

CABINET AGENDA ISSUES – 24 JULY 2017

The House is asked to note the following matters which were considered by the Cabinet at its meeting held on 24 July 2017:

1. Contracts;
2. Legislation;
3. Annual Report;
4. Board Appointments;
5. Privatization of the Jamaica Railway Corporation;
6. CARIFORUM Presidency of the African, Caribbean and Pacific (ACP) Council of Ministers and ACP Committee of Ambassadors 1 February 2018 to 31 July 2018;
7. Payment of Increased Annual Subvention Fees to the Caribbean Disaster Emergency Management Agency (CDEMA);
8. Human Trafficking Matters;
9. Interim Policy for the Use of Government-Funded Mobile Telephones and Closed User Group Plans;
10. Tablets in Schools Project;
11. Change of Concept from a Hotel School to the Establishment of the Jamaica Centre of Tourism Innovation; and
12. Other Reports.

Each matter shall be elaborated on in turn.

1. Contracts

(i) Engagement of Jamaica Property Company Limited for the Provision of Project and Construction Management Services

Cabinet approved the project for the operationalisation of the National Contracts Commission/Public Procurement Commission Secretariat which would be executed on a phased basis, with Phase 1 to be implemented as follows:

- (a) the engagement of the Jamaica Property Company Limited, by way of the direct contracting methodology, for the provision of project and construction management services which would be financed from a \$50M approved budgetary allocation by the Ministry of Finance and the Public Service; and
- (b) the Ministry of Finance and the Public Service would proceed to undertake the procurement processes for the engagement of architectural and quantity surveying services, using the appropriate procurement methodology.

A rental agreement with Jamaica Property Company Limited for the office space located on the PanJAM Building on Knutsford Boulevard, New Kingston had been signed in March 2017. This current contract will facilitate the build-out and furnishing of the office space for the Public Procurement Secretariat.

(ii) Procurement of 450,000 Solid State Cold Water Meters by the National Water Commission (NWC)

Cabinet approved the award of a contract in the amount of US\$40,760,400.00, by the National Water Commission (NWC), to Diehl Metering GmbH for the procurement of 450,000 solid state cold water meters.

The project will focus on the replacement of deficient mechanical meters as well as target new developments and those properties which are not currently metered.

(iii) Supply of 50 Full Panel Vans - National Water Commission (NWC)

Cabinet approved the award of a contract in the amount of J\$206,089,200.00, by the National Water Commission (NWC), to Toyota Jamaica Limited for the supply of 50 full panel vans.

The existing operational fleet has not been replaced for an extended period; therefore, this project is expected to replace a percentage of the existing fleet, prioritising the vehicles that have the highest maintenance costs currently, as well as those that have the highest level of down-time.

(iv) Procurement and Distribution of Textbooks under the National Textbook Scheme for 2017-2018

Cabinet approved the award of a contract to Kingston Bookshop Limited in the amount of J\$144,475,955.91 for the procurement and distribution of textbooks under the National Textbook Loan Scheme 2017-2018.

The National Textbook Loan Scheme provides textbooks in the major subject areas to thousands of students at the grades 7-11 levels in High Schools and Grades 7-9 in Primary and Junior High and All Age Schools.

2. Legislation

(i) The Transfer Tax (Amendment) Act, 2017

(ii) The Income Tax (Amendment) Act, 2017

(iii) The Stamp Duty (Amendment) Act, 2017

Cabinet approved the Bills entitled "The Transfer Tax (Amendment) Act, 2017"; "The Income Tax (Amendment) Act, 2017"; and "The Stamp Duty (Amendment) Act, 2017" for tabling in the Houses of Parliament.

The Bills seek to exempt listed companies wishing to repurchase their own shares (share buy-back) from paying income tax, stamp duty and transfer tax on such transactions, in keeping with Section 58 of the Companies Act.

3. Annual Reports

Cabinet considered the Annual Reports of the:

- (i) Culture, Health, Arts, Sports and Education (CHASE) Fund for the Financial Year 2015/2016;
- (ii) Jamaica Social Investment Fund for the Financial Year 2015/2016;
- (iii) Real Estate Board and Commission of Strata Corporations for the Financial Year 2015/2016; and
- (iv) Toll Authority for the Financial Year 2015/2016.

