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**UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523**

JAMAICA

PROJECT PAPER

TECHNICAL CONSULTATION & TRAINING GRANT

AID/LAC/P-241 (Amendment)
81-9

Project Number: 532-0079

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT			1. TRANSACTION CODE		DOCUMENT CODE	
PROJECT DATA SHEET			<input type="checkbox"/> A = Add <input checked="" type="checkbox"/> C = Change <input type="checkbox"/> D = Delete		Amendment Number <u>1</u>	
2. COUNTRY/ENTITY <u>JAMAICA</u>			3. PROJECT NUMBER <u>532-0079</u>		3	
4. BUREAU/OFFICE <u>LAC</u>			5. PROJECT TITLE (maximum 40 characters) <u>Technical Consultation & Training Grant</u>			
6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY <u>11 23 18 18</u>			7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4) A. Initial FY <u>8 11</u> B. Quarter <input type="checkbox"/> C. Final FY <u>18 17</u>			

8. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	280	70	350	25,614	2,846	28,460
(Grant)	(280)	(70)	(350)	(25,614)	(2,846)	(28,460)
(Loan)	()	()	()	()	()	()
Other						
U.S.						
Host Country						
Other Donor(s)						
TOTALS	280	70	350	25,614	2,846	28,460

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) 50	930	930		13,960	-	4,500	-	28,460	-
(2)									
(3)									
(4)									
TOTALS				13,960	-	4,500	-	28,460	-

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)						11. SECONDARY PURPOSE			
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)									
A. Code									
B. Amount									

13. PROJECT PURPOSE (maximum 480 characters)

To assist the GOJ and Jamaican private sector to alleviate constraints to economically productive activity, make more effective use of capital resources and attract new investment.

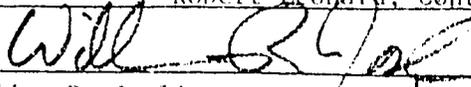
14. SCHEDULED EVALUATIONS						15. SOURCE/ORIGIN OF GOODS AND SERVICES							
Interim		MM	YY	MM	YY	Final		MM	YY	<input checked="" type="checkbox"/> 000 <input type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify)			
						<u>11 18 16</u>			<u>8 6</u>				

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a 22 page PP Amendment.)

The revised TC&TG Project Paper Supplement will target resources to support:

- 1) Policy study supportive of structural adjustment;
- 2) investment promotion;
- 3) export development;
- 4) industrial development, and;
- 5) new initiatives.

The Mission Controller approves the methods of implementation and financing included in the Project Paper.

17. APPROVED BY		Signature 				18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W; MENTS, DATE OF DISTRIB			
		Title William R. Joslin Director, USAID/Jamaica							
		Date Signed MM DD YY <u>08 27 15</u>				MM DD YY			

PROJECT AUTHORIZATION

AMENDMENT NO. 7

Name of Country: JAMAICA
Project Name: Technical Consultations and Training
Project Number: 532-0079

1. Pursuant to Part II, Chapter 4, Section 531 of the Foreign Assistance Act of 1961, as amended, the Technical Consultations and Training Grant (532-0079) to the Government of Jamaica (The "Cooperating Country") was authorized on May 29, 1981. The authorization was amended on February 9, 1982, August 30, 1982, September 30, 1982, March 24, 1983, September 28, 1983 and June 11, 1984. That Authorization is further amended by deleting the first paragraph, as amended, and substituting the following in lieu thereof:

Pursuant to Part II, Chapter 4, Section 531 and Section 106 of the Foreign Assistance Act of 1961, as amended, I hereby authorize a Grant to the Government of Jamaica (The "Cooperating Country") not to exceed Eighteen Million, Four Hundred and Sixty Thousand United States Dollars (\$18,460,000) (the "Authorized Amount"). The Grant will assist in financing foreign exchange and local currency costs of activities to support Jamaica's economic recovery program by relieving specific constraints to productive activities, accelerating project development, promoting private sector investment, and providing skills training.

2. The authorization cited above remains in force except as hereby amended.



William Joslin
Director
USAID/JAMAICA

Date: August 27, 1985

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- A. List of Projects Financed To Date
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- C. Evaluation of the TC&TG Project by Lawrence E. Harrison and Charles R. Connolly, June 18, 1983. Unattached Annex. Copies on file in USAID/Jamaica and SAC/DR.

ACRONYMS

IESC	-	International Executive Service Corps
JEA	-	Jamaica Exporters' Association
JIDC	-	Jamaica Industrial Development Corporation
JMA	-	Jamaica Manufacturers' Association
JNEC	-	Jamaica National Export Corporation
JNIP	-	Jamaica National Investment Promotion
NIBJ	-	National Investment Bank of Jamaica
OPDS	-	Office of Project Development & Support
OPEP	-	Office of Program & Economic Planning
PSOJ	-	Private Sector Organization of Jamaica
SBAJ	-	Small Business Association of Jamaica

I. SUMMARY AND RECOMMENDATIONS

A. Summary Description of the Project

The Technical Consultations and Training Grant Project (TC&TG) was authorized in 1981 as a \$1,000,000 ESF grant to assist "in financing foreign exchange and local currency costs of activities to support Jamaica's economy recovery program by relieving specific constraints to productive activities, accelerating project development, promoting private sector investment, and providing skills training."* Over the next four years an additional \$12.96 million in ESF grant funds were used to support activities in the areas of skills training, export development and promotion, investment promotion, institutional development, infrastructure development, project planning and evaluation, and other.

Given new economic exigencies, USAID/Jamaica has adopted a revised strategy for the amended project which will now focus resources on (a) consolidating and defending the gains in structural adjustment and stabilization to date, and (b) institutionalizing an accelerated and intensified program of promotion of investment and export production. The present Project Paper Supplement documents the Mission's attempts to refocus the use of TC&TG funds more directly in support of this strategy. The expectation is that by targetting the funds they can play an even more important role in accelerating Jamaica's economic recovery.

The revised TC&TG Project will target resources to support activities in five categories: policy studies supportive of the structural adjustment program, investment promotion, export development, industrial development, and new initiatives. FY 1985 funding will also be targetted towards an export promotion/market development undertaking, which will be spun off as a major FY 1986 bilateral DA funded project. Prior year funds will be earmarked for activities falling under the revised categories insofar as they are consistent with the project purpose of assisting the GOJ and Jamaican private sector to alleviate constraints to economically productive activity, make more effective use of capital resources, and attract new investment. We are also anticipating the use of additional ESF Grant funds of \$5,000,000 in FY 86 and \$5,000,000 in FY 87. We will assess the need for these additional funds at the time of the anticipated obligation.

B. Recommendation

It is recommended that:

-the Technical Consultations and Training Grant Project be revised as described in this document;

*Project Authorization

-\$4,500,000 of Section 106 funds be authorized in FY 1985; and

-A new PACD of December 31, 1988 be authorized.

II. Project Background, Purpose and Description

A. Background and Rationale

1. Original Project

In 1981, the USAID/Jamaica Mission developed a Project Paper for the Technical Consultations and Training Grant (hereafter referred to as TC&TG). The background section on the Project depicted the Jamaican economy in terms of its then unprecedented record of seven years of negative growth during the period 1973-1980, a decline of over 25% in per capita income, a decline of 18.3% in GDP, unemployment at 33%, and stagnating or declining production in all major sectors.

In spite of this dismal picture, the mood was relatively optimistic at the time the TC&TG Project Paper was being developed. The Jamaica Labour Party had won an overwhelming electoral victory in October, 1980 and Prime Minister Edward Seaga's Government proposed an economic recovery plan based on primary reliance on the private sector. Aspects of the plan included encouraging private sector investment, divestment of some public enterprises, deregulation of parts of the economy and encouraging export-led growth.

In its analysis of the Jamaican economy, the Project Paper points to the scarcity of foreign exchange as a principal cause of economic deterioration in the country. In order to redress the situation, the then newly elected Seaga Government developed a three part strategy which called for (1) large scale emergency balance of payments assistance to be used to finance imported raw materials, spare parts and other inputs for manufacturing, agriculture and tourism; (2) a major increase in foreign exchange earnings from exports and tourism by greater utilization of existing capacity; and (3) increased new investment by both domestic and foreign entrepreneurs to achieve a sustainable balance of payments pattern.

