**Results Matrix**

The objective of the Fiscal Structural Programme for Economic Growth III (FISPEG III) is to support the government’s efforts to achieve a sustainable fiscal path. This will be accomplished through: (i) reducing tax distortions which hinder private investment, employment and competitiveness; (ii) strengthening revenue collection through broadening tax bases and reducing tax rates while enhancing tax and customs administration effectiveness and facilitating trade; (iii) enhancing control over budgetary expenditure; (iv) improving the fiscal sustainability of the National Insurance Scheme; and (v) strengthening the Fiscal Responsibility Framework.

**Expected Impact**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Indicators** | **Unit** | **Baseline**  **FY 2012/13** | **FY 2013/14** | **FY**  **2014/15** | **FY**  **2015/16** | **Goals**  **FY 2016/17** | **Means of verification** | **Observations** |
| **Impact: Increase the relation between the Public sector balance and the GDP** | | | | | | | | |
| Budget balance / Nominal GDP | % | (4.1) | 0.1 | (0.5) | (0.5) | (0.4) | Annual Financial Report prepared by the Ministry of Finance (MoF) | Source: IMF 12th Review of the Extended Financial Facility (EFF)[[1]](#footnote-2)  The indicator measures the improvement of the public sector performance |

**Expected Results**

| **Indicators** | **Unit** | **Baseline**  **FY 2012/13** | **FY**  **2013/14** | **FY**  **2014/15** | **FY**  **2015/16** | **Goals**  **FY 2016/17** | **Means of verification** | **Observations** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Result 1: Increase the relation between tax revenue and the GDP** | | | | | | | | |
| Tax revenue / Nominal GDP | % | 24 | 23.6 | 23.7 | 25.2 | 25.4[[2]](#footnote-3) | Tax Administration of Jamaica (TAJ) annual report | Source: IMF 12th Review of the EFF[[3]](#footnote-4)  The indicator measures the improvement of the tax revenue performance |
| **Result 2: Increase the relation between the number of audits performed and the total number of taxpayers** | | | | | | | | |
| Number of Audits Performed / Total number of taxpayers | % Large tax Payers | 0.7 | 5 | 7 | 10 | 15 | TAJ Annual Performance Report | Total number of Large Taxpayers = 1,042  Number of audits performed = 8 |
| % Medium tax Payers | 1 | 5 | 7 | 9 | 10 | Total number of Medium Taxpayers = 10.000  Number of audits performed = 100  The indicator measures the improvement of the audit performance |
| **Result 3. Increase de relation between the number of large taxpayers using e-filing and the total number of large taxpayers** | | | | | | | | |
| Large taxpayers filing/total number of large taxpayers  CIT – Corporate Income Tax  GCT - General Income tax  PAYE – Pay as You Earn | % | 55  24  57 | 55  24  57 | 89  93  60 | 89  93  60 | 85  95  90 | TAJ Annual Performance Report | Large taxpayers filling:  CIT = 573  GCT = 250  PAYE = 593  Total number of Large Taxpayers = 1,042  The indicator measures the improvement of the large taxpayers e-filling performance |
| **Result 4: Decrease the relation between the annual expenditure of the central government’s sector on wage bill[[4]](#footnote-5) and the GDP** | | | | | | | | |
| Expenditure of the central government on Wage bill / Nominal GDP. | % | 11.0 | 10.7 | 10.2 | 10.3 | 9.7 | Ministry of Finance Annual Financial Report | Source: IMF 12th Review of the EFF[[5]](#footnote-6)  The indicator measures the improvement of the public servant’s reform |
| **Result 5. Increase the relation between the Self-financing Public Bodies (PBs) with financial statements presented on time and the total number of self-financing PBs** | | | | | | | | |
| Self-financing PBs with statement on time / Total number of Self-financing PBs | % | 44 | 50 | 55 | 60 | 88 | Public Entities Division (PED) annual performance report | Number of self-financing PBs with FS on time = 40  Total number of self-financing PBs = 90  The indicator measures the improvement of the self-financing PBs reporting performance. |
| **Result 6. Increase the relation between the Non-Self-financing PBs with financial statements presented on time and the total number of non-self-financing** | | | | | | | | |
| Non-Self-financing PBs with statement on time / Total number of non-self-financing PBs | % | 14 | 30 | 50 | 70 | 80 | Public Entities Division (PED) annual performance report | Number of non-self-financing PBs with FS on time = 15  Total number of non-self-financing PBs = 105  The indicator measures the improvement of the non-self-financing PBs reporting performance. |
| **Result 7. Decrease the relation between the Actuarial Deficit of the National Insurance Fund (NIF) and the GDP** | | | | | | | | |
| Actuarial Deficit of the NIF / Nominal GDP | % | 6 | - | - | 4 | 3 | NIF annual financial report | The actuarial deficit = JD$ 77 billion  The indicator measures the improvement of the NIF finances performance |
| **Result 8. Decrease the average time for pension claims processing** | | | | | | | | |
| Average time claims processing | Months | 12 | 10 | - | 8 | 4 | NIF annual performance report | The indicator measures de improvement of the NIF processing pension requests performance |
| **Result 9: Decrease the relation between the primary expenditure[[6]](#footnote-7) and the GDP** | | | | | | | | |
| Primary Expenditure / Nominal GDP. | % | 20.4 | 19.5 | 18.8 | 20.3 | 20.4 | Annual Financial Report prepared by the Ministry of Finance (MoF) | Source: IMF 12th Review of the EFF[[7]](#footnote-8)  The indicator measures the government expenditure performance |

