

UNCLASSIFIED

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

JAMAICA

**PROJECT PAPER**

HURRICANE RECONSTRUCTION

AID/LAC/P-479

Project Number: 532-0158

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT

**PROJECT DATA SHEET**

1. TRANSACTION CODE

A = Add  
 C = Change  
 D = Delete

Amendment Number

DOCUMENT CODE

3

2. COUNTRY/ENTITY

USAID/Jamaica

3. PROJECT NUMBER

532-0158

4. BUREAU/OFFICE

LAC

05

5. PROJECT TITLE (maximum 40 characters)

Hurricane Reconstruction

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY  
07 11 90

7. ESTIMATED DATE OF OBLIGATION  
(Under 'B' below, enter 1, 2, 3, or 4)

A. Initial FY 89

B. Quarter 2

C. Final FY 89

8. COSTS (\$000 OR EQUIVALENT \$1 = )

A. FUNDING SOURCE	FIRST FY 89			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	14,452	15,548	30,000	14,452	15,548	30,000
(Grant)	(14,452)	(15,548)	(30,000)	(14,452)	(15,548)	(30,000)
(Loan)	( )	( )	( )	( )	( )	( )
Other 1.						
U.S. 2.						
Host Country						
Other Donor(s)						
<b>TOTALS</b>	<b>14,452</b>	<b>15,548</b>	<b>30,000</b>	<b>14,452</b>	<b>15,548</b>	<b>30,000</b>

9. SCHEDULE OF AID FUNDING (\$000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1)	930	940	-	-	-	30,000	-	30,000	-
(2)									
(3)									
(4)									
<b>TOTALS</b>						<b>30,000</b>	<b>-</b>	<b>30,000</b>	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code PVON

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To assist in recovery and reconstruction activities needed as a result of Hurricane Gilbert, including restoration of infrastructure for electric power, telecommunication, water, schools, and courthouses; provision of credit and other assistance to agriculture and business recovery efforts; disaster preparedness assistance and relief to the poor.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000  941  Local  Other (Specify) 935

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

The USAID/Jamaica Controller has reviewed and concurred with the methods of implementation and financing included herein.

  
Robert A. Leonard

17. APPROVED BY

Signature

Title William R. Joslin  
Director, USAID Jamaica

Date Signed MM DD YY  
11 13 90

18. DATE DOCUMENT RECEIVED IN AIDAW, OR FOR AID W/ DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

PROJECT AUTHORIZATION

Name of Country: Jamaica  
Name of Project: Hurricane Reconstruction  
Number of Project: 532-0158

1. Pursuant to Title II of the Foreign Assistance Appropriations Act of 1989 and Part I of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Hurricane Reconstruction Project for Jamaica involving a planned obligation of not to exceed Thirty Million United States Dollars (US\$30,000,000) in grant funds to be obligated at one time, subject to availability of funds, in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the Project. The planned life of the project is eighteen months from the date of initial obligation.

2. The Project will assist in recovery and reconstruction activities needed as a result of Hurricane Gilbert, including restoration of infrastructure for electric power, telecommunications, water, schools, and courthouses; provision of credit and other assistance to agriculture and business recovery efforts; and disaster preparedness assistance and relief to the poor.

3. The Project Agreement(s), which may be negotiated and executed by the officer(s) to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

4.a. Source and Origin of Commodities, Nationality of Services

Commodities financed by A.I.D. under the Project shall have their source and origin in Jamaica or in the United States, except as A.I.D. may otherwise agree in writing, and except that up to \$1 Million worth of commodities may have their source and origin in A.I.D. Geographic Code 935. The use of informal competitive procedures, notwithstanding any rules to the contrary in Handbooks 1B, 8, 11, 14 and 15, is authorized (Annex V to Project Paper). The suppliers of commodities or services, shall have Jamaica or the United States as their place of nationality, except as A.I.D. may otherwise agree in writing.

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4.b. Ocean Shipping

Ocean shipping financed by A.I.D. under the Project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States

  
William R. Joslin  
Director  
USAID/Jamaica / January 26, 1989

Clearances:  
OPPE/PDSD:PLerner *PL*  
OPPE:TTift *T*  
CONT:RLeonard *RL*  
DDIR:MGolden *MG*  
GC/LAC:KHansen *(draft)*

(Drafted:OPPE/PDSD:RHenry:0714P)

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Clearances

OPPE/PDSD:PLerner PK  
OPPE:TTiffit ✓  
CONI:RLeonard ✓  
ARDO:SFrench ✓  
OEHR:WCharleston ✓  
OHNP:RCohn \_\_\_\_\_  
RHUDO:LSmith \_\_\_\_\_  
OPEd:WColes: we  
OPEP:NHardy \_\_\_\_\_  
OPEP:PCrowe \_\_\_\_\_  
OEEE:CMatthews GM  
EXO:FSpears 20/26/89  
DDIR:NGolden ✓

## EXECUTIVE SUMMARY

Hurricane Gilbert hit Jamaica directly on September 12, 1988, creating the island's worst calamity this century. The Hurricane cut phone and electricity lines, destroyed rooftops, battered homes, damaged agriculture, damaged the tourism sector, and damaged the potable water supply system, causing a loss of in excess of US\$1 billion in damage to capital stock, and a one to two point reduction in GDP growth output for the current fiscal year.

In addition to immediate disaster relief provided through OFDA at an estimated value of \$1,500,000, AID provided a \$20 million grant-funded Emergency Rehabilitation Project on September 28, 1988. The ERP Project provided assistance to the power, telecommunications, shelter and water sectors, as well as grants to three NGOs and more limited assistance to the health and agriculture sectors. The ERP Project was authorized and is being implemented pursuant to authorities granted in Sections 491 and 492 of the Foreign Assistance Act of 1961, as amended, which govern disaster relief and rehabilitation efforts. Those funds must be expended by February 25, 1989, 150 days from the signing of the PROAG.

Congress earmarked \$35 million in FY 1989 development assistance funds for additional disaster assistance for Jamaica for relief, rehabilitation and reconstruction efforts to respond to the damage caused by Hurricane Gilbert. \$5 million of the \$35 million was added to the Emergency Rehabilitation Project in order to keep up the momentum in restoration of electric power services. The \$30 million Post-Gilbert Hurricane Reconstruction Project addresses the following areas:

Component I - Rehabilitation of Infrastructure, including support for Power, Telecommunications, Water, Courthouses, and Education;

Component II - Agriculture and Business Recovery, including support for a grant to the Jamaica Agricultural Development Foundation, a grant to the National Development Foundation, assistance to JAMPRO;

Component III - Disaster Preparedness and Relief for the Poor, including Disaster Preparedness assistance and a grant to United Way/CVSS, and

Funds will also be provided for monitoring and tracking of commodities, auditing services and program coordination requirements.

DESIGN TEAM

The Hurricane Reconstruction Project Paper was developed by the following USAID/Jamaica staff:

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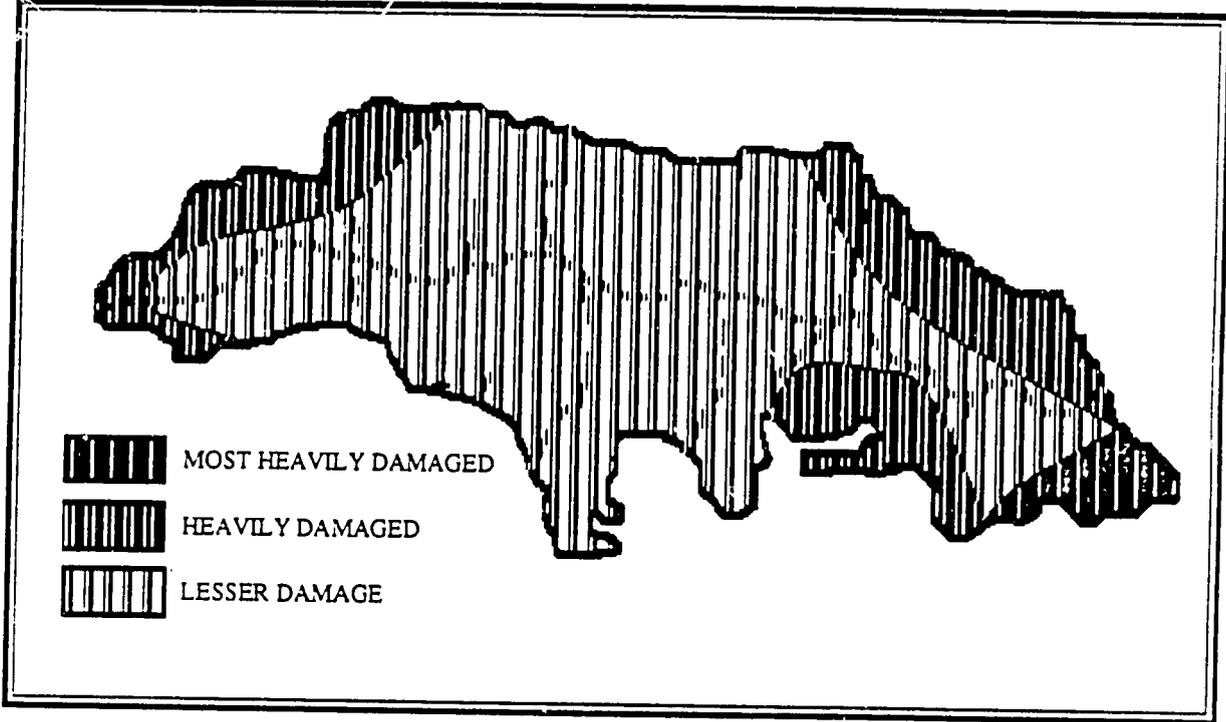
LIST OF ACRONYMS

BOJ	Bank of Jamaica
CIDA	Canadian International Development Agency
CJIP	Caribbean Justice Improvement Project
CVSS/UWJ	Council of Voluntary Social Services/United Way Jamaica
EEC	European Economic Community
ERP	Emergency Rehabilitation Project
GOJ	Government of Jamaica
IBRD	International Bank for Reconstruction and Development
IDB	Inter-American Development Bank
IMF	International Monetary Fund
JADF	Jamaica Agricultural Development Foundation
JAMPRO	Jamaica Promotions, Ltd.
JBPA	Jamaica Banana Producers' Association
JCTC	Jamaica Commodity Trading Corporation
JPS	Jamaica Public Service Company
JTC	Jamaica Telephone Company
LOP	Life of Project
MOE	Ministry of Education
MOH	Ministry of Health
MOJ	Ministry of Justice
NDF	National Development Foundation
NGO	Non-governmental Organization
NWC	National Water Commission
ODP	Office of Disaster Preparedness
PSA	Procurement Services Agent
PVO	Private Voluntary Organization
RCO	Regional Contracting Officer
UWI	University of the West Indies

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# JAMAICA HURRICANE GILBERT

September 12, 1988



I. Background and Status of On-going Relief Efforts

A. Emergency Rehabilitation Project: as of January 18, 1989 USAID/Jamaica had earmarked \$24.8 million, committed \$24.1 million, and expended \$14.0 million of the \$25 million obligated under ERP.

1. Power - Florida Power and Light rehabilitated approximately 13 miles of distribution line between Harbour View and Port Royal. The 14-member crew arrived with digger derricks, bucket trucks, accessory equipment, and commodities. FPL completed the 5-mile segment from Harbour View to Norman Manley Airport on October 27 and the 8 mile segment from the airport to Port Royal on November 16, all of which has been energized. Northeast Utilities' 19-member crew from Connecticut arrived on October 25 with 12 pieces of equipment. They completed restoration of the 24KV sub-transmission circuit to Morant Bay and secondary distribution lines throughout the parish of St. Thomas. Long Island Lighting Company provided a 21-member team supported by all necessary equipment and vehicles, to restore distribution lines in urban Kingston. They began work on October 27 and recently completed work in the areas designated. Puerto Rico Electric Power Authority (PREPA), using a crew that ranged from 8 to 40 members, restored the 69KV transmission line between Hope substation and Lyssons substation. A second PREPA team of 23 members assisted the JPS in the urban and rural power distribution restoration work in Kingston and St. Andrew. Boston Edison supplied a 21 member crew from November 12 through December 10. They worked restoring distribution lines in St. Andrew and St. Thomas. Lloyd Electric Co., a private electrical contractor headquartered in Wichita Falls, Texas, assisted in power system restoration in the Kingston-St. Andrew, Westmoreland and Hanover parishes using a team of 30 linesmen.

USAID made emergency purchases of two digger derricks and seven vehicles in early October. Subsequently, USAID contracted with AAPC, a Procurement Services Agent, to place orders for \$1.6 million of heavy equipment which started to arrive in Jamaica the week of November 1. This included 3 digger derricks, 14 bucket trucks, 5 flatbed trucks with hoists for moving heavy commodities, 1 forklift, 14 passenger vehicles and other support equipment. This equipment will be donated to JPS upon completion of USAID-financed power restoration activities. Orders have also been placed both directly and with the PSA for approximately \$2.8 million of power commodities necessary for full restoration of power and replenishing of JPS stocks. Material started arriving during the second week of November.

2. Shelter - orders have been placed for 4,000 tons of zinc, nails and ancillary building materials with a value of \$4.7 million and 2,000 tons has been delivered. In addition, 14 vehicles for the shelter materials distribution program are being procured, and prefab housing kits have been ordered with delivery to start in January, for a total procurement valued at \$6.7 million.

3. Water - commodity procurement with a value of \$2.0 million has been contracted to Mancor, a PSA, and has started arriving, including pipe fittings, chlorinators, and laboratory equipment. The Mission procured six vehicles directly, which arrived on October 24. A contract has been negotiated for the technical services of a Jamaican engineering firm to assist the National Water Commission with assessment of hurricane damage to nine facilities, and work is to be finished by mid-January.

4. Health - PSA Mancor ordered 17 vehicles valued at about \$329,772, and all have been delivered. AID/W approved an exception to environmental procedures for the dengue control program, and a restrictive covenant on chemical usage has been sent to the GOJ for agreement. Radio equipment valued at \$435,473 has been ordered and delivery is expected in mid-January. Laboratory equipment valued at \$89,000 has been ordered through M/SER/OP/COMS and GSA as required, and is ready for partial shipment.

5. Agriculture - a contract was signed with Agro Grace Ltd of Jamaica on October 13 for the procurement of \$650,000 of seeds, planting materials, and tools. Most of those materials have arrived and been distributed.

6. Telecommunications - An order for \$486,000 of equipment, such as digger derricks and bucket trucks, has been placed to support telephone line restoration work, and delivery is expected in mid-February.

7. Non-Governmental Organizations:

a. USAID and the National Development Foundation signed a grant of \$975,000 on October 14 for sub-loans to small business borrowers who sustained losses resulting from the hurricane. NDF has fully committed the entire amount to its borrowers.

b. USAID and Kingston Restoration Company entered into a cooperative agreement for \$475,000 on October 14 to provide sub-grants to private NGO's engaged in relief activities, such as supplying food vouchers, materials for damaged housing, and medical services through a neighborhood health station. USAID has advanced all funds, and KRC has disbursed \$256,000 to beneficiaries of sub-grants.

c. USAID and the Council of Voluntary Social Services/United Way of Jamaica signed a grant for \$985,000 on October 14 for sub-grants to other PVO's including the Red Cross, Salvation Army, and others to finance purchase of food, building materials, medical supplies, technical assistance, and related costs. CVSS has spent more than 50 percent of this grant and will spend all funds by the PACD.

8. Tracking/Monitoring and Audit: The Price Waterhouse tracking and monitoring services contract was signed on October 21, and work is underway. The Mission hired a PSC procurement assistant, who is working. A concurrent non-federal audit under the supervision of RIG/Tegucigalpa is in process.

9. Services for Relief Supplies - a grant of \$221,000 has been provided to move containerized relief cargos presently held up in Kingston Port to relief agencies which will distribute them.

B. Other Donor Efforts and GOJ Efforts - economic devastation caused by Hurricane Gilbert triggered a new round of commitments from all of Jamaica's bilateral donors.

1. Immediate Relief Efforts: The Government of Canada announced major relief initiatives two weeks after Hurricane Gilbert struck Jamaica. In line with its previous decision to de-emphasize its role as a creditor, Canada declared a

million. Another US\$6.9 million in grants was dedicated to supplemental hurricane relief. These funds include US\$3.7 million in "uncosted promises" to be specified later, US\$800,000 in support for the Jamaican Red Cross, US\$800,000 in matching funds to private Canadian citizens' contributions to Jamaica's rehabilitation efforts, and US\$1.6 million in in-kind shipments of canned Canadian sardines. Canada also received a request for lumber, and plans to provide a US\$1.6 million grant to finance the importation of yellow pine.

The immediate response from the United Kingdom included military flights of emergency relief supplies and personnel to help restore the electric power distribution net. The UK pledged a total of US\$5.85 million in emergency assistance grants, mostly in the form of large quantities of in-kind relief supplies, crews and equipment. Besides helping to restore electric power, British personnel have been assigned to repair Jamaican hospitals. The British will also re-evaluate possible project support for the approximately US\$6.65 million remaining in their concessional loan fund. Before the hurricane, the UK High Commission was considering using the money for a pharmaceutical program. That program may be broadened to include other supplementary relief and hurricane rehabilitation.

Shortly after Hurricane Gilbert struck Jamaica, the Government of the Netherlands committed approximately US\$100,000 to the International Red Cross for relief supplies. A second US\$100,000 grant for the Caribbean Conference of Churches is receiving favorable consideration, according to official sources.

The Japanese Government committed at least US\$414,000 in emergency relief grants to Jamaica within three weeks of Hurricane Gilbert. In addition to deploying an eight-person emergency medical team to assist in Kingston area hospitals, the Japanese made a cash grant of US\$200,000 to the GOJ. Japan also donated approximately US\$117,000 in emergency supplies, including general supplies such as tents and generators and a shipment of pharmaceuticals.

The Federal Republic of Germany donated 25 tons of emergency relief supplies including pharmaceuticals, water bags, plastic sheeting, and blankets to Jamaica for hurricane relief. The estimated value of this aid is not known at this time.

In response to damages from Hurricane Gilbert, Australia committed approximately US\$162,000 for immediate relief to UNICEF, the Jamaican Red Cross, and the Salvation Army of Jamaica. Australian High Commission sources in Kingston indicated that they hope that the money can be disbursed rapidly for purchases of foodstuffs, medical supplies, and clothing.

2. Reconstruction: in addition to the emergency relief efforts of donor governments and private organizations in the immediate aftermath of the hurricane, there has been a significant amount of new money and reprogramming pledged for hurricane reconstruction during this Jamaican fiscal year and next. The GOJ estimates that grants will increase by about US\$100 million and loans by perhaps US\$150 million in JFY 1988/89, including assistance from the U.S. This expected amount of additional grants and loans in JFY 89/90 is clouded by the distinctions between reprogramming and new money, however, it is likely that there will be some new money programmed for this year which cannot be placed until next year, and

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some new loans above and beyond what should have occurred absent the hurricane. Although the exact amounts, timing and mix of donor efforts is still unsettled, this support will finance a major portion of the expanded government expenditure already announced.

