17 budget.

#### Overall Comments

Updated data on a number of indicators was not available as of the October 2015 mission. However, it is expected that some data will be available at the end of this fiscal year (April 2016), while all data should be updated by the closing of the programmatic series. It is recommended that the team preparing the next DPL in the series continue to work with the authorities to monitor the results indicators in the context of the loan preparation.

### Data on Financial Performance

#### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P151448	IBRD-84700	Effective	USD	75.00	75.00	0.00	75.00	0.00	100%

#### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P151448	IBRD-84700	Effective	03-Mar-2015	05-Mar-2015	12-Mar-2015	31-Dec-2015	31-Dec-2015

### Tranches

#### Restructuring History

There has been no restructuring to date.

#### Related Operations

P154717-Second Competitiveness and Fiscal Management Programmatic PBG ,P158637-Second Competitiveness and Fiscal Management Programmatic PBG