

**GREEN PAPER NO. 01/2010**

**PUBLIC SECTOR MASTER RATIONALISATION PLAN -  
RECOMMENDATIONS FOR THE RESTRUCTURING OF  
MINISTRIES, DEPARTMENTS AND AGENCIES**

The Honourable House is being asked to note the Public Sector Master Rationalisation Plan - Recommendations for the Restructuring of Ministries, Departments and Agencies, which has been prepared by the Public Sector Transformation Unit of the Cabinet Office.

This Report is now tabled as a Green Paper for discussion.

A handwritten signature in black ink, appearing to read 'Bruce Golding', with a long, sweeping flourish extending to the right.

**Bruce Golding, MP**

**Prime Minister**

**July 20, 2010**

**Public Sector Master Rationalization Plan**

**Recommendations for the Restructuring of  
Ministries, Departments and Agencies**

**Public Sector Transformation Unit  
Cabinet Office**

**July 2010**

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APPENDIX A: LISTING OF RECOMMENDED SUBJECTS AND DEPARTMENTS

## List of Acronyms

AG	Attorney General
BATCO	The Bauxite and Alumina Trading Company of Jamaica
CAP	Clarendon Alumina Production Limited
CIDA	Canadian International Development Agency
CITO	Central Information Technology Office
CMG	Consultative Monitoring Group
COSPROD	Correctional Services Production Company
CPTC	Creative Production and Training Centre
DBJ	Development Bank of Jamaica
DCS	Department of Correctional Services
EXIM	Export-Import Bank of Jamaica
FCJ	Factories Corporation of Jamaica
FID	Financial Investigation Division
FIPA	Inter-Parliamentary Forum of the Americas
FSL	Fiscal Services Limited
GDP	Gross Domestic Product
GG	Governor General
GIS	Geographic Information System
HAI	Housing Agency of Jamaica
HPM	Honourable Prime Minister
ICT	Information and Communication Technology
ICENS	International Centre for Environmental and Nuclear Sciences
IDTT	Inter-disciplinary Transformation Team
ISCF	Island Special Constabulary Force
JYBT	Jamaica Youth Business Trust
JCF	Jamaica Constabulary Force
JDF	Jamaica Defence Force
JIS	Jamaica Information Service
JMB	Jamaica Mortgage Bank
LAMP	Land Administration and Management Programme
MDAs	Ministries, Departments and Agencies
MoA	Ministry of Agriculture and Fisheries
MoE	Ministry of Education
MEM	Ministry of Energy and Mining
MFAFT	Ministry of Foreign Affairs and Foreign Trade
MFPS	Ministry of Finance and the Public Service

MoH	Ministry of Health
MIDA	Micro Investment Development Agency Limited
MIIC	Ministry of Industry, Investment & Commerce
MIND	Management Institute for National Development
MoJ	Ministry of Justice
MLSS	Ministry of Labour and Social Security
MNS	Ministry of National Security
MoT	Ministry of Tourism
MTW	Ministry of Transport and Works
MWH	Ministry of Water and Housing
MYSC	Ministry of Youth, Sports and Culture
NCST	National Commission on Science and Technology
NCYD	National Centre for Youth Development
NGO	Non-governmental Organisation
NROCC	National Road Operating and Construction Company
NSWMA	National Solid Waste Management Authority
NEPA	National Environment and Planning Agency
NLA	National Land Agency
NWA	National Works Agency
ODPEM	Office of Disaster Preparedness and Emergency Management
OPM	Office of the Prime Minister
OSC	Office of the Services Commissions
OUR	Office of Utilities Regulation
PBCJ	Public Broadcasting Corporation of Jamaica
PCJ	Petroleum Corporation of Jamaica
PICA	Passport Immigration and Citizenship Agency
PIOJ	Planning Institute of Jamaica
PSTU	Public Sector Transformation Unit
RMF	Road Maintenance Fund
SCJ	Sugar Corporation of Jamaica
SIA	Sugar Industry Authority
SMA	Spectrum Management Authority
SRC	Scientific Research Council
SYEAT	Special Youth Employment & Training
TEF	Tourism Enhancement Fund
UAF	Universal Access Fund
UDC	Urban Development Corporation
YEP	Young Entrepreneurs Programme

## **The Public Sector Transformation Unit's Vision, Mission and Mandate**

### **Vision**

A transformed cohesive Public Sector that is performance-based, efficient, cost effective and service oriented.