In some cases it is anticipated that loans will be disbursed against commodities purchased by the GOJ, beginning in the weeks immediately following the hurricane. It is not clear yet what final portion of the reconstruction purchases will be financed by donors, and what by the host country, but it is clear that both contributions will need to be substantial. It is anticipated that activities will continue to be harmonized and coordinated through frequent meetings of the major donors with the appropriate GOJ agencies, as has been the case throughout the relief effort stage.

## II. Project Rationale

A. Perceived Problems - the Hurricane cut phone and electricity lines, destroyed rooftops, battered homes, left approximately 150,000 people homeless, damaged agriculture, damaged the tourism sector, damaged the potable water supply system and caused a loss of in excess of \$1 billion in damage to capital stock, and a one to two point reduction in national output for the current fiscal year. While the country is rebuilding rapidly, substantial additional resources are required quickly in order to maintain the momentum which has built up. Until power and water are restored to their pre-Hurricane level, the productive sectors will be losing income.

1. Power - the Hurricane has highlighted the necessity for a review of the existing electrical system, as well as the Jamaica Public Service Company's operational capability. A number of deficiencies in the system have been identified and assistance under this Project is targetted towards rehabilitating facilities in a way which reduces down time in future disasters.

2. Telecommunications - The telephone communications system suffered major damage as a result of the hurricane, primarily with respect to downed and damaged lines. Each rainfall now generates major telephone service problems as a result, even for users whose lines have been put back in operation. Over time, the damage has been found to be more severe than initially estimated. Interrupted service has worked a significant hardship on the recovery to normal business operations, partly due to the limitations of Jamaica Telephone Company (JTC) personnel and outside mobile equipment.

3. Water - the National Water Commission has estimated an overall need for \$10 million in capital and labor investments in order to repair infrastructure and restore services in the potable water delivery and sewerage sector to their pre-Hurricane levels.

4. Health - Hurricane Gilbert damaged 50% of the Ministry of Health's primary health care centers as well as a number of hospitals. The disaster has brought with it an increased need for public health education and outreach activities. Information must be communicated to the public, and to the most affected groups in particular, regarding water and sanitation, food storage and preparation, source reduction for mosquitoes, treatment of diarrheal disease and proper nutrition.

Immediate needs for the repair of hospitals and health centers are being addressed through assistance from the GOJ budget and other donors reprogramming on-going projects. Funds under the Health Management Improvement Project can be reprogrammed to refurbish some health centers. Under the AID-financed Small Project Assistance Project, Peace Corps may assist in the construction of pit latrines and public health education activities.

5. Education - at the primary and secondary school level, Hurricane Gilbert devastated much of the plant and destroyed a considerable amount of instructional material. Estimates indicate that half of the 984 facilities for primary and secondary students have been extensively damaged, and the other half were partially damaged. Damage to water tanks is extensive and requires prompt attention as water storage facilities frequently serve whole communities, and not just the school population. In addition, it is estimated that 41% of the texts provided to the schools were either damaged or destroyed. The objective for the education sector is to get the primary/all-age facilities back to fully functioning status as quickly as possible so that adequate instruction can go forward.

The University suffered extensive damages as a result of the hurricane. The damage was estimated at US\$10 million. Of this amount, insurance will cover approximately US\$3.5 million, other international funding agencies will provide approximately US\$3.5 million, and the Vice-Chancellor's Fund-raising Appeal is expected to raise approximately US\$1 million, leaving a gap of US\$2 million. Despite the successful fund-raising campaign launched by the UWI, responses have fallen short of requirements, particularly for the provision of building materials, instructional and research equipment, and books. The \$8 million which has been pledged by sources to date is earmarked for reconstruction and physical restoration of buildings.

6. Agriculture - Hurricane Gilbert did substantial damage to the agricultural sector, with losses in the range of \$250 to \$270 million. In addition to current crop loss, there was a loss to agricultural infrastructure as well as an anticipated loss to future production. The losses in agriculture are both in domestic food crops and in export crops. There remains very substantial damage to the productive capacity of agriculture in Jamaica. The outside limit of eighteen months for the Project precludes doing much more with tree crops beyond the provision of seeds and pruning equipment already funded under the Emergency Rehabilitation Project, as typically a three year activity is needed for projects to resuscitate tree crops. The on-going Hillside Agriculture Project is a better choice, therefore, for funding most of the small farmer tree crops (particularly cocoa, coffee, pimento, and mangoes.) Policy determinations prevent us from financing sugar, coconuts, or citrus. The remaining severely damaged subsectors which we can address and impact substantially in an eighteen month timeline are bananas and poultry

7. Business Sector - Hurricane Gilbert has caused short and long term losses to Jamaica's productive sectors. Donors and GOJ officials have focused on the fact that they believe most losses are recoverable through re-insurance funds and therefore, very little assistance has been provided directly to the business

sector. However, most of these re-insured losses are in the so-called traditional economic sectors (tourism, bauxite and alumina, traditional agriculture and manufacturing).

During the last eight years the GOJ and USAID/Jamaica have placed great emphasis on diversification and export promotion in non-traditional sectors. Many of the productive enterprises in these sectors are either small or medium sized and are at a start-up phase, with many being under capitalized. These companies are the very foundation of Jamaica's shift from an import substitution economy to an export led one. Unfortunately many of these companies were under-insured or not insured at all. There is no precise estimate of the damage to these non-traditional enterprises, nor is there a precise understanding of the long term impact. The problems of these firms are further exacerbated by the loss of current income while waiting for the restoration of power, raw materials and replacement of machinery. However, damages of under-insured small and medium sized commercial farmers, food processors, horticultural exporters, data processing, etc., are estimated to exceed \$200 million.

With respect to exports, some negative trends have been observed since the hurricane. JAMPRO has reported that other countries in the region are replacing Jamaica as a sourcing location. Trade inquiries recorded by JAMPRO declined from 310 per month in August 1988, to about 25 per month since. Exports, in the sectors of processed foods, crafts, fresh produce, ornamental horticulture, coffee and spices fell 50% in the last three months of CY88, i.e. from US\$16 Million to US\$8 Million.

8. Administration of Justice - strengthening democratic institutions is both a basic A.I.D. goal and a specific objective in USAID/Jamaica's strategy. Our efforts to date have emphasized policy reforms and rehabilitation of the physical resources of the court system in order to improve the public image of the legal system and the role it plays in society.

Under the Jamaica component of the Caribbean Justice Improvement Project, a total of US\$1,003,000 was allocated for renovations to 21 of the 64 Resident Magistrate Courts. Approximately 80 percent of all triable cases are adjudicated in the Regional Magistrate Courts, which are therefore the place where a citizen first comes into contact with the justice system and forms a first impression of its adequacy or otherwise. The deteriorated physical condition of the RM Courts not only interfered with the Court's expeditious administration of justice, but also contributed to the public's reduced confidence in the system. The 21 RM Courts to be renovated, given the available financing, were selected from among the major courthouses on the basis of usage patterns and degree of deterioration.

The CJIP was therefore in the process of rehabilitating the physical resources of the court system. Work under the A&E contracts was coming to completion and the contractors had actually begun construction on five of the RM Courts when Hurricane Gilbert struck. Of the 21 CJIP RM Courts, fourteen have reported Hurricane damage, as well as damage resulting from use as public shelters. Without additional resources dedicated to repairs in this sector, this destruction will not only preclude the completion of the renovation activities planned under

CJIP, but also wreak havoc with the MOJ's program of renovating the overall system of RM courthouses, as courthouses which were originally deemed as being in a satisfactory condition are now no longer so.

9. Shelter - Hurricane Gilbert caused widespread damage to the housing stock. Approximately half of the stock sustained some damage and two percent was destroyed altogether. Bringing the housing stock back to its condition prior to the Hurricane is an important GOJ objective. As a result of the Hurricane, demand for building materials, especially roofing and lumber, has multiplied. The commercial sector, the GOJ and donors are attempting to respond to the supply shortfall. It is expected that the supply of roofing, lumber and other critical items will meet the effective market-priced demand by early 1989.

10. Needs of the Poor - there is a continued need to provide relief to poor families in the form of food, clothing and shelter. The disaster disrupted people's lives by destroying homes, public facilities and the availability of water, food and power. It can be expected that there will be an increase in malnutrition in the most vulnerable groups, i.e. children under five years old and the elderly. While the GOJ is providing food and shelter assistance to the poor, its program is a broad based resource transfer designed to meet basic needs. By its very nature it is imperfect, and PVO activity is necessary to supplement government efforts.

B. Project Goal and Purpose - The goal of this disaster reconstruction project is to assist Jamaica in remedying problems caused by Hurricane Gilbert in a way which mitigates damage which might be caused by future hurricanes. The purpose of this Project is to assist in recovery and reconstruction activities needed as a result of Hurricane Gilbert, including restoration of infrastructure for electric power, telecommunications, water, schools and courthouses; provision of credit and other assistance to agriculture and business recovery efforts; disaster preparedness assistance and relief to the poor.

The Project is being designed for implementation within an 18 month period commencing in January 1989. To the extent possible, that time frame will be accelerated in order to assist in getting the country back on its feet more quickly. The specific areas targetted for assistance are those requiring reconstruction, as differentiated from our on-going development efforts.

C. Funding Priorities - In determining which activities would be funded under the Project, the Mission undertook a rigorous review of approximately \$120 million of proposals. The two key criteria used in determining what constituted the Project were: (1) is the activity truly "reconstruction" or is it more appropriately funded as part of our on-going development portfolio, and (2) to what extent is the Mission familiar with the proposed implementing agency and what confidence do we have that funds will be disbursed quickly and effectively. An additional factor was the overriding need to restore power and water service in order to get anything else moving.

There is a heavy emphasis on rehabilitation of infrastructure (\$21 million) as it is critical to getting the country back on its feet. The amount of funding allocated to the productive sectors (\$6 million) reflects a number of factors.

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First, the agricultural sector is primarily private sector in Jamaica. Credit targetted to those industries hit hard by Hurricane Gilbert is the top priority in the agricultural sector which is not presently, nor planned to be, met by other donor funded projects or the GOJ. Secondly, the Mission portfolio of on-going agricultural activities has the flexibility and is adequate to respond to needs beyond this Project.

### III. Description of the Project

The Hurricane Reconstruction Project is a \$30 million, 18 month Project consisting of rehabilitation of infrastructure, production credit and assistance for agriculture and small business recovery, assistance in disaster preparedness and relief for the poor.

#### A. Component I - Rehabilitation of Infrastructure

1. Power - the experience of Jamaica in September, 1988 has highlighted the necessity for a review of the existing electrical system as well as the Jamaica Public Service Company's operational capability. In view of this, AID will provide approximately \$10 million to address deficiencies and reduce down time in future disasters, in the following areas:

#### Commodities and Technical Assistance

- Integrated & Standardized Data Base - an integrated and standardized data base will be developed for the transmission and distribution system. Areas to be covered include (1) routing of circuits (System Mapping); (2) material and equipment management; and (3) power plant monitoring and disaster management system. Inclusion of this item will assist the JPS greatly in identifying the extent of future damage, the location of such damage, and the resources required and available for system restoration. Knowledge in these areas will determine how quickly, orderly, and economically such restoration is undertaken.
- Assessment of Physical and Human Resources - this includes (1) a rehabilitation program for the current fleet of JPS vehicles and the subsequent procurement of specialized vehicles and operational vehicles to supplement those procured under the Emergency Rehabilitation Project; (2) the upgrading of the present JPS communications system; (3) procurement of system line loss monitoring equipment and other necessary test and metering equipment. Assistance in providing advisory technical personnel is also planned to meet needs related to the design, procurement, installation, and use of these commodities.
- Revision of the JPS Disaster Preparedness Plan - this entails: (1) a systematic collection of information on equipment and plant which failed and evaluation of restoration methods; (2) evaluation and analysis of present installations for safety factor and structural integrity and determination of the most likely areas of failure; (3) development of a risk management policy; and (4) integration of information into a detailed restoration procedure manual.

- Line Upgrading and Rehabilitation - support will be provided to the JPS for line rehabilitation and the procurement of material for the upgrading and standardization of the primary distribution system voltage at 24KV. This will involve approximately 250 miles of primary distribution lines. Rehabilitation and construction of needed transmission lines will also be considered.

How It Will Work: USAID will contract directly for the TA needed to carry out the development of the Data Base and the Disaster Procurement Plan and the Energy Restoration Plan, as well as the Resource Assessment. This work will be carried out in close collaboration with staff at JPS. USAID will also contract directly for TA to review and/or prepare detailed specifications for needed materials and equipment for the rehabilitation and upgrading of the distribution system. The resulting list of commodities will be procured using direct contracting through a Procurement Services Agent. Arrangements will be made with U.S. electrical contracting and consulting firms to provide supplemental technical services, including crews, as required for the actual construction and repairs.

Expected Achievements/Accomplishments: activities undertaken under the Power element of the Project are expected to achieve the following by the end of the Project. Continuous monitoring of these activities is planned.

- Data Base developed and in use. This will result in a more effective and efficient execution of engineering functions relating to the transmission and distribution systems.
- Physical and Human Resource Assessment completed and Emergency Restoration Plan revised. This will greatly improve the response capabilities of the JPS to react to disasters.
- Approximately 250 miles of the distribution lines in the island wide system are to be upgraded and rehabilitated. Line Upgrading and Rehabilitation will reduce the down time needed for repair following a disaster such as the one recently experienced. Current estimates indicate that if the JPS distribution system had been a well constructed 24KV system before the Hurricane, the amount of damage would have been reduced by 50%.

Monitoring Plan: Monitoring of these activities will be achieved using two principal means. The first will be continuing informal contacts between the JPS and USAID's representatives. The second means is a monthly report to be submitted by the JPS to USAID. These reports will cover: (1) progress made to date; and (2) the status of the current component activities including any changes to the initial plans and the rationale for such changes.

2. Telecommunications - Under this component, the Jamaica Telephone Company will be assisted in its ongoing effort to repair the system. AID will provide approximately \$500,000 to assist in procuring the following:

Commodities

- Thirteen bucket trucks will be procured under this Project. This will supplement the commodities already provided under the ERP consisting of 5 bucket trucks, 3 digger derricks and certain power tools, manual tools and equipment.

How It Will Work: Equipment under both ERP & HRP will be procured with the consignee (i.e. title will be with) being the JTC. Consistent with AID policy of not making grants to privately held profit making entities, the JTC will compensate the GOJ for the depreciated value of the equipment based on 12 months of use the difference between the new and depreciated value being public benefit derived from the restoration/reconstruction of telephone communication service. Such compensation will be in the form of a Jamaican dollar payment or payments to a public service non-governmental entity. This arrangement will be documented in a Project Implementation Letter signed by all parties following execution of the Project Agreement.

Expected Achievements/Accomplishments - The JTC equipment will supplement its current fleet and be utilized by JTC and splicer crews in the reconstruction of the outside system and restoration of full service. It is expected that service to pre-hurricane levels will be restored within a 12 month period at a standard for outside facilities which will be more resistant to damage from high wind action than was the pre-hurricane case. This accomplishment will be verified by the number of operating service connections at the end of the 12 month period compared to the similar number at the beginning of the HRP which will closely coincide with the initial use of the equipment.

Monitoring Plan - Monitoring will consist of ongoing liaison with JTC during the procurement, delivery, and port clearance process as well as keeping abreast of implementation of the terms and conditions of the PIL regarding payment by the JTC to the designated NGO entity.

3. Water - in the wake of the recent hurricane, the National Water Commission (NWC) sustained damages which required an estimated US\$10 million in capital and labour investments in order to repair infrastructure and restore water supplies and services in the sewerage sector to their pre-hurricane levels. The NWC was provided with US\$2 million under the Emergency Relief Project, primarily to finance commodity purchases to meet part of the most pressing needs. Additional funds in the amount of approximately \$5,000,000 as provided under this Project to further the restoration effort, and for longer term rehabilitation of the water and sewerage systems in order to make them less susceptible to the effects of future natural disasters. It is recognized that there will have to be extremely close coordination between the implementation of this component and activities to be undertaken under HG-13, with the HG Technical Assistance building on the activities of this Project.

Commodity and Labour Needs:

-- Mechanical and Electrical Equipment for System Operation - an estimated US\$0.6 million damage to engines, motors, switchgears, power connecting lines, radios, radio antennae, was suffered due to wind, moisture, interruptions, and vandalism. Replacements will be necessary in some cases, even where repairs were done. There is concern that in the haste for restoration, the quality of the repairs may not be assured. A number of the engine driven pump stations were flooded, with the possibility of undetected problems, due to the presence of moisture in the fuel or oil, surfacing in the future. In addition, generators, pumps, engines, and engine parts will be needed to improve the reliability of the water and sewerage systems to minimize dislocations after events such as a hurricane.

Approximately 40% of the NWC systems are directly dependent on electricity, such as well and booster stations. Over 75% require electricity at some stage of their operations to maintain desirable performance and quality standards. In order to deal with the power outages that would accompany a disaster such as a hurricane, stand-by generators are used at some of the main water and sewerage stations, and the main administrative offices in Kingston such as Trinidad Terrace, Marescaux Road, Oxford Road. Some of these generators are in very poor state or inadequate and should be replaced.

- Minor Repairs - Damage amounting to over US\$1.5 million was sustained by more than 100 small intakes/impoundments, several water treatment facilities, storage facilities and segments of the water distribution system. Over half a million people are served from these facilities. Where possible, some temporary repairs were done in order to quickly restore supplies. However, to guarantee a permanent supply, it will be necessary to have proper repairs done. Although limited supply is now possible at locations such as Sue River in St. Catherine, Green River and Bucky Plain in Rural St. Andrew, and Halls Green in St. Andrew, extensive repairs are still required. Masonry material, steel, mesh wire, and lumber are some of the items needed.

The Moravia Treatment Plant is now threatened by the change in the course of the river which supplies it with water. Although the plant is in operation, steps will have to be taken to protect the plant by preventing further erosion of the river banks.

Pipeline breakages are currently a problem and will continue to plague the water distribution system for some time to come, making leak detection and repair a top priority. Additional supplies of pipeline, clamps, pumps, couplings, tools, etc. are required to replace defective piping.

Local cost support for additional labor is also required, to help the NWC's cash flow situation which the hurricane adversely affected. Without this support, there will be unavoidable delays in effecting permanent repairs which in turn would adversely impact on NWC's operations. With these delays, those systems which are now "limping", may give and disrupt the water supplies to a number of communities.

