

UNCLASSIFIED

# Annual Budget Submission

**FY 1986**

**JAMAICA**



**JUNE 1984**

Agency for International Development  
Washington, D.C. 20523

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TABLE OF CONTENTS

Mission Action Plan	1
Annex A Local Currency Use Plan	12
Annex B Evaluation Plan	14
Annex C Benchmark Achievement: Agriculture	16
Annex D Conditionality and Policy Dialogue	19
Table I Long Range Plan	29
Table IV Project Budget Data	30
New Project Narratives	
Management Training (532-0084)	37
Production and Employment V (532-0111)	41
Energy Cane Demonstration Project (532-0112)	42
Population Policy Support (532-0114)	46
Regional Graduate School of Management (532-0115)	49
Education Data, Analysis and Policy Formulation (532-0116)	53
Operating Expenses	
Table VIII FY 1984	57
Table VIII FY 1985	59
Table VIII FY 1986	63
Table VIII Narrative	67
Table VIII (a) U.S. PSC Costs	69
Table VIII (b) Code 25 Detail	70
Table VIII (c) Info. Tech. Systems	71
PL 480	
Narrative	76
Table XI	82
Table XII	83
Table XIII	85

## MISSION ACTION PLAN

- A. Strategy Recap: USAID/Jamaica's primary program goals for FY 1985-86 remain the same as those approved in the Mission's FY 1985 CDSS, and FY 1986 CDSS update. They are to support the Government of Jamaica (GOJ) in its efforts to: (1) stabilize the economy; (2) implement needed structural reforms; and (3) remove constraints to increased productive activity in key economic development sectors. Achievement of these goals will be characterized by an open economy, reliance on the private sector as the "engine of growth", and a more equitable sharing of the benefits of growth through increased opportunity and employment. Economic stabilization remains the predominant concern for this period, since in its absence little else can be accomplished. USAID strategy requires, however, that stabilization and structural and policy reforms go hand in hand. Close coordination with both the IMF and the IBRD will continue to be the hallmark of the Mission's policy dialogue efforts. Improved coordination with other major multilateral and bilateral donors at the sectoral level will complement the ongoing, successful coordination at the policy level.

Institutional development in both the private and public sectors, particularly in the areas of improved administrative and

managerial performance, will continue to receive support in FY 1985 - 86. Interventions will be aimed at increased productivity, an improved competitive position for Jamaican products in world markets, and streamlining/rationalization of the bureaucracy.

B. Self-Appraisal of Benchmark Achievement

1. Conditionality Strategy. (Annex I, pp 2-5)

- a. Foreign exchange market: moving in the direction of equilibrium with institution of bi-weekly foreign exchange auction. Further policy reforms required to achieve an efficient foreign exchange market are discussed in Annex D.
- b. Jamaican-held foreign exchange denominated accounts in Jamaican banks: achieved.
- c. Schedule of government-owned enterprises to be divested: achieved through covenant of P&E IV, second tranche loan amendment.
- d. Consolidation/simplification of government investment promotion and support functions: partially achieved. The GOJ has implemented some modifications in these functions recommended by World Bank SAL technical assistance team. Unification of all investment promotion entities into a single ministry/agency is not considered politically feasible by the GOJ. Mission is satisfied with progress.

- e. Dismantling of multiple exchange rate: achieved.
- f. Substantial reduction of administrative restrictions on imports and foreign exchange purchases: achieved. Quota system has been abandoned; licensing requirements, substantially reduced; foreign exchange auction in place and working reasonably well.
- g. Comprehensive review of tax system and investment incentives programs: on target. Implementation of Board of Revenue Project is on, or ahead of, schedule.

2. Private Sector Support. (Action Plan, pp 2-3)

- a. National Development Foundation expansion: achieved. Mandeville office opened, 11/83; 250 loans provided, 12/83; follow-on OPG signed, 3/84.
- b. Small Business Association of Jamaica support: partially achieved. Membership has been expanded to 1300; services have been improved. SBAJ, however, has yet to develop into effective representative of/advocate for small business sector. Recent changes in SBAJ leadership indicate more dynamic role for Association. Evaluation of project in progress to determine appropriate future interventions.
- c. Private Sector Investment Fund (Private Development Bank): delayed. Uncertainties related to the floating exchange rate combined with increased design

requirements have resulted in a six-month delay in planned implementation. PP submission to AID/W now scheduled for 6/84; Bank expected to be in operation by second quarter, FY 85.

- d. Energy Sector, Phase II: delayed. GOJ stringencies due to restructuring and retrenchment associated with GOJ/IMF negotiations have delayed implementation by approximately six months. Planned disbursements of credit to qualifying firms will begin early in fourth quarter of FY 84.
- e. Private Sector Investment Promotion (JNIP strengthening Project): cancelled. Mission will continue to support JNIP, as appropriate through use of Technical Consultations and Training Grant (TCTG), but no longer proposes a separate project to strengthen the organization. This is due primarily to decision to channel more resources directly to private sector organizations.
- f. TCTG: ongoing. During FY 84, increased support under this grant has been provided directly to private sector organizations. This trend will increase in FY 85-86. Assessment of overall impact of this program will also be undertaken in FY 85-86.

3. Education and Human Resource Development. (Action Plan,  
pp 3-5)

- a. Basic Skills Training Project: delayed. Delays in RFTP process have resulted in related delays in award of major TA contract and initiation of training activities. AID/W requirement for additional justification for revolving loan fund component of project has delayed implementation of this component. TA contract award will occur in fourth quarter, FY 84. PP amendment for revolving loan fund will be submitted in first quarter, FY 85. HEART Trust has been established. Renovation/equipment activities are on schedule.
- b. Voluntary Sector Development Project delayed. Serious financial problems affecting the Council of Voluntary Social Services Organizations have been brought to the Mission's attention within the past week. A major redesign of the project may be required.
- c. Population and Family Planning Services: achieved. Parliamentary approval of a national population policy occurred in July, 1983, and ongoing technical assistance is being provided for its implementation. All other project activities noted in the FY 85 Action Plan have been initiated, and planned training and technical assistance is being provided.

- d. Health Management Improvement: partially achieved. A major project redesign took place during the second quarter, FY 84 and the project was formally amended in the following quarter. Scheduled renovations will be completed by the end of FY 84, as will implementation of the clinic reporting system. Implementation of a national nutrition surveillance system and a health information unit are underway. Stated FY 85 targets are expected to be achieved on schedule.

4. Housing and Urban Development.

- a. Low Cost Shelter Development: partially achieved. Policy and Planning Secretariat in place and functioning. Project selections, design and monitoring process expected to be in place by end, FY 84. Establishment of interagency coordination system underway, but progress slow due to GOJ bureaucratic delays.
- b. Urban Development Initiative: delayed. Technical assistance/institutional development component of proposed Urban/Shelter Sector Development project expected to be authorized, fourth quarter, FY 84. Secondary cities component undergoing major redesign necessitated by AID/W policy consideration. Approval of

redesign expected late FY 85; project initiation, early FY 86.

5. Agricultural and Rural Development.

In the FY 1985 ABS, the Mission's agricultural strategy was not included in the Action Plan, but was the subject of a twenty-page, Annex II. Achievement of benchmarks outlined in this Annex, pp 8-15, are detailed in Annex C of this Action Plan.

C. Forward Plan.

The Mission has identified the following specific operational program objectives for FY 1985-86:

- 1) elimination of exchange controls;
- 2) increased utilization of private sector entities for promotion of exports, investment and employment generation;
- 3) emphasis on activities aimed at significantly increasing agricultural exports;
- 4) development of management training interventions to improve organizational efficiency and increase productivity in both the public and private sectors;
- 5) continued support for structural adjustments and private sector initiatives which will enhance the functioning of market mechanisms; including increased education of both

private and public sector decision makers in the operation/advantages of private, competitive markets;

- 6) encouragement of GOJ efforts to reduce the public sector budget, including new project design activities which do not require additional governmental agency staff increases and which optimize use of appropriate non-governmental implementing entities.

The following benchmarks may be used to measure progress, during the period from July 1, 1984-June 30, 1985, in achievement of the operational program objectives stated above.

1. Covenants and/or conditions precedent to disbursement of FY 1985 ESF cash transfer loans will be negotiated to further ease exchange controls, and study the feasibility of elimination of the monopoly and monopsony positions of Jamaica Commodity Trading Company and other government trading entities. (See Annex D for more detailed discussion of ESF Conditionality and Policy Dialogue Issues.)
2. The proposed Private Sector Development Bank will be fully operational and providing both technical assistance and loans to qualified borrowers.
3. At least 50% of FY 1984/85 TCTG resources will be provided

directly to private sector organizations for activities which promote or service new investments with high foreign exchange earning and/or employment generation potential.

4. The Mission will assess the performance of both the Agro 21 Secretariat and the Jamaica Agricultural Development Foundation in the promotion of increased agricultural productivity and exports.
5. A Management Training project aimed at improving both public and private sector managerial and organizational capacity will be authorized.
6. Studies will be completed on the feasibility of establishment of a regional graduate school of management in Jamaica.
7. Design work will be initiated on a follow-on population project emphasizing policy implementation and increased private sector involvement in provision of family planning services.
8. The Mission will assess the effectiveness of TCTG as a mechanism for addressing constraints to increased private sector productivity, investment and export, with a view to possible modification of the project. (TCTG in its present,

or modified, form will continue to be an essential tool for achievement of Mission program objectives.)

9. Privatization of publicly owned enterprises will be underway, and mechanisms in place for extension of process to additional firms beyond the thirty identified in the covenant of the amendment to the FY 1984 Production and Employment IV loan.
10. The Jamaica College of Agriculture will be operational and GOJ financial resources provided as scheduled.
11. A system for monitoring timely disbursement of local currencies generated by ESF loans and PL 480 Title I food assistance, in accordance with agreements negotiated by USAID and the GOJ for uses of such currencies, will be in place and functioning.
12. An acceptable, implementable strategy for assisting hillside agriculture as the basis for a major project intervention, will have been completed, and PP submitted for DAEC review.

In view of the current difficult economic situation in Jamaica, the magnitude of future ESF cash transfer loan assistance, and the technical assistance/training components of planned, new interventions, the Mission is projecting increased DA grant

requirements in all functional accounts in both FY 1985 and FY 1986. Even at the increased levels proposed, however, the grant component comprises only about one-third of the Mission's total DA budget in each fiscal year, and only 20% of the total planning level including ESF resources.

A detailed discussion of Mission proposals to enhance the participation of women in Jamaica's development through the A.I.D. program is contained in the "FY 1986 CDSS UPDATE: Poverty Profile Annex," which is being submitted as a separate document.

ANNEX A

LOCAL CURRENCY USE PLAN

Local currency generated by the PL 480 Title I and Production and Employment (ESF cash transfer) loans is deposited by the GOJ in special accounts established for this purpose in the Bank of Jamaica. A separate account is set up for each loan. Allocation of the local currency for the support of agreed upon, priority development activities is the subject of negotiation between USAID and the GOJ. Priority is given to assuring that A.I.D. financed projects receive sufficient local counterpart to permit implementation to proceed as planned. PL 480 local currency generations are programmed for support of interventions in the areas of agriculture and rural development, family planning, health, nutrition, education and energy. While preserving a strong emphasis on developmental priorities, the Mission adopts a somewhat more flexible position in the negotiation of uses of ESF generated counterpart funds. For example the USAID/GOJ Trust Fund is financed from this source, as are local costs of the Agro-21 Secretariat. Local currency from prior cash transfer loans has also been made available for purposes such as capitalization of the National Development Bank and the Agricultural Credit Bank, respectively, support for PVOs and cooperatives, establishment of a trust fund for the UNDP and of a Self-Start Fund for graduates of the Human Employment and Resources Training (HEART) program. All of these uses are considered developmental by USAID.

Based on current planning levels, and using the present rate of exchange (US\$1.00= J\$4.00), Jamaica's PL 480 Title I and ESF cash transfer programs would generate nearly J\$800 million during FY 1985 and FY 1986. It should be noted that this is GOJ owned local currency, and that the process of determining its use is one of genuine negotiation. In the past, both USAID and the GOJ have developed lists of possible uses for these counterpart funds, and have proceeded to arrive at mutually acceptable allocation schedules. This process will continue to be used to reach agreement on uses of future local currency generations. As in the past, priority will be given to provision of adequate host country support to A.I.D. financed projects, including Housing Guaranties, implementation of PL 480 Self help measures, and fulfillment of covenants contained in the several cash transfer loan agreements. Insofar as possible and practicable, the Mission will also negotiate provision of ESF generated counterpart to promote private sector activities, such as the GOJ divestment program, and small industry development, as well as for additional support for PVOs and cooperatives.

During FY 1984, the Mission has taken a major step forward in developing, in conjunction with the Ministry of Finance and Planning, a workable system for monitoring use of local currency generations. Once this system is in place and functioning, both USAID and host country Project Officers will be better able to assure that agreed upon levels of funding are being provided to projects, and, in instances where discrepancies appear, to determine the causes of, and remedies for, such discrepancies.

ANNEX B  
EVALUATION PLAN

The Evaluation Issues Narrative of Jamaica's FY 1985 ABS (pp 44-46) provided a detailed discussion of the Mission's approach to evaluation. The following brief narrative serves to update the information contained in last year's submission.

The Mission's evaluation schedule for FY 1985-86 focuses on assessment of the current project portfolio as a basis for determining the appropriate scope and nature of project interventions in the later years of the planning period. One of the goals of the process will be to improve the Mission's project selection and design procedures by taking into account the lessons learned from prior efforts.

