

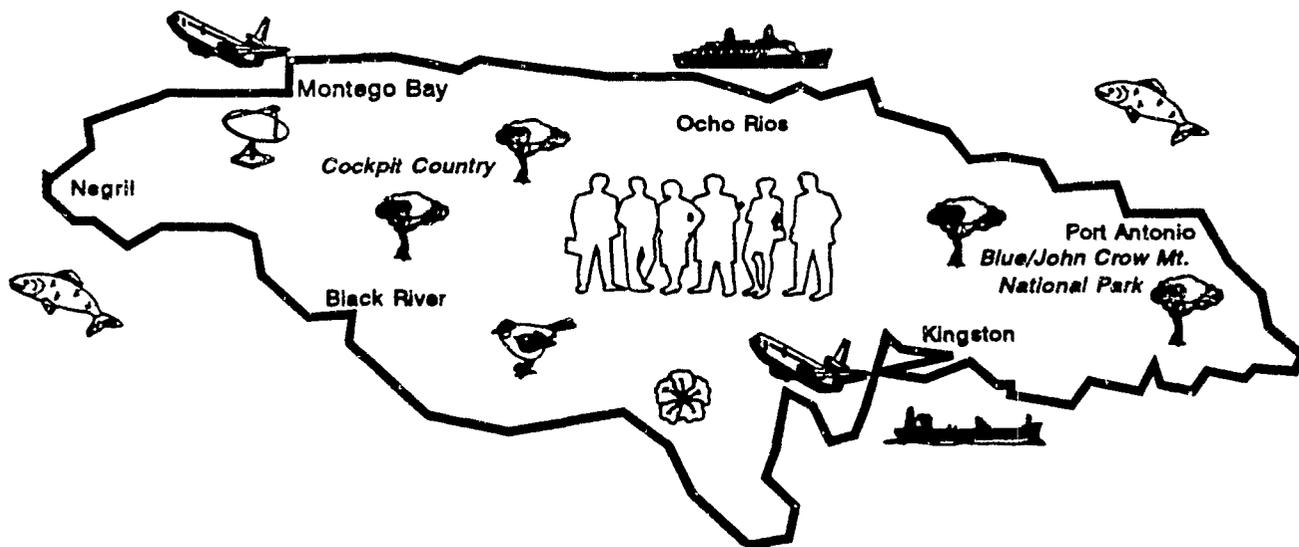


UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT  
MISSION TO JAMAICA

PD-ABL-194

*Action Plan*

FY 1994/95



*Helping Jamaica grow through:*



*increased foreign exchange earnings and employment*



*improved environmental quality and natural resource protection*



*healthy, smaller families*

May 1993

APPR: JHM { }

DRAFT: EC {FO}

CLEAR: JH {~~OK~~}

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CLEAR: PB { }

CLEAR: ER { }

AID/LAC/CAR:ECAMPBELL:MTW:CGCEDKIN  
06/26/92 647-3448  
AID/AA/LAC:JHMICHEL

CLEAR: { }

CLEAR: { }

AID/LAC/CAR:CHTYSON  
AID/LAC/DR:JHRADSKY  
AID/LAC/DPP:ERUPPRECHT  
AID/LAC/DPP:EZALLMAN

AID/LAC/DR:JBOYER {DRAFT}  
AID/LAC/DR:PBLOOM  
AID/LAC/DPP:BMEEHAN  
AID/LAC/DR:JCARNEY

PRIORITY KINGSTON

AIDAC

E.O. 12356: N/A

TAGS:

SUBJECT: REVIEW OF USAID/JAMAICA'S FY 1993-97 PROGRAM OBJECTIVES DOCUMENT (POD) AND FY 1993-94 ACTION PLAN (AP)

1. REVIEW OF USAID/JAMAICA'S POD/AP WAS HELD ON FRIDAY, MAY 29, 1992. THE MEETING WAS CHAIRED BY AMBASSADOR JAMES H. MICHEL, AA/LAC. DAVID R. MALPASS, ARA'S DAS FOR ECONOMIC AFFAIRS, REPRESENTED STATE. ROBERT S. QUEENER, MISSION DIRECTOR, AND JOHN A. TENNANT, PROGRAM AND PROJECT OFFICE DIRECTOR, REPRESENTED USAID/JAMAICA. REPRESENTATIVES FROM LAC AND ARA FUNCTIONAL AND GEOGRAPHIC OFFICES WERE ALSO PRESENT. THE POD/AP, FY 93 AMENDMENTS TO PROJECTS, AND NEW PROJECT DESCRIPTION (NPD) WERE CLEARED FOR THE MISSION TO PROCEED WITH PROJECT DEVELOPMENT AND AUTHORIZATION IN THE FIELD. THE FY 94 NPD WAS APPROVED FOR INCLUSION IN THE MISSION'S FY 94 ANNUAL BUDGET SUBMISSION.

2. AMBASSADOR MICHEL COMMENDED THE MISSION ON: (A) THE QUALITY OF ITS DOCUMENT; (B) ITS PLAN FOR REDUCING THE NUMBER OF ITS PROJECTS; AND (C) REDUCING ITS STRATEGIC OBJECTIVES FROM TEN (10) TO THREE (3). HE RECOGNIZED THE EFFORT TO PRODUCE THE POD/AP AND CONVEYED HIS HIGH REGARD FOR THE USAID MISSION. HOWEVER, HE EXPRESSED CONCERN

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ABOUT THE MISSION'S MAINTENANCE OF QUALITY PERFORMANCE GIVEN EXPECTED REDUCTIONS IN ITS STAFF AND FUNDING LEVELS. QUEENER OBSERVED THAT THE POD FOCUS AND CONCENTRATION METHODOLOGY HAD PROVIDED A SOUND BASIS FOR CONTINUED EFFECTIVE PERFORMANCE AT REASONABLY REDUCED RESOURCE LEVELS, BUT CONCURRED THAT THIS ISSUE BE CLOSELY FOLLOWED. AMBASSADOR MICHEL REQUESTED THAT LAC/DR AND LAC/DPP BE GIVEN THE BENEFIT OF ANY MISSION SUGGESTIONS ON FURTHER SIMPLIFYING THIS PROCESS.

3. IN ADDITION, AMBASSADOR MICHEL REQUESTED THAT THE MISSION NOT SUPPORT CENTRAL OR REGIONAL PROJECTS THAT ARE NOT CLEARLY RELATED TO THE MISSION'S STRATEGY. AFTER A PRELIMINARY REVIEW OF THE MISSION'S LIST OF CENTRAL AND REGIONAL PROJECTS, IT WAS AGREED THAT AT LEAST ONE, THE LAC/DI REGIONAL PROJECT TO STRENGTHEN LOCAL GOVERNMENT, SHOULD NOT BE PURSUED. IT WAS ALSO AGREED THAT THE MISSION WOULD REVISIT THIS ISSUE AND ADVISE LAC HOW IT CATEGORIZES SUCH PROJECTS BASED ON THE FOLLOWING CRITERIA: {1} PROJECTS THAT FIT MISSION STRATEGIC OBJECTIVES; {2} PROJECTS THAT FIT ITS STRATEGIC OBJECTIVES BUT ARE BEYOND ITS MANAGEMENT CAPACITY; AND {3} PROJECTS THAT DO NOT FIT MISSION'S STRATEGIC OBJECTIVES/INTERESTS.

4. THE MISSION'S THREE STRATEGIC OBJECTIVES WERE APPROVED:

{A} INCREASED FOREIGN EXCHANGE EARNINGS AND EMPLOYMENT: JAMAICA'S HEAVY DEBT BURDEN, COUPLED WITH ITS IMPORT DEPENDENCE REQUIRE IT TO EXERT SPECIAL EFFORTS ON EARNING FOREIGN EXCHANGE THROUGH AN EXPORT AND INVESTMENT ORIENTATION. THE MISSION'S STRATEGY IS TO ENCOURAGE POLICY REFORMS AND TO SUPPORT IMPROVEMENTS IN THE REGULATORY ENVIRONMENT, TO STIMULATE INCREASED TRADE AND INVESTMENT, PARTICULARLY IN THE CRITICAL FOREIGN EXCHANGE EARNINGS SECTOR, AND TO PROVIDE ASSISTANCE TO HELP JAMAICA OVERCOME KEY CONSTRAINTS TO INCREASED PRODUCTIVITY AND EFFICIENT FINANCIAL MARKETS.

{B} IMPROVED ENVIRONMENTAL MANAGEMENT AND PROTECTION: JAMAICA'S ECONOMY HAS HISTORICALLY DEPENDED ON ITS NATURAL RESOURCE BASE, INITIALLY IN AGRICULTURE (ESPECIALLY SUGAR AND BANANAS), THEN AS A LEADING WORLD SUPPLIER OF BAUXITE AND ALUMINA IN THE 1960'S AND 70'S, AND CURRENTLY IN TOURISM. THE MISSION'S STRATEGY SUPPORTS CONSERVATION AND SOUND RESOURCE MANAGEMENT TO SUPPORT ECONOMIC GROWTH.

{C} HEALTHY, SMALLER FAMILIES: ALTHOUGH JAMAICA'S HEALTH INDICATORS ARE RELATIVELY GOOD, THE HEAVY DEBT BURDEN AND

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SLOW GROWTH OF THE ECONOMY SHARPLY CONSTRAIN THE GOVERNMENT'S RESOURCES AVAILABLE TO THE HEALTH SECTOR, WHILE HIGH POPULATION DENSITY AND CONTINUING POPULATION GROWTH INCREASE THE NEED FOR MORE EFFICIENT AND EFFECTIVE HEALTH SERVICES. THE MISSION'S STRATEGY ADDRESSES THE PHENOMENON OF DETERIORATING HEALTH STANDARDS THAT ARE LIKELY TO REDUCE THE PRODUCTIVITY AND EFFICIENCY OF THE JAMAICAN WORKFORCE BY IMPROVING FINANCIAL MANAGEMENT, ADMINISTRATION AND COST CONTAINMENT IN THE HEALTH SYSTEM WHILE IMPROVING THE SUSTAINABILITY AND EFFECTIVENESS OF FAMILY PLANNING AND AIDS PREVENTION SERVICES.

5. THE MISSION'S REQUEST TO CONTINUE THE FOLLOWING PROGRAMS UNDER "OTHER CONCERNS" WAS APPROVED:

{A} SUSTAINABLE JUSTICE PROGRAM: THE MISSION'S PLAN TO COMMIT APPROXIMATELY DOLS THREE {3} MILLION, THROUGH FY 96, TO CAPITALIZE ON THE BASE BUILT UNDER THE REGIONAL CARIBBEAN JUSTICE IMPROVEMENT PROJECT AND COMPLETE THE INSTITUTIONAL DEVELOPMENT PROCESS TO SUSTAIN A RESPONSIVE JUDICIAL SYSTEM.

{B} BASIC EDUCATION: THE MISSION'S PLAN TO COMMIT APPROXIMATELY DOLS ONE POINT SIX {1.6} MILLION TO CONTINUE ASSISTANCE THROUGH FY 95 IN SUPPORT OF POLICY ANALYSIS, PLANNING AND MANAGEMENT IN THE JAMAICAN MINISTRY OF EDUCATION.

{C} SHELTER: THE MISSION'S PLAN TO CONTINUE SUPPORT TO EXISTING HOUSING GUARANTEE PROGRAMS, THROUGH THE END OF FY 94 -- PRINCIPALLY TO FINANCE THE COMPLETION OF MORE THAN FOUR THOUSAND {4,000} SERVICED HOUSING SITES IN TOURISH AREAS, FINANCE THE EXTENSION OF MORE THAN THREE THOUSAND FIVE HUNDRED {3,500} PRIVATE SECTOR LOW-INCOME SHELTER LOANS, IMPROVE ACCESS TO POTABLE WATER FOR MORE THAN FOUR THOUSAND {4,000} HOUSEHOLDS, AND HELP ASSURE THE INSTITUTIONAL AND POLICY BASE IN THE PUBLIC AND PRIVATE SECTOR IS ADEQUATELY ESTABLISHED BEFORE THE MISSION'S WITHDRAWAL.

6. POD ISSUES:

{A} PROBLEMS IN JAMAICA'S STABILIZATION AND STRUCTURAL ADJUSTMENT PROGRAM:

DISCUSSION: JAMAICA'S STRUCTURAL ADJUSTMENT PROGRAM HAS PRODUCED SOME IMPORTANT GAINS. HOWEVER, RECENT ECONOMIC PERFORMANCE HAS BEEN DISAPPOINTING. RAPID INFLATION {APPROACHING 80 PERCENT ON AN ANNUALIZED BASIS}, POOR

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TRADE AND INVESTMENT PERFORMANCE AND SLOW GROWTH CONTINUE TO NEGATIVELY IMPACT THE ECONOMY. JAMAICA'S CHRONIC TRADE DEFICIT AND LARGE DEBT SERVICE PAYMENTS CONTINUE TO PLACE PRESSURE ON THE EXCHANGE RATE, AND RAPID MONETARY GROWTH HAS CONTRIBUTED TO INFLATION. THESE DEVELOPMENTS ARE WORRISOME TO BILATERAL AND MULTILATERAL DONORS ALIKE. INFLATION HAS LED TO DECLINES IN REAL INCOMES, CREATING THE POSSIBILITY OF SOCIAL UNREST AND POLITICAL INSTABILITY.

DECISION: REVIEW AND ASSESS INITIAL FINDINGS OF THE RECENT INTER-AGENCY TEAM OF ECONOMISTS WHO VISITED JAMAICA, WITH A VIEW TO HOLDING DISCUSSIONS WITH INTERNATIONAL FINANCIAL INSTITUTION ECONOMISTS. ULTIMATELY, A PAPER WILL BE PRESENTED IN CONJUNCTION WITH AN INTER-AGENCY REVIEW OF POSSIBLE CONDITIONALLY FOR THE USG'S ECONOMIC SUPPORT FUNDS. IT IS IMPORTANT THAT USAID POLICY DIALOGUE BE PARALLEL WITH AND MUTUALLY REINFORCE THE INTERNATIONAL MONETARY FUND (IMF) AGENDA. IT WAS AGREED THAT WE MUST USE OUR POLICY RESOURCES TO OUR BEST ADVANTAGE TO GAIN MOMENTUM AND ACCELERATE THE PACE OF IMPROVEMENTS MADE IN JAMAICA'S ECONOMY. UNTIL THE MACRO POLICY ENVIRONMENT IS UNDER CONTROL, USAID SHOULD CONTINUE TO MAINTAIN ATTENTION ON MACRO POLICY ISSUES AND NOT MOVE AGGRESSIVELY TO LEGAL/REGULATORY/JUDICIAL, SECTORAL OR MICRO ISSUES.

{B} WHAT IS JAMAICA DOING TO EXPAND TRADE AND INVESTMENT?

DISCUSSION: RECENT EXPANSION OF TRADE AND INVESTMENT HAS BEEN MINIMAL. HOW SHOULD JAMAICA APPROACH WORLD MARKETS? IS JAMAICA PREPARING ITSELF ADEQUATELY TO PARTICIPATE IN THE NORTH AMERICA FREE TRADE AGREEMENT (NAFTA)? SHOULD JAMAICA GO IT ALONE OR WAIT FOR THE REST OF CARICOM MEMBERS? SHOULD SOME PORTION OF USAID RESOURCES BE DEVOTED TO HELPING JAMAICA COMPETE IN WORLD MARKETS AND NEGOTIATE WITH THE U.S. ON NAFTA?

DECISION: IT WAS RECOGNIZED THAT JAMAICA HAS SIGNED {1} A CARIBBEAN BASIN INITIATIVE (CBI) TEXTILES AGREEMENT ALLOWING SPECIAL ACCESS TO THE U.S. MARKET FOR APPAREL ASSEMBLED IN THE CARIBBEAN BASIN FROM CLOTH CUT AND FORMED IN THE U.S., AND {2} TAX INFORMATION EXCHANGE AGREEMENT PERMITTING JAMAICA TO RECEIVE THE CBI CONVENTIONS TAX BENEFIT. WITH THE ENTERPRISE FOR THE AMERICAS INITIATIVE, A FRAMEWORK AGREEMENT ON TRADE AND INVESTMENT HAS BEEN NEGOTIATED WITH CARICOM, OF WHICH JAMAICA IS A MEMBER.

IT WAS AGREED THAT USAID IS CORRECTLY EMPHASIZING ECONOMIC POLICY REFORM TO IMPROVE THE BUSINESS ENVIRONMENT WHILE

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THE WORLD BANK AND INTER-AMERICAN DEVELOPMENT BANK ARE HEAVILY ENGAGED IN TRADE ISSUES. REGARDING NAFTA, US POLICY IS TO PREFER REGIONAL, RATHER THAN BILATERAL, ASSOCIATION WITH NAFTA, AND THE PREFERRED OUTCOME WOULD BE FOR JAMAICA TO LEAD THE CARIBBEAN COUNTRIES INTO JOINT ASSOCIATION WITH NAFTA.

{C} REGIONAL VS. BILATERAL APPROACH TO PROJECTS/PROGRAMS THAT ARE COMMON THROUGHOUT THE CARIBBEAN.

DISCUSSION: SHOULD USAID/JAMAICA AND OTHER CARIBBEAN MISSIONS WITH COMMON INTERESTS EXAMINE THE POSSIBILITY OF UTILIZING A REGIONAL RATHER THAN PURELY BILATERAL APPROACH TO PROJECTS/PROGRAMS THAT ARE COMMON THROUGHOUT THE CARIBBEAN SUCH AS NARCOTICS AWARENESS, SOCIAL SECTOR {EDUCATION AND HEALTH} POLICY AND FINANCING, DEMOCRATIC INITIATIVES {AOJ}, FAMILY PLANNING, AIDS, BUSINESS MANAGEMENT/EDUCATION, AND TRAINING.