The Reports will be tabled in Parliament at a later date.

4. Board Appointments

(i) Financial Services Commission

Cabinet approved the appointment of the following persons to the Commission with effect from 24 July 2017 to 24 April 2019, when the tenure of the Commission will expire:

- 1) Mrs. Jackie Lechler – **Chairman**;
- 2) Mr. Kevin Richards;
- 3) Mr. Nigel Logan; and
- 4) Mr. Gerald Johnson.

(ii) Jamaica Council for Persons with Disabilities

Cabinet approved the appointment of the following persons to the Board of Management with effect from 24 July 2017, to 30 June 2018 when the tenure of the Board will expire:

- 1) Rev. Dr. Patricia Holness – **Chairman**;
- 2) Mrs. Patricia Sinclair McCalla, CD – **Deputy Chairman**;
- 3) Mr. Alistair McLean;
- 4) Ms. Brenda Cuthbert;
- 5) Dr. Hixwell Douglas; and
- 6) Mrs. Florette Blackwood.

5. Privatization of the Jamaica Railway Corporation

Cabinet approved an extension of the Memorandum of Understanding (MOU) between Herzog Jamaica Limited and the Government of Jamaica, acting through the Ministry of Transport and Mining and the Jamaica Railway Corporation, for a period of three (3) months with effect from 9 June 2017 to 8 September 2017.

Herzog Jamaica Limited requested an extension of the MOU to allow for the finalisation of a methodology and re-calculation of costing based on a detailed assessment of the existing infrastructure.

6. CARIFORUM Presidency of the African, Caribbean and Pacific (ACP) Council of Ministers and ACP Committee of Ambassadors from 1 February 2018 to 31 July 2018

Cabinet gave approval for Jamaica to assume the presidency of the African, Caribbean and Pacific (ACP) Council of Ministers and chairmanship of the ACP Committee of Ambassadors for the period 1 February to 31 July 2018. Cabinet noted that the ACP Secretary-General must be notified of the President designated by CARIFORUM before 31 July 2017.

During the period, Jamaica will be responsible for chairing the meeting of the 107th ACP Council of Ministers; co-chairing the 44th Meeting of the Joint ACP-EU Council of Ministers in the Republic of Togo in May 2018; and chairing the meetings of the ACP Committee of Ambassadors in Brussels.

7. Payment of Increased Annual Subvention Fees to the Caribbean Disaster Emergency Management Agency (CDEMA)

Cabinet approved the payment of increased annual contributions in the amount of US\$97,297.72, to the Caribbean Disaster Emergency Management Agency (CEDMA), commencing in the 2016/2017 financial year.

CDEMA is the body of CARICOM which seeks to ensure the sustainable development of resilient communities as well as coordinate disaster response within the region.

8. Human Trafficking Matters

Cabinet gave approval for the local adoption of the international Blue Heart Campaign against Human Trafficking. Cabinet also noted the latest United States Department of State Report published in June 2017 on Jamaica's efforts against Trafficking in Persons, and noted the activities planned for the upcoming Trafficking in Persons Week during the period 23 to 30 July 2017.

The Blue Heart Campaign is an international awareness raising initiative established by the United Nations Office on Drugs and Crime (UNODC) to fight human trafficking and its impact on society.

Cabinet also noted the 2017 Report by the United States Department of State on efforts by countries to combat Human Trafficking and which ranks countries in one of four Tiers, with Jamaica ranked at Tier 2, meaning that the country had not fully met the minimum standards but was making significant efforts so to do.

Cabinet further noted the annual observance of Trafficking in Persons Week during the period 23 to 30 July 2017 which was organized by the National Taskforce Against Trafficking in Persons (NATFATIP).

9. Interim Policy for the Use of Government-Funded Mobile Telephones and Closed User Group Plans

Cabinet gave approval for the following, as interim measures:

- (i) a cap of \$40,000 per month on all mobile telephone communications expenses directly related to each Minister of Government and that should be for the direct expense of the Ministry to which each Minister was assigned;
- (ii) the cap to be applied as an imprest system and could relate to any service accessed by the phone, including internet usage, teleconference expense or packages related to overseas travel;
- (iii) the monthly expense to be related to one phone number only, and any cost over and above the cap was for the account of the Minister;
- (iv) the monthly cap, annualized at \$480,000.00 to be retroactive to 1 April 2016;
- (v) information on any retroactive pay-back of over \$480,000.00 was to be made public; and
- (vi) any sum over the monthly cap of \$40,000.00 that could be verified as related to official business may be presented to the Permanent Secretary for payment by the Government.

