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

JAMAICA

PROJECT PAPER

TECHNICAL SUPPORT FOR SHELTER AND URBAN SERVICES

AID/LAC/P-933

PROJECT NUMBER: 532-0149

UNCLASSIFIED

A

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
 C = Change
 D = Delete

Amendment Number

DOCUMENT CODE

COUNTRY/ENTITY

JAMAICA

3. PROJECT NUMBER

532-0149

4. BUREAU/OFFICE

LAC

05

5. PROJECT TITLE (maximum 40 characters)

Technical Support for Shelter and Urban Services

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
019 | 310 | 917

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

A. Initial FY 89 B. Quarter 4 C. Final FY 97

8. COSTS / \$000 OR EQUIVALENT \$1 =

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total						
Grant				2400	1400	3800
Loan						
Other						
U.S.						
Host Country					1370	1370
Other Donor(s)						
TOTALS				2400	2770	5170

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1)						800		3800	
(2)									
(3)									
(4)									
TOTALS						800		3800	

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

11. SECONDARY PURPOSE CODE

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

1. Code
2. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To provide technical support to implement and monitor the sectoral lending agenda of the Housing Guarantee-Financed Jamaica shelter and urban services programs and the urban environmental management objectives of USAID/Jamaica

14. SCHEDULED EVALUATIONS

Interim MM YY Final MM YY

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify)

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

To increase LOP funding by \$800,000, to add a new EIA component and to extend the PACD. The Mission Controller and Contracting Officer have reviewed and approved of the methods of implementation, procurement and financing described in the Project Paper.

Acting Controller *Adebola Arogbokun*
Adebola Arogbokun 9/15/95

EXO:

Raymond J. Dunbar
Raymond J. Dunbar

17. APPROVED BY

Signature *Carole Henderson Tyson*
Title Carole Henderson Tyson
Director

Date Signed MM DD YY
10/23/95

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

MM DD YY

B

PROJECT PAPER SUPPLEMENT

Technical Support for Shelter and Urban Services (532-0149)

EIA - NATIONAL WATER COMMISSION ENVIRONMENTAL PROGRAM COMPONENT

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PROJECT PAPER SUPPLEMENT

**Technical Support for Shelter and Urban Services
(532-0149)**

**NATIONAL WATER COMMISSION
ENVIRONMENTAL PROGRAM COMPONENT**

September 1995

USAID/Jamaica

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ACTION MEMORANDUM TO THE DIRECTOR

FROM: Kirk Dahlgren, Acting Director, OPPD

DATE: September 12, 1995

SUBJECT: Project Authorization--Amendment to Technical Support for Shelter and Urban Services Project (532-0149)

Action Requested: Your approval is requested for an amendment to the Technical Support for Shelter and Urban Services Project to increase the life of project funding by \$800,000, add a new component, and extend the PACD. These funds are provided as part of the Environmental Initiative for the Americas program (EIA).

Background: At the December 1994 Summit of the Americas, the United States agreed to form partnerships with its Latin American neighbors to "guarantee sustainable development and conserve our natural environment for future generations." As a major element in fulfilling its commitment; the U.S. Government, through USAID, launched the EIA.

USAID submitted several proposals in March, 1995 for EIA funding in lieu of New Activity Descriptions. The EIA proposal to be added to the Tech Support project is directed at urban and industrial pollution mitigation and prevention with implementation through the National Water Commission (NWC). LAC approved the proposal at a level of \$800,000 although USAID/Jamaica requested \$1.6 million (State 180308; July 28, 1995).

Shortly after the proposal was submitted, NWC underwent a major change in top management with the temporary new officials having a mandate to greatly improve financial and operational management. During these unsettling times for NWC, the mission decided, because of the need for an early FY 1995 obligation, to proceed with the design. We arranged for a two-man consulting team provided by the International City/County Management Association (Messrs. Michael Wallis and Richard Noth) to examine the feasibility of private sector management of one district office (St. Ann Parish) on the premise that local control would result in greater attention being given to environmental problems. Their July 1995 report, "Project Definition Reports for Water and Sanitation Districts in Jamaica" was the basis for the initial PP supplement which was favorably reviewed by the mission's executive committee on July 28, 1995.

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Subsequent to that review, the NWC's new executive chairman indicated that he was not interested at this time in any privatization activities.

Further discussions with NWC in August led to a redesign described in the attached project paper supplement with the purpose being: "to create and test a replicable model of a NWC regional environmental division and program." An earlier draft of the PP supplement was sent to NWC and discussed with NWC Vice President Hunter and his aides on September 7. The NWC chairman wrote USAID on September 11 that he was prepared to commit the NWC to the component subject to three considerations which have been incorporated into the PP supplement.

Funds will be obligated by amendment to the Tech Support ProAg that will identify the funds as a new component and extend the PACD to September 30, 1997, making this component a two-year activity in accordance with LAC instructions. Implementation will be by either an 8A firm or buy-in to a centrally-funded contractor. Under the circumstances, OPPD does not believe that another mission executive committee meeting is necessary. All appropriate clearances have been obtained.

Assuming your authorization, the Mission is proceeding with a ProAg amendment for obligation of \$800,000 in FY 1995 funds.

Authority: Delegation of Authority 752, dated September 14, 1992, gives you the authority to amend a project authorization that does not exceed LOP funding of \$100 million (paragraph II.B.1).

Recommendation: That you authorize this amendment to the Technical Support for Shelter and Urban Services Project by the signing the attached Project Paper Supplement facesheet and Project Authorization Amendment.

Clearances:

OPPD:RSingleton
RHUO:BGelman
RHUO:KKopstein
EXO: RDunbar
CONT:AArogbokun
DDIR:DSmith

M
for [unclear]
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[unclear]
[unclear]
9/15

Attachments: Project Authorization Amendment
Project Paper Supplement

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PROJECT AUTHORIZATION

AMENDMENT NO. 2

Name of Country: Jamaica
Name of Project: Technical Support for Shelter and Urban Services Project
Number of Project: 532-0149

Pursuant to Sections 104 and 106 of the Foreign Assistance Act of 1961, as amended, the Technical Support for Shelter and Urban Services Project for Jamaica was authorized September 13, 1988 and amended on June 30, 1993. The authorization is hereby amended as follows.

Paragraph 1 is amended by deleting the entire paragraph and inserting the following: "Pursuant to Sections 104 and 106 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Technical Support for Shelter and Urban Services Policy Project for Jamaica, involving planned obligations not to exceed Three Million Eight Hundred Thousand United States Dollars (U.S. \$3,800,000) (the "Authorized Amount") in grant funds ("Grant") over a nine year period from date of authorization subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. The planned life of the project is nine years from the date of initial obligation."

The authorization cited above remains in effect except as hereby amended.