Against this background, the rationale for the TC&TG Project was predicated on the "overwhelming need to expand economically productive activity."* Effective utilization of substantial financial resources and the harnessing of business interests meant efforts had to get

* TC&TG Project Paper (532-0079), page 5

underway to eliminate constraints to production, marketing, and exports as well as improved management of capital inputs and increased investment. Many of the constraints identified at the time were quite specific, such as the lack of viable marketing linkages, the lack of viable export promotion techniques for particular products, transportation bottlenecks, slow and inadequately planned credit administration, lack of expertise in critical managerial and processing skills, ineffective investment promotion, etc. The TC&TG Project was developed to respond rapidly to such constraints by providing well selected and targetted technical consultancies and short term training.

The TC&TG Project was authorized by the USAID Director on May 29, 1981 and the Project Agreement (PROAG) was signed June 5, 1981 obligating US\$1,000,000 in ESF grant funds. Since then the PROAG has been amended six times to add additional funds for a total of US\$13.96 million. The Project has financed some 190 activities or sub-projects, details of which are discussed elsewhere in this PP Supplement. The Project was evaluated in July, 1983 and audited in October, 1984.

2. Analysis of Jamaican Economic Conditions

Over the past four years, Jamaican economic policy has been significantly transformed. The pace of the transformation has been erratic and, from our perspective, has often seemed inordinately slow. Nor is the transformation complete, as several important economic policy elements are not yet in place. Owing most importantly to adverse external economic conditions over which Jamaica has little or no control, the key measures of overall economic performance--unemployment, price inflation, real per capita income--show no palpable improvement over 1980. Undeniably, the slow pace of policy reform has left the economy more vulnerable to external shocks than it would be if the policy reform program had been completed. Market efficient import substitution and export expansion, for example, have been made more profitable by exchange rate movements. However, production for these markets remains obstructed by government regulation of export marketing and supplies of certain critical imported inputs.

Nevertheless, comparing present economic policy not only with what we hope it will become, but with what it was in 1980, the progress that has been made is fully as striking as the changes needed to complete the transformation.

A detailed narrative on the policy changes that have been adopted in support of stabilization and structural adjustment would be too lengthy to serve the purpose at hand. Our FY 1985 PAAD Supplement addresses these issues at some length. However, there can be no doubt that the Government has made almost unprecedented progress toward the policy environment the GOJ endorsed in the program outlined in Ministry Paper 9 of 1981.

Certainly most observers would agree that the number of accomplishments in implementing the Seaga Government's program has far exceeded the shortcomings. Unfortunately, though, the ultimate objective of achieving a high and sustainable rate of economic growth, along with a distributional pattern that disseminates the benefits broadly across the community, can only be achieved when the full program is implemented and external conditions cooperate. Up to this point, external conditions have been singularly uncooperative. This has caused the Government to falter and hesitate in the implementation of some of the more difficult policy changes, and that in turn appears in retrospect to have worsened the impact of the adverse external conditions.

3. Strategy for 1985 - 1987

The next three years will clearly be difficult. Modifications in priorities and in short term approaches will be necessary by all parties to Jamaica's development strategy. But the longer term objectives have not changed. The FY 1985 PAAD Supplement describes the role USAID/Jamaica proposes to play in adjusting to new economic exigencies that influence development prospects, while supporting the Government of Jamaica in fulfilling the program of economic transition upon which it embarked in 1981.

Under the circumstances, the Mission's strategy for the remainder of the present year and U.S. fiscal years 1986 and 1987 must depart from that set forth in the FY 1985 CDSS and its FY 1986 update.

The purpose of this Project Paper Supplement is to sharpen the focus of this critically important tool in supporting the objectives of the Mission's amended strategy. Those objectives are (a) to consolidate and defend the gains in structural adjustment and stabilization to date; and (b) to institutionalize an accelerated and intensified program of promotion of investment and export production.

B. Project Description

The Project purpose remains essentially the same as in the original Project Paper -- to assist the GOJ and Jamaican private sector to alleviate constraints to economically productive activity, make more effective use of capital resources, and attract new investment. This Project has taken on new importance as a key instrument for rapidly responding to requests for technical assistance, training and limited commodity assistance. As such, this Project, in conjunction with other on-going and planned projects, is expected to contribute significantly towards a larger goal of assisting the GOJ meet the objectives of its economic recovery program.

1. The Project As Implemented To Date

From June, 1981 to December, 1984 one hundred and eighty-seven sub-projects were funded under TC&TG. The sub-projects fell under seven broad categories: skills training, export development and promotion, investment promotion, institutional development, infrastructure development, project planning and evaluation, and other.

Approximately one third of the sub-projects were in the area of skills training, which accounted for 13.1 percent of the total amount of funds committed. Most of the training activities were short term in nature and consisted of observational visits, seminars, workshops and courses, as well as equipment purchases and the development of training materials.

Over US\$3 million was committed to export development and promotion, with forty sub-projects falling under this category. The GOJ's major program of modern agricultural development, Agro-21, accounted for nearly half of this funding. Other activities provided technical assistance to develop export marketing strategies and pilot production facilities and supported numerous trade missions throughout the U.S. Much of the interest in this area arose in connection with the implementation of activities in support of the CBI program.

Most of the assistance in the area of investment promotion was targetted towards two entities -- the JNIP, which is the GOJ agency charged with promoting and facilitating both local and foreign investment, and the Kingston Free Zone.

Approximately nineteen Jamaican organizations received technical assistance to improve their institutional capabilities. Funding was also provided to a few private companies to assist in the improvement or expansion of industrial operations.

In the area of infrastructure development, support was provided for port development and to improve the management of utilities, particularly water and electricity, both of which are key elements in attracting foreign investment to Jamaica.

The category of project planning and evaluation provided assistance mostly in the form of feasibility studies and assessments to facilitate and speed up the implementation of private sector activities in other areas, such as development banking, data collection, tourism and divestment.

During the first two years of implementation, seventy-eight of the eighty-eight sub-projects supported public sector organizations dealing with Jamaica's private sector, at a cost of approximately US\$5.5 million. Only ten such sub-projects, totalling US\$275,000, were directly supportive of private sector entities.

As a result of the recommendations of a July, 1983 evaluation of the Project, there was a concerted effort by the Mission to increase the spread of productive assistance to the Jamaican private sector. During the following eighteen month period, fifty-six projects were funded directly with the private sector, for a total of US\$2.5 million. Concurrently, funding to public sector organizations and parastatals dropped from seventy-eight projects in June, 1983 to forty by December, 1984. The forty projects amounted to US\$1.2 million.

Table 1 below illustrates the breakdown of Project funds according to number of sub-projects, dollar value of support and percentage of resources by category.

Table 1

Category	Number of Sub-Projects	Amount Committed (US\$000)	Percent
A. Skills Training	63	1,235.2	13.1
B. Export Development and Promotion	40	3,006.5	31.8
C. Investment Promotion and Management	16	1,108.3	11.7
D. Institutional/Industrial Development	31	1,528.6	16.2
E. Infrastructure Development	7	904.8	9.6
F. Project Planning and Evaluation	26	1,590.2	16.8
G. Other, including Labor Relations	<u>4</u>	<u>78.0</u>	<u>.8</u>
Total	187	9,451.6	100%

2. Evaluation Findings

In its qualitative analysis, the evaluation report* observed that

the quality of the TC&TG portfolio is generally good. The majority of sub-projects got better than passing grades from USAID officers, GOJ officials, and third parties. A number of sub-projects produced outstanding results, e.g., the agri-business investment opportunities survey, emergency technical assistance to the public power entity (JPS) and the National Water Commission, a highly practical technical advisor in JNIP, and several of the training programs. A handful of sub-projects produced marginal results.

* Evaluation of the TC&TG Project by Lawrence E. Harrison and Charles R. Connolly, July 18, 1983, p. 4. Copies on file in USAID/Jamaica and LAC/DR.

The evaluation was especially favorable in its comments on the timeliness of the TC&TG vehicle to respond to requests. The report notes that

in addition to the generally high quality of the portfolio, the rapidity and flexibility of response made possible by the TC&TG [Project] are clearly advantageous. This is particularly true in the acutely-distressed Jamaican environment. A representative of another donor institution observed of one of the most successful projects, 'I've never seen anything move so fast in international funding.'*

The report concluded that

in a difficult and fast-moving environment the TC&TG [Project] has been a useful, flexible, and responsive tool for meeting priority technical assistance and training needs.**

The report identified a number of issues and recommended possible corrective measures the Mission might take so the TC&TG Project can have an even greater impact on the production objective for which it was primarily developed.