### **Mission**

To facilitate the establishment of an efficient, responsive and cost effective framework of operations for the Public Sector, consistent with good governance, in order to promote national growth and development.

### **Mandate**

To lead, monitor, evaluate and facilitate the implementation of the restructuring of the Public Sector for efficient, effective and economical Government.

## **INTRODUCTION**

This Public Sector Master Rationalization Plan is a work in progress and represents initial recommendations for treatment of the entire Public Sector. The paper addresses the rationalization of the Public Sector at the strategic level and examines Ministries and their respective Departments and Agencies, in relation to their mandates and core functions. The determination of their treatment has been based on extensive consultations that reflect points of convergence and divergence.

Preliminary estimates for cost savings are being ascertained and are not reflected in this document. Nevertheless, it can be construed that with the reduction in Departments, abolition of Entities and contracting out of services, a consequential outcome will be cost savings over time. It should be noted, however, that there will be an initial cost to deal with the inevitable separation of persons, who may not be absorbed within the wider Public Sector. Consideration is to be given by Cabinet to allowing first preference for those workers, who are capable of assuming responsibility for those services that may be contracted out, as has been adopted in other jurisdictions, such as Canada.

The actual number of persons who will be retained within the Public Sector is also to be determined and will be influenced by the acceptance of the recommendations that reflect the total cosmology of the transformed Public Sector.

### **Background**

Reference is made to Cabinet Decision # 49/09 dated November 2, 2009, which stated the decision of the Cabinet to rationalize the Public Sector. The Public Sector Transformation Unit (PSTU) was established in November 2009 with the mandate to “lead, monitor, evaluate and facilitate the implementation of the restructuring of the Public Sector for efficient, effective and economical government”, to realise the vision of “a transformed cohesive Public Sector that is performance-based, efficient, cost effective and service oriented.”

A critical part of the governance structure for transforming the Public Sector is the Consultative Monitoring Group (CMG) which was established by Cabinet to have general oversight of the work of the PSTU, review the recommendations and the strategies being pursued and to monitor the implementation.

In rationalizing the Public Sector, careful consideration was given to the role, core functions and priorities of Government. The understanding of the role of Government was guided by the

areas articulated by the Prime Minister in Parliament on September 30, 2009, in which he highlighted the responsibilities of Government as stated:

- A safe, healthy and secure environment
- Effective and accessible justice system
- Good quality education system
- Access to basic health care
- Social welfare support for the disadvantaged and vulnerable
- Public infrastructure and related services
- Efficient public bureaucracy
- An appropriate policy environment and regulatory mechanisms and
- Effective diplomacy.

The determination of the core functions of Government was informed by an understanding of “what Government should do and pay for; what government must pay for, but does not have to do; and what Government should not do and should not pay for” (Osborne and Plastrik, 1997)<sup>1</sup>. Importantly, the rationalisation was guided by the imperative for a Jamaican Public Sector that is service oriented, results-based and guided by appropriate accountability mechanisms and which therefore provides an enabling environment for the achievement of the Vision 2030: “Jamaica the place of choice to live, work, raise families and do business”.

## **The Approach**

The approach adopted in the exercise was iterative and inclusive involving major stakeholders within the Public Sector and Trade Unions. Permanent Secretaries were asked to review the functions of their specific Ministry, Departments and Agencies and decide upon one of six options namely: retention, transfer, merger, abolition, divestment/privatisation and contracting out. Matrices were completed, reflecting the recommendations posited by the Permanent Secretaries and signed off by the respective Ministers. On review of the matrices and in consultation with all Permanent Secretaries, additional modification was done, which informed the draft Master Rationalization Plan. The Plan was reviewed by the Consultative Monitoring Group (CMG) and the report was subsequently presented to the Cabinet for approval.

