

Commodity Import Program

REGULAR EVALUATION  SPECIAL EVALUATION

5. KEY PROJECT IMPLEMENTATION DATES			6. ESTIMATED PROJECT FUNDING		7. PERIOD COVERED BY EVALUATION	
A. First PRO-AG or Equivalent FY <u>77</u>	B. Final Obligation Expected FY <u>77</u>	C. Final Input Delivery FY <u>79</u>	A. Total \$ <u>9.5 M</u>	B. U.S. \$ <u>9.5 M</u>	From (month/yr.) <u>November, 1977</u>	To (month/yr.) <u>June, 1979</u>

B. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., a/gram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
(1) Verification by SER/COM that \$5.5 million worth of commodity transactions, for which documentation was submitted by the GOJ in June, is eligible for reimbursement under the second "phase" of the loan.	SER/COM	Sept. 1

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS			10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT	
<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify)	A. <input checked="" type="checkbox"/> Continue Project Without Change	
<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T		B. <input type="checkbox"/> Change Project Design and/or	
<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify)	<input type="checkbox"/> Change Implementation Plan	
<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P		C. <input type="checkbox"/> Discontinue Project	

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)		12. Mission/AID/W Office Director Approval	
Paul N. Wenger, Capital Resources Development Officer Ruby A. Johnson, Capital Development Specialist Rupert Straw, Director of Operations - Bank of Jamaica Headley Brown, Trade Administrator Clark Joel, Economic Advisor Henry Johnson, Acting Assistant Director		Signature:  Typed Name: <u>DONOR M. LION</u> Date: <u>11-1-79</u>	

COMMODITY IMPORT PROGRAMSummary

In the eighteen months of the Commodity Import Program (CIP) Loan operation, generally satisfactory progress has been achieved in meeting the goals set in the Program Paper. All funds under the loan have been committed and delivery of virtually all goods made; only documentation sufficient to meet A.I.D.'s stringent requirements remains to be completed, plus some residual importations under the Special Letter of Credit (SLC) which was used as the financing mechanism under the first phase of the loan.

As of June 15, commodities valued at US\$3.7 million had been received in country by Jamaican importers as against US\$4.0 million of subsidiary Letters of Credit (Sub-L/Cs) issued under the SLC. Additional goods were apparently in transit, although uncertainties concerning documentation flowing from the U.S. supplies, shippers and banks left the picture unclear. In December, 1978, the remaining \$5.5 million of the loan was advanced to the GOJ with documentation to support the advance to be submitted by the GOJ prior to the TDD. The GOJ as of June 15 had submitted US\$7.6 million worth of documentation which was initially reviewed by the Mission as to eligibility of transactions and forwarded to AID/Washington (SER/COM) for verification.

Commodities imported under the SLC phase of the loan, plus those initially acceptably documented or submitted for documentation against the advance, can be broken down into five major component categories as follows:

-2-

Table I (in Thousands of US\$)

Raw Materials for manufacturing industry	3,300.8	34.6%
Raw Materials for construction	385.6	4.0%
Raw Materials for agriculture	3,439.9	36.0%
Capital goods for manufacturing industry	2,306.3	24.1%
Capital goods for agriculture	<u>121.9</u>	<u>1.3%</u>
	\$9,554.5	100.0%

The CIP has had a substantial impact on both value added and on the maintenance of employment. Without programs such as the CIP and other lines of credit, the reduction of economic activity and employment in 1978-79 would almost certainly have been much more serious. While elements in the private sector have pointed to certain A.I.D. limitations which they think made the program less helpful than it could have been, on balance A.I.D. finds most of these restrictions necessary in assuring procurement at reasonable prices. Provision for relaxation of the rules in special justifiable cases should be considered in the event of another CIP loan.

#### Evaluation Methodology

This is the first program evaluation. Its purpose is to measure actual progress against program targets and determine what additional measures can be taken by both the GOJ and USAID/Jamaica to resolve implementation problems.

