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USAID/Jamaica

Results Review

✦
Resource Request

FY 1997-1998

R4R4
R4R4

April 1996

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LIST OF ACRONYMS

AESP	-	Agricultural Export Services Project
AI	-	Agency Indicator
AO	-	Agency Objective
CBO	-	Community Based Organizations
CEL	-	Country Experimental Lab
CEN	-	Caribbean Environmental Network
CIDA	-	Canadian International Development Agency
CSW	-	Commercial Sex Workers
DEMO	-	Development of Environmental Management Organizations
DKMD	-	Downtown Kingston Management District
EAI	-	Expanding AIDS Intervention
EFJ	-	Environmental Foundation of Jamaica
EU	-	European Union
FPMU	-	Fiscal Policy Management Unit
FTAA	-	Free Trade Area of the Americas
FTC	-	Fair Trading Commission
GOJ	-	Government of Jamaica
GTZ	-	German Development Agency
HAP	-	Hillside Agriculture Project
HG	-	Housing Guaranty
IDB	-	Inter-American Development Bank
IKD	-	Inner Kingston Development Project
IMF	-	International Monetary Fund
JEA	-	Jamaica Exporters' Association
KRC	-	Kingston Restoration Company
MDP	-	Microenterprise Development Project
MBMPT	-	Montego Bay Marine Park Trust
NEPT	-	Negril Environmental Protection Trust
NAFTA	-	North American Free Trade Agreement
NGO	-	Non-Government Organization
NIP	-	National Industrial Policy
NRCA	-	Natural Resources Conservation Authority
NWC	-	National Water Commission
PAHO	-	Pan American Health Organization
R4	-	Results Review and Resource Request
RHUDO	-	Regional Housing and Urban Development Office
SCOPE	-	School-Community Outreach Program for Education
SBED	-	Small Business Export Development
SJRP	-	Sustainable Justice Reform Project
SO	-	Strategic Objective
SSU	-	Sanitation Support Unit
STD	-	Sexually Transmitted Diseases
UAP	-	Uplifting Adolescents Project
UNDP	-	United Nations Development Program
USAID	-	United States Agency for International Development
UTECH	-	University of Technology
UWI	-	University of the West Indies
WTO	-	World Trade Organization

**USAID/JAMAICA
FY 1997/1998 - R4
STRATEGIC OBJECTIVE TREE**

AGENCY GOAL: Encouraging Broad-Based Economic Growth

Strategic Objective 1:

Increased participation for economic growth

5320101 Hillside Agriculture 50%
5320120 Inner Kingston Development
5320129 UWI School of Management
5320135 Improved Markets, Export Growth Opp
5320156 Microenterprise Development
5320165 Agricultural Export Services
5320168 North Coast Dev Support 30%
5320169 CLASP II 35%
5320177 Uplifting Adolescents 30%

AGENCY GOAL: Protecting the Environment

Strategic Objective 2:

Improved environmental quality and natural resource protection

5320101 Hillside Agriculture 50%
5320149 Technical Support for Shelter
5320168 North Coast Dev Support 70%
5320169 CLASP II 30%
5320173 Development Environ Mgmt Orgs

AGENCY GOAL: Stabilizing World Population Growth and Protecting Human Health

Strategic Objective 3:

Smaller, better-educated families

5320152 Health Sector Initiatives
5320153 AIDS/STD Prevention & Control
5320163 Family Planning Initiatives
5320169 CLASP II 15%
5320177 Uplifting Adolescents 70%

Other Activities in support of Agency Goals

ECONOMIC GROWTH

5320155 PEAP II

DEMOCRACY

5320169 CLASP II 20%
5320175 Sustainable Justice Reform

ENVIRONMENT

HG12B/C Low Income Shelter 30%

**Results Review and Resource Request
FY 1997/98
USAID/Jamaica**

This Results Review and Resource Request for FY 1997/98, or "R4," has been prepared by USAID/Jamaica as a companion piece to its Strategy Plan for FY 1997-2001. The R4 reports performance of specific activities and performance indicators associated with the program strategic objectives presented in the Action Plan for FY 1996/97, and as approved by the Bureau in April 1995. In the Action Plan, each strategic objective included as a subset several "program outcomes," which in this document are referred to as "intermediate results." In looking forward to the FY 97/98 period in this R4, however, the Mission uses the proposed Strategy Plan results framework, with a new set of intermediate results and performance indicators, to determine expected accomplishments. While this may be the final year that certain of the prior indicators are measured, the Mission will continue to monitor any indicator that relates to sustainability or important long-term impacts of prior USAID activities. Mission responses to the issues raised in the April 1995 Development Assistance Executive Committee meeting (State 135134) are included as an annex to this document.

I. Factors Affecting USAID/Jamaica's Program Performance

A. The Development Setting

In late 1995, the Government of Jamaica (GOJ) ended its formal structural adjustment arrangement with the International Monetary Fund (IMF) which began in 1982. Under Jamaica's structural adjustment program, the Government implemented macro-economic policy reforms that have laid the foundation for a market-oriented economy with emphasis on exports and investment. Tariff rates have been reduced, quantity restrictions eliminated, and price controls and food subsidies abandoned. These policy reforms, complemented by the liberalization of the foreign exchange regime in September 1991, and improved monetary and fiscal policies, provide the basis for Jamaica to become a fully open, market-driven economy, supported by democratic institutions. However, the significant progress made toward Jamaica's macroeconomic health is contrasted by deteriorating living conditions for the majority of Jamaicans. While economic growth has averaged one percent since 1991, it has been stagnant in per capita terms given a population growth rate also of one percent. Additionally, the increase in the number of poor people--over a third of the population lives below the poverty line--reflects Jamaica's extremely skewed income distribution (the top 10 percent of the population earns 32.5 percent of the country's income; the bottom 20 percent earns 5.1 percent). In view of these trends, Jamaica's challenge will be to ensure sustainable growth and participation by low-income groups in the growth

intensified by Jamaica's large external debt (totalling about \$4 billion, including \$670 million to the U.S.) and domestic debt. Debt servicing consumes greater than 50 percent of the GOJ's annual budget.

Jamaica's leading source of foreign exchange is tourism, and most of its 1.6 million visitors are from the U.S. Other principal foreign exchange earners (bauxite, sugar and bananas) have suffered from world market declines. However, production and markets for non-traditional and domestic production have displayed a robust, upward trend and hold promise for the future. Jamaica's economic dependence on tourism, bauxite, and agriculture has generated a wide range of negative impacts on the country's natural resource base, including deforestation, soil erosion, pollution, and dwindling marine resources which threaten the very existence of these key sectors. Although Jamaica's health statistics are relatively good, chronic diseases, AIDS, and other sexually transmitted diseases are significant problems. Of extreme concern is a continuing dramatic decline in the basic educational level of the Jamaican population, compromising the ability of the work force to build a modern growth-oriented economy. Although unemployment in Jamaica decreased in 1995 to 15 percent from 25 percent in the early 1980s, most labor is absorbed by the informal sector where wages are extremely low. Women as a group are more prone (22 percent) to unemployment than men (9.6 percent). Jamaica's long-term development prospects are dependent on its ability to provide equitable growth, reduce poverty, earn foreign exchange through exports, conserve its natural resources, produce a literate, trainable work force, and generate productive employment--all areas supported by USAID/Jamaica's assistance program.

The GOJ's commitment to resolving the challenges in these areas is reflected in their recently released National Industrial Policy (NIP) which provides an integrated strategic plan for macroeconomic policy, production policy, social policy and environmental policy. The NIP aims to achieve a sustainable basis for reducing unemployment and poverty and increasing income for the Jamaican people. The objective of the NIP's National Poverty Eradication Program is to reduce the proportion of persons below the poverty line by 50 percent over the next five years in targeted communities and to eradicate absolute poverty in the long-term. The program calls for phased implementation using a community-based, participatory approach. The NIP also calls for a Social Partnership to keep wage and income levels in line with productivity, seeking agreement between the public and private sectors, labor and NGOs.

B. USAID Strategy and Highlights of Results

USAID/Jamaica's overall goal is to assist Jamaica to achieve broad-based, sustained economic growth. This goal supports U.S. interests (see Section I.D) and contributes to the Agency's goals (see Section II). The Mission's program strategy for achieving that goal has focused on (1) increasing participation for economic growth; (2) improving environmental quality and natural resource protection; and (3) promoting smaller, better-educated families. In 1995, USAID/Jamaica and its partners made substantial progress toward achieving program objectives and expected results. Highlights of results achieved in 1995, by strategic objective (SO) are shown in the box, opposite.

A Summary of USAID Program Accomplishments in 1995

SO1: Increased Participation for Economic Growth

- Customs revenue for 1995 reflected a 17 percent increase over the projected US\$100 million -- a direct result of USAID-sponsored training conducted in more transparent merchandise valuation and classification.
- 1,000 enforcement actions by the USAID-supported Fair Trading Commission were resolved, including high visibility cases such as ticket pricing by an airline, and misdealing by a prominent car dealer.
- With USAID assistance, the GOJ privatized the national airline, Air Jamaica, a construction company, and a vinegar plant; the proceeds of \$40 million exceeded USAID's target by 110 percent.
- 283 staff from lending institutions were trained in best practices of microenterprise finance, thus strengthening sustainability of the lending agencies and ensuring best loan access for thousands of entrepreneurs.
- USAID assistance led to a 20 percent increase in apparel export earnings and new investment of \$1 million.
- Cocoa and smallholder coffee production totaled 6,524 tons, an increase of 35 percent over 1994.
- Under the USAID/USDA-sponsored preclearance, 21,600 tons of produce were handled by the facility, a 14 percent increase over last year.
- Exporters can now access global market information from the Internet, thanks to USAID assistance for a Jamaica web site -- several importers have already had international enquiries from the service.
- USAID-funded leak detection activities in the key tourism area of Negril resulted in an increase of 3.5 million gallons per day in water supply, enabling a lifting of the ban on construction of new hotel rooms.

SO2: Improved Environmental Quality and Natural Resource Protection

- With USAID assistance, a policy paper establishing a national protected areas system, ultimately to encompass 20 percent of the nation's land mass, was prepared and submitted to Cabinet for review and approval.
- Policies were developed for the siting of submarine pipelines and transmission lines, the siting of marinas and establishment of management controls, and the protection of coral reefs.
- USAID project assistance enabled the creation of Jamaica's first environmental protection area, Negril's 30,000 acre watershed, which will limit development in its fragile ecosystem.
- With USAID support, the Montego Bay Marine Park Trust, is to be delegated authority to manage the Montego Bay Marine Park -- the first NGO to be given such responsibility in Jamaica.
- 600 low-income homes' sewage disposal systems were assessed, and 20% upgraded, in the first year of a USAID's program in Montego Bay -- the first effort to address pollution caused by squatter settlements.

SO3: Smaller, Better-Educated Families

- In 1995, a USAID-funded policy booklet was used to convince government to provide GOJ finances to meet 60 percent of Jamaica's contraceptive needs -- a key step towards family planning program sustainability.
- A USAID management information system has given the Ministry of Education dynamic, up-to-date data on enrollment, attendance, facilities, teacher training and other information for resource allocation.
- 72 percent of all retail outlets now distribute condoms, up from 67 percent in 1993, and condom distribution in non-traditional outlets, such as bars and clubs, grew from 21 percent to 23 percent -- both with USAID support.
- 83 individuals from two new target groups -- pastors and work place supervisors -- received sensitization and counseling training on HIV/AIDS that will ensure a broader level of care and support for HIV/AIDS patients.
- In support of USAID's target of maintaining or improving health care for the poor, assessors are now working in several hospitals to determine patients' ability to pay fees; those who cannot pay are provided free services.
- The national HIV infection rate is 0.4 percent, and awareness of AIDS is universal, which indicates progress in limiting the spread of the disease.

C. Major Factors Affecting Program Performance

1. Cross-cutting factors

Several cross-cutting factors have the potential to affect program performance under each of the Mission's strategic objectives. With 52 percent of the GOJ's US\$2.5 billion budget going to debt servicing,

very limited economic resources are available to address the country's development problems, and bi-lateral donor activity is dwindling. Another serious obstacle to Jamaica's development is the *dearth of educated, skilled human resources*. In fact, the lack of trainable work force entrants has been cited as one of Jamaica's most critical impediments to economic growth, and although, of all the GOJ ministries, the education ministry will receive the highest proportion (11 percent) of Jamaica's FY 1996/97 budget, 95 percent of that allocation will go to teachers' salaries. That leaves little for systemic or targeted improvements in such areas as teacher skills, physical infrastructure, books and instructional materials, or curriculum development.

A third cross-cutting factor is the *weak institutional capacity of our NGO partners*. Consistent with the GOJ's policy of working through community-based, non-governmental organizations, the Mission is pursuing and developing partnerships with key NGOs under all SOs. While these organizations are dynamic leaders in their sectors and show great potential, many of them are nascent groups with little institutional capacity. As the Mission implements increasingly through NGOs, their ability to become organizationally and administratively efficient will have a great impact on the viability of USAID's program.

The GOJ's success in creating the environment and meeting the targets it has set out in its National Industrial Policy also will have a significant effect on the Mission's program performance across SOs.

2. SO1

Under SO1, activities supporting equitable economic growth are directly dependent on the GOJ's ability to maintain and advance the significant gains made toward economic reform under its Structural Adjustment Program. Although liberalization has benefitted the private sector, especially in exports, business confidence and investment are still inhibited by high interest rates; high inflation (25 percent in 1995); high taxes; excessive government regulation; low productivity; and scarcity of foreign exchange (in rank order according to a 1994 USAID business survey). In other countries which have pursued structural adjustment, four factors have consistently determined the presence or absence of equitable economic growth and increased participation by citizens in society: (1) the degree of certainty about government policies; (2) a legal and regulatory framework which fosters competition; (3) the state of physical infrastructure; and (4) the efficiency of financial and labor markets. Even when these factors are present, private investment (key to sustainable growth) recovery generally takes three to five

years. Certainty, predictability and private sector confidence are critical prerequisites to a favorable and enabling environment for long-term economic growth and poverty reduction in Jamaica.

Acknowledging the importance of fostering these essential elements of a stable economic environment, the GOJ recently has launched two initiatives designed to significantly increase the chances for improved and sustainable growth--the NIP and the Social Partnership. It is possible, following the sequential approach of measures outlined in the NIP, including investment packaging, and sustained cooperation of the GOJ, private sector and trade unions (outlined in the new Social Partnership), to achieve improvement in the economic growth rate, employment and other indicators used by strategic objective one. Critical assumptions over the R4 planning period to achieve growth are:

- GOJ commitment to policy reform towards a free market economy;
- Stable macroeconomic climate regarding fiscal (tax & spend), monetary (interest & inflation) and exchange rate policies;
- Reduction of bureaucracy and red-tape obstacles to investment;
- Efficient and stable banking sector;
- Adequate physical infrastructure;
- Legal and regulatory framework which fosters competition; and
- Stable labor markets.

3. SO2

Key prerequisites to progress under SO2 are the:

- Continuation of public policy to decentralize management of natural resources and urban services;
- Continuation of GOJ commitment to establish national systems of protected areas, including cabinet approval of the policy document, establishing the protected areas institutional framework;
- GOJ enabling of local revenue generating programs to directly finance urban services and natural resource management;
- GOJ adoption of appropriate legal framework for implementation of environmental impact assessment regulations;
- GOJ adoption of key environmental management policy reforms; and
- National Water Commission (NWC) commitment to community-based, self-financed water and sanitation services.

4. SO3

In the social sectors reflected in SO3, smaller, better-educated families, the key constraint has been inadequate GOJ expenditures given the fact that over 52 percent of the FY 96/97 budget will be devoted to debt servicing. The remaining 48 percent of budget cannot

adequately meet health, education and related program needs. In the education sector alone, 95 percent of expenditures are on salaries, leaving little for capital needs and procurement. Enrollment, attendance and literacy/numeracy standards have declined as a result, and an entire generation of young Jamaicans is at risk to a gamut of problems including in-school failure, unwanted pregnancy, AIDS/STDs, crime, violence and drugs. In regard to health sector reform, the GOJ with USAID assistance has been able to maintain a satisfactory standard of care for the poor during a period of austerity by successfully increasing use of private services by many other Jamaicans.

Contributing to Jamaica's societal ills are external problems that impact on families. With an extended period of stagnant economic growth and shrinking social programs, over one-third of the population lives below the poverty line. Poverty, mixed with increasing crime and violence, has had a detrimental affect on families. About 88 percent of all children are born out of wedlock in Jamaica, including 94 percent in the Kingston area. There has been an increase of single parent-headed households, including woman-headed households (45 percent), as well as sibling headed households. This has been exacerbated by migration, when one or both parents leave children behind to fend for themselves in Jamaica. Many children are forced to drop out of school and find casual, low-paying employment.

D. LAC Country Criteria

1. U.S. national interest

The U.S. has a strong interest in the economic and political well-being of Jamaica based on geographic proximity and significant trade and investment relations. Lying just 500 miles south of Miami, Jamaica's economy is highly dependent on imports, and more than one-half of its merchandise imports are from the U.S., a proportion that grows steadily. Also, the U.S. has significant investment in Jamaica. About 50 percent of the \$1 billion of American investment is in alumina/bauxite operations, with the balance predominantly in tourism and light manufacturing. The U.S. consistently runs a positive balance of payment with Jamaica, which for merchandise trade translates into one dollar of American exports for every sixty cents of U.S. imports from the country. By assisting Jamaica in its development and maintenance of a strong, stable Jamaican economy, the U.S. Government protects existing U.S. investments and markets in Jamaica and fosters opportunities for expanding the already strong Jamaican market for U.S. goods and services.

The U.S. interest in promoting a solid Jamaican economy and society is also based on shared regional security concerns (demonstrated by Jamaica's support for U.S. initiatives in Haiti and the leadership role that it played in deployment of peacekeeping troops and police to Haiti and in rallying other Caribbean nation support for Bertrand Aristide's return); ties through immigration (with 250,000 Jamaicans--a number equal to 10 percent of Jamaica's domestic population--becoming U.S. permanent residents between 1990 and 1995); and a common commitment to democracy. During a visit with Central American leaders in February 1996, Secretary of State Warren Christopher announced that President Clinton will include in his FY

1997 budget request a key proposal to strengthen U.S.-Caribbean basin economic relations. Coming on the heels of Cuba shooting down two unarmed civilian planes, the announcement underscores the compelling U.S. national and security interest in maintaining strong economic links with the Caribbean region. Looking ahead, Jamaica could play a pivotal role when political and economic events ultimately bring an end to Fidel Castro's government in Cuba. Jamaica's historically close ties with Cuba may put its leaders in the position of facilitating a peaceful transition to democracy.

2. Potential for economic/political instability

While Jamaica has made clear progress in implementing structural reforms that restore conditions for growth within the context of the global economy, the country stands now at a critical economic and political turning point. Its structural adjustment program has ended, with the ground having been laid for Jamaica to support a positive growth process. However, remaining obstacles to further progress include persisting elements of instability in the macroeconomic environment, characterized by problems in the financial system, the trade balance and the cycle of devaluation, inflation and inflationary expectations. At this critical juncture, Jamaica will be making, for the first time in 14 years, key macroeconomic decisions independent from the guidelines of International Monetary Fund (IMF) conditionality. The future of Jamaica's economic development will be determined by the tenor of those key policy decisions which the GOJ will make over the next few years.

National elections are scheduled for 1997, with a new third party entering the race. While Jamaica boasts a long tradition of democracy, it also must lay claim to a legacy of election-related violence and strong-arm politics. With charges of electoral fraud a recurring issue, the independent Electoral Advisory Committee is currently overseeing the controversial computerization of the registration and voting process. The degree of transparency, fairness and non-violence with which the upcoming election takes place will ultimately have a long-term impact on growth and economic and social stability.

3. Commitment to democracy and market principles

Jamaica has a strong democratic tradition, with two dominant political parties that have exchanged leadership regularly since 1947. Party affiliation is so strong, however, that "garrison" politics has led to violence and unrest, particularly during election periods. In the 1980 election, it is estimated that 500 people were killed in a months-long electoral campaign. Subsequent elections have been increasingly less violent, but instances of fraud and other irregularities still occur and are the source of constant debate. Both major parties support the concept of electronic registration and voting, and a recently formed National Democratic Movement, is interested in more comprehensive and less costly electoral reforms. Diverse elements of civil society are increasingly publicizing information and opinions about diverse policy options and their implications for various social groups. They are creating and strengthening institutions focusing on equity, poverty reduction, justice and the environment.

Jamaica's commitment to market principles is clearly demonstrated by their adherence over the last 13 years to a rigorous structural adjustment program which successfully reduced tariffs, and eliminated quantity restrictions, price controls and food subsidies. While the economic reform process has been difficult, it has laid the foundation for a fully open, market-driven economy, supported by democratic institutions.

4. NGO Role and Viability

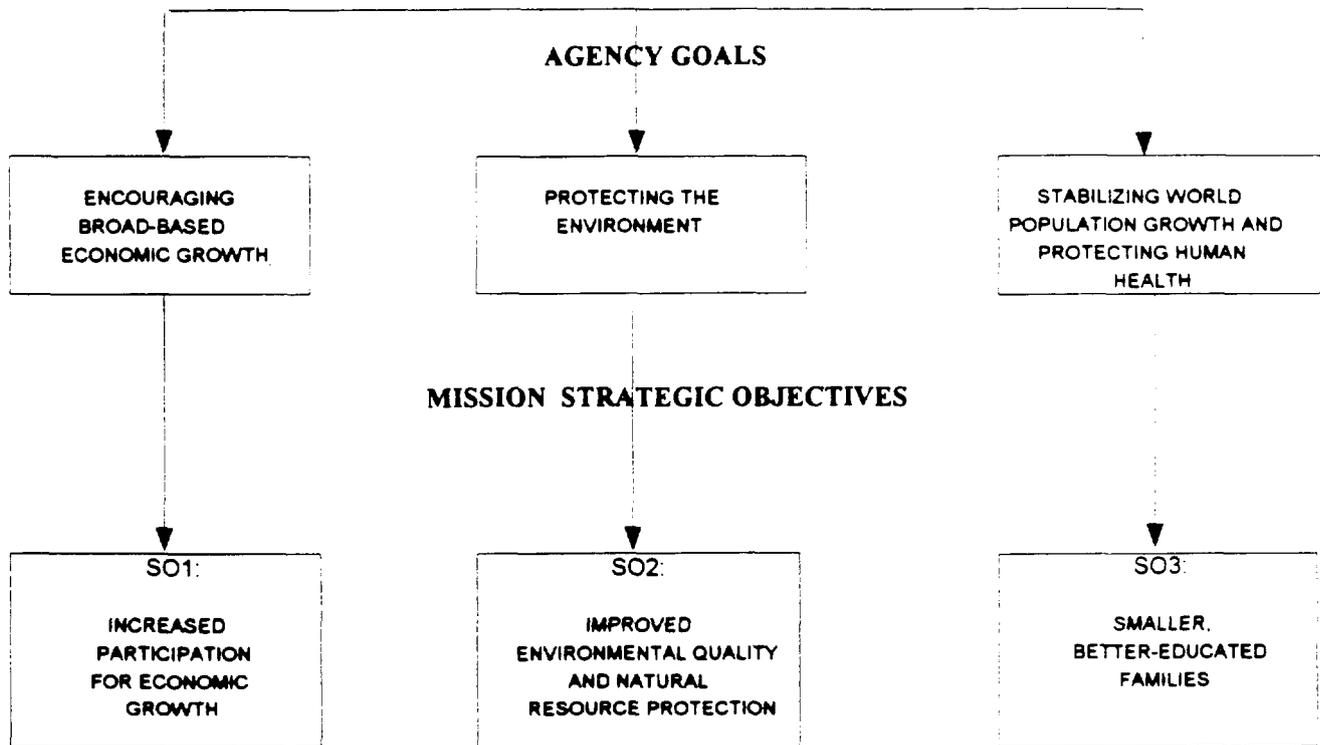
With over more than 300 GOJ-registered NGOs and over 3,000 community-based organizations (CBOs) in existence, Jamaica's NGOs are emerging as key development partners in all sectors. Their leadership and participation will be critical to the sustainability of ongoing development efforts. Recognizing the growing importance of NGOs, and as part of the Prime Minister's poverty eradication program initiated last year, the GOJ has adopted a policy of devolving responsibility (and in some cases, authority) for program implementation to community-based organizations.

