GOVERNANCE FOR DELIVERY:

Improving the performance of the PSIP and Closing the Implementation Gap
Global geopolitical uncertainties are on the rise, changing global economic and political systems.
Although per capita production doubled in the last two decades, this growth is uneven across the Region.

GDP Per Capita*, 1996 – 2017

*PPP, current international $

Note: Based on available data from the World Bank. The Lowest Income Earner is always Haiti. The Highest Income Earner is The Bahamas until 2008, then Trinidad and Tobago thereafter.

*PPP, current Int'l $
Many development challenges are persistent

**Macroeconomic**
- Low economic growth
- Low commodity prices
- High debt, low savings and declining reserves
- Poor sovereign debt ratings
- Loss of CBRs and high cost of AML/CFT compliance

**Productivity & Competitiveness**
- Low rankings in the World Bank’s Ease of Doing Business index
- Large infrastructure gaps
- Weak governance
- Inefficient and costly transport links
- High energy and electricity costs; nascent regulation

**Human Development**
- High poverty and unemployment
- Very high youth unemployment and poor education outcomes
- High crime and citizen insecurity
- Limited social data available for designing and measuring effective strategies

**Environmental**
- High annual natural disaster costs
- Low insurance payouts
- Insufficient building codes
- Poor climate change adaptation tools

**Implementation Gap**

**Regional Approach Gap**
There are bold visions around the Region for progress

**Barbados**
A fully developed society that is prosperous, socially just and globally competitive.

**Grenada**
A caring society that promotes human dignity and celebrates sustainable economic and social progress for all.

**St. Vincent & the Grenadines**
To improve the quality of life for all Vincentians.

**Trinidad & Tobago**
We are a united, resilient, productive, innovative, and prosperous nation with a disciplined, caring, fun-loving society comprising healthy, happy and well-educated people and built on the enduring attributes of self-reliance, respect, tolerance, equity, inclusion and integrity…

**Belize**
A country of peace and tranquility, where citizens live in harmony with the natural environment and enjoy a high quality of life.

**Jamaica**
The place of choice to live, work, raise families, and do business.

**The Bahamas**
A Nation Moving Forward, Upward, Onward Together.
Implementation capacity has stunted regional delivery

**Shared Regional and International Challenges**
- Elaborate and promising development plans
- Weak Implementation Capacity
  - Insufficient training
  - Ineffective results accountability systems
  - Obsolete personnel management systems
  - Weak decision enforcement culture
  - Scarce financial resources

**PSIP Performance 2012-2016**

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Public Investment Implementation Rate</th>
<th>Capital Exp. (% of GDP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BARBADOS</td>
<td>33%</td>
<td>2.3</td>
</tr>
<tr>
<td>ECCU</td>
<td>35% - 75%</td>
<td>5.0</td>
</tr>
<tr>
<td>GUYANA</td>
<td>20%</td>
<td>7.3</td>
</tr>
<tr>
<td>JAMAICA</td>
<td>86%</td>
<td>2.0</td>
</tr>
<tr>
<td>TRINIDAD AND TOBAGO</td>
<td>61%</td>
<td>4.6</td>
</tr>
</tbody>
</table>
Development partners share similar observations

- Delays in loan effectiveness
- Large undistributed balances for projects under implementation
- Lengthy project implementation periods
...including with CDB projects

TRENDS IN DISBURSEMENT: 2001 – 2016
(excluding PBLs)
We need to **step back** in order to **jump better**
Effective implementation is a necessary foundation

- **Macroeconomic**
  - Economic growth and diversification
  - Strong/resilient financial sector
  - Prudent fiscal management

- **Productivity & Competitiveness**
  - Private sector-led growth
  - Opening new trade markets
  - First class and cost-effective infrastructure
  - Regional payments facility (Fintech)

- **Human Development**
  - Good quality education for all
  - Workforce skills training based on employers’ needs
  - Conditional cash transfers to the most vulnerable

- **Environmental Preparedness**
  - Strict building code compliance
  - CCRIF, indemnity insurance, resiliency funds
  - Environmental tools
  - Climate change adaptation tools
  - Microcredit for recovery lending

---

**Sustainable Society**

**Implementation**
Recent CDB research measures multi-dimensional vulnerability in its BMCs.
In 2017, the average MVI across 17 BMCs was 0.54

British Virgin Islands and Turks and Caicos Islands were excluded from the analysis due to limited data availability.
What if we had:

- Strong leadership commitment?
- Clear mandates and implementation plans?
- 90% relentless implementation?
- Developed regulatory framework?
- Cross Government and stakeholder ownership and partnership?
- High levels of accountability and real-time data?

Adapted from Gold (2017)
A Delivery Unit can help to drive PSIP implementation

Mandate and Responsibilities

- Ensure delivery of government’s priorities
- Assess performance and progress; make recommendations
- Catalyse change
- Actively support Heads of Government
- Partner to achieve objectives and improved outcomes

Source: PEMANDU (2017)
We need a relentless focus on implementation

8 Steps to Delivery

1. Cabinet Prioritization
2. Planning Labs
3. Open Day
4. Roadmap
5. KPI Targets
6. Implementation
7. External Audit
8. Annual Report

We can leverage the Delivery Unit model to design and build our institutions to operate more effectively and efficiently

Source: PEMANDU (2017)
Thank You!