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

JAMAICA

PROJECT PAPER

EMERGENCY REHABILITATION

and

Amendment No. 1

AID/LAC/P-478

Project Number: 532-0185

UNCLASSIFIED

Best Available Copy

AGENCY FOR INTERNATIONAL DEVELOPMENT
PLANNING DOCUMENT SUPPLEMENT

1. TRANSACTION CODE
A = Add
C = Change
D = Delete
Amendment Number 1

DOCUMENT CODE 3

2. COUNTRY/ENTITY
JAMAICA

3. PROJECT NUMBER
532-0185

4. BUREAU/OFFICE
Latin America & Caribbean 05

5. PROJECT TITLE (maximum 40 characters)
Emergency Rehabilitation Project

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)
MM DD YY
02 25 89

7. ESTIMATED DATE OF OBLIGATION
(Under 'B' below, enter 1, 2, 3, or 4)
A. Initial FY 88 B. Quarter 4 C. Final FY 89

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

A. FUNDING SOURCE	FIRST FY 88			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	15,783	4,217	20,000	20,783	4,217	25,000
(Grant)	(15,783)	(4,217)	(20,000)	(20,783)	(4,217)	(25,000)
(Loan)	()	()	()	()	()	()
Other U.S.						
1.						
2.						
Host Country						
Other Donor(s)						
TOTALS	15,783	4,217	20,000	20,783	4,217	25,000

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1)	920	940		25,000				25,000	
(2)									
(3)									
(4)									
TOTALS				25,000				25,000	

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

11. SECONDARY PURPOSE CODE

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

A. Code PVON
B. Amount 2,435

13. PROJECT Goal (maximum 480 characters)

To provide a short term rehabilitation program of limited assistance needed to restore disaster victims to self-sufficiency.
Purpose: To restore essential power, water and sewage services to a level equal to that which existed pre-Hurricane Gilbert, to supply roofing materials for shelter rehabilitation, to provide critical medical supplies and equipment, to restore some agricultural production through reseeding damaged fields, and to support relief and rehabilitation efforts of non-governmental organizations.

14. SCHEDULED EVALUATIONS
Interim MM YY MM YY Final MM YY

15. SOURCE/ORIGIN OF GOODS AND SERVICES
 000 941 Local Other (Specify) 935

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a 5 page PP Amendment)
To add telecommunications equipment to the project description. USAID/Jamaica Controller has reviewed and concurs with the methods of implementation and financing included herein

Robert A. Leonard
Robert A. Leonard

17. APPROVED BY
Signature Myron Golden
Title Acting Director, USAID/Jamaica
Date Signed MM DD YY

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION:
MM DD YY

I. SUMMARY AND RECOMMENDATIONS

This Planning Document Amendment describes three additional components for the Emergency Rehabilitation Project: (1) telecommunications equipment; (2) transportation of relief goods; and (3) housing kits.

II. ORIGINAL PROJECT

The Emergency Rehabilitation Project was authorized as a \$20 million grant on September 28, 1988, and the Project Agreement was signed on the same day. The project authorization was amended to increase the amount to \$25 million on November 22, 1988, and the project agreement was amended on the same day.

The project goal is to provide a short-term rehabilitation program of limited assistance to restore disaster victims to self-sufficiency. The project purpose is to restore essential power, water and sewerage services to a level equal to that which existed pre-Hurricane Gilbert, to supply roofing materials for shelter rehabilitation, to provide critical medical supplies and equipment, to restore some agricultural production through reseeded damaged fields, and to support relief and rehabilitation efforts of non-governmental organizations.

III. PROJECT RATIONALE AND DESCRIPTION

The project rationale as presented in the original Planning Document remains valid. However, after three months of project implementation, additional high priority needs have emerged as necessary to carry out the project intent.

IV. THE NEED FOR THIS AMENDMENT

A. Telecommunications Equipment

As is the case with the existing component for power, this essential utility was badly disrupted by poles being blown down and equipment damaged in the hurricane. Business, government, and social services all continue to suffer poor performance until telephone communications return to normal. The original authorization did not include a component for telecommunications equipment.

Equipment is to be procured for the Ministry of Public Utilities and Transport for use by the Jamaica Telephone Company. The proposed equipment is similar to that being purchased for the Jamaica Power Service, such as bucket trucks and digger derricks. The estimated equipment cost is \$486,000, and it is to be purchased through the procurement services agent AAPC. Delivery is expected before the PACD of February 25, 1989.

This equipment will be furnished to the Government of Jamaica on a grant basis. The GOJ will reach a separate agreement with the Jamaica Telephone Company, a private entity, to provide the equipment on a temporary basis but the title will remain with the Ministry.

B. Transportation of Relief Goods

Containerized relief goods are being held up in Kingston Port. The Office of Disaster Preparedness has requested funding to clear and move an estimated 180 containers of goods to the relief agencies which will use and distribute them. Prompt movement of these goods will provide direct assistance to the needy and at the same time will help ease congestion in the container port.

Movement of these goods is consistent with the project component which provides support for relief and rehabilitation programs of non-governmental entities. The estimated cost of services to move these relief goods is \$221,000.

USAID will provide a grant to the Office of Disaster Preparedness, which will use funds to obtain services to clear and move these goods for relief agencies before the PACD.

C. Housing Kits

The Implementation Plan specified commodities for housing rehabilitation, including roofing, ridge capping, roofing nails, framing nails, hurricane straps, and tools. Although it did not specifically include housing kits for homeless families, this commodity has now emerged as an important aspect of housing rehabilitation, which is provided in the original authorization.

The GOJ Bureau of Management Support has requested housing kits for homeless families to directly meet the needs of those very poor people who remain in shelters as a result of Hurricane Gilbert's having destroyed their homes.

Estimated costs for about 900 housing kits is \$2,000,000. Housing kits will be purchased through the procurement services agent AAPC for UDC which will implement this pre-fab housing program. Delivery is expected before the PACD.

V. REVISED COST ESTIMATE AND FINANCIAL PLAN

A revised cost estimate and financial plan is provided as Attachment I, attached hereto.

VI. CONDITIONS AND COVENANTS

No conditions were included in the original Implementation Plan and none are proposed in this supplement. Covenants covering evaluation and deposit and use of local currency were included in the original Implementation Plan, and no additional covenants are proposed in this Implementation Plan Supplement.

VII. OTHER ANALYSES

The original project analyses are still applicable.

Clearance: OPPE/PDSD:PLerner *PL*
RLA:RJohnson *Jubs - Bridge team 10357*
ARDO:SFrench *AF*
OEEE:CMathews *CKM*
CONT:RLeonard *RL*

0735P *TBT*

EMERGENCY REHABILITATION PROJECT(NO. 532-0185)AMENDMENT NO. 2REVISED ILLUSTRATIVE FINANCIAL PLAN

<u>ELEMENT</u>		<u>PREVIOUS</u>	<u>REVISED</u>
<u>NO</u>	<u>LINE ITEM</u>	<u>AMOUNT</u>	<u>AMOUNT</u>
1	Power-Commodities	\$6,607,000	\$4,403,102
2	Power-Tech Assistance	100,000	70,739
3	Power-Tech Services	7,093,000	6,280,000
4	Shelter-Commodities	4,944,000	6,987,484
5	Shelter-Tech Assist	56,000	56,000
6	Water-Commodities	1,904,000	2,055,370
7	Water-Tech Assist	96,000	67,100
8	Health-Commodities	750,000	950,000
9	Agric-Commodities	650,000	650,000
10	NGO-NDF	975,000	975,000
11	NGO-KRC	475,000	475,000
12	NGO-CVSS/UWJ	985,000	985,000
13	Project Coordination	-0-	-0-
14	Track/Monitor/Audit	365,000	338,125
15	Telephone Equipment	-0-	486,000
16	Transportation of Relief Goods	-0-	<u>221,000</u>
	TOTAL	<u>25,000,000</u>	<u>25,000,000</u>

AGENCY FOR INTERNATIONAL DEVELOPMENT PLANNING DOCUMENT		1. TRANSACTION CODE <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number	DOCUMENT CODE 3
2. COUNTRY/ENTITY JAMAICA		3. PROJECT NUMBER 532-0185		
4. BUREAU/OFFICE Latin America & Caribbean		5. PROJECT TITLE (maximum 40 characters) Emergency Rehabilitation Program		
6. PROJECT ASSISTANCE COMPLETION DATE (PACD) 150 days from signing of PROAG MM DD YY		7. ESTIMATED DATE OF OBLIGATION (Under 'B:' below, enter 1, 2, 3, or 4) A. Initial FY 8 8 B. Quarter 4 C. Final FY 8 8		

A. FUNDING SOURCE	FIRST FY 88			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	15,783	4,217	20,000	15,783	4,217	20,000
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(Loan)	()	()	(-)	(-)	(-)	(-)
Other U.S.						
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TOTALS	15,783	4,217	20,000	15,783	4,217	20,000

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		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1)	920	940		-	-	20,000	-	20,000	-
(2)									
(3)									
(4)									
TOTALS						20,000	-	20,000	-

10. SECONDARY TECHNICAL CODES (maximum 8 codes of 3 positions each)		11. SECONDARY PURPOSE CODE	
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)			
A. Code	PVON		
B. Amount	2,500		

13. PROJECT GOAL (maximum 480 characters)

To provide a short-term rehabilitation program of limited assistance needed to restore disaster victims to self-sufficiency.
 Purpose: To restore some essential power, water and sewage services to a level equal to that which existed pre-Hurricane Gilbert, to supply roofing materials for shelter rehabilitation, to provide critical medical supplies and equipment, to restore some agricultural production through reseeding damaged fields, and to support relief and rehabilitation efforts of non-governmental organizations.

14. SCHEDULED EVALUATIONS			15. SOURCE/ORIGIN OF GOODS AND SERVICES		
Interim	MM YY	MM YY	Final	MM YY	MM YY
			<input type="checkbox"/> 000 <input type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input checked="" type="checkbox"/> Other (Specify) 935		

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

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

.....
 Robert A Leonard

17. APPROVED BY	Signature William R. Joslin <i>Will R. Joslin</i>	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY 10 9 2 8 81
	Title Director, USIAD/Jamaica	

PROJECT AUTHORIZATION

Name of Country: Jamaica
Name of Project: Emergency Rehabilitation
Number of Project: 532-0185

1. Pursuant to Sections 491 and 492 of the Foreign Assistance Act of 1961, as amended (the Act), I hereby authorize the Emergency Rehabilitation Project for Jamaica involving a planned obligation of not to exceed Twenty Million United States Dollars (US\$20,000,000) in grant funds over a 150-day period from the date of authorization, subject to availability of funds, in accordance with the A.I.D. allotment process, to help in financing foreign exchange and local currency costs for the Project.

2. The Project will assist in relief and rehabilitation necessary as a result of Hurricane Gilbert in the following areas: restoration of electric service, restoration of potable water and sewage disposal, shelter rehabilitation, medical supplies and equipment, seeds and related agricultural inputs, and support for relief and rehabilitation programs of non-governmental entities.

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

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

Commodities financed by A.I.D. under the Project shall have their source and origin in Jamaica or in countries in A.I.D. Code 935, except as A.I.D. may otherwise agree in writing. The suppliers of commodities or services shall have Jamaica or the countries included in A.I.D. Code 935 as their place of nationality, except as A.I.D. may otherwise agree in writing.

4.b. Ocean Shipping

Ocean shipping financed by A.I.D. under the Project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of Jamaica or countries in A.I.D. Code 935.

5. Waivers

Given the exigencies of providing this disaster assistance, the Administrator has approved a waiver of standard procurement rules and regulations provided in Handbooks 1B, 8, 11, 14 and 15 for all contracting, and a waiver of standard grant provisions in Handbooks 3 and 13 for bilateral and non-governmental grants as necessary.



William R. Joslin
Director
USAID/Jamaica

Clearances:

OPPE/PDSD:PLerner *PL*

OPPE:TTiff *T*

RCO:LKelly (dft)

LAC/DR:JEvans (dft)

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(Drafted:OPPE/PDSD:RHenry/GC/LAC:TGeiger)

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DESIGN TEAM

This Planning Document was developed by the following USAID/Jamaica staff:

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* * * * *

The Planning Document was reviewed by:

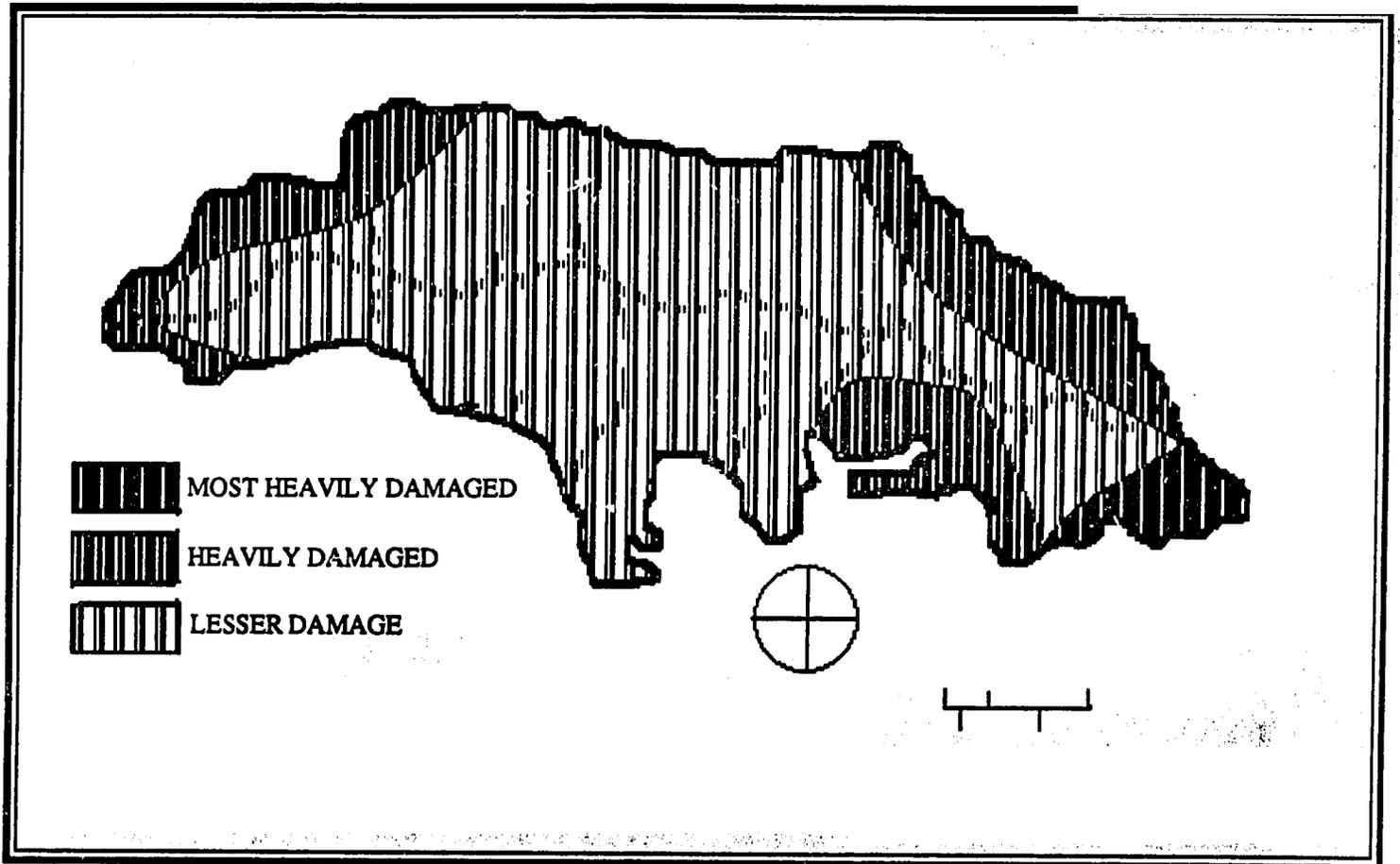
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LIST OF ACRONYMS

BF	Board Feet
BOJ	Bank of Jamaica
CAST	College of Arts Science and Technology
CDSS	Country Development Strategy Statement
CIDA	Canadian International Development Agency
DAST	Disaster Assessment Survey Team
EEC	European Economic Community
ERP	Emergency Relief Program
GDP	Gross Domestic Product
GOJ	Government of Jamaica
H.E.A.R.T.	Human Employment and Resource Training
IBRD	International Bank for Reconstruction & Development
IDB	Inter-American Development Bank
IMF	International Monetary Fund
JPS	Jamaica Public Service
KRC	Kingston Restoration Company
MOA	Ministry of Agriculture
MOE	Ministry of Education
MOH	Ministry of Health
NDF	National Development Foundation
NGO	Non-Governmental Organization
NWC	National Water Commission
ODP	Office of Disaster Preparedness
OFDA	Office of Foreign Disaster Assistance
PAHO	Pan American Health Organization
PVO	Private Voluntary Organization
RCO	Regional Contracting Officer
SDR	Special Drawing Rights
UNDP	United Nations Development Program
UWI	University of the West Indies

JAMAICA HURRICANE GILBERT

Sept. 12, 1988



I. Background on Hurricane Gilbert

Location: All of Jamaica; most severely affected areas are the southeast coast of Jamaica and Black River to Montego Bay on the western coast.