The content and size of the Mission portfolio beyond FY 1986 will also depend, to some extent, on the success of the GOJ's economic stabilization program and on implementation of related policy reforms and structural adjustments which will permit effective operation of a system of private markets. Evaluation of the success of USAID efforts in the policy dialogue arena will be an ongoing process, subject to serious review at the time of negotiation of each new balance of payments loan agreement and/or amendment, and of future PL 480 Title I agreements.

Specific Mission reviews of such "atypical" projects as Agro 21, the Jamaica Agricultural Development Foundation and the Technical Consultations and Training Grant, which will be scheduled during

FY 1985-86, will also provide information relative to progress in meeting private sector support/promotion objectives.

This three-pronged approach to evaluation should provide USAID with necessary and sufficient information to assess progress in achievement of program goals in policy dialogue, private sector support, institutional strengthening and technology transfer; to identify constraints to project/program implementation; and to make the adjustments in emphasis and/or approach required to address such constraints.

Annex C

SELF APPRAISAL: BENCHMARK ACHIEVEMENT

AGRICULTURE: FY 1983-84

The following are benchmarks of achievement relative to the agricultural sector strategy proposed in Annex II of the FY 1985 ABS.

Policy Improvement:

- The draft of the Five Year Agricultural Policy and Production Plan was completed and is currently being edited and reviewed in the MOA. Since USAID has not reviewed it, we are unable to comment on its completeness and quality.
- A series of agricultural surveys have been completed which support policy decision actions. These include, among others, a household consumption survey, livestock inventory, farmer enumeration, post-harvest losses, crop production levels, farm gate prices, market prices, agricultural inputs and meat statistics. Unfortunately, the household consumption survey was undertaken without a planned capacity to analyze the data.
- The computer based data/information system continues to expand and serve as a tool to support planning and policy decisions as well as to provide inputs into the evaluation of new proposals and on-going activities.

- Monthly review meetings continued at which time policy issues related to specific projects were discussed.

Institutional Strengthening:

- All projects contribute to strengthening institutional and human resources through training and technical assistance.  
Achievements include:-
  - A market information system for domestic markets has been made operational.
  - Standards and Grades have been drafted in 14 products.
  - Nine people received long-term training and twenty-six received short-term training during the period as well as on-the-job training.
  - Credit criteria, manual and system for credit approval were established.
  - Two commercial banks were involved and 4 sub-loans approved.
  - PID approval and PP under preparation to assist with development of post secondary agricultural training.
  - System implemented for classifying soils and other natural resources using aerial photos and remote sensing techniques and for storage and manipulation of data/information by computer programs.

- Area sample frame to enhance efficiency of data collection is being updated.

Research and Technology:

Although the Mission is not engaged in any major research effort, it is engaged in dialogue with several entities to seek a rational intervention.

- Technology transfer supported by providing 19 long-term technical specialists.
- Soybean production technology supported by providing agronomist to work with private sector.
- Produce fumigation and inspection in state of initial implementation.
- Freshwater fisheries based on modern technology is firmly established and continues to expand.

Private Sector Promotion:

Agro-Industrial Project has established the mechanisms and initiated loans to support agri-businesses.

The first prefeasibility study under Agro-Industrial Project, Phase II, has been approved.

Three new PMOs have been formed and packing/grading equipment provided on existing group.

Agro 21, a program aimed at serving as a catalyst to encourage, facilitate and expedite joint ventures and investments is on stream. It is not an implementing entity but serves an advisory role to both the public and private sectors.

ANNEX D

ESF CONDITIONALITY AND

POLICY DIALOGUE

ISSUES: USFY 1985

At the beginning of the Seaga Government's term of office a reasonably clear distinction could be drawn between policy measures required to achieve macro-economic stabilization and those required to achieve structural adjustment. That distinction has now become blurred, as the remaining policy-based structural distortions constitute an important drag on the level and rate of growth of aggregate economic activity.

Two classes of obstacles remain that are, or may be, susceptible to policy initiatives. The first includes obstacles that can be traced to specific ill-advised policies. The second is a class of more subjective obstacles relating to the role and standing of the private sector, both with the government and with the public at large.

The elements of these two classes of development obstacles, and the actions proposed to attack them are set forth separately in this annex.

A. Specific Policy Reforms

1. Elimination of Exchange Controls

The policy reform the Mission regards as most urgent, and, accordingly, the one to which we assign the highest priority, is the easing, and eventual elimination, of exchange controls. It is not yet clear whether the government intends ultimately to establish a fixed-rate foreign exchange regime or some type of floating rate regime. Either way, removal of exchange controls, at some point, is essential in order to achieve an efficient foreign exchange market. The Mission's view is that that point should be sooner rather than later.

Specifically, we expect to propose that the Exchange Control Act be amended or repealed in order to permit:

- a. unrestricted import and export of local and foreign currency;
- b. unrestricted ownership by Jamaican residents of foreign exchange denominated assets of any kind; and
- c. unrestricted purchase and sale of any currency, spot or forward, in Jamaica.

The reason for these proposed changes is that we believe they are necessary to achieve conditions of stability in the foreign exchange market. The present system of exchange controls provides

a strong incentive to lodge foreign exchange out of the reach of government - which means outside of Jamaica. This reduces the supply of foreign exchange available to finance current transactions and feeds demand for foreign exchange in unofficial, street markets. The consequence is not only to keep the auction price relatively higher than it would otherwise be, but also to increase the volatility of that price by forcing it to absorb shocks that influence portfolio preferences.

We cannot state at the present time a schedule according to which we shall propose that the elimination of exchange controls be accomplished. During the next few months we shall undertake the studies required to estimate the implications for the exchange rate and transaction volume, and the time paths of those adjustments. Those estimates will be used to assist in the estimation of the optimal time path for the policy changes.

2. Elimination of the Monopoly and Monopsony Positions of the Jamaican Commodity Trading Company (JCTC) and other Government Trading Entities.

a. JCTC. JCTC has sole import authority for a broad range of agricultural, consumer, and producer goods. The government justifies the monopoly position on the grounds that its sole importer status enables it to command quantity

discounts. JCTC is also a major instrument of income redistribution policy. Some imports, such as automobiles, are sold at prices that include large profits, while others, such as foods, are sold at prices below their cost. Moreover, JCTC sells some goods selectively to distributors/wholesalers who are shielded from competition from non-approved distributors.

The Mission proposes to study the feasibility of the elimination of JCTC's sole importer status, but not of the company itself. Subsequent negotiations with the government concerning the appropriate role of JCTC within a system of private competitive markets will be based on the results of the study. The objective of these negotiations will be to enable distributors, wholesalers, and retailers to select suppliers who offer the lowest prices. If, in some product lines, this turns out to be JCTC, the dealers would presumably buy from them voluntarily. To accomplish its income distribution objectives, the government could use the more appropriate tax and transfer mechanism. That institutional mechanism is in the process of being perfected through the Revenue Board Assistance Project and the targeted income support program being developed to replace across the board food price ceilings.

An additional purpose now being served by JCTC is to assist the government in maintaining control over the uses of foreign exchange. If we are successful in causing exchange controls to be eliminated, this purpose will fall aside. Thus there is a calculated and mutually supporting relationship between this policy reform target and the elimination of exchange controls.

b. External Marketing Organizations (EMOs)

In negotiating covenants on the second tranche of the FY 1984 ESF loan, our initial position required elimination of all restrictions on the right of private farmers to export through the channels of their choice. As we expected, we found it necessary to amend this covenant so that it applied only to non-traditional crops. By the end of the negotiation we had won agreement for prompt and almost complete deregulation of coffee exports and early deregulation of citrus. As these constituted the only non-traditional crops of any potential quantitative significance that have been subject to capricious regulation by EMOs, we are satisfied that this represented an important breakthrough. A logical next step is to move further toward deregulation of agriculture generally. Accordingly, we shall monitor the effects of the deregulation measures undertaken so far as a basis for proposing deregulation of the two remaining

non-traditional crops that are subject to EMO control, namely pimento and cocoa, and to move significantly toward deregulation of sugar and bananas.

c. The Prices Commission

The Prices Commission is charged with responsibility for establishing and monitoring prices of those goods that are subject to direct price controls. In addition, the commission is charged, if somewhat vaguely, with monitoring against "profiteering".

As the Jamaican economy moves away from a system dominated by government regulation and planning, the Prices Commission is increasingly irrelevant. It is the Mission's intention, therefore, to buttress our policy dialogue with research into the implications, for price inflation and income distribution, of abolishing most of the functions of the Prices Commission, if not the Commission itself. This posture represents a continuation of the process of eliminating obstacles to the development of a genuine and efficient, private, market based price system, which made its first significant advances with the recent conclusion of FY 1984 ESF and PL 480 negotiations.

B. Continuing GOJ/IMF Relationship

At this time, the Mission believes that it is in the GOJ interest to negotiate a further stand-by agreement to replace, upon its termination, the one currently being negotiated. The following are our reasons for this assumption.

1. The GOJ will not be "out of the woods" by March, 1985, and will need the continued relationship with the IMF to retain access to commercial and donor lending at the levels required to support its economic recovery.
2. A further stand-by agreement will permit the GOJ to redraw the amount it will be required to amortize in the twelve-month period following the termination of the current agreement. In other words, negotiation of a subsequent agreement will allow the government a form of roll-over credit with the Fund.
3. We expect that the IBRD, and presumably, A.I.D., will insist upon continued GOJ compliance with negotiated IMF targets as a condition for authorization/disbursement of future SAL and ESF balance of payments support.
4. The discipline imposed by an IMF agreement will be helpful to the GOJ in making the remaining structural adjustments and policy reforms required to complete the

deregulation of the economy necessary for the effective functioning of a system of private, competitive markets.

In light of the above, the Mission expects to continue to pursue a conditionality strategy during FY 1985-86 based, as in the past, upon coordination with the IMF and the IBRD.

C. Elevating the Role and Standing of the Private Sector

The private sector is often praised in speeches delivered by private citizens and government officials alike. Nevertheless the fact remains that there is very little experience with anything close to a system of private competitive markets in Jamaica. Consequently, discussions of private markets that proceed beyond a superficial level, quickly reveal that most members of the private sector are as baffled by, and skeptical of, the idea that efficient resource allocation can be achieved without centralized control, as are career government planners. The Jamaica Manufacturers Association, for example, has taken the position publicly that it is the responsibility of the government to see that foreign exchange is allocated to "priority" uses. A leading private sector banker has declared publicly that buying and selling foreign exchange for profit is not in the national interest. The vice president of a major private trading company insists that government should define, and prohibit purchases of "unnecessary consumer goods".

It is the Mission's view that Jamaicans in general find the notion that two million individuals, each pursuing his own selfish motives, can generate collective results that are in harmony with "the national interest", too far-fetched to be belived. Thus the problem of elevating the standing of the private sector requires a major educational effort, beginning with the private sector itself.

The Mission has worked diligently to win over a cadre of key members of the private sector who are in high profile and influential positions of leadership. Institutionally, we have assisted in the gradual development of the Private Sector Organization of Jamaica (PSOJ), the umbrella organization that encompasses all of the special interest, private organizations (exporters, manufacturers, importers, small businesses, bankers, etc.).

The PSOJ is becoming an effective spearhead for the development of a consensus in favor of a strong private market mechanism, and vigorous competition.

As its capacity to perform this function grows, we expect the PSOJ to take over its own financial needs. However, we intend to continue and probably broaden our support in the formative period, as long as its achievements continue to accrue at the impressive rate demonstrated thus far.

In addition to strengthening the PSOJ, the Mission is making progress in the policy dialogue area with respect to the privatization (divestment) of publicly owned, productive enterprises. The GOJ owns approximately 175 such firms, excluding what we would consider public utilities. As a covenant to the second tranche of the FY 1984 ESF loan, the government has agreed to identify thirty of these enterprises which it is willing to privatize. A time table has been agreed upon, and the mechanisms for implementing this most important activity are under discussion.

The privatization of productive enterprises is the practical result of a program in which the government has undertaken a number of policy reforms to enhance the nation's productivity, and to create an atmosphere more conducive to and supportive of increased private sector confidence, and consequent willingness to invest in Jamaica's future.

