

# **Jamaica – European Union ACP Partnership**

## **Annual Report 2002**

**(FINAL)  
30.9.2003**

## Table of Contents

<b>1. EXECUTIVE SUMMARY .....</b>	<b>4</b>
<b>2. NATIONAL DEVELOPMENT STRATEGIES .....</b>	<b>7</b>
2.1 ECONOMIC GROWTH .....	7
2.2 SOCIAL DEVELOPMENT .....	8
2.3 ERADICATION OF POVERTY.....	9
2.4 FOOD SECURITY .....	9
2.5 GOVERNANCE .....	9
2.6 SUSTAINABLE DEVELOPMENT.....	10
<b>3. UPDATE ON THE POLITICAL, ECONOMIC AND SOCIAL SITUATION.....</b>	<b>10</b>
3.1 DEMOCRATIC PROCESS/GOVERNANCE .....	11
3.2 ECONOMIC PROGRAMME.....	12
3.4 SOCIAL DEVELOPMENT.....	13
3.5 FOOD SECURITY .....	15
3.6 DISASTER PREVENTION MECHANISMS .....	15
3.7 CRITICAL ENVIRONMENTAL TRENDS.....	15
<b>4. OVERVIEW OF PAST AND ONGOING CO-OPERATION .....</b>	<b>16</b>
4.1. FOCAL SECTORS.....	16
4.1.1 POVERTY ALLEVIATION .....	16
RURAL WATER SUPPLY PHASE II (10 MILLION EURO).....	19
4.1.2 INFRASTRUCTURE DEVELOPMENT.....	20
4.1.3 MACROECONOMIC SUPPORT.....	23
4.2. PROJECTS AND PROGRAMMES OUTSIDE FOCAL SECTORS .....	24
4.2.1 PUBLIC SECTOR MODERNISATION PROJECT (PSMP) –2,028,446 EURO.....	24
4.2.2 INSTITUTIONAL STRENGTHENING OF PLANNING INSTITUTE OF JAMAICA (ISPIOJ) – 7 <sup>TH</sup> EDF (435,000 EURO) .....	25
4.2.3 TRADE DEVELOPMENT PROJECT (TDP) 6,000,000 EURO .....	26
4.2.4 INTEGRATED DRUG ABUSE PREVENTION PROJECT (IDAPP) – 8 <sup>TH</sup> EDF (1,200,000 EURO) .....	27
4.3 UTILISATION OF RESOURCES FOR NON-STATE ACTORS .....	27
4.4 OTHER INSTRUMENTS .....	28
4.4.1 EUROPEAN INVESTMENT BANK.....	28
4.4.2 REGIONAL CO-OPERATION .....	29
4.4.3 STABEX.....	31
4.4.4 SYSMIN .....	32
4.4.5 BUDGET LINE FUNDING.....	32
4.4.6 BUDGET LINE ASSISTANCE: SPECIAL FRAMEWORK OF ASSISTANCE BANANA SUPPORT PROGRAMME.....	32
<b>5. PROGRAMMING PERSPECTIVES FOR THE COMING YEARS .....</b>	<b>35</b>

