



## JAMAICA EXPERIENCE



### TITLE OF THE EXPERIENCE: Improving Competitiveness through Business Climate Reforms- National Competitiveness Council

**Country:** Jamaica

**Institution:** Ministry of Industry, Investment and Commerce and the National Competitiveness Council (NCC)

**Other institutions involved:** Planning Institute of Jamaica (PIOJ)

**Key persons involved in the design, implementation, and evaluation:** Dr. Dana Dixon, [ddixon@jamprocorp.com](mailto:ddixon@jamprocorp.com) and Marjorie Straw, [mstraw@jamprocorp.com](mailto:mstraw@jamprocorp.com)

**Date:** November 2011 to present

**Related Principle:** 2 - effective institutions responsible for promoting competitiveness

#### Context

During the last five years, Jamaica has slipped in its ranking from 62 to 88 in the Doing Business Report which is produced by the World Bank and is widely recognized as an indicator of countries' competitiveness. This slippage has resulted in poor investor confidence and a negative perception of doing business in the country. The National Competitiveness Council (NCC) was formed in 2010 to comprehensively examine the reforms required to improve Jamaica's business climate and ranking in the Doing Business Report.

In March 2010, the Government of Jamaica established the National Competitiveness Council (NCC) to advance policy advocacy, research and public awareness of those initiatives that create an enabling environment for the development of Jamaican businesses. The NCC represents an amalgamation of the membership and initiatives of the National Export Council (NEC) which addressed the operational and legislative constraints facing the export sector, the Trade Facilitation Board which was formed to improve efficiency in the exporting and importing processes, and the Target Growth Competitiveness Committee (TGCC), a component of the Private Sector Development Programme (PSDP), which actively lobbied for business-friendly policies and regulations; therefore the NCC is recognized as the most comprehensive forum to discuss national competitiveness issues.

The NCC is a public-private partnership which is chaired by the Minister of Industry, Investment and Commerce. Since its formation, the NCC has worked closely with various ministries, departments and agencies to address bureaucratic issues in Jamaica.

## Objectives

The work of the NCC is inkeeping with Jamaica's objective to demonstrate the country's commitment to improving the business environment so as to attract high quality local and foreign direct investments. This aim will only be achieved where the appropriate institutional framework to co-ordinate and drive the necessary reform measures is established. The Council's efforts are thus informed by the following objectives and responsibilities:

- To co-ordinate and drive cross-functional and multi-agency strategies that seek to address the impediments to establishing and doing business in Jamaica, including the work related to the National Export Strategy;
- To formulate measures leading to speedy processing of business and investment proposals;
- To provide policy advice on steps towards an improved and competitive business climate; and
- To communicate effectively with a broader range of stakeholders and the general public regarding the implementation of initiatives that affect the business climate.

In January 2012, the NCC developed a comprehensive Reform Agenda which outlines the key initiatives that must be implemented to ensure that the country's ranking against the various indicators in the Doing Business Report improves during the next two years.

The NCC Secretariat has developed a comprehensive Reform Agenda which outlines the key initiatives that must be implemented during the period 2012-2014 in order to improve Jamaica's ranking in the Doing Business Report. The agenda examines each of the now eleven (11) indicators against which Jamaica is ranked and further identifies the major goals over the two year period of 2012 – 2014 which, if achieved, will ensure an improvement in the country's rankings.

These goals are translated into actionable and specific initiatives with timelines informed by the relevant public bodies' budgets and operational plans. The noteworthy advantage of this Agenda is that greater attention was placed on ensuring that the activities identified are already at various stages of development and are incorporated in the operations of the ministries, departments and agencies. Additionally, the document makes an attempt to break down the listed initiatives into achievable steps, which will facilitate easier management of and reporting against these activities.

## Relevance

The development of the Reform Agenda has sensitized public and private stakeholders about the importance of removing bureaucratic impediments to investor confidence and to become more competitive as a country. There is a unified understanding among ministries, departments and agencies on the importance of improving Jamaica's ranking in the Doing Business Report. The work that is to be done through the implementation of the Reform Agenda is a culmination of the efforts and collaboration facilitated by the NCC in ensuring that Jamaica introduce reforms that will positively impact investors' perception of doing business in the country.