Discussions and meetings were held between the staff of the Capital Development Office, AID/W Procurement Officer, Mission Director and Officials of the GOJ, including the Trade Administrator, Dr. Headley Brown, Governor of the BOJ, Honorable Herbert Walker, BOJ Director of Operations, Mr. Rupert Straw, and the Minister of Finance, Honorable Eric Bell. There was, in addition, lengthy correspondence between the Minister of Finance and the Mission on

the status of the program.

A thorough review of all program documents and monthly reports was also undertaken by the Capital Development Office.

#### Purpose/Goal

The program purpose was to assist Jamaica to relieve its balance of payments gap in 1978-79 by financing imported agricultural and industrial inputs which would help increase or maintain production and generate or preserve employment in the short term. The loan was directed at alleviating Jamaica's immediate financial crisis and was also designed to help support longer term development objectives. Local currency generated under the program was deposited in a special account in the Bank of Jamaica to be used for development activities in the Agriculture, Nutrition, Health, Population and Housing sectors as agreed on between the Government of Jamaica and AID.

#### Implementation

Procurement of goods under the CIP was restricted to US source and origin and allocation of funds determined, within the parameters of the loan's purpose, by the Government of Jamaica (GOJ) through the existing import licensing system.

Under the initial \$4.0 million "SLC phase" of the loan, the prospective importer, after obtaining the import licence, provided the Mission with specifications of the commodity to be imported. This description was published by AID/W in the Procurement Information Bulletin for a 30-day period, during which offers were solicited from the US trade. The importer then selected the best offer and entered into a contract with the supplier, after meeting the requirements of the Bank of Jamaica (BOJ). The BOJ then requested their correspondent bank, the Manufacturers Hanover Trust Company (Mantrust) to open a Sub-L/C in favor of the supplier.

Payment was to be effected as soon as the goods were shipped and documentary requirements of the Sub-L/C met by the supplier. Under the \$5.5 million "Advance phase" of the loan, initiated in December 1978, the GOJ was to submit to AID documentation to support the advance prior to the TDD. These documents included non-pay vouchers totalling the amount of the advance evidencing purchase of new United States source and origin commodities and/or services (Standard Form 1034), Suppliers Invoices with evidence of payment, Bills of Lading or delivery receipts and AID Form 282 completed by the Supplier. A.I.D. reserves the right to reject any documentation submitted for transactions not deemed eligible for financing under the loan, and in such event the GOJ will submit for A.I.D. approval additional transactions at least equivalent to any amount rejected. Emphasis was placed on raw materials and intermediate goods as procurement of capital goods often requires considerable lead time.

#### Problems and Solutions

Deliveries of commodities under the first, "SLC phase" of the loan have been generally satisfactory although documentation and reporting to importers and the BOJ have been slow. This lag has been due primarily to the fact that Bills of Lading and Bills of Lading often do not arrive along with shipments due to unreliable mail service. This is not, of course, a problem unique to A.I.D.'s C.I.P.

Disbursements, which are supposed to be based on the date of shipment of goods, have also lagged behind actual delivery of goods in Jamaica, due to lengthy delays in the US banks' handling of documents for payment. Mantrust in one case has been cited as requiring over six weeks for the processing of such documents. Further delays were caused by the tardiness of the BOJ in furnishing documentation or setting up satisfactory Sub-L/C's in a timely manner.

As perceived by some elements of the private sector, availability of exchange under the C.I.P. was attended by a number of rules and regulations which rendered its utilization difficult, involved significant delays and increased the cost of doing business. Features that the private sector pointed out as being particularly onerous included the requirement to obtain bids from more than one supplier before an order could be placed. Many businesses have long established relations with particular suppliers that have provided them with the equipment, spare parts or materials that they need. They found it inconvenient (and perhaps risky) to change suppliers. They also assert that the delays that the bidding procedure entails are detrimental to the conduct of their business.