FY 1986 ANNUAL BUDGET SUBMISSION  
 TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (000)

		FY 1983	FY 1984	FY 1985		FY 1986	Planning Period			
		ACTUAL	ESTIMATE	CP	ESTIMATE	AAPL	1987	1988	1989	1990
<u>ARDN</u>	Total	5781	10999	7675	9375	5550	6400	7000	8700	9500
	Grants	981	1510	1175	1875	1550	1400	1000	1200	1000
	Loans	4800	9489	6500	7500	4000	5000	6000	7500	8500
<u>PN</u>	Total	1322	1530	1360	1598	3539	2550	1550	100	3600
	Grants	1322	1530	1360	1598	2539	1550	1550	100	2600
	Loans	-	-	-	-	1000	1000	-	-	1000
(Gen. Proc. Commod.)		(573)	(413)	-	(673)	(1500)	(1500)	(500)	-	(1500)
<u>HE</u>	Total	668	407	234	234	40	50	50	50	50
	Grants	260	407	234	234	40	50	50	50	50
	Loans	408	-	-	-	-	-	-	-	-
<u>EHRD</u>	Total	8605	7094	5971	6218	10071	10000	10950	9000	7500
	Grants	2105	1540	1971	3250	5071	5000	5950	4000	2500
	Loans	6500	5554	4000	2968	5000	5000	5000	5000	5000
<u>SDA</u>	Total	5805	12670	12760	10575	11800	13600	14650	18150	17350
	Grants	905	1320	1660	2575	2150	3600	2650	3150	2350
	Loans	4900	11350	11100	8000	9650	10000	12000	15000	15000
<u>DA</u>	Total	22181	32700	28000	28000	31000	32600	34200	36000	38000
	Grants	5573	6307	6400	9532	11350	11600	11200	8500	8500
	Loans	16608	26393	21600	18468	19650	21000	23000	27500	29500
<u>ESF</u>	Total	59350	55000	70000	70000	77000	80900	84900	89100	93600
	Grants	5000	5000	5000	5000	5000	5900	4900	4100	3600
	Loans	54350	50000	65000	65000	72000	75000	80000	85000	90000
<u>DA/ESF</u>	Total	81531	87700	98000	98000	108000	113500	119100	125100	131600
	Grants	10573	11307	11400	14532	15350	17500	16100	12600	12100
	Loans	70958	76393	86000	83468	92650	96000	103000	112500	119500
<u>PL 480 Title I</u>		(20000)	(20000)	(30000)	(30000)	(30000)	(30000)	(25000)	(25000)	(20000)
<u>Title II</u>		-	(6820)	-	(6800)	(6800)	(6800)	(6800)	(6800)	-
<u>Housing Guaranties</u>		(25000)	-	-	(10000)	-	(15000)	-	(15000)	-
<u>Personnel Workyears</u>										
	USDA	25	24	22	26	26	-	-	-	-
	FNDH	22	22	-	19	19	-	-	-	-

FY 1985 ANNUAL BUDGET SUBMISSION  
TABLE IV - PROJECT BUDGET DATA

PROJECT NO. AND TITLE	OBLIG. DATE	G L	INIT FIN	-TOTAL AUTH	COST- PLAN	OBLIG THRU FY 83	ESTIMATED U.S. DOLLAR COST (\$ 000)				EXPEND- ITURES	FUNDED THRU	FY 86 AAPL	FUNDED THRU	PEACE CORPS FY84 FY85
							FY 83	FY 1984	FY 1985	FY 86					
						PIPE- LINE	OBLIG- ATIONS	EXPEND- ITURES	OBLIG- ATIONS	EXPEND- ITURES					
Ag. Rural Dev. & Nut.															
PD&S FNPA	55	G	C	-	-	696	44	250	175	300	300	9/85	300	9/86	-
Integrated Rural Dev. FNMC	77	G	80	2000	2000	2000	61	-	61	-	-	LOP	-	-	-
Integrated Rural Dev. FNMC	77	L	80	10690	10690	10690	2889	-	1547	-	-	LOP	-	-	-
Fish Prod. System Dev. FNEX	79	G	82	1175	1175	1175	343	-	200	32	-	LOP	-	-	-
Fish Prod. System Dev. FNEX	79	L	82	2740	2740	2740	1561	-	257	-	-	LOP	-	-	-
Ag. Marktq. FNMS	81	L	82	13800	13800	13800	12358	-	1428	2400	-	LOP	-	-	1
Ag. Planning FNPA	79	G	84	2878	2878	2648	871	230	1007	94	-	LOP	-	-	-
Agroind. Dev. FNPE	82	L	84	10489	10489	9000	8864	1489	1110	3500	-	LOP	-	-	-
Ag. Education FNTE	84	G	87	-	3000	-	-	300	-	412	1000	10/86	1000	10/87	-
Ag. Education FNTE	84	L	87	-	9500	-	-	8000	-	1300	-	LOP	-	-	-
Vol. Sec. Dev. FNPV	83	G	86	575	575	-	-	400	-	400	-	LOP	-	-	-
Sm. Farmer Prod./ Mktng. (OPG) FNEX	83	G	85	330	360	200	116	130	75	105	-	LOP	-	-	2
Hillside Ag. Restructuring FNMC	85	L	86	-	10000	-	-	-	-	6000	-	10/87	4000	LOP	-
Ag. Coop Dev. (OPG) FNMS	84	G	85	500	500	-	-	200	100	140	-	LOP	-	-	3
Proposed OPGs FNPV	9999	G		-	500	-	-	-	-	100	250	3/86	250	LOP	-
SUBTOTAL		T		7458	45177	68207	42949	27107	10999	9375	8783		-	5550	-
		G		37719	10988	6719	1435	1510	1618	1583	-		1550	-	-
		L			57219	36230	25672	9489	4342	7200	-		4000	-	-

PROJECT NO. AND TITLE

ESTIMATED U.S. DOLLAR COST (\$ 000)

PROJECT NO. AND TITLE	OBLIG. DATE	INIT FIN	TOTAL AUTH	COST-PLAN	OBLIG THRU FY 83	PIPE-LINE	FY 1984		FY 1985		FY 86		PEACE CORPS FY84 FY85
							OBLIGATIONS	EXPENDITURES	OBLIGATIONS	EXPENDITURES	FUNDED THRU	AAPL	
<u>Population Planning</u>													
PD&S PNPP	G	55	C	-	57	-	30	35	87	70	-	-	-
Pop. & Fam. Plng.	G	82	85	5000	2400	1067	1500	1023	1311	1613	39	9/86	-
Pop. Policy Support	L	86	87	-	-	-	-	-	-	-	1000	12/87	-
Pop. Policy Support	G	86	87	-	-	-	-	-	-	-	2500	6/88	-
Proposed OPGs PNFP	G	-	-	-	-	-	-	-	200	100	-	-	-
SUBTOTALS													
	T			5000	2457	1067	1530	1048	1598	1783	3539	-	-
	G			5000	2457	1067	1530	1048	1598	1783	2539	-	-
	L			-	-	-	-	-	-	-	1000	-	-

PROJECT NO. AND TITLE	OBLIG. DATE	G L	INIT FIN	-TOTAL AUTH	COST-PLAN	OBLIG THRU FY 83	FY 83 PIPE LINE	ESTIMATED U.S. DOLLAR COST (\$ 000)				FY 86 AAPL	FUNDED THRU	PEACE CORPS FY84 FY85
								FY 1984 OBLIG-ATIONS	EXPEND-ITURES	FY 1985 OBLIG-ATIONS	EXPEND-ITURES			
Health														
PD&S HEPP	55	G	C	-	-	261	23	27	25	50	50	9/85	40	9/86
Health Mgt. Imp. HEDH	81	G	83	1017	1017	1017	902	-	50	-	300	LOP	-	-
Health Mgt. Imp. HEDH	81	L	83	8554	8554	8554	7044	-	1687	-	2800	LOP	-	-
Vol. Sect. Dev. HEPP	83	G	86	574	574	-	-	380	-	194	380	LOP	-	-
SUBTOTAL		T		10145	10145	9832	7969	407	1762	244	3530	-	40	-
		G		1591	1591	1278	925	407	75	244	730	-	40	-
		L		8554	8554	8554	7044	-	1687	-	2800	-	-	-

PROJECT NO. AND TITLE	ESTIMATED U.S. DOLLAR COST (\$ 000)												PEACE CORPS F'Y84 F'Y85			
	OBLIG. DATE	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93				
G	L	INIT	FIN	-TOTAL AUTH	COST-PLAN	OBLIG THRU FY 83	PIPE-LINE	FY 83 OBLIG-ATTONS	FY 84 OBLIG-ATTONS	FY 84 EXPEND-ITURES	FY 85 OBLIG-ATTONS	FY 85 EXPEND-ITURES	FY 86 OBLIG-ATTONS	FY 86 EXPEND-ITURES	FY 86 FUNDED THRU	
Education/ Human Res. Dev.																
0000	G	55	C	-	-	2418	34	2201/	150	320	300	9/85	300	9/86	-	-
0070	G	79	81	500	500	500	143	-	143	-	-	LOP	-	-	-	-
0083	G	83	87	4900	4900	950	950	800	50	1000	1022	10/85	1200	10/86	-	-
0083	L	83	86	8500	11500	5000	5000	3150	229	2350	2730	10/88	1000	LOP	-	-
0084	G	85	87	-	4000	-	-	-	-	1000	200	12/86	1000	12/87	-	-
0085	G	83	86	1621	1621	400	500	400	50	500	400	6/86	221	LOP	-	-
0086	G	81	83	500	500	500	411	-	189	-	222	LOP	-	-	-	-
0094	G	82	83	500	500	500	321	-	321	-	-	LOP	-	-	4	4
0095	L	83	85	3554	4552	1500	1447	2404	1232	618	1600	LOP	-	-	-	-
0106	G	84	84	96	220	-	-	1202/	100	100	100	LOP	-	-	-	-
0109	G	85	87	-	730	-	-	-	-	230	150	10/85	250	12/86	-	2
0115	G	86	89	-	12000	-	-	-	-	-	-	-	2000	6/87	-	-
0116	L	86	86	-	4000	-	-	-	-	-	-	-	4000	LOP	-	-
9999	G	85	86	-	200	-	-	-	-	100	100	10/86	100	LOP	-	-
SUBTOTAL																
	T			20171	45223	12268	8806	7094	2464	6218	6824	-	10071	-	-	-
	G			8117	25171	5768	2359	1540	1003	3250	2494	-	5071	-	-	-
	L			12054	20052	6500	6447	5554	1461	2968	4330	-	5000	-	-	-

PROJECT NO. AND TITLE	OBLIG. DATE	G	L	INIT	FIN	-TOTAL AUTH	COST-PLAN	OBLIG THRU FY 83	FY 83 PIPE LINE	ESTIMATED U.S. DOLLAR COST (\$ 000)				FY 86 AAPL	FUNDED THRU	PEACE CORPS FY84 FY85
										FY 1984 OBLIGATIONS	FY 1984 EXPENDITURES	FY 1985 OBLIGATIONS	FY 1985 EXPENDITURES			
<u>Econ. Support Fund</u>																
Tech. Cons. & Trng. SDPE	81	G				8460	22960	8460	5902	4500	4700	4600	3786	5000	LOP	-
Prod. & Emp. IV ESCT	84	L				50000	50000	-	-	50000	50000	-	LOP	-	-	-
Prod. & Emp. V ESCT	85	L				-	65000	-	-	-	-	65000	LOP	-	-	-
Int'l Youth Conference ESZZ	85	G				500	500	-	-	500	150	350	LOP	-	-	-
Prod. & Emp. VI ESCT	86	L				-	72000	-	-	-	-	-	-	72000	-	-
SUBTOTALS: T						58960	210460	8460	5902	55000	54850	69950	-	77000	-	-
G						8960	23460	8460	5902	5000	4850	4950	-	5000	-	-
L						50000	187000	-	-	50000	50000	65000	-	72000	-	-
TOTAL DA and ESF						155903	394831	92519	63388	87700	69484	106522	-	108000	-	-
G						34176	78606	28835	12855	11307	9894	14092	-	16350	-	-
L						121727	316225	63684	50533	76393	59590	92430	-	91650	-	-

PROJECT NO. AND TITLE

PROJECT NO. AND TITLE	OBLIG. DATE	G L	INIT FIN	-TOTAL AUTH	COST-PLAN	OBLIG THRU FY 83	PIPE LINE	FY 83		FY 1984		FY 1985		FY 86		PEACE CORPS FY84 FY85
								OBLIG THRU FY 83	PIPE LINE	OBLIG-ATIONS	EXPEND-ITURES	OBLIG-ATIONS	EXPEND-ITURES	FUNDED THRU	AAPL	
<u>Selected Dev. Activities</u>																
PD&S SDPP	0000	G	55	C	-	-	884	73	450 <sup>3/</sup>	400	500	450	9/85	500	9/86	-
Spec. Dev. Act.Fund	0029	G	66	C	-	-	919	75	150	175	150	150	9/85	150	9/86	-
SDSH																
Energy Sect. Asst.	0065	L	81	84	13400	13400	12400	11370	1000	2100	-	5100	LOP	-	-	-
SDEG																
Energy Sect. Asst.	0065	G	84	86	-	300	-	-	100 <sup>4/</sup>	100	100	100	9/85	100	9/86	-
SDEG																
Low Cost Shelter Dev	0067	G	81	85	500	985	500	305	250	274	235	360	LOP	-	-	-
SDHU																
Small Bus. Assn.	0076	G	82	83	350	350	350	101	-	26	-	75	LOP	-	-	-
(OPG) SDPE																
Tech. Cons. & Trng	0079	G	81	85	1000	1000	1000	613	-	200	-	187	LOP	-	-	-
SDPE																
National Dev. Found.	0080	G	81	82	500	500	500	-	-	-	-	-	LOP	-	-	3
(OPG) SDEM																
Vol. Sect. Dev SDFV	0085	G	83	86	230	230	-	-	120	-	110	300	LOP	-	-	-
Urban Shelter Dev.	0090	G	85	86	-	1100	-	-	-	-	500	300	3186	600	LOP	-
SDHU																
Urban Shelter Dev.	0090	L	86	86	-	5000	-	-	-	-	-	-	-	5000	LOP	-
SDHU																
Priv. Dev. Bank	0091	G	84	86	-	1200	-	-	-	-	500	400	10/86	700	LOP	-
SDPE																
Priv. Dev. Bank	0091	L	84	86	-	20000	-	-	10350 <sup>5/</sup>	-	8000	8000	12/87	1650	LOP	-
SDPE																
Nat. Dev. Found.	0108	G	84	85	470	470	-	-	250	125	220	180	LOP	-	-	3
Expan. (OPG) SDEM																
Energy Cane Dem SDEG	0112	L	86	86	-	3000	-	-	-	-	-	-	-	3000	LOP	-
Proposed OPGs SDFV	9999	G	85	86	-	350	-	-	-	-	250	50	3/86	100	LOP	-
SUBTOTAL																
T					16450	47885	16553	12537	12670	3400	10565	15652	-	11800	-	-
G					3050	6485	4153	1167	1320	1300	2565	2552	-	2150	-	-
L					13400	41400	12400	11370	11350	2100	8000	13100	-	9650	-	-
SUBTOTAL DA																
T					96943	184371	84059	57486	32700	14634	28000	36572	-	31000	-	-
G					25216	55146	20375	6953	6307	5044	9532	9142	-	11350	-	-
L					71727	129225	63684	50533	26393	9590	18468	27430	-	19650	-	-

Footnotes: Table IV  
(Ref. State 135178: dtd. 5/9/84: FY 1984 OYB)

1. Mission intends to shift \$80,000 from line item PVO-OPGs (9999) to cover additional FY 84 PD&S requirements. Justification and request for Bureau concurrence to be subject of separate message.
2. Mission intends to shift \$24,000 from line item PVO-OPGs (9999) to increase LOP cost of Brother's Brother Foundation OPG (532-0106). Draft CN and request for Bureau concurrence and budget allowance submitted 6/4/84: Kingston 5924.
3. Mission intends to reduce FY 84 PD&S amount by \$100,000 to fund proposed grant component of Energy Sector Assistance Project (532-0065).
4. Mission proposes to fund Energy Technical Advisor from project funds, rather than from OE budget. Justification, draft CN, and request for Bureau concurrence will be subject of separate message.
5. Mission intends to add \$2.05M of FY 84 loan funds, originally programmed for Urban Shelter Sector Dev. Project (532-0090) to \$8.3M contained in approved OYB for first tranche of Private Development Bank loan (532-0091). Grant component of \$100,000 originally programmed for Urban Project has been added to \$150,000 contained in approved OYB for Low Cost Shelter Development Project (532-0067). Draft CN and request for Bureau concurrence and budget allowance submitted 6/4/84: Kingston 5921.