The key issues were:

(a) 'Spread' - inevitably, pressures will be placed on a fund as flexible and responsive as the TC&TG to spread. Some spread has occurred away from the private sector/productive focus of the project, e.g., to public sector statistical, planning and tax functions. These are obviously not irrelevant to private sector concerns, but they are not central, and they imply a longer-term developmental involvement in contrast to the shorter-term production push which is at the heart of TC&TG.

The USAID has on a few occasions used the TC&TG for purposes parallel to the purposes of Project Development and Support funds, e.g., to develop a USAID private sector strategy, or prepare a PID. This is consistent with the third TC&TG criterion, but it leaves an ambiguity as to when to use PD&S and when to use TC&TG.

* Ibid

** Ibid, p. 7

In two cases, power and water, the flexibility and rapid response of the TC&TG have involved USAID on the turf of other donors (the IBRD in the case of power, the IBRD and IDB in the case of water). There is no evidence of anything but gratification on the part of the other donors in these cases, where AID involvement was generally considered outstanding. But, one still has to wonder whether the other donors couldn't have responded to the urgent needs of 'their' institutions. And these kinds of emergency involvements can lead to longer-term relationships as indeed may be happening in the water sector (which is not necessarily a bad thing).*

The evaluation report recommended that the USAID make additional efforts to increase the proportion of the portfolio which promotes private sector production. We recommend the following ways of reaching this goal:

- focus additional resources on the institutions which most directly promote private investment; e.g. the JNIP, the Kingston Free Zone;
- try to develop creative ways of channeling additional assistance directly to the private sector. A feasibility study fund along the lines of OPIC's, but for Jamaican investors, may be one possibility. Attention to the needs of small producers may be another. Use of dollars for experimental private sector projects (e.g. small-business rotating funds) might be another;
- be more selective about approving TC&TG funds for use by public institutions which do not have a direct impact on new production and investment;
- assure that the flexibility and responsiveness of TC&TG do not result in TC&TG's financing of activities which should be financed by other donors;
- avoid using TC&TG resources to finance activities principally of interest to the USAID;

* Ibid, p. 5

in financing project development costs, use TC&TG for short-term activities with a private sector orientation, and PD&S for longer-term, institution-building activities or activities with public sector entities which do not have a clear private sector orientation.

We believe that the original three basic TC&TG criteria remain valid. We believe that the foregoing recommendations will help to interpret them in ways that will increase the impact of the project on production.*

As mentioned in an earlier section of this Supplement, once the evaluation identified the "spread" problem, the Mission immediately undertook to implement the recommendation. Sections IIB and III of this Supplement, which describe the Project as we intend to implement it over the next few years, address the evaluation recommendations with respect to targetting the private productive sector.

(b) Role of the GOJ - the evaluation report observed that "the USAID has increasingly become the unilateral manager of the TC&TG. There is no real GOJ screening, prioritizing, or centralized promotion of use of the TC&TG.**

The report noted some of the reasons which have contributed to the GOJ's role being one of only monitoring, among which was the "uncertainty about the criteria, in part because a number of GOJ entities dealt directly with the USAID, and in part because of the pressure of JNIP's primary investment promotion responsibilities."*** The report continued:

There are obvious benefits and proprieties in active substantive participation in decision making by a central GOJ agency or agencies. On the other hand, if there are real world reasons why such participation will become pro forma -- e.g. because TC&TG decision making does not loom large on the scale of priorities of the lead GOJ institutions -- then the current arrangements are, in our view, acceptable. Clearly, what happens with the wholesaling concept has direct relevance for this issue.****

* Ibid, p. 8

** Ibid, p. 7

*** Ibid, p. 6

**** Ibid, p. 7

The wholesaling concept refers to making blocks of money available to Jamaican institutions who will then review and approve the TC&TG requests of other Jamaican institutions. The evaluation report recommended that moving towards wholesaling would resolve the issue and that "careful consideration be given by the GOJ and the USAID as to who the intermediaries should be, for what substantive areas they will be responsible, and how their authorities will be defined."* The authors of the evaluation report indicated they "believe that the use of Jamaican intermediaries can have several benefits, e.g., greater Jamaican responsibility for decisions on the use of resources, valuable planning and administration experience for Jamaican institutions, reduction of an increasingly heavy burden on the USAID. But we believe that wholesaling should be introduced in a phased way:

- after a comprehensive audit of the current portfolio,
- with a requirement for USAID approval for the first year or so of wholesaling; and
- shifting to a post-audit basis after that first year.**

In January, 1985, the Mission approved a US\$300,000 "block grant" to the JNIP for their overseas investment promotion activities. We anticipate developing one or two additional block grants over the life of the Project, as described in Section III.

(c) Contract and Procurement Management - the report indicated the evaluation had "done only a most cursory review of TC&TG contracts. There is some evidence that improvements can be made in contract management, which is not surprising in light of the large number of contracts generated by the TC&TG and the fact that it is only since very recently that a contracting officer has been assigned to the USAID. The USAID has acted as the GOJ's agent for most of the TC&TG procurement (which is not all that voluminous, it should be said). There may well be better ways of handling future procurement, particularly since the recently-arrived contracting officer will also be involved in procurement."***

* Ibid, p. 9

** Ibid

*** Ibid

The evaluation recommended that:

the USAID contracts officer conduct an assessment of TC&TG contracting and procurement as soon as possible with a view to developing improved procedures for these two functions. We believe that GOJ should have increased responsibility for both, although we recognize that there may be occasions where urgency will require USAID involvement.*

As things have transpired since the July, 1983 evaluation, the contracting officer did not remain at post very long and the Mission was without a resident contracting officer for almost two years. During the TDY visits of an AID/W contracting officer, the contracting capability of the JNIP was reviewed and recommendations suggested.

The evaluation report had recommendations to offer on improving reporting, undertaking an audit and more frequent evaluations, but no substantive issues were raised with respect to these matters. The recommendations have been adopted and an audit was conducted in October, 1984 and a second evaluation is planned for July, 1986.

3. Proposed New Directions

The principal objective in developing this Supplement is to refocus the Project more directly in support of the Mission's amended strategy of (a) consolidating and defending the gains in structural adjustment and stabilization to date and (b) institutionalizing an accelerated and intensified program of promotion of investment and export promotion. This "refocus" has led to structural changes in the Project in terms of new or better defined categories of activities.

Over the past four and a half years of implementation of the Project, funds have been allocated to support activities in nine key areas, as described below.

a. Support for Policy Dialogue Efforts - funds in this category have provided technical assistance with studies related to enacting policy changes. Divestment is the main area which has been focused upon thus far, and Project funds have been used to provide consultants to the National Investment Bank of Jamaica (NIBJ).

*Ibid

b. Export Development, Promotion and Marketing - the Mission has placed particular emphasis on the area of non-traditional exports. Over the past few years, the Project has funded trade missions, attendance at trade shows, assistance with finance and credit arrangements, technical assistance to priority industries, and facilitating of marketing and promotional activities.

c. Investment Promotion and Management - this category of assistance has included activities designed to target, attract and follow through on prospective foreign investment. In the case of joint ventures or sub-contracting arrangements, local investments have been fostered. In the past, assistance has been provided to such government owned entities as the JNIP and the Kingston Free Zone. More recently, as mentioned earlier, in February, 1985 a "block grant" of US\$300,000 was made to the JNIP to improve its capabilities in the areas of investment targetting, twin plant development and overseas investment promotion.

d. Productivity Improvement - Activities funded in the past have been primarily to support the development of new techniques and processes coming out of scientific research.

e. Agricultural Development - a major thrust in the direction of increased support for both agriculture and agribusiness was undertaken with support provided for the 'Agro-21' program. Assistance has also been provided to such private sector associations as the Jamaica Livestock Association. Activities have ranged from technical assistance in veterinary services to provision of bull semen.

f. Industrial Development - in the past, a number of activities have been funded which have been based on the application of scientific research findings and new or improved technologies particularly with regard to use of local materials. Activities included a solar salt project, a clay and sand project and a solar wood kiln. (see Annex B for more details.)

g. Management/Entrepreneurial Training - the shortage of managerial skills is a major constraint on private sector growth in Jamaica. A substantial amount of Project funding (31%) has been allocated to providing assistance in this area.

h. Organizational Development - this category has been targetted towards activities which will develop and strengthen the institutional capabilities of organizations charged with making a major contribution to the objectives of the Project. In the past, assistance has been provided to such associations as the JMA, PSOJ and JEA in order to assist them in gearing themselves fully to the task of promoting exports and increasing productivity.

i. Accelerated Program Support - funding under this category has been used to expedite the development of activities expected to have a significant impact on private sector growth. Such activities have included support for feasibility studies and short term technical assistance.