## **Consultations**

### ***Meetings with Public Sector Workers***

A critical element in the approach is extensive consultations and engagement in social dialogue with stakeholders at all levels. The PSTU facilitated dialogue in all Ministries with various stakeholders within the Public Sector to include Ministers, Permanent Secretaries, senior

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<sup>1</sup> Osborne, David and Plastrik, Peter “*Banishing Bureaucracy: The Five Strategies for Reinventing Government*” First Plume Printing, USA, 1997

managers and in some instances, general staff. The inputs from staff were noted and were incorporated where feasible to be consistent with the overall thrust of rationalizing the Public Sector. After presentation to Cabinet, further review was pursued with all Ministries to integrate and further refine the overall Plan.

### ***Inter-disciplinary Transformation Teams***

To manage the change process, an Inter-disciplinary Transformation Team (IDTT) is to be established in Ministries and Agencies, which are led by Permanent Secretaries, or their appointees, who will report directly to them. The Terms of Reference to inform the work of the IDTT were sent to all Permanent Secretaries for dissemination to all Entities. It highlights who should comprise the Team and their role and functions. Representation on the IDTT should include Human Resource Practitioners, Communication Specialists, Information Technology Specialists, Union representatives and staff at all levels of the organisation. These teams are critical as they will play a vital role in keeping all levels of staff informed of the changes taking place within their respective Entities. The IDTT will direct staff to various support services available to facilitate the transition within and across Ministries and Agencies. Support services to be provided include psychosocial counselling, business counselling, business facilitation, training and retooling.

### ***Human Resource and Industrial Relations***

All matters pertinent to human resource management are being carefully considered and a very structured approach has been adopted to deal with this component. Human Resource Directors met to discuss the critical elements that must be addressed and to examine the relevant mechanisms that will facilitate ease of transition within and external to the Public Sector.

A Change Management and Communication Plan has been developed by a committee comprising Public Sector Human Resources Directors, as well as, representatives from the Office of the Services Commission, the Public Sector Establishment Division and the Corporate Management Division. The plan covers the approach to be taken and the strategies to be employed in the implementation, which will include business and psycho-social counselling, framework for mergers, public sector training, mechanisms for redeployment, managing the separation process, procedures for engaging Trade Unions and assessing the results of change. Specially designed templates and protocols have been developed for training, counselling, business and financial guidance, consultations with the trade unions, redeployment of staff and the handling of staff terminations. These were presented to the Human Resources Directors from all Ministries and Agencies, as well as, Trade Union representatives and the feedback was received. These protocols and procedures will guide the actions of all Ministries, Departments and Entities regarding treatment of all staff.

In regard to Industrial Relations, a number of meetings have been held with the main Public Sector Trade Unions to share with them the PSTU's work and obtain feedback on very sensitive issues confronting the sector, to include those issues emerging from the International Monetary Fund agreement.

### ***Focus Groups for Inputs to Public Sector Transformation***

Six focus groups were organised with various stakeholders to include Public Officers, Special Interest Groups, civil society, and youth representatives. To inform the implementation process, the six Focus Groups were asked to provide feedback on the Public Sector and suggestions for improvement. Responses were solicited to three broad questions, namely:

1. What is your perception of the Public Sector?
2. What would you like to see in a transformed modern Public Sector?
3. What are your suggestions on how the transformation could be realized?

Excellent feedback was received from the groups and the recommendations will be incorporated during the execution phase of the transformation project.

### **Rationalization Considerations**

This exercise focused on the entire Public Sector to include the sixteen (16) Ministries and over two hundred (200) Entities including Departments, Statutory Bodies, Executive Agencies and Limited Liability Companies. The reasons for rationalisation are obvious, chief among them are the following:

1. Overlapping and duplication of mandates and functions
2. Organizations and structures that are no longer relevant
3. Shifts in mandate and core functions
4. Archaic systems and structures
5. Outdated Statutes
6. High wage bill relative to GDP
7. Lack of appropriate technology
8. Lack of inter and intra-Ministry collaboration
9. Limited financial and material resources

In the review, after extensive consideration, the decision was taken to retain all Ministries at this time, with modification in some instances to their respective core functions. It is anticipated, that with the efficiency gains over time, specific consideration will be given to the reduction of Ministries. The realignment of Entities was influenced by the synergies that could be realized with specific groupings, based on related subject areas, complementary activities, efficiency gains and cost effectiveness.