While many of the local NGOs are highly motivated, show great potential, and share a commitment to USAID's strategic objectives, the institutional capacities of most are weak. To help promote these groups to the point where they will have functioning financial and management systems in place, USAID/Jamaica is providing critical institutional strengthening assistance. Within the next R4 period, the Mission expects several key NGOs to become USAID-certified partners and to assume significant implementation responsibilities.

5. Country Need for Resources

Jamaica is in a time of critical transition. It is committed to drawing down its official debt, and has made progress in doing so over the past few years. At the same time, with 52 percent of the GOJ's expenditures being directed to debt service in its current fiscal year, Jamaica is under extreme pressure to accelerate growth. To do so will require continued support for export enterprises, new investment and opportunities for poor Jamaicans. Reversing the downward trend in basic education standards, plus a new commitment to technology skills training, is a prerequisite. Accelerated growth will also place a greater strain on natural resources. USAID's strategy of focusing on key remaining challenges is intended to assist Jamaica's transition during this uncertain, but hopeful, period. It also builds upon USAID's large historical investment in Jamaica since 1962. The Mission has also made donor coordination and collaboration a major objective in designing and implementing its program over the years to come.

USAID/JAMAICA STRATEGIC FRAMEWORK *



INTERMEDIATE RESULTS

- 1.1 Broader, more efficient markets
- 1.2 Improved production of exports
- 1.3 Increased economic opportunities for low-income families
- 1.4 Improved services for the tourism sector
- 1.5 Trained personnel for a modernized economy

- 2.1 Improved management of environmentally threatened growth areas
- 2.2 Increased conservation of natural habitats
- 2.3 Improved public and private capacity for sustainable resource use

- 3.1 Strengthened health services through improved financial management and privatization
- 3.2 Increased effectiveness of family planning services
- 3.3 Improved STD/HIV prevention services
- 3.4 Improved services for out-of-school and disadvantaged youths

* This is the strategic framework approved in the Mission's FY 96/97 Action Plan.
 A revised framework is proposed in the Mission's Strategy Plan for the FY 1997-2001 period.

II. Progress Toward Achieving Strategic Objectives

In 1995, significant progress was made toward achieving the Mission's three strategic objectives. The following sections highlight advances made in terms of baselines and targets. (Where Agency Objectives and Agency Indicators contribute to or parallel the Mission's objectives, intermediate results or indicators, they are noted in italics--"AO" for Agency Objective and "AI" for Agency indicator).

A. SO 1: Increased Participation for Economic Growth

Jamaica's failure to grow is linked to its inability to integrate most of its citizens into productive, foreign exchange-earning activity. Accordingly, USAID's first strategic objective focuses on generating economic growth with equity. Activities carried out in support of this strategic objective generated significant results in 1995 toward achieving broader, more efficient markets and increased opportunities through privatization, enhanced export production and improved services to tourism. Intermediate results and activities pursued under this SO directly support the Agency Goal of broad-based economic growth and the LAC objectives of environmentally sound and equitable free trade in the hemisphere and reducing constraints to access to key factor markets for small business.

1. Summary and analysis of data

a. Progress toward SO 1

While Jamaica's overall economic growth was sluggish in 1995, significant growth was recorded in the apparel and tourism industries, and in other areas of non-traditional exports such as fresh produce, processed foods and ethnic products. Foreign exchange earnings in USAID-targeted key non-agricultural areas, including the garment industry, information processing and tourism (all of which provide significant employment opportunities, particularly for women) totaled over \$1.5 billion, an increase of 7 percent over 1994 earnings. Employment opportunities (i.e., jobs) in these areas increased by 2.6 percent. Earnings from USAID-assisted agricultural exports, including yam, cocoa and small-holder coffee, reached nearly \$25 million.

b. Intermediate results

i. Broader, more efficient markets (*AO 1.1 Strengthened markets*)

All performance targets in support of broader, more efficient markets were surpassed for the 1995 reporting period:

- the value of revenue collected by the Jamaican customs department exceeded the planned collections of US\$100 million by 17 percent; the increase in revenue is attributable to USAID-funded training which targeted more efficient, fair revenue collection procedures

Tools for Effective Fiscal Policy Management

USAID and the United Nations Development Program (UNDP) support for a Fiscal Policy Management Unit (FPMU) at the Ministry of Finance has given the GOJ improved budget forecasting and planning capabilities. With its new systems and expertise, the GOJ can now prepare a three-year rolling budget based on more accurate revenue forecasting. Additionally, a cash management system has been developed that forms the basis of Government's weekly cash management meetings. The FPMU has contributed to a greater awareness within the Ministry of appropriate fiscal policy strategies and the imperative of better coordination for implementing these strategies. The FPMU has helped to coordinate and/or played a key role in developing a debt strategy, wage policy and ministerial financial programs. It has also analyzed the consumer price index, created a real exchange rate export competitiveness model, has adopted the Barber Model for financial programming and is planning to use the World Bank's RMSM-X forecasting model. Through donor support, the FPMU has taken center stage in government financial planning.

and resulted in an increase in the number of dutiable consumer goods ;

- with approximately 1,000 trade practice disputes being resolved by the Fair Trading Commission (FTC) during the reporting period, total enforcement actions exceeded USAID targets by 230%; the public response to the new services offered by the FTC continues to be enthusiastic; and

- privatization of the national airline, a construction company and a vinegar plant has brought the total value of GOJ entities divested in 1995 to US\$40 million, exceeding USAID's target of 21 million by 110%; negotiations also advanced for the privatization of the railway and a domestic airline, portending strong results for 1996.

ii. Improved production of exports (*AI 1.1.2 Export growth rate*)

USAID continued to play a strong role in supporting foreign exchange-earning exports and exceeded most of its performance targets:

- assistance to 52 firms (surpassing the targeted 45 by 15 percent) in the garment industry contributed to an increase of export revenue by 20% and new investment in the industry worth US\$1 million;

- with USAID assistance, the coffee crop rebounded from two years of sluggish production, with 1,838 tons of coffee, valued at over US\$4.9 million, being produced for export by the non-Blue Mountain coffee cooperatives; using these revenues, the cooperatives have been able to pay off an operations debt owed to the Coffee Industry Board; cocoa production for 1995 stood at 4,736 tons, making the combined production for cocoa and small-holder coffee 6,574 tons, exceeding the target of 4,500 tons by 32 percent;

- the USAID-USDA sponsored preclearance program precleared 21,600 tons of produce for export to the U.S., representing a 14 percent increase over last year's volume; the Jamaica Exporters' Association (JEA) and the Ministry of Agriculture made important gains, including introduction of a user fee, toward ensuring program sustainability; and

Dasheen Farmers Boost Income and Exports

The 36 small farmers who make up the Western Export Farmers and Producers Association, WEXFARM, had been producing dasheen (taro, a root crop) for the local Jamaican market for many years, when their interest in producing for export was piqued by periodic inquiries from export buyers venturing into their fields. In 1994, a small contingent of the farmers attended an export seminar sponsored by the Jamaica Exporters' Association. At the seminar they attended a presentation given by USAID's Agricultural Export Services Project (AESP) and, after carrying back the information they had gathered from the seminar to their coop members, decided to apply for AESP assistance. With AESP support, the farmers, located in two of Jamaica's poorest parishes, began using the high-density mini-set technology which uses cut-up pieces of culled dasheen as planting material rather than suckers. This technology produces a more uniformly-shaped and sized dasheen--perfect for the demands of the export market. In the first months of the project, the farmers' plantings for export have increased from close to zero to 40 acres, and projected annual sales will approach US\$250,000. The farmers credit AESP with helping them to access the necessary inputs; to obtain assistance in preparing planting and reaping schedules; and to receive training in cooperative and business development. Looking toward the future, the coop has established a revolving fund that will enable them to expand and diversify their activities, including marketing services which a large number of non-members have already begun using and paying for.

- assistance to small farmers contributed to yam exports of over 10,600 tons in 1995, surpassing the targeted volume.

iii. Increased economic opportunities for low-income families (*AO 1.2 Expanded access and opportunity for the poor*)

USAID continued to target program benefits on low-income households during the R4 period:

- the Microenterprise Development Project (MDP) assisted 3,377 (84 percent of a targeted 4,000) small businesses and microenterprises through training or credit assistance; while the number of firms assisted fell slightly below the target reflecting a slow down in the banking sector and slow start-up of two new implementing agencies, they represent an improvement over last years figures due to the expansion of credit services through the national postal windows network; 1996 figures are expected to be significantly higher as postal window service is further expanded through new agencies;

- a 1994 study concluded that 33% of job growth in the downtown Kingston area was a result of USAID's support under the Inner Kingston Development project; 69 percent of the jobs created were new jobs for Jamaica; with the project creating 21,310 jobs as of 1995, the job growth rate (3.2 percent per year) for the project-assisted area is substantially higher than for Jamaica overall (0.6 percent); and

Accessing the Worldwide Marketplace

As a result of USAID's Small Business Export Development (SBED) activity, the Jamaica Exporters' Association (JEA) is now providing marketing information through the Internet and Worldwide Web. This service now affords over 260 members the opportunity to scan large data bases of marketing information and discuss very inexpensively, export business possibilities within excess of 80 virtual customers. This market information service has assisted the JEA/SBED clients and others in using the Internet more efficiently to enhance their exports. Through the Web pages some members are already receiving enquiries/responses about their products. Although it may appear to be too early to address this success in its entirety, it is envisaged that these kinds of enquiries will increase as more and more people and businesses become more familiar with this phenomenon. The next stage of development of the management information system (MIS) will include an interactive software program where buyers and sellers can list their respective products on a merchandising bulletin board.

- under its agricultural projects, the Mission exceed its target for farmers adopting improved export crop technology by 13%.

iv. Improved services for the tourism sector

Tourism, Jamaica's primary foreign exchange earner, is critical to Jamaica's economy, and has cross-cutting impact on the environment and social development. It provides an important source of employment for micro and small entrepreneurs, both men and women. In support of tourism:

- USAID-funded activities enabled an increase of 3.5 million gallons per day in water supply to the key tourism area of Negril; this achievement removes a key constraint to expansion of the tourism industry, as well as helping to meet local demand;

- Jamaica's two national parks, established with USAID support, attracted an estimated 60,000 visitors; and

- construction improvements to the Ocho Rios Pier, made possible with a Japan/OECF loan and USAID technical assistance, were completed during this period; the pier, which receives 80% of all cruise ship tourists to Jamaica, will accommodate state-of-the-art megaliners and will allow the efficient delivery of services to tourists disembarking at the port; and

- the Interamerican Development Bank and the European Union joined with USAID and Japan/OECF to complete the financing package for the North Coast highway; this additional \$22 million will enable construction of a 55 mph road linking Negril, Montego Bay, Ocho Rios and Port Antonio--a major contribution to sustainable tourism growth.

Postal Banking for the Poor

Workers Bank is one of the larger banks in Jamaica with 17 branches and sub-branches located in 11 of the island's 14 parishes. A unique feature of the bank is its savings scheme which serves over 90,000, mostly poor clients saving through a network of 254 post offices throughout the island.

Workers Bank approached USAID in February 1994 for assistance in developing a microenterprise credit program utilizing its post office windows. The first post office branch was opened in Western District in Kingston in September 1995 to provide loans and general banking facilities.

Working through the Microenterprise Development Project, USAID provided support to the bank in setting up a computerized management information system for monitoring their loan portfolio as well as in developing an operations manual for their lending program. Computer equipment was purchased and installed at Western District and the Micro Banker management information system, which was developed by the United Nation's Food and Agriculture Organization (FAO) for use by small rural banks, was customized for Workers Bank's post office lending operations. Staff were trained in the use and maintenance of the program.

The bank has reported a 71% growth in new savers since the facility was upgraded last September, as well as dramatic improvements in the day-to-day monitoring of operations at Western District. They intend to use the nation-wide postal network to manage all postal banking operations in the future.

v. Trained personnel for a modernized economy

USAID provides training to enhance the ability of Jamaicans to assume productive roles in the economy. This training focuses on upgrading the management skills of mid-level professionals (identified as a critical gap in Jamaica's human resource base) and on providing opportunities for disadvantaged men and women to join the productive sector. During 1995:

- 43 professionals (22 women and 21 men) out of a targeted 40 completed training in both short term executive programs and the Executive MBA program at the USAID-supported Institute of Business at the University of the West Indies; these individuals are now playing a dynamic role in contributing to the economic development of the country;

and

- 60 CLASP participants, including 40 long-term participants, and 20 short-term participants, most of them from financially disadvantaged families, completed their educational/training programs in areas supportive of USAID strategic objectives.

"Best Practices" Of Microfinance

The Microenterprise Development Project spearheaded the development of the Micro and Small Enterprise Training Program for financial institutions which was based on a training needs assessment conducted among micro and small enterprise lending institutions in December 1993. Developed in conjunction with lending institutions and other donors, the program is aimed at strengthening the capacity of lending organizations to service micro and small enterprises on a sustainable basis. The training program targets senior and middle management, loan officers and board members of lending institutions, as well as donors. A technical assistance component forms part of the training program and provides for assistance to institutions in expanding their lending programs.

The training program began in September 1994 as a one-year pilot program. Up to the end of September 1995, 238 persons from credit unions, NGOs, and commercial banks were trained in the "best practices" of microfinance. Five courses were offered covering management information systems, micro and small enterprise finance, financial planning and management and safety and soundness of lending organizations.

The program is housed in the Entrepreneurial Extension Centre of the University of Technology in Kingston which hired two trainers to be trained to present the courses at the end of the pilot phase. The training program has been so successful that it has now been incorporated into the University's curriculum. Since the start of 1996, participants have attended from NGOs and credit unions from eight islands in the Eastern Caribbean.

c. Customer focus

With approximately one-third of the Jamaican population at or below the poverty line, strategic objective 1 targets underprivileged, low-income groups for assistance. Included in these groups are small and micro enterprises, small farmers, and labor-intensive industries employing a majority of women. Other SO 1 activities focus on policy reform in areas such as privatization, customs and fiscal management which will benefit a large portion of the working class population. Both the Hillside Agriculture Project and the Microenterprise Development Project have gender-disaggregated indicator targets to ensure that women receive an equitable share of the benefits which accrue to project participants.

SO 1 has undertaken several surveys and studies to solicit customer input and ensure that activities developed and implemented in support of this strategic objective are consistent with the priorities and responsive to the needs of the Mission's customers. These include the "Jamaica Free Trade Survey" on hemispheric free trade and economic growth; the "Privatization Impact Assessment Study" which examined displaced worker needs for training; the "Private Sector of Jamaica Business Behavior Survey" on constraints to growth

Sustaining Downtown Redevelopment

Inner Kingston is an investment bellwether for Jamaica, affected negatively by the deteriorated buildings, poverty and outbreaks of violence, positively by new developments such as major building renovations, poverty alleviation and anti-violence efforts. Through the Inner Kingston Development project, ending after ten years, USAID and the Kingston Restoration Company (KRC) have been able to ensure that almost all the news coming from the old downtown is positive. The project was designed to improve physical and social conditions in the downtown in order to promote investment. The area is now the site of renovated buildings, new buildings, new jobs and effective social programs for the thousands of marginalized residents. KRC now has a business plan in place, and with the turnover of five properties in 1995, looks to be financially sustainable for at least several years to continue its central development role downtown. Project efforts also led to the creation of over 600 jobs in the past year, and over \$5 million in new investment. Last year, the Jamaica Stock Exchange moved to Inner Kingston, as did a number of commercial and government offices. The Downtown Management District -- formed with USAID assistance -- became a formal, self-financed organization in 1995. It manages street sanitation and will begin collecting garbage with trucks and trailers donated from excess U.S. military supplies from Guantanamo Bay. Other donors have joined in this effort, including the British ODA, Canada's CIDA, the Netherlands, and UNDP. KRC's primary organizational role in the area community policing program has received national recognition for its positive effect on bridging the wide gap between community residents and the police and is praised as the most successful program of its type in Jamaica. USAID completes its ten-year program with a shared sense of pride, and will continue to promote KRC as a successful model for the social and economic revitalization of blighted urban areas.

and accession to NAFTA/WTO; and a study on constraints and opportunities that characterize the economic growth prospects for Jamaica over the next 5 years. To complement the knowledge gained through these studies, the Mission's customer needs survey solicited input from such SOI partners as the Ministry of Finance, the Kingston Restoration Company and the Workers' Bank, as well as from such end-users as small farmers and members of the Jamaica Exporters' Association.

d. Participation of other donors

USAID, the World Bank and the Inter-American Development Bank (IDB) have complementary activities in support of the GOJ's privatization and customs reform programs. Also, donor coordination has been strong between the Government of the Netherlands, the European Union, the IDB, IMF, the German development agency (GTZ), the Canadian International Development Agency, and USAID in efforts to develop the microenterprise sector. USAID and the United Nations Development Program co-financed technical assistance for a new division in the Ministry Finance, the Fiscal Policy Management Unit (FPMU), which provides institutional strengthening to improve the analysis, formulation, implementation and monitoring of fiscal policy. Under the North Coast Development Project, USAID/Jamaica and the OECF/Japan are co-financing five

major infrastructure sub-projects to increase investment in the tourism industry, an effort which complements other tourism infrastructure activities of the IDB and the European Union (EU).

In addition, USAID is a core member of donor working groups on productivity (chaired by USAID), poverty reduction, education, microenterprise development, and infrastructure. These donor working groups offer a unique forum for the discussion of development issues, including such cross-cutting issues as gender, and for the development of rational programs within realistic constraints.

e. Gender

Activities under SO 1 support female participation. The labor-intensive industries that USAID/Jamaica supports for export earnings, i.e., apparel, food processing, light manufacturing, and information services, tend to employ 60 - 70 percent women in their labor force. Under the Microenterprise Development Project, criteria for lending are sensitive to the constraints which frequently prevent women from being eligible for loans. Reduced requirements for collateral and small, rather than large, loan amounts make it possible for more women to secure loans to support their microenterprise efforts. To monitor participation by both men and women in USAID development activities, indicators for jobs created, microenterprises assisted, and persons trained for the productive sector are disaggregated by gender.

2. Expected progress in FY 1997 and FY 1998

The Mission's new five-year strategy plan proposes an SO 1 results framework with four intermediate results and eighteen performance indicators. This is in marked contrast to the FY 1993 Action Plan which contained 38 performance and program indicators, illustrating the Mission's desire to focus its priorities based on future developmental and economic realities. The new SO 1 results framework will retain some key indicators, with results by the end of FY1998 expected as follows:

- o foreign exchange earnings of US\$2.2 billion;
- o employment in assisted areas of 146,000 males and 192,000 females;
- o aggregate value of divestment proceeds of \$522 million;
- o 50,000 small farmers adopting improved crop technology; and
- o 6,000 microenterprise firms assisted (3,500 of which will be woman-owned).

For upcoming activities whose indicator targets have not yet been established, the Mission will refer to the GOJ's industrial policy and social pact initiatives which are designed to achieve a reduction of poverty, an increase in GDP growth rate, an increase in the number of people trained for the productive sector, improved physical infrastructure, a number of trade reforms enacted relating to the FTAA, and a significant increase in private domestic and foreign investment.

3. Summit of the Americas

USAID activities under SO 1 support the initiatives promoted by the Summit of the Americas conference. *Invigorating society/community participation* is an integral component of USAID's approach to development. With USAID support, the Kingston Restoration Company continues to revitalize the inner city, providing leadership in mobilizing community participation and promoting local empowerment. Primary school principals and community leaders trained in promoting school-community cooperation have led successful drives to mobilize local resources for school needs. *Free trade in the Americas* has been enhanced through the USAID/USDA-sponsored preclearance program which facilitated Jamaica's export of 21,600 tons of agricultural produce to the U.S. in 1995; and provision of technical assistance by U.S. Customs to the Jamaican Customs Service on streamlining operations. *Capital markets development and liberalization* has been furthered by USAID assistance in drafting pro-competition and securities exchange legislation to ensure open competition and transparency in financial markets and by USAID's continued support to the Jamaica Fair Trade Commission. The Mission's Microenterprise Development Project *encourages microenterprise and small businesses* by increasing their access to financial services. *Tourism development* has been supported through activities that are improving key access roads and the expansion of cruise ship facilities in Ocho Rios. Also with USAID assistance, water supply in key tourism destinations has been greatly enhanced and a national park system which attracted 60,000 visitors in 1995 is continuing to be strengthened. Microentrepreneurs in tourism areas have received training to assist with the financial management of their businesses.

JAMAICA

STRATEGIC OBJECTIVE NO. 1

Increased Participation For Economic Growth

PERFORMANCE INDICATORS

1. Foreign exchange earnings in priority non-agricultural areas
2. Foreign exchange earnings of selected agricultural exports
3. Employment in Assisted Areas

INTERMEDIATE RESULTS

1.1: Broader, more efficient markets	1.2: Improved production of exports	1.3: Increased economic opportunities for low-income families	1.4: Improved services for the tourism sector	1.5: Trained personnel for a modernized economy
INDICATORS	INDICATORS	INDICATORS	INDICATORS	INDICATORS
<p>1.1.1: Improved customs revenue collection</p> <p>1.1.2: Adoption of pro-competition legislation and establishment of Fair Trading Commission</p> <p>1.1.3: Privatized government enterprises</p>	<p>1.2.1: Better in-plant technology adopted by export industries</p> <p>1.2.2: Smallholder banana Exports</p> <p>1.2.3: Cocoa and smallholder coffee production</p> <p>1.2.4: Yam exports</p> <p>1.2.5: Produce handled by export marketing facilities for the U.S. market</p>	<p>1.3.1: Assisted small and microenterprise firms</p> <p>1.3.2: Jobs created in Inner Kingston</p> <p>1.3.3: Improved export crop technology adopted by farmers</p>	<p>1.4.1: Improved north coast roads</p> <p>1.4.2: National park visitors (foreign)</p> <p>1.4.3: Increased water supply in Negril</p>	<p>1.5.1: Executive MBA's graduated by UWI</p> <p>1.5.2: People trained for the productive sector</p>

TABLE 1: STRATEGIC OBJECTIVE PERFORMANCE

Jamaica				
STRATEGIC OBJECTIVE NO.1: Increased Participation for Equitable Economic Growth				
Indicator 1: Foreign exchange earnings in priority non-agricultural areas				
Unit: US\$ Millions		Year	Planned	Actual
Source: JAMPRO, EDIP project record, PIOJ	Baseline	1990	-----	1,023
<p>Comments: The 1995 figures were obtained from the Jamaica Tourist Board (\$960 million), Caribbean Textile and Apparel Institute (\$520 million) and the Information Processing Association of Businesses (\$47 million). After a year of no growth in 1994, due to a slow period of tourism, earnings grew 7% in 1995.</p>		1992	1,086	1,260
		1993	1,360	1,429
		1994	1,520	1,428
		1995	1,680	1,527
		1996	1,850	
		1997	2,010	
		1998	2,180	
		Target	1998	2,180

Indicator 2: Foreign exchange earnings of selected agricultural exports				
Unit: US\$ Thousands		Year	Planned	Actual
Source: PIOJ-Economic and Social Survey, Commodity/Industry Boards, Hillside Agriculture project records	Baseline	1990	-----	20,000
Comments: Despite demand, production has not met export expectations. Selected exports are yams, cocoa and small holder coffee. Bananas were removed from this indicator last year at the completion of USAID assistance for this commodity. Planned and actual year figures have been adjusted accordingly.		1992	23,800	27,800
		1993	26,180	24,787
		1994	28,800	24,581
		1995	31,700	24,916
		1996	34,900	
		1997	38,400	
	Target	1998	42,250	

Indicator 3: Employment in Assisted Areas				
Unit: Number of Jobs a) Males b) Females		Year	Planned	Actual
Source: STATIN Report for Small Businesses, JAMPRO, PIOJ-Economic and Social Survey	Baseline	1991	-----	(a) 104,000 (b) 129,000
Comments: Data is for employment in apparel, information processing, microenterprise and tourism sectors. 1993 targets assumptions for employment growth rates were 10%, 20%, 3% and 10% respectively but growth rates did not materialize as expected across the board. In 1994, a year characterized by high inflation and overall slow economic growth of 1.2%, (which may be associated with increases in over-time and a reduction in part-time work) investment and related job creation did not meet expectations, nor did it in 1995 with a real GDP growth rate of 0.5%.		1992	(a) 108,000 (b) 136,000	(a) 104,250 (b) 130,850
		1993	(a) 114,000 (b) 145,000	(a) 105,000 (b) 135,000
		1994	(a) 119,000 (b) 154,000	(a) 106,450 (b) 145,000
		1995	(a) 125,000 (b) 164,000	(a) 109,200 (b) 148,800
		1996	(a) 132,000 (b) 175,000	
		1997	(a) 139,000 (b) 187,000	
	Target	1998	(a) 146,000 (b) 192,000	