The present Project Paper Supplement proposes a streamlining of the number and types of categories for which funds will be allocated.

The revised Project will focus on supporting five key areas: policy studies linked to the structural adjustment program, investment promotion, export development, industrial development and new initiatives. Project funds will be used to provide short term technical assistance, training and limited commodities. Long term activities will be spun off and developed into bilateral DA funded projects.

The categories of activities to be targetted under the Project reflect the emphasis on removing key constraints to private sector led growth. The aim is to enhance the country's ability to attract new investment, produce and export more, and foster the growth of the necessary entrepreneurial and managerial skills. At the same time, institutions and organizations which have proved themselves capable of contributing significantly to such objectives will be strengthened.

C. Project Re-Focus

The Mission intends to use Project funds to support activities in the following areas, some of which represent a continuation of support rather than "new" areas per se.

1. Policy Studies Supportive of the Structural Adjustment Program - It is expected this category will focus on providing Project assistance to continue divestment activities and to initiate support for financial

institutions. Specifically, we anticipate support for studies, financial packaging and investment advice. A new area we plan to provide support to is in revitalizing the Jamaican stock exchange, as well as to assist in improving the flow of funds utilizing the Jamaican Bankers' Association, Bank of Jamaica and other financial groups.

Many activities will of course cut across more than one sector. For example, as part of our dialogue with the GOJ on the deregulation of export commodities we have determined that the agricultural commodity board system is likely to inhibit investors contemplating agricultural project investments. It also appears to inhibit a more robust development of export earnings from existing production capacity, yet existing interests resist reform of this system on national welfare grounds. Accordingly, a team of highly qualified outside experts, with no vested interest in the Jamaican situation, is expected to be funded by TC&TG to prepare for the Government an objective professional analysis of the present structure of each relevant market, and recommendations for changes in support of the goals of the Government's economic recovery strategy.

2. Investment Promotion - Continuing support to the JNIP will be provided in this area. In addition, the private sector has indicated interest in playing an active role in investment promotion. The PSOJ and JMA are likely future candidates for assistance in this area. Activities presently being developed for funding include a "shelter plan" for promotion of opportunities in the electronics industry, assistance to the Montego Bay Free Zone to attract data entry, telecommunication and other firms; assistance to the Jamaica Hotel and Tourist Association in efforts to increase investment in tourism, and support to the PSOJ in setting up a Jamaican chapter of the Young Presidents' Organization.

TC&TG funding will be used to develop case studies and implement recommendations stemming from dialogue with the GOJ and the ESF conditions and covenants on investment promotion. For example, as noted in the FY 1985 PAAD supplement, the perception persists that the Jamaican bureaucracy is a serious obstacle to investors. According to this perception the problem can be traced to two causes. First, the present regulations governing investment, and the associated bureaucratic structure, appear to be vestiges of the centrally planned economy toward which the previous government had moved.

This is reflected in the requirement for government review and approval of plans with respect to the technology to be employed, the pace of expansion of production capacity, product mix, source of raw materials, and location of operations. In a market directed economy these decisions would be governed by relative prices, rates of return, and costs except in clear cases in which an important public interest dictated regulation. Thus the application process itself suggests a government bias against private decision making in the economic realm.

The second cause of the perceived cumbersomeness of the bureaucratic procedures is that the investor must seek various approvals, licenses, and documents from multiple ministries. These requirements reportedly are not uniform and the basis for decisions as to which requirements apply to particular investors and for granting or withholding approval, are often discretionary. According to some anecdotal reports, responsibility for determining the exact steps in the process and for asking the right questions, resides ultimately with the investor himself, rather than with the investment promotion agency. Predictably, major last minute surprises often emerge under this system.

To address this problem it is expected the Government will agree to a collaborative study by the USG and the GOJ (funded by TC&TG) to determine the actual experience of foreign and Jamaican investors who have been through the process and to compare their experience with published statements of the procedure. We will propose detailed case studies of foreign and domestic investors' efforts to win approval for investment projects. The cases will include investors who have gone forward with their projects as well as investors who have abandoned their efforts in Jamaica.

On the basis of the case studies, recommendations will be advanced for simplifying the procedure, placing clear responsibility on a GOJ investment officer for shepherding proposals through the necessary bureaucratic procedures and guaranteeing prompt consideration of and decisions on project proposals.

3. Export Development - This category of assistance will focus on support to institutions such as the PSOJ, JMA, JEA, JHTA, JNEC, Chamber of Commerce, etc., for export development activities and related training and data collection undertakings.

Planned assistance over the next few years includes the following:

(a) a Trade Promotion Program to support the efforts of the Jamaica Exporters' Association in arranging local participation in U.S. trade shows and missions;

(b) CBI related activities, including support for CBI workshops and seminars;

(c) the Jamaica Exporters' Association (JEA), Marketing Secretariat to strengthen its activities to develop marketing and promotion in priority sectors (garments, furniture, food processing, etc.); and

(d) the PSOJ/Prime Minister's Task Force on Export Development to support the Secretariat in handling export development resulting from the World Bank's revolving loan.

In addition a major export promotion/market development project is presently being developed for Mission bilateral funding. Given the Mission's desire to rapidly begin implementation of the Project initial start-up will come from TC&TG, but it will be spun off and funded as a bilateral DA project in FY 86.

In this area of activity, technical assistance will be financed under TC&TG to examine the productive capability of the Jamaican economy in six areas of potential export, and determine what elements are lacking or need strengthening. Consultants will assist the GOJ to determine an estimated level of production based on existing capacity, and examine the problems of increasing export capacity through new investment. This will result in a product by product assessment of current production, current capacity, potential production, and what is needed to achieve existing capacity production. New investment requirements, again on a product line basis, will also be developed indicating likely opportunities and perceived constraints.

There are in place a number of public and private sector organizations which have functions that relate to an export drive. These include Ministries, statutory bodies, and private associations which serve the entire chain of exporting, from local producers to overseas consumers. Technical assistance will also be provided to examine these institutions and determine the effectiveness of the system they comprise, and make appropriate recommendations that would strengthen the institutional system and lead to increased exports.

4. Industrial Development - This category of assistance will focus on increasing the utilization of existing productive capacity and ensuring that up to date technology spreads throughout priority industries (garments, furniture, food processing, electronics, etc.). For example, efforts are underway to involve US-owned garment factories in providing training, engineering advice and technical assistance to local firms. Planned activities for the future include an "807 Program" to assist the JMA and Jamaica Industrial Development Corporation (JIDC) to improve productivity in the garments sector; an activity to assist members of the furniture manufacturers' guild with the design, finishing and marketing of Jamaican furniture; additional technical assistance from the International Executive Service Corps (IESC) in this area; and additional technical support to the Small Business Association of Jamaica (SBAJ). Plans are presently underway to establish a private industrial development institute for research and technology transfer. After initial funding from TC&TG, if proved feasible, this could be financed as a bilateral DA project.

5. New Initiatives - Funds will be available under the Project to finance new ideas as they come up which do not necessarily fit neatly into one of the other categories, but offer the promise of helping with the transition from import substitution schemes to export development activities.

III Implementation Arrangements

A. Present Situation

Project funds (ESF Grant) were initially obligated in a Project Agreement (PROAG) with the Government of Jamaica. The Prime Minister and Minister of Finance and Planning designated Mrs. Corrine McLarty as the authorized representative for all aspects of the Project other than amending the PROAG or Annex I thereof. At the time, Mrs. McLarty was the Managing Director of the Jamaica National Investment Corporation (JNIC). Shortly after the Project got underway, Mrs. McLarty left the JNIC to spearhead the establishment of the Jamaica National Investment Promotion, Limited (JNIP). The JNIP was established in September, 1981 and was charged with a mandate to promote and facilitate investment in all sectors of the economy, as at the time there was no single institution equipped to handle and expedite private investment flows.