23 September 95
Date

Carole Henderson Tyson
Carole Henderson Tyson
Director, USAID/Jamaica

Clearance:

OPPD:KDahlgren
OPPD:RSingleton in draft
RHUDO:KKopstein in draft
RHUDO:BGelman in draft
CONT:AArogbokum
DDIR:DSmith in draft

9/12/95: doc. Kingspub/mudlips2

I. PROJECT RATIONALE

A. GENERAL PROBLEM STATEMENT

Jamaica's cities and towns have grown rapidly in the last two decades. Among the results of this accelerated urbanization is rapid environmental deterioration, particularly in tourist areas. Jamaica depends on tourism, agriculture and bauxite as the three pillars supporting jobs, economic growth and foreign exchange earnings. Pollution of the very water resources that attract tourists to the country has been acknowledged by policy makers. Major efforts have been launched to arrest environmental degradation. The establishment of the National Resources Conservation Agency, the recently established public/private partnership (ASCEND/PRIDE) to manage the squatting phenomena which is out of control and threatening tourist areas, and the attempt to establish a national waste water policy are among the emerging, concerted efforts by Jamaica to protect its natural resources, especially water.

Jamaica is increasingly experiencing watershed environmental degradation that increases pollution in NWC water sources and increases NWC operating costs for potable water production. Deforestation is rapidly occurring from small farms and charcoal production. This adds enormously to sedimentation run-off which clogs NWC reservoirs. Wide use of pesticides and chemicals in agricultural practices increase the pollution in reservoirs, water wells and coastal waters. NWC and the GOJ have recognized the importance of addressing watershed issues and are working with several major donor programs which are in early design stage. NWC will undertake to better define its watershed protection role with a model regional environmental program under this project component.

Formal water systems, especially when they are connected directly to residences and businesses, cause a significant increase in the use of water and production of waste water. In disposing of the waste water, the government, in general, and the NWC, in particular, need to deal with the environmental consequences. Some examples where environmental pollution occurs are in residential areas receiving water but lacking access to proper water disposal facilities, in hotel complexes and urban areas where packaged sewer plants are poorly designed, built and/or maintained, and central sewer systems which are beginning to fail. The NWC also needs to develop the institutional capability to address the pollution of the nation's groundwater, riverine and coastal water systems caused by its potable water operations. However, it needs technical assistance to move from being strictly a water utility to having a broader environmental role, especially with regard to supporting improved waste water management.

B. ENVIRONMENTAL INITIATIVE FOR THE AMERICAS (EIA)

At the December 1994 Summit of the Americas, the United States agreed to form partnerships with Latin American and Caribbean nations to "guarantee sustainable development and conserve our natural environment for future generations". As a major element in fulfilling its commitment, the U.S. Government, through USAID, launched the Environmental Initiative for the Americas (EIA). The goal of the EIA is "to build upon USAID's current environmental portfolio in the region to provide a catalyst for missions to expand their environmental portfolios to include issues of pollution, urbanization, industrialization, energy and related topics." The EIA was launched with \$22.6 million in FY 1995 funds for activities in four components. The Mission decided to concentrate on the EIA component dealing with urban and industrial pollution caused by dramatic increases in urbanization and industrialization, with particular emphasis on promoting policies and institutional capacity and promoting best practices in urban management. LAC invited proposals from USAID Missions by March 6, 1995 for activities that fell within one or more of the four components (State 033753, February 9, 1995).

C. USAID/JAMAICA RESPONSE

USAID/Jamaica, in consultation with a cross section of Jamaican public and private sector organizations including the Natural Resources Conservation Agency (NRCA), National Water Commission (NWC), Kingston Restoration Company, University of the West Indies and selected government agencies, considered several activities that appeared to meet the criteria of the EIA program. One issue that attracted particular attention was that of land based water pollution. There have been recent outbreaks of sanitation related public health problems like typhoid fever. Recent data compiled by the USAID North Coast Development project and other similar efforts show that water quality conditions near urban areas are declining at a rapid pace.

USAID/Jamaica submitted two proposals, including one for "Jamaican Integrated Coastal/Urban Activity" and requested \$2.6 million of EIA funds. LAC approved the request but only allocated \$1.3 million, of which \$800,000 will finance a new component of the Technical Support for Shelter and Urban Services Project, 532-0149.

D. PROPOSED EIA ACTIVITY

Originally this component called for the establishment of a water and sanitation district as a way of promoting a sustainable water and environmental entity concerned with the provision of water, waste water and environmental services. As USAID/Jamaica proceeded with design, the Government of Jamaica (GOJ) made major changes in NWC leadership and a new policy was adopted which led to

a redesign of this component. In essence, this component will establish an in-house capability for field environmental activities and test the concept in one regional office.

This proposed project component would test the hypothesis that a proactive, environmental role/program by a public utility can be cost effective over the long-term and that an environmental program is sustainable as it pays for itself in reducing system capital works and operating costs. This component will permit the NWC to develop a capacity to address coastal and watershed environmental degradation as they are too intertwined to treat separately and to work closely with local communities on environmental protection.

E. THE SETTING

1. The National Water Commission (NWC)

a. NWC Mandate

The NWC was created in 1980 by combining two former institutions: the National Water Authority and the Kingston Water Commission. In 1985, responsibilities for provision of most water supply passed from local governments (Parish Councils) to the NWC. The NWC's mandate under the National Water Commission Act includes:

- Establish efficient, coordinated and economical water supply systems for the entire island.
- Keep under constant review the quality, reliability and availability of water supply services as a whole and the rates charged for such services.
- Within the limits of its resources, provide, improve, maintain and operate water supply services.

*For the purposes of the Act, "water supply services" includes sewerage systems. However, interpretation of sewerage systems appears to have concentrated mainly on central systems and has not yet been widely extended to related issues such as maintenance of package sewer plants, use of small community waste water systems, and proper construction and maintenance of on-plot latrine and septic tank solutions.

The National Water Commission (NWC) has been given increasing responsibility for the nation's formal waste water management in addition to its primary role as provider of potable water. This responsibility for wastewater was thrust upon the NWC in 1994 without adequate institution strengthening to properly prepare the NWC for its broader wastewater management role. In bringing water to most businesses and residents in Jamaica, the NWC plays a critical role in pollution problems affecting water quality, coastal zones and marine environments.