Project Title/Number : Management Training (532-0084)\*

Project Funding (US\$000) : FY 85: G 1000

L -

FY 86: G 1000

L -

LOP : G 4000

L -

Appropriation Account: Education/Human Resource Development.

\*This New Project Narrative replaces Planned Project Summary Sheets included in FY 1984 CP, p. 231 and FY 85 CP, p. 119.

Background. USAID financed needs assessments conducted during FY 1983-84 have provided the Mission with more current and relevant data upon which to base the proposed Management Training project. In brief, the assessments have indicated consistently ineffective performance levels among middle and upper level managers in both the private and the public sectors. Modern, professional technical and managerial skills appear to be conspicuously lacking in both sectors. Specifically, major improvement is needed in the areas of : organizational development, data collection and analysis, long term policy planning, management by objectives, financial management, personnel management, market analysis, and program evaluation. This lack of managerial capability has a direct negative effect on the

government's ability adequately to analyze, plan, finance, and evaluate programs which are essential both to the economic recovery program and to achievement of the country's long term development objectives. In the private sector, the absence of up-to-date management skills, affects productivity and the competitive position of Jamaican products in world markets, even in those areas where Jamaica would be expected to have a comparative advantage.

Project Purpose. (1) To develop and strengthen three local management training institutions (two private and one public) through transfer of modern administrative and management technologies to the administrators and facilities of these institutions; (2) to educate private and public sector middle and upper level managers regarding the increased opportunities available to them through adoption of improved managerial and administrative techniques and methods; and (3) to promote greater communication and cooperation among such managers with respect to mutually supportive and beneficial approaches to the elimination of constraints to economic growth and development in Jamaica.

The project is consistent with the Agency's policy to enhance the ability of host countries to marshall their own resources for development, provide individuals with opportunities to acquire improved skills and resources and increase the likelihood of

sustained, productive development after the withdrawal of external assistance. It is closely related to the Mission's economic stabilization and policy reform goals, and will address a major constraint to achievement of those goals, i.e. lack of adequate planning and managerial skills in all sectors of the economy.

Problems. Education of Jamaican trainers and of private and public sector managers in the functioning of private, competitive markets, as well as convincing them that market mechanisms are the most efficient way of allocating resources will pose a major challenge to successful implementation of the project. Careful selection of appropriate technical assistance contractor(s) will be critical. Availability of the proposed level of grant resources may also be a problem.

Target Groups. The direct beneficiaries of the project will include the staff and teaching personnel of the participating management training institutions, and the middle and senior level administrators and managers who will have the opportunity to upgrade their skills. Since the project will be designed to be self sustaining after the termination of A.I.D. assistance in FY 1990, benefits should continue to accrue to the above-mentioned target groups as long as need for such training exists in Jamaica. In the near to medium term, improved management and planning capacity, particularly in the private sector, should result in greater productivity, improved industrial relations, and expanded employment opportunities.

Research Activities. The project will provide participating institutions with new research capabilities to identify problems, define strategies to address them and carry out specific teaching and consulting activities. Methodologies will be developed to include a combination of formal classroom interventions, local case studies, prototype private/public sector joint ventures, and analysis of practical management problems faced by participating organizations.

Special Concerns. Greater private sector involvement, and improved performance, in promotion of development goals: US\$2.8 million.

Participant Training. It is estimated that twenty-five participants will receive long term, graduate level training in the U.S. at a cost of approximately US\$700,000. In-country, short term training provided by the three participating management training institutions will be the principal vehicle for transfer of managerial skills and technology.

Project Title/Number:	Production and Employment VI (532-0111)
Project Funding (US\$000):	FY 85: G - L -  FY 86: G - L 72000
Appropriation Account:	Economic Support Fund

Purpose: The purpose of the FY 1986 cash transfer loan is essentially the same as the previous five Production and Employment loans; viz, to provide critically needed foreign exchange for the import of capital goods and equipment, spare parts and industrial and agricultural inputs necessary to stimulate increased private sector production, exports and employment, and to support the GOJ's economic recovery effort.

Tranched, balance of payments support provide the principal and most effective instrument of persuasion available to A.I.D. in its policy dialogue with the GOJ relative to adoption of the policy reforms and structural adjustments necessary to the effective functioning of a system of private competitive markets in Jamaica. Provision of these resources also support U.S. interests in Jamaica, particularly with respect to implementation of the Caribbean Basin Initiative, and assure the U.S. Mission of a seat at the negotiating table along with major multilateral donors.

Annex D of the Action Plan of this ABS contains a detailed discussion of the Mission's ESF conditionality and policy dialogue targets.

Project Title/Number: Energy Cane Demonstration

Project (532-0112)

Project Funding (US\$000) FY 85: G -  
L -  
FY 86 G -  
L 3000  
LOP: G -  
L 3000

Appropriation Account: Selected Development Activities

Project Purpose. To commercialize production of energy cane in Jamaica, using technology developed in Puerto Rico and Louisiana. The demonstration will involve a 6000 - 8000 acre privately owned plantation of energy cane with biomass production sufficient to generate 25 MW of electricity on a year-round basis.

The project will help to reduce Jamaica's dependence on imported petroleum and to revitalize the sagging sugar industry. This, in turn, will result in foreign exchange savings (at present, nearly 50% of the country's foreign exchange earnings are needed to finance fossil fuel imports), and increased employment opportunities in the rural areas. It is relevant to Mission economic stabilization, privatization of productive enterprise, and increased employment objectives, and consistent with Agency policy relating to demonstration and evaluation of new energy technologies and increasing renewable energy supplies.

Problems. The Jamaican sugar industry is possibly in the worst condition of any in the Caribbean and Latin American region. The industry on a whole has not operated at a profit since the early 1970's. A few private concerns within the industry, nevertheless, have been successful in operating at a modest profit, due primarily to better organization and management.

A recent decision by the GOJ to close three of the publicly owned sugar factories is a fair indication of the crisis the industry is facing. The social hardship created by this decision will be felt in the areas for some time despite the government's efforts to ease its impact on workers whose jobs are affected.

While the present situation within the sugar industry is gloomy, the situation is not without hope. A possible solution through product diversification could bring about a revitalization of the industry. The major thrust of such an effort would be to redirect the industry from sugar to energy production as its primary purpose. This would mean the introduction of new technologies and management practices.

The concept of using cane to produce energy as a primary product has been under study for more than six years in Puerto Rico and Louisiana, and has been commercialized in Brazil, albeit with a different objective, i.e., for transportation fuel.

The scenario being developed for Jamaica is to manage cane for high biomass production, and utilize the increased biomass to produce steam for electricity generation. This will require introduction of new technologies and farm management systems, construction of a 25 MW, steam driven, electricity generating plant and of milling, refining and fermentation facilities. The estimated cost of the project is US\$30 million. The GOJ will seek financing for the major part of the project from the MDBs. A.I.D. will fund architectural and engineering costs, participant training, and related research activities.

Target Groups. The direct beneficiaries of the project will be the sugar workers employed in the various components of the energy cane operation and their families, and the technicians and managers who will receive training. In view of the fact that electricity rates in Jamaica have risen by over 100% since January, 1984, and that a severe shortage of foreign exchange continues to plague the country's economic recovery effort, indirect beneficiaries will include consumers of electricity, particularly lower and middle income families, and manufacturers and exporters who require foreign exchange for imported production inputs.

Research Activities. The introduction of energy cane to Jamaica will require research and testing of new varieties as they become available both locally and internationally. Cultivation, harvesting, handling, and transportation methods will also need to be studied. In addition, opportunities for utilization of energy cane by-products for such things as particle board and animal feed will be explored.

Special Concerns. Expansion of indigeneous, renewable energy resources: US\$3.0 million.

Participant Training. On the job training will be provided at research centers in Puerto Rico and Lousiana. Selected participants will also receive training in the operation and maintenance of conventional, steam powered, electricity generating plants at appropriate U.S. public utilities. All training will be short term. The estimated total number of participants is 40; the estimated cost, US\$200,000.



This project will emphasize the delivery of family planning services through non-clinical approaches, particularly through expansion of contraceptive sales. These activities will be supported through A.I.D. loan financing to the GOJ. Grant funds will support programs to promote active participation of the private sector, (such as cooperatives, trade unions, professional groups, industrialists and private voluntary organizations), in the implementation of the population policy, which encompasses family planning and internal as well as external migration.

The project will also reduce the present emphasis on Ministry of Health clinical facilities for the delivery of family planning services.

Problems. There are very few countries that have embarked on the implementation of a demographically-defined national population policy, and therefore the proposed Jamaican project will have access to a limited number of previous experiences. The involvement of the private sector will also require innovative strategies and programs. Technical assistance in these areas will be needed, as well as observation visits to similar programs in third countries where such programs are operating.

Target Groups. Current and potential family planning acceptors will be the principal beneficiaries of an expanded and improved service delivery system. Family Planning and health professionals in both

private and public agencies will also benefit from technical assistance provided under the project and from familiarization with similar efforts in other countries. Insofar as reduction of population growth is related to achievement of Jamaica's basic development objectives and its ability to provide adequate goods and services to all segments of society, the entire population of the island will benefit indirectly from the proposed project.

Special Concerns. Private sector; PVOs:  
US\$3.5 million (est.)

Participant Training. As noted above observation visits will be arranged for appropriate participants. Attendance at relevant short courses and seminars will also be financed under the project. The estimated number of participants in such visits/seminars over the life of project is 60; the estimated cost is US\$250,000.



the business communities of the English speaking, Caribbean countries.

The project is intended to enhance the environment for investment and private sector led economic development in the Caribbean. It is, thus, fully consistent with Agency, LAC Bureau, and Mission emphasis on support for the private sector as the principal engine for growth in the region. It will also improve the capabilities of the CARICOM countries to take full advantage of the trade and investment opportunities provided under the Caribbean Basin Initiative. At the present time, development in all of the small island nations is constrained by lack of expertise in business administration, management, financial and market analysis and long term planning. This project will focus on the training at a graduate level, of competent professional managers for private enterprises and for key, public sector development institutions.

Problems. Initial exploration of interest in, and feasibility of, this project will take place at a meeting of Caribbean Mission Directors scheduled in conjunction with the ACVFA meeting in Port au Prince in late June, 1984. Assuming a decision is made to proceed with PID development, questions to be addressed include the following:

- 1) determination of potential demand, both short and long term, for management education and training in the Caribbean;

- 2) preliminary investigation of the possibility of establishment and operation of such a regional graduate institution within the structure of the University of the West Indies, as opposed to the creation of a "free standing" institution affiliated with an off-shore university or private management training organization;
  
- 3) funding implications, including: potential sources of financing both for start-up and recurrent costs, estimate of cost/benefit ratios, the feasibility of establishment of an endowment fund, regional private sector and government support for such an institution, and determination of alternative funding mechanisms, e.g. who will be the grantee and/or borrower for the project.

Target Groups. The immediate, direct beneficiaries of the project will be the faculty and students of the Regional Graduate School of Management. Indirect beneficiaries will be the private and public organizations who employ the trained individuals, and eventually, the people of the Caribbean region who will share in the benefits of improved economic conditions.

Special Concerns. Improved private sector management capability:  
US\$12.0 million.

Participant Training. The entire project involves participant training. Realistic estimates of numbers of participants and costs are not available at this time. Certainly, faculty members will receive long term, advanced training at U.S. institutions. It is likely, also, that U.S. experts will be involved both in curriculum development and specific programs of instruction within the school itself.



- 4) institutionalize a localized unit of educational data collection, analysis and policy formulation within the Planning and Research Unit of the MOE through provision of specific technical assistance, participant training, and some commodities.

Development specialists and professional educators within the Government of Jamaica, the private sector and the international donor community are genuinely alarmed at the consistently declining and ineffective performance of the Jamaican education system in general, and specifically the extremely low performance of the primary education system, which leaves almost one out of every two grade seven entrants below adequate levels of literacy and numeracy. The poor quality of primary education is currently having serious ramifications on the effectiveness of secondary education, vocational education and training programs, and viable employment within the labor market itself. The constraints and inefficiencies within the the basic education system, especially within the primary school program, have a direct negative influence on the school leaver's ability to engage in productive activity to provide for his/her basic needs. Inadequate basic education is also an impediment to effective implementation of family planning programs.