The option decided upon for each entity also benefited from research to inform “best practices” and generally, what obtains in other jurisdictions, primarily, UK, USA, Canada, New Zealand, Australia, Singapore, Malaysia, South Africa, Botswana, Ghana and the Caribbean, mainly Barbados and Trinidad. Special attention was focused on countries of the Commonwealth to adopt and adapt where possible, best practices that would enhance the general functioning of the Public Sector. Cognizance however, was taken of Jamaica’s unique characteristics and to this end, some adjustments were made that are dissimilar to conventional placements and practices in other jurisdictions. A holistic view had to be adopted in the execution of this exercise, with issues of culture considered, in order to justify placement of Entities.

A very pragmatic approach was adopted in the treatment of all Ministries, Departments and Agencies. Broadly speaking, mergers will result in economies of scale and overall cost savings in areas to include staffing, physical facilities and equipment/machinery. Transfers will align Entities that are complementary in executing the overall mandate of the respective Ministry/Agency. Abolition of Entities entail those activities that should not be done by Government. There are some Entities, whose management should be contracted out to the private sector, although Government would retain ownership, as such Entities are of national import or considered to be national treasures e.g. Devon House. There are also others, whose services should be contracted out as the activity is considered as non-core and need not be executed by Government, although the services should be paid for by Government. The specific Entities to undergo such changes have been identified. Where actual cost-savings can be realized and, as soon as the Plan is approved, detailed analysis of these savings will be presented for review. It should also be noted that this exercise will be implemented on a phased basis.

### **Legislative Framework**

To facilitate all of the above, the relevant Statutes are being examined with a view to amending the Acts and Regulations that will allow for a new dispensation in governance. Assistance is being provided by a team from the private Bar who will work very closely with the Attorney General’s Department and the Chief Parliamentary Counsel.

A review of the Constitution (1962), The Public Service Regulations (1961), the Public Bodies Management and Accountability Act (amended 2009) and the Executive Agencies Act (2002) will be vital to facilitating the empowerment of the Heads of such Entities that are delegated full ‘devolution of authority’. Agency specific Acts and Regulations will also be amended or new Statutes promulgated to facilitate the changes necessary for proper management at all levels.

## **Systemic Areas for Transformation**

### ***Shared Corporate Services***

The introduction of shared corporate services in eight areas of back office operations to include: human resource management, financial management, asset management, procurement, legal services, Information and Communication Technology (ICT), internal audit and communications and public relations, will allow Ministries and Departments to concentrate on their respective core functions. Currently these services reside, for the most part, in each MDA. Through service-level agreements, MDAs will be able to demand quality service in all the targeted areas within the new shared services model.

Shared corporate services already exist at the inter-Ministry level for the Office of the Prime Minister, Cabinet Office, Ministry of Youth, Sports and Culture, the Ministry of Tourism and King's House, in four of the above stated service areas. The lessons learned from this application will be extended sector wide for implementation. In its application, the proposal is to execute it at the inter-ministry and intra-ministry levels.

### ***Management Accountability Framework for Entities nominated for full Devolution and De-concentration of Authority***

The transformation of the Public Sector will demand a radical restructuring of established organizations, structures and systems to include reviewing their purposes, introducing incentives, decentralising authority, outlining an accountability framework, and creating a new and different culture, conducive to achieving a well-motivated, efficient and accountable public sector that is results-oriented. Creating a culture of accountability will require a paradigm shift in how the business of government is conducted. It will mean changing attitudes and behaviours to influence the results. Accountability therefore, must become a "cultural expectation" that propels the leadership of the Public Sector to achieve the desired results. A new and different approach must be adopted regarding terms of employment and an appropriate Management Accountability Framework which defines expectations and results must be implemented to inculcate a performance/results-oriented mindset.

