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A.I.D. Project No: 532-0149

PROJECT GRANT AGREEMENT
BETWEEN
THE GOVERNMENT OF JAMAICA
AND THE
GOVERNMENT OF THE UNITED STATES OF AMERICA
FOR
THE TECHNICAL SUPPORT FOR SHELTER AND URBAN SERVICES PROJECT

Date: July 14, 1989
Appropriation: 72-1191021
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PROJECT GRANT AGREEMENT

Between

The Government of Jamaica ("Grantee")

And

The United States of America, acting through the Agency for International Development ("A.I.D.") as Grantor.

ARTICLE 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below and with respect to the financing of the Project by the Parties.

ARTICLE 2: The Project

Section 2.1.: Definition of the Project. The Project, which is further described in Annex I, consists of assistance to public and private sector institutions: to help ensure timely implementation of the agreed-upon policy, programmatic, institutional and regulatory reforms under the Jamaica Shelter and Urban Services Policy Program (532-HG-013); to help institutions identify and deal with critical bottlenecks in the shelter and urban services delivery systems; and to assess the impact of the Jamaica Shelter and Urban Services Policy Program upon sectoral practices and Government of Jamaica development objectives.

Annex I, attached, amplifies the above description of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex I may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2. without formal amendment of this Agreement.

Section 2.2.: Incremental Nature of Project.

- (a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1. of this agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

- (b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D., based upon consultation with the Grantee, may specify in Project Implementation Letters appropriate time periods for the utilization of funds provided by A.I.D. under an individual increment of assistance.

ARTICLE 3: Financing

Section 3.1.: The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement an amount not to exceed SIX HUNDRED THOUSAND UNITED STATES DOLLARS (\$600,000)("Grant").

The Grant may be used to finance foreign exchange costs, as defined in Section 6.1., and local currency costs, as defined in Section 6.2., of goods and services required for the Project.

Section 3.2.: Grantee Resources for the Project.

- (a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.
- (b) The resources provided by Grantee for the Project will be not less than the equivalent of U.S. \$200,000, including costs borne on an "in-kind" basis.

Section 3.3.: Project Assistance Completion Date.

- (a) The Project Assistance Completion Date (PACD) which is September 30, 1993, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.
- (b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.
- (c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A.I.D. or any bank described in Section 7.1., no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the

Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

ARTICLE 4: Conditions Precedent to Disbursement

Section 4.1.: First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

- (a) An opinion of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Grantee, and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms;
- (b) A statement of the name of the person holding or acting in the office of the Grantee specified in Section 8.2., and of any additional representatives, together with a specimen signature of each person specified in such statement.

Section 4.2.: Notification. When A.I.D. has determined that the conditions precedent specified in Sections 4.1. have been met, it will promptly notify the Grantee.

Section 4.3.: Terminal Dates for Conditions Precedent. If the conditions specified in Section 4.1. have not been met within 120 days from the date of this Agreement, or such later date as A.I.D. may agree in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Grantee.

ARTICLE 5: Special Covenants

Section 5.1.: Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter:

- (a) Evaluation of progress toward attainment of the objectives of the Project;
- (b) Identification and evaluation of problem areas or constraints which may inhibit such attainment;
- (c) Assessment of how such information may be used to help overcome such problems; and
- (d) Evaluation, to the degree feasible, of the overall development impact of the Project.

ARTICLE 6: Procurement Source

Section 6.1.: Foreign Exchange Costs. Disbursements pursuant to Section 7.1. will be used exclusively to finance the costs of goods and services, including ocean shipping, required for the Project having, with respect to goods, their source and origin, and with respect to services, their nationality, in the United States of America (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance. Ocean transportation costs will be financed under the grant only on flag vessels under flag registry of the U.S., except as A.I.D. may otherwise agree in writing.

Section 6.2.: Local Currency Costs. Disbursements pursuant to Section 7.2. will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Jamaica ("Local Currency Costs").