- Major Reconstruction Works - Critical repair works are required for the rehabilitation of intake/impoundments, treated water storage reservoirs, storage tanks for raw water, trunk and pumping mains. The most critical need is the repair of the dislocation of the two intakes and the main trunks of the Yallahs and the Boar River water pipelines. Although temporary patching of the system has been undertaken, repairs of a more permanent nature are required if severe water shortages in the Kingston metropolitan area, affecting a population of over a quarter-million people, are to be avoided. Other critical needs include the Negril water system, St. Catherine Storage facilities and the Constant Spring treatment/storage facility. The Sunnyside Well which was severely flooded by discharges from the Rio Mango Gully, near the Black River, during the Hurricane and whenever it rains heavily, may have to be relocated. For these repair works, detailed engineering studies and

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designs would be needed. Piping, building materials, heavy equipment, engineering services and substantial manpower are required to make the necessary repairs to these major water systems. The cost of these rehabilitation works is estimated at over US\$5 million.

- Operating and Maintenance Facilities Reconstruction - Over seventy operating facilities require rehabilitation. The principal need is for reroofing of damaged pumping stations and chlorinating houses and repair of security fences. Further damage to these facilities could result since they are not properly secured, and are thus exposed to vandals and the weather.
- Administrative Facilities Reconstruction - There is a large need for reroofing of damaged administrative and supervisory facilities. Temporary repairs have been made in many instances, but there is still a need for permanent repairs and furniture replacement in order to permit resumption of normal business operations.

Equipment Support: NWC's ability to maintain and monitor the performance of the potable water delivery and sewerage systems has always been limited by the shortage of critical equipment. Some of the available equipment was damaged or destroyed as part of hurricane damage to administrative facilities. In addition, in order for the NWC to effectively monitor performance under the reconstruction project, additional equipment will be required such as personal computers and radio communication systems. Radio communication between the various NWC stations is essential to effectively and efficiently carry out the NWC's business. It is therefore very important that damaged communication equipment be replaced or repaired. About US\$40,000 in antennae, cables, poles, radio, and generator spares, is required to bring the telecommunication system to the pre-Gilbert state. An additional US\$25,000 is required to upgrade the system to an acceptable level to enable the NWC to effectively implement and monitor the Project.

Temporary Personnel Assistance to the NWC: Additional personnel are required in both the program management and technical levels of the program. This Project will fund the salary packages for this additional temporary personnel.

- Program Management Personnel - given the increased work load for the NWC, additional mid and lower level project management staff are required in order to carry out implementation of this program in a timely manner. Personnel will be required for up to 18 months, through the LOP. At least four engineers will be required throughout the 18-month period to implement the various works for minor and major repairs, plus the operating, maintenance and administrative facilities reconstruction. Another six would be required at various stages of the reconstruction effort, amounting to about 50 person-months. In the rehabilitation of the Boar River Pipeline, for example, it will be necessary to have suitably qualified persons to see to the required remedial works.
- Emergency Water Loss and System Management - Water loss detection teams, composed of supervisory technical personnel and laborers (and supported by minimal equipment rental), are needed to enable the detection of major leaks

and identification of further repairs to check any water losses in the system. Training of these teams in the use of leak detection equipment, the approach to establishing leak detection programs and the execution of these programs, will be necessary. Experienced personnel in this field, comprised of an engineering and a technician will be needed to do this training. Each will be required for about 40 person-days. Water loss detection teams will be required in each of the four regional offices, as well as for the Kingston area.

- Other Technical Support Staff - To further assist the program, two surveyors will be required for about six weeks and two draughtsmen for about fifteen months.

How It Will Work: Procurement of commodities will be undertaken directly by AID through a PSA. NWC will make use of its four principal regional offices to distribute these commodities and supplies procured directly by AID for this construction effort. These regional facilities will be responsible for onward distribution to the individual facilities in the parishes under their respective jurisdictions. The NWC Headquarters Office in Kingston will be the lead implementing agency for reconstruction in the water sewerage sector. It is expected that contracting for technical assistance (including support staff) will be undertaken using direct contracting procedures.

In addition, a number of construction activities had been contracted by NWC to Carib Engineering Company Ltd. (CEC) prior to the advent of Hurricane Gilbert. The NWC will coordinate with CEC for the execution of reconstruction activities in those cases where damages occurred to projects in progress. The same will hold true for similar projects which had been completed by CEC, but which had not yet been officially turned over to the NWC for operation and maintenance.

Expected Achievements/Accomplishments: Activities undertaken under the Water element of the Project are expected to achieve the following by the end of the Project:

- Systems will be brought back to their pre-hurricane level of functioning, and improvements made on this infrastructure to make it more reliable and hurricane-resistant. The restored and functioning potable water and sewerage system will have a direct contribution to maintaining health of populations and averting negative impacts to the environment.
- NWC facilities will be able to monitor relief and reconstruction efforts, as well as overall system performance.
- The NWC will possess additional managerial and implementation capacity to undertake the reconstruction effort.

#### 4. Education

a. School Rehabilitation - at the Primary/All-age/Secondary School levels, estimates indicate that most of the schools have been adversely affected by Hurricane Gilbert, including some which lost complete roofs and others a portion of their roofs. As a result, repairs are needed for roofs and gutters,

replacement of windows and doors, improvements to water supply and sanitary systems, minor repairs to electrical installations, other repairs to existing buildings and instructional materials such as blackboards. Extensive damage has been done to water tanks and these require urgent attention, as water storage facilities frequently serve whole communities and not just the school population. The replacement and installation of water tanks will therefore also be included as eligible expenses. AID will provide approximately \$3,180,000 for school rehabilitation.

Construction Commodities and Services - The ability of the GOJ to meet the reconstruction needs of communities and schools rapidly and efficiently has long been constrained by inadequate management capacity within the Ministry of Education, particularly as that capacity relates to refurbishing schools. In discussions with senior Ministry officials, it was agreed that known construction management capacity and ability to respond to construction needs/deadlines should dictate the choice of which organization should be used to carry out activities under this element of the project. It was therefore decided to utilize a firm contracted directly by USAID which will work in collaboration with the Ministry of Education's School/Community Outreach Program for Education (SCOPE) office. SCOPE was created to support, among other things, the refurbishing efforts under the Primary Education Assistance Project and, as a result, established relations with the primary school community on the island. SCOPE will serve in an advisory capacity with respect to the USAID contractor and the primary/secondary school community in the matter of recommendations on selection of schools and identification of sponsoring organizations at the selected schools. SCOPE will not have any direct operational or financial responsibilities in carrying out the refurbishing.

How It Will Work: USAID will contract directly with a firm to oversee the community grants activity. Such firm will have the necessary A&E services either in house or on contract, to enable the firm to adequately advise and supervise the renovations carried out by community groups. The firm will be reimbursed by USAID on the basis of completion of actual activities at the identified schools. The negotiated contract amount will therefore include reimbursement of actual costs plus a fixed fee.

The USAID contracted firm will work with SCOPE staff to develop a list of schools to be assisted. The primary criteria for selection will be to maximize the number of students which have adequate physical school facilities. This does not favor aid to large schools; rather it prioritizes repairs that make schools adequate. One half of the funds available from USAID will be earmarked for rural schools, the other will be for urban/rural township schools. This distribution corresponds to the enrollment ratios for Jamaica. In all cases, top priority will be given to repairing facilities which are in immediate demand because no alternative physical facilities are available.

After developing a list of schools with SCOPE, the firm will prepare a report for USAID's approval prioritizing the list of schools, giving the number of children enrolled at each school and actually in attendance, identifying the responsible community group, and certifying that the schools were in fact damaged as a result of the Hurricane. Following USAID's approval of the list, the schools will then

begin preparing estimates of the work to be carried out in terms of Bills of Quantities, cost estimates, necessary drawings and/or site plans, assisted to the extent necessary by the contracted firm. The firm will then enter into a contract agreement with each individual community organization to carry out the work. The contract agreement will specifically define the agreed work and the amount of funds to be made available to the community group. In those cases where the contract agreement is insufficient to marshal supplier credit in the individual communities, the firm will provide working capital directly to the community organization. The community organization will be responsible for carrying out the agreed upon work, in cooperation with the school principal. The firm will monitor and conduct periodic inspections to ensure that the work is being implemented by the community in accordance with agreed specifications, in order to facilitate final acceptance. The firm will then carry out a final inspection of all refurbishing work on schools and make a report to USAID and MOE. The contract agreement between the firm and the community organization will contain a clause stipulating that the agreement is null and void if work is not commenced within six weeks of execution of the agreement. The Contractor will have the authority to strike off the list, all schools which fail to get repairs started within the first six weeks, seek a refund of any funds advanced as part of the contract agreement, and replace these schools by other approved schools needing funding.

A number of schools have been identified as having severe roofing damage which will require major repair. In these instances, if the firm determines that the capability to efficiently carry out the repairs does not exist within a school community, upon receiving approval from USAID, the firm will group these schools and act as a prime contractor in executing a construction contract with a local firm to undertake all the roof repairs for these particular schools. The construction contract will be negotiated on the basis of Bills of Quantities prepared by the firm and will be limited to roof repair and related roof substructure.

The U.S. National Guard is in the initial phase of a training program which will result in the refurbishing of an estimated one hundred primary schools and health clinics by October 1990. The contract with the firm will include a provision allowing Project cooperation with such refurbishing efforts conducted by the U.S. military. Under this element, Project funds could be used to procure the construction materials for these schools and clinics on an as needed basis, with the materials provided to the school, the clinic, or its supportive community group.

On a monthly basis, upon completion of the refurbishing of individual schools (and clinics under the National Guard program), the contractor will submit the necessary documentation and certification to the USAID Controller for reimbursement. The firm will receive the fee on a prorated basis over the life of the activity.

An initial survey of local firms has indicated a positive response to the proposal by firms who indicated that they would have access to adequate working capital. However, if during implementation this should become an impediment to obtaining the services of such a firm, a positive determination on the use of an advance payment would be justified in line with A.I.D. policy on Advance Payments to profit making firms. At that time, in line with Handbook 1B, Chapter 15, approval would be sought from M/AAA/SER if necessary.

Throughout Project implementation, the chartered accounting firm contracted by USAID under the Project, and with the supervision of RIG, will review the financial records of the firm and submit periodic reports to USAID.

Expected Achievements/Accomplishments: activities undertaken under the Community Grants for School Rehabilitation element of the Project are expected to achieve the following:

-- 200 primary/all-age/secondary schools will have repaired hurricane damage and will be conducting education with adequate facilities for approximately 60 thousand students.

b. Textbooks - a total of 3,500,000 textbooks were printed and distributed just before the start of the September 1988 school year. Figures from the Curriculum Development Unit of the Ministry of Education indicate that of this number, 21% of the textbooks were totally destroyed and an additional 20% were damaged by Hurricane Gilbert. This means that 41% of the 3.5 million texts in the seven subject areas, or approximately 1,435,000 texts, need to be replaced. The cost of this undertaking will be approximately US\$320,000.

Commodities - The Project will finance the printing costs of replacing these textbooks which is estimated to be \$320,000.

How It Will Work: The original set of textbooks was printed by the Gleaner Company under the auspices of a joint donor effort which included USAID, UNDP, CIDA, and the Jamaican private sector. As the Gleaner Company already has the "typeset", USAID will grant a waiver of competition which will enable the MOE to procure the services of the Gleaner Company to produce additional copies of the damaged texts. The waiver will be justified on the grounds of existence of an emergency situation in which the requirement for competition would result in unacceptable project delay. Should USAID go for competitive bidding the bid could not be awarded under four months. Essentially then, the waiver will expedite the printing and delivery process especially in view of the fact that the MOE is currently contemplating protracted school hours for the summer of 1989 to compensate for time lost after the hurricane. As with the printing of the original set of textbooks, the Canadians are expected to donate the paper.

Expected Achievements/Accomplishments: activities undertaken under the Textbook element of the Project are expected to achieve the following:

-- 1,435,000 textbooks will be distributed to 205,000 primary/all-age students.

c. University of the West Indies - The proposed grant will be used to assist in the restoration of the Faculties of Medicine, Natural Sciences, Education, and Social Sciences. In particular, the Faculty of Natural Sciences (mainly Departments of Chemistry and Botany) suffered severe losses in terms of scientific testing and research equipment as well as airconditioning units which are essential to the operations of the faculty.

Commodities - AID will provide approximately \$500,000 to procure scientific equipment, teaching and research materials, airconditioning units, and other equipment to permit the University to return to a state of normal instruction and

research. Specifically, commodities purchased are expected to include small scientific equipment, supplies, and airconditioning units for the Chemistry Department; teaching and audio-visual equipment and supplies for the Faculty of Education; medical testing equipment for the Faculty of Medicine; and copying machines and typewriters for the Faculty of Social Sciences.

How It Will Work: The University already has in place an established system for the procurement of goods locally. Commodities which are available locally, that is, "shelf items" will be procured directly by the University, using local currency. Items which have to be imported, will be procured under Direct U.S. Procurement Procedures by a PSA. Payments for local commodities under the Grant will be on a Cash Advance/Reimbursement basis. The UWI will open a special bank account for the sole purpose of these funds.

Expected Achievements/Accomplishments: activities undertaken under the UWI element of the Project are expected to achieve the following:

-- equipment and materials in place and in use enabling a normal level of instruction and research.

5. Administration of Justice: Courthouses - As described previously, the Hurricane interrupted, and seriously undermined, the GOJ's program for rehabilitating the physical resources of the court system. Of the 20 CJIP RM Courts, fourteen have reported Hurricane damage, as well as damage resulting from use as public shelters. An additional 24 non-CJIP courts have also reported damage. With additional resources in the region of \$700,000 dedicated to repairs in this sector, the renovation activities planned under CJIP will be completed and the MOJ's program of renovating the overall system of RM courthouses to a satisfactory condition will be attained.

Technical Services and Construction - In order to supplement the GOJ's courthouse repair program, the Project will finance the necessary additional renovations and repairs which are required as a result of the Hurricane. AID will provide approximately \$700,000 for this activity. This includes A&E services followed by construction services (including procurement of necessary inputs) for roof replacement, roof repair, ceiling repair, window and door replacement, etc.

How It Will Work: the MOJ will be the implementing agency for this component and Implementation will parallel the procedures set up under CJIP. The MOJ will use host country contracts to obtain the services of A&E firms and construction contractors in order to complete the work. In order to carry out repairs sustained as a result of the hurricane to courthouses currently included under the CJIP, the MOJ will utilize the services of the A&E firms who are already contracted for the CJIP work on those courthouses. The additional work will be included through amendments to the existing contracts, and will include the identification and the subsequent quantifying of hurricane related damage, and the modification of existing contracts with construction firms to include the additional work. Where applicable, future contracts would also include the additional work.

In the cases of Resident Magistrate Courts not included in CJIP, the work will be carried out under the direction of staff in the Ministry of Justice's CJIP PIU. Current staff will be augmented by the hiring of two additional individuals under the supervision of the CJIP Renovation Coordinator. This will enable the MOJ to expedite project implementation by preparing Bills of Quantity in house, rather than contracting with A&E firms. These courts would then be clustered, the work on the clusters tendered to construction contractors, and contracts executed by the MOJ under a FARA with USAID.

The work will be carried out by the MOJ on a reimbursement basis. The MOJ will maintain a separate file for tracking expenditures under the HRP, as opposed to previously approved activities under CJIP.

Project Monitoring: The MOJ will report on the progress of work at the regular bi-weekly project meetings. In addition, they shall report on the status of such work in the quarterly reports submitted to USAID, with the reports differentiating between the work covered under the CJIP and that of the HRP for billing purposes. A USAID/Jamaica engineer will periodically visit sites to ensure that work is being carried out.

Expected Achievements/Accomplishments: activities undertaken under the Courthouses element of the Project are expected to achieve the following by the end of the Project:

-- Hurricane damage to 38 courthouses will have been repaired.

## B. Component II - Agriculture and Business Recovery

1. JADF: Agricultural Credit - This element of the Project will assist in the reconstruction/resuscitation of a small but significant portion of the Jamaican agricultural sector to pre-Hurricane Gilbert production levels, while at the same time establishing the base for future growth and modernization of the sector. This will be accomplished primarily through the provision of targeted production credit, with emphasis given to the poultry and banana sub-sectors. The focus of this component will be on reconstruction and rebuilding of the productive capacity of banana and poultry farms identified as having suffered damages due to the hurricane, with emphasis given to those farmers willing to invest in improved production and management practices. By taking this approach, our assistance will serve to accelerate the pace of modernization of Jamaican agriculture, at the same time as it assists farmers to reconstruct and replace their productive capacity.

How it will work: There will be two linked activities under the agricultural credit element - targetted production credit and technical assistance. The targetted production credit will be provided as grant financing to the only private, non-profit financial intermediary with both a strong track record in agricultural lending in general, and even more important, previous experience and exposure in financing projects in the banana and poultry sub-sectors-the Jamaica Agricultural Development Foundation (JADF). AID will provide a grant of approximately \$4,000,000 to JADF. The JADF will agree to lend these funds under a special Hurricane Gilbert Reconstruction program. The expected interest rate for

reconstruction lending under this program will be from 12 to 14 percent. These rates are slightly higher than those under the GOJ's rehabilitation lending program. They are also consistent with the IBRD's recent finding that less than market rates for rehabilitation of the agricultural sector are justified. Upon completion of the Hurricane Reconstruction Project, the JADF will re-lend these funds (both principal and interest earned) under normal terms for continued expansion and modernization of the agricultural sector. Also, upon completion of this program, the JADF will provide the Mission with a final report detailing the impact of the program on these two sub-sectors.

The technical assistance will be complementary to the targeted lending program, and limited to support for expanded technical outreach and extension activities of the Jamaica Banana Producers Association (JBPA) on behalf of eligible banana growers. It is not anticipated that technical assistance will be required in the poultry sub-sector. This assistance will facilitate and accelerate the on-farm adoption of modern banana production and post harvest practices which have been developed on a limited scale with great success under a joint JADF/JBPA project. It is expected at this time that the technical assistance will be limited to the contracting of additional technical staff by the JBPA, who will provide direct assistance to banana producers in the areas of on farm resuscitation practices as well as the introduction and adoption of improved production and management practices, plus a limited number of vehicles and other equipment to assist the JBPA in its technical outreach program. The lending and technical assistance support for the banana sub-sector will be targeted on the Eastern/Northeastern Parishes of Portland, St. Mary, St. Ann, and St. Thomas, all of which are traditional banana producing areas and were specially hard hit by Hurricane Gilbert. This is also the area in which the above mentioned pilot program of JADF/JBPA has already had some success. The technical assistance will be complementary to the targeted lending program and will be accomplished by means of a subgrant between JADF and the JBPA. On behalf of JADF, AID will procure two 4-wheel Drive vehicles and spare parts. Lending to the poultry sub-sector will not have a specific geographic focus, but instead will be geared towards those farmers with established contractual arrangements for the marketing of their product as well as provision of technical and other services from the Jamaica Broilers Group (JBG) and/or Caribbean Broilers Ltd. of Jamaica (CBL).