No. Dead: 46, according to Jamaican news reports

No. affected: 40,000 - 60,000 homeless; another 100,000 in severely damaged homes

Damage: Hurricane Gilbert cut phone and electricity lines in Jamaica, destroyed rooftops, battered as many as 500,000 homes (of which 100,000 were destroyed or severely damaged) and damaged agriculture. Destruction costs are expected to be at least in the hundreds of millions.

General Situation

- o Hurricane Gilbert, born on Saturday night, September 10, skirted the southern coast of Puerto Rico, Dominican Republic, and Haiti before directly hitting Jamaica on Monday, September 12. This huge storm, breaking records for ferocity, passed over the Cayman Islands on September 13 and slammed into the Mexican island of Cozumel on the morning of September 14. Gilbert moved across the northern Yucatan Peninsula at mid-day, generating 15-foot waves.
- o All of Jamaica lay in the hurricane's path. It was the island-nation's worst calamity in this century. Winds up to 140 mph struck the island, cutting phone and electricity lines, destroying roofs, battering houses, and damaging the international airports (which were able to reopen September 15 for regular flights). Brutal rains led to flash flooding and mudslides, causing damage to crops. Water supplies were severely disrupted, and hundreds of thousands of people had to evacuate their homes.
- o An assessment team sent by the United States to Jamaica reported in the afternoon of September 14 that the eastern coast was extremely hard hit, with an estimated 80% of the buildings sustaining damage, and 20% completely destroyed. The southern coast toward Kingston, the capital itself, and the central interior of Jamaica appeared less afflicted. According to later communication with the assessment team, shantytowns skirting Kingston sustained much greater damage than did the downtown. Looting occurred in the capital.
- o An aerial survey report indicated substantial damage to the western coast. Destruction stretched from Black River to Montego Bay. Severe damage to root crops and trees was reported around Bluefield and Savanna-la-Mar. Resort buildings to the north sustained damage estimated in the 30%

range. The areas around Green Island and Lucea were the most devastated, with some 60% of coastal resort buildings and inland houses in ruins. Montego Bay lost electrical and water service. The area's international airport suffered heavy damage, but after temporarily closing, reopened to regular flights on September 15. The road between Montego Bay and Kingston was closed, with five bridges under water, but is now back in service.

An island wide survey of disaster damage September 14 from a C-130 at 400 feet provided the first comprehensive overview of the effects of Hurricane Gilbert. The five hour review by Prime Minister Seaga, Ambassador Sotirhos, USAID Director Joslin and DAST leader Schill showed areas of major damage, with other areas suffering lesser damage.

Eastern Portland from Long Bay South, and St. Thomas from the easternmost point west to Eleven Mile were devastated. This area contains five to seven percent of Jamaica's population. Most housing appears substantially destroyed. All banana and all sugar are flattened and presumably a total loss. At least fifty percent of all coconut palms were flattened and the balance severely damaged. Duckenfield Sugar Mill operated by Tropicana for ethanol production appeared to be severely damaged. Social services are likewise severely damaged. Princess Margaret's Hospital in Morant Bay, the regional hospital for this whole area, is destroyed, with the roof and top floor gone. Schools showed severe damage. Roads generally seemed open, but the Yallah's fording was completely closed. The significance is that this is the only road to the area from Kingston. It is hard to overstate the damage, as it appeared from the air.

The parish of Hanover in the west, primarily the Lucea area south to Green Island was severely damaged, with perhaps sixty percent of houses appearing to be significantly damaged. Some schools showed damage. The area was hard hit, with damage visible from the air primarily to tree crops and housing.

From Bluefields in the parish of Westmoreland west to Negril there was visible damage, with likely severe damage to most cane in this major sugar growing area. Frome factory appeared okay. Housing damage is likely, but not visibly massive.

The tourist areas of Negril and Montego Bay were severely damaged. Some Negril beach hotels suffered visible damage to roofs, and thus water damage. It is likely that moderate damage was widespread. Montego Bay was worse. Beachfront hotels from the airport east were pounded. The major hotels up to, but not including Wyndham Rose Hall all seemed to have taken a beating, with extensive roof and thus water damage. Heavy rains following the storm are likely to have compounded

the damage. The economic losses to this part of the tourist industry will be great.

Kingston has a utilities disaster. All power, water in many areas, and most telephones are out. Restoring these will take time, materials and money. Poles with transformers are particularly down. Destruction of poorest neighborhoods, public facilities, and warehouses also appear significant.

The poultry industry is severely hurt, with former chicken production facilities easily identifiable from the air by the massive destruction. This is especially painful in that Jamaica had had a modern, efficient poultry industry which was the primary source of protein for much of the populace. It is probably gone today based on observation from overhead.

The other areas of the island are for the most part not visibly damaged, except for maybe five percent of roofs overall, with additional pockets of damage. Most roads seem to be open and functioning, and utility poles in areas other than Kingston, eastern Jamaica and western Jamaica seem to be in remarkably good shape. Bauxite facilities which were seen did not show visible damage.

Immediate Action Taken by the Government of Jamaica (GOJ)

- o The GOJ's Office of the Prime Minister is coordinating the overall relief efforts. The severity of the situation prompted Prime Minister Edward Seaga to appeal to the international community for technical assistance and relief supplies, including medicine, blankets, shelter materials, food, electrical commodities, and communications equipment.
- o The Jamaican Office of Disaster Preparedness (ODP) and the Jamaican Defense Forces are mobilized to receive and distribute aid. The ODP organized shelters in high-risk areas or for people made homeless by the storm.

Immediate Emergency Relief Assistance Provided by the U.S. Government (USG)

- o The Office of U.S. Foreign Disaster Assistance (OFDA) assembled a rapid response assessment team comprising disaster experts from OFDA, other bureaus of A.I.D., and the Dade County Fire and Rescue Department. The team gathered vital equipment to take to Jamaica, including three satellite communication kits, 600 feet of rope, and three chain saw kits. The team and equipment arrived in Kingston on September 13 at 6:30 p.m. (local time) via a Department of Defense (DOD) C130. The plane landed without any ground assistance in very marginal weather conditions. OFDA obligated \$18,000 to cover the airlift. OFDA also provided transportation on the flight for teams from the Pan American Health Organization (PAHO) and the American National Red Cross (ANRC).

- o U.S. Ambassador Michael G. Sotirhos declared the situation a disaster on September 12, and donated \$25,000 to the ODP to purchase local supplies.
- o After the team members made an initial assessment of the eastern part of the island during their flight to Jamaica, they asserted that relief supplies were needed urgently. OFDA dispatched 936,000 sq. ft. (360 rolls) of plastic sheeting, 200 tents, 3,966 water jugs (5-gal. capacity), 9 water tanks (3,000-gal. capacity), 10 chain saw kits, and 9,600 cotton blankets from its stockpile in Panama. Four DOD planes delivered supplies on September 14 and two planes completed the airlift on September 15; half a planeload was delivered to Montego Bay and the rest to Kingston. The total value of the commodities is \$289,563, and the cost of the six airlifts is \$96,000.
- o Lists of needs for medical supplies compiled by the GOJ's Ministry of Health and confirmed by the OFDA assessment team and PAHO are being covered by the United Kingdom and non-governmental organizations. Immediate OFDA assistance in this area was therefore not required.

Total immediate emergency relief USG
Assistance to Jamaica as of September 16:\$430,563

II. Specific Problems to be Addressed

1. Power

Information from Mission and OFDA personnel who have flown over the island, augmented by on-site visits to the eastern end of the island, Montego Bay area and Kingston, reveal a consistent pattern of devastation to the power transmission and distribution system. The transmission system has apparently fared better than the distribution system. This is partly due to the fact that the transmission lines are generally higher (above the trees), and were probably set deeper in the ground due to their length and importance. Some power lines have been simply blown over by the winds, such as is the case with the system feeding Norman Manley International Airport. However, the majority of the damage seems to have resulted from trees and limbs falling on the lines. The power engineer from Puerto Rico Electric Power Authority and the acting Mission engineer made separate "windshield surveys" of Kingston. The consensus is:

-- In Kingston the transmission system has suffered less damage than the distribution networks. Falling trees and limbs were a major contributor to the damage suffered by the power lines. Power lines in the poorer areas of old Kingston are in relatively good condition. The more affluent areas have experienced major damage because of the prevalence of trees.

JPS is concentrating on getting emergency services in operation and in rehabilitating the transmission system with progress evident. It is estimated this system will be operational in Kingston within four to five weeks after the hurricane.

- The distribution network in Kingston is harder hit, especially in the areas with trees. These networks will be up and running incrementally as the transmission system is repaired. Some areas of inner Kingston will be largely operational in four weeks from September 19. The transmission and distribution systems can be repaired concurrently.
- Hurricane Gilbert has severely interrupted power service in the rest of Jamaica. JPS is concentrating its efforts on restoring the transmission lines. Localized distribution systems have been energized as the lines are cleared and transmission systems are available.
- The majority of the country remains without power. Rural areas are hard hit, and total repair of these systems may take months. Initial GOJ estimates that power could be re-established in Kingston in 2 to 4 weeks and the remainder of the country in 4-6 weeks now appear overly optimistic.

2. Shelter

Based on land and aerial reconnaissance by USAID and the GOJ during the week following the Hurricane, damage to the housing stock of 509,000 units is estimated as follows:

	<u>Number of Housing Units</u>
Category 1 -- Minor Damage -- Roof Intact	5,600 (1%)
Category 2 -- Minor Roof Damage	77,600 (15%)
Category 3 -- Major Roof Damage	84,700 (17%)
Category 4 -- Loss of Roof	51,000 (10%)
Category 5 -- Unit Substantially Levelled	10,300 (2%)

At this point it is considered most cost-effective to respond to those in Categories 3 and 4. Most of these houses can be quickly brought back to near their original condition by self-help labor or employment of small-scale tradesmen. Improving the damaged housing stock can take the pressure off the emergency facilities (schools, etc.) by accommodating friends and relatives now homeless.

The more seriously damaged housing is concentrated among the lower income population, as this segment of the stock is the less hurricane resistant wood frame construction with poorly installed metal roofing. Virtually all of the totally destroyed housing would be from this income segment. Conversely, people in the most affluent part of the population are almost entirely in Categories

1 and 2. A materials support program targetted at those more severely affected is automatically fairly well targetted to the lower end of the income scale.

Shelter for the 10,300 families not in a position to rebuild will have to be provided over the longer term. There are no instant solutions, although facilitating quick repair of most repairable housing will provide opportunity for people to stay with friends and relatives until better options are available. Through the HG program, USAID is already providing funds for site and service and core housing schemes country-wide. Expansion of these schemes, particularly along the sites and services model, can be accommodated using HG resources. Home improvement loan programs, through the Government and credit unions, will also be expanded using HG funds.

3. Water Sector

Potable water delivery and wastewater treatment and evacuation. Hurricane Gilbert has severely disrupted or destroyed a substantial proportion of delivery systems for potable water distribution, treatment of wastewater, and sewerage. Access to potable water is restricted in most areas and treatment of wastewater and sewage is being foregone for the time being in order to permit the National Water Commission to focus available energy supplies and managerial resources on distribution of potable water. Access to water is a problem for individual households, industrial concerns, hotels and manufacturing interests. However, lower income populations have been hardest hit because of their inability to easily purchase water from private sources and the severe competition for access to public distribution facilities given the tremendous level of demand.

Damage to potable water and waste water/sewerage systems is nationwide. However, severe damage is concentrated in the parishes of St. Thomas, Portland, Hanover, Westmoreland and Kingston/St. Andrew. These areas have been the hardest hit and are also the areas in which the potable water and wastewater treatment facilities are concentrated. Of the estimated 1200 water and wastewater treatment systems nationwide, about 60% are concentrated in these five parishes. These facilities, however, service up to 80% of Jamaica's total population as well as the major tourist areas. Substantial damages have also been reported in the parishes of St. Catherine, St. Ann, St. Mary, Manchester, Clarendon, St. Elizabeth and Trelawny.

A wide range of damages have been experienced by the nearly 750 facilities affected. These include destruction or damage to:

- water and sewerage distribution infrastructure, particularly pipelines;

- water intakes and impoundments (dams, reservoirs and other catchment facilities) as well as the access roads to these sources;
- electrical power and mechanical systems in pumping and wastewater treatment facilities;
- Northern and Western regional water quality testing facility which tests potable water quality and wastewater for over 700 individual facilities including those which cover the principal tourist centers; and
- administrative facilities of the National Water Commission. Damages include loss of roofs and some structural problems. Equipment and furniture losses have been heavy in these cases.

Infrastructure Issues - As a consequence of the hurricane and tremendous rains in a relatively short period of time, there have been serious damages to potable water and sewerage pipelines due to shifts in the earth and landslides. Substantial surface level damages have already been identified in the infrastructure system. However, once use of the infrastructure systems resumes at normal levels, major leaks and underground damage are expected. Leak repair efforts and major overhaul of segments of infrastructure throughout the nation are expected to be necessary over the next few months.

Damage to reservoirs, dams and other water intake and impoundment areas has been reported throughout the island. Damage has been both to the impoundment facilities as well as to the pipeline infrastructure leading into and out of these facilities. Minor access roads to and from these sources have also been damaged and/or washed away. Repairs to these facilities and infrastructure will be required in the immediate future in order to maintain, to the extent possible, current potable water delivery capacities.