ARTICLE 7: Disbursement

Section 7.1.: Disbursement for Foreign Exchange Costs.

- (a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods and services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:
- (1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for disbursement or reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or,
 - (2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.
- (b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless the Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

Section 7.2.: Disbursement for Local Currency Costs.

- (a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for local currency costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance costs.

- (b) The local currency needed for such disbursements may be obtained:
- (1) by acquisition by A.I.D. with U.S. Dollars by purchase; or
 - (2) by A.I.D. (A) requesting the Grantee to make available the local currency for such costs, and (B) thereafter making available to the Grantee, through the opening or amendment by A.I.D. of Special Letters of Credit in favor of the Grantee or its designee, an amount of U.S. Dollars equivalent to the amount of local currency made available by the Grantee, which dollars will be utilized for procurement from the United States under appropriate procedures described in Project Implementation Letters.

The U.S. dollar equivalent of the local currency made available hereunder will be, in the case of subsection (b)(1) above, the amount of U.S. dollars required by A.I.D. to obtain the local currency, and in the case of subsection (b)(2) above, an amount calculated at the rate of exchange specified in the applicable Special Letter of Credit Implementation Memorandum hereunder as of the date of the opening or amendment of the applicable Special Letter of Credit.

Section 7.3.: Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

Section 7.4.: Rate of Exchange. Except as may be more specifically provided under Section 7.2., if funds provided under the Grant are introduced into Jamaica by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that such funds may be converted into currency of Jamaica at the highest rate of exchange which, at the time the conversion is made, is not unlawful in Jamaica.

ARTICLE 8: Miscellaneous

Section 8.1.: Communications. Any notice, request, document or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such Party at the following addresses:

To the Grantee

Mail Address

The Minister of Finance
Ministry of Finance
30 National Heroes Circle
Kingston 4, Jamaica

Cable Address

The Minister of Finance
Ministry of Finance
30 National Heroes Circle
Kingston 4, Jamaica

To A.I.D.

Mail Address

Director
USAID/Jamaica
P.O. Box 541
6b Oxford Road
Kingston 5, Jamaica

Cable Address

USAID/Jamaica

Other addresses may be substituted for the above upon giving of notice. The Grantee, in addition, will provide the USAID Mission with a copy of each communication sent to A.I.D.

Section 8.2.: Representatives. For all purposes relevant to this Agreement and its amendments, the Grantee will be represented by the individual holding or acting in the office of Minister of Finance and A.I.D. will be represented by the individual holding or acting in the office of the Mission Director, USAID/Jamaica, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1. to revise elements of the amplified description in Annex I.

The names of the representatives of the Grantee, with specimen signatures, will be provided to AID which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

Section 8.3.: Standard Provisions Annex. A "Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

GOVERNMENT OF JAMAICA

UNITED STATES OF AMERICA

/s/

Hon. Seymour Mullings
Minister of Finance

/s/

Myron Golden
Acting Director
USAID/Jamaica

/s/

Hon. P. J. Patterson
Minister of Development,
Planning and Production

Date: July 14, 1989

PROJECT DESCRIPTION

I. Background

This Project will assist the Government of Jamaica over the next five years to implement the Jamaica Shelter and Urban Services Policy Program (532-HG-013) whose objective is to produce a self-sustaining delivery system for shelter, water, sewerage and related services which will meet the needs of the poor. This will be achieved through a sectoral lending approach, through A.I.D.'s Housing Guaranty Program, which will alleviate policy, programmatic, institutional and regulatory constraints across the sector. The major policy themes of this Program include the following:

1. Significant expansion of the access of the urban poor to water and sanitation.
2. Significant increase in the availability of serviced land provided by the public sector for shelter development.
3. Significant expansion of private sector provision of shelter.

II. Project Purpose

This Project's purpose is to support implementation of the Jamaica Shelter and Urban Services Policy Program by strengthening those institutions engaged in shelter development activities, both in the public and private sectors and strengthening Government's ability to monitor and provide incentives to the private sector for delivery of shelter and urban services.