STRATEGIC OBJECTIVES NO 1: Increased Participation for Economic Growth				
INTERMEDIATE RESULT NO. 1.1: Broader, more efficient markets				
Indicator 1.1.1: Improved customs revenue collection				
Unit: Value of import duties collected (J\$ million)		Year	Planned	Actual
Source: Jamaica Customs Department; Bank of Jamaica	Baseline	1993	----	2,632
Comments: The Mission signed an MOU with the Jamaica Customs Department in 1993 to implement a two-year program to improve customs administration and simultaneously enhance government revenues. Technical assistance was provided through a PASA with the US Customs Department. Actual 1995 figures exceeded planned by 17% as a result of improved administration and increase in the number of imported consumer goods.		1994	3,500	4,325
		1995	4,075	4,761
		1996	4,742	
		1997	5,595	
	Target	1998	6,715	
Indicator 1.1.2: Adoption of pro-competition legislation and establishment of Fair Trading Commission				
Unit: Number of disputes resolved		Year	Planned	Actual
Source: Ministry of Finance	Baseline	1992	-----	
Comments: Fair Trade Legislation was passed in March 1993. The Mission has provided funds for the establishment of the Fair Trade Commission and is currently providing technical assistance by means of PASAs with the U.S. Federal Trade Commission and Department of Justice. Progress benchmarks established based on the number of disputes resolved. The actual exceeded planned due to continued excellent public response to FTC's new services.		1993		Legislation passed and FTC established
		1994	200	416
		1995	300	1,000
		1996	400	
		1997	400	
	Target	1998	400	

Indicator 1.1.3: Privatized government enterprises				
Unit: Value of divestment proceeds (US\$)	Year	Planned	Actual	
Source: National Investment Bank of Jamaica Comment: The actual value of privatization in 1995 was higher than planned due to the laudable achievement of the GOJ in divesting the national airline - Air Jamaica , a construction company, and a vinegar plant.	Baseline	1990	-----	6.4 million
		1992	-----	21.5 million
		1993	12 million	15.5 million
		1994	17 million	65.5 million
		1995	21 million	40.0 million
		1996	24 million	
		1997	24 million	
	Target	1998	24 million	

STRATEGIC OBJECTIVE NO. 1 Increased Participation for Economic Growth				
INTERMEDIATE RESULT NO. 1.2: Improved production of exports				
Indicator 1.2.1: Better in-plant technology adopted by export industries				
Unit: Number of firms		Year	Planned	Actual
Source: JAMPRO, JEA		1990	-----	
Comments: Mission supports garment industry training and modernization of data processing entry practices outside of free trade zones. In FY 94, the Small Business Export Development Cooperative Agreement was signed with the Jamaica Exporters Association to provide direct assistance to firms in the above mentioned sectors as well as non-traditional agricultural products and light manufacturing.		1992		
	Baseline	1993	30	27
		1994	35	42
		1995	45	52
		1996	35	
	Target	1997	30	

Indicator 1.2.2: Cocoa and smallholder coffee production				
Unit: Tons		Year	Planned	Actual
Source: PIOJ-Social and Economic Survey, Cocoa Industry Board	Baseline	1991	----	3,041
Comments: USAID targets smallholder coffee production as well as cocoa which is mainly produced by small farmers. Cocoa production increased in 1994; however, coffee production was down due to a second year of drought and to a leaf miner infestation. * This figure is an estimate - actual number is not yet available.		1992	3,100	3,955
		1993	3,700	3,664
		1994	4,100	4,825
		1995	4,500	5,000 *
		1996	5,000	
		1997	5,500	
	Target	1998	6,000	
Indicator 1.2.3: Yam exports				
Unit: Metric Tons		Year	Planned	Actual
Source: PIOJ-Social and Economic Survey, Ministry of Agriculture	Baseline	1990	-----	8,286
Comments: Demand for Jamaican yams continues to be strong in the US and Europe. However, production increases have been absorbed by the local market.		1992	9,100	10,481
		1993	9,600	11,352
		1994	10,000	10,598
		1995	10,600	10,620
		1996	11,100	
		1997	11,600	
	Target	1998	12,000	

Indicator 1.2.4: Volume of produce handled by export marketing facilities for the U.S. market				
Unit: Metric tons		Year	Planned	Actual
Source: Ministry of Agriculture	Baseline	1990	-----	-----
Comments: Projected growth rate of 25% in 1993, 20% in 1994 and 15% thereafter. The 20% increase (over 1993 levels) in "actual" exports was not achieved in 1994 due to delays in repairs to the preclearance facilities in Kingston and Montego Bay and to the widespread outbreak of Papaya Ring Spot virus. These figures reflect all produce which is handled by the export market facilities in Montego Bay and Kingston -- not the volume of produce that is precleared.		1992	-----	11,959
		1993	14,949	18,019
		1994	17,939	19,000
		1995	20,130	26,000
		1996	23,725	
		1997	27,289	
	Target	1998	31,377	

STRATEGIC OBJECTIVE NO 1. Increased Participation for Economic Growth				
INTERMEDIATE RESULT NO. 1.3: Increased economic opportunities for low-income families				
Indicator 1.3.1: Number of assisted small and microenterprise firms				
Unit: Number a)Male b)Female		Year	Planned	Actual
Source: STATIN report on Census of Small Business, project files	Baseline	1993	(a) 1,600 (b) 2,400	(a) 2,150 (b) 2,938
Comments: The numbers refer to small businesses and microenterprises receiving training and credit assistance. The decline in 1994 over 1993 is due in part to delays in initiating two new cooperative agreements under the Microenterprise Development Project and a slow start for the Jamaica Exporters' Association small business program. 1995 figures improve due to expansion of credit services through postal windows. 1996 figures will be significantly higher due to further expansion.		1994	(a) 1,600 (b) 2,400	(a) 1,288 (b) 1,658
		1995	(a) 1,600 (b) 2,400	(a) 1,452 (b) 1,925
		1996	(a) 2,000 (b) 3,000	
	Target	1997	(a) 2,200 (b) 3,300	

Indicator 1.3.2 : Number of jobs created in Inner Kingston				
Unit: Number of Jobs		Year	Planned	Actual
Source: Kingston Restoration Company	Baseline	1987	-----	15,903
		1990		18,234
<p>Comments: Baseline update studies completed by Urban Institute in 1991 and 1994 are the source of the present data. Growth assumptions are 5% annually and 6% starting in 1996. KRC directly accounted for 33% of job growth in Inner Kingston over the 1987-90 period. 69% of these jobs were new for Jamaica. Job growth rate (4.5% per year) in the project-assisted areas was substantially greater than in the metro area (2.5% per year) and in Jamaica as a whole (2.4% per year) in the 1987-90 period. For the period 1990-94 project area job growth rate (3.2% per year) was substantially higher than in Jamaica overall (0.6% per year).</p>		1992	19,145	NA
		1993	20,100	NA
		1994	21,110	20,650
		1995	22,160	21,310
		1996	23,490	
		1997	24,900	
	Target	1998	26,390	

Indicator 1.3.3: Improved export crop technology adopted by farmers				
Unit: Number of farmers		Year	Planned	Actual
Source: Ministry of Agriculture, project files	Baseline	1992	-----	9,200
<p>Comments: Figures reflect farmers assisted under USAID Agricultural Export Services and Hillside Agriculture Projects. The increase in actual numbers of farmers is due to a change in the method of reporting Agricultural Export Services Project farmers. Targets were revised to reflect this adjustment.</p> <p>From 1996 through 1998 a 2.1% increase is projected in the planned number of assisted farmers.</p>		1993	10,120	14,200
		1994	46,294	46,294
		1995	47,000	50,723
		1996	47,987	
		1997	48,995	
	Target	1998	50,024	

STRATEGIC OBJECTIVE 1: Increased Participation for Economic Growth				
INTERMEDIATE RESULT NO. 1.4: Improved Services for the Tourism Sector				
Indicator 1.4.1: Improved north coast roads				
Unit: Number of miles		Year	Planned	Actual
Source: Ministry of Construction	Baseline	1990	-----	
Comments: The whole concept of improving the North Coast Highway has changed. Instead of selective rehabilitation to be completed by 1997, the Government of Jamaica is now contemplating realignment and reconstruction, involving two additional international donors. Under these new circumstances, the earliest that any section of the highway could be completed would be 1998.		1992	-----	
		1993	-----	0
		1994	0	0
		1995	0	0
		1996	0	
		1997	50	
	Target	1998	100 (total)	

Indicator 1.4.2: National park visitors (foreign)				
Unit: Number of visitors		Year	Planned	Actual
Source: National Park statistics	Baseline	1990	-----	
<p>Comments: These figures represent half the visitors as reported under Strategic Objective #2 Indicator 2.2.3 which include Jamaican visitors as well. Actual figure for 1995 are estimates, and census information is not yet available. This indicator is intended the impact of national parks on Jamaica's tourism product. The targets established in 1993 are clearly over optimistic.</p>		1992	-----	
		1993	12,500	17,500
		1994	15,000	19,000
		1995	37,500	21,000
		1996	50,000	
		1997	62,500	
	Target	1998	75,000	
	Indicator 1.4.3: Increased water supply in Negril			
Unit: Millions of gallons per day		Year	Planned	Actual
Source: National Water Commission	Baseline	1990	-----	
<p>Comments:</p> <p>1) Increase in 1993 was due to leak detection and repair and to metering to promote conservation, under the Water Loss Management Program.</p> <p>2) Increase in 1994 was due to the rehabilitation and expansion of the Logwood Treatment Plant, also under the same program.</p> <p>3) The Water Loss Management Program was completed in September 1994. The next projected increase will be in 1997 when the new plant is completed.</p>		1992		2.3
		1993	2.8	2.8
		1994	3.3	3.3
		1995	3.5	3.5
		1996	3.5	
	Target	1997	7.5	

STRATEGIC OBJECTIVE NO.1: Increased Participation for Economic Growth

INTERMEDIATE RESULT NO. 1.5: Trained personnel for a modernized economy

Indicator 1.5.1: Number of Executive MBA's graduated by UWI

Unit: Number a) Male b) Female		Year	Planned	Actual
Source: University of the West Indies	Baseline	1990	(a) 15 (b) 15	(a) 15 (b) 14
Comments: The PACD of August 1996 has been extended to FY97. The UWI project will continue to train people under its Executive MBA program as well as its short term Executive Management Development series. In addition, the University's full time MBA program came on stream as anticipated in September 1996. This full time MBA will address the demand by the private and public sectors for the regular graduate student with extensive applied research experience in the Jamaican development setting. The 1996 - 1997 planning figures reflect projected an equal participation by women.		1992	(a) 17 (b) 14	(a) 18 (b) 9
		1993	(a) 18 (b) 12	(a) 16 (b) 12
		1994	(a) 20 (b) 20	(a) 16 (b) 21
		1995	(a) 20 (b) 20	(a) 20 (b) 23
		1996	(a) 20 (b) 20	
		1997	(a) 20 (b) 20	
		Baseline	1998	(a) (b)

Indicator 1.5.2: Number of people trained for the productive sector				
Unit: Number of persons trained a) male b) female c) long-term d) short-term		Year	Planned	Actual
Source: Project files	Baseline	1992	(a) 25 (b) 52 (c) 37 (d) 40	(a) 19 (b) 52 (c) 36 (d) 35
Comments: For 1995, actual figures for long-term training show an increase because some participants who received extensions in 1994 returned during 1995. Short-term training was reduced because the selection process was limited to fewer specific objectives. Several projects were not able to complete training plans that were originally scheduled for 1995. Long-term trainees are counted in the year of their completion.		1993	(a) 42 (b) 60 (c) 33 (d) 69	(a) 18 (b) 16 (c) 18 (d) 16
		1994	(a) 44 (b) 34 (c) 24 (d) 54	(a) 25 (b) 21 (c) 25 (d) 21
		1995	(a) 33 (b) 35 (c) 32 (d) 36	(a) 20 (b) 40 (c) 40 (d) 20
		1996	(a) 23 (b) 32 (c) 31 (d) 24	
	Target	1997	(a) 18 (b) 26 (c) 19 (d) 25	

B. SO2: Improved Environmental Quality and Natural Resource Protection

USAID/Jamaica's second strategic objective is targeted at conserving the resources upon which Jamaica's stable and sustainable long-term development depend. The Mission's emphasis is to strengthen environmental management organizations in Jamaica, both public and private, to help develop a sustainable national park system, to manage environmentally significant natural resources, to provide for the transfer of environmentally sound cultivation practices to low-income farmers in important watershed areas, and to upgrade sanitation and water services in key tourism areas and for low-income households. Intermediate results and activities under this SO support the Agency Goal of Environment Managed for Long-term Sustainability and the LAC objectives of improved protection of selected LAC parks and protected areas, and resolution of key issues impeding environmentally sound and equitable hemispheric free trade.

1. Summary and Analysis of Data

a. Progress toward SO2

Significant advances towards improving Jamaica's environmental quality and protecting its natural resources were made during 1995. USAID contributions included enabling the Natural Resources Conservation Authority (NRCA) to provide substantive leadership on a key policy initiative that will establish a national protected areas system encompassing 20 percent of Jamaica's land surface; supporting a model community-based effort to protect a 30,000-acre natural area; conducting a hemispheric workshop to develop national action plans for coral reef protection; supporting a national foundation/trust fund to deploy grant resources to NGOs throughout the nation (125 environmental improvement projects totalling US\$2.5 million); expanding the number of farmers employing improved farming practices to conserve soil on fragile hillsides; and providing targeted training opportunities to strengthen the nation's public and private institutions.

b. Intermediate results

i. Improved management of environmentally threatened growth areas (AO 4.5 Sustainable natural resource management)

Jamaica has made significant progress toward protecting its vulnerable environment from destructive farming practices and unmanaged urban development. In 1995:

- 3,437 additional hillside farmers were brought into sub-projects under the Hillside Agriculture Project (HAP) which helped them to plant and revitalize a total of over a half-million economically valuable trees and improve soil management on fragile watershed land; with these gains, total project activity levels are brought to over 18,500 participating hillside farmers and over 3.5 million trees planted or rehabilitated while conserving soil in important

watersheds; land under conservation practices fell short of the projected 20,000 acres as the project shifted focus toward rehabilitation of existing crops rather than planting new acreage (*AI 4.5.1 Areas under sustainable agricultural practices*);

- total number of protected areas identified by local NGOs with NRCA support under the SITE component of the Development of Environmental Management Organizations (DEMO) project reached 20 exceeding the targeted 7; these protected areas total over 30,000 acres; a management plan for Negril watershed was completed for several protected areas; official protected area status is pending ministerial declaration of authority by NRCA to local management entities (*AI 4.5.4 Area of community-managed forests, fresh water and marine resources*);

- the USAID-supported Sanitation Support Unit surveyed approximately 600 squatter lots in Montego Bay and designed and initiated corrective action on 20 percent of those properties in its first six months; this is the first systematic effort in Jamaica to address urban pollution caused by illegal squatting and related pollution; and

- as planned, 5 environmental enhancement activities were implemented in SITE-managed protected areas, including the design of an ecotourism revenue-generating program for the Royal Palm Reserve (protected area) in Negril and a public participation/education program in support of the establishment of Negril's watershed environmental protection area.

Two hundred households in squatter communities adopted environmentally appropriate on-site disposal facilities, lagging behind the projected 800 households because of administrative delays in awarding a cooperative agreement (*AI 4.3.2 Access to sanitation*). Construction-related delays in the renovation of Montego Bay's waste water plant meant that untreated water from the sewage system continued to enter Montego Bay; now scheduled for completion by October 1996, the renovated plant will reduce the volume of untreated water by 20 percent (400,000 gallons per day).

Protecting Vital Watersheds

As USAID's Hillside Agriculture Project (HAP) entered its tenth year, several donors (World Bank, InterAmerican Development Bank, European Union) are designing or starting implementation of watershed management projects based upon USAID's successful experience. HAP has helped 18,500 small farmers to plant and revitalize over 13.5 million economically valuable trees and improve soil management of fragile watershed land. Among the lessons learned from HAP are: 1) hillside farmers adopt technologies and practices that are simple, relatively inexpensive, already familiar, and require few changes in their existing practices; 2) farmers have a greater incentive to adopt improved production technologies and conservation practices when it is likely that significant benefits will occur relatively quickly, within a year or two; 3) identification of key farmers (community leaders who are committed to farming) and well-placed demonstration plots are necessary for the multiplier effect; and 4) strong local institutions and beneficiary participation are needed to ensure the long-term sustainability of the conservation and production practices. USAID has played a pioneering effort in protecting watersheds through appropriate agricultural technology -- the new commitment by other donors will expand impacts and better ensure sustainability.

ii. Increased conservation of natural habitats (A.O. Biological Diversity Conserved)

Jamaica made important progress in 1995 toward increasing conservation of natural habitats. Although no new parks were officially added to the national system, significant planning starts were recorded across the nation. The DEMO project has initiated protected areas in three locations: Negril watershed (referred to elsewhere); the Black River wetlands and coastal area; and the Palisadoes and Port Royal Cays near Kingston. With DEMO assistance, NRCA is assisting park formulation near Port Antonio and Hellshire Hills.

iii. Improved public/private capacity for sustainable resource use

Jamaica made significant strides towards improving both private and public capacity for sustainable resource use:

- in the policy arena, NRCA submitted to Cabinet a policy paper on the establishment of a national protected areas program that will designate up to 20 percent of Jamaica's land mass as protected areas, ensuring long-term protection of key natural resources and biodiversity assets; NRCA also proposed policy recommendations on a national beach access policy and on the siting of sub-marine cables and transmission corridors;

- the DEMO project continued to assist six NGOs, plus Jamaica Conservation Development Trust (JCDDT), Environmental Foundation of Jamaica (EFJ), National Environmental Societies Trust (NEST), Negril Environmental Protection Trust (NEPT) and Greater Montego Bay Restoration Company (GMRC), as well as providing support for the development of the Montego Bay Marine Park Trust; and

- NRCA carried out 37 enforcement site visits; issued 28 enforcement notices out of a targeted 15; and prosecuted 3 cases to conclusion in 1995.

Targets for training personnel in environmental protection through US programs were not met (8 out of a planned 22 persons were trained) as emphasis on training is shifting to local, hands-on training in response to a recent review of the project's training strategy.

c. Customer focus

During 1995, the Hillside Agriculture Project directly benefitted 3,437 small hillside farmers living in the critical watersheds of Jamaica's eight eastern parishes, promoting environmentally and economically sustainable tree crops. The Agricultural Export Services Project worked with 289 small farmers, promoting environmentally friendly production practices and facilitating access to high-value nontraditional export crop markets. To date, these two efforts have directly benefitted approximately 28 percent of Jamaica's 180,000 small farmers. Other targeted beneficiaries

The Environmental Foundation of Jamaica

In mid-1993, a group of Jamaican and USAID environmental leaders officially launched the Environmental Foundation of Jamaica (EFJ). It had grown out of U.S. debt reduction agreements and the commitment to support NGOs across Jamaica to address critical environmental issues. By 2012 it will command a fund of approximately US\$23 million.

The new foundation faced a backlog of proposals and new project designs, and lacked grant procedures. In less than three years, the EFJ has turned in one of the best performances of any similar foundation. It has funded 157 projects (over US\$2.5 million) which are bearing fruit both in terms of current benefits and in fostering the environment for further impact. EFJ's investment of fund assets have returned an impressive 36 percentage annually. The foundation continues to provide a powerful influence on the national environmental agenda, drawing strong media attention to issues and mobilizing community groups across the island through its growing portfolio of information, education and direct action grants.

At the project level, more and more success stories of benefits to specific groups of people and impacts on particular environmental problems are emerging. As a result of just a few of the EFJ grants, some of the poorest citizens of inner Kingston now have access to basic sanitation; an NGO in one of the nation's key tourism destinations has mobilized the private sector and community groups to form the first "environmental protection area" for its fragile coral reefs and wetland resources; research accomplished by a University of West Indies (UWI) team has pointed the way to improved management of an endangered species; and nearly all school children in Negril have visited and studied that community's marine ecosystems.

of SO2 included the 200 households in informal settlement communities outside of Montego Bay that adopted environmentally appropriate on-site waste disposal facilities. The DEMO project's effort to ensure the judicious management and protection of approximately 20 percent of Jamaica's land surface, encompassing its most important biodiversity and economically-valuable resources, will benefit all Jamaicans far into the future.

To ensure end-users' input is solicited on a continuing basis, HAP's GOJ project manager and USAID's project officer regularly visit several participating farmers each month. The DEMO project has facilitated and participated in several community fora for discussion of critical environmental issues. The customer needs assessment survey team also contacted several farmer groups and residents of the Rosemont squatters' community who received demonstration pit latrines. The results of the survey reflected great enthusiasm for the assistance provided by HAP and initial reservations about the introduction of the new dry latrine technology.

d. Participation of other donors and partners

In addition to USAID, a number of other international donors have demonstrated strong interest in fostering improved environmental management, both through governmental and non-governmental implementing agents. USAID, IDB and CIDA have been partners with the Natural Resources Conservation Authority in strengthening that agency's capacity to carry out its broad-ranging environmental policy and regulatory functions. USAID, EU and the Netherlands have assisted both government and NGOs in improving management of protected areas. USAID, UNDP, the Environmental Foundation of Jamaica and CIDA's "Green Fund" have been instrumental both in strengthening the capacity of NGOs and in financing a range of NGO environmental improvement activities.

Extensive coordination of donor financing of environmental activities exists at several levels. USAID and other donors are represented at regular GOJ-initiated coordination meetings across a range of environmental matters (watershed planning, coral reef management, solid waste management, etc.). At the program level, USAID, IDB, CIDA, and NRCA have met monthly for several years to coordinate assistance activities. USAID is represented on the Board of Directors of the Environmental Foundation of Jamaica (EFJ) which grants funds for NGO environmental improvement activities. EFJ's grant-making is closely coordinated with that of the UNDP's small grants program and CIDA's Green Fund. In watershed management, USAID's successful Hillside Agriculture Project led the way. Now, as HAP phases out in 1997, several donors (EU, World Bank, IDB, UNDP, FAO and CIDA) have either on-going watershed management activities or activities under development--all based upon the lessons learned during HAP.

USAID's Jamaican partners include the Ministry of Environment, the Planning Institute of Jamaica and a wide range of NGOs/CBOs such as the Jamaica Conservation Development Trust, NEST, EFJ and the Negril Environmental Protection Trust.

e. Gender

The Mission's environmental projects recognize the importance of targeting female participation. In the HAP project, the requirement that participants hold title to their land prevented most women from receiving project benefits. To neutralize this bias against female farmers and encourage their participation, beneficiaries can use a "loose lease agreement" which gives them authority to occupy the land for a period of ten years. To monitor women's access to the benefits which accrue to project participants, the project has disaggregated by gender its target for participating farmers, with a target of 30 percent women. With women acting as heads of 45 percent of Jamaican households and often as community leaders, the impact of their household-level decisions (e.g., on waste disposal, agricultural practices, and fuel choices) on the country's natural resource base is significant. Accordingly, DEMO targets women as leaders and participants of environmental awareness programs.

2. Expected progress in FY 1997 and FY 1998

With the acceptance of the Mission's Strategy Plan for FY 1997-2001, many of the indicators of progress reported on for SO2 in this report will be dropped or revised to reflect the new strategy. However, the Mission will continue to monitor any indicator that relates to sustainability or important long-term impacts of prior USAID activities.