Power Supply Issues - One of the key constraints for water delivery and wastewater treatment is the lack of electricity and the damage to stand-by generators. Electrical power is required for pumping water and operation of wastewater and sewerage facilities. Currently electrical power is unavailable to many parts of Kingston and virtually nonexistent in outlying parishes. Many rural parishes have stand-by generators because of the unreliability of electricity in those areas even in the best of times. Although many of these stand-by generators are in bad condition, the NWC has concentrated those that are still operational on pumping potable water, being moved in some cases from wastewater/sewerage treatment facilities. As a consequence, sewage and wastewater are not being treated or pumped away from release areas. Sewerage facilities are reportedly releasing raw sewage into inhabited areas and directly into waterways. Although

the National Water Commission is coping as best as possible with the basic need for potable water, these practices of dumping sewage will have very serious health consequences and impacts on tourism and the environment in the near future.

Although electrical power is being slowly restored in a few localized areas of Kingston/St. Andrew metropolitan area, restoration to normal levels is not expected sooner than within two months. Additionally, rural areas which have never been adequately serviced with electrical power will probably wait longer for whatever service they had. In many of these cases, the stand-by generators which were used have been destroyed or badly damaged. All these factors point out the difficulty of fully recovering potable water distribution without access to reliable electrical power. The National Water Commission expects to have problems with electricity over the next two years because of the overall weakening of the electricity network. There is a need for stand-by generators to carry potable water pumping and wastewater treatment facilities in rural parishes through the current crisis as well as to replace the stock of generators which has been destroyed due to the hurricane.

Water Quality and Health Issues - The dumping of untreated sewage and wastewater into waterways and destruction of the water quality testing facility for the northern and western regions will have serious health implications in the immediate future, particularly in tourist and densely populated areas. The risks of typhoid fever, hepatitis, dysentery and other serious diseases will increase considerably. There is also a strong potential for contamination of potable water supplies which would have long term consequences. Increased supplies of chlorination equipment, chlorine and re-equipping of the water quality testing facility in Montego Bay are required in the next few months to abate any major public health impacts from this situation.

Roofing and Facility Structural Damages - Operational and administrative facilities of the National Water Commission nationwide have been damaged to varying degrees. Most damages involve loss of roofing as well as roof structures. However, smaller operational facilities in rural areas have, in some cases, been totally destroyed. Along with this structural damage, there has been the loss of essential radio systems for communication between regional NWC offices and outlying facilities, office equipment, furniture and some computerized records management systems. Structural and roofing repairs as well as acquisition of replacement radio systems, office supplies and furniture are required in the immediate future to resume normal operations of these facilities.

4. Health Sector

The health sector in Jamaica has made remarkable strides in the area of Primary Health Care. Although financially hard hit in the past decade as a result of austerity measures put in place under the structural adjustment program, and decreases in per capita allocations for health, Jamaica's health indicators are among the most impressive in the developing world. Most recently the focus of the health sector has been in the area of financing the health services, and improving the efficiency of the Ministry of Health in managing and providing health services, including an increased role for the private sector. Other concerns have included investments in bringing the physical plant and equipment to an increased level of efficiency after a period of neglect to capital investment and maintenance during the 1980's. USAID has assisted with financing of minor renovations of health centers (approximately 65 of 366 health centers island-wide). The World Bank has also provided some support for health center renovation. The Inter-American Development Bank has been working closely with the GOJ to develop a Hospital Restoration Project for targeted regional referral hospitals.

This was the situation pre-Hurricane Gilbert. The destruction associated with Hurricane Gilbert is estimated to have rendered 50% of all MOH facilities (primary health care centers, hospitals, and parish administrative health offices) inoperable. Repairs to health facility roofs are urgently required to restore the level of services to pre-Gilbert levels. However, the resource requirements for health center repairs alone will exceed US\$3 million and this need cannot be met given the level of funding available under this project.

Shortages in essential communication and transportation equipment which existed pre-Gilbert have been magnified by the increased demands placed upon the health services due to the disaster. Essential items such as a radio communication network for the deep rural areas, vehicles to transport medical supplies and personnel for needed health care services are not in place. The absence of these key infrastructure items affects the ability of the Ministry of Health to manage the current crisis in the health services, and a capacity to respond to the public health dangers which will arise from the disaster if the appropriate surveillance systems and public health measures are not put in place immediately. The Ministry of Health will require assistance for surveillance of water and vector borne diseases including typhoid and malaria. Their ability to respond will depend upon the availability of transportation, field laboratory equipment, communication equipment, mosquito eradication equipment, and disposable medical supplies in order to minimize the spread of communicable disease.

Needs in the area of secondary and tertiary care are equally great. However, given the readiness of other donors to assist in the rehabilitation of hospitals and A.I.D.'s policy to assist primary health care, USAID's assistance to the Health sector will concentrate on rehabilitating the primary health care system.

Primary Health Care services and a functioning surveillance system are essential services which must be in place post-Hurricane Gilbert. The absence of the critical services of power and water will have a most immediate impact on health services, so the MOH must be prepared to manage the consequences. This project addresses only the need for a functioning surveillance system.

5. Agriculture

The agricultural sector was severely damaged by the passage of Hurricane Gilbert. Damage in excess of 90% was reported in the sub-sectors of poultry, bananas, plantains, pimento, breadfruit, papayas, and miscellaneous tree crops. In addition, damage in excess of 60% was reported in the sub-sectors of coffee, cocoa, coconuts, mango, ackee, and most vegetable crops. Damage was the most severe in the eastern and western ends of the island.

Total damage to the agricultural sector, including a mixture of losses to production and capital assets, has been reported by the Ministry of Agriculture to be nearly U.S. \$400 million. This damage is broken down as follows:

Domestic Food Crops	J\$ 767,000,000
Coffee	210,000,000
Banana	408,000,000
Cocoa	14,000,000
Sugar	150,000,000
Pimento	17,000,000
Citrus	35,000,000
Coconut	150,000,000
Marine Fisheries	25,000,000
Inland Fisheries	20,000,000
Livestock	400,000,000

It is critical to make a quick and effective intervention into the agricultural sector in order to bring back the productive resources and avert widespread food shortages. In particular, there is an immediate need to plant short term vegetable crops during the current rainy season which can be reaped in a relatively short time. In addition, there is an urgent need for equipment and expertise in pruning and rehabilitation of tree crops. Prompt action will save most of the root stock, and shorten the recovery time by two to three years.

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The needs of the medium sized and commercial farmers may best be addressed by appropriate credit mechanisms through established institutions such as the Jamaica Agricultural Development Foundation, and on-lending of Section 108 resources through intermediate financial institutions. However, the needs of the over 150,000 small farmers can only be adequately addressed through grants of specific items designed to develop their own productive resources. These items need to be delivered quickly and equitably in order for rehabilitation work to commence.

The following table lists the acreages of vegetable crops which are normally in the ground at this time of the year, and is therefore illustrative of the acreage affected by Hurricane Gilbert.

Red Peas	2,500
Cabbage	700
Cucumber	450
String Bean	100
Tomato	300
Carrot	700
Corn	2,000
Onions	200

At present, local importers of agricultural inputs have adequate stocks of many of the items needed for rehabilitation. The main problem lies with the fact that the overwhelming majority of small farmers do not have the resources at this time with which to purchase the necessary inputs. The reason for this lies with the devastation caused by the Hurricane to their present income earning power, as well as the devastation to their own homes, crops, and on-farm infrastructure.

6. Education

At the primary school level, Hurricane Gilbert has damaged much of the plant. Initial estimates suggest that all 792 schools have been adversely affected, some having lost complete roofs, while others only partially. It is estimated for the overall system that about 50% of the roofs will require replacement (corrugated sheeting, nails and in some cases structural members to support roofs). It is estimated that about 50% of the blackboards have been damaged beyond repair. While there have been attendant losses in furniture, sanitary facilities and instructional materials, these losses are taken to be second order priority. About 100 primary schools are serving as disaster relief centers which need to be quickly restored to educational use after the heavy use they received while serving as shelters.

The secondary level has suffered in much the same order of magnitude. There are some 200 secondary level schools and 20 technical high schools and academies. Immediate concerns are to obtain roofing so that valuable equipment (e.g., sewing machines,

data entry terminals, labs, shops) can be protected from the elements in the short run. The USAID program has over the past years focussed upon assisting the academies and technical high schools so that they can be more responsive to the labor force requirements of commerce and industry. The UK and the IBRD have focused on the general secondary level.

At the tertiary level, USAID has provided a modest amount of assistance to CAST and is in the process of developing an improved Management Studies Program at the U.W.I. to include a new building (2/3 finished). The UWI has estimated that it will require some \$2.6 million to deal with damaged roofing, equipment losses and structural damage to buildings caused by excessive rain and uprooted trees.

USAID's response to the aforementioned problems is geared to getting facilities back to pre-Gilbert levels. Fortunately, other donors are committing funds to help the educational sector:

- at the primary and secondary (general and technical) levels, the IDB is the lead donor agency and is expected to meet the recovery requirements of the primary and secondary schools;
- H.E.A.R.T. academies are not likely to receive support from the IDB inasmuch as the IDB has never invested in such facilities. H.E.A.R.T. did insure academies, but will apparently require immediate assistance which we expect to be able to meet through our existing Basic Skills Training project contingency funds and reprogramming within the existing project;
- USAID will not have to provide support to the UWI because their estimate of \$2.6 million for repairs and equipment replacement will be met from EEC funds already available to UWI.

Because the full extent of damage to schools of all kinds and at all levels has not yet been assessed and because the extent of other donor assistance to meet such needs is not yet finalized, there is the real possibility that broader USAID assistance to the education sector may be needed after immediate emergency requirements have been met.

III. Goal, Purpose, Outputs and Inputs

The goal of the emergency rehabilitation program is to provide a short-term rehabilitation program of limited assistance needed to restore disaster victims to self-sufficiency.

The overall purpose of the program is to restore essential power, water and sewage services to a level equal to that which existed pre-Hurricane Gilbert, to supply roofing materials for shelter rehabilitation, to provide critical medical supplies and

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equipment, to restore some agricultural production through reseeded damaged fields, and to support relief and rehabilitation efforts of non-governmental organizations.

Outputs - end of Project status

The status at the end of the Project (150 days), will be as follows:

Shelter

100% of the materials will have been imported and sold to merchants

Vouchers equivalent to the total funds generated by the sale of the commodities wholesale will have been issued to the target population (lower income families, in damaged housing, in the target geographic areas).

95% of the face value of the vouchers issued will have been exchanged for materials.

85% of the local currency generated by the project will have been remitted to merchants in exchange for vouchers received by those merchants and submitted to the GOJ.

49,000 families will have received building materials.

85% of the materials imported under this program will have been installed in the rehabilitation of housing.

Power

100% of the commodities procured and landed

100% of the power lines will have been installed to Norman Manley International Airport.

100% of the transmission lines will have been repaired in the target area.

40 miles of distribution lines will have been repaired in the target area at 90 days.

100% of the distribution lines will have been repaired in the target area at 150 days.

Water

100% of the commodities procured and landed

50% of standby generators installed

20% of pipeline rehabilitation completed

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50% intake/impoundment restoration completed
75% chlorinators in place, chlorine supplies available
50% water testing equipment functional
75% roofing materials installed
TA completed

Health

100% of the commodities procured and landed
100% of field laboratory equipment and the vehicles in place at the parish health clinics
Radio communications system installed
surveillance system in place and operating
Mosquito eradication services in place
Disposable medical supplies available to manage contagious disease

Agriculture

100% of the seeds and tools purchased locally
100% distributed to approximately 20,000 farmers island-wide

NGOs

NDF: 100% of funds on-lent to small business for rehabilitation purposes within 90 days of sub-agreement

KRC: 100% of the funds sub-granted to groups for relief purposes by the end of 90 days; 75% of the sub-grant funds expended within 90 days

CVSS/UWJ: 100% of the funds sub-granted to groups for relief purposes; 100% of relief commodities purchased by sub-grantees and 75% distributed within 90 days; 100% of the commodities distributed within 150 days to 350,000 beneficiaries.

Inputs

Shelter

4,000 tons of zinc roofing
600,000 linear feet of ridge capping
150,000 pounds of roofing nails
150,000 pounds of framing nails
1,500,000 hurricane straps
7,500 hammers

Power

Materials (e.g. poles, conductors, insulators, cross arms, braces, guy wires)
Crews with equipment

Logistic Support Team/Contractor

Water

Stand-by Generators
Repair clamps, couplings, tools for Pipeline Reconstruction
Pumps, pipes, cement, labor and vehicles for
Intake/Impoundment Restoration and Access Road
Reconstruction
Chlorinators and Chlorine Supply
Potable Water and Wastewater Testing Lab equipment
Reroofing plastic and zinc
Technical Assistance

Health

parish field transportation
portable laboratory surveillance equipment
disposable medical supplies
radio communication system

Agriculture

Planting Materials
Farm Tools

NGOs

Credit
Relief Supplies

IV. Rationale

A. Program Rationale

The proposed Emergency Rehabilitation Program to alleviate the most pressing problems to the Jamaican economy is fully in line with USAID's FY 89-93 Country Development Strategy. As described in the CDSS, Jamaica's economic recovery prior to Hurricane Gilbert was dependent upon increasing exports and reducing external debt. The provision of adequate power, shelter, and water resources is critical to keeping the country's export capacity up and running. USAID's Emergency Rehabilitation Program provides the needed imported inputs for rehabilitation without exacerbating the country's massive external debt. It contributes to economic stabilization, helping to mitigate pressure to dismantle the country's on-going structural adjustment program.

Targeted to provide roofing materials, power supply and water supply equipment, the Program will contribute to resuscitation of private business and respond to the health, housing, and basic service needs of Jamaica's lower income population. Initial procurements under the program will enable the restoration of electricity to private businesses, individual households and institutions, thus removing the major impediment to revitalization of business activity. The restoration of power supplies is particularly important in rural areas which rely on electrical power to run water distribution networks. The provision of roofing materials, and the establishment of a system to make them available to low income households, can do much to mitigate the effects of the disaster on the poorer segments of the population.

The Emergency Rehabilitation Program directly relates to USAID's on-going and planned programs by providing the foundation necessary for the continuation of those programs. On-going activities such as redevelopment of properties in Inner Kingston for industrial purposes, assistance to skills training facilities, rural road rehabilitation, and export crop expansion depend upon the ability of public and private sector institutions and organizations to reopen and carry on their normal functions. The Emergency Program will assist individuals as well as organizations resuming their normal activities, permitting the return of productivity. USAID's planned programs in all sectors are contingent upon the alleviation of emergency conditions caused by the damage of Hurricane Gilbert.

The Program will also generate benefits in the short run in terms of expanded employment for unskilled and semiskilled labor needed to repair the damage to economic and social infrastructure.

Grants channeled directly to private organizations under the Program will permit the restoration of services provided by these organizations to their predominantly low income clientele. The restoration of services provided by private and voluntary organizations will help alleviate the burden on public relief channels in the near term and on social service delivery in the medium term. Indigenous PVOs and community organizations play a vital role in Jamaica in providing health, education, and other social services to low income families. Getting funds to these organizations will permit them to expand their relief efforts and restore services.