Day to day management of the TC&TG Project moved to the JNIP along with Mrs. McLarty. For all intents and purposes, the JNIP's role has, until recently, been virtually exclusively one of the Managing Director's countersigning Project Implementation Letters (PILs) approving sub-obligations for activities under the Grant with the exception of their own activities. The JNIP monitors the financial aspects of the Grant, but does not really monitor performance other than after the fact in the form of receiving consultants' reports on activities undertaken. There have, however, been some recent developments in this regard. As mentioned earlier, in February, 1985 the Mission made a US\$300,000 "block grant" to the JNIP for assistance with its own overseas investment promotion program. Under the "block grant" the JNIP will follow Handbook 11 Country Contracting procedures for activities agreed upon in the grant. The grant includes provision for an evaluation by February, 1986 in order to assess the impact of the activities carried out under the Grant and the efficacy of the "block grant" approach. Assuming both are reasonably successful, similar "block grants" may be made to the JNIP for other activities.

The present system in place is such that requests for assistance may come from any private or public sector entity to the USAID Mission, the U.S. Embassy or the JNIP. Approval or disapproval of activities with a total cost of more than US\$10,000 is reviewed by a Mission Advisory Committee* which meets on a monthly basis, whereupon a recommendation is made for approval or disapproval to the Mission Director. Any requests for assistance which are less than US\$10,000 are reviewed by the Mission's implementing office and recommended for approval or disapproval to the Mission Director. PILs describing the request for assistance are then drafted and sent to Mrs. McLarty for her signature, signifying her concurrence with the use of funds.

B. Proposed Implementation Arrangements

It is proposed that we continue to provide Grant funds to the GOJ to be implemented by Mrs. McLarty as Managing Director of the JNIP. PILs will continue to be sent to the Managing Director of the JNIP to countersign signifying joint agreement with the sub-obligation of Project funds. The JNIP and USAID will reserve the right to debrief all consultants financed by the Project. Both USAID and the JNIP will also

* The Committee presently consists of the USAID Mission Director, Deputy Director, OPDS, OPED, OPEP and specific technical Office Directors, Controller, Contract Officer, and the Project Manager. Invitations are issued to the Embassy Economic Counsellor and other AID Officers and other Embassy Officers to attend the meetings, as appropriate.

receive copies of all consultants' reports. It is further proposed that in preparation of the Mission's semi-annual reviews, the USAID Project Officer meet with the JNIP to elicit their views with respect to the usefulness and success of each activity, as well as what the next steps might be to follow up on the activity. In general, it is expected there will be closer collaboration and joint management by USAID and the JNIP of TC&TG funds granted to the GOJ. Annex B is the Mission's Standard Operating Procedure on the TC&TG Project.

IV. Budget

As of December 31, 1984 the status of existing funds was as follows:

<u>Fiscal Year</u>	<u>US\$000</u>		
	<u>Obligated</u>	<u>Earmarked</u>	<u>Accrued Expenditures</u>
1981	1,000.0	993.8	981.6
1982	3,460.0	3,394.3	2,799.6
1983	2,000.0	1,999.0	1,442.6
1984	<u>7,500.0</u>	<u>3,064.5</u>	<u>1,039.7</u>
TOTAL	<u>13,960.0</u>	<u>9,451.6</u>	<u>6,263.5</u>

At that time, 67.7 percent of funds obligated had been earmarked. It is anticipated that US\$4,500,000 will be obligated in FY 1985 funds. Obligation of additional ESF Grant funds of \$5,000,000 is anticipated in both FY 86 and FY 87.

Funding will also be earmarked in FY 86 and FY 88 for two evaluations and management audits. The JNIP presently has annual audits conducted by a "big eight" accounting firm. In the event the JNIP does not, for one reason or another, continue to have annual audits carried out, Project funds will be earmarked for non-federal audits every two or three years.

Methods of Implementation and Financing

<u>Method of Implementation</u>	<u>Method of Financing</u>	<u>Approximate Amount</u> (U.S. \$000)*
TA - HC Contract	Direct Pay	\$8,404
TA - HC-PSCs	Direct Pay	105
Training - Host Country Contract	Direct L/COM	50
	Direct Reimbursement	100
Commodities - HC Procurement Purchase Orders	Direct Reimbursement	200
	Direct L/COM	<u>1,120</u>
		<u>\$9,979</u>

It is envisioned that all technical assistance under this project during fiscal year 1985 will be obtained by host country contracts. The GOJ has previously used host country contracts to obtain technical assistance under this project and it has proved to be an efficient and effective method.

The training will also be obtained by means of host country contracts. Approximately two-thirds of the training will be conducted in Jamaica, thus the GOJ or relevant institution will pay for these costs in Jamaican dollars and will be directly reimbursed for these costs. Some training will be conducted in the U.S. and this will be paid for by A.I.D. directly to the institution providing the training or by use of an AID Direct Letter of Commitment when appropriate as the necessary U.S. currency to pay for these costs is not readily available in Jamaica.

All commodity procurement for this Project will be the responsibility of the relevant agency within Jamaica. In cases where the commodities are procured in Jamaica, the relevant agency will be reimbursed. If the goods are purchased abroad, USAID will issue a Direct Letter of Commitment to the supplier abroad as U.S. currency is not readily available in Jamaica.

In summary, it is felt that there is adequate capacity and capability in the GOJ and JNIP to carry out these contracts. A review of the accounting practices and contracting procedures of the JNIP was conducted in 1984. In addition, a review of the contracting, accounting and procurement procedures of the PSOJ was conducted in 1985 by Mission personnel.

* Composed of US\$3,904,000 uncommitted, but obligated funds from FY 84, plus US\$4,500,000 funds expected in FY 85.

V. Conditions, Covenants, and Negotiating Status

No additional conditions or covenants have been proposed for this PP supplement beyond those contained in the original PP.

The Mission has discussed all relevant changes in the Project with the GOJ implementing institution, and there are no significant issues.

TECHNICAL CONSULTATIONS AND TRAINING GRANT PORTFOLIO

AS OF DEC. 31, 1984

STATUS SYMBOLS

C - completed
O/G - ongoing
P - proposed

<u>CRITERIA</u>	<u>TOPIC</u>	<u>MANAGING ENTITY</u>	<u>CONTRACTOR</u>	<u>STATUS</u>	<u>GRANT FUNDING (US\$)</u>	<u>IMP. LTR. NO.</u>
A. Investment Promotion & Management	1. TA - Evaluation of proposals	JNIP	Harwell, Richmond	C	15,843	
	2. Natural Resources Assessment	MINAG	USDA, Michigan State Univ.	C	291,734	
	3. Agribusiness Investment Opportunities Survey	JNIP	USDA, Agribus. Assoc.	C	218,994	
	4. Print Agribusiness Invest. Opportunities Handbook	JNIP	Agribus. Assoc.	C	6,830	# 38
	5. Marketing/Promotion program	KFZ	Production Sharing	C	75,000	# 49
	6. Specific agribusiness invest. projects	PM	Engstrand	C	127,047	
	7. Jamaica Floriculture Industry	JNEC	Mirabito	C	2,000	# 42
	8. Comparative Advantage Study	JNIP	Price Waterhouse	C	110,906	# 51
	9. Word processing equipment	JNIP	IBM	C	52,283	# 27
	10. Five year Strategy & Action Plan	JNIP	Fisher	C	36,436	# 61
	11. Audio-Visual Equipment	KFZ	Luskins	C	1,172	#105
	12. Marketing/Promotion Program	KFZ	WTI	C	46,980	# 81
	13. Implement Strategy & Action Plan	JNIP	Fisher	C	44,475	#116
	14. Promotional visits within US	KFZ	-	C	675	#108
	15. MBFZ Promotional Visit	PAJ	-	C	1,635	#207, #245
	16. Shelter Company	JNIP	Wright	O/G	82,750	#170
					<u>1,114,760</u>	