A.I.D.'s requirements for 30 day publication in the rather slow moving and limited circulation Procurement Information Bulletin may have slowed down processing of some letter of credit openings initially, although this was later speeded up by a temporary waiver of these requirements when publication could not be effected and the use of emergency procurement procedures for some transactions. Use of the Commerce Business Daily in other procurement situations has been considerably more satisfactory. Another consideration related to the financial support requirements imposed by the BOJ on all transactions, including those under the C.I.P. To protect itself against the risk of nonpayment of obligations, the BOJ required a commercial bank guarantee (or cash deposit) by the importer before approving a foreign exchange release under the C.I.P. The commercial bank in turn required its customer to deposit the full amount applied for; alternatively, the customer had to obtain a loan for that amount. In either case, and again this is not unique to the C.I.P., interest had to be paid and working capital funds tied up long before the goods arrived.

While the private sector did not seem particularly concerned with this aspect, being largely content to carry on in their accustomed manner, purchasing under the C.J.P. offered the opportunity of saving scarce foreign exchange. Not only did it require competitive solicitation by the buyer, but it offered the seller, who received immediate payment when goods were shipped, the opportunity to eliminate from his price the risk or cost of credit element most usually built into prices of goods imported into Jamaica.

The substitution of ex-post documentation under the advance disbursement disassociated A.I.D. from the actual disbursement of remaining funds. Since procurements, even though they included A.I.D. documents, were being made with Jamaican foreign exchange, the requirements for 30 days publication in the A.I.D. bulletin and competitive bidding were eliminated. There was still, however, the problem of obtaining import licences from the Trade Administrator's Department (T.A. Dept.).

The slowness of the T.A. Dept. in approving licence applications contributed to delay in both phases in the utilization of loan funds. There were, of course, the extenuating circumstances of severe competing pressures on the T.A. Dept. because of rising and frequently shifting priorities in virtually all sectors of the economy, causing a need for periodic changes in emphasis in allocation of trade licences. This, along with inadequate staffing and insufficient delegation of authority, led to slowness in the entire licencing procedure.

The unfamiliarity of the staffs of the BOJ and T.A. Dept. with A.I.D. regulations, in spite of the Mission's frequent instructions, and the tardiness and frequent changes of plans by importers themselves (e.g. dropping C.I.P. for Suppliers' Credits, etc.) also contributed to delays in loan implementation.

The BOJ moved slowly in meeting the document submission schedule provided by the December 1978 advance disbursement understanding. The implementation deadlines requiring \$2.0 million of the documents by January 31, and \$4.0 million by March 31, passed without submissions. Their all-out effort in May and June to meet the original TDD of June 15, 1979, unfortunately encountered severe difficulties in satisfying the A.I.D. 50:50 shipping regulation. Problems included unavailability of US ships, the higher cost of shipping to Jamaica by US ships, and the 50:50 sub-rule that liner, bulk, and tanker shipments must be counted separately, not to mention the fact that in each category both value and tonnage must satisfy the rules. SER/COM has been trying to help meet the requirements, but an extension of the TDD was nevertheless necessary.

External Factors

In view of Jamaica's critical shortage of foreign exchange it was originally anticipated that the loan funds would be more rapidly utilized than turned out to be the case. In addition to the above cited internal problems, the initial delays in utilization of the funds were also partly due to factors external to the project

There was the difficulty of getting suppliers of commodities to complete A.I.D. Form 282 and furnish all documentation necessary to comply with requirements of the advance disbursement. This is because many of the suppliers were unused to these regulations in their usual transactions and regarded them as an unnecessary burden.

Frequent strikes in vital services such as postal and dock workers in 1978 - 1979 also contributed to slow progress in utilization of funds.

### Beneficiaries/Achievements

The commodities imported under the loan made a substantial positive contribution to Jamaica's overall development and effectively benefitted the entire population by providing foreign exchange to help sustain the economy. Loan financed importation of raw materials for industrial and agricultural utilization prevented a further downturn in production in crucial sectors of the economy and, in the case of capital equipment, generated increased employment opportunities due to plant expansion. Thus the C.I.P. had a substantial impact on both production and employment.