B. Economic Rationale

The Macroeconomic Situation Before Gilbert - While the arrival of a hurricane is never opportune, Gilbert's timing was particularly bad. In the preceding two fiscal years, Jamaica had realized real rates of economic growth in the range of 4 to 5 percent. Before Gilbert, the economy was on target for another year of real growth of about 5 percent, based upon anticipated levels of exports, imports, and capital account inflows, primarily from donors and multilateral creditors.

Jamaica's economic recovery was the direct result of favorable trends in traded commodities and tourism, aided by substantial structural adjustment and policy reforms carried out by the GOJ in the 1980s. The overall public sector deficit has been reduced from about 15 percent of GDP to 5 percent. A comprehensive program of tax reform has reduced personal and corporate income taxes, which increased incentives for individual initiative and productive investment. A significant privatization program has turned over assets to the private sector while stimulating capital markets. A major financial reform has been undertaken to increase the mobilization of financial savings and to improve the efficiency of financial intermediation. Trade restrictions have been reduced, the import substitution regime has been slowly dismantled, and exports, especially non-trationals, have shown dramatic growth.

The GOJ continued its commitment to economic stabilization with a recently completed IMF stand-by agreement. The new agreement covers the period September 1988 to November 1989 and provides SDRs 82 million (US\$ 114 million.) The stabilization measures include:

- Reduction in the overall public sector deficit from 5.4 percent of GDP in FY 1987/88 to 2.8 percent of GDP in FY 1988/89
- Reduction in the current account deficit in the balance of payments from 4.5 percent of GDP in FY 1987/88 to 3.1 percent in FY 1988/89
- Continuation of the 10 percent wage guideline through March 1989
- Continued price stability with inflation forecast at 7 percent in FY 1988/89
- Improvement in the BOJs net international reserves by US\$ 180 million, of which US\$ 145 million will be through IMF repurchases.

Primary Economic Impact of Gilbert - The primary economic impact of Hurricane Gilbert can be divided into (1) losses on current income for the remainder of the Jamaican fiscal year (i.e. to 3/31/89) and (2) losses to Jamaica's stock of capital assets.

Losses to Current Income - Losses probably range somewhere between US\$ 150-200 million dollars in foreign exchange earnings and additional imports through March 31, 1988, the end of the current Jamaican fiscal year.

These losses are estimated to include the following:

Tourism	US \$50,000,000
Bauxite and Alumina	20,000,000
Traditional Agriculture	30,000,000
Nontraditional Agriculture	8,000,000
Nontraditional Manufacturing	5,000,000
Additional Imports	62,000,000
TOTAL	US \$175,000,000

This estimate contains one major uncertainty which probably makes the estimate conservative. Tourism losses may be much greater if tourists resort to news reports of Hurricane Gilbert by going elsewhere, whether or not Jamaica is ready to receive them.

These losses are only arising from the foreign trade component of the national accounts, i.e. exports and imports. Actual impact on GDP is more difficult to evaluate, but probably less severe than indicated by the foreign trade sector. This is because imports, though a charge against national income, will also be reflected in increased investment to replace damaged capital assets, repair housing and replace consumption, primarily to compensate for damaged local agriculture. The binding constraint for the Jamaican economy is foreign exchange, and foreign donors are best placed to address foreign trade needs either on a cash or in kind basis. Outside the foreign sector there will be significant losses to domestic food production and interruption of some manufacturing activity, especially until power is restored. Offsetting these losses will be increased construction activity and possibly some increased employment in selected services.

Losses to Stock of Capital Assets - The second type of economic loss occasioned by Gilbert, more difficult to evaluate but no less onerous in its effects on the lives of people, is the damage to capital assets. These losses will be felt not only during the remainder of the current fiscal year but also over the coming years as resources which would have gone into other forms of development, and produced a corresponding stream of economic benefits, must instead be diverted to restore the status quo ante Gilbert of Jamaica's stock of capital assets.

The primary damage seems to be to residential dwellings, with an estimated 150,000 housing units affected in one way or another, 50,000 severely affected and perhaps 10,000 destroyed. The damage visited upon plant and equipment by Gilbert has been uneven. Many industrial concerns escaped with only minor damage. However, the poultry industry sustained capital damages estimated in the range of US\$ 50-60 million, and the banana industry, in addition to loss of all output for 9 months, sustained capital damages in the range of US\$ 10-15 million. Other industries sustaining seemingly serious capital damages were the Jamaica Public Services Company, which supplies Jamaica with electricity. While its generating

capacity has not been damaged, it is faced with a national grid of downed utility poles, damaged transformers and severed and twisted lines.

As discussed in previous sections, the country's social infrastructure, primarily schools, hospitals and medical centers, suffered through the hurricane. Current estimates are that a half of these facilities lost all or part of their roofs.

No figures are estimated for the total losses to the stock of capital assets. The Jamaican insurance sector estimates that the insured damage will amount to between J\$ 3-4 billion (US\$ 545-725 million.) However, this figure also includes consumer goods which, while resulting in a loss of welfare, will not affect the nation's productive capacity. Fortunately, most of these liabilities will be covered through re-insurance arrangements with foreign insurance companies, resulting in a large inflow of foreign capital to take care of these losses. At the same time, much of the damage caused by the hurricane to commercial enterprises has been under-insured or un-insured.

Impact on the Economic Recovery Program - The Jamaican people endured several years of hardship in the mid-1980s as a result of the dramatic fall in bauxite and alumina earnings and an austerity program to reduce fiscal deficits and correct balance of payments disequilibria. After years of belt tightening, and a significant program of structural adjustment to set the economy on a more private sector basis, export oriented footing, the economy had rebounded in dramatic fashion when Gilbert struck.

The strain on the government's budget will no doubt be high as it strives to feed the estimated 150,000 people who are homeless and living in temporary shelters. While demands for expenditures climb, revenues can be expected to fall, especially as corporations begin to write off losses. In fact, according to available reports, the government has asked for an adjustment to IMF performance targets under its new program with them. Clearly, however, it would not be in Jamaica's long-run interests for its understandable short-run desire to address the critical needs of the population to be accompanied by the reemergence of sustained, structural claims by the public sector on the nation's resources. One of the GOJ's most important achievements is reducing the overall public sector deficit. A reemergence of large deficits would undermine much of the policy achievements of the 1980s. If this happened, it would represent the real and lasting damage wrought by Gilbert.

The economic rationale for the rehabilitation program as outlined in this paper rests on the need to surmount the short-run loss of real resources to the Jamaican economy, so that the program of structural adjustment can continue on course. This requires that foreign disaster assistance be mobilized quickly to help the GOJ address the short-term critical needs of its people, and set the

economy on its former footing. The project of emergency relief as designed herein, with its emphasis on helping to restore vitally needed power, and supplying essential roofing materials directly to the most needy, is a critical step in this direction.

V. Other Donors

Other donors have contributed or pledged substantial amounts of assistance. Large cargo planes have been landing at Kingston and Montego Bay airports with supplies since the day after the hurricane, and many organizations have sent assessment teams to investigate how to be most useful.

Major other donors are expected to include the IMF, World Bank, Inter-American Development Bank, Canadian and British governments, and U.S. private voluntary agencies. Further, Prime Minister Seaga is actively soliciting additional assistance at the IMF-World Bank meetings in West Berlin. More assistance is being provided, pledged, or investigated daily. A list of currently known other donors is to be found in Annex 3 - Other Donor Assistance.

VI. How the Project is going to Work

This planning document contains a description of the activities it is anticipated will be funded under the Emergency Rehabilitation Program (ERP). Only those activities which can realistically be completed within the 150 day period authorized by AID/W have been included in this Program. Activities which will require a longer time frame for implementation have been deferred for funding under a follow-on FY 1989 Reconstruction Program.

USAID will contract directly for those high priority items for which firm specifications have been developed (e.g., zinc sheeting). USAID will also contract with several PSAs for various types of commodities. These PSAs will be used to procure commodities that are required in multiple quantities and to assist in the development of specifications where these are not firm. It will be the responsibility of the PSAs to ensure accountability and conformance with AID regulations. Other issues of accountability are addressed in Section IX. Costs and Financing Plan. Monitoring the use and distribution of commodities and services is discussed in Section VIII. Monitoring and Tracking Plan. Procurements under the NGO grants will be carried out by the recipient organizations.

The Program consists of two components - the first consists of essential goods and services, and the second consists of grants to Non-governmental Organizations.

A. Component I - Essential Goods and Services

This component will focus on five major sectors of the economy which will be receiving relief assistance: power, shelter, water, health, and agriculture. The sectoral descriptions of the activities to be undertaken answer the following three questions:

- What is going to be procured;
- How it is going to be procured; and
- How it is going to be distributed.

1. Power Sector

USAID's power sector rehabilitation efforts will focus on Eastern Jamaica, with other donors (i.e., Britain and Canada) assisting JPS elsewhere. This manner of assistance and geographical focus on eastern Jamaica were selected because:

- Damage in this area is considered the most severe and extensive in Jamaica;
- The area has a large concentration of the island's rural poor;
- The impact of U.S. involvement would be obvious and identifiable;
- The area is manageable in terms of size and geography;
- As the area had a minimum of power interface with the rest of Jamaica, it naturally lends itself to a discrete package; and
- The use of US crews (rather than a mixing of US and JPS crews) is expected to be more productive, particularly in terms of coordination and logistics.

Commodities, Technical Services, and Technical Assistance - The activities associated with restoring power lines in the target areas in Jamaica are expected to entail:

- identifying materials and equipment;
- procuring materials and negotiating agreements with utility companies;
- arranging for shipment;
- receiving and distributing materials;
- scheduling crews' arrivals to meet material availability; and
- construction.

These activities are to take place in three phases:

Phase I - Restore approximately 5 miles of 69KVA transmission line between the Rockfort Roundabout and the Norman Manley International Airport. This phase will be contracted and financed by OFDA and carried out by Florida Power and Light who will provide the equipment, manpower, and all materials (except poles), for the restoration of this line. USAID/Jamaica will arrange for all logistical support and coordination of the project.

Phase II - Repair/reconstruct the 35 mile high voltage (69KV) transmission line between the Hope Sub-station in Kingston, and the Lyssons Sub-station in Lyssons Bay (St. Thomas Parish). Of the total of 222 wood poles/towers, 68 will have to be replaced. This phase will be contracted and financed by USAID/Jamaica and will be carried out by Puerto Rico Electric Power Authority who will provide the equipment, manpower, and all materials (except poles), for the restoration of this line. USAID/Jamaica will arrange for and finance all logistical support and coordination of the project.

Phase III - Repair/restore approximately 400 miles of the high voltage distribution power network (24KV, 13.8 KV, 12 KV, and 4 KV) in the eastern county of Surrey - parishes of Portland, St. Thomas, and St. Andrew. This phase is to be financed and contracted by USAID/Jamaica. The contractors are expected to be Puerto Rico Electric Power Authority and Florida Power and Light Company. The contractors will provide the equipment and manpower for the restoration of these lines. The exact point to point lines will be determined prior to the signing of the contracts. USAID will procure all the materials and arrange for all logistical support and coordination of the project.

Procurement - Contracts for Phase I and Phase II include the provision of materials from contractors' stocks or procurement of the commodities by the contractors. Agreements for additional crews and equipment will be negotiated directly with the utilities companies involved, most likely Florida Power and Light and Puerto Rico Electric Power Authority. USAID will contract with a PSA to procure materials and arrange for shipment under Phase III. The PSA will also be responsible for early procurement and shipping of vehicles for the Logistic Support Team, described below.

Distribution - USAID will contract for a "Logistics Support Team" which will be responsible for receiving materials, expediting them through customs, transporting them to storage yards and field crews, as well as carrying out the inventory and monitoring materials received. This team will be required to monitor the materials administratively and assume responsibility for the multitude of support details associated with the entire process. Since scheduling of arrival of construction crews is dependent on material availability, the Logistic Support Team will schedule construction starts and closely monitor progress of both construction progress and material arrival.

2. Shelter

Commodities - Roofing has been identified as the key housing material necessary for rehabilitation of damaged housing stock. It is estimated that after salvaging the roofing which can be re-used, there will remain a shortfall of 17,000 tons of zinc roofing, in addition to a lesser amount for commercial and industrial buildings. Stocks were very low at the time of the Hurricane. There is one plant in Jamaica which can galvanize and corrugate roofing from imported steel coils, and that operation would, under normal production, add 3,000 tons to the market by the end of the year. This leaves a shortfall of 14,000 tons. As much as half of this shortfall may be met by accelerating the importation of the semi-finished steel coils. (The local company is starting 24 hour production and has procured additional steel stock from Venezuela.)

Lumber may be provided under PL-480 Title I as well as commercially under GSM 102 arrangements in order to supplement commercial supplies. At this time, it appears as if our assistance with roofing is the most appropriate use of funds under this Project.

Under this Project, USAID will provide 4,000 tons of roofing which will be roughly sufficient to meet rehabilitation needs on the eastern and western ends of the island, where damage was most severe. The majority of roofing materials will likely be imported as finished roofing ready to install, but if excess capacity is available at the Jamaican plant, some of this import would be in the form of steel coils for final finishing in-country.

The key ancillary materials in short supply are roof ridge caps, roofing nails, framing nails, and hurricane straps (rafter tie-down straps). Tools, especially hammers, might also be provided.

Roofing: 4,000 tons @ \$1,025/ton	\$4,100,000
Ridge Capping: 600,000 ln. ft. @ \$.60/ln. ft.	360,000
Roofing Nails: 150,000 lb. @ \$1.00/lb.	150,000
Framing Nails: 150,000 lb. @ \$.50/lb.	75,000
Hurricane Straps: 1,500,000 @ \$.10	150,000
Tools:	109,000
	<u>\$4,944,000</u>

Technical Assistance - Technical Assistance will be provided to assist the GOJ to develop and implement a rapid outreach system for issuance of vouchers and to disseminate basic information on hurricane resistant reconstruction. This would require one U.S. expert in construction/disaster assistance and 25 Jamaican technicians for 2 months.

2 U.S. person months @ \$8,000	\$16,000
50 Jamaica person months (technicians)	40,000
	<u>\$56,000</u>

Procurement - USAID will contract directly for those high priority items for which firm specifications have been developed. Where specifications are not firm, or where procurement involves multiple quantities, one of the PSAs contracted under the Project will handle the procurement.

Distribution - In order to achieve rapid distribution of building materials to the target population, shelter rehabilitation will be handled primarily through commercial systems now in place. Hardware merchants in the more affected areas will purchase the goods wholesale from JCTC and distribute them through their usual channels.

To ensure that the needed materials are ultimately targetted to lower income families most in need, a pre-existing voucher system of the Ministry of Social Security will be utilized. Under the system, the Ministry makes a one-time issue of "chits" to needy families identified through the Ministry's existing system and network of field officers. This is a form and system that already exists. The voucher will be used to purchase the supplies from the local merchants, who will then turn in the voucher for payment of a handling fee. The maximum benefit per family will probably not exceed US\$150. Eligibility standards and benefit levels will provide a broad, rather than a deep, subsidy to stricken residents. Local merchants will sell the materials in exchange for building material vouchers (issued in cash-equivalent denominations -- not for a specific list of goods).

This system will parallel Jamaica's Food Stamp Program managed by the Ministry of Social Security. They have also developed a good system for remitting payment to merchants upon receipt of chits.