DECISION: IT WAS AGREED THAT DUE TO DWINDLING RESOURCES THE MISSION SHOULD LOOK FOR OPPORTUNITIES OF ECONOMIES OF SCALE, THAT MIGHT BE ACHIEVED THROUGH ADDRESSING SELECTED DEVELOPMENT ISSUES ON A REGIONAL BASIS. LAC WILL EXPLORE WAYS THAT RDO/C CAPABILITIES MIGHT COMPLEMENT BILATERAL PROGRAMS. HOWEVER, THE PRACTICALITY OF USING USAID/JAMAICA'S LIMITED STAFF/RESOURCES FOR OTHER COUNTRIES IN THE REGION WAS QUESTIONABLE.

#### 7. APPROVED PROJECT AMENDMENTS/NPDS

##### FY 1993 AMENDMENTS:

532-0135, EXPORT DEVELOPMENT AND INVESTMENT PROMOTION. DOLS. 10 MILLION INCREMENT {DA}. NEW LIFE-OF-PROJECT DOLS. 17 MILLION.

532-0149, TECHNICAL SUPPORT FOR SHELTER AND URBAN SERVICES. DOLS. 2 MILLION INCREMENT {DA}. NEW LIFE-OF-PROJECT DOLS. 4 MILLION.

532-0155, PRIMARY EDUCATION ASSISTANCE II DOLS .1.6 MILLION INCREMENT {DA}. NEW LIFE-OF-PROJECT DOLS. 5.6 MILLION.

532-0156, MICROENTERPRISE DEVELOPMENT. DOLS. 3 MILLION INCREMENT {DA}. NEW LIFE-OF-PROJECT DOLS. 5 MILLION.

##### FY 1993 NEW PROJECT:

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532-0200, NARCOTICS AWARENESS, EDUCATION AND COUNSELING. LIFE-OF-PROJECT DOLS 3 MILLION (DA). AID/W CLARIFIED THAT THE PILOT TESTING OF COST EFFECTIVE TREATMENT APPROACHES FOR CRACK USERS WOULD BE ACCEPTABLE UNDER THE PROPOSED PROJECT. THE NEW PROJECT WILL BUILD ON THE LESSONS DERIVED FROM THE FIRST THREE YEAR DRUG ABUSE PREVENTION PILOT PROJECT (532-0161).

NOTE. FUNDING IS SUBJECT TO AVAILABILITY. APPROVAL AND AUTHORIZATION OF THE ABOVE AMENDMENTS/PROJECTS HAS BEEN DELEGATED TO USAID/JAMAICA.

FY 1994 NEW PROJECT:

532-0166, POLICY REFORM FOR TRADE AND INVESTMENT SUPPORT. LIFE-OF-PROJECT DOLS. 45 MILLION (ESF). NEW PROJECT WILL BUILD ON THE CURRENT POLICY REFORM IN SUPPORT OF PRIVATE INVESTMENT (532-0164) PROJECT, BUT SHARPEN THE POLICY FOCUS TO MORE DIRECTLY SUPPORT TRADE DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS. PROJECT 532-0166 IS APPROVED FOR INCLUSION IN THE MISSION'S FY 1994 ANNUAL BUDGET SUBMISSION.

B. CLARIFICATIONS:

{A} PEOPLE-LEVEL IMPACT: THE INDICATORS DEAL MAINLY WITH INCREASES IN PRODUCTION, INVESTMENT AND GOVERNMENT ACTIONS, AND NOT MUCH WITH EMPLOYMENT, WAGES, PAYROLLS AND OTHER INDICATORS OF IMPACT ON PEOPLE. ALTHOUGH THERE ARE EMPLOYMENT INDICATORS, THE POD DID NOT FOCUS ON THESE ASPECTS OF DEVELOPMENT BECAUSE THE MISSION FOLLOWED LAC INSTRUCTIONS FOR A GROWTH-ORIENTED STRATEGY. IT WAS AGREED THAT BROADLY BASED SUSTAINABLE GROWTH PROVIDES PEOPLE LEVEL IMPACT, AND THAT IT IS IMPORTANT TO MEASURE THESE TO ASSURE THERE IS NOT OVER CONCENTRATION OF WEALTH FROM GROWTH. LAC WILL ASSIST THE MISSION TO DETERMINE HOW BEST TO TRACK PEOPLE-LEVEL IMPACTS IN THE PROGRAM PERFORMANCE ASSESSMENT SYSTEM.

{B} STRUCTURAL ADJUSTMENT AND IMPACT ON THE POOR: THE JAMAICAN GOVERNMENT'S SOCIAL AND ECONOMIC SUPPORT PROGRAM (SESP) AND ITS POVERTY ALLEVIATION PROGRAM (PAP) ARE ITS SAFETY NETS TARGETED AT THE POOREST GROUPS IN THE POPULATION. IN ADDITION, THE GOVERNMENT'S FOOD STAMP PROGRAM (FSP) ASSISTS THE DISADVANTAGED DURING THE PERIOD OF STRUCTURAL AND ECONOMIC ADJUSTMENT. THE USG SUPPORTS THE FSP THROUGH THE PROVISION OF LOCAL CURRENCIES GENERATED BY MONETIZED COMMODITIES FROM USDA'S JAMAICA SECTION 416 {B} PROGRAMS. IN ORDER TO ADDRESS THE

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EFFECTIVENESS OF THE GOVERNMENT OF JAMAICA'S STRATEGIES AND PROGRAMS TO MITIGATE THE ADVERSE EFFECTS OF REFORM PROGRAMS, THE MISSION COORDINATES WITH OTHER DONORS TO TRACK THE IMPACT OF STRUCTURAL ADJUSTMENT ON JAMAICA'S POOR.

{C} CONSOLIDATION OF INDICATORS: IN THE INTEREST OF GREATER SIMPLICITY AND STRATEGIC FOCUS, THE MISSION WILL MOVE TOWARD DECREASING THE NUMBER AND REFINEMENT OF ITS INDICATORS. A MONITORING AND EVALUATION TEAM IS SCHEDULED TO VISIT JAMAICA IN SEPTEMBER 1992 TO ASSIST WITH THIS PROCESS. {THE MISSION REQUESTED THAT ERHARDT RUPPRECHT REPRESENT LAC ON THE VISIT BY THE CDIE/LAC TEAM.} FOR EXAMPLE, THE PERFORMANCE INDICATORS FOR THE NORTH COAST DEVELOPMENT SUPPORT PROJECT WILL BE REVIEWED TO PROVIDE A CLEARER LINKAGE TO STRATEGIC OBJECTIVES. REFINEMENT OF THE INDICATORS WILL BE REFLECTED IN THE MISSION'S FY 1994/95 ACTION PLAN.

{D} GENDER DISAGGREGATED DATA: THE MISSION AGREED THAT ITS CAPABILITY TO MEASURE THE IMPACT OF FEMALE EMPLOYMENT AT THE PROGRAM LEVEL WOULD BE ENHANCED FOLLOWING THE PLANNED SEPTEMBER 1992 MONITORING AND EVALUATION TEAM VISIT TO ASSIST THE MISSION WITH ITS MONITORING AND EVALUATION SYSTEM.

{E} INTERNATIONAL FOUNDATION FOR EDUCATION AND SELF-HELP {IFESH}: BOTH THE MISSION AND LAC HAVE IDENTIFIED IFESH AS A PRIORITY INITIATIVE; HOWEVER, IFESH IS NOT LISTED BY THE MISSION AS A NEW INITIATIVE AT A SPECIFIC FUNDING LEVEL BECAUSE THE MISSION DOES NOT HAVE SUFFICIENT UNEARMARKED EHR FUNDS TO FINANCE THE GRANT. {THE MISSION HAD EARLIER AGREED TO SWAP DEOBED ARDN "M" ACCOUNT FUNDS FOR EHR FUNDS BUT NO LONGER HAS THAT OPTION}. THE MISSION AND LAC HAVE AGREED TO FUND IFESH IN FY 1993, SUBJECT TO THE AVAILABILITY OF ADDITIONAL FUNDS AND AN ACCEPTABLE PROPOSAL FROM IFESH.

{F} MISSION STRATEGY IF PSEE FUNDS ARE NOT AVAILABLE: IF MISSION PROJECTED REQUIREMENTS FOR PSEE FUNDS IN FY 1993/94 CANNOT BE MET BY LAC, THE MISSION PLANS TO FUND PROJECTS BASED ON THEIR STRATEGIC IMPORTANCE. THIS WILL EXTEND SOME PROJECT IMPLEMENTATION SCHEDULES, SUCH AS THE SUSTAINABLE JUSTICE REFORM {532-0175} PROJECT, AND INCREASE MORTGAGE LEVELS.

{G} UTILIZATION OF ADDITIONAL AIDS FUNDS: THE AID/STD PREVENTION AND CONTROL {532-0153} PROJECT IS BEING EXTENDED FROM 1994 TO 1997 IN FY 92; LIFE-OF-PROJECT IS

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INCREASED FROM DOLS 2.5 MILLION TO DOLS 5.5 MILLION. AN ADDITIONAL DOLS. 3 MILLION ABOVE THE EXISTING OYB SUPPORT LEVEL IN AIDS ACCOUNT FUNDS FOR AIDS/HIV PREVENTION HAS BEEN OFFERED BY LAC. TECHNICAL SUPPORT TO ASSIST THE MISSION WITH PROGRAMMING OF THESE RESOURCES IS ALSO OFFERED BY LAC/DR/HPN AND R&D/H/AIDS. A MISSION RESPONSE TO THIS OFFER IS REQUESTED.

{H} REASSESSMENT OF EDUCATION SECTOR: THE MISSION AND WORLD BANK WILL COORDINATE A PLANNED 1993/94 REASSESSMENT OF JAMAICA'S FISCAL AND POLICY CONSTRAINTS ON ITS EDUCATION SYSTEM, AT WHICH TIME THE MISSION WILL DETERMINE WHAT INTERIM ROLE IT SHOULD PLAY BEYOND WHAT IT PROPOSES IN THE PRIMARY EDUCATION ASSISTANCE (532-0155) PROJECT II REVISION, BEFORE ITS ANTICIPATED WITHDRAWAL FROM THE SECTOR IN 1995.

{I} HOUSING GUARANTY PROJECTS: DESPITE IMPLEMENTATION PROBLEMS IN JAMAICA'S HOUSING GUARANTY PROGRAMS, THE MISSION PLANS TO CLOSE-OUT THE LAST TWO HG'S IN 1994. RHUDO WILL CONTINUE TO MANAGE, ON BEHALF OF THE MISSION, THE INNER KINGSTON PROJECT AND THE TECHNICAL SUPPORT GRANT THAT WILL INCLUDE THE NEWLY PROPOSED REVISION TO IMPROVE SOLID WASTE COLLECTION/DISPOSAL SERVICES IN MONTEGO BAY UNTIL 1996.

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**ACTION PLAN**  
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Action Plan for FY 1994/95  
USAID/Jamaica

**I. Status of Strategic Objectives**

**A. Introduction and Overview**

USAID/Jamaica's primary aim over the past year has been to focus its program and available resources for greater efficiency and impact. To do this, the Mission accorded highest priority to (1) consolidating the portfolio around the three strategic objectives approved in last year's POD/AP review, (2) refining the Program Performance Assessment System (PPAS) to better manage and measure program performance, and (3) aligning funds and staff resources to achieve maximum impacts as these resources decline. In general, the Mission believes it has achieved reasonable results in each of these key areas. Specific actions in this regard are summarized below and are detailed in the sections to follow.

**1. Performance Over the Last AP Period**

This Action Plan marks the first year of PPAS monitoring. Although extensive revision and consolidation of outputs and indicators are presented in this document, the strategic objectives remain essentially unchanged since the FY 1993/94 Action Plan:

- \* increased foreign exchange earnings and employment;
- \* improved environmental quality and natural resource conservation; and
- \* healthy, smaller families.

There have been modest accomplishments towards these strategic objectives over the last performance year. Jamaica's shift to a private sector-driven economy is succeeding through an integrated program of government divestment, improved policies and regulations for trade and investment, and an export-oriented growth strategy. Inflation, exchange and interest rates all stabilized in 1992. There are indications that employment grew at a moderate rate. Although overall export earnings have stagnated with low world commodity prices, there has been modest growth in non-traditional products. Non-agricultural exports in priority areas the Mission is supporting (tourism, garments and information processing) increased from US\$1.02 billion in 1991 to over US\$1.2 billion in 1992. The overall merchandise trade deficit over a comparable eleven month period declined to US\$534.8 million in 1992-93 from US\$566.6 in 1991-92. There are also increasing market values for commercial property in inner Kingston, which should lead to revitalization and increasing investment.

USAID contributes measurably to conservation and environmental quality. In the past year, two USAID-assisted national parks in the Blue/John Crow Mountains and at Montego Bay were officially opened, the Environmental Fund for Jamaica under the EAI was launched, and almost 7,000 farmers adopted environmentally-sound farming systems under USAID's Hillside Agriculture Project. With its strong technical capabilities and well-placed projects, USAID will play a major role in assisting Jamaica in achieving environmentally-sound, sustainable development. Also, the past year has seen a noticeable increase in public appreciation for conservation of natural resources, and the Mission's support for community-based action has been particularly timely. Under the new Development of Environmental Management Organizations Project, USAID has assisted the fledgling National Resource Conservation Authority with policy formulation, priority setting, and organizational development. The Mission has also helped galvanize leadership initiatives of the National Environmental Societies Trust, the key environmental umbrella NGO in Jamaica (formed in 1989), and USAID-financed rangers in the two newly-launched national parks have initiated the first enforcement actions against river and off-shore polluters.

USAID's program to strengthen financial management of health services has been particularly timely in light of the Government of Jamaica's fiscal austerity program and strained public services. Health fees are moving upward to cover more of actual costs, generic drugs are being promoted throughout the system, new hospital management teams with increased levels of delegated authority are addressing community needs as part of decentralized management, and initiatives have been launched to expand private health delivery. Jamaica also has benefitted from USAID assistance in family planning and AIDS/STD prevention, designed to reduce fertility and slow the rate of increase of HIV transmission. The Family Planning Board has downsized and refocused its emphasis in the sector towards training and promotion rather than service delivery, and is supporting the move to private service delivery. Important strides have been made in expanding longer-term family planning methods including female and male sterilization as well as Norplant, and by involving private physicians in the introduction of these methods.

## 2. Consolidation

In last year's Action Plan review, USAID projected the number of active projects to fall from 28 at the end of FY92 to 22 by the end of FY 1993 (this figure includes the housing guarantee programs), and the Mission now expects to meet the target of 22 active projects by the end of FY 1993. The project portfolio consolidation is shown in Table 3 and summarized as follows:

Active USAID Bilateral Projects at the  
End of Each Fiscal Year

	<u>FY 92 (actual)</u>	<u>FY 93 (plan)</u>	<u>FY 94 (plan)</u>	<u>FY 95 (plan)</u>
Active projects	30	22	17	12

For the Action Plan period, while there will be a delay in closing out HG-012 from FY 1994 to FY 1995, USAID is firmly committed to withdrawing from the housing sector as soon as it can assure an orderly close-out. The Low Cost Shelter Project (-0067) and the Urban Technical Assistance Project (-0117) are already closed. USAID should complete HG-013 by the end of FY 1993 (one year earlier than expected), and we are refocusing the Technical Support for Housing and Urban Services (-0149) to support urban environmental and investment objectives as well as assure the necessary support to facilitate the closeout of HG-012.

Closure of the HG-012 program hinges on assuring a sound solution to the squatter upgrading program that USAID is supporting on the outskirts of Montego Bay. Because this activity is directly related to environmental quality and tourism potential of a key geographical area in our strategy, and because it could have significant environmental implications, USAID is moving cautiously and expects to be involved with this remaining program through the FY 1994/95 Action Plan period. However, there will be earlier closure if there is not evidence of GOJ commitment to resolving the remaining issues.

Significant new consolidation actions not described in the FY 1993/94 Action Plan include:

- The Mission is proposing to cut involvement in the staff-intensive drug abuse prevention area at the termination of the current Drug Abuse Prevention project in FY 1994. We have consequently decided not to pursue the Narcotics Education project proposed in last year's Action Plan.
- USAID proposes to projectize ESF funding in FY 1994-1995 at the \$5 million OYB level. The Mission would channel these ESF funds into the Export Development and Investment Promotion Project (EDIP) which has a large mortgage and is the Mission's major instrument of economic policy implementation. The policy dialogue process will continue in conjunction with the EDIP project, and depending on GOJ commitment and the other donor actions, may incorporate a component to facilitate the independence of the Jamaican Central Bank. USAID believes that focus and resource effectiveness will be

improved if the limited ESF funds likely to be received during the Action Plan period are used to fund the EDIP project rather than to fund a small cash transfer program. The Mission thus does not propose to initiate a new three-year Policy Reform for Trade and Investment Support Program unless there appears to be a reasonable chance that ESF levels will be increased significantly above the \$5 million level.

- USAID has decided not to pursue a new initiative for improving solid waste management in the Montego Bay area. Although presented in the FY 93/94 Action Plan and consistent with the Mission's strategic focus, the lack of Mission budget and staff resources preclude this activity. Further, in FY 1993-1995, RHUDO and the Mission will concentrate on accelerating progress towards the successful close out of existing housing programs. USAID will continue to provide some modest analytical and possibly other limited upfront support to an IDB effort being developed to improve solid waste management in Jamaica.
  
- The Mission has decided to cease funding the small but staff-intensive Special Development Activity Fund (SDAF) project by the end of FY 1993. This activity, while politically attractive, contributes little to our strategic objectives and consumes an inordinate amount of staff time.

Other consolidation plans described in the FY 1993/94 Action Plan are generally still valid. The Mission will complete programs by the end of FY 1993 in agricultural education and food aid monitoring and focus the crop diversification/irrigation project exclusively on reconstruction of the Rio Cobre Dam. USAID will complete its involvement agricultural research in FY 1994 and in the primary education sector by the end of FY 1995. Thus, by the end of the FY 1994-95 Action Plan period, the Mission will have closed all activities outside its strategic objective framework except for the Sustainable Justice Reform project which will terminate in FY 1996. In conjunction with this programmatic consolidation, the total number of bilateral projects will be reduced to 12 by the end of FY 1995. This is significantly fewer than the 17 projects planned per last year's Action Plan and results from the proposed project terminations and cuts in planned new activities discussed above. To reinforce this consolidation process, the Mission does not expect to begin any new projects over this period, but will continue to revise and amend ongoing projects to improve their focus and impact.