On the production side, the Mission Economic Advisor used a conservative multiplier of 1.7 in his macro-economic calculation formula to determine that the approximate total value added resulting from the US\$9.5 million of loan funded imports was US\$16.2 million. Coupling this figure with equally conservative value added per worker calculations, the employment effect of the C.I.P. loan showed the preservation/creation of approximately 1,500 jobs each in the industrial and agricultural sectors. The study has been added to this evaluation as Annex I.

The loan made an important contribution, through the September 11, 1978, advance disbursement of US\$5.5 million, to the ability of the Government of Jamaica to meet the IMF year end foreign exchange targets. The loan also helped to encourage additional loan assistance to Jamaica by other international lending agencies, such as the IBRD Program Loan and the Caribbean Development Facility.

And, finally, the local currency generated in the C.I.P. has been and is being used, along with PL 480 counterpart, to support a wide range of GOJ/AID approved development activities.

Unplanned Effects

None

Lessons Learned

Implementation of the C.I.P. has necessarily involved certain trade -offs with both general and specific implications. This or any future C.I.P. loan would be faster disbursing and easier to utilize if A.I.D. and the Central Bank were to relax some of their regulations.

Most Jamaican importers were critical of the A.I.D. requirement for competitive procurement, advertising, etc., as this requirement frequently caused delays - at times substantial delays - and on some occasions prevented them from purchasing raw materials and machinery from their regular suppliers. Against this detriment, however, we must count the benefit of sometimes more favorable prices competitively obtained and of avoidance of much of the potential opportunity for collusive practices between importer and supplier to evade GOJ regulations (i.e. "over invoice" to get money out of the country).

The substance of the A.I.D. procurement procedure does not appear onerous: it is not, except for public enterprises, a rigid competitive bidding procedure. In the case of private sector procurement, it permits consideration of factors other than price, such as delivery schedules, compatibility with manufacturing processes, etc. The delay factor is a problem, however, for business accustomed to phoning in an order and receiving the goods three weeks later. While the advertising procedure used to good effect, a sounder practice would be to cut the advertising time to two weeks and use the Commerce Business Daily (instead of A.I.D.'s Procurement Information Bulletin). The Commerce Business Daily is more quickly disseminated through a wider audience and produces faster shipment of goods due to the understanding that rapid reaction time is essential. The one control we should not relax is verification of prices, to insure A.I.D. funds are not used to further violations of host country laws or regulations.

The BOJ commercial bank guarantee requirement which compelled importers to deposit the full amount of the value of the merchandise at the time they applied for licenses often took a good bit of time to obtain, involved substantial interest costs and reduced the availability of working capital. Although it did serve to protect the BOJ against possible default on the part of the importer, this would only appear to be a risk in the case of an insolvent business ordering some product that could not readily be resold. In the future, we should consider requiring that such Central Bank requirements be limited to situations where there is substantial likelihood of both importer default and Central Bank loss on the transaction.

Lines of credit from one Government to another, necessarily administered in the manner of the C.I.P., can never be as flexible as private supplier credits or commercial bank loans. However, this is as it should be. Government to Government aid programs should only serve to complement, rather than attempt to supplant, the normal course of private enterprise activities. In this case, this Program did that job well despite starting from the beginning of the learning curve and finally... better faster.

June 11, 1979

Clark Joel, Economic Advisor (.)

Rough Calculation of Impact of \$9.5 million Commodity Import Program (CIP) on Value of Manufacturing Production and Employment

Dr. Donor Lion, Director

Two methods of doing this come to mind. The first, a time-consuming procedure, is to relate the value of raw material utilization to total value added for each of the enterprises that benefitted from the CIP, then calculate the impact on value added of the materials provided under our CIP on the reasonable assumption that if we had not provided the foreign exchange, the production would not have taken place. This would be done firm by firm, and a parallel calculation would be made for capital goods. The employment effect would be measured by relating total value added by each firm to the existing labor force on the assumption that, without the foreign exchange provided under the CIP for the purchase of the raw materials and capital goods, employment would have been reduced proportionately<sup>2</sup>.