JADF will establish a special Hurricane Reconstruction Program with separate accounting/reporting systems. Farmers in need of this assistance have been identified by the poultry and banana industries, and these lists of potential borrowers have been presented to the JADF. Since this is recognized by all parties as an unusual program, many of the normal non-interest rate provisions of JADF's lending policy will be waived or modified so as to speed up the lending process. The eligibility criteria for borrowers will vary somewhat between the two sub-sectors. For the banana subsector they will be as follows: they must have been producing for export prior to the hurricane or have the capacity to begin to do so as a result of the loan and associated technical assistance; they must accept the technical assistance to be provided by the JBPA; and they must meet the revised/streamlined lending requirements under the Hurricane Reconstruction Program facility being set up by the JADF. For the poultry subsector the following criteria will apply: They must have contractual arrangements with one of the large processing companies for marketing and other services and they must meet the revised/streamlined lending requirements under the Hurricane Reconstruction Program facility being set up by the JADF. In the case

of poultry, loans up to J\$200,000 will be approved by the Managing Director of the JADF. Loans over that amount must be taken to the JADF Board of Directors for review and approval. In no instance will individual loans in excess of J\$1.0 million be approved for the poultry subsector. JADF, on a monthly and quarterly basis, will be able to provide all parties with a report, broken out between the two sub-sectors, detailing amounts approved for lending, actual disbursements, numbers and types of beneficiaries, and any other information required for project monitoring purposes. Actual monitoring of subloan progress will be carried out by JADF project officers in conjunction with JBG and JBPA technical staff, with the active participation and assistance of the Mission Office of Agriculture and Rural Development. ARDO will in turn provide the overall Hurricane Reconstruction Project Management entity with the reports prepared by JADF, as well as periodic site visit reports.

Expected Achievements/Accomplishments: On September 12, 1988, the day that Hurricane Gilbert struck Jamaica, there were approximately 1,000 small and medium size commercial banana farmers producing for the export market. These farmers accounted for approximately 5,500 acres under production, with farm sizes ranging from a low of 5 acres to a high of 70 acres. Of these approximately 1,000 farms, just over 900 are less than 10 acres in size. It is expected that as a result of this element of the Hurricane Reconstruction Project, up to one-third of these farmers will receive financing for reconstruction/resuscitation of their farms, as well as benefit from the expanded technical outreach program of the JBPA.

Before Hurricane Gilbert, Jamaica had approximately 7 million square feet of chicken houses involving approximately some 650 farms. As a result of the hurricane, 6.3 million square feet of the industry production capacity was destroyed, reducing production by 90%. Approximately 2.7 million square feet of poultry houses were insured, and industry sources estimate that as much as 50 to 60% of the producers can recover on their own. This Project element will attempt to provide assistance to a portion of those producers who have contractual arrangements for marketing and other assistance with the large processing companies, but do not have the necessary financial resources to reconstruct/restock their farms. This target group consists of about 100 farms with approximately 650,000 to 850,000 square feet of poultry houses.

2. National Development Foundation (NDF): NDF was established in 1981 to promote the establishment of manufacturing, commercial and agricultural small business entities. NDF provides business guidance, technical assistance, and non-traditional credit facilities to small entrepreneurs. Prior to Hurricane Gilbert, NDF's portfolio consisted of 924 loans, valued at US\$2.4 million. Under the Emergency Rehabilitation Project, NDF was provided US\$975,000 in grant funds for immediate relief of small and micro businesses directly affected by the hurricane.

Overall economic damage to the small business sector has resulted in an estimated loss of US\$107 million. This includes US\$19 million in loss of working capital, US\$36 million in loss of building, machinery and equipment, and US\$52 million in loss of current income. Although NDF's clients make up only a small percentage of the total, the loss certainly impacts on the sector. NDF now has an opportunity to provide longer term support to small businesses. This will substantially strengthen the ability of these businesses to contribute significantly to the overall economy by creating employment and income generating activities.

NDF's portfolio cuts across all sectors in the economy -- services, manufacturing, and agriculture. The portfolio has 439 loans in the services sector (e.g., meat retail, pastry, restaurant), with outstanding loan balances of US\$1.2 million. Most of these businesses are in need of longer term assistance to finance raw materials, fixed assets and existing debts. Destruction of raw materials and loss of power most severely affected the subsector's ability to recover from the disaster. In the manufacturing sector, clearly the furniture subsector, a major export earner, suffered the most with loss of inventory, factory space, and power. This subsector, comprising approximately 128 businesses with outstanding loan balances of US\$400,000, suffered considerable losses as much of their fixed assets were completely destroyed. Other NDF manufacturing clients suffering losses include food processors, electrical shops, and garment establishments, representing 36% of NDF's portfolio, with outstanding loan balances of US\$526,000.

In order to respond to the acute need for small business reconstruction, a grant in the amount of US\$2,000,000 will be provided to the National Development Foundation of Jamaica to establish a "Small Business Reconstruction Program." These funds will be used by NDF to cover administrative and operational costs and to establish a revolving loan fund. Loan funds will be targetted to individuals and groups who have suffered damage or losses as a result of the hurricane and are in need of resources to finance raw materials, working capital, replacement, upgrading of facilities, expansion, and repair and new construction of infrastructure, plant, equipment and facilities. Funds may be used to finance new opportunities that have arisen as a result of Hurricane Gilbert. Loan eligibility criteria will include that the applicant be an individual or group with net assets of or below J\$500,000 (exclusive of land and buildings), and that the applicant must have suffered damage from the hurricane. The threshold determination of hurricane damage will be established by NDF. Loan amounts will be no greater than J\$350,000 for individuals and groups. Reflows, which includes principal and interest, will be used to expand NDF's loan portfolio for on-lending.

How It Will Work: A Handbook 13 grant will be made to NDF for the purpose of on-lending the funds to micro and small business entrepreneurs and to cover NDF's administrative and operational costs. NDF will administer the funds in separate accounts under the normal terms and conditions of its regular lending program. Loans will be provided to current and potential clients who have suffered damage as a result of Hurricane Gilbert and are in need of financing.

To process loans under the Small Business Reconstruction Program, NDF will continue to use procedures already established under its regular lending program. NDF will continue to charge interest rates which are in effect for the rest of their loan portfolio. Applicants will be screened by NDF staff who determine applicant eligibility. After the initial screening process, applicants are enrolled in an orientation/training seminar which discusses loan repayment responsibility, collateral requirements, interest rates, loan criteria, business management, and collateral collection. The seminar serves as another screening tool before the applicant actually meets with a loan officer to develop an application with appropriate documentation. The loan officer assists the client with a feasibility analysis, the income and employment generation potential of the business, and the number of direct and indirect beneficiaries. Additional technical assistance is provided by NDF to the loan applicant to ensure that the applicant has absorbed all of the relevant information.

Once an application is completed (including a pre-loan site visit), it is submitted to the Loans Committee of the Board of Directors. All loan applications are presented to the Committee for review and approval except for loans below \$1800, which can be approved by the Executive Director. An applicant whose loan is approved attends another training session which is designed to reinforce business management practices.

After the loan is made, NDF's loan monitoring program begins by requiring that a field officer make monthly visits to the client. At the end of each month, loans in arrears are reviewed by the Management Committee, and an appropriate course of action is decided upon. In most cases, this will include more frequent visits by the field officer providing further assistance to the client in business management, and development of an individualized training program. Loans which are in arrears between 30-180 days are scrutinized by the field and loan officers, and the Management Committee. If loans fall in arrears in excess of 180 days, interest ceases to accrue, and the loan becomes a candidate for collateral collection. This time frame for arrears collection was established to allow for seasonal fluctuations and changes in family circumstances. These can have a significant impact on the loan's success. Since many of these situations are temporary, NDF can often work with a client to develop a new repayment schedule without having to write the loan off as a loss. All delinquent loans are reviewed at the end of the calendar year, with any write-offs being determined at that time.

Expected Achievements/Accomplishments: The Small Business Reconstruction Fund would accomplish the following results:

- 350 micro and small entrepreneurs would be assisted under the project.
- NDF would almost double its portfolio size and increase its ability to reach micro and small entrepreneurs
- NDF defaults and arrearages would decline as clients are able to service principal and interest on previous loans.
- Reflows from current loans would also increase NDF's ability to work with the small business sector.
- Nearly 30% of NDF's current clients would be able to remain in business.
- 200 new NDF clients would served.

### 3. JAMPRO

A direct grant of US\$500,000 will be made to JAMPRO to cover two activities: Micro and Small Enterprises and Export Recovery.

a. Small and Micro Enterprises - Small-scale enterprises, whether formal or informal, have grown in importance in developing countries as outlets for the entrepreneurial energies of people outside the mainstream economy, as providers of jobs for the unemployed and underemployed, and as contributors to national economic growth and economic equality.

In Jamaica, many small scale enterprises sustained substantial losses as a result of Hurricane Gilbert. Many of these businesses now find that they are unable to re-start operations without some degree of bridge financing and, in most cases, banks are unwilling to lend to them without excessive amounts (usually 200-300 percent) of collateral. Not only are they unable to access traditional lines of credit, but, because of their size, many are unable to access credit through development institutions. In the Montego Bay area of Jamaica, for example, craft market vendors, small garment manufacturers, food processors, and food vendors were totally destroyed. The small scale sector is a crucial job-creating sector in Jamaica, having employed more than 40% of the Jamaican work force prior to the Hurricane. This Project will be targetted specifically to two groups which would normally not benefit from other programs: (1) viable small scale producers who are unable to access funds to continue their ventures; and, (2) small scale exporting companies who have suffered dislocations and loss of income. Many of these companies were uninsured and most were underinsured.

How It Will Work: JAMPRO will make subgrants to groups and organizations that represent entrepreneurs affected by the hurricane. In turn, the group/organization (subgrantee) would make grants to the individual member entrepreneurs. Groups and organizations such as the Small Business Association of Jamaica/Peace Corps Craft Vendors Project, Self Start Fund, Unity Basket Weavers, ACE Woodwork Ltd., New Haven Farms, Hopewell Blooms, SBAJ/Garment Group, and St. Thomas Craft Producers are examples of groups/organizations that could participate as subgrantees. The individual small scale producers/entrepreneurs often supply the export market as subcontractors to larger manufacturing companies and are key elements in attempts to rehabilitate Jamaica's foreign exchange earning potential.

In collaboration with USAID, JAMPRO will screen prospective subgrantees, ascertain that the groups/organizations are legitimate and represent small scale producer/entrepreneurs affected by the hurricane. Eligibility will be based on the group/organization's ability and staff to manage sub-grant funding to its participating members and ability to prepare a sub-grant proposal for submission to JAMPRO and USAID for approval and subsequent monitoring. The proposal must indicate the group/organization's criteria for selection of members to receive financial assistance. The criteria for selection will be tailored to the specific industry, but, at a minimum, will include: been in business prior to the hurricane; demonstrate a need for financing; be unable to obtain financing from traditional lending sources or organizations such as NDF and JADF; and, demonstrate evidence of hurricane damage either physically or monetarily.

JAMPRO will disburse funds to selected groups/organizations and will monitor project activities. These groups and organizations will be responsible for administering and monitoring funds disbursed to individual small scale producer/entrepreneurs and reporting back to JAMPRO. To assist JAMPRO with the monitoring activities of the project, US\$30,000 of project funds will be set aside for the hiring of a project monitor. This individual will be responsible for site visits to grantees to ensure that project funds are used as intended, assisting grantees in the preparation of proposals, and other grant monitoring activities.

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Expected Achievements/Accomplishments: by the end of the Project, this activity is expected to have achieved the following:

-- 250 micro and small entrepreneurs undertaking business at pre-hurricane levels.

b. Export Business Recovery Program - JAMPRO (and prior to its formation, JNEC) carries out an export promotion program called JAMEXPORT, which USAID has been assisting for two years. Hurricane Gilbert severely disrupted some non-traditional exports with which JAMEXPORT concerns itself. JAMPRO has requested financing for a focussed, four-month, Export Recovery Program in selected sectors, in an effort to encourage U.S. buyers to return to Jamaica and to reverse the negative trends which have been observed since the hurricane.

JAMPRO proposes to reverse these trends by mounting an export recovery program through promotion at selected trade fairs, targeted trade publication advertising, news letters and specially designed seminars for buyers. The program, which will emphasize that Jamaica continues as a viable supplier, is essentially an interim one and will be followed by JAMPRO's regular marketing program addressing the needs of Jamaican producers within the U.S. market.

This targetted program is intended to provide a framework within which the image of Jamaica as a reliable producer of quality products can be reinforced and restored in order to help regain lost export markets. Success in reversing even half the decline in exports experienced in the last quarter could mean as much as US\$3 million.

How it will work: Under this element, USAID will provide \$200,000 to JAMPRO to organize, implement and monitor the interim export recovery program. The program, which will focus on such nontraditional exports as processed foods, crafts, fresh produce, ornamental horticulture, coffee and spices, will be implemented by JAMPRO together with local private business entities. In addition to the funds made available by USAID, JAMPRO will contribute the equivalent of US\$33,000 and the private sector entities, US\$47,000. JAMPRO proposes to provide institutional support to this program by: providing up-to-date information for dissemination to US buyers; coordinating promotional programs, i.e. selecting and preparing exporters for overseas promotions; providing support services for the creation of slide presentations; making presentations to select groups outlining the nature of the recovery program and presenting specific information on when products will become available; staffing booths etc. at trade fairs and other promotional activities; and working with selected consultants to ensure that the objectives of the programs are met.

JAMPRO (and JNEC) have been carrying out similar programs for over two years in these and other non-traditional product sectors, e.g. apparel, furniture, and data processing. They have done this successfully using their own personnel and working closely with the private sector companies involved. They will carry out this program in the same manner.

Expected Achievements: activities undertaken under this Export Recovery component are expected to result in a halt in the decline in export sales in the targetted product groups or a net increase.

C. Component III - Disaster Preparedness and Relief for the Poor

1. Disaster Preparedness

a. Shelter - the magnitude of destruction to settlements clearly illustrates that current practices, procedures, planning, and regulations concerning land use and construction are deficient. Damage was particularly severe among lower income settlements as a result of these deficiencies. Mitigating measures to decrease vulnerability to future natural disasters can be effective in this post-hurricane period due to (1) the heightened awareness of the potential for damage, (2) data and evidence of the hurricane's destruction for analysis, and (3) the investments being made in reconstruction.

The immediate response in the aftermath of the hurricane clearly showed the great difficulty in quickly assessing damage to shelter and supporting infrastructure. As a result, the various assessments were poorly coordinated, slow in execution, and the results often of low quality. This served to delay the prioritization of emergency and rehabilitation needs for the short and medium terms, and the development of appropriate Government and donor responses.

The Office of Disaster Preparedness has responsibility for the coordination of disaster mitigation measures and post-disaster response. Under this element of the Project, AID will provide approximately \$300,000 to support action-oriented analysis leading to specific strategies to reduce the vulnerability of Jamaica's settlements to future disasters, in the course of reconstruction. It will also provide assistance to ODP to enhance its capacity for post disaster assessment and development of priority rehabilitation needs.

Under the Emergency Rehabilitation Project, \$56,000 is being applied to disaster mitigation measures through the Urban Development Corporation and a joint program of the Construction Resource and Development Center (an NGO) and the Peace Corps. These funds were used to print basic manuals and posters and conduct short training sessions on disaster-resistant shelter reconstruction. The training is oriented to the particular building materials, such as roofing, being provided by AID and other donors.

Modest support to ODP is being provided by the UN through a regional disaster management program managed from Antigua. The main support to Jamaica is in the mapping of flood plains. The World Bank will be funding some field public education officers in disaster resistant construction. The AID support will be closely coordinated with these other inputs.

Technical Assistance will be provided in three related areas:

- Improvements to the Housing Stock - Technical assistance will be provided to analyze through field investigation the performance of the housing stock in the recent hurricane. Specific measures to improve the stock through a number of channels will be implemented. These might include updating of building standards, improved public inspection of construction, collaboration with insurance companies, curriculum development for the College of Arts, Science, and Technology, and continued direct dissemination of information materials by, e.g., CRDC and UDC.

- Improvements to the Settlement Pattern - Technical assistance will be provided to conduct an intensive analysis of key locales where hurricane damage was inordinately severe due to settlement on steep slopes, in flood plains, along coastlines, and other areas especially vulnerable to damage from natural disasters. The work will be carried out in five to ten areas identified by the GOJ as especially vulnerable to disasters, and which are representative of the types of settlement vulnerability common in Jamaica. In each area, a practical strategy for reducing vulnerability through, for instance, controlled development, resettlement, specific public investment in protective measures, credit for home improvements, or the development of evacuation plans, will be developed.
- Improvements in Post-Disaster Assessment - Support will be provided for the development or improvement of short and medium term methodologies to assess damage caused by a natural disaster to the shelter stock and supporting infrastructure.

How It Will Work: Upon signing of the Project Agreement, initial short term technical assistance will be directly contracted to provide the necessary depth of technical expertise required to refine the technical details of the long term scope of work. It is expected that one AID direct contract will be let for the long term TA and the remaining short term supplemental TA. Either a Jamaican firm or a U.S. firm in a joint venture with a Jamaican firm will be engaged. Commodities (vehicles and computer hardware/software) to support the work of the TA team will be procured directly by USAID. The work will be coordinated by the Office of Disaster Preparedness.

Expected Achievements/Accomplishments: activities undertaken under the Shelter Disaster Mitigation element are expected to achieve the following by the end of the Project:

- Up to 100,000 households will have received some technical advice or information on reconstructing their homes in a disaster-resistant manner.
- Detailed replicable strategies for disaster mitigation will have been developed for 5 - 10 locales of high vulnerability to natural disaster.
- The GOJ will have a framework for developing mitigation strategies in other areas of high vulnerability.
- Methodologies will be developed for the assessment of damage to shelter and infrastructure in the aftermath of a disaster.

b. Support to ODP - In reviewing the Office of Disaster Preparedness' (ODP) response to the management/coordination needs of the post-Hurricane period, several areas of weakness were identified which had affected ODP's capacity to respond. These limitations eroded ODP's effectiveness in the immediate aftermath of the hurricane, and it is recognized that they will need to be corrected before the next major disaster, if ODP is to provide the kind of direction, coordination, and management which is required in a disaster situation. AID will provide approximately \$273,000 to assist in the following:

Commodities

- Communications - the ODP Communication Network did not perform optimally during the recent disaster because (1) the Parish Disaster Coordinators did not have, or did not have access to, radio communications with the ODP, or with their parish based responding agencies; and (2) there was no redundancy capability in the repeater network used by the GOJ and the ODP to link with other responding agencies islandwide. In response to this problem, this Project will finance the procurement of additional communications equipment to augment the existing system. This will include hand held and mobile radios, repeaters, scanner, and an equipped communication command vehicle.
- Transportation - ODP officers were severely restricted in accessing first-hand damage data and in coordinating damage assessment surveys, because of a shortage of small four-wheel drive vehicles. This restriction affected the Operations, Emergency Relief, Public Education and Information, and Planning and Research branches of the ODP. This Project will therefore provide five four-wheel drive vehicles for the ODP.
- Documentation/Analysis - Significant time losses were incurred in the documentation, analysis, and interpretation of information during the recent disaster because of the manual manipulation of the data. Although the computerized monitoring of the relief donations arriving by air enhanced monitoring and management of these items, in other areas, such as damage assessment, shelter related information, hazard damage documentation and analysis, and public information, the time constraints imposed by a manual system seriously interfered with the expeditious use of this information. This Project will therefore provide computer hardware and software to upgrade the ODP's capability to document and analyze disaster related information.