Although the bulk of the distribution will be through commercial channels, distribution and household assessment may in some cases be handled directly by a PVO. This system may be used in hard hit areas where a known PVO has a strong community base.

Several other options were considered:

- Direct distribution by the Government. USAID and the GOJ concurred that the government simply did not have the logistical capacity to move this quantity of bulky goods to the target population in a timely manner.
- Voucher system for specific lists of materials. This would require more extensive assessment by field staff of damage and would therefore delay the distribution. In addition, it puts an inordinate burden on AID and the GOJ to match the number and variety of goods distributed to any one locale with the vouchers issued.

- Limiting AID supplied goods to voucher recipients only. Vouchers and supplies are effectively fungible, and AID-procured supplies are only part of the ones entering hard hit areas. Effort wanting our zinc is better spent on accelerating arrival of adequate supplies for all sources and ensuring that the vouchers are issued broadly and fairly, and honored by the merchants.

Local Currency - Under the Shelter Component of the Project, building materials of approximate value of \$4,944,000 will be imported. These materials will be consigned to the Jamaica Commodity Trading Corporation, which will sell them at the prevailing wholesale price to selected merchants in the target areas who have agreed to participate in this Project. The monetization/distribution system is identical to the one currently in use for PL 480 programs, except that our shipments will be predominantly divested into the broadest hit areas.

The local currency generated by this Project will be deposited in a special account. These funds will be used to finance the building materials voucher system. As vouchers are returned from individual merchants to the Ministry of Social Security, that Ministry will make payment to the merchant from the local currency account. Building material vouchers are expected to be issued with an aggregate face value not less than the aggregate funds generated by the sale of the materials to the merchants; if not, any surplus will be directed (as agreed between USAID and GOJ) to other essential relief and rehabilitation purposes.

3. Water Sector

Commodities - The following is a list of commodities for relief assistance developed by the National Water Commission to respond to its short term needs. This level of assistance will bring back the institutional capacity of the NWC to its pre-hurricane level. This assessment of need has been undertaken by the NWC subsequent to the hurricane by its four regional centers and coordinated by NWC Headquarters in Kingston.

- Stand-by generators for water distribution and wastewater treatment (\$250,000)
- Pipeline reconstruction for both potable water and wastewater will require repair clamps, couplings, and tools (\$450,000)
- Intake/impoundment restoration and access road reconstruction will require pumps, pipelines, cement, and labor. In addition, two 4-wheel drive pick-up trucks with high clearance are required, as water sources and impoundments are in mostly rural locations. NWC estimates that 43% of its water sources are in areas with difficult access under normal conditions. Many of these areas have become nearly impassable without 4-wheel drive vehicles. (\$416,000)

- Chlorination - chlorinators and chlorine supply (\$100,000)
- Re-equipping northern region water and wastewater testing lab (\$250,000)
- Reroofing materials: plastic and zinc for chlorine depots, motorpumps, and diesel stores (\$150,000)

NWC has reported that some of the commodities with standard specifications called for in this disaster relief effort are on hand in NWC stocks. These stocks have been developed by NWC prior to the hurricane in conjunction with other donor-funded projects. In order to be able to respond most expeditiously to the disaster situation, AID foresees the possibility of making use of these already available commodities for AID eligible relief activities and replacing the stocks used. NWC will then be held accountable to AID for these commodities used under the AID ERP and to other donors for the use of the replacements.

Technical Assistance - Current managerial and supervisory capacity at the NWC is quite weak in the best of times. This managerial and supervisory capacity will be required to keep the institution operational and delivery of potable water functioning over the next few months. In order to undertake this reconstruction effort, the NWC has identified three categories of assistance which will be required primarily by its regional centers to complement existing implementation capacity.

- Assistance from 6 Jamaican Engineering/Construction Specialists will be required for one month to do the fieldwork to make detailed damage assessments of damages to infrastructure and facilities
- Supervision of installation and rehabilitation work by 6 Jamaican Engineering/Construction Specialists for two months
- Six Leak Detection Teams for three months to identify surface, and to the extent possible, serious underground leaks. These teams will work out of the four regional offices and Kingston headquarters.

Procurement - USAID will contract directly for those high priority items for which firm specifications have been developed. Where specifications are not firm, or where procurement involves multiple quantities, one of the PSAs contracted under the Project will handle the procurement.

Distribution - The NWC Headquarters Office in Kingston will be the lead implementing agency for relief in the potable water and sewerage sector. The NWC will make use of its four principal regional offices to distribute commodities and supplies for this relief effort. These regional facilities will be responsible for onward distribution to the individual facilities in the parishes under their respective jurisdictions.

4. Health

Commodities - Assistance to the Health sector consists primarily of commodities and equipment. These will include medical supplies, radio communications equipment, spraying equipment (for mosquito eradication), field laboratory equipment, and four wheel drive vehicles. Training in use of the equipment provided by the Project will be done under the supervision of the Ministry of Health and PAHO.

Procurement - USAID will contract directly for those high priority items for which firm specifications have been developed. Where specifications are not firm, or where procurement involves multiple quantities, one of the PSAs contracted under the Project will handle the procurement.

Distribution - These items will be directly consigned to the Ministry of Health for use in its own facilities. Visits will be conducted to each of the 14 parishes to ascertain the arrival of vehicles, surveillance and other equipment, and medical supplies.

5. Agriculture

Commodities - In consultation with the Ministry of Agriculture, and other donor agencies, it has been determined that the two areas which USAID could best focus on are the provision of seeds and farm tools. The Canadian International Development Agency will continue to assist with the provision of fertilizer, and other donors have agreed to finance other aspects of the rehabilitation effort. The Ministry of Agriculture will be the lead agency in the procurement and distribution of all rehabilitation inputs.

The following is an illustrative list of the agricultural items to be procured under the Project:

Planting Materials:

- Red Peas - California Light red
- Cabbage - KK, KY, Early Jersey
- Cucumber - Poinsett, Ashley, Dasher
- String Bean - Harvester, Extender
- Tomato - Tropic, Manalucie, M82
- Carrot - Danvers 126
- Corn - X 304, Ha.
- Onions - Texas Early Grano, Gramex

Farm Tools:

- Pruning Saws
- Pruning Shears
- Pruning knives
- Power Saws

Procurement - As many of these items are available locally, the initial effort will concentrate on the procurement of "shelf items" from local sources. By doing this, the response time to react to rehabilitation needs will be greatly shortened. In addition, as the local distributors already have in place proper storage facilities and accounting mechanisms, the distribution of the inputs to local sites will be expedited. This procurement will be the responsibility of a local PSA to be contracted under the Project.

Distribution - The Ministry of Agriculture will be responsible for the distribution of all rehabilitation inputs. The Ministry will utilize its existing system of Parish Land Authorities and Area Extension Agents to ensure that the rehabilitation inputs are disseminated in an equitable fashion to those most in need of rehabilitation assistance. This system has been used effectively in recent disaster relief efforts over the past few years, and reporting and accountability are ensured.

B. Component II - Grants to NGOs

This component of the Project will provide a discrete amount of funding to specific NGOs in order to supplement the relief efforts carried out by the public sector to provide visible relief within 90 days. These particular NGOs were selected based on their previously established procedures and networks for rapidly disseminating a variety of types of assistance to those segments of the population most adversely affected by the disaster and their experience in working with AID to implement programs. The funds will be sub-obligated from the overall Grant Agreement with the GOJ to the individual NGOs through separate Cooperative Agreements or Handbook 13 grants to each of the organizations. The funds will be administered by the organizations as separate from other activities they carry out, including the establishment of separate accounts. The NGOs will be accountable to USAID/Jamaica for funds expended under the grants. Each of the grants with the implementing agencies will contain language requiring financial audits of the program activities, as well as on the spot end use checks for verification.

Following are brief descriptions of each of the NGOs participating in the Emergency Rehabilitation Program, and illustrative proposals for the use of Program funds. As the Program progresses, funds may be moved from one NGO program to another, depending on the availability of funds and the movement of the funds under each NGO program. The emphasis of this component is to move the funds to NGO clients so they can effectively utilize them within 90 days.

1. National Development Foundation (NDF)

Background - The National Development Foundation of Jamaica (NDF) was established in 1981. Its purpose is to promote and encourage manufacturing, commerce and agriculture through the provision of business guidance, technical assistance and non-traditional credit facilities to small entrepreneurs or to groups to promote economic development and growth in order to improve the social and economic welfare of the people of Jamaica.

Prior to Hurricane Gilbert, NDF's portfolio consisted of 924 loans, valued at US\$2.4 million. Approximately 439 loans are in the service sector (e.g. meat retail, pastry, restaurant), with outstanding loan balances of US\$1.2 million. Nearly all of the businesses in the NDF's service sector, with the exception of those engaged in transportation, will need additional financing to restart operations. Others have been totally wiped out and will require both new financing and some element of financing for existing debts. A survey of NDF's manufacturing portfolio indicates that the Furniture Sector, which consists of 128 businesses with outstanding loan balances of US\$400,000, was severely affected by damage to finished goods and raw materials as a result of flooding. A similar problem exists with respect to 289 garment establishments funded by NDF, which have outstanding loan balances of US\$380,000. NDF's agricultural portfolio comprises 177 small farming enterprises, and reports indicate that farmers will be unable to repay an amount of US\$183,000 in outstanding loans.

Planned Activities - NDF's entire program of lending to the small and micro enterprise sector has been severely affected in several areas:

- loss of income to NDF from the inability of businesses to repay principal and interest on loans;
- the need for additional resources to extend additional financing to existing loans;
- a significant number of small businesses which will now want to access NDF funds for the first time in order to rebuild a business as a result of hurricane damage.

NDF projects that at least 50% of all businesses within the portfolio will be unable to meet repayment of both principal and interest, and will require either a total write-off or rescheduled payments. This will result in the loss of US\$573,000 in income to the Foundation. Approximately 20% of its portfolio, or US\$476,000 has been totally wiped out and operators will be unable to repay these debts. NDF estimates that funds will be required to extend additional credit to businesses whose working capital has been depleted through loss of raw material, finished goods and production. The repayment terms on this new financing will have to take place over a longer period of time than is usually the case for NDF working capital loans.

In order to provide funds to borrowers for repairs and working capital a grant in the amount of US\$1 million will be used to establish a "Hurricane Rehabilitation Fund". These funds will be specifically targetted to businesses that sustained damages or losses resulting from Hurricane Gilbert. Through its management and structure NDF is well prepared to serve as the conduit for these funds, with a head office in Kingston and branches in Montego Bay, Ocho Rios and Mandeville. Its branch structure targets small businesses across Jamaica. It has developed a solid track record of assessing credit risks in agriculture, manufacturing and the service sector. As the target beneficiaries will continue to be very small businesses and microentrepreneurs, applicants should be individuals or groups with assets up to J\$500,000 (exclusive of land and buildings). Loan amounts will be for up to J\$250,000 for groups and J\$100,000 for individuals. These maximums are in line with the limits set by NDF for funds currently provided to the NDF lending program by the GOJ through the National Development Bank. Reflows from the Hurricane Rehabilitation Fund will be used to supplement the NDF's ongoing regular loan portfolio in line with the arrangements agreed to under USAID-financed Project 532-0108.

Implementation Procedures - In order to process loans under the Hurricane Rehabilitation Fund, NDF will use the procedures which have been previously established by NDF for its regular lending program. The organization has a rigorous process to screen loan applicants, develop appropriate loan repayment terms, and to provide training to clients before a loan has been made, and during the repayment period.

Potential clients visiting an NDF office are screened by an NDF employee who records initial information about the client, and makes a determination as to whether the client is eligible for NDF financing. The client who passes this first screening attends an orientation/training session. This session includes topics such as loan repayment responsibility, NDF's loan criteria (applicant's ineligibility for commercial bank loans, acceptance of training and technical assistance from NDF), loan periods and interest rates, business management practices, and the loan officer's role. This session serves as another screening process to determine the applicant's seriousness in repaying a loan.

Applicants who have not been screened out (or who have not voluntarily withdrawn) work with a loan officer to develop a loan application with the necessary documentation. This includes a feasibility analysis, an indication as to the income and employment generation potential of the enterprise and the number of direct and indirect beneficiaries. Additional technical assistance is provided to the loan applicant to reinforce some of the practices discussed during the initial training session.

Once an application is completed (including a pre-loan site visit to ascertain eligibility) it is submitted to the Loans Committee of the Board of Directors. All loan applications are presented to

the Committee for review and approval except for loans below US\$1800, which can be approved by the Executive Director. An applicant whose loan is approved attends another training session where reinforcement of business techniques occurs, and the legal documents and contractual obligations are discussed.

Once a loan is made, a field officer makes monthly visits to a client. At the end of each month, loans which are in arrears are reviewed by the Management Committee, and an appropriate course of action is decided upon. In most cases, this will include more frequent visits by the field officer, as what is usually required is assistance in some of the management techniques which the entrepreneur may be lacking. An individual training program is designed to provide the particular type of assistance required by the client. Loans which are in arrears between 30-180 days are scrutinized carefully by the field and loan officers, and by the Management Committee. If loans fall in arrears in excess of 180 days, interest ceases to accrue, and the loan becomes a candidate for collateral collection. The reason for this type of time frame for arrears is that in many of these cases, a client may be suffering a seasonal fluctuation or a change in family circumstances. These can have a significant impact on the loan's success. Since many of these situations are temporary, NDF can often work with a client to develop a new repayment schedule without having to write the loan off as a loss. All delinquent loans are reviewed at the end of the calendar year, with any write-offs being determined at that time.

2. Kingston Restoration Corporation (KRC)

Background - The Kingston Restoration Company, Limited was incorporated as a limited liability private, public purpose company in March 1983 for the purpose of improving and revitalizing downtown Kingston. KRC's Board consists of leading representatives of a wide cross-section of local private financial and industrial development institutions. On July 30, 1986 KRC entered into a multi-million dollar Cooperative Agreement with USAID to expand its revitalization efforts.

The project area, downtown Kingston, has experienced decay and disinvestment over the last several decades. Prior to the hurricane, the Inner Kingston area's residential community was characterized by poor housing, inadequate sanitation facilities, and alarmingly high unemployment. As a result of the hurricane, it is estimated that 1,000 Inner Kingston families had their homes destroyed or damaged.

Planned Activities - KRC's Emergency Relief Program objective is to provide short-term relief to those affected by the disaster. The program will focus on three main areas of assistance over a 90-day period: (1) Food, (2) Shelter, and (3) Health Care. KRC will manage the overall program and provide assistance through a network of NGOs, principally church related organizations which operate within the project area.