## Implementation

The NCC Secretariat conducted several technical working group meetings with agencies that impact the indicators in the Doing Business Report to determine the breakdown of the tasks and the timelines for implementation. A series of fora were also held with agencies to discuss the actionable steps required and to work from a common understanding in addressing the issues raised in the Doing Business Report.

These discussions resulted in the agencies making presentations to the National Competitiveness Council on their progress with respect to implementing reforms. The NCC then compiled technical reports which were sent to the Doing Business Report Team and the World Bank.

#### Distribution of tasks

Each indicator in the Doing Business Report has indicator measures that break down how the Doing Business Report Team compiles their findings and indicate the areas for improvement. The NCC developed a cross-functional matrix that brought together all agencies that impact a specific indicator measure and shared the findings of the Report with them. By bringing together the decision makers from the executive management of each of these agencies with their technical persons, the NCC was able to develop an action plan which the agencies supported and were committed to implementing. Each agency had to indicate the timelines in which it would accomplish each task and submit the information to the National Competitiveness Council for review. The agencies then formed their own implementation task forces which submit progress updates to the NCC.

#### Achievements and results

The initial results were marginal improvements over the period 2011 in a few of the indicators in the 2012 Doing Business Report.

Indicator	Ranking 2012	Ranking 2011	Change in Rank
Ease of Doing Business	88	85	↓ -3
Starting a Business	23	19	↓ -4
Dealing with Construction Permits	49	52	↑ 3
Getting Electricity ** New**	112	114	↑ 2
Registering Property	103	102	↓ -1
Getting Credit	98	96	↓ -2
Protecting Investors	79	74	↓ -5
Paying Taxes	172	175	↑ 3
Trading across Borders	97	96	↓ -1
Enforcing Contracts	126	127	↑ 1
Resolving Insolvency (formerly referred to as Closing a business)	26	24	↑ 2

A comprehensive Reform Agenda was developed to address the eleven indicators of the Doing Business Report and is comprised of thirty-one (31) initiatives to be implemented by 2014. This agenda is supported at the highest level of government and is being treated as a roadmap to effectively address

the bureaucratic impediments to doing business in Jamaica.

#### Unexpected achievements

The exceptionally keen interest and strong collaboration displayed to improve Jamaica's ranking in the Doing Business Report served to reinforce the commitment to the process, of all agencies involved.

#### Experience and Sustainable Results

The experience and results are sustainable as they underscore the importance of public/private sector collaboration and how unifying around a common goal can encourage/empower organizations to seek results. The results are sustainable as the Reform Agenda systematically and comprehensively outlines the steps to be taken to improve Jamaica's ranking in the Doing Business Report and indicates a path to removing bureaucratic impediments. The work of the NCC and the Reform Agenda supports a competitive environment and underscore the urgency with which Jamaica must implement business climate reforms if it is to be competitive regionally and globally.

#### Capacity to replicate and potential for exchange

This is the first time that such a comprehensive reform agenda to improve the business climate has been developed. This exercise can be replicated as it has demonstrated that strong public/private collaboration to the benefit of all stakeholders is indeed achievable.

#### Human, operational and institutional capacities

The National Competitiveness Council is willing to share experiences and methodology with countries that wish to undertake a similar approach to improving their business climate. The NCC would be willing to lead a "Competitiveness Business Climate Think Tank" with special focus on improving the business climate, allowing equivalent bodies from different countries to share specific approaches to dealing with their indicators in the Doing Business Report.

#### Modalities to replicate the exchange

- a) Information Sharing
- b) Expert Visits
- c) Technical tours and
- e) Workshops

#### Good practices and concrete lessons

This initiative has reinforced the importance of public sector collaboration on matters of national importance. Each agency is seen as playing a critical role in the process and this is evident in the concerted efforts employed to address the various indicators. There is transparency in the process and so each ministry and agency understands how it contributes to the achievement of the larger goal: To improve Jamaica's ranking in the Doing Business Report.

#### Experiences and subjects to learn from other RIAC members

This initiative could benefit from the experiences of RIAC countries especially in the areas of accelerating legislative and policy reforms and harnessing resources to advance the Reform Agenda.

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