The NWC mandate entails environmental concerns about water quality and sewage disposal. However, NWC only recently commenced environmental monitoring and added an environmental manager to its central staff. A proactive environmental program throughout the NWC's field operations has yet to be planned, conceived or implemented. This project proposes to develop an environmental capacity at the regional office level and that office can in turn work with district offices to address pollution problems associated with the NWC.

b. NWC Management Structure

The NWC employs about about 2,500 employees nationwide, including managers, engineers, clerical staff and laborers. The NWC management structure is organized on three levels:

- **Corporate Office:** The corporate office encompasses most of the policy, planning, budgetary, legal and personnel functions of the NWC as well as supervision of the other levels.
- **Regional Offices:** There are five (5) operating regions. Regional offices are responsible for day-to-day operations, including revenue collection (except for billing which is out of the corporate office), water treatment and distribution, wastewater treatment, maintenance, stores, human resources and community relations. Regional offices oversee the operations of the district offices.
- **District Offices:** There are fourteen (14) district offices, generally conforming to parish boundaries. The district offices perform the day-to-day operational functions of the NWC water and wastewater services.

(NWC Organization charts and functions are in Annex 3)

c. NWC Training and Environmental Programs

The NWC has a substantial training program for its employees. NWC maintains a central training facility in Kingston with a staff of ten. Some courses are also undertaken in the regions. The training program focuses on technical areas but also does considerable training in management and organizational development. It also has linkages with the University of the West Indies and the College of Arts, Science and Technology. Approximately 50% of the NWC staff attended some form of training in FY 94/95, with almost 102,000 person hours attributed to training.

The NWC environmental program mainly consists of monitoring the water quality, wastewater pollution and catchment areas. Two laboratories for water testing are in operation in Kingston and Montego Bay. The monitoring systems are in their early stages.

The district office personnel gather the water samples for analysis in the NWC laboratories. At the corporate office levels, there are several environment-related people, including the quality control manager, water resources manager and environmental manager. The environmental manager is initiating some projects to protect watersheds, which have concentrated mainly on tree planting.

d. Citizen Involvement

NWC's mandate also calls for it to become more "customer friendly." In the past and present, most citizen involvement has centered on specific capital works or on complaints about service. The NWC has indicated that a broader citizen participatory role was envisioned for the NWC to improve NWC's relationship with its customers and to be more responsive to customer perceptions. However, no formal citizen participation program has yet been implemented within the NWC. The corporate and regional offices have public relations personnel who can be more effectively applied to citizen involvement.

2. GOVERNMENT ENVIRONMENTAL POLICY

The GOJ has recognized the importance of environmental protection and management through the Ministry of Environment and Housing and the Natural Resources Conservation Authority (NRCA). The GOJ recently created the Office of Utility Regulation under the Ministry of Public Utilities, Transport and Energy to provide needed regulation. The Underground Water Authority is soon to become the Water Resources Authority with an expanded oversight role to maintain the nation's water quality. In creating the NRCA, the GOJ did not consolidate all environmental functions; rather, NRCA's role is to coordinate and develop national policy and provide a technical resource for regulations and standards. Other key regulatory agencies include: 1) Environmental Control Division (Ministry of Health), 2) Town and Country Planning Authority and Town Planning Department (Ministry of Environment and Housing), 3) Forestry and Soil Conservation Department (Ministry of Agriculture and Mining), 4) Fisheries Division (Ministry of Agriculture and Mining), and 5) Rural Agriculture Development Authority.

These governmental regulatory institutions have been ineffective in environmental management due to the following weaknesses and constraints: inadequate funding, lack of integrated planning, inadequate policy implementation mechanisms, fragmented legislation, lack of standards, lack of reliable data, fragmented and overlapping responsibilities, and weak local governments.

3. THE PROJECT AREA

The Northern Region consists of three' parishes in the Northeast section of the Island: St. Ann, St. Mary and Portland Parishes. All are major tourist areas, including such destinations

as Ocho Rios, Runaway Bay and Port Antonio. Ocho Rios is the nation's second leading tourist destination and is the busiest port for cruise ships.

It is a fast growing community with a burgeoning population. As the tourist industry expands, many new squatter areas are arising without adequate water and wastewater services. The GOJ and NWC are making major capital investments in the region to expand water and wastewater treatment. However, many areas and residents, especially in the squatter communities and new urban subdivisions, pose a serious pollution threat by not properly disposing of wastewater. Some hotels also operate sewer systems, but these are not well monitored and they are not always effective.

There are several water and sewerage systems serving the region. In addition to the NWC, parish councils, the Urban Development Corporation and private companies operate individual services for this growing area. The parish council had primary responsibility for water services until the GOJ transferred responsibility to the NWC in 1985.

4. PROBLEMS IN THE NORTHERN REGION TO BE ADDRESSED

The environment is in decline all along the North Coast. Poor watershed land management, squatting, deforestation and inappropriate agricultural practices are drying and polluting ground and surface water systems. Beach areas, national tourist attractions like Dunns River Falls, and aquifers are at risk. For example, the general decline of water quality in Ocho Rios Bay, documented over the past 20 years, is leading to algae growth in the bay and decline of coral reefs.

The sources of pollution and water decline are many and diverse. Governmental institutions that deal with these problems are fragmented, uncoordinated, and generally ineffective as environmental managers. These organizations do not have a comprehensive plan or strategy for addressing the environmental problems and trends threatening the environment in the region. Communities generally are more aware of, and concerned about, environmental degradation. However, no organized effort has emerged to show effective public support and understanding of environmental issues.

Apart from recent and ongoing investments in the towns of Ocho Rios and Port Antonio, infrastructure is not being expanded to keep up with population growth in the region. Unsewered areas and unprotected water supplies threaten public health, degrade coastal water quality, and jeopardize the tourist industry. Poor populations locating in fast growing peri-urban areas cannot afford formal, central sewer service. Little is being done to motivate communities to contribute toward maintenance and improvements in their systems or to change behaviors that exacerbate degradation.

Water and sewer infrastructure is not being maintained adequately in any area. The NWC's larger financial and managerial problems severely constrain its ability to invest in proper maintenance of the infrastructure, adding further risk to the environment. If improperly maintained, the sophisticated sewer treatment and evacuation systems that are now under construction (in communities like Ocho Rios) can fall into disuse and fail to reduce pollution.

F. OTHER DONOR INTERVENTIONS AND PROJECTS

Some of the other donor interventions that affect water and wastewater functions in NWC's Northern Region and may have an impact on the proposed component are described below. This component will be coordinated with all of these to avoid overlapping and duplication.

1. The European Union has funded the Twinning Arrangement (TWAR) project with the NWC. TWAR is to provide over-all institutional strengthening for the NWC and is to lead to a remodeling of its current corporate culture and working methods. TWAR will concentrate on management systems, planning and operations. The NWC has confirmed that TWAR will not concentrate on an environmental program and the proposed USAID component will complement TWAR efforts. Close coordination between the TWAR project and the USAID project is anticipated. TWAR commenced in April 1995 and will continue until mid-1998.
2. The European Union has funded the construction of a new sewerage treatment facility in Ocho Rios. Ocho Rios is one of the main population centers in the EIA activity area.
3. The World Bank has funded a major water and sewerage infrastructure improvement project for the Kingston Metropolitan Area which might have some relevance to the Northern Region. The NWC will be the counterpart agency.
4. The World Bank has funded a major local government upgrading project. The parish councils (local government) have several important roles related to environmental protection, including review and approval of land development plans, provision of some water services and some infrastructure, e.g. stormwater drainage. Close coordination is anticipated between the USAID component and the three parish councils in the Northern Region.
5. The Inter-American Development Bank and World Bank will be funding watershed management projects. These projects may have some inter-relationship with the USAID component in the Northern Region.