This assistance will help restore vitality to this area and put the restoration process back on track. It will provide timely assistance to a very low income population which has suffered from lack of employment and public services. The program will help KRC to maintain its legitimacy and reputation for effectively carrying out a revitalization and improvement program. The three components of the Project are as follows:

- (1) Food Assistance - It has been estimated that approximately 4,000 persons in Inner Kingston are experiencing severe hardship in finding or paying for food. KRC intends to acquire, through donations as well as purchase, basic food items (i.e. flour, rice, milk) for distribution to the needy in this area. Distribution will be done through the NGOs which will be assigned blocks in their respective areas and the NGOs will provide assistance to household residents on these blocks. KRC may assist groups to establish small scale food production operations.
- (2) Shelter - Extensive damage has been done to the housing in the area, most of which was in poor condition before the hurricane. Many of the housing units are rental units organized on a yard basis. This program would repair or restore roofs and make essential repairs to approximately 1,000 housing units on a grant basis. The NGOs in the area would liaise with residences in the area, develop work schedules, recruit work crews and publicize the program. KRC staff would purchase, store (at a KRC owned warehouse) and secure the materials, determine the extent of hurricane damage and the repairs needed, provide general technical assistance and supervision to the crews, and inspect the completed work. KRC would begin the program immediately on a pilot basis and expand the program as capability increased.
- (3) Health Care - The contamination of the water supply as a result of the hurricane is a problem affecting the entire country, but it is particularly severe in Inner Kingston where most households do not have piped water and facilities for sterilization. The incidence of diarrhoea and gastroenteritis in the community is increasing, as well as other infectious diseases. The existing health system cannot cope with the problem. The area is urgently in need of medical assistance. KRC plans to work with the NGOs who have indicated interest in making health services available in order to establish a health station in the area with a trained nurse to administer to the needs of the community. The health station will be located in several of the NGOs on a rotating basis.

Implementation Procedures - The Kingston Emergency Relief Program will be concentrated in the Inner Kingston area, although it could be expanded to adjoining areas if there is the need. Under the program, patterned after KRC's community development grants program, KRC will make sub-grants to NGOs in the project area on the basis of approved proposals submitted by the NGOs to KRC.

NGOs will have to demonstrate that they have the capability to implement their proposed program and meet the requirements of the sub-grant agreement. KRC already has working relationships with these NGOs. KRC will provide financial and technical assistance and commodities to the NGOs. The organizations which KRC may make sub-grants to include:

Brothers of the Poor
Laws Street Trade Training Centre
Hanover Street Baptist Church
First Missionary Church
St. Andrew Scots Kirk
Wesley Methodist Church

In addition, the following groups which operate near the project area are examples of other NGOs which may be incorporated in the program:

East Queen Street Baptist Church
St. George's Anglican Church
Coke Methodist Church
Kingston Parish Church
All Saints Anglican Church

KRC has a small, carefully selected staff of 15 whose capability has been attested to by the timely delivery of completed rehabilitation projects within budget. An active working and reporting relationship has been established between KRC and USAID, thereby facilitating the requisitioning and disbursement of grant funds. KRC maintains a strict system of accountability and financial and operational reports are compiled on a monthly basis. For the duration of the emergency program, KRC will submit monthly reports to USAID on the progress being made.

3. Council of Voluntary Social Services - United Way of Jamaica (CVSS/UWJ)

Background - In order to address the urgency of formalizing, co-ordinating and re-enforcing the efforts of the informal voluntary sector, the Council of Voluntary Social Services was founded in 1940 as an umbrella organization for the social sector. One of its objectives is "to bring together on a permanent basis voluntary social welfare organizations in Jamaica in order to secure a comprehensive view of relevant problems and needs, and to mobilize resources for action." The mobilization of resources, particularly financial resources, remains the most urgent need of the private voluntary sector.

USAID has worked with CVSS to assist the PVO community in Jamaica to help the poor to more fully participate in the economic recovery of Jamaica. It has assisted at least 20 PVOs to become viable development organizations with the capability to attract and utilize development funds from worldwide donors. CVSS is Jamaica's only local association of PVOs.

In late 1984, the CVSS Board of Directors restructured itself into a fund-raising and allocation organization utilizing the United Way of America concept. This action resulted in the establishment of CVSS/United Way of Jamaica in January 1985. United Way of Jamaica was registered as a separate legal entity, a PVO whose function was to raise funds and provide a financial base for the voluntary sector, while also offering managerial and technical assistance to strengthen the capability of organizations within the sector.

Planned Activities - CVSS/UWJ, in recognition of the need for an Emergency Relief Fund to address emergencies or crises, established such a Fund in 1987, which is administered by a special committee drawn from its Allocations Committee and chaired by the Chairman of Allocations. This special committee, called the Emergency Relief Fund Committee, is comprised of six members of United Way of Jamaica, two members of CVSS, and ex-officio members of the national Office of Disaster Preparedness, the Salvation Army, and the Red Cross (Jamaica), and other agencies which respond to major disasters and emergencies.

In cases of emergencies, the Emergency Relief Fund Committee considers requests received from the following sources, inter alia:

- the Salvation Army, through physical site inspections and other communication networks;
- the Jamaica Red Cross, through physical site inspections and other networks;
- CVSS, through its centers which are scattered island-wide;
- UWJ, through its centers, site inspection of sub-projects, and through its volunteers who are located island-wide;
- as well as direct requests from the public citizenry.

Based on the examination of all requests, the Committee prioritizes the requests, both in terms of financial constraints and coordination with other similar relief assistance activities island-wide.

Implementation is the responsibility of the Salvation Army and the Red Cross. CVSS/UWJ provides the funds, decides on the activities to be assisted, monitors the activities, and evaluates them.

The Emergency Relief Fund Committee anticipates the following illustrative allocation of funds under the grant:

Red Cross Assistance - \$250,000
- \$225,000 for relief supplies such as food, roofing materials, blankets, lanterns, etc.; \$25,000 for administrative and monitoring expenses.

Salvation Army - \$250,000

\$225,000 for relief supplies such as food and blankets;
\$25,000 for administrative and operating costs.

PVOs Assisted by UWJ - \$225,000

\$225,000 for supplies for PVO projects.

PVOs Assisted by CVSS - \$200,000

\$200,000 for supplies for PVO projects.

UWJ/CVSS Administrative Costs - \$25,000

Implementation Procedures - CVSS/UWJ will continue to use the Emergency Relief Fund Committee, with expanded representation of CVSS, as the decision-making entity for the selection of activities and the allocation of funds under the proposed Project. All recommendations and actions by the Emergency Relief Fund Committee shall be ratified by the CVSS/UWJ Board of Governors.

VII. Implementation Plan

Detailed implementation work plans and/or action memoranda for those sectors where planning information is not yet complete will be developed for the approval of the Mission Director prior to disbursement of funds.

IMPLEMENTATION SCHEDULE

	Project Week																
	Sept.. '88	Oct.. '88	Nov.. '88					Dec. '88			Jan. '89						
	W1	W2	W3	W4	W5	W6	W7	W8	W9	W10	W11	W12	W13	W14	W15	W16	W17
I. <u>POWER</u>																	
ProAg signed																	
Material requirement assessed from JPS																	
Development of cost estimates and material specifications																	
Crews identified and related equipment required																	
USAID contracts with PSA																	
OPDA arranges for shipment of crews, etc. for Florida Power & Light and Puerto Rico Power & Light																	
Agreements negotiated with Power companies																	
PIO/C's for materials processed																	
PSA arrives and prepares final material lists and initiates procurement																	
Florida Power and Light crew arrive and rehabilitate Norman Manley Airport strip																	
PSA arranges early procurement of equipment and shipping for Logistics Support Team																	
USAID assembles logistics Support Team																	
Logistics support team establishes links with storage yards, customs and JPS																	
PSA arranges for bulk shipment																	
Bulk materials start arriving																	
Rehabilitation crews arrive																	
Rehabilitation program																	

IMPLEMENTATION SCHEDULE - (continued)

2. SHELTER

ProAg signed	-W1-
Assemble material list with specifications	-W1-
USAID contracts with PSA	-W1-
PIO/C's for material processed	-W1-W2
Establishment of Special Local Account by the Ministry of Social Security (MOSS)	-W1-W2-
Building material voucher system established by MOSS	-W1-W3-
PSA arrives and prepares final list for procurement	-W2-W3-
Merchants for distribution selected in target areas	-W2-W3-
PSA arranges for bulk shipper	-W2-W4-
MOSS distributes vouchers	-W2-W3-
Logistics Support Team established	-W3-
Materials delivered to J.C.T.C.	-W4-W7-
Merchants purchase goods wholesale	-W4-W7-
Commercial distribution begins	-W4-Indefinite-

IMPLEMENTATION SCHEDULE - (continued)

3. NWC WATER

ProAg signed	-W1-
Material and equipment list assembled	-W1-
Development of material & equipment specifications	-W1-
USAID contract with PSA	-W1-
PIO/C's and PIO/T's processed	-W1-W2-
USAID/NWC assembles T/A to assist in damage assessment of facilities	-W2-
PSA arrives and prepares final material list and initiates procurement	-W2-W3-
USAID assembles Logistic Support Team	-W3-
USAID/NWC assembles Leak Detection Team to identify leaks in system	-W3-
Logistics Team establishes links with storage yards, customs and NWC	-W3-W4-
USAID/NWC assembles team to supervise installation and rehabilitation work	-W3-W4-
PSA arranges for bulk shipment	-W3-W5-
T/A executes assessment program	-W3-W6-
Leak detection program begins	-W4-W15-
Materials start arriving	-W5-W10-
Rehabilitation work begins	-W6-W15-

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IMPLEMENTATION SCHEDULE - (continued)

4. HEALTH

ProAg signed	-W1-
USAID contracts with PSA	-W1-
PIO/C drafted, cleared & signed	-W1-W2-
PSA solicits quotes from U.S. suppliers	-W3-W4-
PSA places order	-W4-
Goods arrive in-country	-W8-W10-
Goods cleared and delivered to MOH	-W9-W11-
MOH distributes vehicles, equipment and supplies to parishes	-W10-W12-
Radio equipment installed	-W11-W13-
Staff trained in use of radios	-W11-W13-

5. AGRICULTURE

ProAg signed	-W1-
PSA contracted	-W1-
PIO/C drafted, cleared & signed	-W1-W2-
PSA solicits quotes from local suppliers	-W3-W4-
PSA places order	-W4-
Goods delivered to MOA	-W5-
MOA distributes goods to parishes	-W7-
100% goods delivered to small farmers	-W8-W12-

IMPLEMENTATION SCHEDULE - (continued)

6. NGOs

A. NDF

ProAg signed	-W1-
Loan applicants screened	-----W1-W12-----
PIO/T prepared and countersigned by MOP	-W2-
Grant agreement prepared	-W2-
Agreement signed by AID & NGO	-W2-
Audit firm contracted	-W3-
Funds advanced to NDF	-W3-
Hurricane Rehabilitation Fund established	-W3-
Financial and end use audits undertaken	-----W3-W12-----
Loans approved by NDF	-----W3-W12-----
100% funds on-lent	-W12-

B. KRC

ProAg signed	-W1-
PIO/T prepared & countersigned by MOP	-W2-
Cooperative Agreement prepared	-W2-
Sign Coop Agreement - AID & Grantee	-W2-
NGOs Prepare Proposals	-W2-
NGO Health Program Planned	-----W2-W6-----
Financial and end use audits undertaken	-----W3-W12-----
KRC Reviews and Negotiates Subgrants	-W3-

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IMPLEMENTATION SCHEDULE - (continued)

KRC (continued)

Audit firm contracted	-W3-		
KRC-NGOs Execute Subgrants	-W3-W4-		
KRC Procures Initial Commodities	-W3-W4-		
NGOs Recruit and Train Work Crews	-W3-W4-		
Roof Repairs Begin and Roofing Material Distribution is Begun	-W4-		
Food Distribution Begins	-W4-		
KRC Procures Remaining Commodities		-W8-	
NGO Begins Health Program		-W8-	
100% funds disbursed			-W12-
75% activities completed			-W12-

C. UNITED WAY

ProAg signed	-W1-
PIO/T prepared & countersigned by MOF	-W2-
Grant agreement prepared	-W2-
Agreement signed by AID & Grantee	-W2-

IMPLEMENTATION SCHEDULE - (continued)

UNITED WAY (cont'd)

Audit firm contracted	-W3-
Financial and end-use audits undertaken	-----W3-W12-----
Emergency Relief Fund established	-W3-
Funds advanced to Grantee	-W3-
PVO requests received & reviewed	-----W1-W12-----
UW provides funds to PVO's	-----W3-W12-----
PVO activities begin	-----W4-W12-----
UW monitors PVO activities	-----W4-W12-----
UW evaluates activities	-----W11-W12-----
100% funds advanced to PVOs	-----W12-----

D. MONITORING/TRACKING/AUDITS

Scope of Work Developed	-W1-
Local Firm Contracted	-W2-
System Designed	-W3-
On-going System in place	-----W4-W12-----
Final Report on end-use audits	-----W12-----

Best Available Copy

VIII. Project Management

Project Coordination - USAID will hire a Personal Services Contractor(s) to carry out overall Project Coordination. This individual will be responsible for supervising the receipt of materials, expediting them through customs, and ensuring that they are delivered to the appropriate implementing agencies. He/she will both inventory and monitor the materials received. The estimated cost for these services is \$100,000.

Monitoring/Tracking and Audit - In order to monitor the distribution and use of commodities and services financed under the Grant, A.I.D., using Grant funds, will directly contract with a local "Big Eight" chartered accounting firm(s) for technical assistance to establish controls to account for funds and track commodities compatible with the need to provide immediate, short-term relief and rehabilitation. Services will include the development of the tracking and monitoring system, particularly for the large scale procurements of roofing materials and power supply equipment. Due to the expedited nature of the activities and short implementation period, A.I.D., using Grant funds, will also contract for an audit of the Project concurrent with its implementation. End use checks will be conducted by the firm in order to ensure proper use of funds. The estimated cost of these activities will be US\$200,000.

For the monitoring of grants to private sector organizations, the Mission will utilize existing arrangements with these organizations which have already been approved by USAID and are currently in place. For example, the United Way of Jamaica has procedures and criteria in place for its Emergency Relief Fund which have been approved by USAID under another project. In addition, the organizations will make arrangements for financial and end-use audits of the funds provided under this Project.

Funding for an evaluation is not included in this Agreement, but prior to the PACD, A.I.D. and the Grantee will discuss and make arrangements for an evaluation subsequent to the PACD.

Mission Management - Responsibility within the Mission for overseeing the contracted project management team will reside with a project committee chaired by the Deputy Mission Director or Director of the Office of Projects and Private Enterprise. Representatives of OPPE/PDSD, OPEP, CONT, RHUDO, OEEE, RHUDO, ARDO, OHNP, and OPPE/PED, will serve on this committee. Each activity (i.e. Power, Shelter, Water, Health, Agriculture) will be managed by the relevant technical office (i.e. OEEE, RHUDO, OHNP, and ARDO). The PSC will report to the Chairman of the Committee and liaise with the relevant technical office representative.

IX. Costs and Financing Plan

The total cost of the Emergency Rehabilitation Program is estimated to be US\$20,000,000. AID will fund the total cost as a GOJ contribution is not required.

Table I shows a breakdown between foreign exchange and local costs and Table II presents a summary of project inputs and outputs.

Table III presents a detailed summary of the cost estimates by sectors and funds granted to three Non-Governmental Organizations. AID will finance technical assistance, commodities, technical support costs, credit, local costs, tracking/monitoring and audit costs.

Table IV shows the basic methods of financing and implementation for the AID funded activities of the Project. Seventy per cent of the funds are for commodities which will be procured through a direct contract with a Procurement Services Agent. AID will finance these costs through a bank letter of commitment for offshore commodities and a direct letter of commitment for local commodities and PSA fees. Overseas and local technical assistance and overseas support services will be implemented through direct AID contracts and payment will be by direct payment. The three Non-Governmental Organizations have ongoing grants with AID and have demonstrated their capabilities to contract for services and commodities and to account and report for funds provided under the advance/reimbursement basis. The three NGO grants will require each organization to contract with a chartered accounting firm immediately upon signing to provide AID with assurances that their accounting systems are capable of handling the increased load and to provide tracking/monitoring and reporting.