Note that the Mission is proposing two NPDs in the Action Plan in this regard. One will add resources to the University of the West Indies School of Management Project to assure a sustainable Institute of Business by the current PACD, and the other will increase the resource level and focus of the Caribbean and Latin America Scholarship Program (CLASP) II within the existing PACD. Both amendments are designed to improve potential impact on our strategic objectives without increasing our portfolio size and staffing requirements.

### 3. Refining the PPAS Framework

Last year's POD/Action Plan review resulted in a clear endorsement and approval of the FY 1993-94 POD/Action Plan. However, the Bureau and Mission agreed that further refinement of the PPAS was needed. The aim was to help assure collection and analysis of appropriate data for only the most important indicators that demonstrate key linkages between the program and strategic objectives. USAID agreed to arrange for a Bureau TDY group for late Summer or early Fall of 1992 to help in this regard. This timeframe would have provided adequate time after the TDY to measure some limited progress against the refined PPAS. Unfortunately, uncertainties caused by Section 599 legislation caused a substantial delay in the TDY until January, 1993. Nevertheless, the Mission appreciates the excellent support from the Bureau TDY team in January resulting in important refinements in USAID's PPAS framework.

Major results of the TDY and associated efforts to date have included:

- Formal establishment of strategic objective committees and procedures to refine the PPAS and to measure and analyze program performance. The Mission also established a special Social Issues Committee that identified "people level" indicators which were subsequently added to the framework;
- Reduction and refinement of program outputs from 18 to 11;
- Reduction and better focus of strategic objective and output indicators from 77 to 49;
- Introduction of new social impact indicators (e.g. employment data and number of poor affected by programs) into the PPAS, disaggregated by gender wherever possible.
- Agreement on the most appropriate sources of information for measuring program performance, with emphasis on using existing data sources whenever possible rather than developing costly new information sets;

- Active use of the PPAS framework for program decisions, including helping to develop project evaluation scopes of work (e.g. Microenterprise, EDIP), and for screening new project ideas and project amendments;
- Application of the PPAS framework and committee structure to develop and review the Spring Semiannual Reviews (SARS).

While USAID intends to continue to work to improve the PPAS, the system is now a useful strategic management tool to guide and measure progress toward the three approved strategic objectives. The Mission intends to do an overall program assessment before the next Action Plan to (1) assess progress toward strategic objectives, (2) help determine the underlying reasons for poor or exceptional performance, and (3) further refine the PPAS system as appropriate. The Mission may seek additional assistance from the LAC Bureau in this regard.

#### 4. Aligning Funds and Staff for Impact

Perhaps the most difficult tasks to date have been the realignments of declining program and OE resources (including staff) to assure they are efficiently deployed to achieve maximum impacts on strategic objectives. A recent mortgage analysis showed that without cutting the planned size of proposed project amendments and new project proposals, USAID's mortgage by the end of FY 1993 would be almost \$60 million assuming a \$13.45 million FY 1993 OYB. The Mission concluded that a mortgage of this size was unacceptable in light of resource constraints. Accordingly, USAID downsized proposed FY93 amendments and eliminated new project starts, and proposes to projectize future ESF.

Through these actions, the Mission has reduced its cumulative DA mortgage by more than \$16 million (see table below). Specific actions include funding the EDIP amendment with ESF, reducing the DEMO amendment from \$5 million to \$3 million, reducing the proposed Microenterprise Development amendment from \$3 million to \$2.6 million, providing no further funding for Agriculture Research and the Special Development Activities Fund Project, and eliminating new starts in solid waste management under the Technical Support for Shelter project (proposed at \$2.0 million) as well as a new project in Narcotics Education (proposed at \$3.0 million). An offsetting increase of \$1.25 million will come from the proposed amendment to the University of the West Indies project, and an increase of \$2 million in the proposed CLASP amendment. In addition, the Mission will need to assure funding for a new \$3 million AIDS activity developed in conjunction with the R&D Bureau and LAC.

The end result will be that the Mission's DA mortgage at the end of FY 1993 (approximately \$34.3 million plus \$3 million for AIDS) will be less than it was at the beginning of the year (\$40.6 million) despite funding cuts this year. The reductions in project OYBs will be taken in each of our strategic objective areas, although most of the reduction in mortgage authority for existing projects will come from Strategic Objective #1. This is necessary given the very large mortgage proportion (almost 60 percent) under S.O. #1 and the high earmark levels for projects under the other strategic objectives.

The availability of up to \$10 million of ESF for project purposes over the FY 1994-1995 period will provide an important new resource for our overall portfolio mortgage when obligated under the EDIP project. This should permit us to fully fund all projects currently on the books and achieve proposed program impacts despite modest DA fund reductions below requested OYB levels. Any major reductions in DA and ESF levels and/or any large increases in earmarking requirements, however, could impinge significantly on even the cautious management approach described above.

Proposed DA Mortgage Savings  
from Amendments/New Starts/Terminations (\$ millions)

<u>project</u>	<u>FY 93/94 AP/ABS</u> <u>(new DA mortgage)</u>	<u>FY 94/95 AP</u> <u>(new DA mortgage)</u>	<u>mortgage</u> <u>savings</u>
EDIP	10	0	10*
DEMO	5	3	2
CLASP II	0	2	-2
Microenterprise	3	2.6	0.4
Ag. Research	1.7	0	1.7
Tech. Support	2	0	2
Narcotics	3	0	3
SDAF	0.2	0	0.2
UWI	0	1.25	-1.25
	----	----	----
	24.9	8.85	16.05

\* ESF funded.

Realignments of USAID's declining staff and OE resources are fully described in Section IV, which shows that staff reductions are expected to be in conformance with the FY 1993-1995 control numbers in the ABS. The Mission plans to maintain three USDH in the Office of Private Enterprise during the Action Plan period, because that office manages the bulk of the program directed at the top priority Strategic Objective #1. To meet FY 1994 targets, USDH staff cuts have recently been taken in the Office of Agriculture and Rural Development where older agriculture projects are being phased out, and in the Office of Program and Project Development.

B. Strategic Objective #1: Increased foreign exchange earnings and employment

Last year's POD/Action Plan established that Jamaica's principle developmental needs are foreign exchange earnings and employment, and these dual objectives continue to be USAID's highest priority. The Mission estimates that about 52% of new obligating authority will be directed towards these results in FY 1994/95, and the Mission will seek to maintain its bilateral dialogue on important policy issues.

In this Action Plan, USAID has consolidated its program efforts under five outputs: improved policy and regulatory environment for trade and investment, better technology for export industries, increased private investment, improved tourism product, and human resource development for the private sector. These outputs were determined to be the basic elements of USAID's formula for achieving maximum impact on foreign exchange earnings and employment with limited resources.

While Jamaica's economic recovery continues to lag in certain areas, the past year has seen a number of critical public and private sector accomplishments supported by USAID, including legislation passed and policies adopted, growth in non-traditional exports and tourism, and increased employment. Closely aligned with GOJ and private sector priorities, and closely coordinated with other donors, USAID's project efforts represent an investment package tailored for high growth.

1. Refinements or Changes in Strategic Objective and/or Program Outputs

The Mission substantially consolidated the FY 1993/94 Action Plan indicators and outputs related to increased foreign exchange earnings and employment:

Reduction in PPAS framework: The S.O. #1 number of outputs and indicators has been reduced sharply from last year's submission to provide a more tightly focused and strategically-relevant framework that also will record significant progress more efficiently. The S.O. indicators have gone from five to three, program outputs from eight to five, and output indicators from thirty-seven to twenty.

New Outputs: One of the new outputs, "increased production and improved quality of selected outputs," was consolidated from three previous outputs (agricultural "research," "production" and "productivity"), and more concisely describes the nature of USAID's interventions. Also, "regulatory" was added to the wording of Output I.1, and the two Outputs on private investment and Inner Kingston investment have been combined. Significant Mission effort

has been devoted to better defining the Mission's involvement in tourism. "Tourism infrastructure" is now seen as only one element of project efforts, and "tourism product" better describes what the Mission is trying to improve. Finally, Output I.5 was slightly rephrased to "human resources development for the private sector."

Changes in Indicators: At the strategic objective level, two of five indicators were dropped. It was agreed that investments, which featured in these two indicators, were really not indicators at the S.O. level, and investment was instead added at the output indicator level. The employment indicator was made more general to account for more comprehensive employment gains in assisted sectors. Several refinements were also made to indicators at the output level.

## 2. Strategic Objective Performance

Policy Environment for Investment and Growth: Jamaica has made significant strides during 1992 in restructuring its economy to make it more export-oriented and to improve the investment environment. It currently has macro-policy and/or sector programs with the World Bank and the Inter-American Development Bank, and signed a three-year Extended Funding Facility with the IMF in December 1992. The Minister of Finance recently asserted that the Government met its December 1992 and March 1993 IMF targets, and the Mission's informal information supports this conclusion. However, large public sector wage increases may cause problems in the future.

Final data are not in yet, but it appears that overall foreign exchange earnings were down somewhat in 1992. This is due primarily to lower bauxite and banana prices. In contrast, non-traditional export value (apparel, high-value horticultural crops, other light manufacturing and processing) increased by over 37%. Encouragingly, after sluggish (0.8%) growth in 1991, estimated GDP growth rose slightly to 1-2% in 1992. Inflation, exchange and interest rates all stabilized in 1992, through the concerted effort of GOJ contractionary monetary policy and private and central bank efforts. It also appears that the GOJ may be able to achieve by mid-1993 its target of 15% annual inflation, down from a high of 80% in 1991 and about 40% in 1991.

USAID's ESF program, Policy Reform in Support of Private Investment, with \$27 million disbursed to date, has complemented multilateral programs and supports specific GOJ policy objectives. The policy dialogue encompasses continued foreign exchange liberalization, supportive fiscal and monetary policies (including deficit and inflation targets), privatization actions, continued progress on implementation of the General Consumption Tax (GCT),

strengthening of the Ministry of Finance's ability to develop and manage fiscal policy, and increased transparency of central bank actions through more timely publication of monetary and international reserve data.

The Mission and the GOJ reviewed progress on the ESF policy agenda in late February 1993. The foreign exchange market remains officially decontrolled, with the Foreign Exchange Act rescinded in July 1992. However, an informal arrangement among the commercial banks and the central bank has kept the exchange rate fixed at J\$22 to US\$1.0 since that time. This situation remains, despite increasingly troublesome shortages of foreign exchange available for purchase from commercial banks. While the fixed exchange rate contributed to a foreign exchange shortage, it helped eliminate cost-push inflation from a substantial part of Jamaica's consumption that is imported, and the inflation rate moderated greatly. After a several month hiatus, a parallel market is re-emerging at a premium of 10-12% (the Mission's PPAS target under Indicator 1 of Output I.1 is 10% or less). On the other hand, it is a good sign that private foreign exchange in-flows into the Jamaican commercial banks are very strong. The government's macro-economic policies have been headed in the right direction, but implementation has been erratic. At this point in time, it appears that the government will meet, or come close to meeting, the fiscal year ESF program targets for inflation and the central government deficit.

Recruitment of staff for a Fiscal Policy Management Unit in the Ministry of Finance is well advanced. USAID plans to support the unit with projectized ESF. The Revenue Board continues to improve and broaden the implementation of the GCT. While progress relative to performance targets is somewhat slower than planned, the overall implementation is impressive for an LDC. In September 1992, the GOJ agreed to additional conditionality calling for more timely publication of monetary and international reserve data. This data is now published monthly, making the data available to the public with a two-week lag, improved from a four-month delay.

A decrease in ESF levels will impact on USAID's leverage in policy reform. Nonetheless, the Mission has a long history of involvement in this area, and its credentials with the BOJ, MOF and other donor agencies are solid. Further, it is not just a question of policy, but the implementation of activities that support policy that affect the earnings of foreign exchange, and the Mission is well-situated in that regard. USAID's proposal to channel reduced ESF funding to the EDIP project will be a significant push for policy implementation.

Increased Employment: As in all LDCs, actual employment in Jamaica varies from reported statistics. It is believed that employment has been rising at least at the rate of GDP growth, so at a rate of 1-2% over the past two years. This is inferred from

the fact that official unemployment figures have remained steady during this period. USAID's specific employment focus is in four assisted sectors: microenterprise, in which the Mission targets an annual 3% increase, tourism and garments, with an annual 10% increase, and information processing, with an annual 20% increase. With only baseline data revised from the FY 1993/94 Action Plan following redefinition of the assisted sectors, performance assessment will begin with the next Action Plan.

Trade and Investment Support: A recent evaluation of the **Export Development and Investment Promotion Project (EDIP)** recommended focusing future project resources on fewer activities selected for their high-impact potential. A project paper amendment to be authorized in late FY 1993 will lay out the work plan. Areas discussed below are expected to be continuing emphases under EDIP.

Several recent GOJ actions promise to improve Jamaica's investment climate. It recently passed the Fair Competition Act and Security Act (Indicator 1 under I.1). USAID plans to provide institutional strengthening to two regulatory bodies called for under the legislation, the Fair Trade Commission and the Securities Exchange Commission. The Mission also intends to provide technical assistance for the overall modernization of the stock exchange. At the request of the Minister of Finance, USAID will also investigate improved customs administration under EDIP. The USAID-supported public/private sector National Action Plan, still in an embryonic stage, should also contribute to improving the legal/regulatory environment. These steps are considered critical to enabling investment performance.

Since 1989, 25 governmental entities have been privatized, including ten during the past year. The largest of these divestments included a stock ownership plan for the firm's employees. The major upcoming divestments are expected to be sugar and airlines holdings, and USAID will assist in formulation of a strategy for privatization of National Water Commission water and sewerage utilities and support services, as well as a broad range of other GOJ privatization actions. USAID-financed technical assistance and training were instrumental in moving Employee Stock Ownership Program (ESOP) legislation near to passage (Indicator 2 under I.1), increasing public understanding and interest in ESOPs, and incorporating ESOPs as an important feature of the GOJ's privatization strategy. The Mission will further support ESOP formation by underwriting the cost of a public education campaign when the legislation is passed this year and by financing, on a cost-shared basis, technical assistance in business and strategic planning for employee buyouts of divested firms.

During 1992, the Mission continued its successful involvement with training and credit programs for microentrepreneurs (Indicator 2 under I.3). Under the **Microenterprise Development Project**, the

performance period was characterized by accelerated credit and training activity. Contributing to performance under indicator 3 at the S.O. performance level, the project accounted for 1,387 jobs either created or strengthened. Also during the performance period, 10,013 microenterprise operators received training from institutions funded under the MDP and EDIP projects.

Under the Mission's Inner Kingston Development Project, the performance period saw a marked private and public sector shift towards investment in downtown Kingston (Indicator 3 of I.3). Property rehabilitation added 32,000 sq. ft. in new commercial space, with new investment worth over \$400,000. Recently, a large group of companies began a new headquarters in inner Kingston, with an investment value exceeding \$3 million. The USAID-financed Downtown Development Plan (DDP) Phase I, has been lauded as a model for other urban centers, and has generated consideration of a private fund-raising effort for a Metropolitan Kingston Master Plan to dovetail with the DDP.

Improved Export Production and Quality: USAID's non-agricultural export strategy, reflected in S.O. level Indicators 1 and 3, focuses on plant technology improvements and training in garment manufacturing and data processing -- specific areas in which Jamaica has a comparative advantage. Performance in the priority garment sector has been especially good over the past year, with garment exports increasing by 30% from \$295 million to \$385 million. Two-thirds of the growth is in non-free zone garment exports. Non-free zone performance is particularly relevant, because the Mission has tailored its assistance to be consistent with FAA Section 599 guidelines by avoiding direct assistance to firms in export processing zones and by not supporting investment promotion activities targeting the U.S. National performance in priority non-agricultural exports in 1992 of over \$1,200 million was strong, exceeding the PPAS target of \$1,023 million (Indicator 1 at the S.O. level). Growth in selected export sectors has contributed to increases in employment. In the apparel industry, for example, employment increased from 27,000 to 28,200 in 1991-1992. USAID assistance over the past year has included full-time consultant assistance and 36 IESC volunteers to firms in these priority areas as well as other export areas such as food processing, manufacturing and tourism. USAID also financed a market assessment study of information processing which led to formation of a seven-company professional group that is to receive training assistance from A.I.D. The Mission decided during the past year to end involvement in furniture exports after assistance was evaluated as relatively less cost effective.

Our agricultural export efforts to date, as reflected in Indicators 2 through 6 under Output I.2 and Indicators 2 and 3 at the S.O. level have focused on the sustainable production of hillside crops, smallholder coffee and cocoa, as well as yams and bananas, and the facilitation of exports through improved shipment

facilities. Through project assistance under the **Hillside Agriculture Project**, a sharp increase is anticipated in cocoa and smallholder coffee above PPAS target figures (Indicators 4 and 5 of Output I.2) in the next performance period. This follows the project resuscitation of about 8,000 acres of cocoa and coffee plantations through improved orchard management practices.

With continued progress in banana production (Indicator 3 of I.2) through the **Agricultural Export Services Project**, Jamaica increased annual exports (mostly to the UK) from 61,066 tons in 1990 to 76,723 tons in 1992. With USAID assistance, yam mini-sett technology, which produces more valuable, uniformly-shaped yams, has been established at 1,000 farm sites. Total yam exports increased from the baseline of 8,286 metric tons in 1990 to 9,115 metric tons in 1992 (Indicator 6 of I.2). The GOJ-USDA agricultural exports pre-clearance program, in which USAID is supporting a USDA/APHIS inspector, doubled the volume of commodities inspected in Jamaica prior to shipping from 20,800 metric tons in 1990 to 47,600 metric tons in 1992 (Indicator 7 of I.2.) In the six months from October 1992 to March 1993 alone, the program has sharply reduced losses to exporters by reducing the risk of disallowed or perished shipments at U.S. ports of entry.

Future initiatives will promote diversified agricultural export production. For example, a USAID-funded hot water treatment study on mango could assist in opening up the U.S. market. Under the **Agricultural Export Services Project**, the Mission is exploring ways to support the mango growers in setting up such a facility and improving their marketing system. The Mission has decided, however, not to add a new indicator for other non-traditional exports this year, but will consider adding an indicator for this category when the full extent of USAID's involvement becomes more apparent following evaluation and sectoral strategy development.

