

RATIONALISATION OF PUBLIC BODIES FACT SHEET



CONTEXT

Over the years, the Government of Jamaica (GOJ) has been creating public bodies with the aim of improving the delivery of services. This has led to a proliferation of these entities resulting in some duplicating functions of ministries and remaining in existence long after they have fulfilled their mandates. Currently, there are approximately 149 public bodies in Jamaica. At the start of the rationalisation programme, there were 190 public bodies in operation.

The rationalisation of public bodies project seeks to reduce the number of public bodies through a combination of actions including mergers, closures, divestments and the integration of entities back into parent ministries. It also seeks to improve the management and governance of these bodies.

The project is guided by the *Public Sector Master Rationalisation Plan (MRP)*, which proposes a reduction of public bodies as a critical feature of transforming the public sector.

Additionally, the *Policy on the Categorisation and Rationalisation of Public Bodies* seeks to define and categorise public bodies, and to provide a more systematic approach to the rationalisation of these entities.

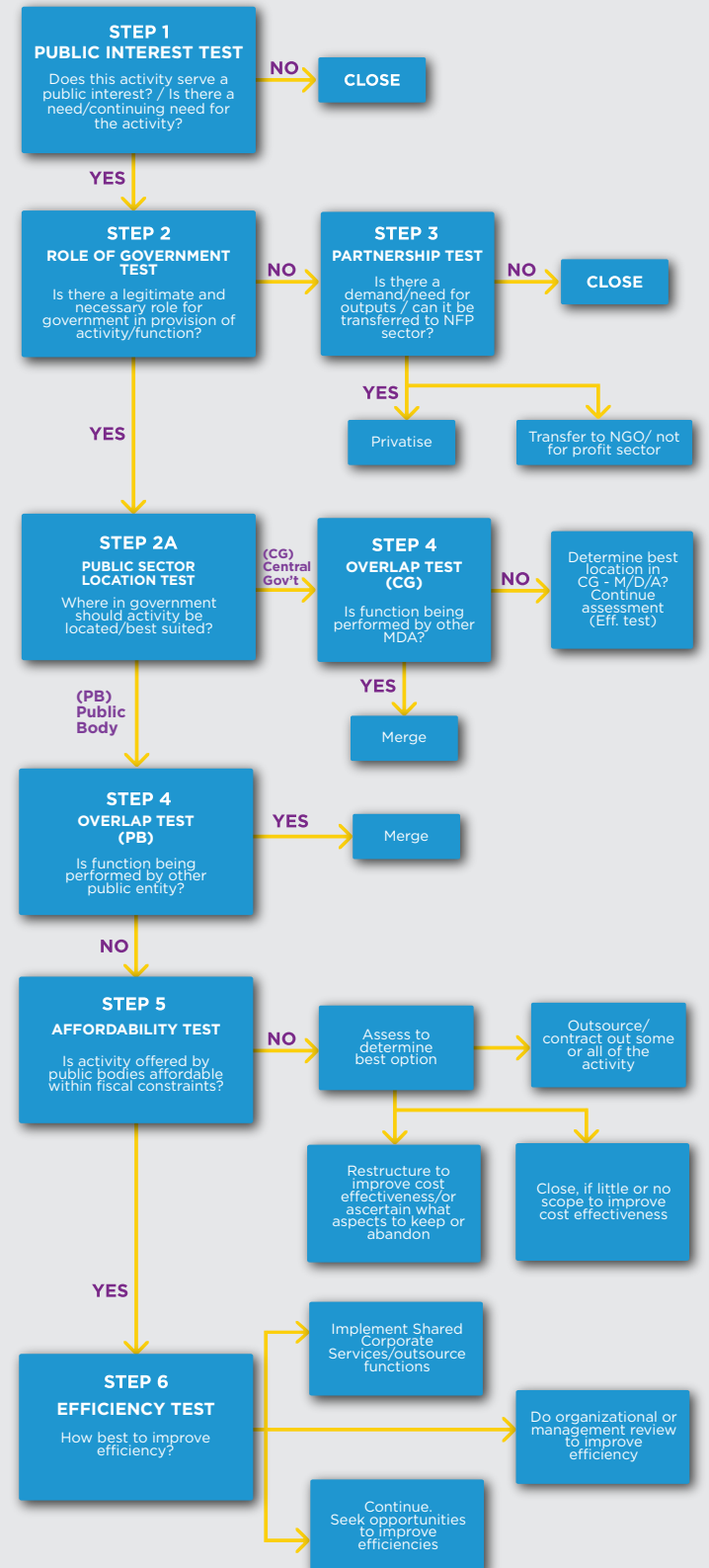
RATIONALISATION PROCESS[†]

Under the rationalisation of public bodies, a systemic approach is being used to assess the number of public bodies, their relevance, effectiveness in performing their roles and functions and the best method to deliver effective services.