Twelve (12) Entities have been identified to work with the PSTU as pilot Entities for full devolution and de-concentration of authority. Special arrangements will be made for these Entities to have the requisite resources to enable them to achieve the agreed performance targets. A critical link will be made to specific National Outcomes/Objectives as articulated in the Vision 2030 Jamaica – National Development Plan. Consistent with such delegated authority Heads of Entities will be held accountable for the stated outputs and outcomes.

## **REVIEW OF MINISTRIES**

This section of the paper provides the detailed recommendations for the restructuring of all Ministries, their Departments and Agencies. The current mission and mandate of each Ministry are presented, along with information on the Departments and Entities under their purview. This is followed by recommendations for the retention, transfer, merger, contracting out, privatisation/divestment and abolition of Entities and the rationale for these recommendations. The new names of Ministries are proposed where required, to reflect their new portfolio responsibilities.

The review of Ministries is presented in the following order:

1. Office of the Cabinet
2. Office of the Prime Minister
3. Ministry of Finance and the Public Service
4. Ministry of Foreign Affairs and Foreign Trade
5. Ministry of National Security
6. Ministry of Education
7. Ministry of Justice
8. Ministry of Industry, Investment and Commerce
9. Ministry of Water and Housing
10. Ministry of Labour and Social Security
11. Ministry of Health
12. Ministry of Tourism
13. Ministry of Energy and Mining
14. Ministry of Agriculture and Fisheries
15. Ministry of Transport and Works
16. Ministry of Youth, Sports and Culture

A summary of the recommendations regarding mergers, privatisation, abolition and contracting out is outlined in the final chapter of the report.

The resulting assignment of portfolio responsibilities is detailed in Appendix A entitled: **Recommendation for Assignment of Subjects and Departments.**

## **CABINET OFFICE**

### **Current Structure and Functions of the Cabinet Office**

#### **Mission**

To provide the Prime Minister and his Cabinet with high quality policy advisory services and information leading to sound and timely Cabinet decisions which are effectively implemented by line Ministries and to lead the modernization of the Public Service to one that is more efficient, effective, accountable and that treats the public as valuable customers.

#### **Role**

The role of the Cabinet Secretary and the Cabinet Office is integrally supportive of the Cabinet's Constitutional role as the principal instrument of policy and the body that is charged with general direction and control of the Government.

The Cabinet Office supports the government's decision-making processes. It provides impartial secretariat services to the Cabinet and Cabinet sub-committees. It advises the Prime Minister and other Ministers on certain Constitutional, policy and procedural issues. It also assists in the coordination of the Government's legislation programme. Subsumed also under the Cabinet Office, is the Performance Monitoring Evaluation Unit that is responsible for the corporate planning process of Government and monitoring and evaluation of the overall organisational performance of Government.

#### **Current Functional Areas**

The Cabinet Office currently has six (6) functional areas focusing on:

- Cabinet Support and Policy Coordination
- Performance Monitoring and Evaluation
- Public Sector Modernization
- Organizational Design and Staffing
- National Security Policy Coordination
- Public Service Training

In addition, the Office of Utilities Regulations (OUR), an independent Entity, is placed under the Cabinet Office for administrative purposes only.

## **Recommended Structure and Functions of the Cabinet Office**

### **Rationale**

In the proposed construct, the Cabinet Office will assume full responsibility for the human capital of the Public Sector. The rationale in positioning the Office of the Services Commission with responsibility for Strategic Human Resource Management to be anchored in the Cabinet Office is based on the fact that the Cabinet Secretary is the Head of the Public Service and all matters pertinent to the staff of the wider Public Service should fall appropriately under the Cabinet Office. The Performance Monitoring Evaluation Unit will continue to monitor the implementation of all policies approved by the Cabinet.

It is therefore being recommended that the mandate of the Cabinet Office be amended to reflect two (2) main functional areas as follows, incorporating the stated functions/entities.