Improved tourism product: Tourism remains Jamaica's number one foreign exchange earner and employer. Earnings are expected to increase by 14%, to \$837 million, from the 1991/92 season to the 1992/93 season. Concurrently, visitor totals increased 11.2% over the same period, a result of growth in cruise ship arrivals. It is expected that the USAID-assisted pier extension in Ocho Rios, reflected in Indicator 1 of Output I.4, will allow an additional 80,000 visitors and \$5.6 million annually in revenues.

USAID's success with tourism product enhancement under EDIP support for the **Tourism Action Plan (TAP)** has been limited, and this component will be dropped from the amended project. A positive note is that TAP support has led to community mobilization through such groups as Chambers of Commerce. Also, the GOJ has decided to reduce multiple government agency involvement in tourism facility enhancement by shifting responsibilities to TAP, a private organization, including standards certification of hotels, attractions, and other tourism facilities. The amended EDIP

project will pursue opportunities for direct technical assistance to small- and medium-sized tourism businesses, such as hotels, restaurants and attractions through an IESC-like arrangement.

Human Resources Development: USAID's training programs are building a solid base of entrepreneurial talent (Indicators 1 and 2 of Output I.5). Over the Action Plan period, technical and degree training in the U.S. will be provided annually for approximately 200 individuals selected for key roles in the productive sector. USAID will continue to support development of management education at the University of the West Indies (UWI) through enhancement of both the undergraduate program and the activities of the Institute of Business (IOB). The Executive MBA (EMBA) was judged by a recent evaluation to be a quality program, and expansion is being sought by the private sector. Key accomplishments to date: 52 graduates are employed in key productive sector positions; 18 faculty members trained or in training for graduate degrees; major progress in cost recovery for EMBA and executive development programs, including EMBA annual tuition increase (from US\$1,500 in 1991 to US\$3,800 in 1993). Of especial interest to USAID's S.O. #1 is the IOB's increasing emphasis on management skill development in export marketing and in providing Jamaica's comparative advantage, through such instruments as a new International Business and Export Marketing seminar. USAID will capitalize on its investment in management education through a new amendment, within the existing PACD, to concentrate on program sustainability and capacity for growth.

### 3. Monitoring and Evaluation Status and Plans

As stated earlier, the Mission has established Strategic Objective Committees (SOCs) to provide technical oversight to PPAS management, data collection and analysis. Despite the Bureau PPAS consulting team's recommendation, the Mission will not be able to assign a full-time foreign national to data management to track performance, but will work through the SOCs to track results. Systems for baseline and indicator determination will be documented to ensure that performance evaluation is consistent year-to-year.

The M/E plan for S.O. #1 does not require any additional funding resources beyond existing project data gathering and evaluations. A major project evaluation for EDIP was just completed, and the Microenterprise Development project will be evaluated in May 1993. Following the evaluations, the Mission will design project amendments this year which target our assistance on activities with the highest potential impact on the strategic objective. The Mission will also rely on the existing statistical data bases, including those of the GOJ, JAMPRO, PIOJ, the Bank of Jamaica, IMF, UWI, National Water Commission, Kingston Restoration Company, National Investment Bank of Jamaica, growers associations, and project records.

Disaggregation by sex for certain data is now required, although some of the existing sources are already reporting on that basis. A summer intern will be assigned to identify opportunities for better reporting on impacts on women and other disadvantaged groups.

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

Jamaica				
STRATEGIC OBJECTIVE NO. 1: Increased foreign exchange earning & employment				
Indicator 1: Foreign exchange in priority non-agricultural areas.				
Unit: US\$000		Year	Planned	Actual
Source: JAMPRO, EDIP project records, PIOJ	Baseline	1990	-----	1,023
<p>Comments: This table includes garments, information processing, and tourism. Garment figures are from the Dorothy Black report with a base year earning of US\$282 million in 1990 increasing by 10% per year. Base year for information processing is 1991 at US\$20 million increasing at 20% per year. Tourism growth is targetted at 10% per year.</p> <p>* Probable figure based on current reports.</p>		1992	1,086	1,260*
		1993	1,360	
		1994	1,520	
		1995	1,680	
		1996	1,850	
	Target	1997	2,010	
Indicator 2: Foreign exchange earnings of selected agricultural exports				
Unit: US\$000		Year	Planned	Actual
Source: PIOJ - Economic and Social Survey, Commodity/Industry Boards Hillside Agriculture project records	Baseline	1990	-----	53,002
<p>Comments: Demand in selected exports should remain strong. Adoption of technology will be required to maintain cost competitiveness in international markets. (Selected exports are bananas, yams, cocoa and smallholder coffee.) Future USAID efforts will increasingly support diversified agricultural exports; separate indicators will be added as these plans materialize.</p>		1992	63,000	
		1993	69,600	
		1994	76,400	
		1995	84,100	
		1996	91,700	
	Target	1997	100,100	

Indicator 3: Employment in Assisted Areas				
Unit: Number of Jobs (a) Male (b) Female		Year	Planned	Actual
Source: STATIN Report on Small Business, JAMPRO, PIOJ-Economic and Social Survey	Baseline	1991	-----	a) 104,000 b) 129,000
Comments: Data is for garments, information processing, microenterprise and tourism. Targets assume microenterprise annual increase at 3%, tourism and garments at 10%, and information processing at 20%.		1992	a) 108,000 b) 136,000	
		1993	a) 114,000 b) 145,000	
		1994	a) 119,000 b) 154,000	
		1995	a) 125,000 b) 164,000	
		1996	a) 132,000 b) 175,000	
	Target	1997	a) 139,000 b) 187,000	
<b>STRATEGIC OBJECTIVES NO.1: Increased foreign exchange earning and employment</b>				
<b>PROGRAM OUTPUT NO 1.1 Improved Policy and Regulatory Environment for Trade and Investment</b>				
<b>Indicator 1: Continued foreign exchange liberalization</b>				
Unit: Percent variation: a) first six months b) second six months		Year	Planned	Actual
Source: Bank of Jamaica, IMF	Baseline	1992		a) 0% b) 10-12%
Comments: The best measure of the degree of foreign exchange liberalization is the difference between the official and black market exchange rates. In other words, a smaller spread represents a greater degree of liberalization. Each year refers to Action Plan performance period.		1993	10% or less	
		1994	10% or less	
		1995	10% or less	
	Target	1996	10% or less	

Indicator 2: Implementation of Employee Stock Ownership Program Legislation				
Unit: Number of Plans		Year	Planned	Actual
Source: National Investment Bank of Jamaica Bank of Jamaica	Baseline	1990	-----	
Comments: Legislation is currently in Ministry of Finance. Passage is expected shortly. When effective, Mission plans to support establishment of ESOP's through the development of business plans on a shared basis. The numbers in the tables refer only to USAID assisted companies.		1993	Legislation passed 3 plans developed	
		1994	2 plans	
		1995	2 plans	
		1996	2 plans	
	Target	1997	2 plans	
Indicator 3: Adoption of pro-competition legislation and establishment of Fair Trade Commission				
Unit: Legislation, FTC status		Year	Planned	Actual
Source: Ministry of Finance	Baseline	1992	-----	
Comments: Fair Trade legislation was passed in March, 1993. Mission plans to work with the Government of Jamaica in setting up of the Fair Trade Commission principally by providing technical assistance. The Commission should be established in 1993 and fully functioning in 1994.		1993		Legislation passed
		1994	FTC functioning	
		1995	FTC functioning	
		1996	FTC functioning	
	Target	1997		

**STRATEGIC OBJECTIVE NO. 1 Increased foreign exchange earning & employment**

**PROGRAM OUTPUT NO. 1.2 Improved production and quality of selected exports**

**Indicator 1: Better in plant technology adopted by export industries**

**Unit: Number of firms**

**Source: JAMPRO**

**Comments: Mission will support non free trade zone garment industry training and modernization and training of data processing entry workers. IESC will continue its technical assistance program and may expand into the tourism industry under the amended Export Development and Investment Production Project. These levels reflect the Mission's decision to close out furniture export support activities because of Section 599 legislation.**

	<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	1990	—	
	1992		
<b>Baseline</b>	1993		30
	1994	30	
	1995	30	
	1996	30	
<b>Target</b>	1997	30	

<b>Indicator 2: Improved export crops technology adopted by farmers</b>				
<b>Unit: Number of farmers</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Ministry of Agriculture, project files</b>	<b>Baseline</b>	1990	-----	20,000
<b>Comments: Market competitiveness will influence farmers to adopt improved technology in order to maintain cost competitiveness. Disaggregation by gender analysis will be carried out by project staff.</b>		1992	23,000	
		1993	25,300	
		1994	27,800	
		1995	29,200	
		1996	30,000	
	<b>Target</b>	1997	31,300	
<b>Indicator 3: Banana Exports</b>				
<b>Unit: Tons</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
	<b>Baseline</b>	1990		61,066
<b>Source: PIOJ-Social and Economic Survey, All Island Banana Association</b>		1991	63,200	75,290
<b>Comments: Demand for bananas remains strong. However, changes in UK quotas, EEC market and LOME Convention arrangements will impact on banana exports prospects during the target period. We will renew these output indicators after EEC market negotiations have been concluded and make any appropriate adjustments. Increases in banana exports for this indicator are based on an annual 3.5% growth rate.</b>		1992	65,400	76,723
		1993	67,700	
		1994	70,000	
		1995	72,500	
		1996	77,700	
	<b>Target</b>	1997	80,400	

Indicator 4: Cocoa Production				
Unit: Tons		Year	Planned	Actual
Source: PIOJ-Social and Economic Survey, Cocoa Industry Board	Baseline	1991	-----	1,750
Comments: Mainly a small farmer crop. Although demand for cocoa is relatively flat, cocoa represents an area of active expansion and interest by small farmers.		1992	1,700	
		1993	2,100	
		1994	2,300	
		1995	2,500	
		1996	2,800	
		Target	1997	3,100

Indicator 5: Smallholder production of coffee				
Unit: Tons		Year	Planned	Actual
Source: PIOJ Economic and Social Survey, Coffee Industry Board	Baseline	1990	-----	1,291
Comments: Demand for non-Blue Mountain coffee continues to increase. Technology adopted by small farmers who are increasingly looking to permanent crops and marketable commodities will drive production.		1992	1,400	
		1993	1,600	
		1994	1,800	
		1995	2,000	
		1996	2,200	
		Target	1997	2,400

<b>Indicator 6: Yam exports</b>				
<b>Unit: Metric tons</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: PIOJ economic and social survey, Ministry of Agriculture</b>	<b>Baseline</b>	1990	-----	8,286
<b>Comments: Yams are showing strong growth with increasing demand in U.S and Europe.</b>		1992	9,100	
		1993	9,600	
		1994	10,000	
		1995	10,600	
		1996	11,100	
		<b>Target</b>	1997	11,600
<b>Indicator 7: Volume of produce handled by export marketing facilities</b>				
<b>Unit: Metric tons</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Ministry of Agriculture</b>	<b>Baseline</b>	1990		20,800
<b>Comments: Projected growth rate of 25% in 1993, 20% in 1994 and 15% thereafter.</b>		1992		47,600
		1993	60,000	
		1994	72,000	
		1995	83,000	
		1996	95,000	
		<b>Target</b>	1997	101,000

STRATEGIC NO.1 Increased foreign exchange earnings and employment				
PROGRAM OUTPUT 1.3 Increased Private Investment				
Indicator 1. Increased investment as a result of privatization				
Unit: Value of privatization investment in US\$		Year	Planned	Actual
Source: National Investment Bank of Jamaica	Baseline	1990		6.4 million
Comments: The number of privatization actions will slow down in 1993 as the GOJ turns to more complex divestment actions. However, the number should increase again towards the end of the performance period.		1992		21.5 million
		1993	12 million	
		1994	17 million	
		1995	21 million	
		1996	24 million	
	Target	1997	24 million	

<b>Indicator 2: Number of assisted small and microenterprise firms</b>				
<b>Unit: Number</b> a) Male b) Female		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: STATIN report on Census of Small Business, project files</b>		1990	-----	
<b>Comments: The numbers refer to microenterprises receiving training and credit assistance. The annual number should increase as the Microenterprise Development Support Project amendment is implemented.</b>		1992	-----	
	<b>Baseline</b>	1993	a) 1,600 b) 2,400	
		1994	a) 1,600 b) 2,400	
		1995	a) 1,600 b) 2,400	
		1996	a) 2,000 b) 3,000	
	<b>Target</b>	1997	a) 2,200 b) 3,300	
<b>Indicator 3: Private sector investment in Inner Kingston</b>				
<b>Unit: Value US\$</b>			<b>Planned</b>	<b>Actual</b>
<b>Source: Kingston Restoration Company</b>	<b>Baseline</b>	1986-91	-----	9,145,454
<b>Comments: Baseline update study completed by Urban Institute in 1991 is the source of the present data. No annual data is available. Baseline update study is planned for 1993, which will provide data for the period 1991-93. Capacity for annual data will be analyzed in the baseline data study. Next scheduled update is 1996.</b>		1992	2.0 million	
		1993	2.5 million	
		1994	3.5 million	
		1995	4.5 million	
	<b>Target</b>	1996	6.0 million	

**STRATEGIC OBJECTIVE NO.1 Increased foreign earning & employment**

**PROGRAM OUTPUT NO. 1.4 Improved Tourism Product**

**Indicator 1: Cruise ship passenger arrivals in Ocho Rios**

Unit: Number of visitors		Year	Planned	Actual
Source: PIOJ, Tourist Board	Baseline	1990	-----	313,365
		1991	-----	352,462
<p>Comments: Each cruise ship tourist spends approximately US\$70. Cruise ship pier extension is scheduled for completion in 1994. Extension will allow for an additional 80,000 tourists per annum generating approximately an additional US\$5.6 million per annum. Figures for 1993 and 1994 assume that maximum utilization of current berthing facility achieved in 1992.</p>		1992	-----	425,968
		1993	430,000	
		1994	430,000	
		1995	510,000	
		1996	510,000	
	Target	1997	510,000	

Indicator 2: Improved north coast roads				
Unit: Number of miles		Year	Planned	Actual
Source: Ministry of Construction, project files	Baseline	1990	-----	
Comments: Assumption is that all construction contracts will be awarded in the third and fourth quarter of 1994.		1992		
		1993		0
		1994	15	
		1995	85	
		1996	70	
	<b>Target</b>	<b>1997</b>	<b>170 (total)</b>	
Indicator 3: National park visitors (foreign)				
Unit: No. of visitors		Year	Planned	Actual
Source: National Park statistics	Baseline	1990		*
Comments: These figures represent half the visitors as reported under Strategic Objective #2 Indicator II.1.3, which include Jamaican visitors as well.  * Prior to the establishment of the national park system there was no census system in place, however it is assumed there was a small number of visitors to these sites.		1992		*
		1993	12,500	
		1994	25,000	
		1995	37,500	
		1996	50,000	
	<b>Target</b>	<b>1997</b>	<b>62,500</b>	

Indicator 4: Increased water supply in Negril				
Unit: Millions of gallons per day		Year	Planned	Actual
Source: National Water Commission.	Baseline	1990	-----	
Comments: 1. Increase in 1994 due to leak repair and rehabilitation of Logwood Plant undertaken in 1993 under the North Coast Development Support Project. 2. Increase in 1997 as a result of the completion of the new plant in 1996.		1992		2.3
		1993		2.3
		1994	3.3	
		1995	3.3	
		1996	3.3	
	Target	1997	5.3	

<b>STRATEGIC OBJECTIVE NO. 1 Increased foreign exchange earning &amp; employment</b>				
<b>PROGRAM OUTPUT NO. 1.5 Human Resources Development for the Private Sector</b>				
<b>Indicator 1: Number of Executive MBA's graduated by UWI for private industry</b>				
<b>Unit: Number</b> a) Male b) Female		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: University of the West Indies</b>	<b>Baseline</b>	1990	a) 15 b) 15	a) 15 b) 14
<b>Comments: The current project concludes at the end of FY95, but the program will continue to train people for private industry. A planned enhancement of the program will lead to increased capacity and a larger number of graduates that will first be reflected in the 1995 graduating class.</b>		1992	a) 17 b) 14	a) 14 b) 9
		1993	a) 18 b) 12	
		1994	a) 25 b) 10	
		1995	a) 40 b) 40	
		1996	a) 40 b) 40	
	<b>Target</b>	1997	a) 45 b) 45	

Indicator 2: Number of people trained for the productive sector				
Unit: Number of persons trained a) male b) female c) long-term d) short-term		Year	Planned	Actual
Source: Project files	Baseline	1992	a) 25 b) 52 c) 37 d) 40	a)19 b)52 c)36 d)35
Comments: Long-term trainees counted in the year of their completion/return. Trainees supported by the Mission's general training office, technical offices and central A.I.D. project.		1993	a) 42 b) 60 c) 33 d) 69	
		1994	a) 51 b) 61 c) 30 d) 82	
		1995	a) 42 b) 46 c) 40 d) 48	
		1996	a) 36 b) 54 c) 47 d) 43	
	Target	1997	a) 29 b) 46 c) 38 d) 37	

TABLE 2: STRATEGIC OBJECTIVE PROGRAM "TREE"

Jamaica
Bureau Objective: Broadly-based sustainable economic growth
Bureau Sub-objective 1: Economic policies that promote investment, productive employment and out-ward oriented diversification. Vigorous private sector response
STRATEGIC OBJECTIVE NO. 1: Increased foreign exchange earnings and employment

PROGRAM OUTCOME NO. 1.1 Improved policy and Regulatory Environment for Trade and Investment and	PROGRAM OUTCOME NO. 1.2 Increased Production and Quality of Selected Exports	PROGRAM OUTCOME NO. 1.3 Increased Private Investments
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Projects (Number\Title)	Projects (Number\Title)	Project (Number\Title)
532-0135 Export Development and Investment Promotion	532-0101 Hillside Agriculture	532-0120 Inner Kingston Development
532-0164 Policy Reform In Support of Private Investment	532-0135 Export Development and Investment Promotion	532-0135 Export Development and Investment Promotion
	532-0156 Agricultural Export Services	532-0156 Microenterprise Development
		940-0403 Anti-Poverty Lending for Enterprises

<b>PROGRAM OUTCOME NO. 1.4</b> Improved Tourism Product	<b>PROGRAM OUTCOME NO. 1.5</b> Human Resources Development for the Private Sector	<b>PROGRAM OUTCOME</b>
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<b>Projects (Number\Title)</b>	<b>Projects (Number\Title)</b>	<b>Projects (Number\Title)</b>
532-0135 Export Development and Investment Promotion	532-0129 University of the West Indies Management Education	
532-0168 North Coast Development Support Project	532-0169 Caribbean and Latin America Scholarship Program	
532-0173 Development of Environmental Management Organizations		

C. Strategic objective #2: Improved environmental quality and natural resource protection.

USAID is the leader among donors in supporting Jamaica's efforts to ensure the environmental soundness and sustainability of its export- and tourism-oriented growth industries. The Mission's important role has evolved from its early environmental experience in Jamaica, U.S. comparative advantage in the environmental arena, and a new and pressing Jamaican awareness of serious environmental and conservation issues.