**Expected Outputs**

| **Product Indicator** | **Unit** | **Baseline**  **FY 2012/13** | **FY**  **2013/14** | **FY**  **2014/15** | **FY**  **2015/16** | **Goals**  **FY 2016/17** | **Means of Verification** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Component II. Strengthening tax revenues.** | | | | | | | | |
| 1. Tariff caps on imports applied | Tariff Caps | 0 | 1 | 1 | 1 | 1 | Letter from the Financial Secretary (FS) informing that the tariff cap keeps being applied |
| 1. Tariff rate on selected intermediate and final goods applied | Tariff rate | 0 | 1 | 1 | 1 | 1 | Letter from the FS informing that the tariff rate keeps being applied |
| 1. Minimum Business Tax. (MBT) established | Tax | 0 | 1 | 1 | 1 | 1 | Letter from the FS informing that the MBT keeps being applied |
| 1. Cap on claims for deduction of tax losses forwarded on chargeable income (CIT and PIT) applied | Cap | 0 | 1 | 1 | 1 | 1 | Letter from the FS informing that the CIT and PIT caps keep being applied |
| 1. Standard GCT rate to government purchase established | Rate | 0 | 1 | 1 | 1 | 1 | Letter from the FS informing that the Standard GCT rate keeps being applied |
| 1. Provisions of the Charities Act, the FIA and the consequential amendments to the revenue law introduced | Provision | 0 | 1 | 1 | 1 | 1 | Letter from TAJ Commissioner General, informing that the provisions of the Charities Act keeps being applied |
| 1. Granting of new categories of ministerial discretionary waivers eliminated | Grant | 0 | 1 | 1 | 1 | 1 | Letter from JCA Controller General and TAJ Commissioner, informing that the elimination of the grant of new categories keeps being applied |
| 1. CIT rate for unregulated companies applied | Rate | 0 | 1 | 1 | 1 | 1 | Letter from the FS informing that the CIT rate keeps being applied |
| 1. Employment Tax Credit (ETC) for registered trade companies under the labor incentive programme applied | Tax Credit | 0 | 1 | 1 | 1 | 1 | Letter from the FS informing that the tax credit for registered companies keeps being applied |
| 1. Increase for Initial Capital Allowance (ICA) for new capital investment applied | Allowance | 0 | 1 | 1 | 1 | 1 | Letter from the FS informing that the allowance for new investments keeps being applied |
| 1. Tax incentive cap allowed under the FIA for pioneer/mega projects applied | Cap | 0 | 1 | 1 | 1 | 1 | Letter from the FS informing that the cap on the pioneer/mega projects incentives keeps being applied |
| 1. Recommendations of the Bank-sponsored study of the rationalization of taxes on petroleum and derivatives considered | Study | 0 | 0 | 0 | 1 | 1 | Letter from the FS informing that the Bank-sponsored recommendations study was implemented |
| 1. Professional staff in the LTO hired | Professionals | 0 | 1 | 1 | 1 | 1 | Letter from the TAJ Commissioner General informing number of LTO professionals keeps at a planned level |
| 1. Penalty Act to enforce taxpayers e-filing implemented | Act | 0 | 1 | 1 | 1 | 1 | Letter from the TAJ Commissioner General informing that the e-filling enforcement keeps being applied |
| 1. Penalty Act to enforce e-filing of all taxes paid by large taxpayers, including payroll taxes implemented | Act | 0 | 0 | 1 | 1 | 1 | Letter from the TAJ Commissioner General informing that the penalty for non e-filing keeps being applied |
| 1. New TAJ integrated IT system implemented | System | 0 | 0 | 0 | 1 | 1 | Letter from the TAJ Commissioner General informing that the IT system keeps operating |