How It Will Work: procurement of commodities will be undertaken directly by AID through a PSA. ODP will be responsible for installing the communications equipment and the computer equipment.

Expected Achievements/Accomplishments: activities undertaken under the ODP element of the Project are expected to achieve the following by the end of the Project, monitoring will therefore be related to these activities:

- The ODP will have an enhanced capability and shorter response time for dealing with information and communications requirements under future disaster situations.

2. CVSS/United Way of Jamaica - The Council of Voluntary Social Services/United Way of Jamaica (CVSS/UWJ) will receive a follow-on grant of approximately \$2,000,000 to continue its program of relief assistance aimed to assist 50,000 primarily non-wage earning families. Such assistance will be in the form of (a) direct supplies of food and bedding; (b) production inputs; and (c) income by way of participation in community based activities, e.g., road cleaning and maintenance, painting of public buildings, and labor in the construction industry.

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Although the program will continue along lines similar to the previous Emergency Relief Grant, the proposed Grant will focus on employment and income generating activities in the short-term, to cushion the burden presently being experienced by those rural families, e.g. small farmers, who have lost their farms and who will have to wait some six to nine months before partially reinstating their earning power. There are also the unskilled workers who previously relied solely on agriculture and who are not in a position to benefit significantly from the boom in the construction industry. In addition, there are the small industry groups, producing leather craft, wicker craft, garments, pottery, etc., who have lost their jobs, their shops, machines, and other equipment, and are experiencing grave financial difficulties.

As the main focus in the short run (first three months) will be on income-generating activities, at least fifty percent of the funds targetted towards this element will be in the form of tangible inputs for production or the productive sector. For example, in addition to the food and bedding which the farmer will receive, he/she will also receive farm tools, seeds, seedlings, etc., and in the case of the small cottage industry (e.g. a self-employed dressmaker or craft worker), materials to replace damaged stock which had been originally distributed by the local PVO.

In light of this emphasis on income generation, PVOs with built-in components to address the employment-income generating problem will be given high priority in respect of the allocation of funds under the Grant.

CVSS/UWJ will also use the grant funds for local technical assistance, warehousing, transportation and monitoring related to the provision of relief supplies and reconstruction activities in the voluntary sector.

How It Will Work: CVSS/UWJ will continue to use the Emergency Relief Committee as the decision-making entity for the selection of activities and the allocation of funds under the proposed Project, subject to ratification by the CVSS/UWJ Board of Governors. Selection of projects for subgrants will reflect the guidelines on employment-income generating activities as well as a high concentration on activities through the rural PVOs. CVSS/UWJ, as an umbrella organization with a well established network island-wide, will pass on the bulk of the funds to PVOs and make particular use of its relationship with the Red Cross and the Salvation Army, and more recently with the newly established organization of churches, Project ACCORD. CVSS/UWJ will continue to cooperate with these organizations in the implementation of this Project.

Most of the items to be procured are available locally and therefore all efforts will concentrate on the procurement of "shelf items" from local sources. This procurement will be the responsibility of the local representatives of the PVOs island-wide.

Payments for commodities and services under the Grant will be on a Cash Advance/Reimbursement basis. The transactions, except for audit and monitoring services, will be under local currency financing. The CVSS/United Way will open a special local bank account for the sole purpose of this Grant.

United Way will be accountable to USAID/Jamaica for funds expended under the proposed Grant. Under the ERP, CVSS/UWJ established a system of controls to account, monitor and track commodities and services to the recipients which is acceptable to USAID.

Expected Achievements/Accomplishments: by the end of the Project, this activity is expected to have achieved the following:

- 50,000 primarily non-wage earning families provided with relief support or participating in income generating activities.

#### IV. Cost Estimates and Financial Plan

A. Cost Estimates - The total cost of the eighteen month Hurricane Reconstruction Project is estimated to be US\$30,000,000. The entire amount will be obligated in one tranche. Table I presents the Summary of Cost Estimates and Financial Plan. Table II shows Costing of Project Outputs/Inputs. Table III shows the Projection of Expenditures by Fiscal Year.

TABLE I - SUMMARY COST ESTIMATE AND FINANCIAL PLAN\*  
(US\$000)

SOURCE	A. I. D.		TOTAL
	FX	LC	
I.1 POWER			
Data Base	840	80	920
Resource Assessment	3,235	0	3,235
Disaster Preparedness Plan	500	0	500
Line Upgrading & Rehabilitation	5,345	0	5,345
Sub-Total	<u>9,970</u>	<u>80</u>	<u>10,000</u>
I.2 TELECOMMUNICATIONS			
Commodities	500	0	500
I.3 WATER			
Commodities	570	30	600
System Repairs & Reconstruction	2,040	1,360	3,400
Facilities Rehabilitation	300	200	500
Temporary Personnel	0	500	500
Sub-Total	<u>2,910</u>	<u>2,090</u>	<u>5,000</u>
I.4 EDUCATION: PRIMARY/SECONDARY			
Refurbishing Buildings	0	3,180	3,180
Instructional Materials	0	320	320
UWI Commodities	405	95	500
Sub-Total	<u>405</u>	<u>3,595</u>	<u>4,000</u>
I.5 ADMINISTRATION OF JUSTICE			
RM Courts Rehabilitation	0	700	700
II.1 AGRICULTURAL CREDIT	60	3,940	4,000
II.2 NDF CREDIT	0	2,000	2,000
II.2 JAMPRO			
Micro and Small Enterprises	0	300	300
Export Recovery	175	25	200
Sub-total	<u>175</u>	<u>325</u>	<u>500</u>
III.1 DISASTER PREPAREDNESS			
Shelter	140	160	300
Institutional Support	233	40	273
Sub-Total	<u>373</u>	<u>200</u>	<u>573</u>
III.2 CVSS/UWJ	0	2,000	2,000
MONITORING/TRACKING/AUDIT	0	500	500
TOTAL	14,343	15,430	29,773
CONTINGENCY/INFLATION	109	118	227
GRAND TOTAL	<u>14,452</u>	<u>15,548</u>	<u>30,000</u>

\*NOTE: No GOJ Contribution Required

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TABLE II - COSTING OF PROJECT OUTPUTS/INPUTS  
(US\$000)

OUTPUTS	INPUTS							TOTAL
	LONG TERM TA	SHORT TERM TA	COMMOD- ITIES	RENOVA- TIONS	CREDIT	GRANTS	MONIT- ORING/ TRACKING	
1. POWER								
JPS data base	390	130	400					920
Physical & human resources assessment	450	150	2,635					3,235
Revised Emergency Restoration Plan	375	125						500
Distribution lines upgraded & rehabilitated	600	200	4,545					5,345
2. TELECOMMUNICATIONS								
Rehabilitation of telecommunications lines			500					500
3. WATER								
Restored & functioning potable water/ sewerage System	320	180	2,940	1,560				5,000
4. EDUCATION								
Education facilities repaired & conducting classes	300			2,880				3,180
Textbooks published & distributed			320					320
Return to normal level of research/ instruction at UWI			500					500
5. ADMINISTRATION OF JUSTICE								
Damaged courthouses repaired	20			680				700
6. AGRICULTURAL CREDIT								
Revived banana & poultry industry			35		3,800	140	25	4,000
7. NDF CREDIT								
Micro/small entrepreneur businesses resumed					1,500	500		2,000
8. JAMPRO								
Rehabilitation of micro/small enterprises						300		300
Exports increased to previous levels						200		200
9. DISASTER PREPAREDNESS								
Strategies for shelter disaster mitigation	96	58						154
Shelter/infrastructure disaster assessment methodologies	60	36	50					146
Enhanced disaster response capability at ODP			273					273
10. CVSS/UWJ								
Relief support/income generating activities provided to non-wage earning families						2,000		2,000
11. MONITORING/TRACKING/AUDIT							500	500
TOTAL	2,611	879	12,198	5,120	5,300	3,140	525	29,773
CONTINGENCY/INFLATION	20	7	93	39	40	24	4	227
GRAND TOTAL	2,631	886	12,291	5,159	5,340	3,164	529	30,000

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TABLE III - PROJECTION OF EXPENDITURES BY FISCAL YEAR  
(US\$000)

	FY 89	FY 90	TOTAL
<b>I.1 POWER</b>			
Integrated & Standardized Data Base			
Hardware/Software	400	0	400
TA (Computer Consultant, Systems Analysts, Mapping Expert)	<u>260</u>	<u>260</u>	<u>520</u>
	660	260	920
Physical & Human Resources			
Vehicles/Equipment	1,500	0	1,500
Communications Equipment	700	0	700
Tools/Machinery	75	0	75
Spare Parts	360	0	360
TA (Disaster Mgmt. & Risk Mgmt.)	<u>300</u>	<u>300</u>	<u>600</u>
	2,935	300	3,235
JPS Disaster Preparedness Plan			
TA (Telecommunications Expert)	<u>250</u>	<u>250</u>	<u>500</u>
	250	250	500
Line Upgrading & Rehabilitation			
Materials and Technical Services	4,545	0	4,545
TA (Electrical Systems Expert, Distr. Design Engineer, Project Mgmt.)	<u>400</u>	<u>400</u>	<u>800</u>
	4,945	400	5,345
	=====	=====	=====
<b>POWER - SUBTOTAL</b>	8,790	1,210	10,000
<b>I.2 TELECOMMUNICATIONS</b>			
Commodities - 13 bucket trucks	500	0	500
	=====	=====	=====
<b>TELECOMMUNICATIONS - SUBTOTAL</b>	500	0	500
<b>I.3 WATER</b>			
Commodities			
Mechanical and Electrical Equipment	500	0	500
Equipment Support	100	0	100
System Repairs & Reconstruction *			
Minor Repair Works	280	120	400
Major Reconstruction Works	2,100	900	3,000
Facilities Rehabilitation *			
O&M Facilities	210	90	300
Administrative Facilities	140	60	200
Temporary Personnel			
Program Managers (6)	50	150	200
Emergency Water Loss & System Mgmt.	50	150	200
Other Technical Support Staff	25	75	100
	=====	=====	=====
<b>WATER - SUBTOTAL</b>	3,455	1,545	5,000

\* Based on the assumption that 60% of the cost will be commodities and 40% labor.

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TABLE III - PROJECTION OF EXPENDITURES BY FISCAL YEAR - continued  
(US\$000)

	FY 89	FY 90	TOTAL
I.4 EDUCATION: PRIMARY/SECONDARY			
Refurbishing Buildings	1,440	1,440	2,880
Technical Assistance	150	150	300
	<u>1,590</u>	<u>1,590</u>	<u>3,180</u>
Instructional Materials	320	0	320
UWI Commodities	500	0	500
EDUCATION: UWI - SUBTOTAL	<u>2,410</u>	<u>1,590</u>	<u>4,000</u>
I.5 ADMINISTRATION OF JUSTICE			
RM Courts included in CJIP			
TA - A&E	20	0	20
Construction	111	0	111
Other RM Courts			
Construction	284	285	569
ADMINISTRATION OF JUSTICE - SUBTOTAL	<u>415</u>	<u>285</u>	<u>700</u>
II.1 AGRICULTURAL CREDIT			
Credit - Poultry	2,800	0	2,800
Credit - Bananas	1,000	0	1,000
TA - JBPA	85	0	85
Administration	55	0	55
Environmental Assessment	25	0	25
Commodities - 2 vehicles & spare parts	35	0	35
AGRICULTURAL CREDIT - SUBTOTAL	<u>4,000</u>	<u>0</u>	<u>4,000</u>
II.2 NDF CREDIT			
Credit	750	750	1,500
Operations & Administrative Support	250	250	500
NDF CREDIT - SUBTOTAL	<u>1,000</u>	<u>1,000</u>	<u>2,000</u>
II.3 JAMPRO			
Micro and Small Enterprises			
Subgrants	135	135	270
Administrative Costs	15	15	30
	<u>150</u>	<u>150</u>	<u>300</u>
Export Recovery			
Overseas Costs	175	0	175
Local Costs	25	0	25
	<u>200</u>	<u>0</u>	<u>200</u>
JAMPRO - SUBTOTAL	<u>350</u>	<u>150</u>	<u>500</u>

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TABLE III - PROJECTION OF EXPENDITURES BY FISCAL YEAR - continued  
(US\$000)

	FY 89	FY 90	TOTAL
III.1 DISASTER PREPAREDNESS			
Shelter			
Planner (12 mo. @ \$8,000)	48	48	96
Housing Specialist (6Mo.@\$6,000)	18	18	36
Engineer (12 Mo. @ \$5,000)	30	30	60
ST TA (including travel)	29	29	58
Training materials	13	12	25
Commodities			
1 vehicle	15	0	15
computer hardware/software	10	0	10
	<u>163</u>	<u>137</u>	<u>300</u>
Institutional Support			
Communication Equipment	70	0	70
Vehicles (5 4WD)	163	0	163
Computer Hardware/Software	40	0	40
	<u>273</u>	<u>0</u>	<u>273</u>
	=====	=====	=====
DISASTER PREPAREDNESS - SUBTOTAL	436	137	573
III.2 CVSS/UWJ			
Red Cross			
Food	100	0	100
Mattresses/Bedding	50	0	50
Production Inputs	75	50	125
Warehousing/Distribution	55	0	55
	<u>280</u>	<u>50</u>	<u>330</u>
Salvation Army			
Food	110	0	110
Mattresses/Bedding	50	0	50
Construction Materials	50	0	50
Production Inputs	100	55	155
Warehousing/Distribution	55	0	55
	<u>365</u>	<u>55</u>	<u>420</u>
Project ACCORD			
Food	75	0	75
Mattresses/Bedding	50	0	50
Production Inputs	50	50	100
Warehousing/Distribution	85	0	85
Administration	20	10	30
	<u>280</u>	<u>60</u>	<u>340</u>
PVOs (UWJ Subprojects)			
Income Generation	100	50	150
Production Inputs	100	45	145
PVO Clients	20	15	35
	<u>220</u>	<u>110</u>	<u>330</u>

TABLE III - PROJECTION OF EXPENDITURES BY FISCAL YEAR - continued  
(US\$000)

	FY 89	FY 90	TOTAL
PVOs (CVSS Subprojects)			
Income Generation	100	100	200
Production Inputs	50	25	75
PVO Clients	20	10	30
	<u>170</u>	<u>135</u>	<u>305</u>
Indirect Costs			
UWJ Admin. Costs/Overhead	130	70	200
CVSS Admin. Costs/Overhead	50	25	75
	<u>180</u>	<u>95</u>	<u>275</u>
	=====	=====	=====
CVSS/UWJ - SUBTOTAL	1,495	505	2,000
MONITORING/TRACKING/AUDIT	250	250	500
CONTINGENCY/INFLATION	176	51	227
-----	-----	-----	-----
GRAND TOTAL	23,277	6,723	30,000

B. METHODS OF IMPLEMENTATION AND FINANCING - Table IV shows the methods of implementation and financing for the Hurricane Reconstruction Project, and all are in accordance with AID's preferred methods. There will be eleven entities implementing various segments of the project: JPS, ODP, NWC, SCOPE, MOE, UWI, MOJ, JADF, NDF, CVSS/UWJ, and JAMPRO. Of these, four entities (JPS, NWC, NDF, and CVSS/UWJ) were involved in the Emergency Rehabilitation Project (ERP) and had their internal control, accounting, and reporting capabilities reviewed by a local chartered accounting firm. Except for some minor adjustments, no major weaknesses were found during these reviews. Those entities involved with commodities also had their inventory systems reviewed and any weaknesses identified and corrected.

USAID will contract with a chartered accounting firm to conduct financial management reviews of the entities that were not involved in the ERP. The reviews will include an assessment of their internal controls, contracting capability, and their ability to account and report on Project funds in addition to their normal accounting activities. These reviews will not be completed prior to signing of the Agreement, so implementation of these components will be delayed pending the results of the reviews. Urgency to commence overall Project implementation does not warrant holding up the signing of the Project Agreement.

Further safeguard of Project funds and commodities will be put into place as the Mission will contract for a concurrent non-federal audit under the supervision of

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the Regional Inspector General. Project funds will also be used to contract for the services of a chartered accounting firm to ensure that the internal controls, accounting and reporting systems, and inventory procedures are adequately maintained through the life of the Project.

TABLE IV - METHODS OF IMPLEMENTATION AND FINANCING  
(US\$000)

INPUT	METHOD OF IMPLEMENTATION	FINANCING	AMOUNT
Long-Term TA	Direct Contract	Direct Payment	2,591
	HC Contracting	Reimbursement	20
Short-Term TA	Direct Contract	Direct Payment	879
Commodities	Direct Contract/PSA	Bank LComm/Direct Payment	11,598
	Direct Contract	Direct Payment	185
	HC Contracting	Advance/Reimbursement	95
	HC Contracting	Reimbursement	320
Renovation	HC Contracting or FARS	Reimbursement	2,240
	Sub Contract	Reimbursement	2,880
Credit	Direct Grant	Advance/Reimbursement	5,300
Grants	Direct Grant	Advance/Reimbursement	2,640
	P.I.L.	Advance/Reimbursement	500
Monitoring/Tracking/Audit	Direct Contract	Direct Payment	525
Contingency/Inflation			227
Total			30,000

V. Implementation Plan

All Project funds will be granted to the GOJ and AID will, on behalf of the GOJ, sub-grant funds to PVOs and NGOs, and also contract directly for some services and commodities.

A. Implementing Agencies - the implementing agencies will be as follow:

Component A - Jamaica Public Service Company for power, the Office of Disaster Preparedness for coordinating the housing research and other disaster preparedness assistance, the National Water Commission for water, SCOPE for schools, the Ministry of Education for the textbooks, UWI for commodity assistance, and the Ministry of Justice for courthouses.

Component B - the Jamaican Agricultural Development Foundation (JADF) for the agricultural aspect, the National Development Foundation for small and micro-entrepreneurs, and JAMPRO for assistance to small and microentrepreneurs and an export recovery program.

Component C - the Office of Disaster Preparedness for assistance in shelter and some institutional support, and the Council of Voluntary Social Services/United Way of Jamaica for a grant for relief and income generating activities.

Accordingly, funds will only be disbursed through official government organizations and private voluntary organizations, in a manner consistent with the intent of Congress as described in conference report language. USAID has previous experience with all of the proposed implementing institutions and believes these are the most efficient mechanisms for channeling assistance to those who need it. There have not been any problems with partisan distribution of disaster rehabilitation funds to date using these implementing entities.

#### B. Implementation Schedule

This schedule assumes that the Grant Agreement will be signed by 1/30/89. Any alternate signing date will result in changes in the implementation schedule accordingly.