#### **1. Cabinet Support and Policy**

- Business of the Cabinet
- Policy formulation, analysis and coordination for Government
- Support to Legislative Agenda
- Corporate Planning for Government
- Whole of Government Business Planning and Performance Monitoring and Evaluation (the Performance Monitoring and Evaluation Unit within the Cabinet Office will have the responsibility to coordinate and guide the execution of the function within all Ministries, Departments and Agencies)

#### **2. Public Service Management**

- Office of the Services Commissions (OSC)
- Strategic Human Resource Management
  - Classification system and Compensation Policy
  - Employee Performance Management System
  - Public Sector HRM Strategy and Policies
  - Benefits Policy
  - Organizational Design
  - Staff orders and Condition of Service
  - Succession planning
  - Workforce Planning
  - HRMIS

- Public Sector Modernisation
- Public Service Training
- Industrial Relations ( subject to establishment of an autonomous mechanism for negotiation of compensation and benefits)
- Secretariat support to the Services Commissions

It is recommended that the area of Public Service should be managed by a Minister without Portfolio who would be located within the Cabinet Office.

The Office of Utilities Regulation will remain with the Cabinet Office consistent with inter-sectoral regulatory functions being anchored within the Cabinet Office.

The Management Institute for National Development (MIND) will focus on providing training to public sector.

#### **Entities to be transferred**

Given the Cabinet Office's role of general direction and control of the Government, it is best suited to manage the Strategic Human Resource functions for the Public Service. This will be managed by the Office of the Services Commissions.

A Public Sector Salary Review Board was proposed to be established as an independent body to undertake the Industrial Relations functions. Given the fiscal responsibility framework in which the government is constrained to operate, this mechanism is potentially in conflict with the MOU arrangements currently in place, which provide for a tripartite agreement regarding the treatment of wage increases in return for fiscal commitments by the government.

The following functions will therefore be transferred from the Ministry of Finance and the Public Service.

- Public Sector Establishment Division
  - Compensation Unit
  - Pension Unit (eligibility and research)

The Office of the Services Commissions will continue to provide Secretariat Services to the four (4) Commissions, which will remain independent (creatures of Parliament).

- Public Service Commission
- Police Service Commission
- Judicial Service Commission

- Municipal Service Commission to be merged with the Parish Councils Service Commission

All functions handled by Spectrum Management Authority (SMA) are to be transferred to the Office of Utilities Regulation, as similar portfolio responsibilities for Telecommunications exist.

A clear policy directive on the Single Regulatory Authority would clarify the issues pertinent to the SMA being subsumed under the OUR. The present construct does not allow for efficiency gains. A proper realignment of the functions will achieve the objective of a Single Regulatory Authority that treats with a wide cross-section of regulatory functions to include utilities.

The National Security Policy Coordination Unit is to be transferred to the Ministry of National Security.

## **OFFICE OF THE PRIME MINISTER**

### **Current Structure and Functions of the Office of the Prime Minister**

#### **OPM's Vision Statement**

A transformed united Jamaica in which all citizens can realise their full potential and participate in the achievement of sustainable national development.

#### **Mission**

To provide quality leadership and good governance by building an inclusive, enabling environment conducive to national development through the articulation and implementation of sound policies and programmes consistent with our shared goals and values.

#### **Mandate**

To support the Prime Minister in providing quality leadership, strategic direction and control for an efficient, effective and economical government in the execution of his constitutional responsibilities.

#### **Current Functional Areas**

The OPM currently has four (4) functional areas focusing on:

- Planning and Development
- Information and Telecommunications
- Local Government Reform
- State Protocol & National Awards

OPM's portfolio currently consists of forty seven (47) subjects and thirty eight (38) Entities.

### **Recommended Structure and Functions of the Office of the Prime Minister**

#### **Rationale**

The Office of the Prime Minister needs to be strategic in its role and functions and will have only those Entities that have far reaching impact in terms of policies and programmes requiring the general oversight of the Prime Minister. The Entities placed under the portfolio of the OPM will address cross-cutting over-arching issues of national import that will impact on all Jamaicans.