6. USAID/Jamaica is undertaking efforts to upgrade infrastructure for squatters in several areas of the island under its Housing Guarantee Loan Project. A new project to mitigate urban pollution in low-income communities is now in planning. Many ideas and assumptions used in developing that activity relate to this EIA activity. The Development of Environmental Management Organizations project is well underway and is demonstrating how NGOs can be more effective agents in protecting habitats in rapid growth areas. The North Coast Development Support Project is financing several capital projects in the Northern Region, including Ocho Rios port development. These Mission projects complement this EIA component.

G. TECHNICAL SUPPORT FOR SHELTER AND URBAN SERVICES-The Present Project

This EIA component will be under the Technical Support for Shelter and Urban Services Project. This project was authorized on June 30, 1988, for \$3.0 million. The project authorization will be amended to add this \$800,000 EIA component. Under the original project, resources were allocated to provide institutional support and analytical studies related to the provision of urban services. The project was designed so that urban services such as water and sanitation can be provided in Jamaica particularly for low income families. This amendment will demonstrate how environmental services can be provided more effectively in rapidly growing urban areas and in low-income populations, especially.

II. COMPONENT DESCRIPTION

A. Goal and Purpose

The goal of this component is the same as the USAID/Jamaica's second strategic objective, improved environmental quality and natural resource protection.

The purpose of this component is to create and test a replicable model of a NWC regional environmental division and program.

B. End-of-Project Status (EOPS)

The end-of-project status of this component that indicates the purpose has been achieved includes:

1. The NWC Northern Region Office will have a capacity to identify and mitigate negative environmental impacts related to improper wastewater and watershed management.

2. Greater coordination on environmental protection will be institutionalized between the NWC Northern Region and citizens groups.
3. NWC will have institutionalized the regional environmental program in the Northern Region and will have begun replication in other regions.

C. Outputs And Indicators

1. Outputs:

There will be only one output: an environmental division and environmental program established in the NWC Northern Region Office.

2. Indicators:

- a. Environmental division is established, staffed and operational in NWC Northern Region.
- b. An environmental program for the Northern Region is prepared.
- c. NWC internal environmental standards and procedures required by the environmental program are adopted and integrated into operations.
- d. Environmental monitoring program expanded to incorporate sources of water pollution in the Northern Region.
- e. Citizen environmental advisory committee established and functioning in the Northern Region.
- f. Environmental public awareness campaign initiated and functioning in the Northern region.

D. Inputs

The major inputs will be as follows:

1. Technical Assistance: Expatriate: About 23 person months over a two year period of technical assistance in environmental management. Jamaican: About 30 person months over a two-year period of technical assistance in environmental planning, citizen participation and public relations.

2. Training Program and Twinning Arrangements

- a. Observation Travel and Twinning

The project, through the contractor, will finance an exchange

program with a public utility or an environmental NGO focusing on citizen involvement in environmental protection in the U.S. or a developing country. The twinning partner will provide over an eighteen month period an estimated 2.5 person months in technical assistance to the NWC Regional Office and citizen environmental advisory committee. Only travel and per diem expenses will be incurred under the exchange program; no staff salaries will be charged. The project would pay for an estimated seven round trips of NWC/citizen committee personnel to visit the twinning partner to observe their environment practices.

b. GIS Training

NWC staff will receive local training on use of its in-house Geographic Information System.

3. Commodities

The project will finance for the Northern Region Office (a) a limited amount of computer hardware, software and GIS mapping services, (b) purchase of U.S. environmental public awareness campaign materials and adaptation/dissemination in Jamaica, and (c) a project vehicle for the long term advisors.

4. Jamaican Counterpart Contributions

Jamaican counterpart in-kind contributions include: (a) a well-qualified regional environmental manager either by transfer from the NWC staff or by hiring a new employee, (b) office and administrative support for project personnel from the NWC Northern Regional and district offices; (c) salaries and operating costs of NWC personnel contributing to project implementation, and, (d) the time and support of the Citizen Environmental Advisory Committee members. NWC staff contributions will include technical and operational support for studies, organizational analysis and development, and environmental planning and monitoring as needed. The value of counterpart contributions is estimated at \$370,000 or about 33% of the total component costs.

E. COMPONENT ACTIVITIES

The five activities are: (1) establish and operate an environmental division in the NWC Northern Region Office; (2) prepare an environmental program for the NWC Northern Region Office; (3) incorporate the environmental program into the operations and procedures of the Northern Region; (4) establish citizens environmental advisory committee(s) in the Northern Region; and (5) conduct a public awareness campaign.

1. Establish and operate an environmental division in the NWC Northern Region Office: The regional office will establish an environmental division consisting of a regional environmental

manager, who is to report to the regional general manager, and such other personnel, if any, that might be needed. The major functions of the division, after it is established and functioning, shall include: (a) being focal point for environmental matters of concern to NWC's operations; (b) environmental planning; (c) establishing internal environmental procedures; (d) coordinating environmental monitoring in the region; and (e) handling public relations on environmental matters with local communities.

Project inputs for this activity include the assistance of the long and short term advisors, training, and a limited amount of commodities.

2. Prepare an environmental program for the NWC Northern Region Office: The environmental division, with the assistance of the long and short term technical advisors, will prepare a program for improvements in operations of the NWC Northern Region as they affect the environment. To prepare the program, the division and the advisors will have to conduct several analyses and studies, such as:

- assessment of regional and district office staff and functions;

- study of expansion of water quality monitoring procedures to encompass pollution point identification and monitoring. This would be done in close coordination with the NWC laboratories in Kingston and Montego Bay;

- study of NWC internal environmental standards and procedures as they apply to the Northern Region

- review of inter-agency coordination procedures to enhance environmental regulatory enforcement and protection in the Northern Region.

The project inputs for this activity include the services of the long and short term advisors.

3. Incorporate the environmental program into the Northern Region Office's operations and procedures: After the environmental program is prepared and approved at the appropriate levels within NWC, the operational offices and the environmental division would work together to include the program in the day-by-day operations and procedures of the Northern Region Office. The environmental division would monitor the implementation of the new program and make adjustments, as appropriate, based on operational experience.

The project inputs for this activity include the assistance of the long and short term advisors and training.