##### I.i. Power

###### Integrated Standardized Data Base

Preparation of PIO/T	1/24/89
Contract with Consultants	2/03/89
Needs Assessment	2/28/89
Specifications prepared - JPS/USAID	3/15/89
Preparation of PIO/C	3/20/89
Procurement of Hardware and Software	3/31/89
Installation of desired system	7/31/89
Training	8/15/89

###### Assessment of Physical and Human Resources

Preparation of PIO/T	1/24/89
Contract with Consultants	2/03/89
Needs Assessment	2/28/89
Preparation of PIO/C	3/15/89
Order placed with PSA	3/31/89
Commodities shipped	6/30/89
Commodities in country	7/31/89
Training	8/15/89

###### Revision of the JPS Disaster Preparedness Plan

Preparation of PIO/I	1/24/89
Contract with consultants	2/03/89
Revision and expansion of plan	3/01/89
Detailed restoration procedure manual produced	9/01/89

Line Upgrading and Rehabilitation

Line Assessment	2/03/89
Specifications prepared - JPS/USAID	2/15/89
Preparation of PIO/C	2/22/89
Order placed with PSA	3/15/89
Commodities shipped	5/15/89
Commodities in country	6/15/89
Preparation of PIO/T	6/15/89
Contract for Technical Services	6/30/89
Line Upgrading.	7/01/89

I.2. Telecommunications

Specifications prepared - JCT/USAID	1/20/89
PIO/C prepared for Mechanical/electric Equipment	1/24/89
Order placed with PSA	3/15/89
Equipment shipped	5/15/89
Equipment in country	5/31/89
Equipment in place	8/31/89

I.3. Water

Mechanical/Electrical Equipment

Specifications prepared - NWC/USAID	1/20/88
PIO/C prepared for Mechanical/electric Equipment	1/24/89
Order placed with PSA	3/15/89
Equipment shipped	5/15/89
Equipment in country	5/31/89
Equipment in place	8/31/89

System Repairs & Reconstruction

Specifications prepared - NWC/USAID	1/20/88
PIO/C prepared for Construction related commodities	1/24/89
Order placed with PSA	3/15/89
Commodities shipped	5/15/89
Commodities in country	5/31/89
Host Country Contracts with Construction firms/individuals	6/30/89
Repairs initiated	7/31/89
Repairs completed	11/15/89

Facilities Rehabilitation

Specifications prepared - NWC/USAID	1/20/88
Preparation of roofing PIO/C	1/24/89
Order placed with PSA	3/15/89
Commodities shipped	5/15/89
Commodities in country	5/31/89
Host Country Contracts with Construction firms/individuals	6/30/89
Commencement of Facilities Rehabilitation	7/31/89

Equipment Support

Specifications prepared - NWC/USAID	1/20/88
PIO/C prepared for Equipment Support	1/24/89
Order placed with PSA	3/15/89
Commodities shipped	5/15/89
Commodities in country	5/31/89
Equipment in place	7/31/89

Temporary Personnel

Personnel selected by NWC for temporary personnel assistance	3/15/89
Host Country Contracts signed	4/15/89

I.4. Education

a. School Rehabilitation

PIO/T and RFTP prepared for management firm	1/24/89
PIO/T countersigned by MOE	1/31/89
SCOPE begins review of schools to be refurbished	1/31/89
RFTP distributed	2/03/89
Proposals received from local management firms	2/28/89
USAID selects firm and signs contract	3/15/89
List of schools submitted to USAID for approval	3/31/89
Firm assists schools in preparation of BQ, etc.	4/1/89-9/30/89
Firm executes contract agreements with community groups	5/1/89-10/31/89
Firm carries out supervision and site visits	5/1/89-4/30/90
Firm subcontracts major repairs	6/1/89
Major repairs carried out	6/1/89-4/30/90
Firm does final inspections of schools	8/1/89-4/30/90
Firm makes report to USAID and MOE	5/15/90

b. Textbooks

Specifications prepared - MOE/USAID	1/20/88
PIO/C prepared for books	1/24/89
Order placed with publishing company	2/03/89
Books distributed	4/31/89

c. UWI

Specifications prepared - UWI/USAID	1/20/89
PIO/C prepared for overseas commodities	1/24/89
PIL approval of local commodities list	2/10/89
Order placed	2/15/89
Local commodities in place	4/30/89
Order placed with PSA	3/15/89
Commodities shipped	4/15/89
Commodities in country	5/15/89

I.5. Administration of Justice

Variations made to existing A&E Contracts	2/03/89
Variations made to existing Construction Contracts	2/03/89
Bills of Quantities estimated for non-CJIP RM Courts	2/15/89
FARAs approved	3/01/89
Non-CJIP RM Courts Construction contracts tendered	3/15/89
Non-CJIP RM Courts Construction contracts signed	4/15/89
Repairs completed to Non-CJIP RM Courts	8/31/89
Repairs completed to CJIP RM Courts	8/31/89

II.1. Agricultural Credit

JBPA identifies TA needs	12/15/88
JBPA and JBG compile list of potential borrowers for JADF	12/15/88
JADF Grant PIO/T for subgrant prepared	12/31/88
Commodities PIO/C prepared	1/15/89
JADF Grant PIO/T Countersigned by MOF	1/30/89
Grant Agreement with JADF signed	1/31/89
JADF countersigns commodities PIO/C	1/31/89
Special local currency bank account established by JADF	1/31/89
Request for First Cash Advance received in USAID	2/03/89
First Cash Advance Check advanced to Grantee	2/17/89
Order placed with PSA	3/15/89
Commodities shipped	5/15/89
Commodities in country	6/15/89
JADF subgrants to JBPA to contract TA	2/24/89
JADF reviews loan applications	1/31/89-04/30/89
JADF authorizes loans	
50% of the funds by	6/30/89
100% of the funds by	9/30/89
Funds disbursed to borrowers	
50% of the funds by	9/30/89
100% of the funds by	12/15/89

II.2. Credit - NDF

PIO/T for subgrant prepared	1/20/88
PIO/T Countersigned by MOF	1/30/89
Grant Agreement with NDF signed	1/31/89
Special local currency bank account established at NDF branches	1/31/89
Request for First Cash Advance received in USAID	2/03/89
First Cash Advance Check advanced to Grantee	2/17/89
NDF reviews loan applications	1/31/89-12/31/89
NDF authorizes loans	
50% of the funds by	6/30/89
100% of the funds by	12/31/89
Funds disbursed to borrowers	
50% of the funds by	9/30/89
100% of the funds by	3/31/90

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II.3. JAMPRO

a. Micro and Small Enterprises

PIL for subgrant prepared	1/20/88
PIL Countersigned by MOF	1/30/88
PIL Countersigned by MOF	1/31/88
JAMPRO establishes Special local currency bank account	1/31/88
JAMPRO executes subgrants with other organizations	2/11/89
JAMPRO designs monitoring system	2/28/89
Monitoring system approved by USAID-contracted audit firm	3/15/89
JAMPRO reviews requests from groups/organizations	1/31/89-3/31/89
JAMPRO begins disbursements to groups	2/31/89
50% disbursed by	8/31/89
100% disbursed by	2/28/90

b. Export Recovery

PIL for subgrant prepared	1/20/88
PIL Countersigned by MOF	1/30/88
PIL Countersigned by MOF	1/31/88
JAMPRO organizes seminars, trade fairs, etc.	1/31/89-5/30/89

III.1. Disaster Preparedness

a. Shelter

Preparation of PIO/T for initial ST TA	1/24/89
Commodity specifications prepared - ODP/USAID	2/03/89
Preparation of PIO/T for LT contract	2/28/89
Contract for LT Technical Assistance	2/28/89
Preparation of PIO/C	5/15/89
Order placed with PSA	3/31/89
Commodities shipped	5/31/89
Commodities in country	6/31/89

b. Institutional Support

Specifications prepared - ODP/USAID	12/31/88
Preparation of PIO/C	1/24/89
Order placed with PSA	3/15/89
Commodities shipped	5/15/89
Commodities in country	6/15/89

III.2. CVSS/UWJ

PIO/T for subgrant prepared	1/20/88
PIO/T Countersigned by MOF	1/30/89
Grant Agreement with CVSS/UWJ signed	1/31/89
Special local currency bank account established by UWJ	1/31/89
Request for First Cash Advance received in USAID	2/03/89
First Cash Advance Check advanced to Grantee	2/17/89
UWJ reviews requests from PVOs	1/31/89-3/31/89
UWJ: first disbursement to PVOs - 35% of total Subgrant amount	2/31/89
PVOs distribute goods/services to recipients	
10% distributed by	3/31/89
25% distributed by	4/30/89
30% distributed by	5/31/89
35% distributed by	6/30/89
UWJ reviews and approves requests from PVOs (for activities during next 9 - 18 months)	4/1/89-4/31/89
UWJ: second disbursement to PVOs - 10% of Subgrant amount	5/14/89
UWJ: third disbursement to PVOs - 20% of Subgrant amount (for medium to long-term activities)	7/15/89
UWJ disburses additional funds to PVOs - 10% of Subgrant amount	10/31/89
UWJ disburses additional funds to PVOs - 10% of Subgrant amount (Total disbursement are therefore 85% of Subgrant amount)	1/31/90
PVOs distribute goods/services to recipients	
40% distributed by	7/31/89
70% distributed by	12/31/89
85% distributed by	3/31/90
UWJ disburses additional funds to PVOs - 15% of Subgrant amount	3/31/90
PVOs distribute goods/services to recipients	
90% distributed by	4/30/90
100% distributed by	6/30/90
First Quarterly Report presented by UWJ to USAID	5/31/89
Second Quarterly Report	3/31/89
Third Quarterly Report	11/30/89
Fourth Quarterly Report	2/28/90
Fifth Quarterly Report	5/31/90
Sixth and Final Quarterly Report	8/31/90

C. Procurement Plan

1. Responsible Agency - Responsibility for procurements will be vested in USAID/Jamaica in coordination with the GOJ. The GOJ representatives will also be required to review and approve (a) lists of equipment, (b) specifications, (c) method of procurement (d) countersign all PIO/Cs, and (e) arrange for receipt and clearance of all equipment arrivals.

2. Procurement Entities - USAID, acting on behalf of the responsible GOJ agencies, will assign procurement responsibilities to two or three selected Procurement Service Agents (PSAs), each handling all purchasing for one or more project components. Selections will be made by USAID on the basis of informal Requests for Proposal (RFP), and with the assistance and participation of the Regional Contracting Officer and/or Procurement Expert. RFPs will be sent to a short list of qualified PSAs. Contract awards and negotiations will be based on proven competence, ability to respond quickly to existing requirements and service fees requested. Contracts will be negotiated by the Regional Contracting Officer.

3. Equipment/Commodity Requirements - Procurements will be conducted on the basis of approved equipment/commodity listings, attached to this PP (Annex VI). The lists show requirements by Project component, including the type and number of each item needed, catalog references (if any), and estimated cost (FOB or CIF as noted). Detailed specifications will be developed concurrently with the appointment of PSAs and, if needed, with the assistance of PSAs.

4. Source/Origin - The authorized source/origin/nationality for the project will be the United States and Jamaica, with the exception that up to \$1,000,000 of commodities may be procured from AID Geographic Code 935. Under the ERP Project, almost all procurement has been from the U.S. or local procurement in Jamaica and we expect the same to be true for this Project. There are, however, certain types of equipment or commodities that we know will be unavailable from the U.S. or Jamaica and, therefore, would require waivers unless authorized in advance. For example, in assisting in the reconstruction of the water system, some commodities (such as small diameter pipes with UK threading) will need to be obtained from the U.K. for repair of existing equipment, even though the GOJ is switching to U.S.-type components wherever possible in the water system reconstruction. Similarly, refurbishing of laboratory equipment at the University of the West Indies may require some Code 935 procurement. In addition, there may be other minor, unforeseen cases where commodities needed are not available from U.S. manufacturers.

The Mission will maximize U.S. procurement and deviations should be a very small percentage of the total, but it is critical to rapid project implementation that time-consuming source/origin waivers not be required.

5. Method of Procurement - Procurements will be conducted by the PSAs in accordance with good commercial practices and applicable AID regulations. PSAs will be instructed, however, that implementation schedules do not tolerate delays and that USAID will consider changes in source/origin, and flexibility in specifications competition in order to expedite the purchasing process.

6. Method of Payment - Payments for equipment and commodities will be through bank Letters of Commitment, activated for banks designated by the PSAs. PSA fees will be paid directly by the USAID Controller in accordance with the terms of PSA contracts.

7. Shipping and Delivery - Shipping will be on authorized flag vessels only and in accordance with applicable AID cargo preference rules. PSAs will be instructed to purchase equipment, to the maximum extent possible, on FOB/FAS port of exit or ex-factory basis. Delivery, export packing, insurance, inspection and documentation will be the responsibility of the PSAs. Air shipment will be authorized on a case by case basis.

8. Procurement Schedule - The procurement schedule will be based on the date of project authorization. It is assumed that by that date the following will have been accomplished:

- i. The equipment list (in Annex VI) is finalized and agreed upon both by USAID and the GOJ agencies responsible.
- ii. A short list of PSAs to be contacted has been completed.
- iii. A system of control and monitoring to cover project purchasing has been put in place both at USAID and the responsible GOJ agencies.

The schedule is proposed as follows:

January 6 RFP is prepared for PSA services.

January 9 PSAs are contacted for service proposals (RFP).

January 30 RFP replies are received from PSAs.

February 15 Proposals are evaluated and tentative selections made.

February 20 Selected PSAs are notified and negotiation begins.

March 8 PSA contracts are signed. (PSAs are given equipment lists and instructed to begin solicitation of offers with Jan. 27 deadline.)

March 15 PIO/Cs are issued.

March 20 Letters of credit and commitment are issued.

April 2 PSAs receive offers from suppliers.

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April 5            PSA evaluation of offers is completed and passed to USAID for approval, if needed.

April 10          Orders are placed for first purchases.

May 10            First orders arrive in Kingston.

September 30    Procurement and deliveries completed.

## VI. Monitoring Plan

A. Monitoring, Reporting and Auditing - In order to monitor the distribution and use of commodities and services financed under the Grant, A.I.D., using Grant funds, will directly contract with a local chartered accounting firm for technical assistance to develop tracking and accounting systems for the flow of all forms of assistance under this Project and to monitor reported financial, commodity and equipment information.

A.I.D., using grant funds, will also directly contract with a local chartered accounting firm for a non-federal financial audit under the supervision of the Regional Inspector General. The contract will require the firm to monitor and concurrently audit the auditing records, disbursements of funds, and uses of funds, commodities, and supplies.

In addition, short term technical assistance will be contracted to assist Project Officers in developing baseline indicators and impact indicators in order to measure and monitor the impact of each element throughout the Life of Project.

B. Mission Management and Monitoring - Each element of the Project will be managed or, in the case of Handbook 13 grants monitored, by the responsible Technical Office. Implementation of the Project as a whole will be coordinated by the Project Development & Support Division. Systems for tracking implementation were developed for the ERP Project and will be adapted to the needs of the Hurricane Reconstruction Project. Following a precedent established under the ERP Project, periodic reviews of progress implementing the activities described in this Project may result in the reallocation of funds from a slow-disbursing element to a quick-disbursing element.

## VII. Summary of Analyses

A. Economic and Financial Analysis - The anticipated impact on the Jamaican economy has been previously documented.\* Although precise estimates are still unavailable, the Jamaican economy suffered severe hurricane damage to both capital stock and current income flows. The consensus estimate of capital stock loss centers around US\$1.5 Billion, with the GOJ estimate of US\$1.8 Billion as a likely upward boundary of the loss. Heaviest losses were to shelters and utilities. Estimating the loss to current income is more difficult and complex, but there is general agreement on the general dimensions of the short-run (six months) income loss.

\* (Specifically, see cables Kingston 88-09764, 88-10243, 88-10314, 88-10579, 88-10631, 88-10905, 88-11087, 88-12081.)



In the week immediately following the hurricane, normal income generating activity was virtually nil. From this low point-in terms of GDP creating activity - the economy gradually began restoring the ability to produce. Based on present expected recovery paths it now appears likely that GDP growth for the fiscal year ending March 31, 1989 will be reduced by about one and one-half percent, or US\$50 million at 1988 prices. This estimate represents a balance between the very low level of economic activity just after the hurricane and the more nearly normal levels expected to be re-established by fiscal year end, assuming that recovery continues to proceed relatively smoothly.

The loss of current income over the period from September 1988 through March 1989 as a direct result of hurricane damage to productive facilities would be much greater except for the income producing activities necessitated by the hurricane for repairs, rehabilitation and replacement.

Fortunately for Jamaica's larger businesses, most of the losses were insured and in turn, re-insured with foreign companies. The total estimated amount of foreign exchange available in the current fiscal year from re-insurance alone is close to US\$500 million, and grants and loans from donors will provide perhaps US\$250 million of additional access to foreign exchange. These flows will help offset a loss of exports estimated at US\$150 million, as well as funding the US\$450 million increase in imports expected in the aftermath of the hurricane. Thus, the critical factor normally limiting the growth of the Jamaican economy - availability of imports - is not a major short run constraint to the country.

In addition to sufficient foreign exchange, the return to pre-hurricane forecast levels of GDP growth of 4.0 to 4.5 percent requires a well functioning utilities system - especially power. Without adequate utilities islandwide, neither the ordinary income generating traditional economic activity, nor the needed extra activity for rehabilitation could go forward. Without full recovery of normal activity and absent vigorous restoration work, it seems unlikely that the economy would register any growth in fiscal 1988/89 despite the gains made prior to the hurricane. The loss in terms of national income foregone would increase from the US\$50 million previously cited to U.S. \$150 million, an increase of U.S.\$100 million.

The Hurricane Reconstruction Project will provide U.S.\$21 million for the reconstruction of infrastructure, mostly in the form of support for basic utilities. Although the power section largely has been returned to pre-hurricane service, (in part through the earlier \$25 million Emergency Rehabilitation Project) there has been less progress in the areas of water and telephone services, and the power sector is not in a position to provide sustained, reliable service without substantial further work. In addition, certain members of the economy - primarily smaller enterprises, some farmers and micro entrepreneurs - are destined to remain outside the reconstruction net unless specific assistance is provided to renew their ability to engage in income generating activity. Under present conditions, absent the Reconstruction Project, it is clear that the short-run income loss will fall somewhere between the US\$50 million loss expected under good recovery conditions, and the US\$150 million that would have been lost with only minimum restoration of utilities.

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The economy's path beyond the current fiscal year contains additional uncertainties. Best available projections, based on consultation with the IMF, World Bank, Bank of Jamaica and major bilateral donors, suggest that the economy will return to its pre-hurricane forecasted growth rate of 4 percent, down slightly from the nearly five percent growth registered in the eighteen months before September 1988. There, will however, be significant shifts in the composition of this growth, and much of the adjustment will fall heavily on the sectors being assisted under this Project.