TABLE I - Summary Cost Estimates

ACTIVITY	FX	LC	TOTAL
Shelter	4,960	40	5,000
Power	8,800	0	8,800
Water	1,173	827	2,000
Health	750	0	750
Agriculture	0	650	650
NGO	0	2,500	2,500
Project Coordination	100	0	100
Tracking/Monitoring & Audits	0	200	200
TOTAL	15,783	4,217	20,000

54X

TABLE II - Costing of Project Outputs/Inputs

Rehabilitation of:	---Commodities---		Technical Assistance		Overseas	Credit	Local		TOTAL
	Overseas	Local	Overseas	Local	Technical Services		TA	Local TA Admin	
Shelter	4,944	0	16	40	0	0	0	0	5,000
Power	6,950	0	350	0	1,500	0	0	0	8,800
Water	1,173	443	0	384	0	0	0	0	2,000
Health	750	0	0	0	0	0	0	0	750
Agriculture	0	650	0	0	0	0	0	0	650
NGO Relief Activities	0	1,325	0	0	0	975	75	125	2,500
Tracking/Monitoring & Audits	0	0	100	0	0	0	200	0	300
TOTAL	13,817	2,418	466	424	1,500	975	275	125	20,000

TABLE III - Illustrative Budget
(US\$000)

ACTIVITY	AMOUNT	SUBTOTAL
1. POWER		
A. Commodities		
Construction Materials and Equipment	6,700	
Air Shipment of Materials and Equipment	250	
Subtotal - Commodities	<u>6,950</u>	
B. Technical Assistance		
Logistics Support Team	350	
C. Technical Support		
Construction Crews and Support	1,500	
TOTAL Power	=====	8,800
2. SHELTER		
A. Commodities		
Roofing	4,100	
Ridge Capping	360	
Roofing Nails	150	
Framing Nails	75	
Hurricane Straps	150	
Tools	109	
Subtotal - Commodities	<u>4,944</u>	
B. Technical Assistance		
US TA: 2 pm @ \$8,000/mo	16	
Jamaican TA: 50 pm (technicians)	40	
Subtotal - Technical Assistance	<u>56</u>	
TOTAL Shelter	=====	5,000
3. WATER		
A. Commodities		
Stand-by Generators	250	
Piping for Pipeline Rehabilitation	450	
Piping/Construction Commodities for ntake/Impoundment & Access Road Rehab.	416	
Chlorination Equipment & Supplies	100	
Reroofing Materials	150	
Water Testing Lab Equipment	250	
Subtotal - Commodities	<u>1,616</u>	
B. Technical Assistance		
Detailed Damage Assessments	48	
6 pm @ \$8,000/mo		
Supervision of Installation & Rehab. Work	96	
12 pm @ \$8,000/mo		
Six Leak Detection Teams @ \$40,000/team	240	
Subtotal - Technical Assistance	<u>384</u>	
TOTAL Water	=====	2,000 <i>60</i>

4. HEALTH

A. Commodities

Disposable Medical Supplies	150
Radio Communications Systems	180
Spraying Equipment	20
Field Laboratory Equipment	50
14 Four-Wheel Drive Vehicles	350
Subtotal - Commodities	<u>750</u>

TOTAL Health

=====
750

5. AGRICULTURE

A. Commodities

Planting Materials and Farm Tools	650
-----------------------------------	-----

TOTAL Agriculture

=====
650

6. NGOS

A. NDF - Hurricane Rehabilitation Fund

Credit	975
Financial & End Use Audit	25
Subtotal - NDF	<u>1,000</u>

B. KRC - Emergency Relief Program

Food Assistance	120
Medical Services and Medicines	25
Shelter	330
Financial & End Use Audit	25
Subtotal - KRC	<u>500</u>

C. CVSS/UWJ - Emergency Relief Fund

Red Cross Assistance	250
Salvation Army	250
UWJ - PVOs	225
CVSS - PVOs	200
CVSS/UWJ Administration	50
Financial & End Use Audit	25
Subtotal - CVSS/UWJ	<u>1,000</u>

TOTAL NGOS

=====
2,500

7. PROJECT MANAGEMENT

Project Coordination	100
Tracking/Monitoring & Audits	200

TOTAL Project Management

=====
300

PROJECT TOTAL

20,000

61X

TABLE IV - Methods of Implementation and Financing

Item	Method of Implementation	Method of Financing	Amount
Overseas Commodities	Dir. Contract/PSA	Direct L/COM/Bank L/COM	13,817
Local Commodities	Dir. Contract/PSA	Direct L/COMs	1,093
Overseas TA	Dir. Contract	Direct Payment	466
Local TA	Dir. Contract	Direct Payment	624
Overseas Supp. Serv.	Dir. Contract	Direct Payment	1,500
NGOs	Grant/CA	Advance/Reimbursement	2,500
TOTAL			20,000



MINISTRY OF FOREIGN AFFAIRS, TRADE AND INDUSTRY
85 KNUTSFORD BOULEVARD,
P.O. BOX 624,
KINGSTON,
JAMAICA

September 26, 1988

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

Dear Mr. Joslin,

As you know from having accompanied Prime Minister Seaga and U.S. Ambassador Sotirhos on an aerial island-wide survey, Jamaica has suffered extensive damage from the worst hurricane to hit the country this century. There are critical immediate needs in a number of areas for which we are requesting USAID assistance. These areas include:

- re-establishment of electric power;
- restoration of potable water and sewerage services;
- increasing the stock of roofing materials available in country and assisting the poor in procuring materials for self-help repairs;
- procuring essential commodities for public health surveillance systems to prevent outbreaks of communicable diseases associated with post-Hurricane Gilbert conditions;
- procuring seeds in time for planting crops destroyed by the Hurricane; and
- support for relief programs of a number of Jamaican non-governmental organizations.

We therefore request assistance in the amount of approximately US\$20 million in grant assistance for the initial rehabilitation activities described above.

Yours sincerely,


Hugh Shearer
Deputy Prime Minister

ACTION: AID-5 INFO: AMB DCM ECON POL

VZCZCAG0307
 OO RUEHRG
 DE RUEHC #2707/01 2680029
 ZNR UUUUU ZZH
 O 232112Z SEP 88
 FM SECSTATE WASHDC
 TO RUEHRG/AMEMBASSY KINGSTON IMMEDIATE 8193
 RUEHDG/AMEMBASSY SANTO DOMINGO IMMEDIATE 4172
 BT
 UNCLAS SECTION 01 OF 02 STATE 312707

24-SEP-88 TOR: 13:40
 CN: 37866
 CHRG: AID
 DIST: AID
 ADD:

AIDAC PASS TO LINUS KELLEY, SANTO DOMINGO

E.C. 12356: N/A

TAGS:

SUBJECT: JAMAICA HURRICANE RELIEF AND REHABILITATION

1. AUTHORITY. THE BUREAU COMMENDS THE MISSION ON ITS EFFORTS, IN THE FACE OF NUMEROUS RESOURCE UNCERTAINTIES AND SEVERE TIMING LIMITATIONS, TO DEVELOP A USEFUL AND TIMELY PRELIMINARY ASSESSMENT OF NEEDS AND REHABILITATION PROGRAM OUTLINE, WHICH WAS FAXED TO US ON SEPTEMBER 16, 1988. BASED ON THE DOCUMENT AND SUBSEQUENT INFORMATION, LAC REQUESTED THAT PPC PREPARE AN ACTION MEMORANDUM FOR THE ADMINISTRATOR TO PERMIT INCLUSION OF THE AVAILABLE DE-OBLIGATED PANAMA DA FUNDS AMOUNTING TO DOLS. 20 MILLION UNDER THE AGENCY'S FAA SECTION 492 BORROWING AUTHORITY, WHICH WOULD ALLOW THE MISSION TO USE THESE FUNDS FOR RELIEF AND REHABILITATION PURPOSES IN JAMAICA. IN A SEPARATE ACTION MEMORANDUM, THE ADMINISTRATOR WILL BE REQUESTED TO AUTHORIZE THE AA/LAC TO REDELEGATE AUTHORITY TO THE MISSION TO APPROVE AND AUTHORIZE THE PROGRAM AND TO EXECUTE THE AGREEMENT IN THE FIELD. THE BUREAU WILL ADVISE THE MISSION OF REDELEGATION OF AUTHORITY APPROVAL ONCE THE ACTION MEMORANDUM HAS BEEN SIGNED BY THE ADMINISTRATOR.

2. CONGRESSIONAL NOTIFICATION. A CONGRESSIONAL NOTIFICATION IS BEING SUBMITTED BY THE OFFICE OF FOREIGN DISASTER ASSISTANCE (OFDA). THE CN HAS A FIVE-DAY WAITING PERIOD. ONCE THE CN IS FORWARDED, THE MISSION WILL BE ADVISED WHEN FUNDS MAY BE OBLIGATED. THE BUDGET ALLOWANCE WILL BE PROVIDED WHEN FUNDS ARE AVAILABLE. OBLIGATION MUST OCCUR BEFORE THE END OF FY 1988. THE PROGRAM DOCUMENT TO BE DEVELOPED FOR JUSTIFYING THE PROGRAM AND DESCRIBING THE PLANNED USES OF FUNDS SHOULD ADHERE TO THE GUIDANCE HEREIN. THE BUREAU STANDS READY TO ASSIST THE MISSION AND THE GOJ IN ANY WAY AS YOU BEGIN TO IMPLEMENT THE PROGRAM.

3. LEVEL OF FUNDING AND DURATION. THE MISSION SHOULD PLAN FOR DOLS. 20 MILLION IN ASSISTANCE UNDER FAA SECTION 491 AUTHORITY. UNDER THIS AUTHORITY, THE FUNDS MUST BE USED FOR RELIEF AND SHORT-TERM REHABILITATION ASSISTANCE. SHORT TERM REHABILITATION IS LIMITED TO

DATE RECEIVED: 9/26	
ACTION OFFICE: OPDS	
INFO TO:	
DIR ✓	ARDO
D/DIR ✓	GINP
OFDP	GERR
OPDS	OPED
OEEF	OCM
EXO	RHUDO
SONT	R.F. ✓
Dist. C	
DUE BY: 9/27	
ACTION:	

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Post/Avail

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ASSISTANCE FOR RESTORING SELF-SUFFICIENCY TO DISASTER VICTIMS, AND IT IS ANTICIPATED THAT THE ASSISTANCE SHALL BE PROVIDED EXPEDITIOUSLY, I.E., WITHIN THE RELIEF AND REHABILITATION PHASE, NORMALLY 150 DAYS FROM THE DATE OF THE DECLARATION OF DISASTER BY THE U.S. AMBASSADOR. HOWEVER, SINCE FUNDS ARE ONLY NOW BECOMING AVAILABLE FOR THE PURPOSES OF THIS ASSISTANCE, THE 150 DAY PERIOD WILL BEGIN WITH THE DATE OF SIGNING OF THE AGREEMENT. WHILE THE RELIEF AND REHABILITATION PHASE MAY BE EXTENDED UNDER CERTAIN CIRCUMSTANCES, ANY EXTENSION REQUIRES A.I.D./W CONCURRENCE.

4. SCOPE. BY ILLUSTRATION, RELIEF AND REHABILITATION ASSISTANCE MAY INCLUDE SUCH ITEMS AS SEEDS, AGRICULTURAL OR CONSTRUCTION HAND TOOLS, ROOFING MATERIAL, EMERGENCY REPAIRS OF FLOOD PROTECTION DIKES, POWER RESTORATION, AND SIMILAR ACTIVITIES. REHABILITATION IS TO BE CONTRASTED WITH LONG-TERM RECONSTRUCTION, WHICH AIMS TO BRING THE STRICKEN COMMUNITY TO A STATE BEYOND IMMEDIATE SELF-SUFFICIENCY (SEE HANDBOOK 8, SECTION 1D FOR AMPLIFICATION OF THE DISTINCTION). THE FUNDS AUTHORIZED BY SECTION 491 MAY NOT BE USED FOR RECONSTRUCTION ACTIVITIES (FUNDS FOR RECONSTRUCTION ACTIVITIES ARE SUBJECT TO A.I.D.'S NORMAL PROGRAMMING PROCEDURES UNLESS OTHERWISE AUTHORIZED BY CONGRESS).

5. ACTIVITIES. PROGRAM DOCUMENTATION SHOULD INCLUDE ONE PLANNING DOCUMENT WHICH WILL PROVIDE A LIST OF ANTICIPATED ACTIVITIES, WITH ALL COMMODITIES AND SERVICES IDENTIFIED TO THE EXTENT POSSIBLE. THE

PLANNING DOCUMENT MUST INDICATE FOR EACH AREA OF SUPPORT THE ANTICIPATED STATUS OF INTERVENTIONS AT THE END OF THE PROGRAM PERIOD, E.G., 100 PERCENT ROOFING IN COUNTRY, 85 PERCENT DISTRIBUTED TO END-USERS, ETC. ACTIVITIES TO BE FUNDED WITH THE \$20 MILLION PROJECT SHOULD BE PLANNED SUCH THAT AT THE END OF THE REHABILITATION PHASE, ALL PROJECT FUNDED COMMODITIES AND SERVICES WILL BE IN COUNTRY AND SUBSTANTIAL PROGRESS WILL HAVE BEEN MADE IN DISTRIBUTION. IT IS IMPORTANT TO KEEP IN MIND THAT WHILE A.I.D. HAS SOME FLEXIBILITY WITH RESPECT TO IMPLEMENTATION OF THE ASSISTANCE, IT WILL BE EXTREMELY IMPORTANT FOR A.I.D. TO BE ABLE TO DEMONSTRATE A STRONG, VISIBLE RESPONSE TO THE NEEDS OF THE HURRICANE VICTIMS WITHIN THIS TIME FRAME. THEREFORE, PROGRAM DESIGN SHOULD CAREFULLY CONSIDER WHAT ACTIVITIES ARE REALISTICALLY ACHIEVABLE IN THE LIMITED TIME PERIOD. IT WILL BE NECESSARY TO DEFER SOME NEEDS WHICH REQUIRE LONGER IMPLEMENTATION FOR A LATER RECONSTRUCTION EFFORT.