In the light of recent concerns expressed by the Cabinet and the public, Cabinet mandated a policy review regarding the usage of Government-funded mobile phones and Closed User Group (CUG) plans. The development of a comprehensive policy for communications for the Government of Jamaica is being spearheaded by the Ministry of Science, Energy and Technology in collaboration with the Ministry of Finance and the Public Service. This comprehensive policy for communications is expected to provide a framework of procedures and requirements that would enable the effective implementation of a Framework Agreement for all Government-funded mobile phones and CUG plans.

10. Tablets in Schools Project

Cabinet approved the full roll-out of the Tablets in Schools Project in 1,106 educational institutions/departments, including primary and infant departments, state care facilities, special

education schools, and teachers' colleges. Cabinet also approved the conduct of a pilot Bring-Your-Own-Device project in 25 institutions, including high schools and teachers' colleges; and the allocation of \$7.9 billion from the Universal Service Fund to facilitate the full implementation of the Tablets in Schools Project over 11 years.

The Tablets in School Project seeks to make Information and Communications Technology (ICT) an integral component of the teaching/learning process in the Jamaican education system.

11. Change of Concept from a Hotel School to the Establishment of the Jamaica Centre of Tourism Innovation

Cabinet approved the change of concept from a hotel school to the establishment of the Jamaica Centre of Tourism Innovation, to provide a new type of training programme for graduates with degrees in tourism, hospitality and culinary arts.

Cabinet had previously approved the expansion of training in the tourism sector through the development of a hotel school. The current proposal put forward a change in the training modality to an internship programme with hands-on experience, through a mechanism of collaboration between hotel operators and tertiary educational institutions, and the appropriate certification and licensing.

The proposal will be operationalised by the establishment of the Jamaica Centre for Tourism Innovation, in collaboration with the Ministry of Education, Youth and Information and the Ministry of Labour and Social Security.

12. Other Reports

(i) Outcome of the Attendance of the Minister of Industry, Commerce, Agriculture and Fisheries at the 40th Session of the Food and Agriculture Organization (FAO) of the United Nations (UN)

Cabinet considered a report from the Ministry of Industry, Commerce, Agriculture and Fisheries in connection with the outcomes of the 40th Session of the Food and Agriculture Organization (FAO) of the United Nations (UN) Conference, held in Rome, Italy during the period 3 to 8 July 2017.

The report advised of a statement by the Minister of Industry, Commerce, Agriculture and Fisheries to the General Assembly regarding Jamaica's position on the topic of "Agriculture, Food Security, and the Impact of Climate Change on the Sector"; a bilateral meeting with the Director General of the FAO; the intention of the FAO to relocate its sub-regional office for the English-speaking Caribbean from Barbados to Jamaica; and the request made for the FAO to support the development of a ten-year Agriculture Master Plan for Jamaica as well as the development of a special project for the eradication of screwworms in Jamaica.

(ii) Adjustments of Rates on the North South Highway Consequent on the Alleviation of the Coin Shortage

Cabinet considered a report from the Ministry of Transport and Mining in connection with adjustments to toll rates on the North South Highway consequent on the alleviation of the coin shortage.

The report recalled the approval given to the operators of Jamaica North South Highway Limited for a temporary adjustment of rates on various sections of the Highway because of the impact of a coin shortage on operations, and advised of consultations with the Bank of Jamaica.

The report informed of the recent decision of the Ministry of Transport and Mining to reverse the toll rates to what was charged prior to the adjustment on 28 April 2017, and the request to the toll operator on 20 July 2017 to reverse the rates effective 22 July 2017, subject to confirmation by the operators to the Minister that they had ease of access to coins.

The report advised that the Jamaica North South Highway Limited had indicated that they would aim to obtain the needed supply of coins on Monday, 24 July 2016, and thereafter change the toll rate.

The Honourable House is asked to note the foregoing.



Andrew Holness, MP
Prime Minister
August 2017