III. Project Elements

Specifically, the Project will finance technical assistance for institutional development, specialized studies, equipment and training support to shelter institutions engaged in implementation of the Policy Program. The Project will assist the full range of public and some private institutions including but not limited to: Ministry of Development, Planning and Production, National Water Commission, Ministry of Construction (Housing), Urban Development Corporation, National Housing Trust, Ministry of Finance, Ministry of Local Government, Town Planning Department, Planning Institute of Jamaica and private sector organizations including but not limited to building societies, credit cooperatives, non-governmental and community based organizations.

The Project will finance technical assistance for institutional development, specialized studies, equipment and training support to shelter institutions in order to achieve its stated purpose.

Specific areas to be supported by the Project include the following:

A. Technical Assistance

The technical assistance planned under the Program will include: (1) monitoring and management support; (2) help in carrying out well-defined field projects and studies; and (3) collaboration in institutional strengthening. In addition, a mid-term and final program evaluation will be conducted.

1. Monitoring and Management Support

Critical to the success of the sectoral program is careful monitoring of progress in each of the implementing institutions, and in the sector as a whole. Current plans call for the Ministry of Development, Planning and Production, in collaboration with participating agencies, to oversee policy development and production coordination, and to document the achievements of the program. However, the monitoring system will have to identify at an early stage any new constraints that have emerged to hamper implementation, any special needs for technical assistance or management strengthening, and, in particular, any conflicts or incompatibilities between different sectoral institutions. Given the large number of institutions involved in the sector, and the diverse programs to be undertaken by each, a separate management and monitoring support function needs to be established to:

a. Help design the reporting and monitoring system for individual institutions, and collaborate with PIOJ in carrying out regular monitoring.

b. Design a system for aggregating institution by institution reports into a meaningful summary of sector activity, including such items as the sectoral mix of shelter production by shelter type and cost, and aggregate trends in mortgage finance (net interest rates and subsidies to different types of borrowers, lending volume by beneficiary group etc.) for the entire sector, and for the public and private sub-sectors. This system also will be used to measure progress toward the Program's sectoral objectives.

c. Assist in coordinating implementation efforts between agencies, particularly by identifying and aiding in the resolution of conflicts between agencies or identifying critical gaps not being filled by any agency.

d. Provide liaison between the several sectoral agencies and USAID. An important aspect of this task will be to set up the Annual Review Process to assess performance under the previous year of implementation in collaboration with USAID/Jamaica, sectoral agencies, PIOJ and Sectoral Coordinating Committee.

e. Regularly assess emerging technical assistance needs or needs for specialized studies or evaluations by the various technical implementing agencies. It is proposed that this aspect of the management and monitoring support function be undertaken in close collaboration with AID and a designated resident, American personal services contractor, whose costs of services with respect to this function be financed under this grant.

2. Field Projects and Studies

This work involves the completion of well-defined individual tasks to be assigned by AID in partnership with the implementing agencies. Although it would be simplest at the outset to deliver short-term TA to specific agencies, the Program's sectoral goals will best be met by always working jointly with the different key institutions involved in a particular task area.

Technical assistance during the five-year sectoral program will be weighted toward the first two years. During this period, pilot studies for future sector-wide application will be carried out, as will analytical and management studies designed to identify key bottlenecks in the delivery system.

The following is an illustrative listing of the kinds of studies which have already been identified as being of critical importance to support of sector-wide improvements. This list will probably be modified over the course of the five year life-of-project based upon implementation progress, changing circumstances and identification of additional constraints to shelter delivery.

a. Improving Land Titling Processes. The objective of this task is to significantly expedite the process of obtaining and conveying titles to land, both in public sector settlement programs and in private market transactions. An assessment of the weaknesses of the present titling system must first be conducted. Then, a judgment must be made as to how far upgrading of urban land titling can draw directly on the Inter-American Development Bank financed project for improving titling of rural lands conveyed under agrarian reform. A modest amount of Technical Assistance can be provided under the Program to address specific key constraints to the land titling process, but thorough institutional reform may require additional technical assistance resources from other donors.

