

# COMMUNIQUE FROM HOMEGROWN PROGRAMME MONITORING COMMITTEE

NO. 03/2016

The Monitoring Committee for the Homegrown Programme held its 22<sup>nd</sup> meeting on Thursday June 9<sup>th</sup>, 2016 at the Ministry of Finance.

## **PERFORMANCE CRITERION AND STRUCTURAL BENCHMARKS**

The Committee reviewed the report for April 2016 and noted the continued attainment of targets under the Homegrown Programme. The Committee commended the Government on achieving a primary balance of \$40.2m as at the end of April 2016 compared with the goal of \$ 32.6m.

The Committee also noted the following:

- Funds disbursed under the SEED programme continue to meet targets (\$4.7m in social spending compared to a target for \$4.8m); and
- Continued efforts to manage primary spending

The performance criteria and structural benchmarks are summarized in the following tables:

<b>Table 1. Grenada: Quantitative Program Targets and Actuals to Date</b>			
<b>Performance Criteria</b>	<b>Apr EC\$M Actual</b>	<b>Jan-Apr EC\$M Actual</b>	<b>Jan-Apr EC\$M Target</b>
Cumulative floor on central government primary balance	12.8	40.2	32.6
Cumulative ceiling on central government primary spending	48.0	192.6	195.5
<b>Indicative Targets</b>			
Floor on social spending by central government	1.1	4.7	4.8
<b>Monitoring Targets</b>			
Wage Bill	20.2	80.5	83.1
Public employment		6,713	7,000
<b>Revenue and Budgetary Grants</b>			
Non Grant Revenue	52.2	209.7	188.1
Capital spending	7.2	27.8	68.6

The Government remains on par with its legislative agenda as at the end of April 2016.

<b>Table 2. Grenada: Structural Benchmarks up to end 2016</b>		
<b>Structural benchmarks</b>	<b>Deadline</b>	<b>Status/Comments</b>
1 Cabinet approval of a strategic plan to modernize the public sector	March 31, 2016	To be revised.
2 Parliamentary approval of the revised GIDC Act	June 30, 2016	
3 Parliamentary approval of a new Grenada Labor Code	August 31, 2016	
4 Approval by cabinet of a focused reform strategy to manage the public sector wage bill	September 30, 2016	

## **Update on IMF Fourth Review**

The Committee acknowledged the completion of the 4<sup>th</sup> review of the Homegrown Programme by the IMF and commended the Government on another successful performance. All quantitative performance criteria were met, whereas most structural benchmarks were met on time or with minor delays, with corrective action already taken on those which were unmet.

The achievement resulted in a further disbursement from the Fund of US\$2.8m, bringing the total received from the IMF since the start of the programme to US\$14.1m. Contingent on the completion of agreed upon prior actions, additional disbursements of US\$10m each are also expected from the World Bank and the Caribbean Development Bank, which have supporting financing arrangements under the programme.

## **Update on Debt Restructuring**

The Committee also applauded the Government for successfully making its first payment of \$34m on the restructured commercial bond in May 2016. It also recognized that, to date, the Government has successfully made timely payments on all other restructured debts.

## **CONCERNS EXPRESSED**

### **Outsourcing of Nursing Services**

The Committee has urged the Government to reconsider the proposed arrangement where the provision of nursing services would be outsourced to an agency as opposed to nurses being directly employed with the Government.

- ❖ The Trade Union Council registers its concern that this new arrangement does not allow the nurses hired by the agency to be represented by their Union. The Trade Union Council indicated that it is not opposed to job creation but takes issue with what appears to be an attempt to bypass the established procedure for hiring nurses. The request was made for the dialogue to continue between the Government and the Labour Representative on this matter.
- ❖ The Committee also expressed concerns that outsourcing may be more costly to Government as management fees would have to be paid to the agency in addition to the cost associated with the provision of the service (e.g. nurses salaries, etc.)

### **Proxy Means Testing for SEED Programme**

- ❖ The Committee was advised on the efforts made with regards to more effective targeting of beneficiaries under the SEED program. As at the end of May 2016, Proxy Means testing of new and existing beneficiaries of the SEED programme had been completed. Phasing out of ineligible persons was scheduled to begin in June 2016. Persons wishing to contest their removal from the SEED programme can make a petition through the Appeals Commission which will evaluate cases on an individual basis. The system is expected to be fully functional by the end of June 2016.

**The Homegrown Programme Monitoring Committee will hold its next meeting on Thursday, July 7<sup>th</sup> 2016.**