USAID's notable accomplishments in this area include large-scale habitat protection under the PARC Project, improved cultivation and conservation practices under the Hillside Agriculture Project, and the recent establishment of the Environmental Foundation of Jamaica (EFJ). Pollution problems are currently being addressed through portions of USAID's housing programs and the North Coast Development Project. With the launching of the Development of Environmental Management Organizations (DEMO) Project in September 1992, the Mission is now able to address environmental quality and conservation needs through four integrated project components: fostering of community-based environmental efforts, development of government's role in environmental policy and management, establishment of the national park system, and expansion of capabilities of non-governmental agencies to address environmental issues. Note that DEMO and EFJ are mutually reinforcing. The DEMO components strengthen the governmental and non-governmental institutional framework for environmental management, and the funding available through the EFJ will provide needed resources for environmental projects.

In FY 1994-95, the Mission plans to obligate about 18% of its OYB towards activities in support of this strategic objective.

1. Refinements or Changes in Strategic Objective and/or Program Outputs

In light of its enhanced program capacity, USAID/Jamaica has given considerable thought to refining and sharpening the focus of this strategic objective. The Mission has rephrased it from "improved environmental management and protection" to "improved environmental quality and natural resource protection" to capture more clearly the need to both reduce pollution ("brown" issues) and to manage Jamaica's natural resources more sustainably ("green" issues). This also emphasizes the important role that efforts in this strategic objective play in allowing Jamaica to generate employment and raise foreign exchange earnings -- USAID's first strategic objective. This is true primarily in enhancing and preserving the quality of Jamaica's tourism product, but the linkage is also strong in areas like agricultural production, where

Jamaica must manage sustainably the island's export and employment potential.

USAID/Jamaica has substantially revised its FY 1993/94 Action Plan performance matrix in support of the revised strategic objective:

Reduction in PPAS framework: The number of both outputs and indicators has been reduced. The four outputs in last year's POD/Action Plan submission have been decreased to three. Strategic objective indicators have been reduced from five to four. The number of output indicators remain the same, eleven, and they more comprehensively measure the impacts of various project activities.

New Outputs: This strategic objective was the source of considerable deliberation during the January PPAS workshop, and the outputs were restructured to more accurately entail various program efforts. One concern was the integration of soil/water management activities of the Hillside Agriculture Project with urban services under the Mission's housing and North Coast Development Support projects. This was accomplished under Output II.1, "improved management of environmentally-threatened growth areas," in line with the Mission's focus on the effects of economic activity (e.g. agriculture and tourism) on watersheds and coastal areas. This output also will tend to focus future HAP and DEMO activities towards affected areas. Output II.2 was simplified to measure the impact of our park activities, but at the same time, reflects the importance of biodiversity. Output II.3, "improved public and private capacity for sustained resource use" is the rewording of a previous output, but better highlights the equally important public (NRCA) and private (NGO) institutional roles and capacities.

Changes in Indicators: At the strategic objective level, five indicators were reduced to four, and were re-characterized to allow more effective verification and measurement. For example, the previous indicator on soil management practices will instead be monitored at the output level. An indicator on public awareness was added to assess the impact of environmental education, and to assess the effort to mobilize Jamaicans to be more concerned about their environment. A number of refinements were also made to output indicators.

## 2. Strategic Objective Performance

Public concern for environmental problems continues to accelerate rapidly, as Jamaicans exhibit a growing appreciation for the need to preserve their resource base and clean up the urban and marine environments (a new S.O. level Indicator 3 has been established based on proposed surveys of public awareness of the environment.) Over the last year, for example, USAID and the GOJ have collaborated to launch the Environment Foundation of Jamaica

(EFJ) to administer a local currency projects fund made possible by EAI debt reduction. The EFJ will soon become a significant source of funding for community groups and NGOs interested in addressing environmental issues. Partly in response to this and similar initiatives on the part of other donors, the number of environmental NGOs and groups has grown significantly. Another sign of growing public environmental awareness is the increasing media attention given to issues like the government's plan to allow investors to build a resort on an undeveloped stretch of beach in Negril, the damage to soil and rivers from coffee farmers in the Blue Mountains, and the amount of pollution evident in the major cities.

This growing consciousness has also generated healthy public debate about the environmental advantages and disadvantages of plans for the new Montego Bay Sewage Treatment Plant to be constructed under the USAID-Japanese co-financed North Coast Development Project. At issue is the proposal to use facultative sewage treatment lagoons that would discharge treated effluent into Montego Bay. To expand upon the environmental analyses done at the project design stage and the environmental monitoring system being established with A.I.D.-financing, the contract engineers' first task under that project will be to re-evaluate the environmental soundness of the facultative lagoon approach, and make any appropriate adjustments.

USAID/Jamaica's program has had a significant impact on this environmental quality objective over the last year, most notably through the **Protected Areas Resource Conservation (PARC) Project**. The nation's first two national parks, the Blue Mountain/John Crow Mountain, and the Montego Bay Marine parks, were officially opened in the last year (meeting the Mission's target under Indicator 1 of Program Output II.2). Both parks have begun enforcing their regulations (Indicator 4 at the S.O. level will track National Resources Conservation Authority enforcement actions, and Indicator 1 will monitor deforestation and recovery of deforested areas). This year a coffee processor in the Blue Mountains Park was taken to court on watershed pollution charges, and an alert on waste dumping was given to cruise ship operators in or near the Montego Bay Marine Park. Also for the first time, the Jamaica Conservation Development Trust, a local NGO supporting the parks, has begun to pay most of the parks' payroll from the trust fund proceeds of last year's PARC funded debt-for-nature swap. Financial sustainability of the parks will be tracked under Indicator 2 of II.2. Indicator 3 of II.2 will track visitors as a measure of utilization.

Both parks have developed extensive ties with the surrounding communities, and particularly in the Blue Mountains, this has translated into significant mutual benefits. For example, local residents volunteered several million Jamaican dollars worth of time and construction materials and equipment to build a bridge over a treacherous ford where flooding frequently hampered access

to the park. Several tour guide and facilities management concession businesses employing local residents have also begun to function profitably in the park. The impact of these two parks has extended beyond their immediate areas. They have been the most tangible symbol of the value of Jamaica's natural resources, and of Jamaicans' ability to preserve and profit from them. Strong local initiatives have sprung up unaided in Negril and Port Antonio to create additional parks to protect beaches and reefs there.

The **Hillside Agriculture Project** also continued to make a significant contribution to sustainable farming practices and soil retention in the important Rio Cobre and Rio Minho river watersheds. The project in 1992 exceeded the targets (Indicator 4 of II.1) for numbers of farmers adopting improved cultivation and conservation practices (6,950 versus a target of 6,000, of which 1,440 are women). After a highly positive external evaluation, the project is preparing to expand into at least two new watersheds.

The **North Coast Development Support Project** has put into place a valuable water quality monitoring system for the entire Montego Bay (Indicator 2 at the S.O. level). The project is now generating regular readings of water quality at key points in the rivers and gullies which pour sewage and urban and agricultural pollutants into the bay, as well as at dozens of sites around the bay and along its threatened coral reef. This water quality monitoring is a joint effort, with Montego Bay Marine Park staff collecting the reef samples and both projects agreeing to pool their data. The findings, which already indicate an alarming coliform bacteria count as high as 15 million units per centiliter of water at the mouth of the the Montego River, will help illustrate the city's growing pollution problems. The data are also a critical element in the engineering designs for the Montego Bay sewage treatment plant improvements supported by the NCDS Project. The Planning Institute of Jamaica, in its role as project coordinator, is working with the community, concerned agencies and the contract engineers to review and adjust as needed the facultative lagoon concept proposed for this system, in light of the public debate over its possible environmental consequences.

The **Development of Environmental Management Organizations Project** has launched three significant technical assistance initiatives while pursuing selection of the project's principal long-term contractor. The project has already taken the Natural Resources Conservation Authority through a comprehensive strategic planning and organizational development exercise which has allowed the Government of Jamaica's new paramount environmental agency to develop both a substantive focus, a set of administrative priorities, and its own system of self-financing (Indicators 1 and 3 under Output II.3). DEMO has funded advisors to help improve the environmental planning of the Greater Montego Bay Redevelopment Company (GMRC). The GMRC, which is a joint public/private sector planning and development group that A.I.D. helped to establish, has

been developing an overall urban plan for Montego Bay. Support from DEMO is enabling the GMRC to assure environmental issues are addressed in the plan, to do baseline survey work, and to prepare the GMRC to function as a Local Environmental Management Council (LEMC) under DEMO. As an LEMC, the GMRC will be able to access additional DEMO resources for environmental improvement activities at Montego Bay. Finally, the DEMO project has been helping the National Environmental Societies Trust (NEST) to develop its long-range business plan and prepare for the role it will play as a source of training and advice to other environmental NGOs nationwide. Community involvement in management of the environment is monitored under Indicators 2 and 3 of II.1.

The **Basic Shelter Programs**, which assist in upgrading squatter areas, have important potential for affecting environmental degradation caused by squatters. The Technical Support for Urban Services Project is funding a series of studies which address environmental impacts accompanying uncontrolled urbanization. These studies are expected to be used to implement environmentally-friendly standards for squatter communities and for establishing policy dialogue with the GOJ on mitigation of urbanization impacts.

USAID continued to train Jamaicans in environmental management (Indicator 4 of II.3) under the **Caribbean and Latin America Scholarship Program (CLASP II)**. CLASP II long- and short-term technical training in the U.S. is meeting Jamaica's needs for environmental and resource management. The **Agricultural Export Services Project** also ran a series of seminars on techniques to minimize soil loss and agrochemical use for technicians working in private and public agricultural enterprises.

### 3. Monitoring and Evaluation Status and Plans

A Strategic Objective Committee for S.O. #2 has been established and will oversee monitoring and technical assessment of performance. The SOC is supported by a secretariat (OPPD staff). SOC members will document the systems used to calculate all baseline and indicator values.

The only additional cost anticipated in monitoring S.O. #2 indicators would be associated with the public awareness surveys, and this would be met with DEMO project funds. The survey questions could be added to existing national surveys. Analysis of existing aerial or satellite photographs would be required to monitor deforestation. Other monitoring data would be obtained from the National Water Commission, the National Park System, NRCA, Local Environmental Management Councils, GOJ agencies, and project data bases.

DEMO evaluations should assess economic impacts on people affected by SITE activities and sustainability of subprojects, as well as fully assess the financial sustainability of the National Park System. The same evaluation should explore the economic benefit of the parks from tourism, including foreign exchange earnings and employment, both in and around the park area. The DEMO evaluation should also take a close look at NRCA financial sustainability, financial status, and NEST and NRCA roles in policy reform. Finally, the evaluation will assess NGO-managed activities in selected project areas.

A HAP evaluation will assess the economic impact of farmer adoption of conservation management practices and gender differences in adoption, if appropriate.

Jamaica				
STRATEGIC OBJECTIVE NO.2 Improved environmental quality and natural resource protection				
Indicator 1: Deforestation in national parks and protected areas				
Unit: Acres of unregenerated, deforested areas		Year	Planned	Actual
Source: National Parks System		1991		0
Comments: Aerial photography analysis to validate baseline will be done before next Action Plan. This indicator measures the net effect of three phenomena assisted by USAID's environmental program: protection against further deforestation; natural regeneration in deforested areas converted to protected status; and some reforestation.	Baseline	1992		10,000
		1993		
		1994	8,000	
		1995		
	Target	1996	5,000	
		1997		
Indicator 2: Water quality in Montego Bay				
Unit: Coliform counts per 100ml a) Mouth of South Gully b) Montego River at mouth of sewage plant outlet		Year	Planned	Actual
Source: National Water Commission		1990	-----	0
Comments: These results are predicated on the North Coast Development Project improvements to Montego Bay's sewage treatment plant.	Baseline	1992	a) 5 million b) 15 million	
		1993	a) 5 million b) 15 million	
		1994	a) less than 10,000 b) 1 million	
		1995	a) less than 1,000 b) 1 million	
	Target	1996	a) less than 1,000 b) less than 1,000	

Indicator 3: Public environmental awareness				
Unit: Percent of respondents indicating awareness a) Male b) Female		Year	Planned	Actual
Source: Public Opinion Survey	Baseline	1991	-----	
Comments: This survey will be carried out before the next Action Plan.		1992		
		1993		
		1994		
		1995		
		1996		
	Target	1997		
Indicator 4: NRCA environmental enforcement actions				
Unit: Number of actions completed per year		Year	Planned	Actual
Source: National Resources Conservation Authority			-----	
Comments: By law, NRCA has broad enforcement authority, which enables national park protection and prevention of illegal development. A completed action is one in which NRCA has collected the fine or has fully prosecuted the matter in court.	Baseline	1992		0
		1993	2	
		1994	10	
		1995	15	
		1996	20	
	Target	1997	25	

<b>STRATEGIC OBJECTIVE NO.2 Improved environmental quality and natural resource protection</b>				
<b>PROGRAM OUTPUT NO.2.1 Improvement of Management of Environmentally Threatened Growth Areas</b>				
<b>Indicator 1: Untreated waste water entering Montego Bay</b>				
<b>Unit: Million gallons/day</b> a) untreated b) primary treatment only		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: National Water Commission Engineering Department</b>	<b>Baseline</b>	1992	-----	a) 2.0 b) 0
<b>Comments: By 1995 or 1996, no untreated water will be dumped into the bay, but volumes of about 1.5-2.0 MGD of partially treated waste water will be. Interim measures will be adopted to partially treat sewage before disposal into the bay until a new plant is operational in 1996-1997.</b>		1993	a) 2.0 b) 0	
		1995	a) 0 b) 2.0	
		1996	a) 0 b) 2.0	
	<b>Target</b>	1997	<b>full treatment of all sewage</b>	

Indicator 2: Protected areas managed in SITE locations				
Unit: a) number/year b) acres/year		Year	Planned	Actual
Source: DEMO project records	Baseline	1992		a)0 b)0
Comments: These activities are funded through small grants to community organizations to enhance urban spaces and natural habitats around Negril and Montego Bay.		1993	a)1 b)8	
		1994	a)3 b)28	
		1995	a)5 b)128	
		1996	a)7 b)132	
	Target	1997	a)8 b)138	
Indicator 3: Environmental enhancement projects implemented in SITE locations				
Unit: Number of activities/per year		Year	Planned	Actual
Source: PARC/DEMO project evaluations		1990	-----	
Comments: These are other types of environmental activities (e.g. solid waste collection, pollution control, reef protection) relative to Indicator 2.	Baseline	1992		0
		1993	2	
		1994	4	
		1995	5	
		1996	6	
	Target	1997	8	

Indicator 4: Adoption of soil conservation practices				
Unit: Number of farmers a) Male b) Female c) acres under conservation practices		Year	Planned	Actual
Source: Hillside Agriculture project records	Baseline	1991	-----	a) 4,560 b) 1,440 c) 4,000
Comments: Male/female division of farmers is based on the National Agricultural Census update of 1989, and will be monitored for trends.		1992	a) 4,560 b) 1,440 c) 6,000	a) 5,282 b) 1,668 c) -
		1993	a) 6,080 b) 1,920 c) 10,000	
		1995	a) 9,120 b) 2,880 c) 15,000	
	Target	1997	a) 11,400 b) 3,600 c) 20,000	

STRATEGIC OBJECTIVE NO. 2 Improved environmental quality and natural resource protection				
PROGRAM OUTPUT NO. 2.2 Increased Conservation of Natural Habitats				
Indicator 1: National parks and protected habitats				
Unit: a) Number created (cumulative) b) Acres protected (cumulative)		Year	Planned	Actual
Source: PARC/DEMO project evaluations		1990	-----	a)0 b)0
Comments: The 194,000 acres to date include the Blue Mountain and Montego Bay parks. Future year indicators are based on the assumption that DEMO's PARC II component will open the Black River National Park by 1996 and the Cockpit Country National Park by 1997.	Baseline	1993	a)2 b)194,000	
		1994	a)2 b)194,000	
		1995	a)2 b)194,000	
		1996	a)3 b)211,000	
	Target	1997	a)4 b)289,000	

<b>Indicator 2: Park costs covered from private sources</b>				
<b>Unit: Percent of non-public revenue</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: DEMO/PARC project records</b>	<b>Baseline</b>	1990	-----	0
<b>Comments: This is an indicator of long-term financial sustainability of the park system.</b>		1992		0
		1993	10%	
		1994	20%	
		1995	30%	
		1996	40%	
	<b>Target</b>	1997	50%	
<b>Indicator 3: National park visitors</b>				
<b>Unit: Number of visitors</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: DEMO/PARC project data</b>	<b>Baseline</b>	1990	-----	*
<b>Comments: This includes both Jamaican and foreign visitors. An indicator for foreign visitors appears under S.O #1.</b>		1992		*
		1993	25,000	
		1994	50,000	
		1995	75,000	
		1996	100,000	
	<b>Target</b>	1997	125,000	
* Prior to the establishment of the national park system there was no census system in place, however it is assumed that there was a small number of visitors to these sites.				