Technical assistance can also be provided to review financial operations of the Land Titles Office and other concerned institutions with the intent of enhancing revenue generation by these agencies through fee structures and thereby increasing the availability of financing to make improvements in their land titling and related servicing capacities.

b. Improving Land Development Standards and Development Applications Processing Systems. A second phase of the USAID/J Town Planning Project (funded under Grant No. 532-0117.02) is underway and should achieve most of the objectives for analyzing the feasibility and benefits of lowering site development standards, as well as providing for implementation of modified standards and procedures for shortening the process of approval for development applications. Additional TA is expected to be provided under this Project as necessary in support of this work.

c. Development of a Land Inventory System. This TA is expected to work with MOC(H), Urban Development Corporation and other government agencies (particularly the Land Valuation Department and infrastructure providing agencies) to begin construction of the land inventory system called for in Part 2. The exact nature of the TA will depend on the priority set of needs identified by MOC(H) in its first-year assessment.

d. Study of Constraints in the Rental Housing Market. Although the rental housing market obviously is of paramount importance to the target population, very little is known about its operation or the current constraints it faces. This task will involve analysis of the laws, regulations, and agency procedures related to the development and operation of rental housing. It will include research on the economics of rental market activity including identification of the type of housing being rented to the target group, the impact of rent controls, and investor characteristics and motivations. The work is expected to assess various options for improving operations of both the formal and informal residential rental markets (including, modification of current rent control laws).

e. Establishing Agenda for Improvements to the Private Housing Finance System. Analysis of the existing housing finance system in Jamaica is warranted particularly in terms of how effectively both the private and public finance sectors respond to housing credit needs of low income groups. A focused analysis of the interaction between mortgage financing provided by the National Housing Trust and that provided by the private sector is a priority. Such a study is expected to seek to identify the policy measures and legal and regulatory restrictions that inhibit a greater role for the private sector in housing finance, with recommendations as to a policy agenda for change. Another area which warrants high priority consideration is the public sector subsidy policy in the housing sector. Particularly important is the cost of subsidies to the GOJ, the distribution of subsidy by income group and the means by which beneficiaries can be graduated out of a subsidy program as incomes rise.

f. Water Production Monitoring. Technical assistance in the water service delivery sub-sector lends itself to more immediate implementation. This task will establish baseline information that will allow NWC to manage its distribution system; carry out pilot studies as to the effectiveness of leak detection, repairs and other conservation strategies; track the amount of water for which no revenue is received; carry out studies and pilot demonstration projects for water delivery to reduce illegal connections and related systems maintenance problems caused by settlements without access to water and sanitation; and other activities of priority policy concern. The technical assistance will assist NWC in setting up a system of bulk metering for all production outlets entering the distribution system and for routinely using this information for system management.

g. Leak Detection/Maintenance Procedures. This task will assist in NWC's short-term program for detection of major leaks and their repair in the principal urban areas, as well as lay the groundwork for a longer-term program to establish the routine capacity within NWC to carry out leak detection and repair work. TA is expected to consist of: training of 2 or 3 additional leak detection teams (NWC now has one); provision of leak detection equipment, assistance in installing a work order tracking system to monitor maintenance and repair effectiveness; and assistance in conducting the economic studies necessary to determine the cost effectiveness of leak detection/repair activities.

h. Water Pricing and Demand Studies. The purpose of this component is to determine a tariff structure and set of installation fees that can make water consumption affordable for all households, while not weakening the financial position of NWC. Among the priority items for technical assistance are the analysis necessary for determining a new policy toward standpipe provision and pricing; the pricing and method of cost recovery for off-site infrastructure serving sites and services developments; and new pricing and collection methods that can improve collections experience in large-scale, low-income developments.

i. Environmental Guidelines. It will be important to develop environmental guidelines for incorporation into policy reform in the areas of water, sewerage, and informal settlement development. External assistance to the Sectoral Coordination Committee and individual agencies is contemplated in this area to: work with appropriate Jamaican institutions to strengthen their capacity to handle and conduct environmental assessments; review institutional capabilities that can provide the mitigating measures necessary; and review legislative authority of appropriate institutions to take necessary action.