In 1987 Construction and Installation was one of the fastest growing sectors in the Jamaican economy, increasing by 14 percent over 1986. This strong growth rate, which was being maintained in 1988 prior to the hurricane, must now further accelerate to accommodate the replacement of the capital stock lost in the hurricane. Providing building materials can be imported fast enough, (as seems possible) and given the general availability of unskilled labor, there is good reason to expect that construction will expand at a 30 to 40 percent annual interest rate in the months ahead - constrained only by the availability of skilled labor and capable managers. This will place an enormous strain on the provision of utilities, both to accommodate the construction period, and to serve the new and/or restored buildings, which will likely require some modifications to previous service. Electricity and water services grew by 10.4 percent (in constant prices) from 1985 to 1986, and by 7 percent from 1986 to 1987. Available data prior to the hurricane suggests a growth rate of about 10 percent was in store for 1988. Given the already heavy expansion demands on these utilities, the vast unsatisfied demand for telephones, and the surge in construction activity, the ability of the utilities sector to respond looms as a serious potential constraint to resumption of trend economic growth.

While it is difficult to quantify the impact of the loss of support to reconstruction effort which would occur if the present Project did not go forward, the failure to accelerate construction alone, could reduce G.D.P. growth by nearly one percentage point, or approximately US\$30 million in 1988 dollars. The additional access to credit and/or productive materials provided by other components will provide some additional aggregate benefits, as well as insuring that the Project reaches those that might otherwise lie outside the range of initial benefits.

The combination of the first round benefits in the form of reducing income losses in the short run, and restoration of growth prospects in the next and subsequent years, are estimated to be at least as large as the Project's expected obligations. Since a large portion of the reconstruction will continue to provide enhanced service for an extended number of years, the increased national income generated will represent a substantial positive rate of return on total project expenditure, one that is diffused widely throughout the Jamaican population.

B. Environmental Analysis - The Bureau Environmental Officer made a positive determination given the potential procurement of pesticides under the agriculture element of the Project. It is the intention of the Grantee to make non-AID resources available for borrowing for the procurement of pesticides for the banana industry. Nevertheless, the Mission intends to undertake a scoped Environmental Assessment during Project implementation.

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### VIII. Evaluation Arrangements

This Project is designed to assist Jamaica's rehabilitation and recovery from the devastation caused by a natural disaster, rather than to address longer term development constraints. As it has a relatively short time frame of eighteen months and includes a set of rigorous monitoring, reporting and audit requirements, usual program and project evaluation criteria are not applicable. It is expected that issues arising during implementation will be resolved through the ongoing project tracking and monitoring system, and the concurrent audit. It is also anticipated that such issues will be specific to disaster assistance and not to broader USAID program concerns or objectives. Therefore, the Mission believes that conducting an evaluation during the life of the project is inappropriate.

We may consider conducting an evaluation of activities after the Project ends in order to assess its impact. Such an evaluation could be part of a broader assessment of U. S. disaster relief efforts in Jamaica or elsewhere. If it is decided that there are lessons to be learned from an impact evaluation, both parties will discuss and agree on the most suitable arrangements at that time.

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CN: 48139  
CHRG: AID  
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ADD:

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E.O. 12356: N/A

TAGS:  
SUBJECT: JAMAICA HURRICANE RECONSTRUCTION PROJECT  
(532-0158) PID

REF: STATE 343206

1. SUMMARY: THE ISSUES MEETING FOR THE SUBJECT PID WAS HELD ON 11/18/88 AND THE DAEC MEETING ON 11/22/88. SEVEN POINTS FOR DISCUSSION AND THREE ISSUES WERE FORWARDED TO THE DAEC FOR CONSIDERATION. THE BUREAU APPROVES THE PID AND DELEGATES AUTHORITY TO THE MISSION TO AUTHORIZE AND APPROVE THE PROJECT AT A LOP LEVEL OF DOLS 30.0 MILLION WITH THE UNDERSTANDING THAT GC/LAC WILL PARTICIPATE IN THE FINAL PROJECT DESIGN AND REVIEW. IF, HOWEVER, AGREEMENT IS REACHED BETWEEN THE JAPANESE OVERSEAS ECONOMIC COOPERATION FUND (OECP) AND AID TO CO-FINANCE HURRICANE RECONSTRUCTION EFFORTS, THE MISSION WILL SUBMIT THE PP TO AID/W FOR REVIEW, APPROVAL AND AUTHORIZATION. END SUMMARY.

2. POINTS FOR DISCUSSION:

(A) SCHOOL RECONSTRUCTION: IN THE PID THE MISSION

STATES ITS PLANS TO CHANNEL DOLS 3.4 MILLION THROUGH LOCAL COMMUNITY ORGANIZATIONS FOR SCHOOL REPAIRS. IN THE PP DESIGN EFFORT, THE MISSION WILL (1) EXPLORE HOW LOCAL COMMUNITY ORGANIZATIONS WOULD MANAGE AND DISBURSE FUNDS FOR THIS PURPOSE AND, (2) CONSIDER A GRANT TO AN UMBRELLA ORGANIZATION WHICH WOULD, IN TURN, MAKE SUB-GRANTS TO LOCAL GROUPS. IN THE DAEC MEETING, THE MISSION AGREED TO SELECT THE OPTION WHICH CAN BE MOST EASILY AND EXPEDITIOUSLY IMPLEMENTED WHILE ENSURING ACCOUNTABILITY FOR FUNDS.

(B) FUNDING LEVEL: THE PID WAS SUBMITTED AT A PROPOSED DOLS 35.0 MILLION LOP FUNDING LEVEL. SINCE DOLS 5.0 MILLION OF THIS CONGRESSIONAL EARMARK HAS BEEN PROPOSED FOR INCLUSION BY AMENDMENT INTO THE FY 1988 EMERGENCY REHABILITATION PROJECT (FOR A NEW TOTAL OF DOLS 25.0 MILLION), THE PROJECT WILL BE DESIGNED AT A LOP LEVEL OF DOLS 30.0 MILLION. THE MISSION REPRESENTATIVE INDICATED

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ACTION OFFICER:	OPDS
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OPDS	OPED
OSR	OCM
REDCM ✓	REUDO
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DATE BY:	12/7
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THAT THIS REDUCTION WOULD BE TAKEN FROM THE POWER SUB-COMPONENT.

DUE TO THE SPECIAL CIRCUMSTANCES ASSOCIATED WITH THE HURRICANE GILBERT DISASTER, A GOJ COUNTERPART CONTRIBUTION TO THE PROJECT IS CONSIDERED UNNECESSARY.

(C) WATER SUB-COMPONENT: IN UNDERTAKING THE PP DESIGN, THE MISSION WILL ASSESS THE NATIONAL WATER COMMISSION'S EXPERIENCE WITH HOST COUNTRY CONTRACTING TO DETERMINE ITS CAPABILITY TO CONTRACT AND MANAGE THE TECHNICAL ASSISTANCE PROPOSED UNDER THE PROJECT. MISSION REPRESENTATIVES AT THE MEETINGS ALSO CLARIFIED THAT LEAD PIPES WILL NOT BE PROCURED FOR REHABILITATION OF THE WATER SYSTEM.

(D) CREDIT COMPONENT: THE MISSION WILL DEVELOP LOAN ELIGIBILITY CRITERIA FOR CREDIT APPLICANTS. THE CRITERIA WILL BE PRESENTED IN THE PP AND INCLUDED IN THE RELEVANT PROJECT AGREEMENT.

(E) WOOD REQUIREMENTS: THE QUESTION OF PROCURING LUMBER FOR SHELTER REHABILITATION WAS NOT ADDRESSED IN THE PID. IT WAS RAISED, HOWEVER, IN BOTH THE ISSUES AND DAEC MEETINGS. LAC WILL MAKE ONE LAST EFFORT TO CONVINCING THE DCC TO FINANCE THIS COMMODITY UNDER PL 480 TITLE I. HOWEVER, IF DCC APPROVAL IS NOT OBTAINED IT WAS AGREED THAT IT MAY BECOME NECESSARY FOR THE GOJ TO LOOK TO OTHER DONORS FOR ASSISTANCE IN PROCURING LUMBER FOR HOUSING.

(F) PL 480 TITLE II: THE MISSION AGREED TO DELETE THE PROPOSED TITLE II SUPPLEMENTARY FEEDING ACTIVITY FROM INCLUSION IN THE PROJECT TO AVOID OVER-COMPLICATING THE PROJECT'S FINAL DESIGN, AUTHORIZATION/APPROVAL AND IMPLEMENTATION PROCESSES. INSTEAD, THE MISSION SHOULD DESIGN AND IMPLEMENT THIS ACTIVITY SEPARATELY.

THE DAEC DID AGREE, HOWEVER, THAT THE MISSION COULD INCLUDE PROVISIONS IN THE PP FOR A SMALL (AS YET UNDETERMINED) SUPPLEMENTARY FEEDING PROGRAM, IF IT BECOMES NECESSARY.

(G) ENVIRONMENTAL THRESHOLD DECISION: THE BUREAU ENVIRONMENTAL OFFICER MADE A POSITIVE DETERMINATION BECAUSE OF THE POTENTIAL PROCUREMENT AND USE OF PESTICIDES UNDER THE AGRICULTURAL COMPONENT OF THIS PROJECT. THE MISSION WILL CONDUCT AN ENVIRONMENTAL ASSESSMENT (EA) FOCUSING ON THE USE OF PESTICIDES IN THE RECOVERY OF THE BANANA INDUSTRY, WITH PARTICULAR ATTENTION TO THE CAPABILITY OF JADF TO MANAGE AND MONITOR PESTICIDE USE. THE ASSESSMENT WILL BE DEVELOPED

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, TO THE EXTENT POSSIBLE, USING CURRENT INFORMATION AT THE MISSION. THE DAEC AGREED THAT THE ASSESSMENT CAN BE CONDUCTED DURING PROJECT IMPLEMENTATION WITH THE UNDERSTANDING THAT NO PESTICIDES WILL BE PROCURED PRIOR TO APPROVAL OF THE ASSESSMENT. PLEASE FORWARD THE PROPOSED SCOPE OF WORK, WHEN AVAILABLE, TO THE LAC ENVIRONMENTAL OFFICER FOR REVIEW AND APPROVAL PRIOR TO UNDERTAKING THE EA.

3. DAEC DECISIONS ON ISSUES: AT THE DAEC MEETING, WHICH WAS ATTENDED BY THE MISSION DIRECTOR AND PDO, FOUR ISSUES WERE CONSIDERED: FUNDING PRIORITIES, CREDIT, CO-FINANCING AND DELEGATION OF AUTHORITY. THE MEETING RESULTED IN THE FOLLOWING DECISIONS/UNDERSTANDINGS ON EACH ISSUE:

(A) FUNDING PRIORITIES: THE PID PROPOSES THE ALLOCATION OF DOLS 21.0 MILLION FOR THE REHABILITATION OF INFRASTRUCTURE. DOLS 4.0 MILLION IS ALLOCATED FOR AGRICULTURAL CREDIT. GIVEN THE IMPORTANCE OF AGRICULTURE TO CONTINUED FOREIGN EXCHANGE EARNINGS FOR JAMAICA, THE ISSUE WAS RAISED AS TO WHETHER OR NOT MORE RESOURCES SHOULD BE TARGETTED AT REHABILITATING THE AGRICULTURAL SECTOR AND LESS EMPHASIS PLACED ON INFRASTRUCTURE.

DECISION: THE MISSION DESCRIBED ITS ON-GOING AGRICULTURAL SECTOR PORTFOLIO AS "ROBUST" BUT AGREED TO REASSESS THE FUNDING PRIORITIES FOR THIS PROJECT. THE MISSION WILL PARTICULARLY EXAMINE THE PRIORITY FOR POWER REHABILITATION VERSUS OTHER AREAS, INCLUDING AGRICULTURE. THE MISSION WAS REQUESTED TO DISCUSS ITS GENERAL CRITERIA FOR SETTING FUNDING PRIORITIES IN THE PROJECT PAPER.

(B) CREDIT: THE PID PROPOSES GRANTS TO THREE ORGANIZATIONS - JADF, NDF AND JAMPRO - TO ASSIST SMALL AND MICRO-BUSINESSES WHICH HAVE BEEN ADVERSELY AFFECTED BY THE HURRICANE. INTEREST RATES CHARGED TO LOAN CLIENTS OF THESE ORGANIZATIONS ARE BELOW THE HIGHEST COMMERCIAL BANK RATES ALTHOUGH THEY ARE POSITIVE IN REAL TERMS AT PRE-DISASTER RATES OF INFLATION. THE QUESTION OF WHETHER THE RATES ESTABLISHED BY THOSE INSTITUTIONS ARE NOW SUBSIDIZED WAS RAISED, GIVEN THAT INFLATION MAY HAVE INCREASED SIGNIFICANTLY SINCE THE HURRICANE. THE INSTITUTIONAL CAPACITY OF JADF TO ADMINISTER BOTH THIS DA ACTIVITY AND ADDITIONAL PL 480 TITLE II AND SECTION 416 SUPPORT, NOW BEING CONSIDERED BY THE DCC, WAS ALSO QUESTIONED.

DECISION: THE MISSION MUST DISCUSS IN DETAIL IN THE PP HOW THIS COMPONENT OF THE PROJECT WILL BE IMPLEMENTED. LAC UNDERSTANDS THAT JAMPRO'S INTEREST RATE IS SUBSIDIZED. ALTHOUGH THERE IS A STRONG BUREAU PREFERENCE FOR EXTENDING LOANS TO JAMPRO CLIENTS, THE MISSION MAY DETERMINE THAT GRANTS ARE MORE APPROPRIATE WITHIN THE CONTEXT OF THE DISASTER SITUATION. IN EITHER CASE, THE PP MUST PRESENT THE CRITERIA FOR APPROVING

LOANS/GRANTS TO JAMPRO CLIENTS. IF LOANS ARE EXTENDED BY JDF AND NDF THE MISSION WILL INCLUDE IN THE PP ITS RATIONALE FOR ANY SUBSIDY IMPLICIT IN THE ESTABLISHED RATES FOR THOSE INSTITUTIONS.

REGARDING JADF'S INSTITUTIONAL ABSORPTIVE CAPACITY, THE MISSION WAS REQUESTED TO PROVIDE FVA WITH A DETAILED DISCUSSION OF THE PROPOSED JADF'S UNDERTAKINGS PRIOR TO THE DCC MEETING ON DECEMBER 1, 1988.

UNDERSTANDING: IT WAS AGREED THAT THE MISSION WILL ALSO REVIEW WHETHER OR NOT PROPOSED A.I.D. ASSISTANCE TO TELECOMMUNICATIONS OF JAMAICA (A PRIVATE COMPANY) SHOULD BE IN THE FORM OF A GRANT OR A LOAN FROM THE GOJ. IF THE A.I.D. FUNDS ARE TO BE USED FOR GOODS AND SERVICES THAT HAVE A USEFUL LIFE BEYOND THAT STRICTLY REQUIRED TO

REPAIR DAMAGE CAUSED BY THE HURRICANE (E.G., EQUIPMENT WITH A USEFUL LIFE OF MORE THAN 18 MONTHS), THE FUNDING SHOULD BE PROVIDED AS A LOAN.

(C) CO-FINANCING: TWO IMPLEMENTATION OPTIONS AND A VARIATION OF ONE FOR CO-FINANCING THE PROJECT WITH OECF WERE REVIEWED BY THE DAEC. MISSION REPRESENTATIVES ADVISED THAT IT IS EXPECTED THAT OECF WILL NOTIFY THE MISSION OF ITS DECISION ON CO-FINANCING ON DECEMBER 2, 1988

UNDERSTANDING: THE DAEC RECOMMENDED THAT THE MISSION WORK CLOSELY WITH GC/LAC AND SER/COM/OP IN ITS NEGOTIATIONS WITH OECF. THE DAEC ALSO DESIGNATED GC/LAC HANSEN AND LAC/DR/CP BLANE AS THE MISSION'S AID/W CONTACTS ON CO-FINANCING ARRANGEMENTS.

(D) DELEGATION OF AUTHORITY: IN CONSIDERING THE MISSION'S REQUEST TO AUTHORIZE AND APPROVE THE PROJECT IN THE FIELD, THE DAEC CONSIDERED CONGRESSIONAL CONCERNS, THE SCOPE OF THE PROJECT AND POTENTIAL

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CO-FINANCING WITH OECF.

DECISION: AA/LAC CONCURS WITH THE MISSION'S REQUEST FOR A FIELD DELEGATION OF AUTHORITY WITH THE UNDERSTANDING THAT A REPRESENTATIVE OF GC/LAC WILL PARTICIPATE IN FINAL PROJECT DESIGN AND REVIEW. GC/LAC WILL PLAN A TDY TO THE MISSION O/A DECEMBER 5. IF ARRANGEMENTS FOR CO-FINANCING WITH OECF PROCEED, HOWEVER, THE PP WILL BE SUBMITTED TO AID/W FOR REVIEW AND APPROVAL.

UNDERSTANDING: THE DAEC AGREED THAT THE CONGRESSIONAL NOTIFICATION CAN BE FINALIZED AFTER DECEMBER 2 WHEN THE DECISION ON CO-FINANCING WILL BE MADE. SHULTZ

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PROJECT DESIGN SUMMARY  
LOGISTICAL FRAMEWORK

PROJECT: HURRICANE RECONSTRUCTION (532-0158)

NARRATIVE SUMMARY	VERIFICABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p><b>PROJECT GOAL</b> To assist Jamaica in remedying problems caused by Hurricane Gilbert in a way which mitigates damage which might be caused by future hurricanes</p>	<p><u>MEASURES OF GOAL ACHIEVEMENT</u> GDP</p>	GOJ statistics	<p><u>ASSUMPTIONS FOR ACHIEVING GOAL TARGETS</u></p>
<p><b>PROJECT PURPOSE</b> To assist in recovery and reconstruction activities needed as a result of Hurricane Gilbert, including restoration of infrastructure for electric power, water, schools, courthouses; provision of credit to agriculture and small businesses; disaster preparedness assistance; and other direct assistance to the poor.</p>	<p><u>CONDITIONS THAT WILL INDICATE PURPOSE HAS BEEN ACHIEVED:</u> Essential infrastructure repaired and restored to use</p>	Comparison of pre and post-Hurricane records of levels of infrastructure/services	<p><u>ASSUMPTIONS FOR ACHIEVING PURPOSE</u> Upcoming elections do not significantly slow down the process of recovery</p>
<p><b>OUTPUTS</b> -JPS Data base -Physical &amp; Human Resource Assessment -Revised Emergency Restoration Plan -Distribution lines upgraded and rehabilitated -Telecommunication service restored to pre-hurricane levels -Restored and functioning potable water/sewerage system -Education facilities repaired and conducting classes -Textbooks published and distributed -Return to normal level of research/instruction at UWI -Damaged courthouses repaired -Revived banana and poultry industry -Micro/small entrepreneur businesses resumed -Rehabilitation of small scale enterprises -Halt in the decline in export sales in targeted product groups -Strategies for shelter disaster mitigation -Shelter/infrastructure disaster assessment methodologies -Enhanced disaster response capability at ODP -Relief support/income generating activities provided to non-wage earning families</p>	<p><b>MAGNITUDE OF OUTPUTS</b> Approximately 250 miles of distribution lines rehabilitated Shelter info to 100,000 HH water systems functioning .200 primary/all age/secondary schools repaired .1,435,000 textbooks distributed .38 courthouses repaired .350 loans made by JADF .200 new clients served by NDF .250 micro &amp; small enterprises assisted by JAMPRO</p>	<p>Site visits, reports JPS records ODP records NMC records MOE records UWI records MOJ records JADF records JBPA records JPG records NDF records CVSS/UWJ records JAMPRO records</p>	<p><u>ASSUMPTIONS FOR ACHIEVING OUTPUTS</u> Commodities will be available on a timely basis Competent TA will be available on a timely basis</p>
<p><b>INPUTS</b> Long Term TA Short Term TA Commodities Renovations Grants Credit Monitoring/Tracking/Audit Contingency</p>	<p>2,791,000 699,000 12,198,000 5,120,000 3,140,000 5,300,000 525,000 227,000 <u>30,000,000</u></p>		<p><u>ASSUMPTIONS FOR PROVIDING INPUTS</u></p>

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5C(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A includes criteria applicable to all projects. Part B applies to projects funded from specific sources only: B(1) applies to all projects funded with Development Assistance; B(2) applies to projects funded with Development Assistance loans; and B(3) applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT? Yes. Country Checklist completed with FY 89 PAAD 11/88.  
Yes.