Estimation of Value of Manufacturing Production Made Possible by the CIP

I have used a simpler macro calculation to arrive at a quick and rough answer. To estimate the impact of the \$9.5 million CIP on value added, I have, as a first step, broken down the CIP into its major component categories, as follows:

TABLE 1  
(In Thousands of U.S. Dollars)

Raw materials for manufacturing industry	1,001.3
Raw materials for construction	385.6
Raw materials for agriculture	1,439.9
Capital goods for manufacturing industry	2,306.1
Capital goods for agriculture	171.9
	9,555.8

<sup>2</sup> Admittedly a challengeable assumption in a short-term analysis, since a number of firms probably would have been willing to carry the same labor force in spite of the production cutback as long as the latter was presumed to be temporary.

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

U.S. Government Printing Office: 1978 - 241 530/2018

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WASHINGTON, D.C. 20540



The second step is to establish a ratio between these imports and value added for the latest year for which data are available (1977). This relationship is shown in the following table:

TABLE 2

(In Thousands of Jamaican Dollars)

	<u>Imports</u>	<u>Value Added</u>	<u>Imports as % of Value Added</u>
Raw materials for manufacturing goods and Agriculture, Forestry & Fishing	286.7	828.8	34.6
Materials for construction	70.3	174.4	40.3
Capital goods (other than transport equipment)	<u>86.0</u>	<u>---</u>	<u>---</u>
	443.0	1003.2	44.27

Thus, in 1977, the importation of raw materials for manufacturing, agriculture and construction, and the importation of capital goods other than transport equipment, constituted 44% of total value added by manufacturing industry, agriculture and construction. A multiplier factor is obtained by taking the reciprocal of 44%, viz.  $\frac{1}{.44} = 2.27$ .

Assuming that:

(a) the raw material inputs imported by AIB were essential to the continued operation of manufacturing enterprises, i.e. they served to break a bottleneck that would have otherwise depressed production; and

(b) the ratio of raw materials to value added in the same for the beneficiaries of the CIP as for manufacturing, agriculture and the construction industries as a whole, the US\$9.55 million in commodity imports made possible a total value added calculated as follows:

$$\text{US\$9.55} \times 2.27 = \text{US\$21.7 million}$$

This figure may be on the high side. Allowance should be made for the possibility that other bottlenecks may have existed that would have prevented value added to reach this upper limit. Such bottlenecks might include availability of labor (strikes), breakdown of equipment, power outages, etc. A more conservative estimate would be based on a lower multiplier, say 1.7. Thus, the lower limit of the impact of the CIP on value added would be:

$$\text{US\$9.55 million} \times 1.7 = \text{US\$16.2 million}$$

### Calculation of Impact on Employment

The calculation of the employment impact is based on the assumption of a constant relationship between value added in manufacturing, construction and agriculture and the number employed in each of these industries. This assumption is, admittedly, very challengeable for the short run. It is also assumed that this relationship is the same for the beneficiary enterprises as for the industry as a whole.

The relationship between value added and employment in manufacturing, agriculture and construction in 1977 is presented in Table 3. Note that value added per employed worker expressed in U.S. dollars is 6,022 in manufacturing, 4,332 in construction and only 254 in agriculture, forestry and fisheries (see last column). The average for the three industries is US\$2,258.

The calculation of employment generation is presented in Table 4. The first column shows the amount imported under our CIP program. The second column estimates the amount of value added generated by these imports on the assumption of a multiplier of 1.7 (this constitutes the lower end of the estimated range in our value added calculation). Dividing the value added figures in column 2 by the estimated amount of value added per employed worker arrived at in Table 3 yields the employment generation figures in column 3 of Table 4. Thus, the amount of employment generated by our importation of raw materials and capital goods for manufacturing industry was obtained as follows:

$$\begin{array}{l} \text{Total Value Added} \quad \text{US\$9,532,000} \\ \text{Value Added per} \quad \text{US\$ 6,022} \\ \text{Employed Worker} \end{array} = 1,583 \text{ jobs}$$