It is recommended, therefore, that the structure of the Office of the Prime Minister be amended to reflect three (3) broad functional areas namely:

**1. Governance and Policy**

- Corporate Planning
- Policy development related to portfolio Entities.
- Monitoring and evaluation of policies
- Corporate Services

**2. State Protocol & National Awards**

- State and Official Events
- National Symbols
- National Honours and Awards

**3. National (Systemic) Programmes and Entities**

- Defence
- Information and Telecommunications portfolios
- Planning Institute of Jamaica (PIOJ)
- Statistical Institute of Jamaica (STATIN)
- National Transformation Programme (NTP)
- Jamaica Productivity Centre (from MLSS)
- Jamaica Social Investment Fund (External Funds) and Constituency Development Fund (Local Funds) \*\* Strategy to be developed to ensure integrity of the funds
- C.H.A.S.E. Fund (From MFPS)
- Local Government
- Registrar General's Department (From MoH) which will have responsibility for the National Identification System (NIDS). National Registration Bill currently being reviewed.

The **Information and Telecommunications** portfolios are to be structured as follows:

• **Information**

- Access to Information Unit
- The functions of the CPTC which deals with cultural productions should be subsumed under the PBCJ and the commercial component to include training should be repositioned. Existing PBCJ Act to be reviewed
- Jamaica Information Service (JIS)
- Broadcasting Commission
- Cinematograph Authority

- **Telecommunications:** It is proposed that this portfolio be renamed **Communications and Technology (ICT)**
  - Central Information Technology Office (CITO) is to set policy related to ICT, including setting and monitoring standards for software and hardware, procurement, installation and training across government. The company should be wound up and become a unit within the OPM, headed by a Chief Information Officer. An advisory council with broad based representation within the ICT sector would replace the current Board.
  - Fiscal Services Ltd (to be transferred from MOFP and appropriately renamed to reflect general provision of ICT services across Government)
  - Universal Access Fund Company – project management to be retained at OPM. Fund Management to be done through the proposed Central Treasury in the MFPS
  - The portfolio of Post and Telecommunications to be renamed Postal Services to undertake policy and regulatory functions.

**Local Government portfolio** - it is envisaged that the Local Government Department will be phased out with the implementation of local government reform. A small core is to reside in the OPM with responsibility for:

- Policy Development
- Monitoring and Evaluation
- Research and Development

The **Parish Councils** will have expanded responsibilities, consistent with the local government reform agenda and will include:

- Development Planning
- Planning Approvals
- Infrastructure – Roads and Works (roles to be clarified vis-à-vis the proposed Single Road Authority)
- Service Delivery – e.g. markets, solid waste, barbers and hairdressers' licenses
- Community development in collaboration with the Social Development Commission

## Entities to be transferred

1. The following Entities are to be transferred to the current Ministry of Water and Housing in order to align related development functional areas under one Ministry. A suggested renaming is the Ministry of Housing and **Sustainable Development**.
  - National Housing Trust
  - Urban Development Corporation
  - National Land Agency
  - National Environment and Planning Agency
  - Meteorological Department
  - Office of Disaster Preparedness and Emergency Management
  - Real Estate Board
  - Environmental Policy and Management
  - Land Policy and Administration including GIS Unit and LAMP
  - National Solid Waste Management Authority
2. The Development Bank of Jamaica (DBJ) is to incorporate banking functions such as the Export-Import (EXIM) Bank of Jamaica and the Micro Investment Development Agency Limited (MIDA). The DBJ is to be transferred with responsibility for the Capital Development Fund, to the current Ministry of Finance and the Public Service – a suggested renaming is the Ministry of **Finance**.
3. The Young Entrepreneurs Programme (YEP) is to be transferred to the Ministry of Youth, Sports and Culture, and aligned to the NGO, the Jamaica Youth Business Trust (JYBT) in a public/private partnership.
4. The National Commission on Science & Technology (NCST) is to be transferred to the Ministry of Industry, Investment and Commerce and provide policy direction for the reconfigured Scientific Research Council (SRC).
5. The Vineyard Town Golden Age Home (along with all infirmaries) is to be transferred to the Ministry of Labour and Social Security.
6. The regulatory functions of the National Solid Waste Management Authority are to be transferred to the Ministry of Housing and **Sustainable Development**. It is proposed that the operational and management functions of the NSWMA be considered for Executive Agency status and also fall under that Ministry (Currently a Statutory Body).