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A	TOPIC	PARASITIC ENTITY	CONTRACTOR	STATUS	GRANT FUNDING (US\$)	IMP. LTR. NO.
Port Development Promotion	1. Apparel Industry Export Strategy	JNIP	Kent Salmon/Singer	C	97,495	
	2. National Ornamental Horticulture Plan	JNIP	Wilfred	C	10,345	# 15
	3. Technical Assistance	Ja.Orn. Hort. Soc.	Wilfred	C	900	# 65
	4. Sunflower Oil	SIRI	Texas A & M Univ.	C	12,930	# 75
	5. Atlanta Merchandise Mart	JNIP/Things Ja.	-	C	3,500	# 99
	6. Aquaculture Promotion Strategy	JNIP	FMME	C	15,000	# 77
	7. Heilconia Marketing TA	Ja.Orn.Hort.Soc.	Marousky	C	2,901	#112
	8. Furniture Industry mktg. trip	NIDCO	-	C	4,515	#139
	9. Aerial Photography Update	MINAG	Teledyne Geotronics	C	98,982	#132
	10. Solar Heater System	Energy Mgt. Ltd.	Armstrong Export Inc.	C	9,945	#140
	11. Atlanta Giftwares Show	Wisynco	AMC	C	48,000	#153
	12. Furniture Designer	NIDCO	Witteveen	C	9,117	#160
	13. Cattle Breeding prog. improvement	Ja. Livestock Association	-	C	9,913	#145
	14. San Juan Trade Mission	JMA	-	C	9,500	#179, #190
	15. Macy's "Discover Ja" program	JNEC/Things Ja.	-	C	5,750	#180
	16. JEA Trade Mission to Atlanta	DOC	-	C	9,977	#188, #203
	17. Int'l. Fancy Food Show	JNEC	-	C	21,000	#193
	18. Produce Export Center	AMC	D.G.Campbell & Assoc.	C	500	#214
	19. Furniture Trade Mission (High Point)	JEA	Decurtis Trading Co.	C	9,250	#221
	20. Trade Mission (San Juan, P.R.)	JMA	-	C	17,100	#228
	21. Bobbin Show	JMA	-	C	9,310	#212
	22. C/CAA Miami Conference	JEA	Assoc. Consultants Int'l.	C	20,000	#211
	23. Operation Agro-21	PM	RONCO	O/G	1,569,200	# 72, 89, 109, 135, 157, 200
24. Fumigation Facilities	MINAG	USDA	O/G	196,500	# 58, #71	
25. TA - Furniture and woodwork industry	NIDCO	Lubeck	O/G	104,300	#123, #126, #224	
26. Solar Wood Drying Kiln	SRC/Ultra-Hod	Wengert/Lamb	O/G	9,600	#102	
27. Plastic Bag Biodegestor Demonstration Units	SRC	Matamoros	O/G	10,000	#104, #113	
28. Aluminium Sulphate production	JBI/Ind. Chem.Co.	Ewart	O/G	75,000	#107	
29. Solar Salt Project	SRC	Bradley/Hill	O/G	89,500	#110, #111, #136	

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<u>CRITERIA</u>	<u>TOPIC</u>	<u>MANAGING ENTITY</u>	<u>CONTRACTOR</u>	<u>STATUS</u>	<u>GRANT FUNDING (US\$)</u>	<u>IMP. LTR. NO.</u>
	30. Calcium Carbonate production	JBI/Limestone Corp. of Ja.	Clarke	O/G	43,000	#122
	31. Solar Wood Kiln Handbook	SRC	Wengert	O/G	5,000	#148
	32. Technical Assistance	JATCO	King James Mfg.	O/G	32,500	#141
	33. Chippenham Park Pilot Plant	JBI	Peters	O/G	30,000	#137
	34. Dallas Trade Info. Office	PSOJ	Ware	O/G	79,910	#182
	35. Artificial Insemination	JLA	Hawkins	O/G	130,000	#199
	36. Parquet flooring expert	Parquet Spec.	Stock	O/G	6,900	#168
	37. Soybean Production	Jam. Soya Prod.	Strohl	O/G	69,800	#167
	38. Fish Predation Study	National Resource Cons. Dept.	-	O/G	2,450	#230
	39. Export For. Exchange Facility	PSOJ	-	P	50,000	#185
	40. Ceramic Materials Processing Plant	Ja. School of Art	Silica Mining Ltd.	P	80,000	#229
	41. Low Acid Foods Testing Equip.	Ja. Bur. of Stds.	-	P	2,350	#242
					<u>3,011,940</u>	

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<u>FUNDING</u> <u>IA</u>	<u>TOPIC</u>	<u>MANAGING ENTITY</u>	<u>CONTRACTOR</u>	<u>STATUS</u>	<u>(US\$)</u>	<u>IMP. LTR. NO.</u>
stitutional velopment	1. Tax assessment & collection	Revenue Board	IRS/Watson	C	32,967	# 2, #7
	2. TA to Data Processing Dept.	NIT	Stauffer	C	2,400	# 10
	3. Coordination of training activities	ACB	Avram	C	15,566	# 34
	4. Macro-Economic Model	NPA	MIT	C	36,517	# 37
	5. Training	JNIP	Harwell	C	24,943	# 12
	6. Training	JNIP	J & L	C	13,247	
	7. Study	JNIP	TEDA	C	22,510	
	8. Advisor	JNIP	Reed	C	75,359	# 54
	9. Tour of manufacturers' assoc.	JMA		C	3,555	# 44
	10. TA in marketing	Ag. Marketing Corp.	Agribus. Assoc.	C	65,000	# 74
	11. Management Consultant	PM	Abrahams	C	30,000	# 32, #56
	12. Training	NPA	Bucen	C	25,300	# 50, #128
	13. TA in Admin and Customs	Rev. Board	Varga	C	40,700	# 88, #115
	14. Training	JNIP	Puerto Rico EDA	C	100,200	# 52
	15. Training in project eval.	NDB	First Washington Assoc.	C	63,226	# 73, #159
	16. Ja. Economic Strategy Paper	PSOJ	McMullen	C	76,000	#118, #150, #160
	17. Pilot bauxite proc. plant	JBI	Gelatt Equip. Co.	C	23,426	#125
	18. Advisor to N.A. Office	JNIP	Reed	C	80,000	#103
	19. Hold	White Metals	-	C	9,800	#177
	20. Summer MBA Intern	BOJ	SMIF	C	2,509	#198
	21. Expansion	Deeds	-	O/G	82,500	#184
	22. U.S. Advisors	PSOJ	Davis Bailey, Sederholm	O/G	122,055	#98, #106, #161
	23. Management Training	JIM/IMP/MCS	-	O/G	90,000	# 47
	24. Marketing & Research Advisor	JEA	Stephenson	O/G	46,332	#146, #244
	25. Administrative support costs	IESC	Cooney	O/G	267,400	#144, #154, #187
	26. Agro-21 program monitor	PM	Logan	O/G	8,812	#149, #222
	27. Advisor	JITA	Rickham	O/G	59,923	#232
	28. Senior Economist	PSOJ	Mansfield	O/G	55,806	#189
	29. Loan guarantee fund	FWWB		P	25,000	#176
					1,500,953	

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<u>CRITERIA</u>	<u>TOPIC</u>	<u>MANAGING ENTITY</u>	<u>CONTRACTOR</u>	<u>STATUS</u>	<u>GRANT FUNDING (US\$)</u>	<u>IMP. LTR. NO.</u>
D. Infrastructural	1. Mgt. Audit & Operational Appraisal - Phase I	JPS	OAAI	C	48,750	# 13
	- Phase II	JPS	OAAI	C	96,194	# 22
	2. Power Barge Inspection Visit	JPS	OAAI	C	15,177	# 41
	3. Management Audit	NWC	Camp, Dresser, McKee (CDM)	C	75,000	# 21
	4. Computer capability study	NWC	Camp, Dresser, McKee (CDM)	C	73,000	# 45
	5. Management Audit	KSAC	Whitfield, CDM, Gallas, etc.	C	200,000	# 96
	6. Port Study and Dev. Plan	Port Authority	Louis Berger	O/G	300,000	# 87
7. Montego Bay Free Zone	PAJ	FZAS	O/G	96,724	#147	
					<hr/> 904,845	