The MOE is critically aware of the deteriorating state of its primary education system and has begun a systematic reform program, within the constraints of its limited financial and human resources, to reverse this critical situation. In late 1983, the Institute for Educational

Planning and the University of the West Indies, under UNESCO sponsorship, conducted a two week workshop on school mapping throughout the island and microplanning for primary school development on the regional and community level.

UNESCO is also committed to an island-wide school mapping and micro-planning exercise with regional districts and local communities, which is planned for 1984/85.

The GOJ, with UNESCO support is simultaneously involved in an effort to develop and implement a rationalization of the secondary school system. The IBRD Third Education Loan is providing funds for capital improvements to primary and secondary schools.

This project is consistent with A.I.D. education policies relative to educational reform and the promotion of strategies to address the problem of a country's education/training system as a whole. Reform efforts normally include a combination of initiatives of the host government itself and other major donors, as is the case in Jamaica. The project is also consistent with the A.I.D. general policy to assist those countries who request help in strengthening their capacity to undertake educational assessment, analysis, research and policy reform. To those ends, it is generally accepted that A.I.D. will provide technical assistance, such as educational researchers, policy analysts administrators and key technicians, to promote education policy reform.

The project specifically contributes to the Mission's strategy for institutional strengthening by attacking key institutional constraints which impinge upon the effective delivery of educational, physical and social benefits which are hallmarks of a developed society and market economy.

Problems. The Mission will need to coordinate closely with other donors in determining appropriate A.I.D. financed inputs into the GOJ's basic educational reform/upgrading effort. In addition, it will be necessary to obtain a firm commitment from the GOJ to provide the financial and human resources required to implement such a program and to continue it after external donor resources have terminated. This commitment will have to be made within a context of a tight public sector budgetary situation; i.e. the government will have to make a conscious decision to devote adequate resources to education.

Target Groups. Immediate beneficiaries of the project will be the members of the Planning and Research Division, MOE, and administrators of private and public sector primary and secondary schools. Jamaican primary and secondary school students will also benefit from an improved and more relevant education.

Participant Training. It is estimated that 15 - 20 participants will receive long-term training in the U.S. at a cost of approximately \$880,000, and an in-country short-term training program will provide 300 person months of training over the life of project.

TABLE VIII - FY 1984  
USAID/JAMAICA  
(\$000)

EXPENSE CATEGORY	F.C.	O.C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
U.S. DIRECT HIRE	U100		1,920.4	1.0	1,921.4	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,300.6		1,300.6	24
PT/TEMP U.S. BASIC PAY	U102	112	4.3		4.3	0.25
DIFFERENTIAL PAY	U103	116	174.1		174.1	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	15.0		15.0	XXXXX
OTHER MISSION FUNDED O.C. 11	U105	119	0.0		0.0	XXXXX
EDUCATION ALLOWANCES	U106	126	60.3		60.3	20
RETIREMENT - U.S.	U107	120	89.1		89.1	XXXXX
LIVING ALLOWANCES	U108	128	0.0		0.0	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	53.4		53.4	XXXXX
OTHER MISSION FUNDED O.C. 12	U110	129	26.3		26.3	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	9.8		9.8	8
POST ASSIGNMENT - FREIGHT	U112	22	86.0		86.0	8
HOME LEAVE - TRAVEL	U113	212	7.4		7.4	8
HOME LEAVE - FREIGHT	U114	22	4.6		4.6	8
EDUCATION TRAVEL	U115	215	2.5		2.5	8
R & R TRAVEL	U116	215	35.5		35.5	40
ALL OTHER CODE 215 TRAVEL	U117	215	51.5	1.0	52.5	28
FOREIGN NATIONAL DH	U200		0.0	161.5	161.5	XXXXX
BASIC PAY	U201	114		148.2	148.2	22
OVERTIME, HOLIDAY PAY	U202	115		6.2	6.2	0.5
ALL OTHER CODE 11 - FN	U203	119		1.8	1.8	XXXXX
ALL OTHER CODE 12 - FN	U204	129		5.3	5.3	XXXXX
BENEFITS FORMER FN PERS.	U205	13		0.0	0.0	XXXXX
CONTRACT PERSONNEL	U300		204.2	262.8	467.0	XXXXX
PASA TECHNICIANS	U301	258	159.2		159.2	1
U.S. PSC - SALARY/BENEFITS	U302	113	9.6	57.3	66.9	2.3
ALL OTHER U.S. PSC COSTS	U303	255	1.4	1.3	2.7	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113		200.3	200.3	33
ALL OTHER F.N. PSC COSTS	U305	255		3.9	3.9	XXXXX
JCC COSTS PAID BY AID/W	U306	113	34.0		34.0	1
HOUSING	U400		95.8	470.9	566.7	XXXXX
RENT	U401	235	35.0	141.6	176.6	13
UTILITIES	U402	235		29.0	29.0	XXXXX
RENOVATION AND MAINT.	U403	259		25.0	25.0	XXXXX
QUARTERS ALLOWANCE	U404	127	9.4	245.6	255.0	15
PURCHASES RES. FURN/EQUIP.	U405	311	22.2		22.2	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	25.9		25.9	XXXXX
SECURITY GUARD SERVICES	U407	254		29.7	29.7	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	1.9		1.9	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.4		1.4	XXXXX

TABLE VIII - FY 1984  
USAID/JAMAICA  
(\$000)

EXPENSE CATEGORY	F.C.	O.C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
OFFICE OPERATIONS	U500		1,243.9	426.4	1,670.3	XXXXX
RENT	U501	234		200.0	200.0	XXXXX
UTILITIES	U502	234		52.8	52.8	XXXXX
BUILDING MAINT./RENOV.	U503	259	40.8	63.8	104.6	XXXXX
OFFICE FURN./EQUIP.	U504	310	18.9		18.9	XXXXX
VEHICLES	U505	312	0.0		0.0	XXXXX
OTHER EQUIPMENT	U506	319	0.7		0.7	XXXXX
TRANSPORTATION/FREIGHT	U507	22	0.7		0.7	XXXXX
COMMUNICATIONS	U508	230		42.8	42.8	XXXXX
SECURITY GUARD SERVICES	U509	254		9.0	9.0	XXXXX
PRINTING	U510	24		1.0	1.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	0.0		0.0	0
SITE VISITS - IN COUNTRY	U512	210		5.0	5.0	15
SITE VISITS - OTHER	U513	210	35.0		35.0	20
INFORMATION MEETINGS	U514	210	0.0		0.0	0
TRAINING ATTENDANCE (Note 1)	U515	210	15.0		15.0	7
CONFERENCE ATTENDANCE	U516	210	24.0		24.0	4
OTHER OPERATIONAL TRAVEL	U517	210	5.0		5.0	4
SUPPLIES AND MATERIALS	U518	26	10.0	12.0	22.0	XXXXX
FAAS	U519	257	1,093.8		1,093.8	XXXXX
CONSULTING SVCS - CONT.	U520	259	0.0		0.0	XXXXX
MGT./PROF. SVCS. - CONT.	U521	259	0.0		0.0	XXXXX
SPEC. STUDIES/ANALYSES CONT.	U522	259		0.0	0.0	XXXXX
ALL OTHER CODE 25	U523	259	0.0	40.0	40.0	XXXXX
TOTAL O.E. BUDGET			3,464.3	1,322.6	4,786.9	XXXXX
RECONCILIATION			2,764.3		2,764.3	XXXXX
OPERATING ALLOWANCE REQUEST			700.0	1,322.6	2,022.6	XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs: 117.0  
Exchange rate used (as of May 1, 1984) J\$3.96 = U.S.\$1

Note 1: Planned travel for project implementation course includes training for 3 persons in Washington, D.C., at an estimated funding level of \$4,650, from U.S.\$ OE funds.

TABLE VIII - FY 1985  
USAID/JAMAICA  
(\$000)

EXPENSE CATEGORY	F.C.	O.C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
U.S. DIRECT HIRE	U100		1,627.5	0.0	1,627.5	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,117.9		1,117.9	22
PT/TEMP U.S. BASIC PAY	U102	112			0.0	0
DIFFERENTIAL PAY	U103	116	156.8		156.8	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119			0.0	XXXXX
OTHER MISSION FUNDED O.C. 11	U105	119			0.0	XXXXX
EDUCATION ALLOWANCES	U106	126	57.5		57.5	17
RETIREMENT - U.S.	U107	120	78.3		78.3	XXXXX
LIVING ALLOWANCES	U108	128	0.0		0.0	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	44.4		44.4	XXXXX
OTHER MISSION FUNDED O.C. 12	U110	129	22.5		22.5	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	5.2		5.2	4
POST ASSIGNMENT - FREIGHT	U112	22	46.0		46.0	4
HOME LEAVE - TRAVEL	U113	212	17.8		17.8	24
HOME LEAVE - FREIGHT	U114	22	15.5		15.5	24
EDUCATION TRAVEL	U115	215	2.3		2.3	6
R & R TRAVEL	U116	215	21.0		21.0	18
ALL OTHER CODE 215 TRAVEL	U117	215	42.3		42.3	25
FOREIGN NATIONAL DH	U200		0.0	200.4	200.4	XXXXX
BASIC PAY (Note 1)	U201	114		184.9	184.9	19
OVERTIME, HOLIDAY PAY	U202	115		6.8	6.8	0.5
ALL OTHER CODE 11 - FN	U203	119		3.0	3.0	XXXXX
ALL OTHER CODE 12 - FN	U204	129		5.7	5.7	XXXXX
BENEFITS FORMER FN PERS.	U205	13		0.0	0.0	XXXXX
CONTRACT PERSONNEL	U300		268.8	359.5	628.3	XXXXX
PASA TECHNICIANS	U301	258	159.2		159.2	1
U.S. PSC - SALARY/BENEFITS	U302	113	60.4		60.4	3
ALL OTHER U.S. PSC COSTS	U303	255	4.1		4.1	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113		354.0	354.0	42
ALL OTHER F.N. PSC COSTS	U305	255		5.5	5.5	XXXXX
JCC COSTS PAID BY AID/W	U306	113	45.1		45.1	1
HOUSING	U400		239.8	259.2	499.0	XXXXX
RENT	U401	235	171.4	104.6	276.0	18
UTILITIES	U402	235		54.6	54.6	XXXXX
RENOVATION AND MAINT.	U403	259		30.0	30.0	XXXXX
QUARTERS ALLOWANCE	U404	127	44.5	40.0	84.5	6
PURCHASES RES. FURN/EQUIP.	U405	311	17.2		17.2	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	3.4		3.4	XXXXX
SECURITY GUARD SERVICES	U407	254		30.0	30.0	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	1.9		1.9	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.4		1.4	XXXXX

TABLE VIII - FY 1985  
USAID/JAMAICA  
(\$000)

EXPENSE CATEGORY	F.C.	O.C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
OFFICE OPERATIONS	U500		680.3	542.2	1,222.5	XXXXX
RENT	U501	234		162.9	162.9	XXXXX
UTILITIES (Note 2)	U502	234		158.4	158.4	XXXXX
BUILDING MAINT./RENOV.	U503	259		52.0	52.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	9.2		9.2	XXXXX
VEHICLES	U505	312	70.8		70.8	XXXXX
OTHER EQUIPMENT	U506	319	11.1		11.1	XXXXX
TRANSPORTATION/FREIGHT	U507	22	10.2		10.2	XXXXX
COMMUNICATIONS	U508	230		37.0	37.0	XXXXX
SECURITY GUARD SERVICES	U509	254		59.4	59.4	XXXXX
PRINTING	U510	24		1.5	1.5	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	0.0		0.0	0
SITE VISITS - IN COUNTRY	U512	210		5.0	5.0	15
SITE VISITS - OTHER	U513	210	35.0		35.0	20
INFORMATION MEETINGS	U514	210	0.0		0.0	0
TRAINING ATTENDANCE (Note 3)	U515	210	15.0		15.0	7
CONFERENCE ATTENDANCE	U516	210	24.0		24.0	4
OTHER OPERATIONAL TRAVEL	U517	210	5.0		5.0	4
SUPPLIES AND MATERIALS	U518	26		24.0	24.0	XXXXX
FAAS	U519	257	500.0		500.0	XXXXX
CONSULTING SVCS - CONT.	U520	259	0.0		0.0	XXXXX
MGT./PROF. SVCS. - CONT.	U521	259	0.0		0.0	XXXXX
SPEC. STUDIES/ANALYSES CONT.	U522	259		0.0	0.0	XXXXX
ALL OTHER CODE 25	U523	259	0.0	42.0	42.0	XXXXX
TOTAL O.E. BUDGET			2,816.4	1,361.3	4,177.7	XXXXX
RECONCILIATION			1,942.5		1,942.5	XXXXX
OPERATING ALLOWANCE REQUEST			873.9	1,361.3	2,235.2	XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs: 176.1  
Exchange rate used (as of May 1, 1984) J\$3.96 = U.S.\$1

Note 1: USAID/Jamaica does not meet its FNDH planning level of 25 because of the Agency moratorium on hiring. USAID/Jamaica is in need of the 6 positions if the moratorium is lifted, and would be able to reduce FN Contract costs accordingly.

Note 2: USAID/Jamaica is moving into a new building, effective mid-June 1984. Utility costs are, therefore, estimates which may need revision.

Note 3: Planned travel for project implementation course includes training for 3 persons in Washington, D.C., at an estimated funding level of \$4,650, from U.S. OE funds.