4. Establish a citizens environmental advisory committee: The

environmental division is to investigate whether a single citizens environmental advisory committee at the regional level or separate committees for each parish is the more feasible approach. The division would then work with the interested local organizations to establish the committee or committees. The committee is to be proactive, with the mandate to work with the NWC to promote appropriate waste water and watershed solutions and reduce underground, riverine and coastal water pollution. The citizens committee will include representatives from local community and NGO groups such as the Neighborhood Watch, Chamber of Commerce, environmental advocacy groups, hotel and tourism associations, parent/teacher associations, and girl/boy scout organizations. The committee will assist the NWC to establish a public awareness campaign and set up citizen action programs to reduce environmental pollution. Over time, once the NWC becomes accustomed to the citizen advisory function, the committee may expand its functions to advise the NWC on broad consumer water and sanitation problems.

Project inputs include assistance from the long and short term advisors.

5. Conduct a public awareness campaign: The environmental division, with the assistance of the advisors, will prepare an environmental public awareness campaign to provide information to the public on appropriate on-plot waste water solutions, prevention of pollution, watershed protection and NWC service concerns. Public campaign materials and implementation techniques will be drawn from a number of sources; e.g., environmental successes under USAID's DEMO and squatter up-grading projects. The division will acquire, adapt and disseminate public awareness information on a pilot basis. The division, with the contractor's assistance, will conduct studies and assessments on the feasibility of introducing in the Northern Region such activities as eco-watch groups in neighborhoods and schools, school educational programs and field trips, promotional campaigns to emphasize and reinforce positive public actions and a lecture series for NGOs, churches and other community groups. The campaign will be linked with the citizens environmental advisory committee.

The project inputs include the assistance of long and short term advisors, public awareness materials, and perhaps some training.

F. BUDGET AND FINANCIAL PLAN

An illustrative budget is in Table 1. All funds will be obligated through an amendment to an existing Project Grant Agreement. All funds will be committed to one U.S. consultant contract, except for the project vehicle and project evaluation which will be directly procured by USAID/Jamaica. Disbursements will be made as appropriate for the type of contracting method used.

TABLE 1

ILLUSTRATIVE BUDGET

PERSONNEL

U.S.*		
Chief-of-Party/Environmental Advisor	360,000	
Environmental Advisor(s)	60,000	
Misc. Advisors	<u>30,000</u>	
Sub-Total U.S. Personnel		450,000
*U.S. rates includes overhead and expenses		

LOCAL

Deputy Chief-of-Party/ Environmental Planner	72,000	
Citizen Participation Advisor	18,000	
Organizational Development Expert	10,000	
Public Relations Expert	<u>20,000</u>	
Sub-Total Salaries Local	120,000	
Overhead/Profit Local Personnel @40% (rounded)	<u>50,000</u>	
Sub-Total Local Personnel		170,000

TRAINING

Observation Travel & Twinning	21,000	
GIS Training (local)	<u>14,000</u>	
Sub-Total Training		35,000

COMMODITIES

Computer Hardware, Software & GIS Inputs	10,000	
Public Awareness Program Materials	40,000	
Project Vehicle	<u>20,000</u>	
Sub-Total Commodities		70,000

MISC.

Contribution to 532-0149 evaluation /audit	35,000	
Contingency	<u>40,000</u>	
Sub-Total Misc.		<u>75,000</u>
TOTAL USAID Grant		800,000

COUNTERPART CONTRIBUTION

NWC Regional Environmental Manager	40,000	
NWC Regional Staff	105,000	
NWC District Staff	65,000	
NWC Corporate Office Staff	50,000	
In-Kind Office Space	15,000	
In-Kind Office Supplies and Equipment	20,000	
Citizen Participant Time	<u>75,000</u>	
Sub-Total Counterpart Contribution		<u>370,000</u>
GRAND TOTAL		1,170,000

- Notes:
1. COP is 18 months at \$20,000/month.
 2. Environmental advisors for total of three months at \$20,000/month.
 3. Misc. advisors are two months of public awareness work, twinning arrangements, etc. at \$15,000/month.
 4. Deputy COP is 18 months at \$4,000/month.
 5. Citizen participation advisor is six months at 3,000/month.
 6. Organizational development expert is two months at \$5,000/month
 7. Public relations expert is four months at \$5,000/month.
 8. 14 trips @ \$1,500 per trip for travel and per diem.

III. IMPLEMENTATION ARRANGEMENTS

A. Obligation of Funds

The \$800,000 will be obligated by amendment to the existing Project Grant Agreement for the Technical Support for Shelter and Urban Services Project (532-0149) signed by the Mission Director and the Ministry of Finance. The project PACD will be extended to a new date of September 30, 1997.

B. Contracting for Technical Assistance

The Mission will contract for this component under a buy-in to a centrally funded USAID project or as a limited-competition contract with an 8a firm. The highly specialized subject matter and the need for early start-up justify this contracting methodology. When writing this PP supplement, the Mission did not have sufficient information about the availability of a centrally funded contract nor of qualified 8a firms to state definitively which contracting approach would be most advantageous. A decision will be made in the first weeks after obligation as the PIO/T is prepared.

C. Responsibilities

1. NWC Corporate Office: The NWC Corporate Office will provide over-all counterpart coordination and provide policy guidance for, and project supervision of, the Northern Region Office. NWC Corporate Office will appoint a senior executive to be the primary counterpart and liaison with USAID/Jamaica.

2. NWC Northern Region and District Offices: The Northern Region and district offices will cooperate fully and provide staff input for project implementation. The Regional office will establish a new environmental division then work in close coordination with the technical advisors in the project implementation.

3. The GOJ: The permanent secretary of the Ministry of Public Utilities Transport and Energy should be the coordinator of GOJ policies with the other ministries and entities.

4. The Contractor: A U.S. contractor is to provide the long-term and short-term technical assistance and other inputs as necessary to achieve project implementation. The contractor will also (a) arrange exchange activities with a suitable American utility and/or NGOs and (b) obtain appropriate public environmental awareness campaign materials. The contractor will purchase all commodities approved under this project by USAID/Jamaica except the project vehicle.

5. USAID/Jamaica: The Mission is to obligate the funds through a Project Grant Agreement amendment, contract with a qualified U.S. firm to provide the project inputs, and procure the vehicle and arrange the formal evaluation. It will appoint a project officer for project management and monitoring.

D. Monitoring and Evaluation:

1. Monitoring: USAID/Jamaica will monitor the implementation of this component by assigning part of the time of an American PSC in the Regional Housing and Urban Development Office located in Kingston. He will exercise the usual monitoring responsibilities, such as regular meetings with the GOJ and NWC authorized representatives, the Northern Region Office of the NWC, the contractor's personnel, field visits and review of periodic progress reports.

2. Evaluation: This component will be evaluated as part of the overall Technical Support for Shelter and Urban Services Project and will not be subject to a separate evaluation. Some \$25,000 of component funding will be applied to the over-all 532-0149 project evaluation.