As HAP phases out in 1997, it will leave behind more than 6 million planted or rehabilitated economically valuable trees and over 18,500 hillside farmers addressing soil management on fragile watershed land. Toward protecting environmentally threatened areas, the Mission expects that by 1998, 20 percent of Jamaica's land mass will be designated as protected areas. At least half of the operating costs of the national parks should be covered from private sources, and the two existing national parks should be under the management of a the Montego Bay Marine Park Trust and the Jamaica Conservation Development Trust, a community-based organization and a local NGO, respectively. By late 1997, no untreated water will be dumped into Montego Bay, but 1.5-2.0 million gallons per day of partially treated water will be. Interim measures will be adopted to partially treat sewage before disposal into the bay until a new plant is operational in 1997-1998. Other indicators of progress toward SO2 proposed in the Strategy Plan, including the number of communities adopting model water and sanitation solutions, the number of CBOs/NGOs operating water/sanitation systems on a full cost recovery basis, and the number of CBOs/NGOs successfully dealing with water/sanitation issues, will have quantitative targets established, pending collection of baseline data.

3. Summit of the Americas

SO2 activities supported several aspects of the Summit of the Americas. In support of *protecting biodiversity* USAID is the lead donor (through the DEMO project) supporting a national program to establish a protected areas system. This program establishes new national parks and protected areas for biodiversity monitoring and resource planning. *Mitigating pollution* is a major environmental focus of the Summit. Under the Environmental Initiative of the Americas (EPA), resources were made available to help the National Water Commission (NWC) develop a capacity to address pollution caused by the operation of its system. The NWC provides the potable water to virtually all residential and commercial consumers. If not properly disposed, the waste water generated can impact adversely on the islands aquifers and coastal waters. The EPA activity will help Jamaica develop an approach to address a major source of pollution. Toward *invigorating community participation*, the DEMO project works closely with several dynamic community-based organizations such as the Montego Bay Marine Park Trust (MBMPT) and the Negril Environmental Protection Trust (NEPT). The project is providing assistance to the MBMPT to help them meet the organizational and administrative requirements that will allow them to assume official responsibility for managing the Montego Bay Marine Park. Assistance to NEPT has focused on strengthening local capacity to establish and manage

protected areas, to raise funds from the private sector to ensure long term financial sustainability of its environmental management activities, to conduct environmental awareness activities, and to carry out environmental improvement projects. *Science and technology cooperation* are being promoted by regional Caribbean Environmental Network (CEN) activity. Developed specifically in response to the Environment Initiative of the Americas, the activity addresses the degradation of coastal and marine resources in the Caribbean, with tourism being a major focus because of the threat it poses to those ecosystems. CEN will facilitate the sharing of "best practices" for dealing with coastal and marine degradation and develop efforts to disseminate appropriate environmental information to Caribbean governments and tourism officials. In another regional effort, USAID co-sponsored a meeting of all western hemisphere countries with coral reefs to develop national action plans for coral reef protection. Participants, including scientists, coastal managers, dive operators, planners, economists, NGOs and donor agencies, developed an Agenda for Action calling for stakeholders to form partnerships to take action and promote the development of appropriate information systems which can be used as a base for management decisions that will ensure the sustainable use of coral reefs and related ecosystems. *Tourism development* is supported through protection of key natural areas.

JAMAICA

STRATEGIC OBJECTIVE NO. 2

Improved Environmental Quality and Natural Resource Protection

PERFORMANCE INDICATORS

1. Deforestation in national parks and protected areas
2. Water quality in Montego Bay
3. Public environmental awareness in environmentally threatened areas
4. NRCA environmental enforcement actions
5. National Park System environmental enforcement actions

INTERMEDIATE RESULTS

2.1: Improved management of environmentally threatened growth areas

2.2: Increased conservation of natural habitats

2.3: Improved public and private capacity for sustainable resource use

INDICATORS

INDICATORS

INDICATORS

- 2.1.1: Untreated water from sewage system entering Montego Bay
- 2.1.2: Protected areas managed in SITE locations
- 2.1.3: Environmentally enhancement projects implemented in SITE locations
- 2.1.4: Adoption of soil conservation practices
- 2.1.5: Households in squatter communities with environmentally appropriate onsite disposal facilities

- 2.2.1: National parks and protected habitats
- 2.2.2: Park costs covered from private sources

- 2.3.1: NGO management of environmental activities
- 2.3.2: Key policy reform enacted
- 2.3.3 Personnel trained in environmental quality and natural resource protection

Jamaica**STRATEGIC OBJECTIVE NO 2: Improved environmental quality and natural resource protection****Indicator 1: Deforestation in national parks and protected areas**

Unit: Acres of unregenerated, deforested areas

Source: National Parks System

Comments: USAID was not able to determine actual deforestation rates from available analysis, and chose not to finance such a study for cost considerations. The importance of tracking deforestation remains critical, but USAID does not plan to undertake this work itself. FAO will provide deforestation data.

	Year	Planned	Actual
Baseline	1991	-----	0
	1992		10,000
	1993		
	1994	8,000	
	1995		
	1996	5,000	
	1997		
Target	1998		

Indicator 2: Water quality in Montego Bay				
Unit: Coliform count per 100ml a) mouth of South Gully b) Montego River at sewage plant outlet		Year	Planned	Actual
Source: National Water Commission	Baseline	1992	(a) 5 million (b) 15 million	(a) 5 million (b) 15 million
<p>Comments: These projected results are predicated on the following accomplishments for the North Coast Development Project:</p> <p>1) Completion and the renovation of the existing Montego Bay wastewater plant by October 1996;</p> <p>2) Commencement of the construction of the new wastewater plant by early 1995 and completion this year; and</p> <p>3) Commencement of the construction of the South Gully new channel by March 1996 and completing it by March 1997.</p> <p>* Construction-related delays in the renovation of Montego Bay's waste water plant meant that untreated water from the sewage system continued to enter Montego Bay; completion is now scheduled for October 1996.</p>		1993	(a) 5 million (b) 15 million	(a) 5 million (b) 15 million
		1994	(a) 5 million (b) 15 million	(a) 5 million (b) 15 million
		1995	(a) less than 10,000 (b) 1 million	(a) 5 million (b) 15 million
		1996	(a) less than 1,000 (b) less than 1,000	
		1997	(a) less than 1,000 (b) less than 1,000	
	Target	1998	(a) less than 1,000 (b) less than 1,000	

Indicator 3: Public environmental awareness in environmentally threatened (SITE) areas				
Unit: a) No. of environmental awareness activities accomplished/year b) No. of local citizens participating in environmental awareness activities/year		Year	Planned	Actual
Source: DEMO Project Files	Baseline	1992	-----	(a) 0 (b) 0
Comments: This indicator has been modified to better report on performance of environmental awareness activities. Public opinion surveys will be conducted at the onset and culmination of SITE activities to gauge impact of environmental awareness actions. A survey has been conducted in Negril and is underway in Montego Bay. The baseline survey results will be reported in the next Action Plan.		1993	(a) 2 (b) 100	(a) 2 (b) 100
		1994	(a) 4 (b) 150	(a) 15 (b) 400
		1995	(a) 6 (b) 400	(a) 10 (b) 420
		1996	(a) 6 (b) 400	
		1997	(a) 6 (b) 400	
	Target	1998	(a) 6 (b) 400	

Indicator 4: NRCA environmental enforcement actions				
Unit: Numbers of actions completed per year		Year	Planned	Actual
Source: Natural Resources Conservation Authority	Baseline	1992	-----	0
<p>Comments: By law, NRCA has broad enforcement authority to prevent illegal use of natural resources. A completed action is one in which NRCA has collected the fine, or has fully prosecuted the matter in court, or has accomplished environmental objectives by mediation or negotiation.</p> <p>The enforcement division, which was established in 1993, has now successfully completed a range of enforcement actions related to illegal sandmining, illegal sale of protected birds, and water pollution associated with coffee production and other matters. It has carried out a total of 326 enforcement site visits (37 during this reporting period); issued 92 enforcement notices (28 during this period); and prosecuted 18 cases to conclusion (3 during this period).</p>		1993	2	3
		1994	10	13
		1995	15	28
		1996	20	
		1997	25	
	Target	1998	30	

Indicator 5: National Park System environmental enforcement actions				
Unit: Enforcement Actions		Year	Planned	Actual
Source: National Parks System	Baseline	1992	0	0
Comments: This new indicator reflects PARC component objectives vis-a-vis natural resource protection within Park areas. A completed enforcement action is one in which fines have been collected, cases have been prosecuted to conclusion or the illegal use of resources have been terminated as a result of negotiation or mediation.		1993		
		1994	10	10
		1995	10	8
		1996	10	
		1997	10	
	Target	1998	10	

STRATEGIC OBJECTIVE NO 2: Improved environmental quality and natural resource protection

INTERMEDIATE RESULT NO. 2.1: Improved Management of Environmentally Threatened Growth Areas

Indicator 2.1.1: Untreated water from sewage system entering Montego Bay

Unit: Millions gallons/day
a) untreated
b) primarily treated only

Source: National Water Commission Engineering Department

Comments: By late 1997, no untreated water will be dumped into the bay, but volumes of about 1.5-2.0 MGD of partially treated water will be. Interim measures will be adopted to partially treat sewage before disposal into the bay until a new plant is operational in 1997-1998.

The implementation of this component of the North Coast Development Support Project has slipped further, given problems with a wholesale change of management at the National Water Commission. Projections shown are based on the following assumptions:

- 1) The renovation of the existing wastewater plant, underway since February 1995, is completed by October 1996; and**
- 2) The commencement of the construction of the new wastewater plant by early 1996 with completion in two years.**

	Year	Planned	Actual
Baseline	1992	-----	(a) 2.0 (b) 0
<p>Comments: By late 1997, no untreated water will be dumped into the bay, but volumes of about 1.5-2.0 MGD of partially treated water will be. Interim measures will be adopted to partially treat sewage before disposal into the bay until a new plant is operational in 1997-1998.</p> <p>The implementation of this component of the North Coast Development Support Project has slipped further, given problems with a wholesale change of management at the National Water Commission. Projections shown are based on the following assumptions:</p> <ul style="list-style-type: none"> 1) The renovation of the existing wastewater plant, underway since February 1995, is completed by October 1996; and 2) The commencement of the construction of the new wastewater plant by early 1996 with completion in two years. 	1993	(a) 2.0 (b) 0	(a) 2.0 (b) 0
	1994	(a) 2.0 (b) 0	(a) 2.0 (b) 0.0
	1995	(a) 1.6 (b) 0.40	(a) 2.0 (b) 0.0
	1996	(a) 1.0 (b) 1.0	
	1997	(a) 0.4 (b) 1.6	
	Target	1998	full treatment of all system wastewater.

Indicator 2.1.2: Protected areas managed in SITE locations				
Unit:		Year	Planned	Actual
a) Number/cumulative b) acres/cumulative c) protected area management plans prepared (cumulative) d) Management mechanisms in place (cumulative)				
Source: DEMO project files	Baseline	1992	(a) 0 (b) 0 (c) 0 (d) 0	(a) 0 (b) 0 (c) 0 (d) 0
<p>Comments: These activities are funded through small grants to community organizations to enhance urban spaces and natural habitats. Selected areas with high resource value, e.g., water sources, forest lands, wetlands and coral reefs, will be identified, zoned and managed by local NGOs and government entities with NRCA support. In Negril, a management plan was completed in 1995 for several protected areas encompassing approximately 30,000 acres. Official protected areas status for these areas are pending ministerial declaration and delegation of authority by NRCA to local management entities. ("Management mechanisms in place" is defined as mechanisms established pertinent to each protected area and may include: delegation of authority for management, on the ground enforcement of environmental rules, an operational plan in place, a cooperative agreement between agencies to guide Government use of resources, etc.)</p>		1993	(a) 3 (b) 8 (c) 0 (d) 0	(a) 16 (b) 100 (c) 0 (d) 0
		1994	(a) 5 (b) 28 (c) 1 (d) 0	(a) 19 (b) 30,000 (c) 0 (d) 0
		1995	(a) 7 (b) 132 (c) 1 (d) 1	(a) 20 (b) 30,000 (c) 1 (d) 0
		1996	(a) 8 (b) 138 (c) 3 (d) 3	
		1997		
	Target	1998		

Indicator 2.1.3: Environmental enhancement projects implemented in SITE locations

Unit: Number of activities per year		Year	Planned	Actual
Source: PARC/DEMO project files	Baseline	1990	-----	
<p>Comments: These are environmental activities (e.g. solid waste collection, environmental education, pollution control, reef protection) which are not monitored under Indicator 2.1.2. This Action Plan period accomplishments include further development of a Negril Environmental Protection Trust (NEPT) fundraising program, low-cost toilet demonstration project, coral reef mooring buoy maintenance program, an area-wide public participation/education program on the establishment of Negril's watershed environmental protection area, and design of an ecotourism revenue-generation program (Royal Palm Reserve/Protected Area).</p>		1992		0
		1993	2	2
		1994	4	4
		1995	5	5
		1996	6	
		1997	8	
	Target	1998	10	

Indicator 2.1.4: Adoption of soil conservation practices				
Unit: Number of farmers a) Male b) Female c) acres under conservation practices		Year	Planned	Actual
Source: Hillside Agriculture project records	Baseline	1991	-----	(a) 4,560 (b) 1,440 (c) 4,000
<p>Comments: Male/female division of farmers is based on the National Agricultural Census update of 1989, and will be monitored for trends. Action Plan period results have surpassed planned objectives. The reason for reaching more farmers than planned in 1993 is primarily that HAP was able to launch more new subprojects than originally projected.</p> <p>The acres under conservation practices actually exceeded the planned target with the focus of the Hillside Agriculture Project shifting from new plantings to resuscitation of existing trees. However, there is no accurate count of resuscitate trees, though it is certainly several hundred thousand trees and several thousand acres.</p>		1992	(a) 4,560 (b) 1,440 (c) 6,000	(a) 5,282 (b) 1,668 (c) 6,000
		1993	(a) 6,080 (b) 1,920 (c) 10,000	(a) 11,550 (b) 2,800 (c) 10,879
		1994	(a) 9,120 (b) 2,880 (c) 15,000	(a) 12,200 (b) 3,000 (c) 11,500
	Target	1995	(a) 11,400 (b) 3,600 (c) 20,000	(a) 14,947 (b) 3,687 (c) 16,218

Indicator 2.1.5: Households in squatter communities with environmentally appropriate on-site disposal facilities				
Unit: Number of additional households per year		Year	Planned	Actual
Source: Environmental Control Division records in Montego Bay	Baseline	1993	0	0
Comments: Although the Mission fell short of its target due to delays in financial certification of the NGO implementing the project, USAID is satisfied with first year progress. This is Jamaica's first effort to reduce urban pollution through on-site, low-cost solutions to sewage disposal in squatter communities.		1994	6	6
		1995	800	200
	Target	1996	1,700	
STRATEGIC OBJECTIVE NO. 2 Improved environmental quality and resource protection				
INTERMEDIATE RESULT NO. 2.2: Increased conservation of natural habitats				
Indicator 2.2.1: National parks and protected habitats				
Unit: a) Number created (cumulative) b) Acres protected (cumulative)		Year	Planned	Actual
Source: PARC/DEMO project evaluations	Baseline	1990	-----	(a) 0 (b) 0
Comments: The 194,000 acres to date include the Blue Mountain and Montego Bay parks. Future indicators are based on the assumption that DEMO's PARC II component will open the Black River National Park by 1996 and the Cockpit Country National Park by 1997. (Note that DEMO works in a prospective park long before it is officially opened.)		1993	(a) 2 (b) 194,000	(a) 2 (b) 194,000
		1994	(a) 2 (b) 194,000	(a) 2 (b) 194,000
		1995	(a) 2 (b) 194,000	(a) 2 (b) 194,000
		1996	(a) 3 (b) 211,000	
	Target	1997	(a) 4 (b) 289,000	

Indicator 2.2.2: Park costs covered from private sources				
Unit: Percent of non-public revenue				
Source: DEMO/PARC project records				
	Year	Planned	Actual	
<p>Comments: This is an indicator of long-term financial sustainability of the park system. A reduction in the percentage (from 1993 level) of the total recurrent costs burden of the national parks system reflects a weak performance in the fundraising activity and resultant lack of growth of the National Parks Trust Fund. This is a significant project issue that is currently being addressed.</p>	Baseline	1990	-----	0
		1992		0
		1993	10	15
		1994	20	13
		1995	30	15
		1996	40	
	Target	1997	50	
Indicator 2.2.3: National Park visitors				
Unit: Number of visitors				
Source: DEMO/PARC project files				
<p>Comments: This includes both Jamaican and foreign visitors. Official visitor counting mechanisms are not in place. The total reported is an estimate, based on observation. Research by the USFS and NCA&T is establishing a visitor baseline and carrying capacities for BJCMNP.</p>	Baseline	1993	25,000	35,000
		1994	30,000	40,000
		1995	75,000	45,000
		1996	100,000	
		1997	125,000	
		1998	150,000	

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

INTERMEDIATE RESULT NO. 2.3: Improved public and private capacity for sustainable resource use

Indicator 2.3.1: NGO management of environmental activities

Unit: Number of NGOs (cumulative)		Year	Planned	Actual
Source: DEMO project records	Baseline	1992	-----	0
Comments: The DEMO project continues assisting 6 NGOs - JCDT, NEPT, EFJ, NEST, GMRC, and SEPT. During this period, the project is also assisting the development of the Montego Bay Marine Park Trust in order to enable them to assume full management authority of the Marine Park during 1996.		1993	3	3
		1994	6	6
		1995	10	7
		1996	12	
		1997	15	
	Target	1998		

Indicator 2.3.2: Key policy reform enacted

Unit: Number of policy reforms		Year	Planned	Actual
Source: DEMO project data	Baseline	1993	0	1
Comments: During this Action Plan period, NRCA assisted in the completion of a policy paper which was submitted to Cabinet on the establishment of a national protected areas program that will classify up to 30% of Jamaica's land mass in a number of land protection designation that provide for long-term protection of key natural resources and biodiversity assets. Also, presented policy recommendations on a national beach access policy and the siting of submarine cables and transmission corridors.		1994	2	2
		1995	2	3
		1996	2	
	Target	1997	2	

Indicator 2.3.3: Personnel trained in environmental quality and natural resource protection				
Unit: Number of personnel (GOJ and private) a) male b) female c) long term d) short term		Year	Planned	Actual
Source: Training office and project records	Baseline	1991	-----	
<p>Comments: This is considered critical for sustainability of environmental protection and conservation. For clarity of presentation and consistency with training data with other SOs, only US training is counted here. Hundreds of participants receive local short-term training as well but are not counted under this indicator. The most recent review of the project training strategy calls for increased employees on local "hands-on" training with reduced U.S. training, which will require a change to this performance indicator.</p>		1992		
		1993	(a) 18 (b) 8 (c) 0 (d) 26	(a) 24 (b) 4 (c) 0 (b) 28
		1994	(a) 13 (b) 5 (c) 1 (d) 17	(a) 0 (b) 5 (c) 1 (d) 4
		1995	(a) 15 (b) 7 (c) 3 (d) 19	(a) 3 (b) 5 (c) 1 (d) 7
		1996	(a) 13 (b) 9 (c) 3 (d) 19	
		1997	(a) 17 (b) 7 (c) 7 (d) 17	
	Target	1998		

C. SO3: Smaller, better-educated families

The expected results under this strategic objective are cross-cutting and support two Agency Goals: (1) Stabilizing Population Growth and Protecting Human Health and (2) Basic Education Expanded and Improved to Increase Human Productive Capacity. SO3 activities contribute to stabilizing growth and protecting human health by expanding the range, access and private provision of effective contraceptives; by controlling the spread of HIV and other STDs; and by supporting essential health reforms which assure greater access by the poor to vital health services. Addressing the low basic education standards identified as one of the greatest impediments to Jamaica's economic growth, other SO3 activities focus on upgrading basic education and providing life skills training for the country's disadvantaged, at-risk youth toward increasing their productive capacity.

1. Summary and Analysis of Data

a. Progress toward SO3

USAID/Jamaica has been a lead donor in social sector development, including the areas of family planning, health care reform, AIDS/STD prevention and education assistance. With USAID assistance, impressive progress has been made toward decreasing Jamaica's total fertility rate.

Jamaica's total fertility rate (*A.I. Total fertility rate*) has declined from 7.4 live births per woman in the 1960s when USAID first began its support of Jamaica's family planning program to an estimated 2.9 live births per woman in 1995. A recent study and the 1993 Living Standards Survey show a positive trend in access to health care by the poor. The same study shows a 15 percent increase in the use of public sector facilities in 1994, despite rising fees and a concurrent decline in the use of public sector health care by the wealthier income groups. This increase is due largely to the significant improvement in quality control of health delivery and administration in hospitals that have Chief Executive Officers,

A Community-School Partnership

An outstanding USAID success story has been the School-Community Outreach Program for Education (SCOPE) through which, a self sustaining relationship has been instituted between 720 primary schools and their wider communities. Prior to SCOPE, the school was not perceived as part of the community, and nearly all schools in Jamaica suffered from a high level of vandalism. Since 1992, SCOPE training for community leaders, school principals and teachers has led to more efficient and effective school management and the integration of schools into the surrounding community. A clear result is the annual inflow of at least \$6 million from community sources to primary schools. More important are the parents, parent teachers associations, past student associations, community civic groups, the private sector and international organizations which have now established preferred areas of partnerships with schools. This was never dreamed of as possible prior to SCOPE.

an effort supported with USAID assistance. Overall the number of AIDS cases in Jamaica continues to double every two years and the rate of increase of HIV among STD clinic clients continues to increase. HIV was detected in 5.1 percent (7.4 percent of males/2.7 percent of females) of clients seen, up from 3.5 percent last year) However, the rate of transmission in the general population has remained relatively stable, with rates among blood donors remaining at about 0.4 percent. An aggressive public awareness media campaign sponsored by USAID has made a significant contribution toward this positive trend.

Progress in the education sector, however, has been less than satisfactory, with recent studies indicating that basic skills and related achievement standards have declined dramatically over the last 10 years. Adult literacy also declined by 15 percent between 1989 and 1994, a reflection of the increasing proportion of illiterates reaching adulthood. Based on these findings and, reiterated by consultative sessions held with members of the private sector, the GOJ and NGOs, human resource development is Jamaica's greatest need. USAID is responding to this need with targeted interventions that address critical constraints. An important USAID-supported effort to computerize the Ministry of Education's planning division was completed in 1995. As a result the Ministry can access (gender-disaggregated) data on attendance, school facility conditions, and teacher qualifications for schools across the country, and use this information to make key decisions on resource allocation.

b. Intermediate results

i. Strengthened health services through improved financial management and privatization

With USAID assistance, the GOJ has made rapid progress in targeted areas of its health care reform program. Decentralization of health delivery services gained momentum during 1995, resulting in decisions to decentralize the entire health delivery system. The island is now divided into four regions, and the GOJ's Ministry of Health central office is also being decentralized transferring powers previously at ministerial level to the regional boards. Consequently, recommendations are before Cabinet on the terms and conditions of employment for the health workers. GOJ's adoption of legislation to institutionalize family life education in the school curriculum has cross cutting benefits for the family planning program funded by USAID. Among other indicators of progress:

● with new Ministry leadership and USAID support, the overall reform effort has made recent gains in decentralization, improved self-financing, privatizing wings of hospitals, and divesting support services in larger hospitals; the pilot hospitals are cleaner; patient meals are better; staff is more responsive; managers are more motivated as a result of greater autonomy, USAID training, and a five-year strategy planning process in place. Recently introduced income assessors now assure that those who cannot afford to pay the new fees are not denied needed services;

- hospital financing, a USAID measure for improved management, rose to 9 percent of the GOJ budget, up from 7 percent in 1994; hospitals have improved flexibility to budget and plan following the increase in fee collections; and

- other reform measures are having an impact on health care sustainability, with 81 percent of ambulatory care now being provided by private health workers and 78 percent of short-term contraceptives being purchased (versus given free of charge) by consumers.