7. All functions handled by Spectrum Management Authority (SMA) are to be transferred to the Office of Utilities Regulation (OUR) in the Cabinet Office as similar portfolio responsibilities for Telecommunications exist.
8. The E-learning project is to be transferred to the Ministry of Education to be aligned with educational services.
9. The Earthquake Unit is to be transferred to the Ministry of Energy and Mining to be aligned with the Geological Survey and Management function.
10. International Centre for Environmental and Nuclear Sciences (ICENS) to be transferred fully under the management of the University of the West Indies.

#### **Entities to be Merged**

1. The Jamaica Social Investment Fund and the Constituency Development Fund are to be managed under one umbrella with distinctly separate streams of funds, appraisal criteria and project management.
2. The functions of the CPTC which deals with cultural productions should be subsumed under the PBCJ and the commercial component to include training should be repositioned. The existing PBCJ Act is to be reviewed.

#### **Entities to be privatised**

1. Parish Cemeteries are to be privatised through either the lease or direct sale of lands. At a minimum the management functions must be contracted out. A subsidy is to be provided to families of the indigent so that their burial expenses can be covered.
2. The Post and Telecommunications Department is to be merged with the Postal Corporation of Jamaica and privatised.

## **MINISTRY OF FINANCE AND THE PUBLIC SERVICE**

### **Current Structure and Functions of the Ministry of Finance and the Public Service**

#### **Vision**

Development through excellent service

#### **Mission**

To combine professionalism and expertise in the pursuit of sound socio-economic and financial policies for the achievement of sustainable growth and development.

#### **Outcomes**

The four main outcomes of the Ministry are:

- Sustainable economic growth and development
- Effective regulation of Financial Institutions
- Effective management of public funds
- Satisfied clientele

#### **Current Functional Areas**

- Economic Management
- Taxation Policy
- Financial Regulations
- Financial Investigations
- Public Service Establishment
- Corporate Planning
- Public Expenditure
- Public Expenditure Policy
- Public Enterprise
- Revenue Protection
- Public Accountability Inspectorate

#### **Proposed Functional Areas**

##### **Rationale**

The Ministry of Finance will focus on macro-economic policy and financial management. The activities of the Ministry must be directed at managing the fiscal resources in an effective and efficient manner with the proper accountability framework in place.

## **Functional Areas**

The recommendation is for the structure to be amended to reflect four functional areas, with an appropriately sized corporate service/administrative unit.

- Public Sector Financial Policy
- Enforcement Regulation and Compliance
- Economic Management
- Financial Management

A central treasury management system is to be established in the Ministry to bring responsibility for treasury management functions across all of Government under one agency. This initiative will have a significantly positive impact on the goal of improved efficiency. Centralizing this function will improve cash management, promote efficient financial management of government financial resources and facilitate the smooth execution of the government's budget. It will involve consolidating all cash resources owned by government Entities, including special funds, into a single account. A step-by-step plan for consolidation is to be agreed upon and includes the preparation of an inventory of all accounts and existing balances of government Entities, sources of inflows, rules for outflows and the investment of balances.

## **Entities to be Retained**

- Financial Services Commission
- PetroCaribe Fund
- Jamaica Deposit Insurance Corporation
- Students' Loan Bureau
- Public Accountancy Board
- Revenue Protection Division
- Jamaica Customs Department (currently retained under the MFPS, with future considerations to be given to a focus on border control)
- The Betting Gaming and Lotteries Commission merged with the Jamaica Racing Commission
- The Casino Gaming Commission

The Accountant General's Department and Tax Administration will remain and report directly to the Financial Secretary.

\*The Bank of Jamaica will continue to operate autonomously under the broad oversight of the Ministry of Finance.