| 1. New integrated customs IT system implemented | System | 0 | 0 | 0 | 1 | 1 | Letter from the JCA Controller informing that the IT system keeps operating |
| **Component III. Quality of expenditure** | | | | | | | | |
| 1. Policy of no central government salary increases to meet an annual wage bill target implemented | Policy | 0 | 1 | 1 | 1 | 1 | Letter from the FS informing that the policy on no central Government salary increases keeps being applied |
| 1. Master Rationalization Plan to streamline the PBs implemented | Plan | 0 | 0 | 1 | 1 | 1 | Letter from the FS informing that the Master Rationalizing Plan guidelines keeps being applied |
| 1. Self-financing Public Bodies Report with Financial Statement implemented | Reports | 0 | 0 | 1 | 1 | 1 | Letter from the FS listing all the self-financing Public Bodies which submitted the annual Report with Financial Statement |
| 1. Bank-sponsored study on the economic and financial situation of the NWC and JUTC completed | Study | 0 | 0 | 0 | 1 | 1 | Letter from the FS informing that the Bank-sponsored study recommendations for NWC and JUTC entities is being considered for implementation |
| **Component IV. Ensuring Sustainability of the National Insurance Scheme** | | | | | | | | |
| 1. Concept Paper for reform of the National Insurance Scheme approved | Concept Paper | 0 | 0 | 0 | 1 | 1 | Letter from the PS of the Ministry of Labor and Social Security informing that the Concept Paper recommendations for NIS is being considered for implementation |
| 1. Stakeholder working group on the reform of the NIS established | Working Group | 0 | 0 | 1 | 1 | 1 | Letter from the PS of the Ministry of Labor and Social Security informing that the working group keeps operating |
| 1. Actuarial analysis of the NIS published | Report | 0 | 0 | 1 | 1 | 1 | Letter from the PS of the Ministry of Labor and Social Security (MLSS) informing that NIS actuarial analysis keep being published |
| 1. Bill to require an actuarial analysis of the NIS every three years tabled. | Bill | 0 | 0 | 0 | 1 | 1 | Letter from the PS of the Ministry of Labor and Social Security informing the date of the last NIS actuarial analysis |
| 1. NIS‑MIS system implemented | System | 0 | 0 | 0 | 1 | 1 | Letter from the PS of the Ministry of Labor and Social Security (MLSS) informing that the NIS-MIS system keeps operating |
| **Component V. Strengthening the Fiscal Responsibility Framework** | | | | | | | | |
| 1. Fiscal rules to enhance governance of fiscal activities of the public sector implemented | Rules | 0 | 0 | 1 | 1 | 1 | Letter from the FS informing that the fiscal rules for the public sector keeps being applied. |

1. [JAM EFF review](https://drive.google.com/file/d/0B7LkbF0DRcmJTWR5bTZlVU9GaUU/view) tables. [↑](#footnote-ref-2)
2. The figure shown includes the impact of the tax reform (equivalent to 1% of GDP) plus other revenue measures included in the FY/2016/17. [↑](#footnote-ref-3)
3. [JAM EFF review](https://drive.google.com/file/d/0B7LkbF0DRcmJTWR5bTZlVU9GaUU/view) tables. [↑](#footnote-ref-4)
4. Central Government’s wage bill is the total amount paid by the government on all subjects related to central government public servants’ salaries and pensions. [↑](#footnote-ref-5)
5. [JAM EFF review](https://drive.google.com/file/d/0B7LkbF0DRcmJTWR5bTZlVU9GaUU/view) tables. [↑](#footnote-ref-6)
6. Primary expenditure refers to all spending other than interest payments on federal debt. [↑](#footnote-ref-7)
7. [JAM EFF review](https://drive.google.com/file/d/0B7LkbF0DRcmJTWR5bTZlVU9GaUU/view) tables. [↑](#footnote-ref-8)