TABLE VIII - FY 1985 - A  
USAID/JAMAICA  
(\$000)

EXPENSE CATEGORY	F.C.	O.C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
U.S. DIRECT HIRE	U100		1,928.0	0.0	1,928.0	XXXXX
U.S. CITIZENS BASIC PAY	U101	110	1,323.8		1,323.8	26
PT/TEMP U.S. BASIC PAY	U102	112			0.0	0
DIFFERENTIAL PAY	U103	116	185.9		185.9	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119			0.0	XXXXX
OTHER MISSION FUNDED O.C. 11	U105	119			0.0	XXXXX
EDUCATION ALLOWANCES	U106	126	66.0		66.0	23
RETIREMENT - U.S.	U107	120	92.8		92.8	XXXXX
LIVING ALLOWANCES	U108	128	0.0		0.0	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	51.3		51.3	XXXXX
OTHER MISSION FUNDED O.C. 12	U110	129	23.9		23.9	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	8.2		8.2	6
POST ASSIGNMENT - FREIGHT	U112	22	70.0		70.0	6
HOME LEAVE - TRAVEL	U113	212	17.0		17.0	25
HOME LEAVE - FREIGHT	U114	22	14.5		14.5	25
EDUCATION TRAVEL	U115	215	2.7		2.7	7
R & R TRAVEL	U116	215	21.9		21.9	20
ALL OTHER CODE 215 TRAVEL	U117	215	50.0		50.0	30
FOREIGN NATIONAL DH	U200		0.0	200.4	200.4	XXXXX
BASIC PAY (Note 1)	U201	114		184.9	184.9	19
OVERTIME, HOLIDAY PAY	U202	115		6.8	6.8	0.5
ALL OTHER CODE 11 - FN	U203	119		3.0	3.0	XXXXX
ALL OTHER CODE 12 - FN	U204	129		5.7	5.7	XXXXX
BENEFITS FORMER FN PERS.	U205	13			0.0	XXXXX
CONTRACT PERSONNEL	U300		268.8	359.5	628.3	XXXXX
PASA TECHNICIANS	U301	258	159.2		159.2	1
U.S. PSC - SALARY/BENEFITS	U302	113	60.4		60.4	3
ALL OTHER U.S. PSC COSTS	U303	255	4.1		4.1	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113		354.0	354.0	42
ALL OTHER F.N. PSC COSTS	U305	255		5.5	5.5	XXXXX
JCC COSTS PAID BY AID/W	U306	113	45.1		45.1	1
HOUSING	U400		282.2	267.9	550.1	XXXXX
RENT	U401	235	183.4	92.6	276.0	18
UTILITIES	U402	235		57.8	57.8	XXXXX
RENOVATION AND MAINT.	U403	259		30.0	30.0	XXXXX
QUARTERS ALLOWANCE	U404	127	74.9	57.5	132.4	10
PURCHASES RES. FURN/EQUIP.	U405	311	17.2		17.2	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	3.4		3.4	XXXXX
SECURITY GUARD SERVICES	U407	254		30.0	30.0	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	1.9		1.9	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.4		1.4	XXXXX

TABLE VIII - FY 1985 - A  
USAID/JAMAICA  
(\$000)

EXPENSE CATEGORY	F.C.	O.C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
OFFICE OPERATIONS	U500		680.3	542.2	1,222.5	XXXXX
RENT	U501	234		162.9	162.9	XXXXX
UTILITIES (Note 2)	U502	234		158.4	158.4	XXXXX
BUILDING MAINT./RENOV.	U503	259		52.0	52.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	9.2		9.2	XXXXX
VEHICLES	U505	312	70.8		70.8	XXXXX
OTHER EQUIPMENT	U506	319	11.1		11.1	XXXXX
TRANSPORTATION/FREIGHT	U507	22	10.2		10.2	XXXXX
COMMUNICATIONS	U508	230		37.0	37.0	XXXXX
SECURITY GUARD SERVICES	U509	254		59.4	59.4	XXXXX
PRINTING	U510	24		1.5	1.5	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	0.0		0.0	0
SITE VISITS - IN COUNTRY	U512	210		5.0	5.0	15
SITE VISITS - OTHER	U513	210	35.0		35.0	20
INFORMATION MEETINGS	U514	210	0.0		0.0	0
TRAINING ATTENDANCE (Note 3)	U515	210	15.0		15.0	7
CONFERENCE ATTENDANCE	U516	210	24.0		24.0	4
OTHER OPERATIONAL TRAVEL	U517	210	5.0		5.0	5
SUPPLIES AND MATERIALS	U518	26		24.0	24.0	XXXXX
FAAS	U519	257	500.0		500.0	XXXXX
CONSULTING SVCS - CONT.	U520	259	0.0		0.0	XXXXX
MGT./PROF. SVCS. - CONT.	U521	259	0.0		0.0	XXXXX
SPEC. STUDIES/ANALYSES CONT.	U522	259		0.0	0.0	XXXXX
ALL OTHER CODE 25	U523	259	0.0	42.0	42.0	XXXXX
TOTAL O.E. BUDGET			3,159.3	1,370.0	4,529.3	XXXXX
RECONCILIATION			2,198.9		2,198.9	XXXXX
OPERATING ALLOWANCE REQUEST			960.4	1,370.0	2,330.4	XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs: 197.1

Exchange rate used (as of May 1, 1984) J\$3.96 = U.S.\$1

Note 1: USAID/Jamaica does not meet its FNDH planning level of 25 because of the Agency moratorium on hiring. USAID/Jamaica is in need of the 6 positions if the moratorium is lifted, and would be able to reduce FN Contract costs accordingly.

Note 2: USAID/Jamaica is moving into a new building, effective mid-June 1984. Utility costs are, therefore, estimates which may need revision.

Note 3: Planned travel for project implementation course includes training for 3 persons in Washington, D.C., at an estimated funding level of \$4,650 from U.S.\$ OE funds.

TABLE VIII - FY 1986  
USAID/JAMAICA  
(\$000)

EXPENSE CATEGORY	F.C.	O.C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
-----	----	----	-----	-----	-----	-----
U.S. DIRECT HIRE	U100		1,554.6	0.0	1,554.6	XXXXX
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U.S. CITIZENS BASIC PAY	U101	110	1,077.3		1,077.3	21
PT/TEMP U.S. BASIC PAY	U102	112	0.0		0.0	0
DIFFERENTIAL PAY	U103	116	149.1		149.1	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119	0.0		0.0	XXXXX
OTHER MISSION FUNDED O.C. 11	U105	119	0.0		0.0	XXXXX
EDUCATION ALLOWANCES	U106	126	50.5		50.5	21
RETIREMENT - U.S.	U107	120	75.6		75.6	XXXXX
LIVING ALLOWANCES	U108	128	0.0		0.0	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	42.5		42.5	XXXXX
OTHER MISSION FUNDED O.C. 12	U110	129	13.1		13.1	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	8.0		8.0	4
POST ASSIGNMENT - FREIGHT	U112	22	48.0		48.0	4
HOME LEAVE - TRAVEL	U113	212	13.2		13.2	19
HOME LEAVE - FREIGHT	U114	22	11.8		11.8	19
EDUCATION TRAVEL	U115	215	2.8		2.8	6
R & R TRAVEL	U116	215	22.3		22.3	24
ALL OTHER CODE 215 TRAVEL	U117	215	40.4		40.4	24
FOREIGN NATIONAL DH	U200		0.0	229.4	229.4	XXXXX
-----						
BASIC PAY (Note 1)	U201	114		212.6	212.6	19
OVERTIME, HOLIDAY PAY	U202	115		7.8	7.8	0.5
ALL OTHER CODE 11 - FN	U203	119		3.0	3.0	XXXXX
ALL OTHER CODE 12 - FN	U204	129		6.0	6.0	XXXXX
BENEFITS FORMER FN PERS.	U205	13		0.0	0.0	XXXXX
CONTRACT PERSONNEL	U300		80.3	413.1	493.4	XXXXX
-----						
PASA TECHNICIANS	U301	258	0.0		0.0	0
U.S. PSC - SALARY/BENEFITS	U302	113	33.0		33.0	2
ALL OTHER U.S. PSC COSTS	U303	255	2.2		2.2	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113		407.1	407.1	42
ALL OTHER F.N. PSC COSTS	U305	255		6.0	6.0	XXXXX
JCC COSTS PAID BY AID/W	U306	113	45.1		45.1	1
HOUSING	U400		311.3	275.5	586.8	XXXXX
-----						
RENT	U401	235	216.6	98.5	315.1	19
UTILITIES	U402	235		85.5	85.5	XXXXX
RENOVATION AND MAINT.	U403	259		35.0	35.0	XXXXX
QUARTERS ALLOWANCE	U404	127	30.6	24.5	55.1	4
PURCHASES RES. FURN/EQUIP.	U405	311	42.3		42.3	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	18.5		18.5	XXXXX
SECURITY GUARD SERVICES	U407	254		32.0	32.0	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	1.9		1.9	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.4		1.4	XXXXX

TABLE VIII - FY 1986  
USAID/JAMAICA  
(\$000)

EXPENSE CATEGORY	F.C.	O.C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
OFFICE OPERATIONS	U500		626.8	611.4	1,238.2	XXXXX
RENT	U501	234		179.0	179.0	XXXXX
UTILITIES (Note 2)	U502	234		190.1	190.1	XXXXX
BUILDING MAINT./RENOV.	U503	259		56.0	56.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	6.4		6.4	XXXXX
VEHICLES	U505	312	28.4		28.4	XXXXX
OTHER EQUIPMENT	U506	319	7.7		7.7	XXXXX
TRANSPORTATION/FREIGHT	U507	22	5.3		5.3	XXXXX
COMMUNICATIONS	U508	230		40.0	40.0	XXXXX
SECURITY GUARD SERVICES	U509	254		68.3	68.3	XXXXX
PRINTING	U510	24		2.0	2.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	0.0		0.0	0
SITE VISITS - IN COUNTRY	U512	210		5.0	5.0	15
SITE VISITS - OTHER	U513	210	35.0		35.0	20
INFORMATION MEETINGS	U514	210	0.0		0.0	0
TRAINING ATTENDANCE (Note 3)	U515	210	15.0		15.0	7
CONFERENCE ATTENDANCE	U516	210	24.0		24.0	4
OTHER OPERATIONAL TRAVEL	U517	210	5.0		5.0	4
SUPPLIES AND MATERIALS	U518	26		26.0	26.0	XXXXX
FAAS	U519	257	500.0		500.0	XXXXX
CONSULTING SVCS - CONT.	U520	259	0.0		0.0	XXXXX
MGT./PROF. SVCS. - CONT.	U521	259	0.0		0.0	XXXXX
SPEC. STUDIES/ANALYSES CONT.	U522	259		0.0	0.0	XXXXX
ALL OTHER CODE 25	U523	259	0.0	45.0	45.0	XXXXX
TOTAL O.E. BUDGET			2,573.0	1,529.4	4,102.4	XXXXX
RECONCILIATION			1,889.6		1,889.6	XXXXX
OPERATING ALLOWANCE REQUEST			683.4	1,529.4	2,212.8	XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs: 196.8

Exchange rate used (as of May 1, 1984) J\$3.96 = U.S.\$1

Note 1: USAID/Jamaica does not meet its FNDH planning level of 23 because of the Agency moratorium on hiring. USAID/Jamaica is in need of the 4 positions if the moratorium is lifted, and would be able to reduce FN Contract costs accordingly.

Note 2: USAID/Jamaica is moving into a new building, effective mid-June 1984. Utility costs are, therefore, estimates which may need revision.

Note 3: Planned travel for project implementation course includes training for 3 persons in Washington, D.C., at an estimated funding level of \$4,650, from U.S.\$ OE funds.