3. Institutional Strengthening

Although the full range of institutions involved in shelter and urban services delivery could potentially benefit from assistance under this Project, the following "institutions" have been identified as among those in need of strengthening as a high priority.

a. Ministry of Construction (Housing). The programs required to implement the policy agenda under the sector Program call for a reorientation of the efforts of MOC(H). Technical assistance (as described above) will be required over the life of the Program to bring about this restructuring. Institutional strengthening will focus on implementing the changes suggested by sector studies described above through training of staff and coordination of Ministry activities.

b. National Water Commission. The Program will concentrate on developing long-term capacity in those areas of specific interest relevant to implementation of the policy and institutional agenda outlined for the Jamaica Shelter and Urban Services Policy Program. These include, but are not limited to, production monitoring, leak detection, repair and maintenance, capital budgeting and programming, cost-recovery policies, and other policies relating to service delivery in low-income settlements. Institutional aid to NWC is planned to consist of 6 person-years of professional-level assistance (over Years 1-3 of the Program) and introduction of personal computers to operations and maintenance. Any additional personnel needs will have to be met by NWC and GOJ through its sectoral commitment to upgrading in connection with the Policy Program.

c. Community-Based Organizations, Non-Governmental Organizations and Community Outreach Activities of Service-Delivery Agencies. If shelter and urban services are to be re-targeted effectively on the needs of low-income and informal sector residents, there will have to be much greater institutional responsiveness to these communities. In part this will require strengthening (or creating) a capacity for community outreach within MOC(H) and NWC.

Another requirement for institutional strengthening is the network of community-based organizations and non-governmental organizations itself. This network currently is very weak. Jamaica has no organizations designed to lobby for the interests of informal settlements in mortgage financing, land titling, or water provision, and no history of organized self-help as to how settlements can work most effectively within the existing political and programmatic framework.

Technical assistance on this front would start with examining the role and functions which public sector agencies could provide to foster greater participation of PVO/NGO's in shelter delivery and identifying the institutional development needs at both levels in order to develop an effective program.

d. Town Planning Department. The personnel strengthening and computer equipment support needs of this institution are currently being addressed under a separate AID-financed project. However, if required, additional assistance could be provided under this Project to enhance the effectiveness of the Department in facilitating low cost shelter development.

B. Training

Training will be made use of to complement technical assistance efforts to strengthen production performance of key shelter sector institutions. Specific training needs will be identified in the context of implementation of the Jamaica Shelter and Urban Services Policy Program and will take the following forms, among others: (1) support for in-service workshops and (2) short-term, off-shore, specialized training sessions including those sponsored by AID.

C. Commodities and Equipment Support

The Project will provide financing for the acquisition of critical commodities and equipment in support of the Policy Program implementation. This support will focus on improving the efficiency of agencies' operations and special equipment needs to support innovative activities.

IV. Summary of Illustrative Project Budget

The accompanying table provides illustrative detail on the budget for technical assistance and related support. These figures represent the current best estimate of TA and related needs for the Policy Program and, of course, are subject to revision as the Policy Program evolves. The cost estimates for AID's contribution are based on the following assumptions for each category of assistance:

1. <u>Monitoring and Management Support</u>	<u>\$ 600,000</u>
2. <u>Field Projects and Studies</u>	<u>\$ 900,000</u>
3. <u>Institutional Strengthening</u>	<u>\$ 882,000</u>
4. <u>Evaluations and Audits</u>	<u>\$ 175,000</u>
One mid-term and one final evaluation. Non-governmental audits of Policy Program activities will be carried out as necessary.	
5. <u>Commodities Procurement and Logistical Support</u>	<u>\$ 300,000</u>
6. <u>Contingency at 5%</u>	<u>\$ 143,000</u>
TOTAL	<u>\$3,000,000</u>