A Public Body is a statutory body, authority, body corporate, or any government company. It does not include an executive agency.

- Public Bodies Management and Accountability Act (PBMAA)

† THE SIX TESTS BEING APPLIED ARE:



CATEGORISATION OF PUBLIC BODIES

The goal for categorising public sector entities is to create homogenous groupings that will allow for more targeted oversight, improved operational efficiency and the creation of a more specific governance structure for each category.

Key terms for the categorisation of public bodies:

Non-Commercial Public Body:

Entities that primarily perform public policy related functions including regulatory, research, advisory, supervisory, service delivery and quasi-judicial functions.

Commercial Public Body/State Owned Enterprises:

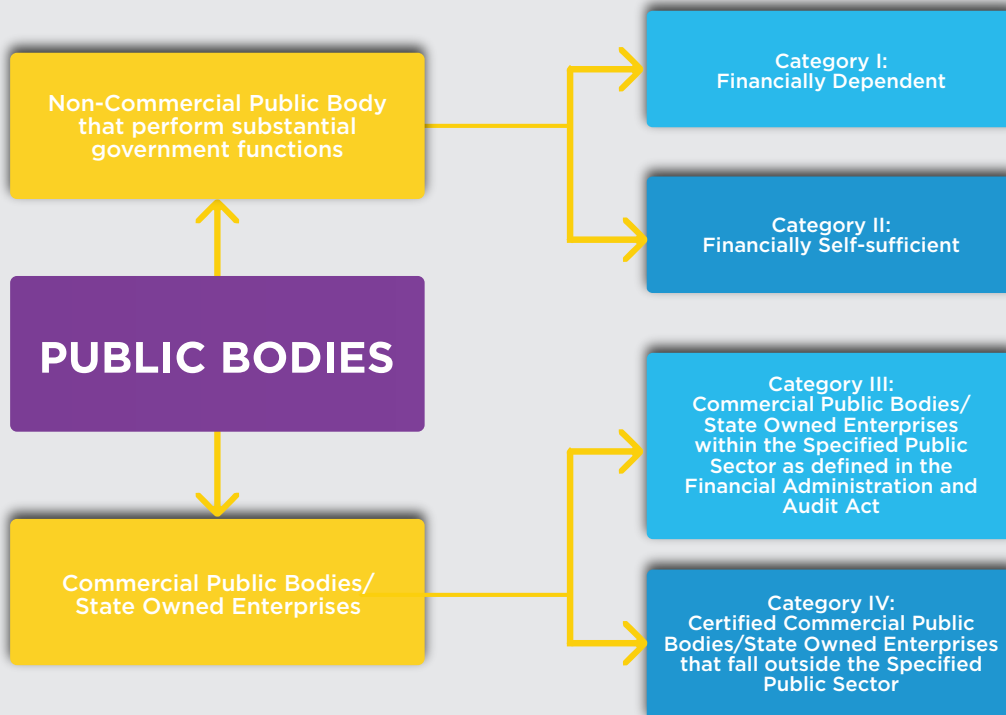
For profit entities that produce goods and services that can be executed by private operators.

Category I-IV Entities:

Secondary classification that breaks down entities according to their financial dependency on government funding and the nature of activities being performed.

Specified Public Sector:

The public sector, not including any public body certified by the Auditor General, that primarily carrying out functions of a commercial nature.



WHAT ARE THE STRATEGIC OBJECTIVES FOR CATEGORISING AND RATIONALISING PUBLIC BODIES?

- ▶ Classify public bodies by their similarities to create more streamlined governance structures and allow for improved operational flow to better achieve their respective goals/mandates
- ▶ Align each category of public bodies to the level of risk they present to the Government's fiscal and Public Financial Management (PFM) programme through the application of suitable oversight and monitoring arrangements
- ▶ Establish and enforce procedures to guide the creation and dissolution of public bodies
- ▶ Redefine the terminologies used when referencing public bodies to allow for greater clarity and consistency in their application across the sector
- ▶ Introduce payment for Community Service Obligations

KEY BENEFITS

- ▶ Greater accountability within the public sector through more effective and efficient streamlined processes
- ▶ Reduction of high government operational costs and excessive bureaucracy by consolidating and decreasing the number of public bodies
- ▶ Improved governance framework

FOR MORE INFORMATION:

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