A. GENERAL CRITERIA FOR PROJECT

1. FY 1989 Appropriations Act Sec. 523; FAA Sec. 634A. If money is sought to be obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified?
2. FAA Sec. 611(a)(1). Prior to an obligation in excess of \$500,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance, and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?
3. FAA Sec. 611(a)(2). If legislative action is required within recipient country, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance?

The CN expired without objection on January 24, 1989.

Yes.

N/A.

4. FAA Sec. 611(b); FY 1989 Appropriations Act Sec. 501. If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.)

N/A
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively?

Although some construction is involved, this is not a "capital assistance project" within the meaning of Section 611(e).
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.

No. The project is funded by a particular Congressional appropriation to assist Jamaica recover from the effect of Hurricane Gilbert.
7. FAA Sec. 601(a). Information and conclusions on whether projects will encourage efforts of the country to:  
(a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

This is not a normal, long-term development project aimed at these types of objectives. Rather, the project will assist in rebuilding the country to the level of economic activity existing prior to the Hurricane. However, the project will foster private initiative and competition because it will assist many private farmers and small businesses to return to economic viability.
8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

A large portion of project funds will be used to purchase commodities from US private firms. TA and technical services from US individuals will also be funded under the project.

9. FAA Secs. 612(b), 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars. Due to the special circumstances associated with the hurricane disaster and the terms of the FY 89 Appropriations Act for these funds, a GOJ contribution is not required. The US does not own any excess Jamaican currency.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? No.
11. FY 1989 Appropriations Act Sec. 521. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? Some assistance will be given to the banana industry which does export. However, it is assistance to recover to prior levels, not to increase exports.
12. FY 1989 Appropriations Act Sec. 549. Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel? No.
13. FAA Sec. 119(g)(4)-(6) & (10). Will the assistance (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other (a) No  
(b) No  
(c) No  
(d) No

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wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?

14. FAA Sec. 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (either dollars or local currency generated therefrom)?

N/A.

15. FY 1989 Appropriations Act. If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government?

N/A.

16. FY 1989 Appropriations Act Sec. 538. If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.?

Yes.

17. FY 1989 Appropriations Act Sec. 514. If funds are being obligated under an appropriation account to which they were not appropriated, has prior approval of the Appropriations Committees of Congress been obtained?

N/A.

18. State Authorization Sec. 139 (as interpreted by conference report). Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision).

As the amount of the agreement is greater than \$25 million, information will be provided in line with standard procedures.

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**B. FUNDING CRITERIA FOR PROJECT**

**1. Development Assistance Project Criteria**

- a. FY 1989 Appropriations Act Sec. 548 (as interpreted by conference report for original enactment). If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities (a) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (b) in support of research that is intended primarily to benefit U.S. producers?

N/A.

- b. FAA Secs. 102(b), 111, 113, 281(a). Describe extent to which activity will (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life, and otherwise encourage democratic

The project will provide credit to small and micro enterprises to recover from hurricane damage and lost income; this will benefit the poorer, informal sectors of the economy, many of whom are also women.

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institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries.

- c. FAA Secs. 103, 103A, 104, 105, 106, 120-21; FY 1989 Appropriations Act (Development Fund for Africa). Does the project fit the criteria for the source of funds (functional account) being used? Yes.
- d. FAA Sec. 107. Is emphasis placed on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)? The assistance to farmers will give priority to those willing to adopt more cost-effective technologies.
- e. FAA Secs. 110, 124(d). Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)? The funds being used were appropriated "notwithstanding any other provision of law." Thus, the Section 110(a) contribution is not required.
- f. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority? N/A.

- g. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government. Project was jointly developed by AID and host country institutions to return the country to pre-hurricane conditions. Some of the planned TA will be provided by Jamaicans.
- h. FY 1989 Appropriations Act Sec. 536. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions? No.
- Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations? No.
- Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning? No.
- i. FY 1989 Appropriations Act. Is the assistance being made available to any organization or program which has been determined to support or participate in the management of a program of coercive abortion or involuntary sterilization? No.
- If assistance is from the population functional account, are any of the funds to be made available to voluntary family planning projects which do not offer, either directly or through referral to or information about access to, a broad range of family planning methods and services? N/A.

- j. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes.
- k. FY 1989 Appropriations Act. What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)? Procurement of overseas commodities is expected to be handled by PSAs and efforts will be made to contract services of Gray Amendment PSAs.
- l. FAA Sec. 118(c). Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16? Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (a) stress the importance of conserving and sustainably managing forest resources; (b) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (c) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (d) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (e) help conserve forests which have not yet been degraded by helping to increase Yes.  
(a) - (k) N/A.

production on lands already cleared or degraded; (f) conserve forested watersheds and rehabilitate those which have been deforested; (g) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (h) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (i) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (j) seek to increase the awareness of U.S. government agencies and other donors of the immediate and long-term value of tropical forests; and (k) utilize the resources and abilities of all relevant U.S. government agencies?

- m. FAA Sec. 118(c)(13). If the assistance will support a program or project significantly affecting tropical forests (including projects involving the planting of exotic plant species), will the program or project (a) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and (b) take full account of the environmental impacts of the proposed activities on biological diversity? N/A.

B

n. FAA Sec. 118(c)(14). Will assistance be used for (a) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; or (b) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas?

No.

o. FAA Sec. 118(c)(15). Will assistance be used for (a) activities which would result in the conversion of forest lands to the rearing of livestock; (b) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undegraded forest lands; (c) the colonization of forest lands; or (d) the construction of dams or other water control structures which flood relatively undegraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

(a) - (d) No.

p. FY 1989 Appropriations Act. If assistance will come from the Sub-Saharan Africa DA account, is it (a) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (b) being provided in accordance with the policies contained in section 102 of the FAA;

N/A.

(c) being provided, when consistent with the objectives of such assistance, through African, United States and other PVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (d) being used to help overcome shorter-term constraints to long-term development, to promote reform of sectoral economic policies, to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities, to bring about appropriate sectoral restructuring of the Sub-Saharan African economies, to support reform in public administration and finances and to establish a favorable environment for individual enterprise and self-sustaining development, and to take into account, in assisted policy reforms, the need to protect vulnerable groups; (e) being used to increase agricultural production in ways that protect and restore the natural resource base, especially food production, to maintain and improve basic transportation and communication networks, to maintain and restore the renewable natural resource base in ways that increase agricultural production, to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care, to provide increased access to voluntary family planning services, to improve basic literacy and mathematics especially to those outside the formal educational system and to improve primary education, and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas?



9. FY 1989 Appropriations Act Sec. 515.  
If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same general region as originally obligated, and have the Appropriations Committees of both Houses of Congress been properly notified?

N/A.



010993

OFFICE OF THE PRIME MINISTER

1 DEVON ROAD,

P.O. BOX 272,

KINGSTON 6, JAMAICA

9th January, 19 89

PLEASE QUOTE OUR  
REFERENCE NUMBER

DATE RECEIVED <i>1/12/89</i>	ACTION OFFICER <i>OPDS</i>	INFO TO:	DIR ✓	ARDO	D/DIR ✓	DIINP	OPEP	OPDIR	OPED	OEBB	OX'M	RIIUDO	R.P.	CONTU ✓	DUE BY:	<i>1/31</i>	ACTIONS include <i>as shown to Mr Ademan 1/20</i>
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Dear Mr. Joslin,

As you well know, the damage wrought on the island of Jamaica by Hurricane Gilbert was extraordinary. We therefore seek extraordinary resources to pick up the pieces and build back the nation. There is a number of critical areas requiring attention over the next year and a half for which we are requesting US/AID assistance. Specifically, the areas include:

- restoration of infrastructure for electric power, water, schools and courthouses;
- provision of credit to agriculture and small businesses;
- disaster preparedness assistance; and
- other direct assistance to the poor.

We therefore request assistance in the amount of approximately \$30 million in grant assistance for recovery and reconstruction activities described above.

Yours sincerely,

EDWARD SEAGA  
Prime Minister

Mr. William R. Joslin,  
Director,  
USAID/JAMAICA,  
6b Oxford Road,  
Kingston 5

Annex V

JAN 8 1989

ACTION MEMORANDUM FOR THE ACTING ASSISTANT ADMINISTRATOR, LAC

FROM: LAC/DR, Terrence J. Brown

SUBJECT: Procurement Procedures for the Hurricane Reconstruction Project (HRP) (532-0158)

Problem: Your approval is requested for (1) a limited exception from AID's source/origin rules for this project to permit certain Code 935 procurement, and (2) the use of expedited procurement procedures involving informal competition.

Discussion: This project is to assist Jamaica in the reconstruction required in the aftermath of Hurricane Gilbert. Hurricane Gilbert struck Jamaica on September 13 and AID has been providing \$25 million for immediate relief and rehabilitation assistance under the Emergency Rehabilitation Project (ERP) (532-0185), which is scheduled for completion in February 1989.

The HRP project is a \$30 million, 18 month effort to further alleviate the effects of the disaster through the next phase of recovery, i.e. reconstruction. It is funded from the \$35 million\* provided in the FY 89 Appropriations Act for Jamaica relief, rehabilitation and reconstruction. The project will provide assistance for reconstruction of electric power, water, school and courthouse infrastructures; disaster preparedness; credit for farmers and small businesses; and direct assistance to meet basic needs of the poor.

The project has been designed to be completed within 18 months because rapid reconstruction is essential to general economic recovery and because Congress clearly intended the funds to be used quickly to respond to the disaster. To facilitate a fast, unimpeded response, Congress provided the funds on the basis that they are "notwithstanding any other provision of law." Although this language would allow AID to disregard its normal procurement rules on source/origin and competition as a matter of law, the Agency's policy is more restrictive. As stated in

\* \$5 million of this has been added to the original \$20 million ERP Project for electric power restoration.

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formal advertising, many from firms that do not possess the proven capability to perform. At the same time, the interests of AID and the GC will be protected by a genuinely competitive process. Gray Amendment entities will be eligible and actively sought to perform PSA services and the PSA contractors selected will be encouraged to solicit small and disadvantaged firms. We believe that Congress clearly intended to permit this type of flexibility by making the funds "notwithstanding any other provision of law."

Recommendation: That pursuant to the authority that is delegated to you by Delegation of Authority No. 405, AID Handbooks 11 and 14, and the Federal Acquisition Regulation, you authorize Code 935 procurement for commodities up to \$1,000,000 and the use of informal competitive procedures, notwithstanding any rules to the contrary in Handbooks 1B, 8, 11, 14 and 15.

Approved: *Andrew W. Schick*

Disapproved: \_\_\_\_\_

Date: *January 5, 1989*

- Clearances:
- USAID/J:DIR:WJoslin Draft
  - USAID/J:DIR:NGolden Draft
  - USAID/J:OPPE/PDSD:Plerner Draft
  - USAID/J:EXO:FSpears Draft
  - GC/LAC:GDavidson Draft
  - DGC:JMullen Draft
  - GC/CCM:KFries Draft
  - M/SER/OP:PHowley Draft
  - LAC/CAR:DCohen Draft

GC/LAC: KHansen: 12/9/88:HRP

Annex VI  
Equipment Lists

<u>Quantity</u>	<u>Item</u>	<u>Value</u>
<u>I.1. Power</u>		
	Specialized heavy duty vehicles & operational vehicles	1,500,000
	Tools & Machinery	75,000
	Spares for routine and preventative maintenance	360,000
	Computer hardware and software	400,000
	Telecommunications equipment	700,000
	Materials for line rehabilitation & upgrading	4,545,000
<u>I.2 Telecommunications</u>		
	13 bucket trucks	500,000
<u>I.3. Water</u>		
	<u>Mechanical/Electrical Equipment</u>	500,000
	10 motors - 30 to 100 Hp	
	Engines - 20 -30 Hp	
	Engine parts	
	10 generators - 415 and 220 volts, 125 - 350KVA capacity	
	1 generator - 750KVA	
	<u>Equipment Support</u>	100,000
	antennae	
	cables	
	poles	
	radios	
	generator spares	
	additional equipment	
	computer hardware/software	
	<u>Systems Repair/Reconstruction &amp; Facilities Rehabilitation</u>	2,340,000
	masonry material	
	steel	
	mesh wire	
	lumber	
	pipes	
	clamps	
	pumps	
	couplings	
	tools	

#### I.4. Education

##### Instructional Materials

textbooks

##### UWI

scientific equipment  
teaching and research materials  
airconditioning units  
audio-visual equipment  
copy machines  
typewriters

#### III.1. Disaster Preparedness

##### Shelter

1 vehicle	15,000
computer hardware/software	10,000

##### OPD - Communication Equipment

19 VHF hand held multi-channel radio (14 channels)	15,200
19 DC vehicle charger for radios	8,550
19 AC desk top chargers for radio	2,750
19 6DB gain antennae	4950
19 3DB gain antennae	480
8 VHF mobile radio	8,800
10 AC Power supply	2,500
8 6DB Antennae	4,000
1 UHF/VHF Scanner	1,500
200 R68 U50 ohms COAX cable	8,000
50 PL259 cable connectors	
50 PL258 cable connectors	
1 HF free tuning radio transceiver (2 - 30 MHZ) Tool kit	5,500
1 Communication command vehicle equipped with: 4 multi-channel VHF transceivers 1 HF transceiver telephone computer	65,000
6 Portable VHF repeaters with UHF link	36,000

##### ODP - Transportation

4 four-wheel drive vehicles	56,000
1 four-wheel drive open-back truck	14,000

ODP - Computer Equipment

2 IBM compatible PC complete with graphics/color monitor, medium, and printers	16,000
1 portable/lap top PC complete with graphics monitor, modem, and printer	6,000
File server with multi-user operating system	8,000
Furniture for each station, and full documentation	10,000

ACTION MEMORANDUM FOR THE NON-COMPETITIVE REVIEW BOARD

WAIVER NO: 532-0158-89-05

DATE: January 20, 1989

FROM : *[Signature]*  
Yvonne Johnson OEHR  
THRU : William Charleson OEHR

SUBJECT: Request for Waiver of Competition - Hurricane  
Re-construction Project - Printing of Textbooks destroyed  
by Hurricane Gilbert.

PROBLEM In order to replace the textbooks destroyed by Hurricane  
Gilbert immediately and to allow the Host Country to  
contract with the Gleaner Company, it is requested that  
the requirement for competition be waived.

BACKGROUND: The major objective of the textbook and instructional  
materials component of the Primary Education Assistance Project  
was that of printing and distributing approximately 10 million  
primary textbooks and teacher's guides in language arts,  
mathematics, science and social studies to 350,000 students and  
their teachers during the life of the project. This component was  
in essence a continuation of an innovative textbook program which  
began in 1984 through the combined effort of the Ministry of  
Education, thirty-five private sector companies of Jamaica  
(especially the Gleaner Publishing Company), USAID and other  
international donors.

During the project life, inexpensive, heavy-duty newsprint and  
cardboard covers were used in the printing of the prescribed  
texts. USAID's financial contribution to the textbook program  
(US\$250,000 a year for three years) helped to sustain the  
collaborative efforts of the MOE, the Jamaican private sector,  
USAID, and international donors.

During FY88 a total of 3,500,000 textbooks were printed and  
distributed just before the start of the September 1988 school  
year. Figures from the Curriculum Development Unit of the Ministry  
of Education indicate that of this number, 21% of the textbooks  
were totally destroyed and an additional 20% were damaged by  
hurricane Gilbert. This means that 41% of the 3.5 million texts  
in the seven subject areas, or approximately 1,435,000 need to be  
replaced. The cost of this undertaking will be approximately  
US\$125,000.

In order to expedite the printing and delivery of the textbooks a  
waiver of competition is being sought. The original set of  
textbooks was printed by the Gleaner Company under the auspices of  
a joint donor effort which included USAID, UNDP, CIDA and Jamaican  
private sector companies. The Gleaner Company already has the  
"typeset" and could produce additional copies of the damaged texts  
within the next three months and these could be made available to  
the students before the end of this academic year.

This is an emergency situation in which the requirement for competition would result in unacceptable project delay. The fact is that should USAID go for competitive bidding the bid could not be awarded under four months. Such a delay should be avoided due to the high priority both the GOJ and USAID place on the textbook program and the quick restoration of effective school services within the quickest possible time. No benefit would be derived at this point in time, from advertising in the Commerce Business Daily commensurate with the delay that would be caused. Essentially then, the waiver will expedite the printing and delivery process especially in view of the fact that the MOE is currently contemplating protracted school hours for the summer of 1989 to compensate for the time lost after the hurricane. Additionally, as with the printing of the original set of textbooks, the Canadians are expected to donate paper.

RECOMMENDATION: In accordance with the authority contained in AID Handbook 11, Chapter 3, 2.2.6 a.1. Waiver - Negotiation with a Single Source, which states that such a waiver can be granted "When the Contracting Agency can demonstrate the existence of an emergency situation in which the requirement for competition would result in unacceptable project delay;" and Section 111.D of Redlegation of Authority dated 12/16/88 and transmitted by STATE '88 417937 dated 12/29/88, it is recommended that you waive the competition and authorize negotiation with a single source in order to avoid serious delay in implementation of this project component. This will permit the Ministry of Education to contract with the Gleaner Company for the printing of the textbooks. The contract will be under US\$500,000.

Approved: *h. d. r. c.*

Disapproved: \_\_\_\_\_

Date: January 20, 1989

Attachment: Excerpt Handbook 11, pg. 3-7 and 3-8.

Clearances: CMathews:OEEE(in draft)  
RJohnson:RLA(in draft)  
RLeonard:CONT(in draft)  
PCrowe:OPEP(in draft)  
MGolden:DDIR