



INDEPENDENT FISCAL COMMISSION (IFC)

MINUTES OF THE FISCAL ADVISORY COMMITTEE MEETING

HELD ON WEDNESDAY, 5 FEBRUARY 2025

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Attendance

The following members of the Fiscal Advisory Committee (FAC) were present:

- Keith Duncan, Chairman
- Patrice Whitely
- Nancy Pinchas
- Helene Davis-Whyte
- Kareem Tomlinson

Other attendees:

- Courtney Williams – Fiscal Commissioner
- Keenan Falconer – Research & Technical Advisory Officer, IFC
- Althea Walters, JMMB - Administrative support to the FAC's meeting

Chairman's Welcome

The Chairman called the inaugural meeting of the FAC to order at 3:11 p.m. and welcomed all attendees. He gave an overview of the antecedents to the IFC, emphasizing the critical role the Economic Programme Oversight Committee (EPOC) played in shaping the oversight mechanism for economic and fiscal policy in Jamaica. In this vein, he charged fellow members to provide robust support to the Commissioner.

Commissioner's Opening Remarks

The Commissioner formally welcomed the members to the meeting and elaborated on the background to the FAC's formation. He stressed that the role of the FAC is to advise the Commissioner on macroeconomic and fiscal developments, while noting that Jamaica needs strong institutions backed by legislation to ensure that the government remains solidly committed to fiscal responsibility and accountability.

Matters Arising

Fiscal Commission Operationalization

The Commissioner provided updates to the Committee regarding several operational matters including the organizational structure of the Commission - a 36-member staff structure, the ongoing recruitment process, the continued search for permanent office space, and the plans underway toward procurement of a communications consultant to, inter alia, provide the Commission with greater visibility in this early stage of its operations. On recruitment, interviews were conducted in December 2024 and the first two employees were hired in January 2025, one deputy commissioner was on-boarded on February 3 and the other expected on February 17.

The Commissioner informed the meeting of challenges to date with recruitment for some positions due to unattractive compensation levels. To this end, he will be reviewing the staff structure with a view to get some posts upgraded in order to attract the right skillset. The Commissioner also stated that the process of securing a permanent office space and finalising the contractual arrangement is expected to be completed by the Summer of 2025.

Regarding the inaugural Economic and Fiscal Assessment Report (EFAR) that is due at the end of February, the Commissioner informed members that given current capacity constraints, the IFC's inaugural EFAR will cover the key critical areas. As the IFC builds capacity over the next year, it will augment the EFAR with deeper macroeconomic and fiscal analyses and assessments, with technical support from Jamaica's multilateral partners.

Discussion

Review of the IFC Act

Members agree that there should be an early review of the IFC Act with a view to uncover and address any matters that may hinder the efficient and effective operations of the Commission. There was consensus that the current one-term 7-year tenure for the Commissioner is too restrictive and considerations could be given for at least a second 7-year term, subject to a satisfactory performance review.

Fiscal Commission Composition

The Commissioner explained the role of the Fiscal Commission of Parliament, which is chaired by the Speaker of the House and comprises six other Parliamentarians who are responsible for recommending the Commissioner's compensation to the Governor General. These parliamentarians however are not empowered to direct the Commissioner in the conduct of his duties. The Chairman noted that the role of these select parliamentarians must be distinctly clear from that of the FAC, with the latter being to advise the Commissioner.

FAC Minute Taking

The FAC deliberated on, and decided, with the Commissioner's consent, that someone from the staff of the IFC should undertake this task and act as a secretariat to the FAC. The Committee suggested that one of the legal persons employed by the IFC could be so appointed to perform the task. The Commissioner will appoint the Research and Fiscal Advisory officer to perform this function for the time being amid the current staffing constraints.

Tabling of Revenue and Expenditure Estimates

The Commissioner broached topics for public discussion including tabling all revenues and expenditures at the same time as revenue measures are usually presented after the tabling of the suite of budget documents. This approach runs counter to the law as the Financial

Administration and Audit Act explicitly states that details of all planned revenue and expenditure policy and administrative measures are to be included in the fiscal policy paper. The Committee advised the Commissioner to include a disclaimer in his report that the opinion given by the Commission does not have the benefit of full information and hence could change as more information becomes available.

Consolidated Budgeting

The Commissioner indicated that consolidated budgeting - aggregating the central government and public bodies that fall under the fiscal rules (Specified Public Sector) - does not currently take place, except for the expenditure. While the public debt published is for the Specified Public Sector – in line with the fiscal rules – there is no such publication of the fiscal balance and revenue. The FAC supported the Commissioner’s plan to highlight this issue in the upcoming EFAR.

Public Sector Wages

The Commissioner expressed that he is in support of the re-introduction of a wage ceiling – whether the anchor is GDP or revenues, at a time and level to be determined by the government. The Chairman noted that the reclassification of some items from recurrent programmes to wages has changed the baseline and hence a new wage metric does not necessarily have to be at 9 percent of GDP; but it is nevertheless warranted to curtail wage growth and limit the extent of wages crowding out growth-inducing spending. He emphasized that wage growth needs to be managed carefully going forward.

Members acknowledged that this will be a difficult issue with expected push back from unions. Notwithstanding, the Commissioner, supported by another Committee member pointed to a history of the unions and the government working together under a social contract through the Partnership for Progress already in place and argued that this needs to be looked at since Jamaica has previously done well with re-casting the debt target and keeping on track with it.

Following a lengthy discussion on the matter, most members supported the Commissioner’s decision to propose a wage ceiling in the upcoming IFC’s Report.

Other Matters

The Commissioner spoke about the other elements of public sector transformation than wages that are lagging such as the shared services and rationalization aspects along with others. The Chairman spoke to the performance management system that was previously proposed. The Committee noted that everything should be on stream but they took a back seat to the wage restructuring, including initiatives like MyHR+.

The Chairman enquired about the IFC's first press conference and its communication plan. The Commissioner informed that the IFC will work along with the PR consultant to be engaged later in the month. The Committee noted that guidance will be needed on what each member may be allowed to say, noting that most boards have a confidentiality agreement, and that it would be good for the members of the FAC to sign one.

The Commissioner reiterated the role of the FAC, which is to provide advice to the Commissioner to aid in the conduct of his duty.

Any Other Business

There was no other business raised.

Termination of the Meeting

There being no other business, the Chairman terminated the meeting at 6:11 p.m.