TABLE VIII - FY 1986 - A  
USAID/JAMAICA  
(\$000)

EXPENSE CATEGORY	F.C.	O.C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
-----	----	----	-----	-----	-----	-----
U.S. DIRECT HIRE	U100		1,908.4	0.0	1,908.4	XXXXX
-----						
U.S. CITIZENS BASIC PAY	U101	110	1,317.0		1,317.0	26
PT/TEMP U.S. BASIC PAY	U102	112			0.0	0
DIFFERENTIAL PAY	U103	116	185.0		185.0	XXXXX
OTHER AID/W FUNDED O.C. 11	U104	119			0.0	XXXXX
OTHER MISSION FUNDED O.C. 11	U105	119			0.0	XXXXX
EDUCATION ALLOWANCES	U106	126	69.8		69.8	29
RETIREMENT - U.S.	U107	120	92.4		92.4	XXXXX
LIVING ALLOWANCES	U108	128	0.0		0.0	XXXXX
OTHER AID/W FUNDED O.C. 12	U109	129	51.3		51.3	XXXXX
OTHER MISSION FUNDED O.C. 12	U110	129	15.8		15.8	XXXXX
POST ASSIGNMENT - TRAVEL	U111	212	10.0		10.0	5
POST ASSIGNMENT - FREIGHT	U112	22	60.0		60.0	5
HOME LEAVE - TRAVEL	U113	212	13.9		13.9	21
HOME LEAVE - FREIGHT	U114	22	12.3		12.3	21
EDUCATION TRAVEL	U115	215	2.8		2.8	6
R & R TRAVEL	U116	215	28.1		28.1	30
ALL OTHER CODE 215 TRAVEL	U117	215	50.0		50.0	30
FOREIGN NATIONAL DH	U200		0.0	229.4	229.4	XXXXX
-----						
BASIC PAY (Note 1)	U201	114		212.6	212.6	19
OVERTIME, HOLIDAY PAY	U202	115		7.8	7.8	0.5
ALL OTHER CODE 11 - FN	U203	119		3.0	3.0	XXXXX
ALL OTHER CODE 12 - FN	U204	129		6.0	6.0	XXXXX
BENEFITS FORMER FN PERS.	U205	13			0.0	XXXXX
CONTRACT PERSONNEL	U300		76.7	413.1	489.8	XXXXX
-----						
PASA TECHNICIANS	U301	258			0.0	0
U.S. PSC - SALARY/BENEFITS	U302	113	33.0		33.0	2
ALL OTHER U.S. PSC COSTS	U303	255	2.2		2.2	XXXXX
F.N. PSC - SALARY/BENEFITS	U304	113		407.1	407.1	42
ALL OTHER F.N. PSC COSTS	U305	255		6.0	6.0	XXXXX
JCC COSTS PAID BY AID/W	U306	113	41.5		41.5	1
HOUSING	U400		348.5	324.5	673.0	XXXXX
-----						
RENT	U401	235	242.6	122.2	364.8	22
UTILITIES	U402	235		94.5	94.5	XXXXX
RENOVATION AND MAINT.	U403	259		35.0	35.0	XXXXX
QUARTERS ALLOWANCE	U404	127	41.8	40.8	82.6	6
PURCHASES RES. FURN/EQUIP.	U405	311	42.3		42.3	XXXXX
TRANS./FREIGHT - CODE 311	U406	22	18.5		18.5	XXXXX
SECURITY GUARD SERVICES	U407	254		32.0	32.0	XXXXX
OFFICIAL RESIDENCE ALLOW.	U408	254	1.9		1.9	XXXXX
REPRESENTATION ALLOWANCE	U409	252	1.4		1.4	XXXXX

TABLE VIII - FY 1986 - A  
USAID/JAMAICA  
(\$000)

EXPENSE CATEGORY	F.C.	O.C.	DOLLAR FUNDED	TRUST FUNDED	TOTAL BUDGET	UNITS
OFFICE OPERATIONS	U500		626.8	611.4	1,238.2	XXXXX
RENT	U501	234		179.0	179.0	XXXXX
UTILITIES (Note 2)	U502	234		190.1	190.1	XXXXX
BUILDING MAINT./RENOV.	U503	259		56.0	56.0	XXXXX
OFFICE FURN./EQUIP.	U504	310	6.4		6.4	XXXXX
VEHICLES	U505	312	28.4		28.4	XXXXX
OTHER EQUIPMENT	U506	319	7.7		7.7	XXXXX
TRANSPORTATION/FREIGHT	U507	22	5.3		5.3	XXXXX
COMMUNICATIONS	U508	230		40.0	40.0	XXXXX
SECURITY GUARD SERVICES	U509	254		68.3	68.3	XXXXX
PRINTING	U510	24		2.0	2.0	XXXXX
RIG/II OPERATIONAL TRAVEL	U511	210	0.0		0.0	0
SITE VISITS - IN COUNTRY	U512	210		5.0	5.0	10
SITE VISITS - OTHER	U513	210	35.0		35.0	20
INFORMATION MEETINGS	U514	210	0.0		0.0	0
TRAINING ATTENDANCE (Note 3)	U515	210	15.0		15.0	7
CONFERENCE ATTENDANCE	U516	210	24.0		24.0	4
OTHER OPERATIONAL TRAVEL	U517	210	5.0		5.0	4
SUPPLIES AND MATERIALS	U518	26		26.0	26.0	XXXXX
FAAS	U519	257	500.0		500.0	XXXXX
CONSULTING SVCS - CONT.	U520	259	0.0		0.0	XXXXX
MGT./PROF. SVCS. - CONT.	U521	259	0.0		0.0	XXXXX
SPEC. STUDIES/ANALYSES CONT.	U522	259		0.0	0.0	XXXXX
ALL OTHER CODE 25	U523	259	0.0	45.0	45.0	XXXXX
TOTAL O.E. BUDGET			2,960.4	1,578.4	4,538.8	XXXXX
RECONCILIATION			2,187.2		2,187.2	XXXXX
OPERATING ALLOWANCE REQUEST			773.2	1,578.4	2,351.6	XXXXX

OTHER INFORMATION:

Dollar requirement for local currency costs: 238.3

Exchange rate used (as of May 1, 1984) J\$3.96 = U.S.\$1

Note 1: USAID/Jamaica does not meet its FNDH planning level of 23 because of the Agency moratorium on hiring. USAID/Jamaica is in need of the 4 positions if the moratorium is lifted and would be able to reduce FN Contract costs accordingly.

Note 2: USAID/Jamaica is moving into a new building effective mid-June 1984. Utilities costs are, therefore, estimates which may need revision.

Note 3: Planned travel for project implementation course includes training for 3 persons in Washington, D.C., at an estimated funding level of \$4,650 from U.S.\$ OE funds.

ABS TABLE VIII  
OPERATING EXPENSE NARRATIVE

Section A - Management Improvements

Mission management efforts to effect cost control will not result in a reduced budget for FY 1985. This is due essentially to planned expanded program levels and the necessity to absorb the effect of the tremendous FY 1984 budget cuts which compelled the deferment of much of the FY 1984 OE procurement.

In June 1984, the Mission will be relocated into a new office building separate and apart from the location now shared with the Embassy. This relocation will give management greater control over resources relating to office expenses. Many expenses heretofore shared and charged under FAAS will be a direct cost and as such can be better scrutinized to identify waste and/or mismanagement.

The initial cost for office rental will increase; however, a close analysis will show that proportionally this increase will not be as great as the projected increase in the FY 1985 FAAS cost for similar space.

The USAID FAAS cost for the budgeted years will decrease dramatically as shared rental cost and other related office expenses are eliminated. Also attributable to this decrease is management success in getting the Embassy and the Inter-Agency Council on Administrative Support to recognize the long existing imbalance in the CORE/DAS ratio. In State 32686, 12 positions were identified for possible transfer from DAS to CORE.

The Mission, with concurrence from AID/Washington, has instituted a short term leasing program for residential housing. There are two essential benefits to be realized from this program:

1. planned and unhurried negotiation will strengthen the bargaining position thereby resulting in more favorable rental rates;
2. employee productivity will be enhanced by eliminating the time spent away from principal duties looking for residential quarters.

In collaboration with the Embassy JAO a Inter-Agency Housing Committee is being formed and will be tasked with rent control, equitable housing assignment and general administration of Mission and Agency housing policy. When the Housing Committee becomes operational, the Mission feels it will have a positive overall effect on housing costs.

Section B - Justification for Funding Changes

Summary function level U200 changes approximately 20% between FY 1984 and FY 1985 due to an increase in U201 - Foreign National DH Basic Pay which rose an average of 40%. The salary increases were based on a recent wage survey conducted of FN salaries. The units decreased from 22 to 19 offsetting the wage increase.

Summary function level U300 changes approximately 34% between FY 1984 and FY 1985 due to an increase in U304 - Salary and Benefits for FN PSC as the units increased from 33 to 42, the dollar amount increased from \$200.3 to \$354.0. USAID/Jamaica does not meet its FNDH planning level of 25 in FY 1985 because of the Agency moratorium on hiring. The Mission is in need of 6 positions. If the moratorium is lifted, we would be able to reduce the FN contract costs accordingly. The increase was due also to an average increase in the salary of the FN PSC of 30%. The increases were based on a wage survey recently conducted.

Summary function level U300 changes approximately 30% between FY 1985 and FY 1986 due to a decrease in U301 - PASA Technicians as the units decreased from 1 to 0, the dollar amount decreased from \$159.2 to \$0. The person will be leaving before the start of FY 1986.

Summary function level U500 changes approximately 40% between FY 1984 and FY 1985 due to a decrease in U519 - FAAS as the dollar amount decreases from \$1,093.8 to \$500 as USAID/Jamaica is moving away from the U.S. Embassy into its own building in late FY 1984, USAID will be taking over many functions at this time thereby reducing FAAS costs.

At the adjusted Table VIII - (FY 85A and 86A), the Mission has budgeted for a workforce level of 26 USDH. Mission feels that this is the minimum possible workforce level if the momentum in project design and implementation is to be maintained. Even with this workforce level there is a continuing need to call for TDY assistance - a costly and less effective alternative.

#### Section C - Trust Funds

Due to IMF restrictions placed on the Government of Jamaica's budget, i.e., domestic spending targets, the Mission has no plans at this time to discuss with the GOJ any substantial expansion of the existing Trust Fund agreement. The Mission will, however, endeavor to maintain the current agreement at the same level through FY 1985 and attempt to negotiate an increase of approximately U.S. \$200,000 in FY 1986.

Table VIII(a) - Information on U.S. PSC Costs  
(Function Codes U302 and U303)

ORGANIZATION      USAID/Jamaica

<u>Job Title - Position Description</u>	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>
Assistant to Management Officer	\$10,412 (Entire FY)	\$14,581 (Entire FY)	\$17,169 (Entire FY)
Administrative Asst. to Mgt. Office	\$8,863 (10-83-12-83)	-0- (N/A)	-0- (N/A)
Accountant/Financial Analyst	\$32,988 (Entire FY)	\$32,988 (Entire FY)	-0- (N/A)
Chief/Supervisor of Voucher Section	\$12,358 (2-84-9-84)	\$16,931 (Entire FY)	\$18,031 (Entire FY)

Table VIII(b) - All Other Code 25 Detail  
(Function Code U523)

ORGANIZATION USAID/Jamaica

<u>Description of Services</u>	<u>FY1984</u>	<u>FY1985</u>	<u>FY1986</u>
Total for all services.	\$40,000	\$42,000	\$45,000

TABLE VIII(c)  
OBLIGATIONS FOR ACQUISITION, OPERATION  
AND USE OF INFORMATION TECHNOLOGY SYSTEMS

<u>Item and Explanation</u>	<u>Fiscal Years (\$000)</u>		
	<u>1984</u>	<u>1985</u>	<u>1986</u>
1. <u>Capital Investment</u>	\$32.6	\$417.3	-0-
A. <u>Purchase of Hardware</u>			
Purchase of automation equipment by the Mission; such as WANG VS mini-computer, WANG OIS System, WANG WP equipment and micro-computers and their associated workstations/terminals, printers and telecommunications modems.			
B. <u>Purchase of Software</u>	\$1.6	\$0.6	\$3.0
Purchase of software by the Mission to operate an existing or new automation equipment (hardware) such as CP/M, Multiplan, DBASE II and Microstat, LOTUS 1-2-3, etc.			
C. <u>Site and Facility</u>	\$20.0	\$2.0	-0-
Cost of proposed site construction to prepare for setting up a WANG VS or WANG OIS automation system, such as raised floors, walls, air conditioning and uninterruptible power sources.			
SUBTOTAL	<u>\$54.2</u>	<u>\$419.9</u>	<u>\$3.0</u>

TABLE VIII(c) (continued)

<u>Item and Explanation</u>	<u>Fiscal Years (\$000)</u>		
	<u>1984</u>	<u>1985</u>	<u>1986</u>
2. <u>Personnel</u> Mission will provide requirements below for personnel involved in the information technology functions, such as systems development and operation, and the percentage of management and secretarial personnel also involved. Personnel that use systems will not be included.			
A. <u>Compensation, Benefits and Travel</u>	-0-	\$11.0	\$15.4
B. <u>Workyears</u>	( -0- )	( 1.0 )	( 1.0 )
<hr/>			
3. <u>Equipment Rental, Space and Other Operating Costs</u>			
A. <u>Lease of Equipment</u> Obligations for lease and maintenance of non-government owned equipment (rented equipment)	\$29.2	\$14.7	\$18.2
B. <u>Space</u> Obligations for lease of space to house automation equipment, office space for personnel (direct-hire and contractor) involved in the information technology function (See 2A&B) including basic utilities and house keeping services.	\$ 5.1	\$ 5.5	\$ 5.9

TABLE VIII(c) (continued)

<u>Item and Explanation</u>	<u>Fiscal Years (\$000)</u>		
	<u>1984</u>	<u>1985</u>	<u>1986</u>
C. <u>Supplies and Other</u> Obligations for supplies and software rental (not included in a rental contract for equipment)	\$ 5.3	\$ 6.9	\$ 9.0
D. <u>Non-Commercial Training</u> Obligations for planning and conducting government operated training to prepare users to make effective use of automation resources.	\$ 6.4	\$ 6.4	\$ 6.4
<b>SUBTOTAL</b>	<u>\$46.0</u>	<u>\$33.5</u>	<u>\$39.5</u>
<hr/>			
4. <u>Commercial Services</u> This includes obligation for services where payments are made to private industry.			
A. <u>Computer Time</u> Obligations to fund contract with a private firm to provide computer time to the Mission.	-0-	-0-	-0-
B. <u>Leased Telecommunications Services</u> Obligations for leased telephone lines and other telecommunication services to obtain data from other computers or to transmit data. For Missions, where applicable include, but identify separately, the lease of local telephone lines and modems to reach the American Embassy's, Office of Communications for the purpose of the transmission of data to and from AID/W.	-0-	-0-	-0-
C. <u>Operations and Maintenance</u> (1) <u>Operations</u> Include funds to be obligated for contractor services to operate a WANG VS computer or an OIS System (system administrator and staff, not workstation operators).	-0-	-0-	-0-

TABLE VIII(c) (continued)

<u>Item and Explanation</u>	<u>Fiscal Years (\$000)</u>		
	<u>1984</u>	<u>1985</u>	<u>1986</u>
C. (2) <u>Maintenance</u> Include obligations for contracts to maintain government-owned equipment (hardware) and software that is currently in place and that is to be acquired in 1A and 1B above.	\$1.7	\$23.4	\$30.4
D. <u>Systems Analysis and Programming</u> Obligations for contractor services to design and program new ADP or OIS application systems and to maintain existing systems.	-0-	-0-	-0-
E. <u>System Design and Engineering</u> (Do not complete - OMB requirement not applicable to AID.)	XXXX	XXXX	XXXX
F. <u>Studies and Other</u> Obligations for management and feasibility studies, requirement definitions, and commercial training.	-0-	\$ 6.2	-0-
SUBTOTAL	<u>\$1.7</u>	<u>\$29.6</u>	<u>\$30.4</u>
<hr/>			
5. TOTALS			
Total Obligations	<u>\$101.9</u>	<u>\$494.0</u>	<u>\$88.3</u>
Workyears (From item 2A)	( -0- )	( 1.0 )	( 1.0 )
<hr/>			
6. <u>Special Breakout</u>	\$25.8	-0-	-0-
A. Amounts included in Mission allowances for existing systems. (Includes 2A, 3, and 4) (Services for equipment in place only.)			
B. Amounts included in Mission allowances for new or expanded systems. (Includes 1, 2A, 3 and 4.) (Equipment and services for new efforts beginning during the fiscal year.)	\$76.1	\$494.0	\$88.3

ABS TABLE VIII(c)  
INFORMATION TECHNOLOGY NARRATIVE

USAID/Jamaica is presently in the process of moving out of the U.S. Embassy/Mutual Life Building into a new building. At that time, we will lose our three archiving workstations and three daisy printers which are part of an Embassy-leased Wang OIS-130 system.