**STRATEGIC OBJECTIVE NO. 2 Improved environmental quality and natural resource protection**

**PROGRAM OUTPUT NO. 2.3 Improved public and private capacity for sustainable resource use**

**Indicator 1: Fees and revenues from NRCA services**

Unit: US\$		Year	Planned	Actual
Source: NRCA	Baseline	1991	-----	
<p>Comments: NRCA is a new institution still establishing itself and has not collected any significant revenues to date. Mission expects to establish a baseline fee revenue collection figure based on collections in 1993 and will establish targets and report in next year's Action Plan.</p>		1992		
		1993		
		1994		
		1995		
		1996		
	Target	1997		

**Indicator 2: NGO management of environmental activities**

Unit: Number of NGOs		Year	Planned	Actual
Source: DEMO project records			-----	
<p>Comments: DEMO's NEST component will finance training of NGOs to strengthen their capabilities for taking on environmental management.</p>	Baseline	1992		0
		1993	3	
		1994	6	
		1995	10	
		1996	12	
	Target	1997	15	

<b>STRATEGIC OBJECTIVE NO. 2 Improved environmental quality and natural resource protection</b>				
<b>Indicator 3: Key policy reforms enacted</b>				
<b>Unit: Number of policy reforms</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: DEMO project data</b>			-----	
<b>Comments: USAID will establish a policy agenda with the Natural Resources Conservation Authority in 1993 and quantify targets for the next Action Plan.</b>	<b>Baseline</b>	<b>1993</b>		
	<b>Target</b>	<b>1997</b>		

Indicator 4: Personnel trained in environmental quality and natural resource protection				
Unit: Number of personnel (GOJ and private) a)male b)female c)long term d)short term		Year	Planned	Actual
Source: Training Office and project records	Baseline	1991	—	
<p>Comments: This is considered critical for sustainability of environmental protection and conservation. For clarity of presentation and consistency with training data with other SOs, only US training is counted here. Hundreds of participants will receive local short-term training as well, during this period but are not counted under this Indicator.</p>		1992		
		1993	a) 18 b) 8 c) 0 d) 26	
		1994	a) 13 b) 5 c) 1 d) 17	
		1995	a) 15 b) 7 c) 3 d) 19	
		1996	a) 13 b) 9 c) 3 d) 19	
	Target	1997	a) 17 b) 7 c) 7 d) 17	

<b>Jamaica</b>
<b>Bureau Objective: Broadly-based sustainable economic growth</b>
<b>Bureau Sub-objective 2: Improved Environmental Management and protection</b>
<b>STRATEGIC OBJECTIVE NO. 2: Improved environmental quality and natural resource protection</b>

<b>PROGRAM OUTCOME NO. 2.1 Improved Management of Environmentally Threatened Growth areas</b>	<b>PROGRAM OUTCOME NO. 2.2 Increased conservation of Natural Habitats</b>	<b>PROGRAM OUTCOME NO. 2.3 Improved Public and Private Capacity for Sustainable Resource Use</b>
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<b>Projects (Number\Title)</b>	<b>Projects (Number\Title)</b>	<b>Projects (Number\Title)</b>
532-0101 Hillside Agriculture	532-0173 Development of Environmental Management Organizations	532-0173 Development of Environmental Management Organizations
532-0173 Development of Environment Management Organizations	936-5555 Environmental and Natural Resources Policy Analysis and Training	532-0169 Caribbean and Latin America Scholarship Program
532-0168 - North Coast Development Support		

D. Strategic objective #3: Healthy, smaller families

Strategic objective #3 remains unchanged since the submission of last year's POD/Action Plan. "Healthy, smaller families" remains an important bilateral objective of the GOJ and USAID, and given the costs related to health and population problems in Jamaica, is inextricably linked to sustainable economic development.

The Government has faced major challenges in ensuring health care coverage for all Jamaicans during a period of budgetary austerity, while simultaneously addressing family planning, AIDS/STD and other problems. With USAID assistance, the GOJ is fostering a shift to private health care for Jamaicans who have the means, while trying to maintain an adequate level of public care for the poor. Remarkably, during this period of structural adjustment there has been a significant decline in the incidence of syphilis and indications of increased acceptance of more effective contraceptive methods -- two areas supported by USAID.

About 19% of the Mission's OYB will be devoted to meeting this strategic objective in FY 1994-95.

1. Refinements and Changes in Strategic Objective and/or Program Outputs

While this strategic objective remains unchanged, there have been substantial improvements to the outputs and indicators:

Reduction in PPAS framework: The overall number of items in the strategic framework have been reduced. Three of the six program outputs have been eliminated, and strategic level indicators were reduced from five to a net three. At the output indicator level, the nineteen indicators are now eight. The Mission has eliminated Output III.4, "decreased incidence of hard drug use," because of its decision to phase out involvement in this sector.

New Outputs: Besides III.4, two program outputs were dropped, one regarding the food stamp program, because management of this food aid program (one source of local currency financing) was shifted to USDA, and a second on cost containment that can be better measured at the output indicator level. The remaining outputs were modified from the last POD/Action Plan submission. Output II.1, "improved financial management and administration..." was changed to "improved financial management and privatization," to include the important USAID-supported shift to private health care provision. "STD" was added to HIV prevention in Output III.3, because of the disease relationship in transmission/prevention.

Change in indicators: At the strategic objective level, three indicators remain. The Mission dropped the infant/child/maternal mortality indicator, as our program efforts (AIDS prevention, family planning spacing and maintenance of health care provision for the poor) only indirectly support the reduction in these rates. Total fertility rate remains an indicator, though contraceptive prevalence was moved to the output indicator level. HIV transmission will now be gauged by incidence, rather than transmission, and will be disaggregated by sex. Lastly, a new indicator, "health care for the poor maintained" has been added. This planned outcome of health care sector restructuring will be a critical test on how USAID program efforts impact on the many Jamaicans living in poverty. It is also an important "people-level" indicator that is being highlighted at the higher strategic level. Several modifications were also made to output indicators.

## 2. Strategic Objective Performance

This year has witnessed considerable progress towards the Mission's strategic objective of "healthy, smaller families." Regarding Output II.1, to strengthen health services through improved financial management, the Ministry of Health, with A.I.D.-funded technical assistance, took bold steps to reform its public sector health fees and cost recovery systems. A detailed analysis of health care costs and cost recovery options was completed and a revised fee schedule was implemented island-wide. Fees have now moved to 5.5% of actual secondary care costs and are scheduled to rise over the next two years to cover 20% of costs, thereby reducing the government subsidy for care. At the same time provisions have been made to capture more revenue for the public health system from health insurers and to use these funds to subsidize care for the poor -- a key Mission poverty alleviation indicator at the S.O. level.

Several important initiatives aimed at containing health care costs were also implemented. A social marketing campaign designed to explain the importance of fees and healthy lifestyles was launched with A.I.D. assistance and the Ministry of Health revised and disseminated its essential drug list which emphasizes the use of generic drugs. To test the cost effectiveness of contracting out essential health care services, the Ministry of Health executed three divestment contracts for hospital support services. Other proposals would further rationalize existing health care facilities by leasing buildings to private doctors and downgrading certain hospitals to primary care centers.

As evidence of its commitment to health care reform following the March 1993 national elections, the government assigned a senior finance expert with broad divestment experience to serve as Parliamentary Secretary for Health to oversee the MOH's divestment, privatization and decentralization initiatives. Already, there are signs that the new Ministry of Health team plans to introduce a

broader privatization/decentralization thrust into its program including privatizing the drug windows in hospitals and setting up independent corporate boards to run hospitals.

The **Family Planning Initiatives Project** is the Mission's tool for increasing the effectiveness of family planning services (Output III.2). Under this project, the Government agreed to privatize the contraceptive social marketing program and broaden the product line to include Norplant and Depoprovera. Tenders will be issued shortly for private sector suppliers. The National Family Planning Board has moved decisively to restructure its operations emphasizing advocacy, information and education rather than service delivery. Through structured dialogue, the Board, with project assistance, was able to convince the Ministry of Education of the necessity and importance of incorporating family life education into the schools' curriculum. This represents a major advance for the program as teenage pregnancy is one of the major challenges confronting young adults.

The **AIDS/STD Prevention and Control Project** continued to extend coverage to high-risk groups, consistent with Output II.3 to improve AIDS/STD prevention services. Through strengthened STD treatment facilities island-wide, syphilis rates have begun to decline. A network of private volunteer groups working in high-risk areas were awarded A.I.D. subgrants, and several successful communication campaigns have been launched which have included the involvement of local reggae artistes and drama groups. A musical drama financed by A.I.D. and produced locally has been shown to 25,000 students and community groups island-wide. Surveys indicate that awareness about AIDS and preventive measures is universal. With A.I.D. support, condoms are now being distributed by a beverage supplier and sold in bars. A new public sector logistics system for condom distribution is helping to rectify supply problems in the public sector, reinforced by greater coordination between the family planning and AIDS/STD programs.

The **Drug Abuse Prevention Project** was evaluated in September 1992. The evaluation, coupled with an unfavorable financial systems review, led to a Mission decision to reprogram funds through an 8-A contract to support community grants and data collection activities through FY 1994. As noted, the Mission does not plan further activity in support of drug abuse prevention given staff and budget stringencies.

### 3. Monitoring and Evaluation Status and Plans

Strategic Objective Committee #3 was established by a Mission Administration Notice to oversee and evaluate performance. A Mission secretariat will provide support to the SOC. SOC members will document procedures and calculations for baseline development and performance values.

Only one special study will be required, an evaluation of levels of public health care provision to the poor through the period of health care restructuring. The Mission estimates that a supplement to the annual Living Standards Survey in 1993 and 1995 will provide the needed data. Other sources of data will include the Ministry of Health data bases and facility reports, a Rand study, the Private Sector Organization of Jamaica, STD clinic records, KAP surveys, retail audits, and project data collection.

Jamaica				
STRATEGIC OBJECTIVE NO. 3 Healthy, smaller families				
Indicator 1: Health care for poor maintained or improved				
Unit: Percent of poor covered and satisfied		Year	Planned	Actual
Source: OHNP/URC/MOH (Living Standards Survey)	Baseline	1990	-----	
Comments: This is a new indicator. Baseline levels will be collected this year and targets established through the addition of questions and further analysis of the World Bank-funded Living Standards Survey.		1992		
		1993		
		1994		
		1995		
		1996		
		Target	1997	
Indicator 2: Total fertility rate				
Unit: Number of live birth per woman		Year	Planned*	Actual
Source: Periodic National Contraceptive Prevalence Surveys (CPS)	Baseline	1989	-----	2.9
Comments: The 1993 CPS was launched in February. Preliminary data is expected in August with a final report prepared by December 1993. The survey consists of a 2,500 sample of men and women of reproductive age. Another survey is planned for 1997 to ascertain progress towards meeting the target of near replacement level fertility. * Planned fertility reduction estimates are based on May 1992 extrapolations by RTI.		1992	2.7	
		1993	2.7	
		1994	2.6	
		1995	2.5	
		1996	2.4	
		Target	1997	2.3

Indicator 3: HIV transmission among STD clinic attendees				
Unit: Percent - male/female		Year	Planned	Actual
Source: Ministry of Health Epidemiology Division	Baseline	1991	-----	10(f)*
Comments: The indicator was recently established so no data is yet currently available for male STD clinic attendees. With project support this data will be available by December 1993.  *No figure available for male attendees.		1992	10	10(f)*
		1993	9(f) 9(m)	
		1994	8(f) 8(m)	
		1995		
		1996	5(f) 5(m)	
	Target	1997	4(f) 4(m)	

**STRATEGIC OBJECTIVE NO. 3 Healthy, smaller families**

**PROGRAM OUTPUT NO. 3.1 Strengthened health services through improved financial management and privatization**

**Indicator 1: Hospital self-financing**

Unit: No. of hospitals and percentage of costs

Source: Ministry of Health/HSIP Reports

Comments: Based on HSIP Reports 15 of the 23 hospitals have implemented fee collection systems and average cost recovery is now up to 5.5%, including two hospitals which exceed 10%. New data will be available in December 1993.

	Year	Planned	Actual
Baseline	1990	-----	
	1993	5 reaching 10%	
	1994	5 reaching 20%	
	1995	10 reaching 20%	
	1996	20 reaching 20%	
Target	1997	23 reaching 20%	

**Indicator 2: Health services delivered by the private sector**

Unit: Percent of private sector health delivered

Source: Ministry of Health/Health Insurance Industry Data

Comments: Two studies to review the use of private physicians and the health insurance sector were launched this year.

	Year	Planned	Actual
Baseline	1990	-----	15 (H.I.)
	1993	15	
	1994	17	
	1995	20	
	1996	24	
Target	1997	25	

Indicator 3: Private sector contraceptive distribution				
Unit: Percent of private sector distribution		Year	Planned	Actual
Source: National Family Planning Board/MOH	Baseline	1989	-----	20
Comments: The 1993 CPS data available in December 1993 will provide an estimate of private sector share of contraceptives distributed. This will be reassessed in the 1996 CPS.		1993	30	
		1994		
		1995		
		1996		
	Target	1997	60	

**STRATEGIC OBJECTIVE NO. 3 Healthy, smaller families**

**PROGRAM OUTPUT NO. 3.2 Increased effectiveness of family planning services**

Indicator 1: Contraceptive prevalence				
Unit: Percent		Year	Planned	Actual
Source: National Family Planning Board	Baseline	1989	-----	55
Comments: Valid annual estimates of prevalence are not available but will be obtained through the 1993 and the 1996 CPS. Planned contraceptive prevalence estimates are based on the May 1992 extrapolations by RTI.		1993	56	
		1994	57	
		1995	58	
		1996	60	
	Target	1997	62	

<b>Indicator 2: Acceptors protected by longer term methods (VSC, IUD, injectable)</b>				
<b>Unit: Percent of acceptors</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: National Family Planning Board statistics, 1993/1996 CPS</b>	<b>Baseline</b>	1989	-----	43
<b>Comments: The current service statistics are not organized in a way to permit annual method mix calculations. This will be strengthened in the new AID-financed management information system. The MIS estimates will be validated by the two planned CPS surveys.</b>		1993	50	
		1994	52	
		1995	55	
		1996	58	
	<b>Target</b>	1997	60	
<b>STRATEGIC OBJECTIVE NO. 3 Healthy, smaller families</b>				
<b>PROGRAM OUTPUT NO. 3.3 Improved STD/HIV prevention services</b>				
<b>Indicator 1: Condom access by high risk groups</b>				
<b>Unit: No. of retail outlets providing</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: NFPB/MOH/Family Health International retail audits</b>	<b>Baseline</b>	1991	-----	0
<b>Comments: This is a new indicator therefore data is not currently available on the number of outlets. The first retail audit will be conducted in November 1993.</b>		1992	N/A	N/A
		1993	500	
		1994	1000	
	<b>Target</b>	1995	2000	

Indicator 2: Condom use by general population				
Unit: Percent of male users		Year	Planned	Actual
Source: MOH KAP/FHI/National Survey on Sexual Behavior	Baseline	1990	-----	42
Comments: In June 1993,UCLA will complete its island-wide sexual behaviour study and a level will be determined for 1994 and 1995.		1992	42	
		1993	45	
		1994		
		1995		
		1996	49	
	Target	1997	50	
Indicator 3: Incidence of primary and secondary syphilis				
Unit: Cases/100,000 (M/F if available)		Year	Planned	Actual
	Baseline	1991	----	2,501
Source: Ministry of Health, EPI Unit	Baseline	1992	-----	2,143
Comments: The data is currently not disaggregated by sex but will be next year. The 14% decrease in 1992 was the result of extensive contact investigation work and the network of USAID-assisted treatment centers island-wide. After this initial decrease, USAID will target a more modest 5% decrease as harder to reach target populations become the focus of the program.		1993	2,040*	
		1994	1,930	
		1995	1,840	
		1996	1,750	
	Target	1997	1,660	
* Estimated 5% yearly decrease to 1997.				

<b>Jamaica</b>
<b>Bureau Objective: Broadly-based sustainable economic growth</b>
<b>Bureau Sub-objective 3: Encourage increased economic opportunities for the disadvantaged</b>
<b>STRATEGIC OBJECTIVE NO. 3: Healthy, smaller families</b>

<b>PROGRAM OUTCOME NO. 3.1 Strengthened Health Services through Improved Financial Management</b>	<b>PROGRAM OUTCOME NO.3.2 Increased effectiveness of family Planning services</b>	<b>PROGRAM OUTCOME NO. 3.3 Improved STD/HIV prevention services</b>
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<b>Projects (Number\Title)</b>	<b>Projects (Number\Title)</b>	<b>Projects (Number\Title)</b>
<b>532-0152 Health Sector Initiatives</b>	<b>532-0163 Family Planning Initiatives</b>	<b>532-0153 AIDS/STD Prevention and Control</b>
<b>936-5974 Health Financing Sustainability</b>	<b>936-3035 Options for Population Policy</b>	<b>936-3041 Family Health International</b>
	<b>936-3049 Association for Voluntary Surgical Contraception</b>	<b>936-5972 AIDS Technical Support</b>
	<b>936-3050 Population Council Program Phase III</b>	
	<b>936-3051 Contraceptive Social Marketing III</b>	
	<b>936-3055 Family Planning Management Development</b>	

E. Projects Under Other Mission Concerns

During the performance period, the USAID/Jamaica took effective steps to reduce its portfolio of projects devoted to "other concerns," while strengthening the quality and pace of implementation of projects in this category that meet important U.S. and Agency priorities:

Sustainable Justice Reform: Under the Sustainable Justice Reform Project, important efforts under the Caribbean Justice Reform Project between 1986 and 1992 are being continued, with a new focus on court and justice administration and support through the private sector. As the only significant donor to the judiciary, USAID's continued involvement is critical to establishing and sustaining a responsive system. During the performance period, two important conditions precedent were met, the formation of a Justice Coordination Council and establishment of 16 court administrator positions. Also, significant progress was made towards redirecting court revenues back into the justice system, a self-financing approach similar to that underway in the health sector with USAID support.