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	<u>TOPIC</u>	<u>MANAGING ENTITY</u>	<u>CONTRACTOR</u>	<u>STATUS</u>	<u>GRANT FUNDING (\$US)</u>	<u>IMP. LTR. NO.</u>
s Training	1. Training Courses	KFZ	WTI	C	6,450)	
	2. Observational visit to Colon Free Zone	KFZ	-) 5,634)	# 1
	3. US Training of Investment Promotion Officers	JNIP	Univ. of Illinois	C	12,734	
	4. Airport Management Courses	Port Authority	FAA	C	30,895	# 19
	5. Seminar for Invest. Officers	JNIP	CEDS	C	15,000	# 23
	6. Investment Negotiation Seminar	JNIP (L. Facey)	Georgetown Univ	C	9,380	
	7. Quality Assurance for Food Industry	Food Tec. Inst.	U. Md.	C	4,092	# 25, #69
	8. Conference	Admin Staff Coll.	Int. Asso of Public Schools	C	5,710	# 43
	9. National Plastics Exposition	SRC	-	C	753	
	10. Seminar on Financial Analysis	JNIP (M. Young)	Chase Manhattan	C	3,570	# 59
	11. Seminar for executive business leaders on policy making	PSOJ	FMME	C	6,470	# 63
	12. Study tour of industrial estates in P.R., Dom. Rep. & U.S.	Port Authority	-	C	2,100	# 64
	13. Typewriters	Alpha Bus. Coll.	IBM	C	28,350	# 80
	14. Veterinary Training	MINAG	IOWA	C	1,600	# 68
	15. Employee Stock Ownership Assoc. Annual Conference	PSOJ/JMA	ESOP Assoc.	C	3,750	# 90
	16. Intl. Conference on Salt	SRC (Bolt)	-	C	850	# 93
	17. Pesticide Workshop	MINAG	-	C	1,266	# 97
	18. Potable Water Symposium	Min. Health	PAHO	C	2,128	# 46
	19. Observation Tour	MME	-	C	2,981	#101, #169
	20. Doing Business with the USA	JNEC	Univ. of Mia.	C	6,000	#114
	21. Forests of Ja. Seminar	Ja. Society of Scientists & Tech.	-	C	584	#119
	22. Ag. Marketing Workshop for Caribbean Basin	JNIP	C/CAA	C	3,080	#121, #124

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CRITERIA	TOPIC	MANAGING ENTITY	CONTRACTOR	STATUS	GRANT FUNDING	IMP. LTR. NO.
					(\$US)	
E. Skills Training (cont'd.)	23. Training prog. - Policy for Public Enterprise	JNIP (Mitchell)	Harvard Inst. for Intl. Dev.	C	4,650	# 92
	24. Tax Admin. Training	Revenue Board	USC	C	84,281	# 30, #83
	25. Workshop on Agr. Credit	ACB	Carib. Ag. Credit Assoc.	C	5,689	# 76
	26. Goat Health and Husbandry	MINAG	Oliviera	C	22,500	# 82
	27. Workshop on Entrepreneurship Development	NDF/J	CED	C	2,883	#120
	28. Fin/Eco Analysis - training & equipment	JNIP	Chase Manhattan/IBM	C	6,336	#127
	29. Port development	PAJ	Moffatt & Nichol	C	2,500	#129
	30. Die Casting Exposition	White Metals Ltd.	-	C	2,000	#130
	31. Org. Mgt. Trg. Workshop	JMA	CAIC	C	270	#142
	32. Intl. Expo. of Rural Dev.	-	-	C	20,000	#151
	33. Harlem Carib. Trade Conference	JEA	-	C	694	#152
	34. Houston Intl. Livestock Expo	JLA	-	C	1,500	#156
	35. Training and orientation	Davon Corp.	Thompson Co.	C	1,929	#163
	36. Kiln-drying course	Ultra Mod	Virginia Polytechnic	C	1,000	#164
	37. CBI Seminars "Doing Business in Caribbean"	USDOC	-	C	12,500	#138, #155
	38. International procurement	PAJ	WTI	C	3,995	#162
	39. Intl. Business Opportunities Conference	JNIP	-	C	1,075	#172
	40. Inter American Dairy Congress	Agro-21	-	C	462	#174
	41. San Jose CBI Seminar	JMA (6)	-	C	9,700	#175
	42. 29th World Conf. on Sml. Bus.	SBA (2)	-	C	4,100	#186
	43. Mktg. in U.S. Seminar	DOC	-	C	4,000	#192
	44. Seminar	SBD	-	C	1,850	#194
	45. Quality Circles Seminar	JMA (5)	-	C	1,400	#195
	46. USDA Ag. Mktg. Workshop	JEA (13)	-	C	7,537	#208
	47. Midcon 84	JNIP	-	C	1,310	#210
	48. Investor Attitudes Seminar	JNIP	FMME	C	50,100	#158
	49. Audio visual equipment	NIDCO	-	C	20,000	#165
	50. Observational Visit	Windmill Garment Manufacturers	Campus Sportswear	C	3,300	#215

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FERIA
Skills Training
(cont'd.)

TOPIC	MANAGING ENTITY	CONTRACTOR	STATUS	GRANT FUNDING (\$US)	IMP. LTR. NO.
51. Quality Circles Fac. Kit	JMA	Productivity Dev. Sys.	C	5,000	#219
52. Joint Caribbean Vet Conf.	Ja. Vet Assoc.	-	C	3,200	#236
53. Investment & Economic Growth Conference	JNIP	FIU	C	706	#237
54. Hi-Tech Conference & Exhibition	JNIP/JMA	-	C	1,900	#239
55. CBI Trade Lectures	JMA	Echols	C	1,932	#220
56. Small Bus. Week Conference	SBDC	-	C	500	#243
57. Construction Sector Skills Training Program	HEART	Puerto Rico Ed. Dept.	O/G	322,000	# 62, #84
58. Junior Achievement	Ja. Chamber of Commerce	-	O/G	63,695	#234
59. Textbooks	Gleaner	-	O/G	243,900	#202
60. Knitting Mfg. Project	Westport Housing Co-op.	Caribbean Knitting Mills	O/G	10,000	#218
61. Tourism Sector Training Program	JHTA	CHTI	P	35,711	#226
62. Economic Seminar Series	PSOJ/UWI	-	P	50,000	#233
63. Small Business Training Manuals	Small Business Trg. Advisory Committee	IICA	F	66,100	#240
64. Project Imp. Workshop	USAID	-	P	12,000	#241
				<u>1,247,582</u>	

<u>CRITERIA</u>	<u>TOPIC</u>	<u>MANAGING ENTITY</u>	<u>CONTRACTOR</u>	<u>STATUS</u>	<u>GRANT FUNDING (US\$)</u>	<u>IMP. LTR. NO.</u>
F. Project Planning and Evaluation	1. Peace Corps Adopt-a-Project	PC	Burkley & Crew	C	14,017	# 8
	2. Preliminary dev. strategy for the manufacturing sector	USAID	McMullen/Fisher	C	23,820	# 18
	3. Board of Revenue PID	USAID	Holland/Whitehouse	C	36,500	# 24, #36
	4. Private Sector Strategy	USAID	Agribusiness Associates	C	43,871	# 29
	5. Private Sector Management Training Proposal	USAID	UNCF & NUL	C	2,394	# 31
	6. Scope of 5-year Dev. Plan	Port Authority	Nutter	C	4,550	# 40
	7. Eval. of merchant banking facilities	USAID	FWA	C	3,500	# 53
	8. Seminar - PSOJ's future role in Ja.'s economic development	PSOJ	CCAA	C	3,542	# 60
	9. Economic and Financial Data Systems Analysis	PM	Ash	C	15,474	# 6
	10. Financial incentives study	PM	FWA	C	21,477	# 32, #70
	11. RFTP for 5-yr. Port Dev. Study	PAJ	Zedalis	C	3,875	#133
	12. Management info. specialist	HEART	Bechtel	C	100,000	# 85
	13. Proj. vehicles	NDF/J	Ford	C	30,530	#134
	14. TCTG Audit	JNIP	Touche, Ross	C	5,500	#196
	15. Assess. of Ja. statistical & planning institutions	NPA	BUCEN	O/G	197,100	# 50, #128
	16. Ceramic Sanitary Wares project	SRC	IESC	O/G	17,500	# 86
	17. Data Collection & Research	JHITA	Info. Systems Ltd.	O/G	30,000	#178, #209
	18. JADF	-	-	O/G	500,000	-
	19. Technical Assistance	Traf. Finance	Caye	O/G	15,300	#235
	20. Proj. Manager	Trafalgar Finance	Pershing	O/G	69,850	#204
	21. Contrib. of Intl. Tourism to National Economy	Min. Tourism	WTO	O/G	40,000	#183
	22. Evaluation	Agro 21	-	P	30,000	#223
	23. Divestment Program	NIBJ	-	P	70,000	#225
	24. Master Plan for Tourism	Min. Tourism	WTO	P	300,000	#181
	25. Ja. Business Directory	JNIP	-	P	20,000	#227
	26. Case Study	Agro 21	-	P	140,110	#246
					<u>1,738,910</u>	