USAID/Jamaica has received approval to acquire a Wang VS 90 but as yet has not received the necessary funds. So in fiscal year 1984, the following hardware was purchased to use in the interim:

- 2 Wang PCs, each with a printer and 2 floppy drives, and
- 1 Wang OIS 50 CPU.

USAID will lease 3 64K archiving workstations and 3 printers for the Wang OIS 50.

In fiscal year 1985, USAID expects to receive the necessary funds to purchase the Wang VS-90 system which will include the CPU, 2 disc drives, 1 tape drive, 13 workstations, 7 daisy printers and 1 high-speed printer. Also included will be the required redundancy equipment, spare parts, uninterruptible power supply, shipping and maintenance.

Proposed Mission applications for the Wang VS-90 at the present time include MACS, reporting, statistical analysis, economic modeling, project monitoring and reporting, monitoring of local currency generations from ESF and PL 480 programs, evaluation planning and budget analysis.

Proposed Mission applications for the Wang PCs include Lotus 1-2-3 and Microstat. Currently, the automated applications include Multiplan, Wang WP, and System Software with W/MSDOS.

The Mission expects to recruit and hire, on contract, a local, professional computer programmer. Salary/benefit costs would be paid from the GOJ/USAID Trust Funds.

Mission management actively and aggressively supports rapid procurement and installation of needed ADP equipment. When AID moves into the new building at the beginning of June 1984, only the 2 Wang PCs will be available. Hopefully, the Wang OIS 50 will arrive soon afterwards and be installed with the 3 workstations and printers becoming operational NLT September 1984. The Wang VS-90, if funding becomes available in early FY 1985, will be procured immediately and installation is expected to occur NLT March 1985.

PL 480 TITLE I/II

NARRATIVE

USAID's overall PL 480 program has undergone a number of changes during FY 1984. Principal among these is the addition of Title II commodities (butter and bulk cheddar cheese) in support of the newly established Jamaica Agricultural Development Foundation (JADF). The Title I program has become a more critical source of essential basic foods and balance of payments support for the GOJ in a time of severe economic constraints and major policy reforms and structural adjustments.

Title I. At the present time, the Mission is involved in discussions with the GOJ concerning a mixture of Title I and Section 416 commodities to support a targeted food subsidy program aimed at providing basic commodities for at-risk segments of the population during FY 1985-86. Under the terms of the Stand-by Agreement currently being negotiated between the IMF and the GOJ, domestic spending for food subsidies will be drastically reduced during the remainder of JFY 1984/85 (April 1, 1984-March 31, 1985), and eliminated entirely by the beginning of JFY 1985/86. As subsidies are reduced/eliminated, price controls on previously subsidized food items will be removed. A timetable for removal of price controls was negotiated as one of the Self-Help Measures of the FY 1984 Title I Agreement.

As part of a program to assure adequate food for pregnant and lactating women, infants, primary school children, the elderly, handicapped and indigent during the period of transition from subsidized imports to increased local production, the Government has approached USAID and other donors to request support for a targeted food subsidy program. Preliminary discussions with AID/W have indicated that an increased Title I program combined with provision of Section 416 commodities may be available to Jamaica during FY 1985 to support such a feeding program.

At the present time, a number of details remain to be worked out. These include: determination of the optimum commodity mix, taking into consideration nutritional, cost, and commodity availability factors; coordination with other donors, principally the World Food Program, the EEC and CIDA; program management/monitoring systems; and rationalization of the various sources of U.S. food exports currently provided to Jamaica, i.e. PL 480, GSM 102, bauxite/food barter agreements and the blended credit program. U.S. interests in the Caribbean region, and particularly in the economic recovery and political stability of Jamaica, must also be taken into consideration.

A team of consultants is currently in Jamaica to develop a scope of work for a follow-on effort, expected to begin in mid June, to address some of the concerns noted above. The Mission is not in a position at this time, therefore, to state specifically the size and mix of the FY 1985-86 Title I program. Table XI contain estimates of commodity

requirements for commercial sales. It will almost certainly be subject to some modification as development of the targeted subsidy program, and related negotiations with the GOJ, progress during the next several months.

Local currency generated by the FY 1985-86 programs will be used, as in the past, to support priority A.I.D. and other donor development projects, particularly in the areas of agriculture, rural development and nutrition. Some funds may be allocated to support local costs of the targeted subsidy program. USAID intends also, in the course of Title I counterpart use negotiations, to assure adequate GOJ financing for capital and recurrent costs associated with the Agricultural Education Project expected to be authorized in July of this year.

Proposed self-help measures during FY 1985-86 will be closely related to implementation of the Five Year Agricultural Policy and Production Plan, and complementary to the ongoing policy dialogue being conducted in the context of ESF, cash transfer, balance of payments assistance. Drafting of specific language for such measures will require input from a number of Mission Offices/Divisions. The following is an illustrative list of the types of concerns which might be addressed:

- 1) implementation of a public education/awareness program concerning the critical importance of conservation of natural resources;

- 2) assessment of current irrigation systems with respect to efficiency, cost, management, and impact on production;
- 3) establishment of a mechanism for undertaking a comprehensive food and agriculture demand analysis;
- 4) assessment of agricultural research requirements, including relationship of current research activities to achievement of agricultural production strategy goals; and
- 5) identification of a single entity, or coordinating agency, empowered to administer, supervise and enforce laws and regulations concerning environmental protection, reforestation, afforestation and control of entry and actions in critical watersheds.

The Mission is encouraged by progress made during FY 1984 in "raising the consciousness" of appropriate GOJ officials concerning the importance of compliance with PL 480 self-help measures, and timely submission of required reporting documents. The Planning Institute of Jamaica has been officially designated as the GOJ coordinating agency for self-help compliance; Officers responsible for compliance in the respective implementing agencies have been specifically named; and a mechanism for regular review of progress in self-help target achievement has been established.

Title II. The Title II program initiated in Jamaica in FY 1984 involves donation of butter and bulk cheddar cheese to the JADF. These bulk commodities are subsequently processed into value added commodities and sold commercially. The profits generated, net of processing expenses, are returned to the JADF to be used to finance projects to increase agricultural production and to promote the growth of agri-businesses involved in the production, processing and distribution of food and agricultural products. The Foundation is established under the laws of Jamaica and has been registered in-country as a PVO. It is governed by a Board of Directors, and will employ a full-time executive, technical and administrative support staff. Land O'Lakes has been instrumental in developing the original concept and subsequent proposal, and in providing start-up technical assistance and support to the JADF.

The purpose of this project is to create a sound, self-sustaining and effective foundation, which will use income earned from its endowment to finance development activities in the Jamaican agricultural sector. The JADF is an autonomous, private, not-for-profit organization which has as its major objective the provision and administration of financing in the form of grants, loans and equity investments. The specific goal of the JADF is to help mobilize a new, private sector resource base for Jamaica's agriculture and agri-business development effort.

In initiating this project, USAID and Land O'Lakes have "broken new ground" in the use of PL 480 Title II commodities for promotion of greater private sector involvement in development. The project is consistent with both Mission and Agency goals in the area of private sector support. While it is still far too early to make any assessment of the success of this effort, the Mission believes that the project is off to a good start. It has been thoroughly vetted in the field, in Washington, and in Minneapolis. It is, nonetheless, a new and experimental approach to the use of Title II resources to promote development objectives. As such, it will be subject to revisions and modifications as more experience is gained in its actual implementation.

As conceived, the project involves multi-year planning for the provision of 2000 MT each of butter and bulk cheddar cheese for each of the next five fiscal years; i.e. FY 1985 through FY 1989. Although the project is designed to permit planning on a year-to-year basis, it is important to note that the original concept was based on a six-year estimate of income generated from the sale of the donated commodities. It will be essential to the success of this effort, therefore, that effective communication between AID/W and the field be maintained, and any concerns arising relative to implementation and future year availability of commodities be addressed in a timely manner.

Country/Office Jamaica

FY 1986 ANNUAL BUDGET SUBMISSION

TABLE XI

P.L. 480 TITLE 1/111 REQUIREMENTS  
(Dollars in Millions, Tonnage in Thousands)

	Actual FY 1984		Estimated FY 1985		Projected FY 1986	
	\$	MT	\$	MT	** \$	MT
<u>COMMODITIES</u>						
<u>Title I</u>						
Wheat/Wheat Flour	8.0	46.0	11.0	63.0	11.0	69.0
Corn	4.7	31.0	7.0	50.0	7.0	57.4
Vegetable Oil	1.6	2.0	2.5	3.5	2.5	3.7
Rice	5.0	14.0	8.0	22.0	8.0	19.5
*Blended/Fortified Food	0.7	2.6	1.5	4.0	1.5	4.0
<b>Total</b>	<b>20.0</b>	<b>95.6</b>	<b>30.0</b>	<b>142.5</b>	<b>30.0</b>	<b>153.6</b>

of which  
Title III

Total

COMMENT:

\* It is possible that the GOJ may switch from blended/fortified foods to other, regular processed commodities for use in the school and M/CH feeding programs in FY 1985 and beyond. The relatively higher cost and limited shelf life of the blended/fortified foods are factors influencing this decision.

\*\*FY 1986 price estimates based on information provided as part of ABS guidance.

## FY 1986 ANNUAL BUDGET SUBMISSION

TABLE XII

Country/Office Jamaica

PL 480 TITLE I/III

Supply and Distribution  
(000 Metric Ton)

<u>STOCK SITUATION</u>	<u>FY 1985</u>	<u>Estimated FY 1986</u>
<u>Commodity - Wheat/Wheat Flour</u>		
Beginning Stocks	-	-
Production	-	-
Imports	201	211
Concessional	63	69
Non-Concessional	138	142
Consumption	201	211
Ending Stocks	-	-
<hr/>		
<u>Commodity - Corn</u>		
Beginning Stocks	-	-
Production	-	-
Imports	198	208.0
Concessional	50	57.4
Non-Concessional	148	150.6
Consumption	198	208.0
Ending Stocks	-	-
<hr/>		
<u>Commodity - Rice</u>		
Beginning Stocks	-	-
Production	5	6.5
Imports	45	48.5
Concessional	22	19.5
Non-Concessional	23	29.0
Consumption	50	55.0
Ending Stocks	-	-

Comment:

TABLE XII

Country/Office Jamaica

PL 480 TITLE I/III

Supply and Distribution  
(000 Metric Ton)

<u>STOCK SITUATION</u>	<u>FY 1985</u>	<u>Estimated FY 1986</u>
Commodity - <u>Vegetable Oil</u>		
Beginning Stocks	-	-
Production	12.0	12.0
Imports	6.4	8.0
Concessional	3.5	3.7
Non-Concessional	2.9	4.3
Consumption	18.4	20.0
Ending Stocks	-	

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Commodity - \_\_\_\_\_  
Beginning Stocks  
Production  
Imports  
    Concessional  
    Non-Concessional  
Consumption  
Ending Stocks

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Commodity - \_\_\_\_\_  
Beginning Stocks  
Production  
Imports  
    Concessional  
    Non-Concessional  
Consumption  
Ending Stocks

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Comment:

FY 1986 ANNUAL BUDGET SUBMISSION

TABLE XIII

PL 480 TITLE II

I. Country Jamaica

Sponsor's Name Jamaica Agricultural Development Foundation (JADF)

A. Maternal and Child Health.....Total Recipients \_\_\_\_\_

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total MCH		_____	_____

B. School Feeding.....Total Recipients \_\_\_\_\_

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total School Feeding		_____	_____

C. Other Child Feeding.....Total Recipients \_\_\_\_\_

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Other Child Feeding		_____	_____

D. Food for Work.....Total Recipients \_\_\_\_\_

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
_____	_____	_____	_____
_____	_____	_____	_____
Total Food for Work		_____	_____

E. Other (Specify)....JADF Program.....Total Recipients N/A

No. of Recipients by Commodity	Name of Commodity	(Thousands)	
		KGS	Dollars
<u>N/A</u>	<u>Butter</u>	<u>2</u>	<u>3,900</u>
<u>N/A</u>	<u>Bulk Cheddar</u>	<u>2</u>	<u>2,900</u>
Total Other		<u>4</u>	<u>6,800</u>

II. Sponsor's Name JADF