Basic Education: Faced with difficult choices in narrowing its strategic focus, USAID decided to phase out of the primary education sector by the end of FY 1995, the PACD for the Primary Education Assistance Project II. By undertaking an orderly phaseout, USAID will protect its investment in a comprehensive upgrading of mathematics education, and in a highly-regarded community outreach program in support of decentralization that in the last year has provided training for almost 1,000 principals and community leaders.

Per the FY 1993/94 Action Plan, the Mission amended PEAP II to include a \$1.6 million add-on for the development of an information management and policy analysis capability in the MOE that is critical to the success of USAID and other donor activities through the 1990s. USAID's close collaboration has resulted in a comprehensive donor program in basic education, including a large new IDB project in primary education, Canadian assistance in publishing new instructional materials, and curricular links at the primary and secondary levels with a large new World Bank loan program.

Shelter: In the FY 93/94 Action Plan, the Mission described its plans to close out the HG-012 and -013 shelter programs by the end of FY 1994 to consolidate its portfolio. During last year, substantial progress was made. The Building Societies Association of Jamaica and the Ministry of Construction agreed on a major new joint venture serviced site project which is now under development. Scarce budget resources were allocated to provide water to squatter areas in Montego Bay. The Shelter Coordinating Committee was

realigned under the Ministry of Finance and new leadership was identified to correct program deficiencies. Finally, a very focused evaluation and strategy to close out the shelter program was conducted involving the Director and former Deputy Director of A.I.D.'s Office of Housing and Urban Programs. This close out strategy will enable USAID/Jamaica to withdraw from HG-013 one year earlier than the FY 1994 target established last year, but it will require an additional year (through FY 1995) to complete the HG-012 activities, particularly the squatter upgrading project in Norwood and Rosemount in Montego Bay.

The one lingering issue that continues to delay the HG-012 project is the reluctance of the Caribbean Housing Finance Corporation (CHFC) to assume foreign exchange and commercial risk under the HG loans. As such, CHFC will not disburse any resources to implementation institutions. As a result of the shelter evaluation/close out strategy exercise, the GOJ has been informed that it needs to address this issue immediately. The GOJ cabinet is considering this issue and a decision should be forthcoming. Another issue that emerged during the year is related to the complexity of environmental problems created by urbanization and provision of water to squatter settlements in Montego Bay. The decision on how to address liquid waste disposal in the Norwood and Rosemount areas is essential to protecting water quality of both the bay and underground water resources. Focusing on this issue in closing out the HG shelter program will assist the GOJ in addressing this critical environmental problem in the future.

If the GOJ approves, and agrees also to provide local currency to complete HG-013 by the end of 1993 (a year early), the HG-012 program will recommence. HG-012 would continue through FY 1995. Most of the remaining funds would be used to upgrade squatter settlements, including environmentally-sound sewage disposal solutions that would reduce subsurface and Montego Bay pollution, consistent with Strategic Objective #2. If the HG-012 implementation issues are not resolved, the GOJ will be asked to terminate the programs and prepay the loans.

## **II. Portfolio Analysis**

### **A. New Initiatives**

The upcoming Action Plan period of FY 1994/95 will be more notable for what the Mission plans not to do, rather than for any new project activities it will initiate. During its one-day Program Directions Retreat held March 29, Mission staff reviewed concepts for new or refocused project efforts. However, given program and OE budgetary cuts, possible future OYB reductions and significant program mortgage, the Mission decided against undertaking new projects in the FY 1994-1995 Action Plan period.

It was also agreed that beyond scaling back the several planned project amendments, the Mission would not create substantial new mortgage requirements without countervailing reductions elsewhere in the portfolio during the Action Plan period. Consequently, the Mission is planning on project actions that will reduce numbers of projects and will reduce DA program mortgage by about \$16 million over the next two years (see Section I, "Introduction and Overview"). One addition to the mortgage will be an amendment to the UWI Management Education Project. Following an evaluation recommendation that additional USAID assistance is required for assured sustainability of UWI's Institute of Business, the Mission will amend the project by \$1.25 million with no change in the PACD. USAID also intends to increase the LOP funding of the CLASP project by \$2 million to help assure it meets training targets by the PACD and to continue efforts to improve focus and better measure impacts.

There may be one exception to USAID's restriction on new program activities. Following significant occurrences of fraud and violence in the March 1993 Jamaica national elections, the Mission and Embassy have been discussing a possible small electoral reform support activity, probably in FY 1994. A possible funding source would be PD&S.

B. Status of Portfolio (see Table 3)

NEW PROJECT DESCRIPTION

LAC BUREAU OBJECTIVE

AND SUB-OBJECTIVE: Broad Based Sustainable Growth through a vigorous response by the private sector

MISSION STRATEGIC

OBJECTIVE: Increased Foreign Exchange Earnings and Employment

Project Title: University of the West Indies (UWI) Management Education Project

Project Number: 532-0129

Fiscal Year \$1.25 million amendment in FY93

LOP Funding: \$5.7 million (Sept.95 PACD)

TYPE OF FUNDING: DA Grant

Consistency with Mission Strategic Objectives

The goal of the project has been to overcome the shortage of trained managers at the mid and upper management levels in Jamaica. This shortage constrains the country's ability to promote private sector led economic growth. The goal thus relates directly to the Mission's first strategic objective of increased foreign exchange earnings and employment. Program Output 1.5, indicator 1, directly tracks graduates from UWI's Executive Masters in Business Administration (EMBA) program. Likewise, the purpose of the project, to strengthen the management education system, is consistent with the strategic objective framework. Indicators of purpose achievement through the period of this amendment are:

- an Institute of Business (IOB) Program that is fully sustainable by the end of 1995;
- broader interdisciplinary use of faculty resources as evidenced in joint appointments between departments and faculties;
- and a functioning accreditation unit that serves a broad range of management training institutions with the certification of programs for supervisory and middle management training needed by the business community.

### Relationship to A.I.D. and Other Donor Activities

Improved managerial capability has been identified by all donors, including AID, as critical to modernizing the Jamaican economy and increasing its competitiveness in a liberalized trade regime. However, we are the only donor currently supporting management training improvement at UWI, and that has concrete plans for future assistance.

### Relationship of Project to Overall A.I.D. Policy Objectives

This project is directly linked to broad-based, sustainable economic growth. The Institute is geared to meet the needs of the business community, and the leaders of that community are in the majority on the IOB Board. The private sector community has increasingly supported the project through financing of academic chairs, providing full tuition payments and making direct financial contributions. A recent training program on International Business and Export Marketing was a direct result of private sector interest, and it is an example of the evolving focus on exports and investment in the IOB program.

### Activity Description and Anticipated Results

The focus of this activity is on the institutional enhancement of the Department of Management Studies (DOMS) and the Institute of Business (IOB) through the development of relevant undergraduate, graduate and executive management programs to meet the needs of the business community. The original project design anticipated a third phase, that would be conditional on an assessment of progress in the first two phases, and, especially on progress toward sustainability of the program. An independent evaluation done in February 1993 reflected substantial accomplishments. Specifically, it noted that faculty training is on schedule, the Executive MBA is a significant success, the undergraduate management program has expanded as planned, the business community "is involved with the Institute, supportive of the MBA, and enthusiastic about the changes that have occurred at the university to emphasize management education", and finally that "the university administration is committed to the goals of the program and has made substantial investments and commitments to its success".

While the evaluation gave the project high marks, it also pointed to the need for additional improvements, particularly related to autonomy of the IOB and further strengthening of the undergraduate program. The evaluation concluded that UWI will need additional financial support to assure the sustainability of the IOB, and introduce early qualitative improvements in its instructional seminars, and research programs. USAID's current project already extends to September 1995, with most remaining resources dedicated

to completion of U.S. based graduate study for selected DOMS/IOB faculty.

We propose to increase our financial support within the existing PACD to contribute to fully establish the IOB as the lead institution in advanced management education and training. Besides assuring sustainability, the amendment will help assure a stronger focus on export promotion in the EMBA program and will result in a doubling of all EMBA graduates to about 90/year.

USAID financing will be carefully targetted to support investments of the university and the business community, including:

- o Continued program enhancement of the IOB's Masters, Executive Development and consultancy/research activities;
- o Further upgrading and modernization of the undergraduate business administration program, with the institution of joint appointments to provide broader interdisciplinary inputs;
- o Expansion of IOB outreach activities, and especially the development of an Accreditation Unit to administer the
- o outsourcing of certificate programs to other management training institutions to allow UWI to focus its resources on the academic degree and executive programs;
- o Architectural and engineering design for construction of a new building on the Mona campus that will provide adequate space for management education into the twenty-first century.

#### Planned Implementation Arrangements

Implementation arrangements that have been honed during the first two phases, including host country contracting, financial accounting and marketing of the program will be relied upon during this enhancement phase. The IOB Director will continue to serve as project manager.

#### Sustainability of Proposed Activities

The recently completed evaluation determined that the programs supported to date are of a high quality, and noted specifically that the Executive MBA is "a significant success with excellent prospects for the future". In the Evaluator's assessment of the future, it was noted that "the problems that had been solved and the accomplishments to date are more significant than those yet to be tackled, but substantial barriers remain before the original vision can be considered fulfilled". This amendment will be designed to tackle those remaining barriers and thereby assure that the program is fully sustainable.

### Mission Management Role

This amendment will not extend the current PACD, nor will it lead to a requirement for additional staff resources. In its support of the IOB, no significant implementation problems are anticipated given the depth of understanding and experience with A.I.D. policies and procedures.

### Potential Issues

A key concern for project design will be the securing of an agreement from the university on the critical elements of their commitment for the next stage. This includes:

- o Joint appointments of selected teaching staff between departments of the Faculty of social Science and the IOB for mutual enrichment and balanced commitment;
- o Appointment of three or four senior faculty members to reduce teaching load in the Department of Management Studies;
- o Implementation of plans to give the IOB status as a limited company, and formal affiliation to the University.
- o Recognition of the IOB by the University as an entity with Department status in the Faculty of Social Science, for purposes related to appointment of academic staff and the granting of degrees only.
- o No overhead costs for space, etc. will be assessed by the university on the IDB.

From discussions to date, we believe that UWI leadership is committed to all of those preconditions.

NEW PROJECT DESCRIPTION

LAC BUREAU OBJECTIVE

AND SUB-OBJECTIVE: Broad Based Sustainable Growth primarily through 1) a vigorous response by the private sector 2) increased participation in the economy by the disadvantaged and 3) managing preservation of the natural resources base.

MISSION STRATEGIC OBJECTIVES: 1) Increased Foreign Exchange Earnings and Employment and  
2) Improved Environmental Management and Protection  
3) Healthy, Smaller Families

Project Title: Caribbean and Latin American Scholarship Program (CLASP II)

Project Number: 532-0169

Fiscal Years: FY 93 Amendment for \$2 million

LOP Funding: \$7.5 million (Sept.98 PACD)

TYPE OF FUNDING: DA Grant

Consistency with Mission Strategic Objectives

Training in scarce, development-oriented skills is a major long-term requirement for the achievement of sustainable growth. The CLASP project is USAID/Jamaica's primary vehicle to provide such training. The project's goal is to promote broad-based economic and social development in Jamaica. The purpose remains to equip a broad base of leaders and potential leaders with appropriate technical skills and education and an appreciation of the free enterprise economy in a democratic society. This is a cross cutting purpose that relates to each of our strategic objectives. Selection targets have been brought in line with the Mission strategic objectives; 80% of all training is focused on individuals and groups who will directly contribute to those objectives. Specific targets are: 35% in programs aimed at increased foreign exchange earnings and employment; 30% in programs aimed at improved environmental management and protection; and 15% in programs focused on healthy, smaller families. Indicators of persons trained under Strategic Objectives 1 and 2 are included in the PPAS framework.

### Relationship to A.I.D. and Other Donor Activities

This project provides training to fill critical human resource gaps. Within the focus on strategic objectives, selection criteria emphasize training for the economically disadvantaged in fields of study not available at local institutions or through other A.I.D. projects.

### Relationship of Project to Overall A.I.D. Policy Objectives

Human resource training and development is a pre-requisite to broad-based, sustainable economic growth. Through strategic targetting, over two-thirds of CLASP short-term and long-term training programs are aimed at preparing individuals and groups for the productive sector.

### Activity Description and Anticipated Results

The continuing impact of CLASP is from the return of participants to key positions in organizations involved with Jamaica's development. A majority of all participants receive training that would otherwise be impossible because it is not available from local higher educational institutions or because they have been automatically deselected due to their disadvantaged status. An issue that has emerged is that the broad sectoral spread of program participants has made it difficult to assess impact on specific development objectives and programs. Consequently, over the past year, we have increasingly focused the program around Mission strategic objectives. This focus will be reflected in this Amendment, and be reinforced with the development of a strengthened follow-on system. The follow-on system will be geared to assessing the effect of training on achieving participants' career objectives, and be institutionalized in sectoral level organizations. With a clear focus on a limited number of strategic objectives it will then be possible to more clearly measure impact by tracking returned participants in their career progression.

To complete the targetted number of training programs within the FY '98 PACD, our proposed amendment will add \$2 million. The average annual expenditure level will be \$600,000 for long-term training and \$150,000 for short-term training, a total of \$750,000. These supplemental funds will provide long-term training for forty individuals and short-term training for one hundred and twenty individuals over the FY'94 - '98 period, resulting in seventy-two long term completed training programs and two hundred and fifty-five short term programs. We believe these targets can be achieved with the resources being proposed through aggressive pursuit of cost savings measures. To date we have achieved some cost-savings through placement at lower-cost state colleges, additional cost-savings will have to be realized. We will increasingly push for other cost-sharing arrangements such as obtaining tuition waivers from educational providers in the U.S.

### Planned Implementation Arrangements

Recent consolidation of U.S. contractor responsibility for placement and management of training programs should increase efficiency through better communication and consistent follow-through.

### Sustainability of Proposed Activities

Evaluation shows that the vast majority of participants are employed in fields for which they were trained, and non-returnees are negligible.

### Mission Management Role

The USAID's training division will continue to manage CLASP until the PACD. This amendment will not extend the current PACD, nor will it lead to a requirement for additional staff resources.

### Potential Issues

How can the project better target the disadvantaged? Will the Bureau have an agreed definition of poverty to help better orient CLASP?

Table 3: USAID/(Country Name) PORTFOLIO -- PROJECT TIMELINE

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PROJECT NUMBER/TITLE	FY92				FY93				FY94				FY95				FY96				FY97			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
STRATEGIC OBJECTIVE #1																								
532-0101 Hillside Agriculture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X		
532-0105 Jamaica Agricultural Development Foundation	-	-	-	-	X																			
532-0120 Inner Kingston Development- KRC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X				
532-0120 Inner Kingston Development- UDC	-	-	-	-	-	-	-	-	-	-	-	X												
532-0128 Agricultural Research	-	-	-	-	-	-	-	-	X															
532-0129 UWI Management Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X								
532-0135 Export Development & Investment Promotion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X
532-0156 Microenterprise Development Support	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
532-0164 Policy Reform in Support of Private Investment	-	-	-	-	-	-	-	X																

	FY92	FY93	FY94	FY95	FY96	FY97
<b>PROJECT NUMBER/TITLE</b>						
532-0165 Agricultural Export Services	- - - -	- - - -	- - - -	- - - -	- - - X	
532-0169 Caribbean and Latin America Scholarship Program	- - - -	- - - -	- - - -	- - - -	- - - -	- - - -
532-0168 North Coast Development Support	- - - -	- - - -	- - - -	- - - -	- - - X	
PL480 Section 416 Butteroil	- - - -	- - - -	X			
PL 480 Title I	X					
PL 480 Title II -JADF:Com	- - - X					
PL 480 Section 416 Non-Fat Dairy Milk	X					
<b>STRATEGIC OBJECTIVE #2</b>						
532-0148 Protected Areas Resources Conservation	- - - -	- - X				
532-0149 Technical Support for Shelter and Urban Services	- - - -	- - - -	- - - -	- - - X		
532-0173 Development of Environmental Management Organizations	- - - -	- - - -	- - - -	- - - -	- - - -	- - - X
<b>STRATEGIC OBJECTIVES #3</b>						
532-0069 Population and Family Planning	- X					
532-0152 Health Sector Initiatives	- - - -	- - - -	- - - -	- - - -	- - - X	
532-0153 AIDS/STD Prevention and Control	- - - -	- - - -	- - - -	- - - -	- - - -	- - - X

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PROJECT NUMBER/TITLE	FY92	FY93	FY94	FY95	FY96	FY97
532-0161 Drug Abuse Prevention	-	-	-	X		
532-0163 Family Planning Initiatives	-	-	-	-	-	-
<b>OTHER CONCERNS</b>						
532-0029 Small Development Activities	-	-	X			
532-0067 Low Cost Shelter Development	-	X				
532-0082 Agricultural Education	-	-	X			
532-0095 Revenue Board Assistance	X					
532-0123 Crop Diversification/Irrigation	-	-	-	X		
532-0155 Primary Education Assistance II	-	-	-	-	X	
532-0157 Food Aid Monitoring and Support	-	-	X			
532-0158 Hurricane Reconstruction	X					
532-0162 Caribbean Justice Improvement	X					
532-0175 Sustainable Justice Reform	-	-	-	-	-	X
532-HG-012B Jamaica Shelter Support- Private Sector	-	-	-	-	X	
532-HG-012C Jamaica Shelter Support	-	-	-	-	X	

PROJECT NUMBER/TITLE	FY92	FY93	FY94	FY95	FY96	FY97
532-HG-013 Jamaica Shelter and Urban Services	- - - -	- - - X				
632-0147 Presidential Training Initiative for the Islands Caribbean	- - - X					
<b>TOTAL PROJECTS (Number)</b> (at end of FY 4th Quarter)	30	22	17	12	7	3

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### C. Central and Regional Projects

The Mission relies most heavily on centrally-funded projects in the family planning and AIDS areas (current or proposed funding is from the Family Health International, Program for Voluntary Sterilization, Population Council Program Phase III, Promoting Financial Investment and Transfers, AIDS Technical Support, Health Financing Sustainability, Options for Population Policy, Contraceptive Social Marketing III, and Family Planning Management Development projects). The projects, which combine Mission buy-ins with some central resources, provide access to high-calibre technical expertise. They also help in reducing the project management burden by providing technical assistance packages which do not involve host country contracting or a major logistical workload for Mission staff. USAID is, of course, dependent on receiving adequate OYB resources to allow the OYB transfers and buy-ins to proceed at reasonable levels.