6. PROCUREMENT PLANNING. THE PLANNING DOCUMENT SHOULD INCLUDE A PROCUREMENT PLAN CONSISTENT WITH THE URGENCY OF THE

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SITUATION. THE BUREAU ENCOURAGES THE MISSION TO PLAN ACTIVITIES TO MAXIMIZE DIRECT A.I.D. PROCUREMENT. LAC PLAN INCLUDE IN THE REDELEGATION OF SECTION 491 AUTHORITY FROM TT ADMINISTRATOR SPECIFIC REFERENCE TO PROCUREMENT PROCEDURES. THIS WILL PERMIT BROADEST FREE WORLD SOURCE, ORIGIN, AND NATIONALITY AUTHORITIES. IT WILL ALSO AUTHORIZE INFORMAL, RATHER THAN FORMAL, COMPETITION AND, WHERE RELIEF EXIGENCIEE DEMAND, EVEN NONCOMPETITIVE PROCUREMENT. WE STRESS THE IMPORTANCE OF APPLYING THE PRINCIPLE OF COMPETITION TO ENSURE ACCOUNTABILITY, REASONABLENESS OF PRICE, ETC. SINCE THE ASSISTANCE IS TO BE PROVIDED ON AN EXPEDITED BASIS, THE NORR RULES GOVERNING PROCUREMENT, BILATERAL GRANTS, AND GRANTS WITH NON-GOVERNMENTAL ORGANIZATIONS ARE NOT MANDATORY UNDER SECTT 491 AUTHORITIES. IN EXERCISING SUCH AUTHORITIES, THE BUREAU AND THE MISSION ARE EXPECTED TO ADHERE TO RULES GOVERNING INFORMAL COMPETITION TO THE MAXIMUM EXTENT FEASIBLE. IN THE INSTANCES WHICH THE MISSION DEEMS NOT AMENABLE TO LIMITED COMPETITION, NON-COMPETITIVE PROCEDURES MAY BE USED.

7. CONTROL/ACCOUNTABILITY. THE PLANNING DOCUMENT SHOULD ADDRESS ISSUES OF ACCOUNTABILITY, INCLUDING MONITORING OF TT USE AND AND DISTRIBUTION OF COMMODITIES AND SERVICES. PROJ FUNDED TECNICAL ASSISTANCE SHOULD BE INCLUDED UNDER THE PROJECT TO ASSIST THE GOJ AND THE MISSION IN ESTABLISHING CONTROLS COMPATIBLE WITH THE NEED TO MOVE FUNDS RAPIDLY AND TRACK COMMODITIES DURING PROJECT IMPLEMENTATION. RESOURCES SHOULD ALSO BE PLANNED FOR MONITORING/REPORTING, EVALUATION

AND NON-FEDERAL AUDIT REQUIREMENTS. WE WOULD SUGGEST MISSII CONSIDER CONCURRENT AUDIT DUE TO EXPEDITED NATURE OF ACTIVII AND CONCERN FOR DIFFICULT ENVIRONMENT IN WHICH THE PROGRAM BEING IMPLEMENTED.

8. OBLIGATION. THE PLANNING DOCUMENT SHOULD DISCUSS THE PLANNED OBLIGATION PROCESS. THE MISSION IS ENCOURAGED TO USE SINGLE QUOTE UMBRELLA UNQUOTE AGREEMENT, WHICH COULD PROVIDE PART FOR SUB-AGREEMENTS AND/OR CONTRACTS TO SPECIFIC IMPLEMENTING ENTITIES. THE ADVANTAGE OF THIS APPROACH IS FLEXIBILITY. IT ALLOWS THE MISSION TO REPROGRAM FUNDS BETWEEN ENTITIES AND ACTIVITIES, SHOULD IT BECOME EVIDENT IN THE COURSE OF IMPLEMENTATION THAT FUNDS ARE MOVING MORE RAPIDLY IN ONE AREA THAN ANOTHER. IN ADDITION, THE PROJECT DESCRIPTION IN AGREEMENT SHOULD INDICATE THE GENERAL PLAN FOR IMPLEMENTING ASSISTANCE. IMPLEMENTATION LETTERS SHOULD PROVIDE DETAILS OF IMPLEMENTATION, INCLUDING THE SYSTEM FOR PROCURING, CONTROLLING, AND DISTRIBUTING ASSISTANCE.

9. TDY ASSISTANCE. L. KELLEY, CONTRACT OFFICER LOCATED IN SANTO DOMINGO, IS PLANNING TO ARRIVE ON SUNDAY, SEPTEMBER 22 BUT CAN ARRIVE EARLIER IF MISSION REQUESTS. KELLEY HAS BOTH CONTRACTING AND PROCUREMENT EXPERIENCE. TOM GEIGER, GC/LAC EXPECTS TO ARRIVE FRIDAY, SEPTEMBER 23. GEIGER WILL HAND CC BUREAU COPIES OF PROGRAMMING, EVALUATION, AND AUDIT DOCUMENTS FROM SIMILAR DISASTER RELIEF AND REHABILITATION PROGRAMS. BUREAU STRONGLY ENCOURAGES THE MISSION TO USE OTHER AVAILABLE EXPERTISE IN DISASTER PLANNING. IN THIS REGARD, LAC IS ATTEMPTING TO CONTACT AND DETERMINE THE AVAILABILITY OF CHUC BRADY (PSC IN EL SALVADOR NOW ON LEAVE IN THE U.S.). MR. BB

IS PARTICULARLY SKILLED IN DISASTER RECOVERY ASSISTANCE PLANNING AND ESTABLISHMENT OF APPROPRIATE ACCOUNTING, CONTRR AND TRACKING SYSTEMS. FINALLY, JEFF EVANS, L:AC/DR, WILL ARRIVE SUNDAY, SEPTEMBER 25 TO PARTICIPATE IN MISSION REVIEE THE PLANNED PROGRAM.

10. FYI: ON SEPTEMBER 22, CONGRESS, IN CONFERENCE, EARMARR DOLS. 35 MILLION IN FY 89 DA FUNDS TO BE USED FOR DISASTER PURPOSES IN JAMAICA. THIS RAISES THE QUESTION AS TO WHETHEE THE FULL DOLS. 20 MILLION IN PANAMA DEOBLIGATIONS SHOULD BE PROVIDED GIVEN THE FACT THAT THIS AMOUNT WAS PROPOSED IN CONJUNCTION WITH ONLY AN FY 89 DOLS. 25 MILLION ESF ALLOCATT FCR DISASTER PURPOSES.

IN ALL PROBABILITY THE FULL DOLS. 20 MILLION WILL BL .HOVIDD ALTHOUGH YOU SHOULD BE AWARE THAT THE LAC BUREAU IS PROPOSITII TO UNDERTAKE CONSULTATION ON SEPTEMBER 23 TO DETERMINE CONGRESSIONAL ATTITUDE TOWARD A REDUCTION OF THE DOLS. 20

MILLION IN PANAMA REOBLIGATIONS. WE ARE PROPOSING TO DO THE ONLY BECAUSE OF THE SERIOUS NEED ELSEWHERE IN THE REGION FO ADDITIONAL FUNDING. WE WOULD EXPECT TO PROVIDE A DEFINITIVV ANSWER BY NOON MONDAY, SEPTEMBER 26.

11. JAMAICA MINIMIZE CONSIDERED.

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

ACTION MEMORANDUM FOR THE ADMINISTRATOR

FROM: AA/LAC, Dwight Ink
OFDA/OD, Julia Taft

SUBJECT: Program Responsibility and Procurement Procedures for
Jamaica Relief and Rehabilitation

Problem: Your approval is requested for (1) delegating authority to the Latin America Caribbean Bureau for \$20 million authorized by FAA Section 491 for relief and rehabilitation for Jamaica, (2) the utilization by LAC and USAID/Jamaica of expedited procedures for delivery of the disaster assistance, including procurement without regard to source/origin/nationality and competitive requirements when appropriate and (3) waiving grant standard provisions (both bilateral and non-governmental) to enable expedited implementation.

Discussion: On September 12, Hurricane Gilbert struck Jamaica, leaving a path of devastation. The Ambassador immediately declared a disaster and disbursed \$25,000 in assistance for emergency relief. OFDA responded by sending a team of experts to Jamaica which is providing emergency relief and rehabilitation assistance. It is anticipated that OFDA support for Jamaica will continue through the initial emergency relief period.

Under the authority of Section 492(b) of the Foreign Assistance Act of 1961, as amended ("FAA"), you approved on September 26, 1988, the use of \$20 million in assistance funds deobligated from Panama to provide assistance for the relief and rehabilitation of disaster victims in Jamaica pursuant to Section 491 of the FAA.

Although normally OFDA takes responsibility for programming funds authorized under Section 491 for relief and rehabilitation, OFDA believes that due to the amount of funds involved and the necessity of having the Jamaica mission involved in all aspects of implementation, that LAC should have programming responsibility. LAC will, of course, adhere to disaster assistance policies and will consult with OFDA in delivering the assistance. If you approve of vesting such responsibility in LAC, a delegation of authority as recommended below is appropriate.

Since the assistance is to be furnished within the 150 day emergency relief and rehabilitation period (the time designated for initial relief and short-term rehabilitation in Handbook 8, Disaster Assistance) it will be necessary to utilize expedited procurement and grant procedures. In brief, this means waiving normal competition and advertising rules and approving Code 935 countries for all procurement. In addition, grant standard provisions relating to procurement may require modification or deletion requiring deviations from the standard procedures in Handbooks 3 and 13.

Standard procurement rules set forth in Federal and A.I.D. Acquisition Rules (Handbook 14) and host country contracting requirements (Handbook 11) as a matter of law do not apply to Disaster Assistance funds. Section 491(b) of the FAA provides that International Disaster Assistance may be furnished "notwithstanding any other provision of this or any other Act." However, Agency policy is more restrictive than the law. As stated in Handbook 1B, Chapter 21, exceptions from standard procurement rules are normally made only in the emergency phase of a disaster situation (when aid which has an immediate impact on the condition of disaster victims is being provided). Handbooks 1B and 8 state that standard procedures should be followed during the short-term rehabilitation phase.

A substantial amount of the funds provided through Section 491 will be used for short-term rehabilitation as well as relief activities, and we recommend that you waive the Handbook provisions requiring the standard grant and procurement policies. This recommendation is based in part on the urgent requirements of the victims of the hurricane in Jamaica, and the expedited implementation schedule which will be necessary to furnish \$20 million of assistance within 150 days. In exercising the extraordinary authority provided through Section 491, the LAC Bureau and USAID/Jamaica will adhere to rules governing informal competition to the maximum extent feasible in order to obtain reasonable price competition and fairness. However, in those instances where informal competitive procedures are not deemed feasible, non-competitive procedures will be followed. Notwithstanding the use of expedited procurement procedures, accountability will be built into the activity through concurrent audit coverage.

(1) Recommendation: That pursuant to the authority which is delegated to the Director of IDCA by Executive Order No. 12163 of September 29, 1979, and the Administrator by IDCA Delegation of Authority No. 1 of October 1, 1979 you redelegate the authority to program \$20 million of disaster assistance funds

Clearance:

DGC, JMullen _____
GC/OP, STisa (Draft) _____
GC/OCM, KFries _____
M/SER/OP, PHowley(Draft) _____
OFDM/OD, ASwan (Draft) _____
LAC/SA, DCohen _____
LAC/DR, TBrown _____

GC/LAC:GDavidson:gd:9/22/88:JAMREH

Annex 4

A summary of other donor assistance already provided or to be provided to Jamaica follows:

A. U.S. Private Voluntary Organizations

ADRA - is sending \$150,000 of relief supplies (blankets, plastic sheeting, tents, medicines, baby food) to Jamaica.

American Joint Jewish Distribution Committee - is collecting donations for Jamaica.

American National Red Cross (ANRC) - gave two vans and 50,000 blankets to Jamaica at \$145,000. ANRC also sent two people on the flight with the OFDA - assembled assessment team and is collecting donations from the American public for relief in Jamaica.

ALCOA - will provide through the Jaycees a ship to transport relief supplies from CARE in October 1988.

Brother's Brother's Foundation - is undertaking a needs assessment.

CARE - sent a representative to conduct a needs assessment.

Catholic Relief Services - sent a representative to conduct a needs assessment and donated \$25,000 to the Kingston Archdiocese.

Church World Service (CWS) - issued a regionwide appeal for \$100,000 for the Caribbean. CWS also forwarded \$50,000 for the purchase of blankets and yard goods and an additional \$5,000 to the Caribbean Conference of Churches.

Eastern Airlines - offered a wide-body airplane for use in Jamaica.

Jamaica Relief Fund - is donating 9,000 pounds of clothing through Sister Cities.

Jamaicans for Jamaica (Miami) - working through Sister Cities, has collected 5,000 pounds of clothing.

Lutheran World Relief - is responding through CWS, amount to be determined.

Medical Assistance Program (MAP) - is donating \$7,000 worth of medical supplies to St. James Parish, Jamaica.

Mennonite Central Committee - has a staff in-country assessing needs.

Oxfam - is providing \$15,000 of relief assistance for Jamaica through Oxfam/U.K.

Partners of the Americas - is contributing \$5,000 for Jamaica as well as conducting a fund-raising campaign.

Salvation Army - is feeding 60,000 persons in Jamaica as well as sending a team to assess additional needs.

Save the Children/U.S. - is organizing reconstruction funds.

Southern Baptist Foreign Mission Board - is releasing \$10,000 for aid to Jamaica, pending a needs assessment.

World Airways - has offered DC-10s to ferry goods to Jamaica as needed.

World Vision - is dispatching emergency supplies (tents, tarps, cookware, water containers, and bottles for water purification) worth \$14,000 to Jamaica.

B. International Community

1. International Organizations

IMF - has approved a Stand-By Facility of \$114 million, and the first tranche is expected to be drawn within a week. Also, it is considering an additional \$47 million for emergency assistance, which represents 25 percent of Jamaica's quota with the Fund.

World Bank - has a team in Jamaica which is assessing damage to the economy. A team is scheduled to return on October 15 to develop a rehabilitation program; the amount of assistance has not yet been determined.

Inter-American Development Bank - has a team in Jamaica which is assessing damage to the economy and developing a rehabilitation program; the amount of assistance has not yet been determined. Also, the IADB President told Prime Minister Seaga that approximately \$100 million in new and existing project funds can be used for emergency repairs and restoration rather than for original project purposes; however, this action may require Board approval..

EEC - allocated \$715,000 of emergency aid to finance an airlift of British Red Cross supplies.

PAHO - provided six experts to assess needs in Jamaica.

UNDP - is donating \$50,000 for relief in Jamaica.

UNDRO - is mobilizing international assistance, at the request of the GOJ, and has donated \$25,000.

2. Governments

Canada - is providing \$10.8 million in rehabilitation/relief assistance in several forms: (a) \$3.8 million in debt postponement; (b) \$3.8 million in rehabilitation materials for the private sector through JCTC, including lumber; (c) \$1.6 million in a grant, including matching funds from Canadian NGO's; (d) and \$1.6 million in food including sardines. Additional assistance is under consideration for electric power distribution, in cooperation with U.S. and British efforts, and for airport rehabilitation.

Japan - provided \$440,000 including a \$200,000 cash grant and emergency medical supplies.

Netherlands - provided DGuilders 200,000 in medical supplies.

United Kingdom - provided \$921,250 worth of supplies (including food, 38 tons of medical supplies, tents, blankets, generators, and chain saws. The U.K. is also sending an assessment team of engineers and environmental specialists to Jamaica from Belize.

Venezuela - is considering an airlift to Jamaica to include roofing materials, blankets, powdered milk, and medicines.

3. Non-Governmental Organizations (NGOs)

Canadian Red Cross - is supplying generators, plastic sheeting and canned goods and sending an official to assess the situation.

Germany, Fed. Rep., Red Cross - is donating 5,000 blankets worth \$22,000.

LRCS - is providing blankets and first-aid kits, valued at \$70,000.

Norwegian Red Cross - is contributing two warehousing units at \$44,000.

U.K. Red Cross - is giving a cash grant, 500 rolls of plastic sheeting, 16,000 blankets, and generators, all valued at \$164,000.