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<u>A</u>	<u>TOPIC</u>	<u>MANAGING ENTITY</u>	<u>CONTRACTOR</u>	<u>STATUS</u>	<u>GRANT FUNDING (US\$)</u>	<u>IMP. LTR. NO.</u>
our Relations	1. TA to Ja.'s full system of labor-management relations	Min. Labor	DOL	C	55,000	# 26
	2. US Observational visit by FM's Task Force on Work Attitudes	FM	-	C	16,429	# 57
	3. Diagnostic Team	Min. Labor	DOL	C	5,615	# 4
	4. Training Ind. Relations	Min. Labor (Irons)	DOL	C	1,028	# 79
					<hr/> 78,072	

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TC & TG
STANDARD OPERATING PROCEDURES

JULY 5, 1985

I. PURPOSE AND APPLICABILITY

This standard operating procedure (SOP) sets forth both Mission policy and procedures for authorizing and implementing activities under the Technical Consultations and Training Grant (TC&TG). The purpose of the project is to support Jamaica's economic recovery program by relieving specific constraints to private investment and productive activities, with emphasis on hard currency earning/saving activities. The target areas for involvement will be policy studies supporting the structural adjustment program, investment promotion, export development, industrial development and new initiatives.

II. POLICY

This project is one of the most important tools by which we are assisting private sector activities as well as responding to requests of the Government of Jamaica (GOJ) for short term technical assistance, consultancies and skills training in the target areas. All activities to be financed under the project, whether in the public or private sectors, should be directly related to the promotion of economically productive activities and should be consistent with the GOJ'S economic recovery plan. There should also be convincing evidence of support from the host country or organization benefited such as a financial contribution to the activity or willingness to make significant policy and/or institutional changes.

III. PROCEDURES AND RESPONSIBILITIES

A. PROJECT REQUESTS

Requests for assistance may come from any public or private sector entity. These should be addressed to the Mission Director. The Office of Project Development and Support (OPDS) will, have implementation and monitoring responsibilities and will, after consultation, assign responsibility for response and/or specific action to the appropriate mission technical office. Those offices wishing to utilize TC&TG funds should discuss the prospects with OPDS and understand that any commitment, verbal or written, to the GOJ or private sector organizations, is contingent on completion of the approval procedure listed below.

PROCEDURE

1. All incoming new, revised and amended proposals concerning TC&TG program will be sent to the TC&TG Project Manager, OPDS.
2. TC&TG Project Manager reviews proposal, makes preliminary evaluation, logs-in proposal's receipt and directs proposal to appropriate technical office. (TC&TG Project Manager will be responsible for any proposals not clearly within the framework of other AID technical offices.) The Jamaica National Investment Promotion (JNIP) is notified, as appropriate, of the proposal's receipt. Pending final review, an interim response is sent out by the technical office with clearance by the TC&TG Project Manager and the Director, OPDS.

All subsequent proposal-related correspondence will be directed to technical offices for action. Documents will be prepared for signature as above, or as appropriate for the signature of the Deputy Director, with clearance from the TC&TG Advisory Committee.

3. Technical project officer reviews, evaluates and makes recommendation on proposal, and subsequent course of action. Technical officer's criteria for evaluation and recommendation must be clearly stated and should cover at least the following: purpose, consistency with TC&TG project purpose and areas of interest, relationship to current mission program, importance to GOJ economic recovery program, and any other pertinent factors influencing evaluation.
4. TC&TG PROJECT MANAGER:
 - confers with technical officer on subsequent course of action
 - solicits additional proposal evaluations and recommendation from associated technical offices
 - confers with JNIP as soon after receipt of proposal as appropriate.

B. APPROVAL

Every activity will be approved by the Mission Director and, as applicable, with the consultation of the Mission Advisory Committee. This Committee will meet with the Mission Director monthly, as close to the first week of the month as scheduling will permit.

The Advisory Committee will be composed of the following AID officers:

- Deputy Director
- OPDS Office Director
- OPEP Office Director
- Controller
- Contracts Officer
- OPED Office Director (who will also be the designated private sector advocate)
- TC&TG Project Manager

Invitations will be issued to other USAID office directors, the Embassy Econ Officer, the FCS Officer, and other technical officers, as appropriate.

PROCEDURE

- 1) APPROVED (a) Proposals greater than US\$10,000 are directed to Advisory Committee. If proposal is approved by Advisory Committee it is then directed to Mission Director for review and final approval/disapproval, or revision.
 - (b) Proposals less than US\$10,000 are directed to Mission Director, supported by memo from TC&TG Project Manager and Technical Officer.
- 2) DISAPPROVED If proposal is rejected at any phase of the review process, JNIP is notified of AID'S rejection decision; three days later a letter of notification is sent to the applicant by the technical officer with clearance of the TC&TG Project Manager and the Director OPDS; the rejection is logged by the TC&TG Project Manager.
- 3) REVISION Letters requesting revision are sent to the proposal applicant by the technical project officer noting concerns. A specific deadline is given for submission.

JNIP is notified of this action as appropriate in order to have input into the revision requests.

When AID staff revision is required, it will also be completed within a certain timeframe.

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C. RESPONSIBILITY

OPDS will have responsibility for administering the project, setting up the Advisory Committee meetings, clearing all project implementation letters (PIL) and assigning numbers, and compiling periodic status reports. The technical office will be responsible for implementing the proposal, drafting sub-project PILs, and monitoring the sub-project activities. The designation of the technical office will be assessed at the time the proposal is reviewed by the Advisory Committee and will be confirmed in the PIL which earmarks funds for the sub-project, as described below.

D. IMPLEMENTATION

Once approval has been given by the USAID Director, a PIL will be prepared by the technical office, to be cleared by the Controller, TC&TC Project Manager and OPDS Office Director for signature by the Deputy Director. The PIL will be directed to an official Jamaican project representative requesting the concurrence of the authorized representative in support of the activity. This concurrence officially earmarks the funds from the grant.

Upon receipt of the representative's concurrence, the technical office is then responsible for the preparation of the documentation against which the earmarked funds will be committed and disbursed. In general, the simplest and most expeditious form of documentation will be preferred, e.g. a grant to another GOJ organization (limited scope grant agreement), a grant to a PVO (HB 13 type grant), PIO/T, PIO/C, PIO/P, contract, purchase order, travel authorization, etc. OPDS, the Controller, and the Contracts Officer are available to provide advice and assistance in this area.

The technical office is also responsible for ensuring that competitive procurement procedures for supplies and services are followed or the necessary waivers prepared and approved, where required. These documents should be cleared by OPDS, OPEP, the Controller, and the Contracts Officer. The documents will be signed by the Deputy Director, except that waivers of competition must be signed by the Director (or Acting Director).

The TC&TG Project Manager will maintain original files of all documentation which earmarks and obligates funds, as well as contract amendments and final reports. The technical office, however, will maintain the original files of correspondence concerning the implementation of the proposal and monitoring the sub-project activities, with copies sent to the TC&TG Project Manager.

The Controller should receive file copies of all PILs, PIOs, contracts and vouchers.

Contract amendments are also the responsibility of the technical office. Increases in funding above the amount specified in the PIL may be reserved by another PIL and obligating document amendment, if approved by the GOJ representative, following the above clearance procedures. If the increase is over US\$10,000 or brings the total amount of a smaller grant above US\$10,000, it should be approved by the Mission Director or referred to the Advisory Committee.

E. MONITORING

The TC&TG Project Manager will monitor sub-project activity status as follows:

1. Monthly and/or final status reports, completed on one page status report forms, for proposals with a duration of four (4) months or less;
2. Quarterly status reports, based on a pre-established monitoring format, for proposals with a duration of five (5) months or more. When appropriate, these reports can be combined with semi-annual reporting submission.

IV CANCELLATION: S.O.P. 503 DATED JULY 5, 1983.

Clearance: OPDS: EKadunc _____
 OPEP: JJones _____
 CONT: RLeonard _____
 CO: GRender _____
 OPED: TPenner _____

Drafted:OPDS:VMarshall:asb/7/5/85:0071