E. Conditions Precedent and Covenants: The Project Grant Agreement amendment to obligate funds for this component shall have two conditions precedent and one covenant. These are:

1. Prior to first disbursement: (a) the GOJ shall designate in writing, authorized representatives in the Ministry of Public Utilities, Transport and Energy and in NWC; and (b) the NWC will commit the Northern Region Office and its three district offices to full cooperation and participation in the project by establishing the environmental division and staffing it with qualified personnel.

2. The GOJ and NWC shall covenant that they will make their best efforts to carry out the actions called for in the CP within a reasonable time and to sustain the activities started in the implementation of this component.

F. Environmental Threshold Decision

This component meets the criteria for a categorical exclusion from the initial environmental examination, the environmental assessment and the environmental impact statement as permitted by USAID Regulation 16, section 216.2(c). Classes of which are eligible for the categorical exclusion per 216.2(c)(2) include:

"(i) Education, technical assistance or training programs except to the extent such programs include activities directly affecting the environment;

"(iii) Analyses, studies, academic or research workshops and meetings;

"(xiv) Studies, projects or programs intended to develop the capability of recipient countries to engage in development planning..."

The exchange of communications with LAC concerning this categorical exclusion is in Annex 4.

ANNEXES:

1. Logical Framework
2. Project Activity Schedule
3. NWC Organization and Staffing
4. Environmental Decision

doc. Kingston Dir: WASD.NWC; 9/13/95

**ANNEX 1: LOGICAL FRAMEWORK
NWC ENVIRONMENTAL PROGRAM**

ACTIVITY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTION
<u>GOAL</u>			
Improve environmental quality and natural resource protection.	Improved water quality. Reduced water pollution in urban areas.	National statistics.	Government of Jamaica (GOJ) continues to recognize importance of environmental protection as essential element of NWC operations.
<u>PURPOSE</u>			
To create and test a replicable model of a NWC regional environmental division and program.	<p>1. The NWC Northern Regional Office will have a capacity to identify and mitigate negative environmental impacts related to improper wastewater and watershed management.</p> <p>2. Greater coordination on environmental protection will be institutionalized between the NWC Northern Region and citizens groups.</p> <p>3. NWC will have institutionalized the regional environmental program in the Northern Region and will have begun replication in other regions.</p>	Monitoring data.	NWC accepts concept that an internal environmental capability is essential for a water/waste water authority.

OUTPUTS

Environmental division and environmental program established at one NWC regional office.

1. Environmental division is established, staffed and operational in NWC Northern Region.

NWC records, USAID monitoring progress reports.

NWC accepts environmental division within their organization and budgets resources for continued operations.

2. An environmental program for the Northern Region is prepared.

3. NWC internal environmental standards and procedures required by the environmental program are adopted and integrated into operations.

4. Environmental monitoring program expanded to incorporate sources of water pollution in the Northern region.

5. Citizen environmental advisory committee established and functioning in the Northern Region.

6. Environmental public awareness campaign initiate and functioning in the Northern Region.

INPUTS

1. USAID:
TA, training and commodities.

See PP Supplement Budget

Project documentation signed project agreement, and signed contracts with contractors and suppliers.

NWC willing to make staff and resources available and will cooperate in effort.

2. GOJ:
NWC staff salaries, office space and equipment.

APPENDIX 3

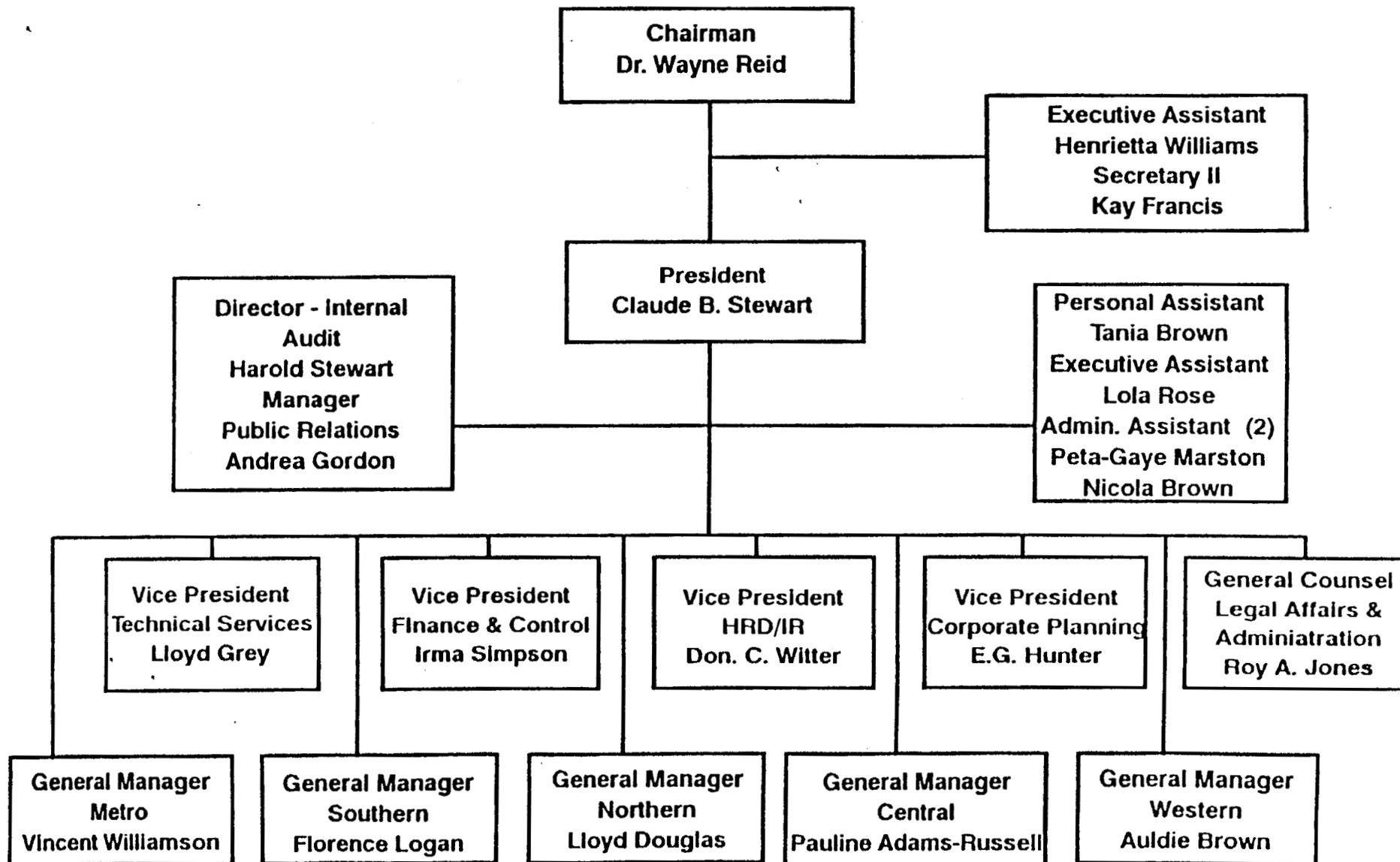
NWC ORGANIZATION AND STAFFING

Source: National Water Commission

NOTE: The NWC was re-organized as of May 1995. Since then the Chairman, President and other incumbents have changed and some names and positions depicted on the following charts will have also changed.