The estimate for the number of jobs generated in the agricultural sector (7,090) should, in my view, be heavily discounted. There is not likely to be, in the agricultural sector, a constant relationship between value added and employment. The availability or non-availability of raw materials and capital goods in the agricultural sector to such an extent as to result in changes in demand for labor is not likely to be as great as of the labor force than in the generation or continuation of jobs. Thus, the 7,090 jobs "generated" in the agricultural sector should be interpreted as representing no more than the job equivalent of the value added generated by the raw materials and capital goods that our CIP made available to the agricultural sector. We suggest that the total employment generation of our CIP, as the term is generally understood, be scaled down to two to three thousand instead of the 8,800 indicated in Table 4.

Even with these qualifications, there can be little doubt that the CIP has had a substantial impact both on value added and employment. In view of the country's acute shortage of foreign exchange, this outcome is to be expected. The cooperant factors of production - plant, equipment and labor - were there. The key missing factor was the foreign exchange

TABLE 3

Relationship of Value Added and Employment  
in Manufacturing, Agriculture & Construction in 1977

	(1)	(2)	(3)	(4)
	<u>Value Added</u>	<u>No. Employed</u>	<u>Value Added per</u>	
	(in '000 of US\$)	(in Oct. '77)	Employed Worker	
			.15	US\$
Manufacturing Industry	563,859	74,900	7,528	6,022
Construction	174,358	32,200	5,415	4,332
Agriculture, Forestry & Fisheries	264,927	248,300	1,067	854
TOTAL	1,003,144	355,400	2,823	2,258

TABLE 4

Employment Generated

	(1)	(2)	(3)
	<u>Imported Under CIP</u>	<u>Value Added</u>	<u>Employment</u>
	(in '000 of US\$)	Generated (in	Generated
		'000 of US\$)	
Industrial Raw Materials & Capital Goods for Manufacturing	5,607.1	9,532.0	1,583
Materials for Construction	315.6	655.5	111
Raw Materials & Capital Goods for Agriculture	3,561.8	6,055.1	7,090
TOTAL	9,554.5	16,242.6	8,824

to import essential raw materials, spare parts and capital goods to keep the economy going. Under these conditions, the CIP was bound to have had a substantial leverage effect on both income and employment.

MINISTRY OF FINANCE AND PLANNING

30 NATIONAL HEROES CIRCLE,

P.O. BOX 512,

KINGSTON,

JAMAICA

December 19, 19 80

ANY REPLY OR SUBSEQUENT REFERENCE  
TO THIS COMMUNICATION SHOULD BE  
ADDRESSED TO THE FINANCIAL  
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No. 400/032

TELEPHONE No. 92-28600-16

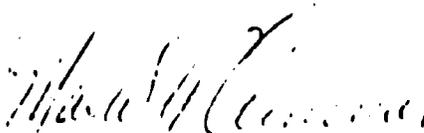
Mr. Harry Johnson  
USAID Mission  
Mutual Life Centre  
2 Oxford Road  
KINGSTON 5

Dear Mr. Johnson,

Please refer to our telephone conversation this morning regarding the allocation for the various USAID loans. Attached please find allocation in respect of:-

- (a) Additional 1980/81 allocation;
- (b) Allocation in 1981/82 re US\$40.0 million loan;
- (c) Allocation in 1981/82 re proposed PL 480 estimated at US\$8.5 million.