**ii. Increased effectiveness of family planning services
(A.O. Sustained reduction in unintended pregnancies)**

Jamaica's family planning program has made great strides this year towards expanding equitable access, for both men and women, to services, information and education and toward ensuring sustainability:

- a USAID-funded policy booklet advocating the importance of family planning was instrumental in convincing policy makers to allocate adequate GOJ funding to cover 60 percent of its contraceptive needs for FY 95/96 (this replaces USAID funding);

- a USAID-funded media campaign for the "Personal Choice Products" resulted in a 33 percent increase in oral contraceptive sales and a 13 percent increase in depo-provera use, since the campaign began in February 1995; in addition, the number of vasectomy procedures increased from one in 1994 to eighteen in 1995 by the three trained participating physicians;

- for the third consecutive year, the GOJ provided increased budget resources to implement a 5-year phase-over from USAID- to GOJ- financing of public sector contraceptive imports -- a key sustainability measure; and

- 68 percent of the population continues to seek private outpatient care for all ambulatory services including family planning; the shift to private health delivery is a key objective of USAID-GOJ family planning and health care reform programs.

iii. Improved STD/HIV prevention services (A.O. Sustainable reduction in STD/HIV transmissions among key populations)

Considerable progress made by the AIDS/STD Prevention and Control Project progress this year contributed to an overall slow-down in the spread of HIV in Jamaica. Reflecting this progress:

- overall syphilis cases (*A.I. number of people infected with STDs*) declined significantly--by 18 percent for males and by 11 percent for females;

- the GOJ continues to increase its budget for AIDS prevention and control with the absorption of over 50 percent of Contact Investigators' salaries; procurement of pharmaceuticals for STD treatment were largely supported by USAID; additionally, the GOJ is funding condom distribution through the public sector and selected NGOs such as Jamaica AIDS Support and ACOSTRAD;

- HIV prevalence among Commercial Sex Workers (CSWs) in the Kingston Metropolitan area dropped from 12 percent in 1989 to 11 percent in 1995; this reflects the impact of the ACOSTRAD intervention with this group;
- a computer network was established facilitating access to new HIV and STD data bases which are now 80 percent complete; this ensures that accurate reports are prepared and disseminated to the field;
- the community-based AIDS/STD control program which operates through community organizations to provide community education and condom distribution has proved highly effective among non-clinic populations; and
- the total condom market increased by 4 percent from 9.4 million in 1994 to 9.8 million in 1995, due largely to the continuing condom social marketing program and other mass media education programs.

iv. Improved services for out-of-school and disadvantaged youth

The Uplifting Adolescents Project (UAP) was designed in 1995 to improve the social and job skills of young Jamaican boys and girls (age 10 - 14 years) and prepare them to join the workforce of the 21st century. Specific interventions are targeted to reduce the risk of unwanted pregnancy; STD/HIV; low self-esteem; unhealthy lifestyle; school absenteeism; violent behavior; and lack of vocational skills. UAP will contribute to the intermediate result of "improved employability of at-risk youth" and the lower level result of "improved social/job skills for out-of-school and disadvantaged youths." Indicators of progress toward these results will include out-of-school youths adolescents (male and female disaggregated) return to school; completion rate of all-age and vocational schools' programs (male and female disaggregated); and reduction in violence in school. The procurement process to select an institutional contractor is in progress and implementation of the activity is expected to begin in the fourth quarter of FY 1996.

Family Planning--Jamaica's Personal Choice

Jamaica's contraceptive social marketing program, Personal Choice, was launched with USAID assistance through an extensive mass media program in February 1995. Using a mix of television, radio and print advertisement to promote trial and continuous use of participating contraceptives, the program introduced two low dose pills, Minigynon and Perle, a contraceptive injection, depo-provera, and in June 1995, no-scalpel vasectomy. Personal Choice marketing resulted in 1995 sales of 390,571 cycles of the pill, 3,600 vials of depo-provera (a 65 percent increase over the previous year) and some 18 vasectomy procedures, a procedure performed only once in the previous year. Prior to the launch, Personal Choice provided training for 347 pharmacists across the island in contraceptive technology and quality customer services. Training of 200 doctors in contraceptive technology was also provided during the year. The program has resulted in the active participation of 85 percent of all pharmacies across Jamaica who carry Personal Choice products and 40 percent of private physicians who prescribe Personal Choice contraceptives. With USAID support, Personal Choice has brought about an awareness and demand for competitively-priced contraceptive methods.

c. Customer focus

More than 50,000 men and women are helped annually by the family planning and STD/HIV/AIDS control clinics which serve largely disadvantaged clients, and a large, but unquantifiable number of persons purchase condoms and contraceptives from the private market. USAID-funded educational programs reach over 250,000 primary and secondary students in 870 primary schools through the school-community program. More than 200 school teachers have been trained, and 800 private and public health providers have received continuing education in family planning and STD/HIV control to improve the quality of health care for all Jamaicans.

To ensure that USAID's social sector program is responsive to the needs of Jamaica's disadvantaged population, the Mission supports regular surveys on contraceptive prevalence, and recently conducted studies on the status and needs of Jamaica's adolescent population and on Jamaica's early childhood development needs. The customer needs assessment survey solicited feedback from end-users of USAID's health sector reform, family planning and AIDS/STD prevention activities. Focus groups of at-risk adolescents and disadvantaged women identified the need for counselling and life skills, along with health, housing, unemployment, sex education and parent education as priorities. SO3 currently addresses all of these issues in some manner.

d. Participation of other donors

As lead donor in family planning, STD/HIV/AIDS control and education, USAID works with the Government of Jamaica, the Inter-American Development Bank, the World Bank, the Pan American Health Organization, UNFPA, UNAIDS, and bilateral donors to maintain coordination and complementary funding. In the education sector, the IDB and USAID are collaborating in the funding/implementation of two projects. These projects seek to improve the effectiveness and efficiency of instructional delivery in primary schools, the development of prototype materials and procedures for the evaluation of students performance. USAID funding covers interventions in Mathematics while the IDB's focus is, inter alia, on English Language and Social Studies.

e. Gender

The Mission recognizes that gender analysis is especially important in targeting the benefits of social sector programs. The Family Planning project provides contraceptives for both men and women. The Women's Center's homework program provides a quiet, secure place for young girls and boys to study after school and acquire information on life skills, including family planning. The Center's program for expectant mothers has offered these young women the opportunity to continue their education, learn essential parenting and life skills, and return to their schools. Of the more than 13,000 young women who have graduated from this program, only 2 percent have had a second pregnancy during adolescence. The AIDS/STD Prevention and Control project

monitors the incidence of syphilis and rate of increase for HIV transmission for both men and women Under the Uplifting Adolescents project, participation in most activities will be open to both boys and girls, although program strategies to reach them will vary. Each gender's specific socialization processes will be carefully assessed during project implementation.

2. Expected Progress in FY 1997 and FY 1998

Pending the approval of the Mission's new strategy, the existing SO3, "smaller, better-educated families," will be replaced with "young Jamaicans better equipped for the 21st century." The program's expected results will shift to reflect the revised objective. Whereas the intermediate results for SO3 in this document focus on strengthening health care services, improving family planning services, and AIDS/STD prevention, the results of the proposed program for FY 1997-2001 will include "healthier lifestyle for the young"; "improved employability of at-risk youth"; and "improved educational reform". Corresponding indicators have been developed but, for the most part, specific targets have not yet been established because the necessary baseline data, either, has not yet been accessed or does not exist. The Mission will obtain the relevant data to establish targets within the next six months (the proposed SO3 framework, including intermediate and lower level results, is attached as an annex) and will continue to monitor key progress indicators that relate to the sustainability of prior USAID activities under this SO. The Mission will continue to monitor progress toward the following results expected to be achieved by FY 1998:

- public sector contraceptive supplies will be available, without USAID assistance;
- contraceptive prevalence will be maintained at the 62 percent level;
- reduced rate of increase in transmission of HIV; and
- incidence of primary and secondary syphilis in ante-natal reduced by 11 percent.

Topping-Up for Family Planning

Ensuring contraceptive supplies was a critical problem until a USAID-funded system has improved clinic supply management. The Top-Up contraceptive delivery unit was initiated with a pilot test of three parishes in 1993. Two parishes were added in late 1994, the remaining eight were since added to successfully cover the island. The Jamaica National Family Planning Board logistics staff pays quarterly Top-Up visits during which they assess clinic stock levels, calculate monthly average consumption rates and replenish stocks to each clinic's five-month requirement levels. The Top-Up Contraceptive System was well-received by all service workers islandwide as they were involved in the planning, organization and decision-making process. This has led to the strengthening of the relationship with the GOJ's Ministry of Health and the National Family Planning Board in the delivery of family planning services. With this scientific system, there is an adequate supply of contraceptives to the GOJ's clinics to alleviate stockout and overstocking of contraceptives. It is through such careful management that Jamaica has ensure a high contraceptive prevalence rate, and lower fertility.

3. Summit of the Americas

SO 3 activities support several of the initiatives of the Summit of the Americas. Toward *eradicating poverty and discrimination in our hemisphere*, USAID is committed to facilitating *universal access to education*. Two new activities will focus on improving access to educational and training opportunities for out-of-school and disadvantaged youth and adolescents. Ongoing support is providing for primary-level teacher training, upgrading of instructional materials and development of supportive linkages between the private sector and schools in their communities. The USAID sponsored-development of an educational information system for the Ministry of Education's planning division is facilitating a rational allocation of resources, ensuring that the most needy schools receive priority attention. *Equitable access to basic health services* has been facilitated through a series of health care reforms and development of an AIDS prevention program supported by USAID. These reforms include the divestment of food, security, and janitorial services in all major public hospitals, which has resulted in improved services and a large cost saving; a rationalized system of user fees for public health services which ensures that the poor are not excluded from receiving care; GOJ FY95/96 user fee collections were US\$3.1 million (about 4 percent of the health ministry's budget and were retained by the collecting hospital to be used, at their discretion, for improvements in health care quality. USAID-supported AIDS outreach has reached over 150,000 adolescents and young adults with preventative messages concerning HIV transmission.

JAMAICA

STRATEGIC OBJECTIVE NO. 3

Smaller, Better-Educated Families

INDICATORS

1. Health care for poor maintained or improved
2. Total fertility
3. HIV transmissions among STD clinic attenders

INTERMEDIATE RESULTS

<p>3.1: Strengthened health services through improved financial management and privatization</p>	<p>3.2: Increased effectiveness of family planning services</p>	<p>3.3: Improved STD/HIV Prevention services</p>	<p>3.4: Improved Services for Out-of-School and Disadvantaged Youth</p>
<p>INDICATORS</p>	<p>INDICATORS</p>	<p>INDICATORS</p>	<p>INDICATORS</p>
<p>3.1.1: Hospitals self-financing</p> <p>3.1.2: Health services covered by private insurance</p> <p>3.1.3: Private sector contraceptives distribution</p>	<p>3.2.1: Contraceptive prevalence</p> <p>3.2.2: Acceptors protected by longer term methods (VSC, IUD, Norplants, Injectable)</p>	<p>3.3.1: Condom access by high risk groups</p> <p>3.3.2: Condom use by general population</p> <p>3.3.3: Incidence of primary and secondary syphilis</p>	<p>3.4.1: Literacy Among Out-of-School Youth</p> <p>3.4.2: Pregnancy Among Out-of-School Youth</p> <p>3.4.3: Age of First Sexual Intercourse</p>

Jamaica				
STRATEGIC OBJECTIVE NO. 3: Smaller, Better Educated Families				
Indicator 1: Health care for poor maintained or improved				
Unit: Percent of poor covered and satisfied		Year	Planned	Actual
Source: OHNP/URC/MOH	Baseline	1990	36	36
<p>Comments: Baseline data was collected from the field through the addition of questions and further analysis of the World Bank-funded Living Standards Survey. The 1993 data shows a positive trend in access to health care by the poor. The same study also showed an increase in the use of public sector facilities in spite of rising fees and a concomitant decline in the use of public sector health care by the wealthier income quintals. A special study commissioned by USAID show access by the poorest income groups increased from 39% in 1993 to 44% in 1994. The reason for this increase is largely due to the fact that CEO managed hospitals assisted by USAID have made significant contributions to quality control of health delivery service and administration. In addition, the 1994 living condition survey showed that 44.3% of those surveyed received satisfactory medical care - 54.1% at public institutions, 41.2% private and 4.7% at both.</p>		1992	38	
		1993	40	39
		1994	42	44
		1995	44	NA
		1996	46	
		1997	48	
		Baseline	1998	50

Indicator 2: Total fertility rate					
Unit: Number of live births per woman		Year	Planned	Actual	
Source: 1993 CPS		Baseline	1989	-----	2.9
<p>Comments: The 1993 CPS determined that fertility is 3.0 and not 2.9 and has not changed since 1989. The 2.9 level previously reported is now thought to have a slight error due to some problems with the previous research methodology. The pattern observed no change in fertility although a significant increase in contraceptive prevalence is one also seen in Costa Rica, Brazil and Panama where fertility has lagged behind contraceptive prevalence. The explanation is that while fertility has declined in couples in union, the fertility among couples not in union is still high. No additional data will be available on fertility until 1997 when the CPS is conducted again. Promotion of long-term contraceptive methods is expected to further lower total fertility rates.</p>			1992	2.7	-----
			1993	2.7	3.0
			1994	2.9	NA
			1995	2.9	NA
			1996	2.8	
			1997	2.7	
		Target	1998	2.6	

Indicator 3: HIV transmissions among STD clinic attenders				
Unit: Percent male/female		Year	Planned	Actual
Source: MOH/EPI Unit		Baseline	1986	----- .375
<p>Comments: Between 1986-1990 the rate of increase of HIV transmission was 10 fold in STD clinic attenders. The Ministry's comprehensive projection and USAID's intervention plan is to reduce the rate of increase to a 3 fold rise by 1996. The rate of increase is slower than projected at the beginning of the project. The drop in female infection rates is unexpected, but may not determine a trend until 1996 data can be analyzed.</p>			1991	----- 3.7(m) 1.9(f)
			1992	4 4.7(m) 2.5(f)
			1993	6 6.4(m) 2.3(f)
			1994	7 5.2(m) 3.6(f)
			1995	8 7.4(m) 2.7(f)
			1996	9
			1997	10
		Target	1998	11

STRATEGIC OBJECTIVE NO.3 Smaller, Better Educated Families

INTERMEDIATE RESULT NO. 3.1: Strengthened health services through improved financial management and privatization

Indicator 3.1.1: Hospitals self-financing

Unit: No. of hospitals and % of costs

Source: MOH/HSIP Reports

Comments: Based on HSIP reports all 22 hospitals have implemented fee collection systems and average cost recovery is now up to 11%, including several hospitals which exceed 11%. The marginal increase in 1994 resulted from a delay in the cabinet's approval of the new secondary fee schedule, which has now been approved.

	Year	Planned	Actual
Baseline	1990	-----	
	1993	5 reaching 10%	10 reaching 10%
	1994	5 reaching 20%	10 reaching 11%
	1995	10 reaching 20%	22 averaging 11%
	1996	10 reaching 20%	
	1997	22 reaching 20%	
Target	1998	22 reaching 20%	

Indicator 3.1.2: Health services covered by private insurance				
Unit: % covered through private insurance		Year	Planned	Actual
Source: MOH/Health Insurance Report	Baseline	1989	-----	15
<p>Comments: Private health insurance coverage has remained at the same level islandwide. A survey of the general insurance population is underway. Reports on the insurance coverage of the working population in the Kingston Metropolitan Region indicate a 51% coverage, however islandwide the figures are still low. A new pre-paid health insurance plan is under design as well as a national health insurance plan. These should increase coverage in future years. However, the physical plans have not yet started.</p>		1993	15	15
		1994	17	20
		1995	20	N/A
		1996	24	
		1997	25	
	Target	1998	26	
Indicator 3.1.3: Private sector contraceptives distribution				
Unit: % of private sector distribution		Year	Planned	Actual
Source: 1993 CPS	Baseline	1989	-----	20
<p>Comments: The 1993 CPS noted an increase in the private sector distribution of contraceptives. This estimate is based on the Target Cost Model initiated by the National Family Planning Board using the 1993 CPS. A new figure will be available in 1997 following completion of the next CPS.</p>		1993	30	37
		1994	38	NA
		1995	46	NA
		1996	54	
		1997	60	
	Target	1998	60	

STRATEGIC OBJECTIVE NO. 3 Smaller, Better Educated Families

INTERMEDIATE RESULT NO. 3.2: Increased effectiveness of family planning services

Indicator 3.2.1: Contraceptive prevalence

Unit: Percent

Source: National Family Planning Board

Comments: The 1993 CPS has noted a significant increase in the contraceptive prevalence. Based on this outcome the National Family Planning Board (NFPB) has revised its 1994-1998 planned targets. Estimate is based on the Target Cost Model initiated by the NFPB using the 1993 CPS. There will not be another actual figure until the follow-up CPS is completed in 1997.

* estimate

	Year	Planned	Actual
Baseline	1989	-----	55
	1993	56	62.5
	1994	63.3	63.3 *
	1995	64.1	64 *
	1996	64.8	
	1997	65.6	
Target	1998	66.4	

Indicator 3.2.2: Acceptors protected by longer term methods (VSC, IUD, Norplants, Injectable)				
Unit: Percent of acceptors using all long term methods		Year	Planned	Actual
Source: National Family Planning Board/ 1993 CPS	Baseline	1989	-----	40 *
<p>Comments: The 1993 CPS has noted a decrease in use of longer term methods from the 1989 survey. This is largely due to a large unforeseen increase in the use of condoms which caused prevalence to reach 62% but resulted in a lower share of contraceptive prevalence attributed to longer term methods. In 1994, a review of clinic data indicated that there was a major improvement as more counselling for VSC occurred and injectibles became more widely available. Clinic data should not be considered comparable to the CPS.</p> <p>*1989 CPS result **1993 CPS result ***Actual clinic data for years ending 1994 and 1995; may vary from CPS methodology.</p>		1993	50	32 **
		1994	52	36 ***
		1995	55	49 ***
		1996	58	
		1997	60	
	Target	1998	60	

STRATEGIC OBJECTIVE NO. 3. Smaller, Better Educated Families				
INTERMEDIATE RESULT NO. 3.3: Improved STD/HIV prevention services				
Indicator 3.3.1: Condom access by high risk groups				
Unit: No. of retail outlets		Year	Planned	Actual
Source: MFPB/MOH/SOMARC	Baseline	1991	-----	0
Comments: In 1994, the social market of condoms for HIV/STD control had ceased. However, a 1995 survey of retail outlets islandwide done by the Ministry of Health's through Hope Enterprises Research Company shows a 19.2% increase in outlets with condoms, indicating increased access for high-risk groups.		1992	N/A	N/A
		1993	500	2,345
		1994	2,500	1,925
		1995	2,700	2,475
		1996	3,000	
		1997	3,500	
	Target	1998	5,000	

Indicator 3.3.2: Condom use by general population				
Unit: Percentage of use for (a) Contraception (b) disease prevention		Year	Planned	Actual
Source: MOH/1993 CPS Study	Baseline	1990	-----	42
<p>Comments: Based on the 1993 CPS survey, we have new more accurate baseline information on condom use. 30% of the population use condoms as a contraceptive device, while 40% use condoms for disease prevention with other partners. The figure of 42% in 1990 was based on a smaller AIDS/STD survey which was not representative of the population and only assessed condom use for disease prevention. Targets for 1994 -1996 reflect a need to expand further the use of condoms for disease prevention. Actual data on condom use will be available again in 1997 following completion of the contraceptive prevalence survey.</p>		1992	-----	
		1993	-----	a) 30 b) 40
		1994	a) 30 b) 45	N/A
		1995	a) 30 b) 50	N/A
		1996	a)30 b)60	
		1997	a)30 b)65	
	Target	1998		

Indicator 3.3.3: Incidence of primary and secondary syphilis

Unit: Cases/100,000 (m/f in available)

Source: MOH/EPI Unit

Comments: Screening in antenatal clinics has helped to identify infected mothers and early diagnosis has led to early treatment of perinatal infection. Screening has also aided in the identification of contacts.

	Year	Planned	Actual
Baseline	1991	-----	678(m) 557(f)
	1992	-----	479(m) 480(f)
	1993	2,040	415(m) 416(f)
	1994	423(m) 433(f)	424(m) 411(f)
	1995	402(m) 411(f)	348(m) 367(f)
	1996	382(m) 391(f)	
	1997	363(m) 371(f)	
Target	1998	345(m) 353(f)	

STRATEGIC OBJECTIVE NO. 3. Smaller, Better Educated Families

INTERMEDIATE RESULT NO. 3.4: Improved Services for Disadvantaged and Out-of-School Youth

Indicator 3.4.1: Literacy Among Out-of-School Youth

Unit: % literate in the target group

Year

Planned

Actual

Source: Trevor Hamilton Report on Out-of-School Youth

Comment: The baseline data was gathered as background information for the design of the new out-of-school youth project, Uplifting Adolescents, due to begin implementation in 1996.

1995

NA

30%

1996

30%

1997

40%

1998

50%

1999

60%

2000

65%

Indicator 3.4.2: Pregnancy Among Out-of-School Youth			
Unit: Pregnancy Rate	Year	Planned	Actual
Source: UAP Surveys, 1993 CPS Baseline			
Comment: The baseline and targets will be established during the next several months as an initial responsibility of the Uplifting Adolescents contractor.	1995	---	30
	1996	30	
	1997	29	
	1998	28	
	1999	27	
	2000	26	

Indicator 3.4.3: Age of First Sexual Intercourse				
Unit: Age at Intercourse for boys and girls	(a) boys (b) girls	Year	Planned	Actual
Source: UAP Studies, 1993 CPS Baseline, 1996 CPS				
Comment: These initial targets will be reviewed during the first stage of the Uplifting Adolescents Project.		1995		(a) 13.0 (b) 14.3
		1996	(a) 13.0 (b) 14.3	
		1997	(a) 13.2 (b) 14.5	
		1998	(a) 13.2 (b) 14.5	
		1999	(a) 13.4 (b) 14.7	
		2000	(a) 13.5 (b) 14.8	

D. Other Program Areas

1. Democracy

In April 1996, USAID will complete its Sustainable Justice Reform Project (SJRP). The highly successful four-year effort is a follow-on to the bilateral component of the Caribbean Justice Improvement Project. Under SJRP, a new cadre of court administrators (4 male/12 female) are ensuring better resident court management and expeditious handling of cases. USAID provided the training for the 16 administrators, and also funded a broader range of training for other officials of the judiciary. Project funds are also paying for the reconstruction of a courthouse, as well as other administrative improvements, including computers. SJRP is also providing grant funds for strengthening the Jamaican Bar Association and for the provision of mediation services by the Dispute Resolution Foundation. Under the Improved Markets and Export Growth Opportunities (IMEGO) project, USAID has also supported the Peace and Love in Schools Foundation, which is attempting to curb violence through training and awareness development among school children.

During the R4 period, construction of a major courthouse in Spanish Town began and is expected to be completed in 1996. The court administrators' training was completed, and the administrators are having a significant impact on caseload management.

The completion of SJRP in August 1996 will mark the end of USAID's involvement in the democracy area. As indicated in the Strategy Plan for FY 1997-2001, electoral reform remains an overall U.S. Embassy/Kingston objective, and USAID may request selective TA support through Global activities at opportune times.

2. Housing

During 1995, substantial progress was made on all aspects of the Housing Guaranty (HG) Program and its companion grant activity, the Urban Technical Services and Support Project (Tech Support). HG loan resources are being used to finance three squatter upgrading projects--the 640 unit Sucabba Pen project which is a joint venture involving a consortium of building societies who are developing the site; and the public sector Rosemont (1450 units) and Norwood (750 units) projects located in Montego Bay. Construction of Sucabba Pen and Rosemont are about to be completed and marketing has begun. Norwood has been contracted and construction is about to begin. The Program was scheduled to be completed by the end of December 1995, but a ten month extension was approved based upon the tremendous progress made and the presentation by the GOJ of a time-phased project delivery plan that showed that the project is likely to be finished at that time. HG loan resources are also financing small home improvements loans managed by the credit union system. Nine credit unions have directed approximately US\$700,000 to 380 families to provide money for modest home expansion or repairs. In addition, the Tech Support grant provided resources to initiate a comprehensive environmental sanitation program, the purpose of which is to ensure that waste water in the Montego Bay squatter

communities is addressed in an environmentally sound manner. The USAID-supported Sanitation Support Unit (SSU) is surveying all units in Norwood and Rosemont and beneficiaries are being provided technical assistance on the design of proper on-site waste water treatment facilities. Beneficiaries will be required to install such facilities with HG loan funds if the SSU determines that current waste water provisions are inadequate.