Summary Cost Estimate and Financial Plan
(US\$000)

Source	AID		Host Country	
	FX	LC	LC	
Monitoring & Management Support	400	200		
Short-Term Field Projects & Studies	600	300		
Technical Support for Implementing Institutions	0	225		
Technical Personnel for NWC	0	225		
Support for CBO & NGO Network	50	150		
Training	160	72		
Evaluation/Audit	95	80		
Commodities	300	0		
Personnel, Office space, transportation and other GOJ support				950
Inflation	[Incorporated in Above Estimates at 5% per annum for FX and 10% per annum for local currency]			
Contingency @ 5%	95	48		50
TOTAL	1,700	1,300	1,000	4,000

SUMMARY GRANT PROJECT

PRESENT AND PLANNED OBLIGATIONS
OF FUNDS BY PROGRAM ELEMENT

(US\$000)

ELEMENT	THIS OBLIGATION		FUTURE OBLIGATION		LOP TOTAL	
	AID	GOJ	AID	GOJ	AID	GOJ
1) Monitoring and Management Support	115		445		600	
2) Field Projects and Studies	125		745		900	
3) Technical Support for Implementing Institutions	80		175		225	
4) Technical Personnel for NWC	90		175		225	
5) Support for CBO and NGO Network	50		150		200	
6) Training	50		182		232	
7) Evaluation/Audit	0		175		175	
8) Commodities	60		240		300	
9) Personnel, Office space Transportation and other GOJ support		190		760		950
10) Contingency (5%)	30	10	113	40	143	50
TOTAL	600	200	2400	800	3000	1000

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V. Proposed Implementation Timetable

The general strategy for implementation of technical assistance is to maximize the use of Jamaican institutions. This strategy has the obvious advantages of increasing familiarity with service delivery institutions and lowering average TA costs, as compared to predominant reliance on US-based technical assistance. More importantly, it should help strengthen the sector by building up institutional and technical capacity within Jamaica and outside of government service delivery organizations.

Technical assistance will be furnished through AID direct contracts as well as through host country contracts. AID commodity purchase orders will be used to procure equipment and commodities.

Procurement of technical assistance, commodities and training services will be on-going under this Program over the five-year life of project. However, in collaboration with the Sectoral Coordinating Committee overseeing the Jamaica Shelter and Urban Service Policy Program, several areas for technical assistance have already been identified for the National Water Commission, Ministry of Construction (Housing), National Housing Trust, Ministry of Development, Production and Planning, Ministry of Finance and Urban Development Corporation.

In some cases, as in the National Water Commission, Ministry of Construction (Housing) and Ministry of Development, Production and Planning, the need for long term as well as short term assistance has already been identified. Host country contracting will be promoted to the maximum extent possible. The following is an illustrative timetable for the procurement of these services.

Late August, 1989:	AID to initiate direct contracting or GOJ to initiate host country contracting for TA and PSC services from Jamaican firms, particularly for the NWC.
	Training and procurement plans outlined.
October, 1989	Proposals with latest postmark 45 days from date of issuance of RFP delivered to USAID/Jamaica and GOJ.
October, 1989	Proposals rank ordered by AID, in consultation with the GOJ in the case of direct AID contracting, and by the GOJ in the case of host country contracting. Cost proposal then requested of first choice firm and negotiated subsequently.
Mid-November, 1989	Contract negotiations completed and contract signed.
December, 1989	Contractor in field

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VI. Project Reporting and Evaluation

A. Quarterly reports will be submitted to AID's Regional Housing and Urban Development Office by all participating institutions. These reports will reflect the institutions' progress toward implementation of the Policy Program as well as the effectiveness of TA and related support under this Project in achieving institutional development objectives.

B. Evaluation of all project elements will be developed under the general guidance of Section 5.1, Project Evaluation, of the Project Grant Agreement.

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