PRESIDENT'S OFFICE

CORPORATE



31/10/94 Positions: 19

The NWC was re-organized as of May 1995. Since then the Chairman and President positions have been integrated and names of other appointed staff have been changed in numerous instances.

MAJOR FUNCTIONS IN A DECENTRALIZED M.W.C.

(a) Corporate Level

- ° Corporate Planning & Information Systems
 - Business Planning
 - Investment Planning
 - Policy Formulation
 - Environmental Policy Management
 - Central Computing Operations
 - Information Systems Strategy & Development

- ° Technical Services
 - Policy Formulation
 - Resource and Technology Planning & Development
 - Central Engineering
 - Capital Projects
 - Co-ordination - specialized support
 - Technical Operations Support (Water and Waste-water, Resource Levelling, Crisis Management, etc.)
 - Water Quality

- ° Finance and Administration
 - Policy Formulation
 - Financial Accounting
 - Revenue Accounting
 - Banking
 - Cash Management
 - Budgeting

Corporate Level cont'd

- Human Resource & Development & Industrial Relations
 - Manpower Planning & Training
 - Compensation & Benefits
 - Industrial Safety and Occupational Health
 - Industrial Relations
 - Policy Formulation

- Business Operations
 - Systems Co-ordination
 - System-wide services
 - Contract Negotiations
 - Trend Measurement & Analysis
 - Policy Formulation
 - Business Strategies & Development

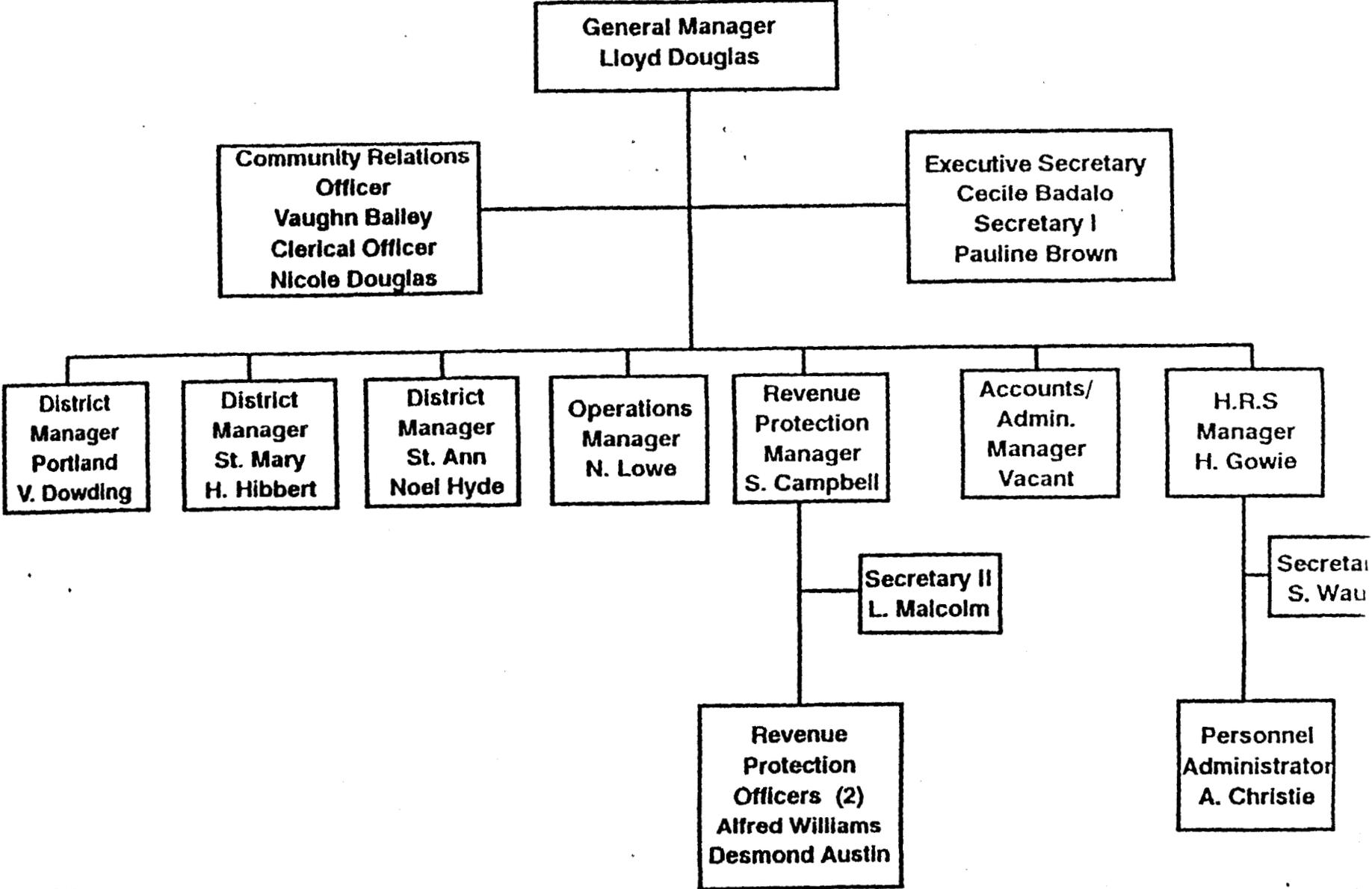
- Legal

- Audit

- Public Relations
 - Public Image Building
 - Community Relations (Public Education)
 - Internal Communications