The same applies to the Environmental Policy Analysis and Training (EPAT) Project, under which the Mission has executed a buy-in from our Development of Environmental Management Organizations (DEMO) Project. EPAT is providing highly specialized short-term expertise to help the newly formed Natural Resources Conservation Authority (Jamaica's paramount environmental policy and regulatory body) establish its strategic goals, set operational targets and build up its staff. EPAT is filling a critical project gap until we can put our long-term technical assistance contractor in place.

The regionally-funded LAC Tech Project has also been helpful as a source of agribusiness expertise to evaluate and help shape specific sub-project concepts under the bilateral Agricultural Export Services (AESP) Project. AESP has also drawn successfully upon the centrally funded Agricultural Biotechnology Project to design a promising sub-project.

The Mission will also benefit in FY 1993 from a proposed \$400,000 Anti-Poverty Lending for Enterprises activity (with another \$400,000 provided from USAID/Jamaica's OYB) to provide credit for economically-disadvantaged microentrepreneurs.

The Mission will retain centrally-funded human resource program links through the Action Plan period. Training and education support for its strategic objectives include buy-ins to the Caribbean and Latin America Scholarship (CLASP) program, two-year scholarships for productive sector technical training (Indicator 3 under I.5) from the Cooperative Association of States for Scholarships, and the Advanced Economics Training Program. The Mission also accesses funding under the Advancing Basic Education and Literacy project in support of the PEAP II project, the Education and Human Resources Technical Support Project (for

Mission evaluation and design work, including the upcoming UWI Management Education project), and the University Linkages Project (five proposals for Jamaica are under consideration). Jamaica also benefits from R&D strengthening grants, including one for agricultural education from Louisiana State University.

USAID/Jamaica is also involved in disaster preparedness. The Mission, particularly through the Regional Housing and Urban Development Office (RHUDO) assisted the Office of Foreign Disaster Assistance (OFDA) to develop a Caribbean Disaster Management Project. This effort is justified by the repeated and severe economic setbacks which natural disasters have dealt Jamaica and other Caribbean countries.

### **III. Environment**

#### **A. Major Conservation Challenges**

The Jamaica Environmental Strategy, prepared by USAID in 1992, identified critical environmental issues facing the nation. These were based on a ranking of ways particular issues affect human health, economic development, monetary costs and biological systems. The most significant issues were (and continue to be) watershed degradation (including deforestation); coastal zone degradation (including loss of reefs and destruction of wetlands); water pollution; and degradation of wildlife habitat. All issues have a direct bearing on conservation of biodiversity. The persistence of these issues is inextricably linked to institutional deficiencies which result in a lack of:

- \* public awareness of the importance of environmental problems;
- \* leadership within the government in establishing clearly defined environmental policies;
- \* standards, regulations, and guidelines for maintaining a desired environmental quality;
- \* trained personnel and funding in pertinent government and non-government organizations to carry out environmental improvement projects; and
- \* reliable, systematic ecological data to guide planning and decision-making.

#### **B. Progress Made During the Year**

USAID efforts to assist the GOJ to reverse environmental degradation and to protect forests and biodiversity have focussed on these institutional problems. Since the preparation of the August 1992 report on the status of tropical forest and biodiversity activities, the Mission has accomplished several significant steps to assure better protection of these resources.

These include:

\* Authorization of the Development of Environmental Management Organizations (DEMO) Project (-0173) and initiation of implementation; including:

- preparation of analyses and conduct of a major national workshop to assist the Natural Resources Conservation Authority (NRCA) to prepare an action strategy to guide its activities over the short term and through the year 2000;

- preparation of internal organizational development plans to strengthen the NRCA in order to achieve its action strategy;

- establishment of the first Local Environmental Management Council (Montego Bay) and preparation of a business plan for organizations to assure sustainable local environmental management efforts;

\* Formal openings and preparation of management plans for two national parks: Montego Bay Marine Park and Blue/John Crow Mountain National Park under the Protected Areas Resource Conservation (PARC) Project;

\* Continued collaboration between the North Coast Development Support Project (tourism infrastructure) and PARC projects to monitor the quality of water in the bay and around the reefs of Montego Bay, resulting already in a year's data;

\* Completion and distribution of National Park and Protected Areas System Plan; and

\* Establishment of the Environmental Fund for Jamaica and a support grants fund.

C. Recommended Follow-up

Over the Action Plan period, the Mission will:

\* Authorize a second phase of the PARC Project that will add at least two new national parks, strengthen national park-related institutions and establish the long-term sustainability of the National Park system.

\* Continue NRCA organizational development activities, including the preparation of action plans for each operating division, the training of key staff, and the design of an environmental information system;

\* Assist the National Environmental Societies Trust (NEST) to prepare a business plan, conduct NGO training activities and launch a technical outreach program to aid NGOs to carry out environmental enhancement activities under the DEMO Project and with grant support from the Environmental Foundation of Jamaica;

- \* Complete a Development Plan for the Montego Bay area that will guide development and conservation activities and an "Action Framework" that will program DEMO financial support for local environmental improvement projects;
- \* Demarcate a system of protected natural areas in the Montego Bay area and initiate programs for local management; and
- \* Establish a Local Environmental Management Council for Negril and initiate project planning activities.

#### **IV. Resource Requirements**

##### **A. Staffing Implications**

Parallel with program consolidation, the Mission has been reducing staff in accordance with FY 1993-94 control numbers in the ABS. By the beginning of FY 1994, USAID will have reduced USDH staff to 15 including the RLA position. The Mission will reach this level by cutting three positions during FY 1993: two agricultural development officers and one project development officer. One more USDH position, the Education and Human Resource Officer, is expected to be cut at the end of FY 1994 to reach a USDH level of 14 by FY 1995.

USAID/Jamaica has streamlined our Agriculture and Rural Development Office (ARDO) by reducing two USDH positions. This is appropriate because the Mission no longer has a food aid program and related activities; we are closing out projects in Agricultural Education, Food Aid Monitoring and Agricultural Research; and transferring residual responsibilities for the Crop Diversification/Irrigation Project (dam reconstruction) to our Program and Project Development Office. ARDO will be focusing efforts on two areas: agricultural exports consistent with S.O #1, and environmental quality and natural resource protection (S.O. #2). In addition to one USDH, ARDO will have a program-funded PASA through the Action Plan period, three USPSCs, and an FSN program assistant.

The Program and Project Development Office was reduced by one USDH position, the Project Development Officer, because the Mission does not expect to be launching any new project initiatives for the foreseeable future. The Mission will continue to adjust the portfolio with amendments as needed, but believes it can implement these adjustments without a full-time PDO provided there are no major changes in our strategic objectives. This will leave two USDH positions, four local professional PSC/FSNs, and a USPSC engineer and FSN engineer assistant.

The Office of Private Enterprise (OPE), with three USDH, one USPSC and two professional FSNS will manage the expanded Export

Development/Investment Promotion Project and Microenterprise Development Project, both critical to our Strategic Objective #1, "increased foreign exchange and employment." OPE will also continue to manage the Section 108 private sector lending program and non-project trade and investment activities that support the Enterprise for the Americas Initiative.

The Office of Health, Nutrition and Population (OHNP) is primarily responsible for S.O. #3, "healthy, smaller families," and USAID will retain the USDH officer with two FSN program specialists and a program assistant. The nature of the AIDS/STD program and population program with large buy-in and OYB transfer components permit this relatively streamlined office to manage the portfolio concerned with S.O. #3, particularly in view of the reduction in narcotics program emphasis.

As noted above, the Education and Human Resources Officer position is expected to be eliminated at the end of FY 1994, as the Education portfolio phases down. At that point, the Mission plans to merge our Education and Human Resources Office with OHNP, and utilize a new program-funded USPSC education specialist to assist with latter-stage implementation of our Primary Education and Graduate Management Education projects.

The Mission has carefully analyzed the management needs of its portfolio. Given the rapid reduction of USDHs, we believe that most of the existing complement of FSN staff are needed for effective management. We have identified eight senior FSN contract staff who dedicate more than 50% of their time to the implementation of specific projects, and accordingly will shift funding for their contracts from OE to project funding consistent with Agency OE policy guidelines. USAID expects to revise these PSC contracts accordingly to transfer approximately \$150,000 of FSN costs under current salary and exchange rates to project budgets.

In addition to the funding adjustments noted above, FSN staff adjustments will be made during FY 1994-95 to meet OE/Trust Fund limitations. Over the past year, we have achieved a net reduction of 7 FSN positions (10%) by attrition. This reduction already places USAID/Jamaica at its ABS target level for FY 1994 of 57 FSN personnel. Because of OE stringencies, the Mission plans at least an additional 10% reduction over the Action Plan period. It should be noted that any more rapid FSN reductions in conjunction with continuing USDH reductions would place USAID in a very difficult management situation.

**TABLE 4**  
**USAID/ (COUNTRY)**  
**SUMMARY PROGRAM FUNDING TABLE**  
**Dollar Program**

Funding Category	FY93 Estimated	FY94 Requested	FY95 Requested
<b>Development Assistance</b>			
<b>Mission Strategic Objective #1</b>			
(Project Numbers and Titles)			
532-0101 Hillside Agriculture	530,600	560,000	700,000
532-0120 Inner Kingston Development	666,000	700,000	864,000
532-0128 Agricultural Research	0	0	0
532-0129 UWI Management Education	570,000	805,200	650,000
532-1035 Export Development and Investment Promotion	1,924,357	0	0
532-0156 Microenterprise Development Support	875,000	600,000	900,000
532-0165 Agricultural Export Service	491,091	711,320	2,300,633
532-0168 North Coast Development Support	0	560,000	231,000
532-0169 Caribbean and Latin America Scholarship Program	309,750	276,318	262,500
<b>Subtotal</b>	<b>5,366,798</b>	<b>4,212,838</b>	<b>5,908,133</b>
<b>Economic Support Fund</b>			
532-0135 Export Development and Investment Promotion	1,000,000	5,000,000	5,000,000
532-0164 Policy Reform in Support of Private Investment	4,000,000	0	

<b>Mission Strategic Objective #2</b>			
(Project Number and Titles)			
532-0101 Hillside Agriculture	227,400	240,000	300,000
532-0149 Technical Support for Shelter and Urban Services	464,000	400,000	0
532-0168 North Coast Development Support	0	240,000	99,000
532-0169 Caribbean and Latin America Scholarship Program	265,500	236,844	225,000
532-0173 Development of Environmental Management Organizations	2,092,000	2,449,000	2,886,701
<b>Subtotal</b>	<b>3,048,900</b>	<b>3,565,844</b>	<b>3,510,701</b>
<b>Mission Strategic Objective # 3</b>			
Project Number and Title			
532-0152 Health Sector Initiatives	0	800,000	1,000,000
532-0153 AIDS/STD Prevention and Control*	1,465,000*	1,715,000	1,105,000*
532-1063 Family Planning Initiatives	1,300,000	1,300,000	1,191,900
532-0161 Drug Abuse Prevention and Control	99,552	0	0
532-0169 Caribbean and Latin America Scholarship Program	132,750	118,422	112,500
<p>N.B. * In FY93 Mission transferreds US\$500,000 to Project 536-5\972-AIDS Technical Support. Mission will transfer US\$750,000 in FY 94 and US\$1,000,000 in FY 95.</p>			
<b>Subtotal</b>	<b>2,997,302</b>	<b>3,933,422</b>	<b>3,409,400</b>
<b>P.L. 480 Title III</b>		0	
<b>Subtotal</b>	<b>2,997,302</b>	<b>3,933,422</b>	<b>3,304,400</b>

<b>OTHER CONCERNS</b>			
532-0029 Small Development Activities	100,000	0	0
532-0155 Primary Education Assistance II	1,450,000	1,450,000	155,766
532-0157 Food Aid Monitoring and Support	0	0	0
532-0168 Caribbean and Latin America Scholarship Program	177,000	157,896	150,000
532-0175 Sustainable Justice Reform	0	1,000,000	1,186,000
PD&S	310,000	200,000	200,000
<b>Subtotal</b>	<b>2,037,000</b>	<b>2,807,896</b>	<b>1,691,766</b>
<b>PROGRAM TOTAL</b>	<b>13,450,000</b>	<b>14,520,000</b>	<b>14,520,000</b>

**B. Operating Expenditure Limitations**

USAID/Jamaica is facing serious constraints funding its operating costs. The triple squeeze is coming from reduced appropriations, reduced ESF and resultant trust fund availability, and significant increases in costs.

The Mission has scheduled operating expense levels for the last two years as well as projected for FY 1994 and 1995:

	<u>Appropri.</u>	<u>Trust Fund</u>	<u>Total</u>
FY 1991 actual	1,505	2,059	3,564
FY 1992 actual	1,981	1,515	3,456
FY 1993 limitation	1,800	1,500	3,300*
FY 1994 estimated	1,870	1,500	3,370
FY 1995 estimated	2,472	1,000	3,472

\* Includes the transfer of eight FSN PSCs to project funding and only six months of guard service.

In March 1993, the Mission implemented a 49% increase in FSN wages. USAID expects the salary schedule to be adjusted again based on a wage survey which will be done this Spring, and will look at fringe benefits as well as hourly rates. To offset the increase, the Mission has reviewed the duties of its FSN PSCs and, wherever appropriate, shifted them to project funding.

The Mission contract for security guards expired the end of April 1993. The State Department has decided that the contract must be recompeted, but the Mission has had to fund a separate bridging contract for six months while the bidding takes place. Because of the timing, USAID funded only the bridging contract this year. The six-month contract is slightly less than the total guard contract costs for the last fiscal year. The crisis comes in FY 1994 when USAID expects the guard costs will be 250% of the FY 1993 costs. Note that Jamaica is a critical threat post with a requirement for 24-hour, armed guards.

The Mission has taken various management and implementation decisions in order to reduce the FY 1994 budget needs to the FY 1993 limitation. These include revisions in our procurement planning and adjustments in funding for education allowances and tighter controls on vehicles and spares. Because of the unusual number (6) of USDH transfers in FY 1994 and the increase in guard costs the Mission was unable to eliminate the gap completely.

USAID is investigating a range of cost-saving measures to further reduce OE costs. These include providing office space and related services to an institutional contractor to offset reduction in USAID staff and space requirements, obtaining access to the

Embassy telecommunication line for E-mail, eliminating the summer hire program, moving additional USDH from single family dwellings to townhouses to reduce security costs, and recovery of residential utility costs from USDHs. As actions are taken to effect these potential cost savings, the budget will be adjusted further. The funding gap in FY 1995 is wider than FY 1994, but the Mission expects that the additional cost-saving measures under consideration will bring it closer to the FY 1993 limitation.

**V. Mission and AID/W Initiated Issues**

**A. ESF and Trust Funds:** USAID/Jamaica has depended on trust funds generated under its ESF program to fund Mission operations, including most of its foreign national support staff. With a reduction from \$15 million in FY 1991 and 1992 to a proposed \$5 million in FY 1993 (with \$1 million projectized), and with further reduced levels or even elimination of the ESF program, the Mission will need to increase its OE request to the Bureau. With a cessation of trust funds generation under an ESF program, and subject to negotiations with the GOJ, the Mission anticipates that trust funds will run out in mid-FY 1995. The Mission anticipates a critical OE/trust fund situation given unexpected, rising costs. Can the Mission count on sufficient OE allocations to make up shortages in trust funds?

**B. Program Management:** As outlined in the overview section, the Mission has proceeded with reducing its mortgage by eliminating all new starts in FY 1994-1995, reducing the budgets of new project amendments, and by closing out some projects early. This leaves USAID/Jamaica with a more streamlined portfolio; however, USAID must maintain adequate staffing during the consolidation process to assure a sound process and maintain reasonable internal controls. With large OE expenditure increases for guard service and FSN wages, how can the Mission sustain large OE cuts at the same time and still assure sound program management?

**C. Program Impacts on Poverty:** The Mission has taken initial steps to ensure that our assistance better targets the poor. However, if this remains a priority consistent with LAC Bureau guidance given to USAID/Jamaica in last year's POD/Action Plan review, then the Mission would benefit from Bureau assistance in identifying a set of socio-economic indicators of poverty status. The Mission understands that the Bureau is working on this. When can LAC Mission expect to have guidance from the Bureau on poverty indicators? Also, it is widely considered that Jamaica has relatively good socio-economic statistics, and the Planning Institute of Jamaica (PIOJ) tracks certain poverty indicators. Is there any scope for a Bureau-funded pilot monitoring activity to be carried out in Jamaica in conjunction with PIOJ?

**D. Narcotics Program Policy Directions:** After a review of performance under its current project, the Mission decided not to continue assistance in this sector over the long term. This decision was made in light of a need to focus program efforts, reduce overall mortgage, and based on program priorities. Is this decision consistent with Bureau priorities?

**E. AIDS Funding and Priority:** The Mission had predicated its FY 1993-1995 budgeting on R&D and LAC Bureau contributions to an enlarged AIDS/STD project, consistent with emphasis country status. USAID/Jamaica was assured of such support outside of Mission OYB levels at last year's Action Plan review. This assurance was confirmed in the review cable which advised:

Given Jamaica's status as an AIDS emphasis country, the Bureau encourages the Mission to develop an expanded AIDS program. In turn, the Bureau proposes to seek to obtain as much AIDS funding as is needed to sustain the expanded program. Such enhanced AIDS funding (if provided) in excess of the Mission's current core level of funding at dols \$965,000 will be additional to the Mission's core OYB. While future OYB levels are not predictable, the Mission can be assured that the Bureau will not use the provision of additional AIDS funds as justification for requesting the Mission to cut funds in any of its other functional accounts.

How will adequate resources be provided to meet the emphasis requirement without cutting into declining Mission funds for unarmarked programs?

UNITED STATES AGENCY FOR INTERNATIONAL  
DEVELOPMENT MISSION TO JAMAICA : ACTION  
JAMAICA  
ACTION PLAN

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1993