III. Status of the Management Contract

A. Strategic Objective Changes

The strategic framework on which this document focuses was approved by the LAC Bureau in its review of Jamaica's Action Plan for FY 1996/1997. However, the framework is expected to change significantly consequent to the approval of Jamaica's pending strategy plan which is being submitted concurrently with this R4 document. The new strategic framework was developed through a thorough and collaborative process with our partners and end-user beneficiaries, consistent with our reengineering emphasis on team work and customer focus. The process relied on the base of knowledge embodied by the Mission's extended SO team members (which include USAID project, service office staff, implementing partners and USAID/W representatives); a series of targeted sectoral studies conducted by highly-qualified experts, as well as review of existing project documents; and discussions with partners and customers (including our customer survey and consultative sessions with key representatives of Jamaica's NGO and public and private sector communities). Complementing the knowledge gleaned through the strategy's information gathering process, USAID/W provided assistance to help the Mission transform its strategic framework into a results-oriented structure.

As a result of the strategy process, the Mission was allowed to refine the thinking on the future of a U.S. aid program in Jamaica and to refine priorities, based on current studies and knowledge of the existing socio-economic environment, the Agency's new strategic framework, the priority given to achieving measurable results, and likelihood of limited resources during the strategy period. (The new results framework and its indicators are attached as an annex.) Consequently, two of our three strategic objectives have been more narrowly defined. SO1 will remain as "Increased Participation for Economic Growth." SO2 will become "Increased Protection of Key Natural Resources in Environmentally and Economically Significant Areas;" SO3 will be "Young Jamaicans Better-Equipped for the 21st Century." A Special Support Objective, "Increased Caribbean Capacity to Address Regional Development Problems," was also added to the Mission strategy. Reflecting the Mission's revised strategic objectives and USAID's emphasis on measurable results, indicators have also been revised. Some indicators remain unchanged; others have been deleted or revised; and in several cases, new indicators have been developed. Given the comprehensive process by which the new strategic framework was derived, the Mission fully expects it to remain valid over the next five-year period.

B. Special Concerns

1. Issues/Actions for USAID/W

a. DA Budget Directives

Jamaica's program budget levels have declined over the past few years, including the ESF program which ended in FY 93 and bilateral DA levels that averaged \$15 million over the FY 90-93 period, but which may fall under \$10 million in FY 96. However, the inadequacies of the budget are also reflected in the relatively sharper

decline of certain budget directives (Economic Growth and Environment) that fund SO1 and SO2 activities. As the Mission focuses its attention on "remaining challenges" under its three proposed strategic objectives (see Strategy Plan), programming decisions are increasingly being skewed in favor of Population and AIDS, for which funds are more readily available. While the Mission can absorb POP and AIDS funds for important activities, Jamaica continues to need more support to stimulate economic growth and for environmental protection. The imbalance also negatively impacts on how the three SOs reinforce each other. Also, in recognizing the need for continued support for education, the Mission will continue to require a relatively large amount of Basic Education funds, both for partial funding of the Uplifting Adolescents Project, but as well for a proposed primary education project to be designed in FY 96.

b. RHUDO Closeout

The Regional Housing and Urban Development Office/Caribbean has implemented housing guarantee programs which have led to the construction of shelter and related-services for 33,142 low-income families since the 1970s. RHUDO has also played an important role in putting "brown" environmental problems on USAID's agenda, and in establishing critical environmental and disaster mitigation/relief activities. After years of delays, the final HG program (-012) is being implemented and disbursements are being drawn down. Although there is some doubt that HG-012 will be fully closed out by December 31, 1996, the need for a full RHUDO will end this calendar year. RHUDO is in the process of developing a closeout plan, and while there are no specific issues at this time, the Mission will brief the Bureau should any arise.

c. Caribbean Regional Support

USAID/Jamaica will manage a specific support objective which encompasses new regional (Caribbean Environmental Network) and special (Dominica Infrastructure Storm Repair) activities. These were added to the Mission's portfolio in the last year, which already included the Caribbean Disaster Mitigation Project. The Mission will continue to collaborate with LAC, G and BHR to achieve USAID regional and global objectives. The Mission has proposed assisting island economies in the area of trade as part of LAC's Hemispheric Free Trade Expansion project. The regional program, also, will contribute to the Agency's continuing reengineering process in exploring how to move toward regionalization of activities as an effective modality for achieving U.S. Government development objectives.

2. Reengineering

As a Country Experimental Lab (CEL), USAID/Jamaica has been a pioneer in demonstrating USAID's commitment to improving the way the Agency does business. Our reengineering efforts have focused on two of the Agency's core values--team management and increased customer focus. Since October 1994, when we first volunteered to become a CEL, the Mission has devoted much energy and effort to integrating these

values into the way we do business. As the challenge to change the way we do business continues, it is received with reluctance by some Mission staff, but accepted with intrepidity by most.

Mission teams on procurement, management, customer service, training and automated systems developed several proposals to improve the effectiveness and efficiency of Mission operations. Training sessions were held to ensure a smooth transition from a hierarchical office structure to teamwork, and a series of technical and support office sessions was held with a Jamaican counselor to improve staff communication and conflict resolution skills.

The Mission also pioneered the Agency's first Customer Service Plan, incorporating its principles into the Mission's Strategy Plan for 1997-2001. Detailed discussion of our accomplishments as a CEL have been amply documented through regular reengineering CEL reports during the October 1994 to November 1995 period.

a. Change in Management Approach

In November 1995, based on a proposal prepared by the reengineering sub-team that led the Mission's team management initiative, the decision was made to restructure the Mission around strategic objective (SO) teams. At a retreat, Mission staff organized into these teams and started developing their results frameworks and results packages. Several reengineering training sessions facilitated the formation of the S.O. teams. Team members' roles and responsibilities were defined, and the initial work on developing results frameworks and results packages began. SO teams have recently developed operating pacts which have been accepted by the Mission Director and have enabled the teams to move forward with results team management. So far, the teams are cooperating and remain enthusiastic about managing for results, even though the functional relationships of support office members are still being formalized. There are differences in participatory styles, yet the teams are attempting to resolve problems as they arise. Nevertheless, the Mission feels it will be necessary to continue periodic team building sessions to reinforce the new values of team work and customer focus, and to help resolve friction that occasionally develops as team members struggle to adjust to new responsibilities. With current budget constraints, the Mission may wish to explore options for support from USAID/W.

Since the Mission moved into a new building in November-December 1995, staff have been situated as strategic objective teams rather than within the traditional office structure. As a result, project accountants, formerly located in the Controllers' Office, now sit with their SO teams, thus facilitating further transition to a fully reengineered operation. Despite the Mission's considerable efforts on teamwork, as the transition to SO teams is being implemented, issues regarding delegations of authority and empowerment of FSNs remain. The Mission intends to focus on resolving issues in this area.

b. Customer Survey

As part of the Mission's commitment to engage its customers and partners as we formulate and implement our development program, the Mission contracted with a local firm to conduct a customer survey, a partner survey and a series of focus groups in October-December 1995. The surveys and focus groups were designed to help us learn from our customers and partners what their priorities are and what they perceive to be key development constraints and opportunities. The questionnaires also included questions that allowed our customers to tell us what they think about USAID development activities and the way they are implemented and to assess USAID's comparative strengths and weaknesses in Jamaica compared to other donors. According to the survey team, this opportunity for responsive communication between the Mission and its customers was eagerly and appreciatively received by respondents and viewed as a demonstration of the Mission's commitment to quality service and a participatory approach in the development and monitoring of USAID-supported activities.

The survey and focus groups reached an island-wide, representative sampling of nearly 500 end-users and partners, including those whose participation in USAID-supported activities has ended, those currently involved in a USAID activity and those who represent potentially future customers and partners. The results of the surveys and focus groups, for the most part, affirm that the Mission program is making a positive contribution and validate Mission perceptions of what our partners and end-users like and don't like about USAID.

The results indicate that the great majority of respondents believe that the Mission's program is addressing priority concerns and reaching appropriate customers. There is a consensus among end-users that USAID activities have had a positive impact on participating communities. Both partners and beneficiaries also agree that USAID staff have been competent and accessible; they treat local counterparts with respect and decency; and they are keenly interested in reducing Jamaica's development challenges.

Common areas of concern among end-users include the need for improving life skills among at-risk populations, including adolescents, women and low-income households; health care; housing; and unemployment. Although not an issue articulated by end-users, the focus group sessions revealed a lack of group cohesion among beneficiary groups to be a recurring and serious impediment to project implementation that needs to be addressed.

Among our development partners, the general consensus was that USAID's program is addressing important constraints in key sectors and targeting the appropriate populations. Principal concerns reflected by partners include the often complicated procurement, as well as technical and financial reporting, procedures used by USAID; a perceived preference for using expatriate, rather than local, consultants; lengthy delays in disbursement of funds; changes in personnel in the middle of projects; and inadequate communication between project staff, partners and end-users.

Complementing the Customer Survey, the Mission held a series of consultative sessions with representatives of the NGO community, the private and public sectors and the Prime Minister, asking them to identify key constraints to development and areas where

USAID might most effectively intervene. Education, macroeconomic stabilization, and investment facilitation were named as principal areas for potential USAID intervention. As the SO teams develop and implement their own Customer Service Plans, the Mission will increasingly involve our customers and partners, and seek their feedback consistently throughout the planning, implementation and evaluation phases of our activities. Emphasizing and integrating a participatory and collaborative approach into our program development, implementation and evaluation activities, the Mission will ensure that the views and needs of our end-user beneficiaries and partners are continuously incorporated into activity objectives and result packages and that the USAID/Jamaica program reflects and responds to our customers' needs.

C. Environmental Issues

1. 22 CFR requirements

The Mission has no outstanding issues related to 22 CFR 216 requirements.

2. Schedule of activities that will require IEEs/EAs

Three new activities will be designed in the upcoming year. An amendment to the AIDS/STD Prevention Project is being prepared. An activity to support basic education is expected to be developed this year for authorization. The Mission will request categorical exclusions for these activities. The other design will be for an activity that will address urban pollution. The Mission expects to submit the requisite IEE in the summer of 1996.

IV. Resource Requirements

A. Program Funding Request by SO

USAID/Jamaica's bilateral program budget has consisted of Development Assistance (DA) averaging about \$10.5 million over the past three years, down from about \$15 million in the four previous years. The Economic Support Fund (ESF) program for Jamaica, which had supported the reform program under structural adjustment, ended in FY 93. Despite these reductions, the USAID Mission has been able to minimize disruptions to its program by prudent actions, including a three-year hiatus in new project starts, and by focusing its activities within its strategic objectives on more discrete and attainable results.

As stated in Mission Issues/Actions for USAID/W, above, lower budget levels in FY 97 (-20 percent) and FY 98 (-30 percent) equate with varying loss of impact under the three strategic objectives, depending on distribution of funds between budget directives (see Table 1, All Resources Table, and Table 2, Funding Scenarios by Objective):

SO1, increased participation for economic growth: this objective relies exclusively on Economic Growth funds, which at the base level in FY 97 will enable full funding of proposed activities, and would allow the Mission to extend the IMEGO project to include financing for activities in support of the Free Trade Area of the Americas accession and NAFTA parity. It would also allow the Mission to continue support for privatization through completion of the program, scheduled in FY 99, as well as possible support for continued customs reform. The Mission would also proceed with a funded extension of the Microenterprise Development Project, which would allow expansion of the network of postal agency loan windows and related financial services for poor Jamaicans, about 60 percent of whom are women, including in rural areas where the incidence of poverty is highest. The base level would also allow continued support for small farmers in expanding export earnings through special subprojects.

At the lower FY 97 and 98 levels, the Mission would be forced to scale-back or eliminate its support for small farmer production projects. At risk would also be continued support for privatization, which would require the GOJ to identify alternative sources of funding to complete the program, or instead delay the program's completion by one or more years. The Mission would place a priority on continued support for microenterprise development, though some reduction in impact might occur. Also, it is likely that one or more of USAID's investment support activity extensions for the fiscal policy management unit or customs reform would be dropped.

SO2, increased protection of key natural resources in environmentally and economically significant areas: at the base level for Environmental funding, SO2 would be able to make full progress towards establishment of a national parks and protected areas system, including the local management of protected sites. The system ensures protection of vital biodiverse areas, and provides management and prudent economic use. The Mission

Table 1
ALL RESOURCES TABLE
USAID/Jamaica
(\$000)

Funding Category	FY 1996*	FY 1997		FY 1998	
		Base**	Base - 20%	Base - 10%	Base - 30%
Development Assistance/ SEED/FSA/ESF/IDA ***	10.551	15.251	12.468	13.300	12.200
Economic Growth	4.288	6.074	6.074	6.100	5.000
Of which: Field Support ****	0.000	0.000	0.000	0.000	0.000
Population/Health	3.063	4.983	4.983	3.000	3.000
Of which: Field Support ****	1.000	1.000	1.000	1.000	1.000
Environment	3.000	4.194	4.194	4.200	4.200
Of which: Field Support ****	0.000	0.000	0.000	0.000	0.000
Democracy	0.200				
Of which: Field Support ****					
Humanitarian Assistance/Transition					
Of which: Field Support ****					
PL480:					
Title II					
Title III					
Other (HG, MSED, ECA) ***					
GRAND TOTAL	10.551	15.251	12.468	13.300	12.200

* The FY 1996 level is from operating bureau allocations based on 75 per cent of the FY 1996 CP request level, except for PL480 programs for which appropriations have been enacted.

** Base is defined as operating bureau allocations based on the FY 1997 OMB request level. These allocations shall be ACSI code driven.

*** FYI: SEED= Support for Eastern European Democracy FSA= Freedom Support Act (NIS countries); IDA= International Disaster Assistance. HG = Housing Guaranty; MSED= Micro and Small Enterprise Development, ECA=Enhanced Credit Authority

**** Refers to all Field Support – both Global-obligated and Mission-obligated.

Table 2
Funding Scenarios by Objective*

(000)

OBJECTIVE	FY 1996**	FY 1997		FY 1998	
		Base***	Base - 20%	Base -10%	Base - 30%
Strategic Objective #1: Increased Participation for Economic Growth Development Assistance/SEED/FSA**** Economic Support Funds PL480: Title II Title III International Disaster Assistance Other (HG,MSED,ECA)****	4 398	4 669	4 554	4 200	3 500
Strategic Objective #2: Increased Protection of Key Natural Resources in Environmentally Significant Areas Development Assistance/SEED/FSA**** Economic Support Funds PL480: Title II Title III International Disaster Assistance Other (HG,MSED,ECA)****	2 460	3 959	3 350	4 000	4 000
Strategic Support Objective #3: Young Jamaicans Better-Equipped for the 21st Century Development Assistance/SEED/FSA**** Economic Support Funds PL480: Title II Title III International Disaster Assistance Other (HG,MSED,ECA)****	3 693	6 623	4 564	4 100	4 600
Total Development Assistance/SEED/FSA**** Economic Support Funds PL480: Title II Title III International Disaster Assistance Other (HG,MSED,ECA)****	10 551	15 251	12 468	13 300	12 200

* Use all funding epigots, including DA, SEED, FSA, EBF, PL480, IDA, HG, MSED, and ECA.

** The FY 1996 level is from operating bureau allocations based on 75 per cent of the FY 1996 CP request level, except for PL480 programs for which appropriations have been enacted.

*** Base is defined as operating bureau allocations based on the FY 1997 OMB request level.

would also have the flexibility to expand its pioneering efforts to reduce pollution from squatter communities with inadequate sewage solutions. This is expected to become a large national campaign, which should attract other donor support. The impact of the program is the protection of vital freshwater resources, environmental health, and preservation of Jamaica's coral reefs upon which tourism and the fisheries industry depend.

At the lower FY 97 and 98 levels, the Mission would place a priority on continuing its support for the parks and protected areas system. However, the urban pollution program would be scaled back geographically, thus delaying the national campaign and reducing the impact on protected reefs, community health and freshwater systems.

SO3, Jamaican youth better-equipped for the 21st Century: SO3 depends on three directives, POP, AIDS and Basic Ed, plus discretionary (EG) funds, if Basic Ed funding is inadequate to meet the needs of the Uplifting Adolescents Project and the proposed new activity in support of primary education. The Mission depends heavily on all these directives, but the SO3 activities are split-coded in the AC/SI system. For this reason, a reduction in any one directive is disruptive. At full funding, the Mission is confident of making a tremendous contribution to a generation of young Jamaicans who live at-risk, and lack the skills to compete in the 21st Century.

At the lower FY 97 and 98 levels, the Mission anticipates a reduced capability to impact on both in-school and out-of-school youth in reducing teenage pregnancies, AIDS/STD transmission, and overall, inappropriate lifestyles and habits. In the area of skills development, lower directives levels would impede progress towards higher literacy/numeracy and special skills development.

B. Staffing

The workforce guidance indicated that USAID should have a USDH count of 11, as noted in "the most recently submitted Table VIII B." USAID was, in fact, authorized 12 positions and projected only filling 11 by the end of this FY. In FY97, USAID intends to convert its FSNDH employees to FSNPSC status. Earlier in FY96, 15 Trust Funded FSNPSCs were transferred to the operating expense side of the ledger. Given the anticipated project funding levels, USAID would not want to reduce its FSNPSC levels beyond that shown.

There has, in fact, been a slight increase in USPSC levels. The increases are associated with (a) the recruitment of a dependent spouse (exempt from PSC ceiling status) to assist in SO3, helping to offset an offshore USPSC who departed post in FY96, and (b) the anticipated recruitment in FY97 of a dependent spouse (also exempt from ceiling) to assist with personnel management oversight under an interagency (ICASS) agreement. USAID would manage the personnel program but the PSC's costs would be prorated.

TABLE 4
USAID/Jamaica
OE Funding Requirements
(\$000)

OE/TRUST FUNDED LEVELS By Major Function Code:	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>
U100 U.S. Direct Hire	249.950	174.950	227.180
U200 U.S. F.N. Direct Hire	162.113	0	0
U300 Contract Personnel	737.435	919.000	981.300
U400 Housing	607.300	552.091	502.000
U500 Office Operations	954.000	629.200	616.600
U600 NXP Procurement	21.802	402.760	297.320
Total Mission Funded OE/TF Costs	2,732.600	2,678.000	2,624.400
Of which TF Funded	1,171.300	1,147.900	1,124.900

During FY96 USAID/Jamaica initiated a transition from traditional offices to strategic objective teams. Among other things, this change has raised to the forefront the need to match available human resources with program needs. It has also been clearly recognized that the Mission should not consider personnel assignments as static but, rather, as resources to be reallocated as needs change. USAID's traditional personnel "tools" are ill-equipped to deal with frequent change and so work has been initiated to take a closer look at our human resources and how they can be optimally assigned and reassigned to meet our strategic objectives. A resident hire USPSC personnel specialist will be focusing his/her efforts on this task during the next three months.

C. Operating Expenditures/Trust Funds

There has been a historic reliance on Trust Funds (TF) to compensate for shortfalls in appropriated funds. The ESF program, the source of TF, ended in FY 93. As these funds run out, FSN salary and GSO manpower services contract costs will demand a higher proportion of OE. OE funding requests have been tempered accordingly.

Inflation continues to be a problem, and is compounded by extremely high commercial interest rates (40-70 percent). An FSN salary increase averaging over 59 percent was implemented in August 1995 but has since been largely eroded. Although in many Missions such situations are more than offset by local currency devaluations, USAID's current reliance on TF, instead of U.S. Dollars, to cover FSN salary expenses has essentially accelerated the depletion of the Trust Fund account and its interest accruals. This was exacerbated by the Mission voluntarily giving up \$250,000 in OE dollars through substitution of Jamaican TF dollars. A spot survey (covering salaries but not allowances) is being scheduled and another wage rate adjustment is expected later this fiscal year.

In late November 1995, USAID relocated into a new office building which was constructed because of the high rental cost of leased space in Jamaica. The move will save the Agency over \$600,000/year in OE funds and will effectively be amortized in about four years. The move has, however, resulted in additional needs which the Mission is trying to cover under its current OE budget. A thorough review of other OE needs also indicates that old equipment is deteriorating quickly. For example, the local Xerox representative has indicated that they can no longer service eight of our machines because they no longer carry spares for those old models. Similarly, the Mission has found that a substantial investment still needs to be made in its computer system (for example, there is no common access to a CD-ROM server which means employees cannot even look up

TABLE 5
USAID/Jamaica
Mission Staffing Requirement

	FY96					FY97					FY98				
	USDH	USPSC	TCNPSC	FSN	Other	USDH	USPSC	TCNPSC	FSN	Other	USDH	USPSC	TCNPSC	FSN	Other
Total Authorized Positions	11	2		47		10	3		48		10	3		48	
Of which Program Funded		6		10			6		8			6		8	

Agency directives and additional computers need to be purchased to accommodate software which cannot be run on "clean" NMS computers). The budget *request* prepared by ADP alone for this FY exceeded \$225,000. The new building currently has no interior office divider walls. An evaluation team is nearing a final selection and it is anticipated that \$120,000 will be needed to purchase office partitions. The large office windows have no blinds and the third floor space, at a minimum, will require them to reduce glare and heat. In short, the demand for OE resources during the next two-three years is going to be high despite efforts to reduce OE-funded staff and to limit unnecessary expenses.

As an experimental lab, the Mission has gone to great lengths to reorganize and to place its work into the type of perspective that will lead to the results we all would like to see. The "assumed" 2 percent reductions in FY97 and FY98 (a de facto 5 percent+ increase, if inflation is taken into consideration) can be absorbed here just as it can be at every other USAID Mission, by increasing staff workloads, with the consequence of increasing vulnerability to less effective program implementation. Unlike most other Missions, however, the cuts are ill-timed as USAID/Jamaica faces the costs of relocating into a new building and of addressing some significant and long overdue procurement needs. Since most of our costs are relatively fixed, these reductions will impact primarily on training opportunities, field trips, equipment upgrades and so on. That is, the same slow but sure attrition which the Agency has been forced to deal with for the last five years.

USAID/Jamaica will also continue to manage important regional activities in the areas of disaster, environment and possibly, trade, at least through FY 98. The Mission believes it can provide this regional activity oversight within the resources currently provided internally and by BHR and G/HUP support for PSC staff. The Mission plans to absorb the USDH position (the current RHUDO chief) within its existing FTEs that total 12, and will also be able to cover an FSN secretary position.

D. Global Support

The Mission plans to draw on USAID/W technical support for achieving the SO's, as well as carrying out its policy and analytical agendas and implementing reengineering activities:

SO1

- ISO standards training;
- microenterprise institutional development, and outreach programs;
- NAFTA parity and FTAA accession technical assistance;
- export marketing;
- applications of information technology in microenterprise, productivity training, export marketing, investment mobilization.

SO2

- policy study on environmental requirements for coffee production;
- ISO standards training and technical assistance;
- applications of information technology in environmental management.

SO3

- design of literacy/numeracy programs;
- AIDS

Mission management will need considerable support from USAID/Washington , specifically from the Global Bureau Center for Population, Health and Nutrition. Technical assistance will be requested in areas such as contraceptive technology update; social marketing for contraceptives; quality assurance for providers of care in the public sector clinics. Also, support is needed in the field for the integration of the AIDS/STD prevention program into family planning programs and services for local private voluntary organizations.

In the area of portfolio management, with a proposed strategy plan recently developed, further support will be sought for better defining performance indicators and in designing results packages and strategic objective agreements. As a CEL, USAID/Jamaica is interested in pioneering new approaches, but also is keen to benefit from the experience of other missions and expertise from USAID/Washington.

Lastly, and importantly, USAID/Jamaica has made exceptional strides in creating an open environment for change and empowering employees as team members. However, this is not an overnight process, and continual support will be required to nurture this process. Support for team management now needs to be tailored to the individual needs of the Mission's three SO teams and support teams.

V. Special Issues

A. Graduation/Exit Plan

Over the FY 97-98 period, USAID/Jamaica anticipates completing a number of activities under its proposed 5-year Strategy Plan results framework:

1. SO1

1.1: increased economic opportunities for the poor: the Mission foresees this as a prevailing and remaining challenge until the end of the strategy period in 2001. However, over the next two years, the Mission anticipates increased levels of services being provided through postal windows by the Workers Bank. There will also be increased attention shown to graduating and formalizing very small businesses, and less priority to new businesses. During this period, also, USAID will determine whether it is in its strategic interests, or within budgetary flexibility, to continue to support small farmer production activities, including in watershed areas.

1.2: improved human resource development and productivity: given the constraints of an undereducated and untrained workforce, this result will not be attained in the next two years, and could, potentially, be an area that USAID would support as long as its program continues in Jamaica. Attainment will also be partially dependent on significant progress in reversing downward trends in basic education.