NORTHERN REGION

REGIONAL OFFICE



31/10/94
Positions: 16

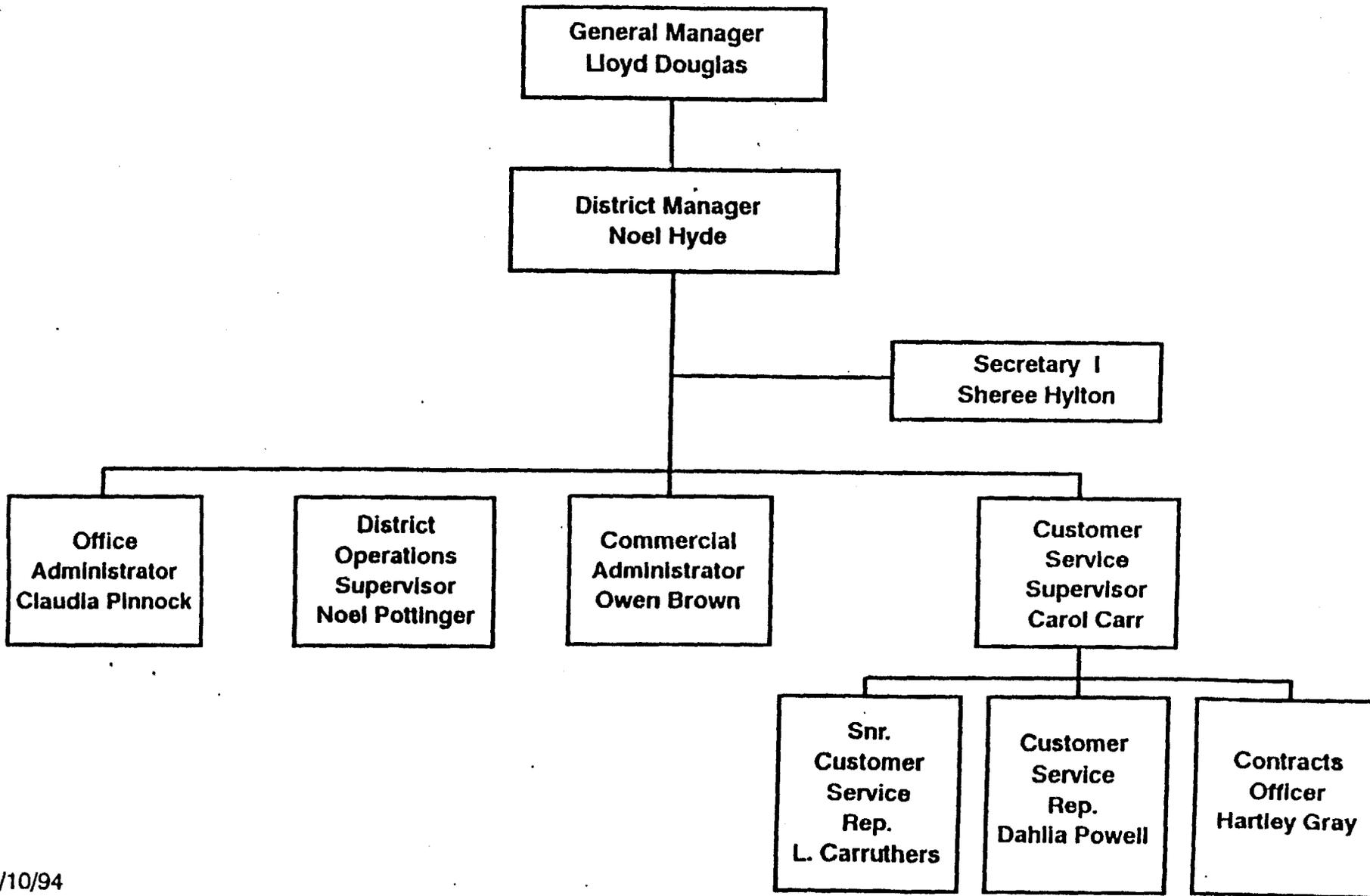
The NWC was re-organized as of May 1995. Since then the names of appointed staff have changed in numerous instances.

(b) Regional Level

- **Business Performance Measurement and Monitoring**
 - Money (Income & Expenditure)
 - Production/Distribution
 - Sales
 - Irregularities
 - Community Relations (Citizen's Advisory Council)
- **Resource Allocation**
 - Budgeting
 - Stores & Local Procurement
 - Transportation Administration
- **Technical Support**
 - Electrical & Mechanical Support
 - Engineering, Mapping, Data Gathering
 - Wastewater Operations
 - Water Quality Monitoring (including liaison relationship with Health Department)
 - Production & Transmission Systems Management
 - Water Loss Management
- **Human Resources**
 - Recruitment
 - Personnel Administration
 - Grievances
 - Compensation & Benefits
 - Employee Welfare

NORTHERN REGION

ST. ANN



31/10/94

Positions: 8

The NWC was re-organized as of May 1995. Since then the names of appointed staff have changed in numerous instances.

(c) District Level

° Customer Service

- Application for service
- New supply connection
- Receiving of complaints and emergencies
- Public/Community Relations
- Billing enquiries

° Commercial Services

- Meter Reading
- Billing
- Cashiering
- Collections
- Disconnections
- Reconnections

° Operations

- Wastewater
- Water Distribution
- Repairs & Maintenance
- Meter Installation & Replacement
- Physical disconnections & Reconnections

APPENDIX 4

ENVIRONMENTAL THRESHOLD DECISION

Following the provisions of USAID Regulation 16, 216.2(c) (2) (i), Annex D (Initial Environmental Examination) recommends a categorical exclusion for the technical assistance, training and public awareness program components of the project and a deferred determination for the pilot projects.



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

LAC-IEE-95-47

REQUEST FOR A CATEGORICAL EXCLUSION

Project Location : Jamaica

Project Title : Technical Support for Shelter
and Urban Services (EIA
amendment)

Project Number : 532-0149

Funding : \$2,444,000 (to date)
\$3,244,000 (as amended)

Life of Project : 5 years

IEE Prepared by : Kenneth Kopstein, RHUDO

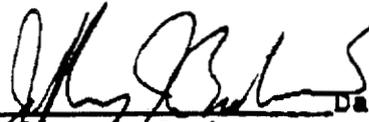
Recommended Threshold Decision: Categorical Exclusion

Bureau Threshold Decision : Concur with Recommendation

Comments:

A Categorical Exclusion is issued as discussed in attached IEE.

Funds shall not be used to support commercial timber extraction or significant deforestation, nor for the procurement of equipment that could lead to deforestation, without submitting a supplemental IEE for LAC CEO approval. Funds shall also not be used for the procurement or use of pesticides without a supplemental IEE submitted to the LAC CEO.


Date 9/28/95
Jeffrey S. Brokaw
Chief Environmental Officer
Bureau for Latin America
and the Caribbean

Copy to: : Carole Henderson Tyson
Mission Director
USAID/Jamaica

Copy to : Stephen Reeve, MEO
USAID/Jamaica

Copy to : Joann Feldman Lawrence, OFPD

**REQUEST FOR A CATEGORICAL
EXCLUSION (cont'd.)**

LAC-IEE-95-47

Copy to : Kenneth Kopstein, RHUDO
USAID/Jamaica

Copy to : Robin Brinkley, LAC/CAR

Copy to : Jean Meadowcroft, LAC/SPM-CAC

Copy to : IEE File