Yours sincerely,



Masic Plummer (Miss)  
for Financial Secretary

PL480 Commodity Line Allocations of J\$ Equivalent

1980

Additional 1980/81 Allocation J\$44,281

<u>Project/Activity</u>	J\$m PL480 Support <u>1980/81</u>
A. Hospital Services	1,310
B. Public Health Services	1,023
C. Primary Health Care Services	26,177
D. Jamaica School of Agriculture	2,366
E. Vocational Training	<u>13,405</u>
<b>TOTAL</b>	<u><b>44,281</b></u>

Total J\$ generated under PL480/Commodity Line	=	J\$73,408M
Reimbursement to date from Special Accounts	=	J\$20.4M
Additional Reimbursement for FY 1980/81	=	J\$53,008
of this allocation already submitted to US/AID	=	J\$27,965
Additions now submitted	=	J\$44,281

- A.
  1. involves expenditure on installation of air conditioning system in the Casualty Dept. of Cornwall Regional Hospital;
  2. complete construction of 150-bed extension at Victoria Jubilee Hospital;
  3. complete projects at Kingston Public Hospital;
  4. assist in financing construction of sewerage Treatment Plant at St. Ann's Bay Hospital.
- B. Assist in financing of new construction and capital improvement of Primary Health Care.
- C. To finance payment of staff and the expenses in Hospital and Health Centres.
- D. Payment of expenses incurred under the operations of the Jamaica School of Agriculture.
- E. To finance expenditure under the Vocation & Technical Schools, including Knockalva Agricultural School; Carron Hall Vocational School; Automotive Mechanics Training Centre.

C. 3  
3

Proposed Allocation in respect to J\$77.0M  
generated under proposed US/AID Loan of  
US\$40M  
1981/82

Ongoing  
US/AID Projects

	J\$M
Second Integrated Rural Development	4.400
Agricultural Marketing	1.000
Agricultural Planning	1.000
Inland Fisheries	2.000
Rural Education Sector	.500
Man Power Planning & Training	1.400
Squatter Upgrading	2.945
National Urban Upgrading	2.350
Sub-total	<u>15.595</u>

Ongoing  
Other Institutional Projects

Agricultural Research	2.500
16 Rural Markets	2.400
Road Improvement & Maintenance	7.840
Sites & Services	5.655
Sub-total	<u>18.395</u>

Ongoing  
Government of Jamaica Programmes

Development of Land Settlement	4.000
Crop Research	0.330
Coffee Borer Control	2.500
Nursery Production	3.500
Subsidy Assistance Programme	5.500
Crop Care Project	2.500
Food Farm Project	0.400
Agricultural Engineering Services	4.000
Minor Irrigation	2.000
Food Crops - Small Farmers Loan Programme	5.000
Livestock Research	0.600
Forest Development	2.750
Fisheries Development (offshore)	1.100

<u>Ongoing</u> <u>Government of Jamaica Programmes (Cont'd)</u>		J\$M
Soil Conservation Works		1.100
Farmers Training		
Farmers Training Centres		0.275
Farm Credit		2.973
Hospital Services		1.365
Public Health Services		7.337
Primary School Construction and capital requirement		1.025
Secondary Schools		.493
Vocational Training Centres		.740
Energy Development		.780
Student Revolving Loan Funds		2.500
Sub-total		<u>J\$ 52.768</u>
Total		<u>J\$ 86.758</u> -----

0.5

Allocation of Proposed J\$15M generated under  
new PL4/80 for 1981/82 of estimated US\$8.5 -

	J\$
<u>Ongoing US/AID Projects</u> -	-
<u>Other Ongoing Institutional Projects</u> -	-
 <u>Ongoing Government of Jamaica Programmes</u>	
Minor Water Supply	3,400
<u>Primary Health Care Services</u>	
Public Health Services	2,900
Dispensing Clinical & Dental Services	3,500
Mosquito Control Services	1,500
Child Feeding Service	0,380
Community Health Aides Programme	2,200
Nutrition Programme	0,430
Cornwall County Health Admin.	6,900
Kingston & St. Andrew Primary Health Care	5,500
Family Planning	2,600
Health Improvement in young children	0,300
Vital Statistics (VISTSM)	0,100
Total	29,710

NOTE:

New US/AID projects:

Health Nutrition Development Project  
Jamaica Population Project III  
upgrading 23 hospitals

If these projects come onstream in 1981/82, fund could be reallocated to cover the Government of Jamaica position of expenditure.