1.3: increased growth of exports in priority agricultural and manufacturing sectors targeting small businesses: By the end of 1996, USAID will wrap up its support for apparel exports through JAMPRO. Increasingly the focus will be on information technology applications and training. USAID may have to put additional focus on assisting small Jamaican enterprises in adapting to new international standards for exports over the next two years, working with the Jamaica Exporters' Association.

1.4: increased private domestic and foreign investment: dependent on budget resources and potential for sustainability, the Mission will complete the first phase of its privatization support during the R4 period. The Mission also plans completion of the North Coast project in 1997. This has been a successful co-financing experiment, but any further activity would depend on other donor financing, USAID resources, and a legitimate role for USAID in coordination. Both fiscal policy management and customs reform will be sustained by the GOJ early in the strategy period.

2. SO2

2.1: expanded areas of priority natural resources under sustainable management: this result is based on assisting Jamaica meet its goal of putting 20 percent of Jamaica's land area under protection by the year 2001. Dependent on budget resources, USAID will initiate a new activity focusing on protecting water resources through sound sewage disposal solutions, which would extend beyond the R4 period. Again, depending on resources and analysis of program direction, USAID may end its support for watershed

management in 1997. Its major area of continuing support would be for the establishment of the parks and protected areas service at NRCA, and complementary SITE activities.

2.2: increased financial resources for environmental management: USAID expects that this result will not be accomplished within the R4 period, and will remain a priority as it supports long-term sustainability of the protection program.

2.3: strengthened capacity of Jamaican organizations to manage natural resources sustainability: with respect to support for the umbrella NGO, the National Environmental Societies Trust, USAID will end its support during the R4 period. It is expected that the Environmental Foundation for Jamaica will support NEST and NGOs past this time.

2.4: established environmental policies and regulations to conserve key natural resources: this is primarily a result to be achieved with other donor support. However, USAID has provided assistance to NRCA for regulatory development. This support will end during the R4 period.

3. SO3

USAID/Jamaica predicates its SO3 strategy on the assumption that many of the gains in the areas of family planning and health care reform will be sustained, and that the Mission can now target its resources towards particular problems of young people. However, USAID will continue to support the National Family Planning Board, perhaps through 1998, with tailored assistance intended to ensure it continues to fulfill its mandate. USAID also believes that private business and physicians will meet their expected roles in contraceptive procurement and a promotion of longer-term methods.

USAID fully maintains that it can accomplish its lower level result of significantly reducing unwanted teenage pregnancies over the strategy period. A 25 percent decline in teenage births equates to 6 percent of total annual births, and would be a major contribution to protecting the chances that young men and women will complete their education. With a significant reduction in teenage pregnancies, USAID would be in a position to end its family planning assistance to Jamaica.

In AIDS/STD prevention, monitoring of HIV spread, high-risk behavior, awareness and STD incidence among men and women will be required to determine the need for further USAID assistance past the year 2001.

Education will remain a challenge for years to come. Until government is in a position to increase spending in all social sectors, there is little chance that education standards will quickly change. However, with USAID and other partner assistance, gains can be made at reversing downward literacy/numeracy rates, and in boosting primary school attendance. This is a minimum requirement for Jamaica to be able to participate in the global economy of the 21st Century. The Mission expects to stay engaged in this area past the strategy period.

B. Gender

Gender analysis is an integral part of activity development and implementation under each strategic objective. However, the Mission still lacks gender-disaggregated data and information on several activities. To rectify the lack of gender-disaggregated data, the Mission will **expand** its efforts in the collection and analysis of such data in all scopes of work for all upcoming studies under SOs. Under the Microenterprise Development Project, there will be an impact study in FY96 which will analyze gender issues extensively. Mission-supported efforts to develop national databases on education, microenterprise and the environment will emphasize the collection of gender disaggregated data.

More detailed discussion of how the Mission portfolio addresses gender under its SOs is provided under section II.

C. New Partnership Initiative

The USAID/Jamaica program supports the New Partnerships Initiative. Building sustainable institutional capacity toward NGO empowerment is a priority under all three SOs, and developing small business partnerships is an integral theme under SO1 and SO2. Toward achieving SO1, the Mission's microenterprise and small farmer export development activities work through such local NGOs as the Jamaica Exporters' Association, the Kingston Restoration Company, the City of Kingston Cooperative Credit Union and a variety of small farmer groups, providing institutional strengthening assistance to build their administrative and management capacities. The US-based International Executive Service Core (IESC) has worked with small businesses in the apparel and information processing industries to strengthen their management and the US-based VOCA, has helped to conduct feasibility studies and provided technical assistance for small farmer groups and agricultural exporters.

Under SO2, HAP strengthens farmer groups as its basic management unit, and has already helped over 20 of them to offer more beneficial farmer services, reduce farmer costs and maintain beneficial soil management practices. DEMO has significantly enhanced the Negril and Montego Bay communities' abilities to articulate and pursue environmental agendas through project-supported environmental management councils. The PARC component of DEMO targets buffer zone communities that border on protected areas, seeking their support of the parks by demonstrating the parks' potential value to their communities. The development of small, environmentally friendly eco-tourism enterprises has been an offshoot of these efforts. One of DEMO's priorities is to facilitate the transfer of management of key protected areas/parks from the GOJ to local NGOs. Towards this end, DEMO is working with 7 community-based NGOs to help build their institutional capacities so that they can meet the NRCA's requirements for assuming management of protected areas.

Under SO3, NGOs and PVOs, including the local IPPF affiliate, FAMPLAN, and the Women's Center, have played an important role in providing services to the most high risk, low income groups as well as pioneering new approaches and interventions. The Jamaica National AIDS Committee brings together local NGOs, donors and private sector groups to

disseminate information about the disease and related programs. Over fifty percent of the Mission's bilateral AIDS program is channeled to Jamaican NGOs and PVOs. The NGO sector plays a critical role in service delivery, counseling and referral for explicit high risk target groups, including commercial sex workers, homosexuals and inner city youth, difficult for government services to reach. In the area of health sector reform, the Mission has worked with such local NGOs as the Visiting Nurses Association, the Jamaica Cancer Society and the Diabetes Association.

D. AC/SI Codes

The Mission is awaiting guidance from Washington.

ANNEX - 1

FY 1996/1997 ACTION PLAN ISSUES

MISSION RESPONSE

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FY 96/97 Action Plan Issues: Mission Response

State 135134 summarized USAID/Jamaica Action Plan issues from the DAEC meeting of April 24, 1995. This is the status of those issues or requests:

1. Multinational poverty taskforce: did the taskforce address policies that limit the affects of structural adjustment by creating a social safety net?

Response: the taskforce met in June 1995, and led to a new program concept designed under UNDP auspices. While, there has not subsequently been wide support for the concept (basically establishing community enterprise investment funds), the GOJ is implementing a multi-partner poverty eradication program based on targeted and community-led participation. Anti-poverty policies will be a special target area of the program. Also, the World Bank has designed a multi-donor Social Investment Fund (SIF) based on successful models in Nicaragua, and other countries, due to begin o/a June 1996. USAID expects the SIF to provide important infrastructural financing in the health and education sectors, including under USAID's Uplifting Adolescents project.

2. Policy support/labor-absorbing industry: the AA/LAC encouraged the Mission to stay active in the economic policy reform dialogue without losing its direct people-level involvement. DAA Zallman also suggested the Mission look for low-cost opportunities to work in the policy area, and to maximize impacts through labor-absorbing industry.

Response: USAID/Jamaica has maintained a direct involvement with the Ministry of Finance through technical assistance to the Fiscal Policy Management Unit, which is now at the center of government budgetary planning and debt management. USAID will evaluate progress with the Unit, and may extend its support if necessary. At an April 1996 donors workshop, it was agreed that macroeconomic stabilization remains Jamaica's most critical need, followed by education. A new donors taskforce was formed to closely monitor and support both areas, and USAID is serving on both sub-groups. In regard to support for labor-absorbing industry, USAID continues to provide essential infrastructure support for expansion of tourism, Jamaica's largest employer of skilled and low-skilled workers. The Mission also plans to support high-value horticultural exports, which are labor-intensive and provide employment for thousands of men and women, as well as selected light manufacturing support.

3. Equality indicator: the AA/LAC requested the Mission to include a gender-disaggregated SO-level indicator as a measure of income equality or similar equality yardstick, and that the Mission should report separately on the quality of selected-sector working conditions and wages.

Response: the Mission has included two new goal-level indicators under SO1, modified Human Development Index and Incidence of Absolute Poverty, in its proposed strategy play. The Mission will also ensure the gender-level poverty data will be obtained from annual updates of Jamaica's poverty line study. The strategy plan also provide some analysis of the status of living conditions in general, and overall wage conditions. At this point, detailed

sectoral analysis of working conditions has not been carried out.

4. Innovative donor collaboration: the DAEC also commended the Mission for its experience in donor co-financing and coordination, and recommended that these efforts be continued and enhanced.

Response: in its strategy plan, the Mission has selected Partner Collaboration as a major program theme for the FY 1997-2001 period. The narrative sections outline some of the proposed actions USAID/Jamaica may take.

5. USDA pre-clearance program: the AA noted the importance of staying on track with the privatization of the agricultural pre-clearance program.

Response: privatization of the pre-clearance program has been a priority receiving significant Mission management attention over the past year. Project support is due to end September 30, 1996. There have been gains, and volume through the facility grew 14% in the past year. A concerted publicity campaign, supported by USIS, has raised the level of awareness about the importance of the facility to Jamaica's export future. The Jamaica Exporters' Association is now providing overall coordination of the program and has developed a plan for sustainable private sector-led preclearance. There are two important remaining weaknesses, full cost recovery and Ministry of Agriculture technical assistance (e.g. for plant protection and field phytosanitary screening). USAID carried out a financial sustainability analysis in November, and over the next few months will determine what type of selected assistance USAID might provide over the next year or so to ensure sustainability.

6. Education problems: in discussion about the decline in Jamaica's basic education standards, DAA Daubon asked whether the problem lies solely with the education system, or whether in fact the problem might lie more with social problems, including poverty, that impact on children's performance in school.

Response: USAID/Jamaica had proposed last year a new project, New Horizons for Disadvantaged Youth, which would have addressed at-home problems of children from poor families. At the DAEC's request, the Mission did commission a local team to examine the problems of young children. The results of the study favored USAID support for early childhood education (see strategy plan annex 3). However, the Mission could not identify any clear, appropriate and sustainable options for working in this area. Consistent with DAEC guidance, the Mission will continue to examine options for providing support for basic education with the planned result of improved literacy and numeracy standards. It is possible that USAID will continue its previous support for school-community partnerships in collaboration with a multi-partner program of the InterAmerican Development Bank, World Bank and Jamaica Computer Society Education Foundation.

7. Health care for poor: the AA asked the Mission to clarify proportions of poor Jamaicans covered by private and public health care services, and those not covered by any services.

Response: The public health system is designed to provide access to all Jamaicans, regardless of financial ability to pay. At some hospitals, a new assessment system is in place that enables administrators to determine whether a patient is too poor to pay. If so determined, the patient is given free services. In hospital and clinics without assessors, those who claim not to be able to pay are given free services. Although this system occasionally does not work, it is designed to provide 100% access to all Jamaicans. It has been reported to the Mission that an increasing percentage of the poor are using private instead of public services. The Mission hopes to be able to report more definitively on this during Program Week in May 1996.

8. GEO concept: the DAEC requested that the Mission and LAC carry out a study of the Global Extension Office concept proposed in the Action Plan for FY 96/97.

Response: The GEO concept has evolved over the past year. The Strategy Plan for FY 1997-2001 proposes a specific support objective for Caribbean regional assistance.

ANNEX - 2

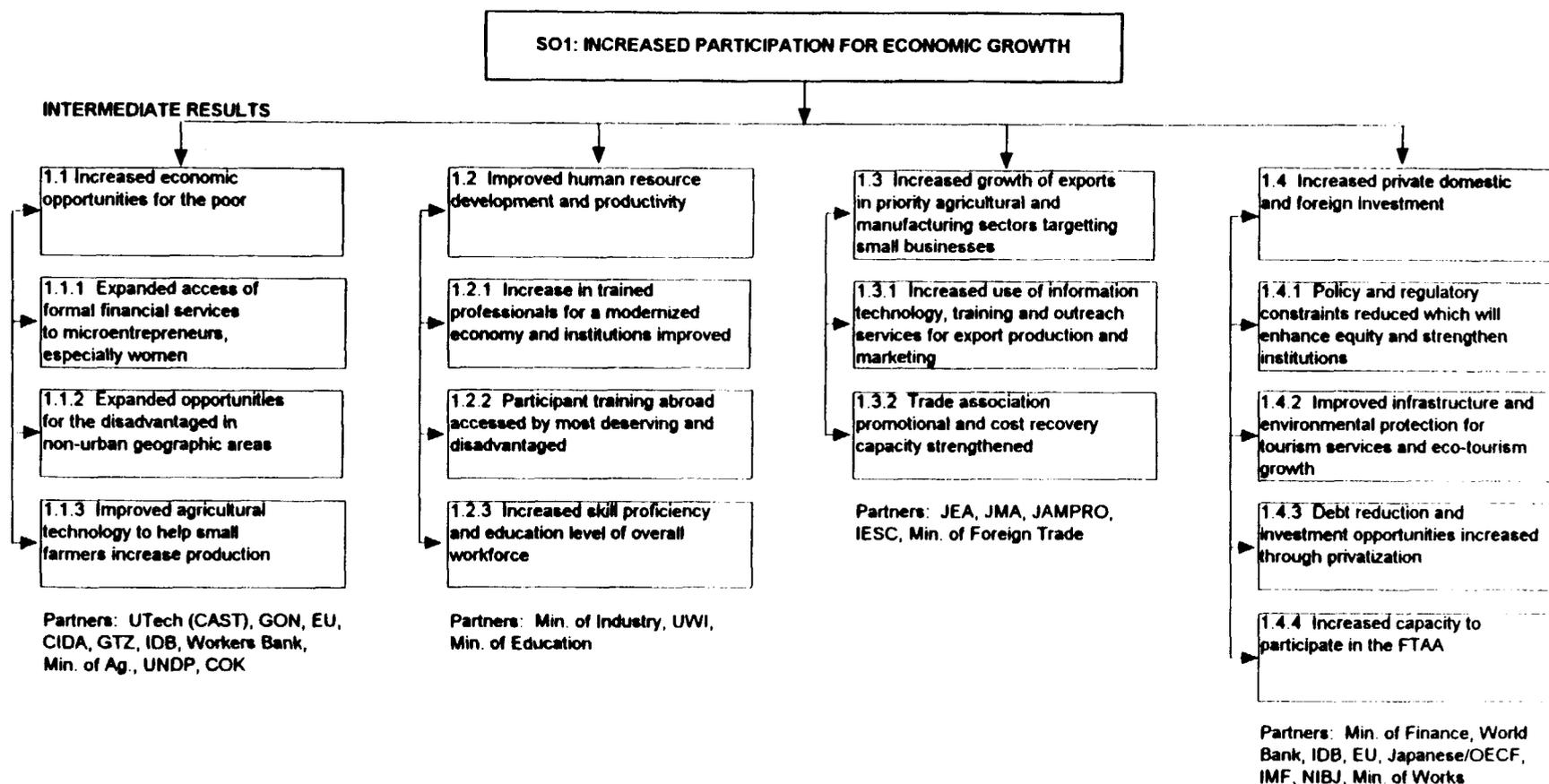
STRATEGY PLAN

RESULTS FRAMEWORKS

AND INDICATORS

SO1, SO2 AND SO3

RESULTS FRAMEWORK



Critical Assumptions:

- GOJ commitment to policy reform towards a free market economy
- Stable macroeconomic climate regarding fiscal (tax & spend), monetary (interest & inflation), and exchange rate policies
- Reduction of bureaucracy and red-tape obstacles to investment
- Efficient and stable banking sector
- Decrease of crime and violence in society
- Adequate physical infrastructure
- Legal and regulatory framework which fosters competition
- Improvement in living standards and stable labor markets

**USAID/JAMAICA FIVE YEAR STRATEGY
1997-2001**

USAID Mission Goal: Broad-based Sustainable Economic Growth
Results Framework SO1: Increased Participation for Economic Growth

- 1.1 Increased economic opportunities for the poor
 - 1.A.1 Expanded access of formal financial services to microentrepreneurs, especially women
 - 1.A.2 Expanded employment and training opportunities for the disadvantaged (m/f) in non-urban geographic areas
 - 1.A.3 Improved agricultural technology and access to markets to help small farmers (m/f) increase production

Partners: UTech (CAST), GON, EU, CIDA, GTZ, IDB, Workers Bank, Min. of Ag., UNDP, COK

- 1.2 Improved human resource development and productivity
 - 1.B.1 Increase in trained professionals (m/f) for a modernized economy and institutions
 - 1.B.2 Participant training abroad accessed by most deserving and disadvantaged men and women
 - 1.B.3 Increased skill proficiency and education level of overall workforce (m/f);

Partners: Min. of Education and Health, UWI, UNWFP, WHO/PAHO
UNESCO

- 1.3 Increased growth of exports in priority agricultural and manufacturing sectors, targeting small businesses
 - 1.C.1 Increased use of information technology, training and outreach services for export production and marketing
 - 1.C.2 Trade association promotional and cost recovery capacity strengthened

Partners: JEA, JMA, JAMPRO, IESC, Min. of Foreign Trade

- 1.4 Increased private domestic and foreign investment
 - 1.D.1 Policy and regulatory constraints reduced which will enhance equity and strengthen institutions
 - 1D..2 Improved infrastructure and environmental protection for tourism services and eco-tourism growth
 - 1.D.3 Debt reduction and investment opportunities increased through privatization
 - 1.D.4 Increased capacity to participate in the FTAA

Partners: Min. of Finance, World Bank, IDB, EU, Japanese/OECF, IMF, NIBJ, Min. of Works, Min. of Commerce

**USAID/JAMAICA FIVE YEAR STRATEGY
1997-2001**

Indicators

USAID Mission Goal:

- GDP per capita (\$ value)
- Incidence of absolute poverty (%)
- Modified Human Development Index (coefficient)

SO1:

- GDP growth rate (%)
- Employment in assisted areas (m/f)
- Foreign exchange earnings in priority areas (\$value)

1.A:

- Disadvantaged persons receiving financial services (m/f)
- Assisted small and microenterprise firms (urban/rural - m/f owned)
- Improved export crop technology adopted by small farmers (no. m/f)

1.B:

- People trained for the production sector (m/f)
- MBAs graduated by UWI (m/f)
- Increase in proportion of health services provided by private sector (%)
- Improvement in numeracy and literacy rate (% m/f)

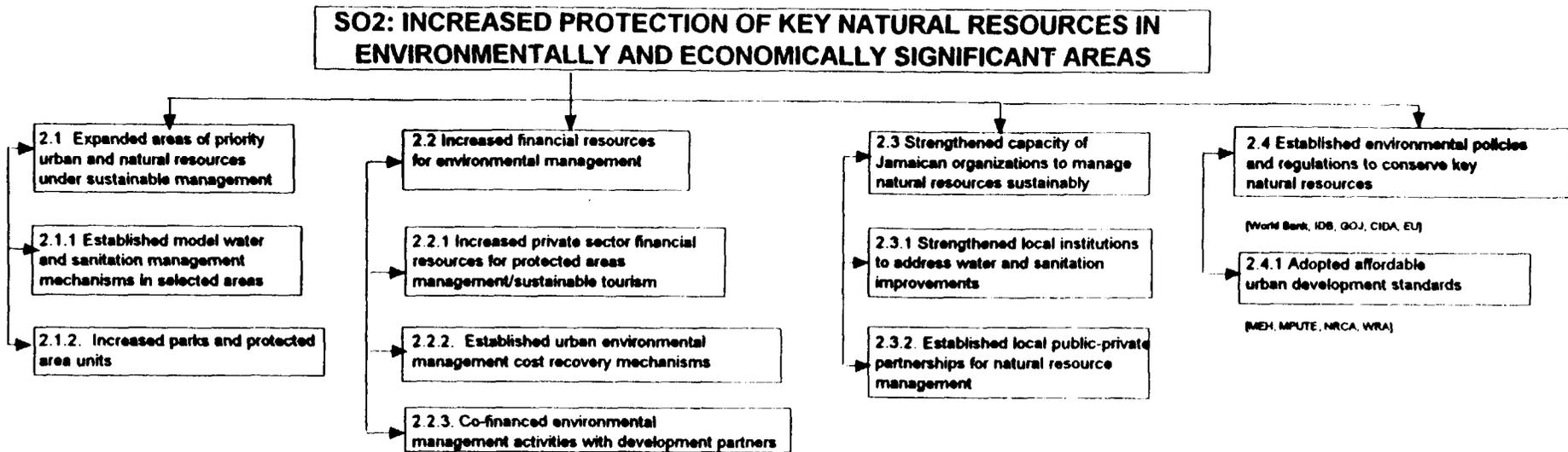
1.C:

- Number of small firms adopting in-plant technology (no. m/f owned)
- Trade associations' membership (no. m/f owned)
- People trained for the export sector (m/f)
- Volume of produce handled by export marketing facilities (tons)
- Marginal increase in employment rates through growth of export oriented industries (m/f)

1.D:

- Private domestic and foreign investment (\$ value)
- Number of foreign visitors (no.)
- Value of public sector divestment proceeds (\$)
- Number of FTAA related trade reforms enacted and implemented (no.)

RESULTS FRAMEWORK



Critical Assumptions:

1. Continued public policy supporting decentralized management of natural resources and urban services.
2. Continued GOJ commitment to establishing protected areas.
3. GOJ commitment to enable revenue generating programs to directly finance urban services and natural resources management.
4. GOJ commitment to adopt environmental management policy reforms.
5. NWC commitment to concept of community-based water and sanitation services.
6. GOJ commitment to revise development and environmental standards

SO2: Increased protection of key natural resources in environmentally and economically significant areas

SO-level indicators:

1. Percent of environmentally threatened area under protection
2. Percent of target communities adopting model water and sanitation solutions (1997-2002)

2.1 Expanded areas of priority urban and natural resources under sustainable management

2.A Indicators

- 2.A.1 Number of model water/sanitation mechanisms approved
- 2.A.2 Number of parks/protected areas units established.

2.2. Increased financial resources for environmental management

2.B Indicators

- 2.B.1
 - a. Fundraising program for national trust fund implemented (dollars)
 - b. Fundraising program for local trust funds implemented (dollars)
 - c. Revenue generation programs in place (dollars)
- 2.B.2 Number of CBOs/NGOs operating water/sanitation systems on a full cost recovery basis
- 2.B.3 Funds leveraged with development partners (dollars)

2.3 Strengthened capacity of Jamaican organizations to manage natural resources sustainably

2.C Indicators

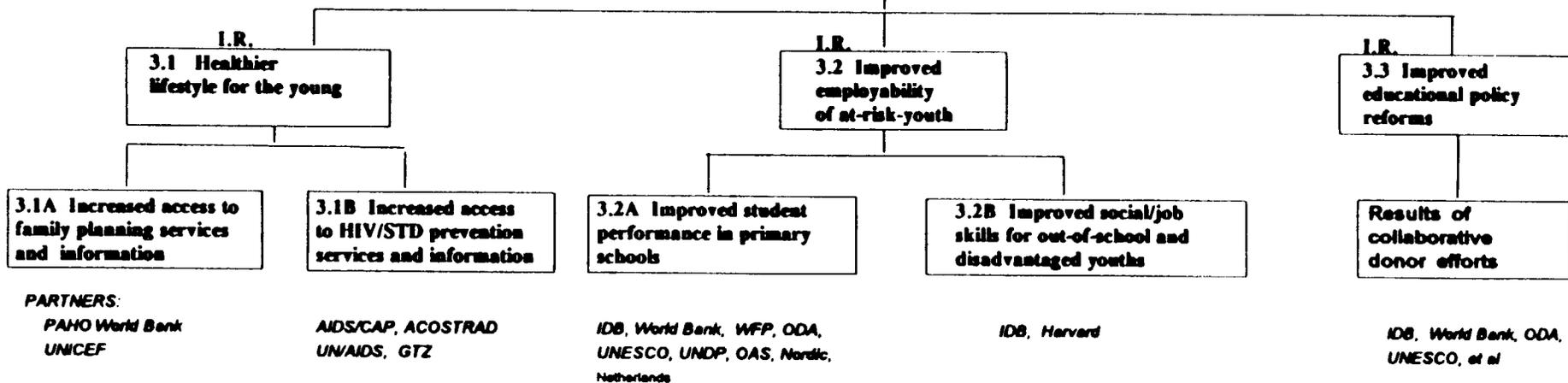
- 2.C.1 Number of CBOs and NGOs successfully dealing with water and sanitation issues
- 2.C.2 Number of NGOs receiving delegation of authority to manage protected areas increased

2.4 Established environmental policies and regulation to conserve key natural resources

2.D Indicators

- a. Policy reforms to create economic incentives for sound environmental
- b. Policies to institute best management practices adopted.

SO3: STRATEGIC OBJECTIVE: YOUNG JAMAICANS BETTER EQUIPPED FOR THE 21ST CENTURY



CRITICAL ASSUMPTIONS

- | | |
|---|---|
| 1. GOJ budgetary levels for pre-primary and primary education maintained. | 6. GOJ's social contract with employers and trade unions will result in decreased inflation rate. |
| 2. Jamaica's education tax will be prioritized for primary level education. | 7. GOJ will provide training for teachers and other forms of direct support. |
| 3. Jamaica's productive sector will expand to provide demand for labor. | 8. USAID planned budget levels sustained. |
| 4. Inflation rate will be controlled. | 9. International donor sector input sustained. |
| 5. Political climate will remain stable. | |

SO3: Young Jamaicans better equipped for the 21st Century

SO-level indicators:

1. Fertility rate
2. STD/HIV transmission rate
3. Functional literacy and numeracy rate

Lower level Indicators:

I.R 3.1 Healthier lifestyle for Young Men and Women

3.1 Indicators:

3.1A *Increased access to family planning services and information by young men and women**

- 3.1.1 Contraceptive prevalence rate.
- 3.1.2 Acceptors (M/F) protected by long-term methods.
- 3.1.3 Unintended teenage pregnancy.
- 3.1.4 Delayed initial intercourse (M/F).

3.1B *Increased access to HIV/STD prevention services and information by young men and women*

- 3.1.5 Transmission rate of HIV/STD among young men and women.
- 3.1.6 Condom use.
- 3.1.7 Syphilis rate in antenatal women.
- 3.1.8 STD/HIV Reporting by all providers.

I.R 3.2 Employability improved for at-risk youth

3.2 Indicators:

3.2A *Improved student performance (M/F) in primary schools*

- 3.2.1 Grade I "readiness" inventory for pre-primary and primary.
- 3.2.2 Age range of primary entrants (M/F).
- 3.2.3 Formal, didactic and structured approaches for primary grades.
- 3.2.4 Learning difficulties in the early primary grades (M/F).
- 3.2.5 Referrals for age groups 7 to 8 years (M/F).

*We will continue to measure contraceptive prevalence rate and use of long term contraceptive methods until completion of the Family Planning Initiatives Project.

3.2B Improved social/job skills for out-of-school and disadvantaged young men and women

3.2B Indicators

3.2.6 Out-of-school youths/adolescents (M/F) return to school.

3.2.7 Completion rate for all-age and vocational schools' programs (M/F).

3.2.8 Reduction in violence in schools.

3.3 *Improved Educational Policy Reforms*

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APPROVED BY: AID/AA/LAC/:MSCHNEIDER
AID/DAA/LAC:RDAUBON AID/DAA/LAC:EZALLMAN
AID/LAC/DPB:DCHIRIBOGA (DRAFT) AID/LAC/SPM:JWEBER
AID/LAC/SPM:ERUPPRECHT (DRAFT) AID/GC/LAC:AADAMS (DRAFT)
AID/M/B:BGREENE (DRAFT) AOD/LAC/CAR:DECKERSON(DRAFT)
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TAGS:

SUBJECT: FY 96-97 ACTION PLAN FOR JAMAICA

1. SUMMARY: DURING THE PROGRAM WEEK FOR JAMAICA, APRIL 24-28, 1995, A SERIES OF FORMAL MEETINGS CONSIDERED DEVELOPMENT OBJECTIVES, PROGRAM PERFORMANCE, PROPOSED NEW UNCLASSIFIED

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ACTIVITIES, RESOURCE REQUIREMENTS, AND A BROAD RANGE OF PROGRAM ISSUES. SPECIAL ISSUES WERE EXAMINED IN INFORMAL MEETINGS AMONG MISSION REPRESENTATIVES AND STAFF MEMBERS OF VARIOUS AID/W OFFICES. THE DEVELOPMENT ASSISTANCE EXECUTIVE COMMITTEE (DAEC) REVIEW OF THE FY 96-97 ACTION PLAN (AP) FOR JAMAICA WAS HELD APRIL 27. THIS CABLE OUTLINES MAJOR ELEMENTS OF DISCUSSION AT THAT SESSION, DESCRIBES ADDITIONAL ACTIONS REQUESTED, AND RECORDS AGREEMENTS REACHED. IN BRIEF, THE AP WAS APPROVED, AS WELL AS FOUR OF THE FIVE NEW ACTIVITY DESCRIPTIONS (NADS); THE FIFTH NAD REQUIRES FURTHER SECTORAL STUDY. THE MISSION WAS ASKED TO CONSIDER CERTAIN QUESTIONS IN THE DEVELOPMENT OF A NEW STRATEGY DOCUMENT SCHEDULED FOR SUBMISSION NEXT YEAR. END SUMMARY

2. THE DAEC REVIEW OF THE JAMAICA AP FOR FY 96-97 WAS CHAIRED BY AA/LAC MARK SCHNEIDER. AMONG THOSE ATTENDING WERE DAA/LAC RAMON DAUBON, DAA/LAC ERIC ZALLMAN, AND

REPRESENTATIVES OF VARIOUS LAC, G, M, AND PPC, OFFICES. MISSION REPRESENTATIVES WERE MISSION DIRECTOR CAROLE TYSON AND PROGRAM/PROJECT DEVELOPMENT OFFICER KIRK DAHLGREN.

3. IN HER INTRODUCTORY REMARKS, THE MISSION DIRECTOR NOTED JAMAICA'S ECONOMIC PROGRESS OVER THE PAST YEAR, AND THE COUNTRY'S COMMITMENT TO CONTINUING STRONG MACROECONOMIC MANAGEMENT, HAVING JUST COMPLETED THE LAST IMF ARRANGEMENT. ALTHOUGH REAL GROWTH HAS BEEN MODEST AND THE COUNTRY IS STILL IN ECONOMIC TRANSITION, THERE ARE POSITIVE SIGNS THAT THE PRE-CONDITIONS HAVE BEEN MET FOR UNCLASSIFIED

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SUSTAINED RATES OF IMPROVED PERFORMANCE IN THE NEAR

FUTURE. JAMAICA HAS MET ALL REQUIREMENTS FOR ACCESSION TO NAFTA, HAVING SIGNED A BILATERAL INVESTMENT TREATY AND AN INTELLECTUAL PROPERTY RIGHTS AGREEMENT. REMAINING IMPEDIMENTS TO ACCELERATED GROWTH INCLUDE A FEW REMAINING POLICY REFORMS, DECLINING BASIC EDUCATION STANDARDS, AND HIGHER RATES OF POVERTY LEADING TO CRIME AND OTHER SOCIAL INSTABILITY.

4. IN HER PROGRAM PERFORMANCE OVERVIEW, THE MISSION DIRECTOR NOTED THAT THE MISSION HAD RESPONDED TO LAST YEAR'S DAEC RECOMMENDATION TO RESTRUCTURE ACTIVITIES UNDER ITS ECONOMIC GROWTH STRATEGIC OBJECTIVE (SO) TO INCREASE EMPLOYMENT AND INCOMES THROUGH SMALL BUSINESS SUPPORT. UNDER ITS SECOND SO, SHE NOTED THE STRONG CONTRIBUTIONS THAT THE MISSION HAD MADE OVER THE PAST YEAR IN STRENGTHENING ENVIRONMENTAL AGENCIES AND NGO'S. THE ONLY STRATEGY SHIFT WAS UNDER THE THIRD SO. THE MISSION DECIDED TO END ITS SUPPORT FOR HEALTH SECTOR REFORM AT THE END OF ITS RELATED PROJECT ASSISTANCE IN SEPTEMBER 1996. OTHER DONORS ARE NOW ACTIVE IN SUPPORTING HEALTH PROGRAMS FOR JAMAICA. AND GIVEN RECENT STUDIES SHOWING A SHARP DECLINE IN BASIC EDUCATION STANDARDS, AND THE NEGATIVE IMPACT THAT THIS IS HAVING ON ECONOMIC GROWTH AND FOREIGN INVESTMENT, THE MISSION PROPOSED TO RENEW ITS SUPPORT FOR BASIC EDUCATION. THE MISSION DIRECTOR ALSO PROVIDED A BRIEF DESCRIPTION OF ITS EXPERIENCE AS A REENGINEERING EXPERIMENTAL LAB (CEL), ITS SUCCESS IN CREATING AN INTERNAL CLIMATE FOR CHANGE, AND IN PIONEERING THE AGENCY'S FIRST CUSTOMER SERVICE PLAN. TO BETTER MANAGE

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FOR RESULTS, THE MISSION PROPOSED TO CARRY OUT A MANAGEMENT ASSESSMENT IN JULY TO IDENTIFY OPTIONS FOR REORGANIZING STAFF INTO HIGH PERFORMANCE TEAMS.

5. THE AA/LAC COMPLIMENTED THE MISSION ON A WELL-PREPARED, WELL-ORGANIZED ACTION PLAN, NOTING IN PARTICULAR THE CREATIVE PRESENTATION OF SUCCESS STORIES, PROGRAM IMPACTS, THE REENGINEERING EXPERIENCE AND CONTRIBUTIONS TO SUMMIT OF THE AMERICAS INITIATIVES. HE NOTED THAT THE MISSION WOULD BE PREPARING A NEW STRATEGY DOCUMENT FOR SUBMISSION IN 1996, AND THAT SEVERAL ISSUES FOR SPECIAL STUDY WOULD BE COVERED IN THE DAEC REVIEW. THE ACTION PLAN WAS APPROVED BY THE DAEC.

6. BALANCE BETWEEN POLICY REFORM AND POVERTY ALLEVIATION. THE AA/LAC NOTED HIS CONCERN ABOUT THE WIDENING INCOME GAP AND INCREASING POVERTY IN JAMAICA, DESPITE A PERIOD OF OVERALL GROWTH. THE MISSION DIRECTOR DESCRIBED THIS AS A RESULT OF A PROLONGED PERIOD OF AUSTERITY AND REDUCTIONS IN GOVERNMENT WORKFORCE AND SERVICES, NECESSARY ASPECTS OF THE REFORM PROGRAM. THE AA/LAC AND DAA ZALLMAN NOTED THAT OTHER COUNTRIES HAVE LIMITED THE NEGATIVE EFFECTS OF STRUCTURAL ADJUSTMENT BY PUTTING IN PLACE COMPLEMENTARY POLICIES THAT PROVIDE A SOCIAL SAFETY NET. IT WAS RECOMMENDED THAT THE MISSION PROPOSE THAT THIS QUESTION BE ADDRESSED BY THE MULTINATIONAL MISSION ON POVERTY REDUCTION SCHEDULED FOR MAY-JUNE 1995, AND THE CONCLUSIONS SHOULD BE DISCUSSED IN USAID/JAMAICA'S NEXT STRATEGY

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DOCUMENT. THE STRATEGY DOCUMENT SHOULD ALSO ATTEMPT TO EXPLAIN THE PARADOX OF INCREASED ECONOMIC GROWTH WITHOUT MORE LABOR ABSORPTION. IT WAS NOTED THAT INFLATION, POVERTY, AND CRIME HAVE DISCOURAGED INVESTMENT THAT WOULD CREATE MORE JOBS.

THE AA/LAC NOTED THAT THE MISSION SHOULD MAINTAIN AN ACTIVE ECONOMIC POLICY ENGAGEMENT WITHOUT LIMITING ITS DIRECT PEOPLE-LEVEL INVOLVEMENT. HE ALSO ASKED THAT THE MISSION INCLUDE A SO-LEVEL INDICATOR AS A MEASURE OF INCOME EQUALITY OR SIMILAR EQUITY YARDSTICK, AND THAT THE

MISSION REPORT SEPARATELY ON THE QUALITY OF SELECTED-SECTOR WORKING CONDITIONS AND WAGES AS REQUESTED IN LAST YEAR'S DAEC. THE LAC WID ADVISOR ASKED THAT SUCH AN INDICATOR BE GENDER DISAGGREGATED, AND NOTED THAT SHE HAD PROVIDED SEPARATELY A LIST OF RECOMMENDATIONS TO THE MISSION ABOUT STRENGTHENING GENDER ANALYSIS. THE AA/LAC SUGGESTED THAT POVERTY AMONG WOMEN-HEADED HOUSEHOLDS IN RURAL VERSUS URBAN AREAS MIGHT INDICATE AN AREA OF POTENTIAL PROGRAM ATTENTION.

7. LEVERAGING INCREASED IMPACT WITH LIMITED PROGRAM FUNDS.
A) POLICY REFORMS. DAA FALLMAN QUESTIONED WHETHER JAMAICA'S LACK OF ECONOMIC PROGRESS RESULTED FROM REMAINING STRUCTURAL OR POLICY IMPEDIMENTS, SUCH AS LIMITED CENTRAL BANK INDEPENDENCE AND THE BANK'S CONTINUED HIGH FINANCIAL LOSSES, OR INAPPROPRIATE CAPITAL INVESTMENT INCENTIVES SUCH AS EXCESSIVE TAX HOLIDAYS, THAT NEED TO BE CORRECTED. HE SAID THAT THE MISSION SHOULD IDENTIFY LOW-UNCLASSIFIED

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COST OPPORTUNITIES FOR WORKING IN THE POLICY AREA, AS WELL AS TO MAXIMIZE OUR PROGRAM IMPACTS THROUGH BROAD SUPPORT

FOR LABOR-ABSORBING INDUSTRY. THE MISSION DIRECTOR STATED THAT SHE BELIEVES THAT EVEN WITH LIMITED BUDGET RESOURCES USAID CAN CONTINUE TO PLAY A SIGNIFICANT ROLE IN INFLUENCING JAMAICA'S POLICY COURSE, AND THIS CONCEPT WILL BE STUDIED DURING STRATEGY DEVELOPMENT OVER THE NEXT YEAR. SHE BELIEVES THAT JAMAICA WOULD APPRECIATE U.S. POLICY SUPPORT, EVEN WITHOUT SIGNIFICANT FUNDS TO LEVERAGE CHANGES, GIVEN OUR INTERNATIONAL PROMINENCE AND CLOSE BILATERAL RELATIONS.

B) DONOR COORDINATION. THE DAEC RECOMMENDED THAT IN ITS SECTORAL STUDIES AND NEW ACTIVITY DEVELOPMENT, THE MISSION IDENTIFY INNOVATIVE WAYS TO COLLABORATE WITH OTHER DONORS. THE MISSION DIRECTOR DESCRIBED THE U.S.-JAPAN USE OF PARALLEL FINANCING FOR THE NORTH COAST PROJECT, AND AGREED TO PROVIDE THE AA/LAC WITH A SUMMARY OF LESSONS LEARNED. SHE ALSO DESCRIBED THE INVOLVEMENT OF A WIDE RANGE OF DEVELOPMENT PARTNERS IN THE DESIGN OF THE UPLIFTING ADOLESCENTS PROJECT, WHICH HAS LED TO AN INFORMAL COMMITMENT FROM THE WORLD BANK FOR COMPLEMENTARY FUNDING. THE AA/LAC COMMENDED THESE EFFORTS, AND ASKED THAT THE MISSION CONTINUE TO EXPAND ITS CONSULTATION AND COLLABORATION WITH DONORS, THE GOVERNMENT AND NGO'S. THE DAEC RECOMMENDED THE ECUADOR AP AS AN EXCELLENT DESCRIPTION OF HOW A MISSION PLANS TO MAXIMIZE IMPACT WITH SCARCE BUDGETARY RESOURCES.

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8. THE AA/LAC ALSO STRESSED THE IMPORTANCE OF STAYING ON-COURSE WITH THE PRIVATIZATION OF THE USDA PRE-CLEARANCE PROGRAM. THE MISSION REPRESENTATIVES RESPONDED BY SAYING THAT PROGRESS HAS BEEN MADE ON THE TWO-YEAR PLAN FOR HANDING OVER THE PROGRAM TO THE GOJ AND JAMAICA EXPORTERS ASSOCIATION.

9. DECLINE IN EDUCATION SYSTEM AND ACHIEVEMENTS. CONSIDERABLE DISCUSSION WAS DEVOTED TO THE MISSION'S PLAN TO RENEW ITS SUPPORT FOR BASIC EDUCATION. THE AP DESCRIBES THE RECENT DECLINES IN SCHOOL ENROLLMENT, ATTENDANCE AND GRADUATION STATISTICS, AS WELL AS IN ADULT LITERACY. SUCH FACTORS ARE LEADING TO AN UNTRAINABLE WORKFORCE, AND THIS DISCOURAGES INVESTMENT. DAA DAUBON ASKED WHETHER THE EDUCATION SYSTEM ITSELF WAS AT FAULT, OR WAS IT RATHER THE RESULT OF SOCIAL FACTORS. THE MISSION DIRECTOR SAID THAT BASED ON A RECENT USAID DEMOGRAPHIC STUDY INVOLVING SOME OF JAMAICA'S LEADING SECTOR SPECIALISTS, THE SITUATION WAS DUE IN A LARGE MEASURE TO SOCIAL PROBLEMS, STEMMING FROM THE GROWING INCIDENCE OF POVERTY, ADOLESCENT PREGNANCY AND DRUG USE, AND

INCREASINGLY DYSFUNCTIONAL FAMILIES. LAC/RSD/EHR NOTED THAT JAMAICA HAS TRADITIONALLY HAD A HIGH RATE OF TEEN

PREGNANCIES AND SINGLE PARENT HOUSEHOLDS, AND THAT THE CURRENT SECONDARY SCHOOL SYSTEM DOES NOT HAVE PLACES FOR ALL PRIMARY SCHOOL GRADUATES. THE AA/LAC ASKED THE MISSION TO DELAY FURTHER CONSIDERATION OF ITS NAD, NEW HORIZONS FOR DISADVANTAGED YOUTH, UNTIL IT HAD CARRIED OUT

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A SECTORAL STUDY THAT WOULD DETERMINE THE MOST EFFECTIVE WAYS OF RESOLVING EDUCATION PROBLEMS AND IMPROVING BASIC EDUCATION. IT WAS RECOMMENDED THAT SUCH A STUDY BE PARTICIPATORY, INVOLVING AND MOBILIZING THE JAMAICAN POPULACE IN IDENTIFYING AND SUPPORTING SOLUTIONS TO THE EDUCATION PROBLEMS. USAID MAY ALSO WANT TO INCLUDE REPRESENTATIVES OF OTHER DONORS TO THE EDUCATION SECTOR IN CARRYING OUT THE STUDY. FOLLOWING THE STUDY, AND IF IT DECIDES TO PROCEED IN THIS SECTOR, THE MISSION WAS ENCOURAGED TO WORK CLOSELY WITH THE TWO LARGE EDUCATION SYSTEM DONORS, THE WORLD BANK AND IDB, TO ENSURE ITS EFFORTS ARE COMPLEMENTARY.

10. HEALTH SECTOR ACTIVITIES. THE AA/LAC NOTED THE NEED TO CLARIFY INDICATORS TO SHOW THE RESPECTIVE PROPORTIONS OF POOR JAMAICANS THAT ARE COVERED BY PRIVATE VERSUS PUBLIC HEALTH CARE, AND THOSE THAT ARE COVERED BY NEITHER. LAC/RSD/PHN ALSO NOTED THAT DURING THE EVALUATION OF THE HEALTH SECTOR INITIATIVES PROJECT (HSIP), THE IDB AND OTHER DONORS WERE NOT PARTICULARLY FORTHCOMING ABOUT THEIR EFFORTS IN HEALTH CARE REFORM. THE AA/LAC ADVISED THE MISSION DIRECTOR THAT HE WAS ALWAYS AVAILABLE TO INTERVENE AT A HIGH LEVEL IF ANY RESISTANCE TO COORDINATION WAS MET BY ONE OF OUR OVERSEAS MISSIONS. ALTHOUGH THE DAEC DID NOT DISAGREE WITH THE MISSION'S DECISION TO LEAVE HEALTH SECTOR REFORM, THE AA ASKED THAT THE MISSION CONTINUE TO MONITOR THE STATUS OF HEALTH INDICATORS, PARTICULARLY GIVEN THE INCREASE IN POVERTY, AND TO REVIEW PROGRESS IN HEALTH SECTOR REFORM DURING THE REMAINING 16 MONTHS OF THE HSIP PROJECT.

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11. REENGINEERING. THE DAEC ALSO SUPPORTED THE CONCEPT OF A GLOBAL EXTENSION OFFICE (GEO), TO BE BASED IN JAMAICA TO PROVIDE ENVIRONMENTAL CENTER SUPPORT TO CARIBBEAN MISSIONS. THE DAEC AGREED THAT LAC SHOULD PARTICIPATE WITH THE GLOBAL AND MANAGEMENT BUREAUS IN A STUDY TO REVIEW ANY ISSUES, INCLUDING FINANCING, TO ALLOW THIS REENGINEERING EXPERIMENT TO MOVE FORWARD. THE DAEC ALSO AGREED THAT THE MANAGEMENT ASSESSMENT SHOULD, INTER ALIA, PROVIDE RECOMMENDATIONS ON TEAM MANAGEMENT AND OTHER REENGINEERING MANAGEMENT ACTIVITIES.

12. NEW ACTIVITY DESCRIPTIONS: THE FOLLOWING NADS WERE REVIEWED BY THE DAEC:

PROJECT NUMBER	PROJECT NAME	LOP AMOUNT (DOLS 000)	RECOMMENDED ACTION
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FY 95

532-0177	UPLIFTING ADOLESCENTS	5,500	APPROVED/ DELEGATE
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THE DAEC ENCOURAGED MISSION TO ENGAGE THE PUBLIC SECTOR IN IMPLEMENTATION, AND TO USE THIS DIALOGUE TO DISCUSS WITH GOVERNMENT THE RELEVANCE OF THE SCHOOL CURRICULUM TO EMPLOYABILITY.

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FY 96

532-0178	EXPANDING AIDS INTERVENTIONS	4,000	APPROVED/ DELEGATE
532-0176	MANAGEMENT OF URBAN POLLUTION IN LOW INCOME COMMUNITIES	6,000 DAF 12,000 LOAN GUARANTY	APPROVED/ DELEGATE
532-0179	NEW HORIZONS FOR DISADVANTAGED YOUTH	5,000	DEFERRED (SEE PARA. 9)

FY 97

NO DECISION WAS REACHED AT THIS TIME ON NADS FOR FY 97 SINCE THE NEW STRATEGY WILL LEAD TO DEFINITION OF DIRECTIONS FOR THESE ACTIVITIES.

532-0182	SUSTAINABLE WATERSHED ECONOMIC DEVELOPMENT	6,000	
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THE MISSION WAS ADVISED TO SUBMIT AN UPDATED NAD WITH NEXT YEAR'S ACTION PLAN; THE MISSION SHOULD CONSIDER ACCESSING TECHNICAL ASSISTANCE FROM THE LAC 2005 PROJECT (IF IT IS AUTHORIZED) OR OTHER SOURCES REGARDING AGROCHEMICAL ENVIRONMENTAL STANDARDS.

532-0156	MICROENTERPRISE DEVELOPMENT (AMENDMENT)	4,000 (MISSION AND GLOBAL)	
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THE MISSION WAS ADVISED TO SUBMIT AN UPDATED NAD WITH NEXT YEAR'S ACTION PLAN.

13. THE MISSION WAS COMMENDED FOR ITS PROGRESS UNDER REENGINEERING. IN CLOSING, THE DAEC ENCOURAGED THE MISSION TO CONSULT AS NEEDED WITH USAID/W OFFICES IN THE DEVELOPMENT OF ITS NEW STRATEGY DOCUMENT AND NEW ACTIVITY DESIGN.
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