**6. SPECIFIC ISSUES..... 36**

**6.1 ADVANCING THE USE OF PREVIOUS EDF RESOURCES ..... 36**

**6.2 SETTING INDICATORS AND TARGETS FOR MEASURING RESULTS IN THE FOCAL SECTORS ..... 38**

**6.3 DIALOGUE IN COUNTRY WITH THE NAO AND NON-STATE ACTORS ..... 38**

**7. CONCLUSIONS..... 38**

**ANNEXES TO THE JOINT ANNUAL REPORT ..... 44**

**ANNEX I – INTERVENTION FRAMEWORK..... 45**

**(MACRO-ECONOMIC SUPPORT, PRIVATE SECTOR AND ROAD TRANSPORT DEVELOPMENT) ..... 45**

**ANNEX II – CHRONOGRAMME OF ACTIVITIES ..... 50**

**ANNEX III – TIMETABLE FOR COMMITMENTS AND DISBURSEMENTS..... 51**

**ANNEX IV – FINANCIAL SITUATION ..... 53**

**ANNEX V – PROJECTS FINANCED UNDER THE CARIBBEAN REGIONAL PROJECT (CRIP)..... 55**

**ANNEX VI – PROJECTS FUNDED FROM THE BUDGET OF THE EUROPEAN COMMUNITY ..... 60**

**ANNEX VII – EUROPEAN INVESTMENT BANK ..... 63**

## **1. Executive Summary**

The present report starts off with a brief description of the policy agenda of Jamaica in key areas, summarising the country's national development strategies in areas such as social development and poverty eradication and goes on to provide an update on the political, economic and social situation for the period covered by the report.

Subsequently a review and analysis of co-operation under the 7<sup>th</sup> and 8<sup>th</sup> European Development Fund (EDF) are presented, scrutinising results and activities in the focal and non-focal areas of co-operation and macroeconomic support under the corresponding National Indicative Programmes (NIPs).

Thereafter the other instruments of EU co-operation in Jamaica are highlighted. They include notably projects funded by the European Investment Bank (EIB), activities financed under the Caribbean Regional Indicative Programme (CRIP), STABEX, SYSMIN and Budget-line funding from the Budget of the European Commission, with a special focus on the Banana Support Programme (BSP).

The report provides an update of programming under the 9<sup>th</sup> European Development Fund, as well as an outlook. The specific issues to be addressed under the 2004 Operational Review include the acceleration of the use of old EDF resources, the revision of indicators and targets for measuring results in the focal sectors and an assessment of the dialogue between Delegation, National Authorising Officer and non-state actors.

### **National Policy Agenda and Update**

During 2002, the Government of Jamaica (GOJ) continued to implement the economic growth strategy outlined in the National Industrial Policy and Medium Term Policy Framework (MTPF) 2002/03-2005/06, achieving some of its most important social and economic objectives, while identifying areas for adjustment. Real GDP growth continues to be low, while the inflation rate and level of international reserves remained under control. There was a further increase in the deficit in the Central Government Balance.

With the broad goal of achieving sustained economic growth in order to create employment and reduce levels of poverty, the GOJ is committed to a strategy of creating a stable macroeconomic environment, promotion of export-led growth and private sector and human capital development.

During the reporting period, the incidence of poverty was 18.2%, maintaining the downward trend observed since 1994. The National Poverty Eradication Program (NPEP) has continued to pursue its objectives through focused community empowerment and development activities, implemented by agencies, such as the Jamaica Social Investment Fund, through which the EU funded PRP is also being implemented.

### **Focal Areas of Co-operation**

In 2002, the Focal areas of co-operation under the 7<sup>th</sup> and 8<sup>th</sup> European Development Fund were Poverty Alleviation and Infrastructure Development. The results achieved in the focal area of poverty alleviation include the starting of the National Poverty Eradication Programme (NPEP) and the allocation of sufficient budgetary resources by the Government. In the area of infrastructure the target of a review of government's policy for road maintenance, including the plan to set up a Road Fund had not been attained. The projects funded in the focal area of Poverty Alleviation included the Eastern Jamaica Agricultural Support Project and the Poverty Reduction Programme. In the infrastructure sector the Road Rehabilitation and Institutional Strengthening Project was completed, while work continued on the preparation of the Northern Coastal Highway Improvement Project.

In the area of macroeconomic support the Support for the Economic Reform Programme (SERP) was implemented to assist the Government of Jamaica to address the problem of external and domestic debt and the constraints these have placed on social investment. The final tranche of SERP II was disbursed, and a Financing Proposal for SERP III approved at the end of 2002. SERP has helped GOJ's debt reducing efforts and allowed the government to maintain levels of spending in the social sectors. An accompanying programme of technical assistance and training has helped to increase the capacity of the government to further implement its economic reform programme..

### **Co-operation outside the focal areas**

Projects and programmes financed under the NIPs outside the focal areas of Poverty Alleviation and Infrastructure Development include: Trade Development Project (TDP), the Public Sector Modernisation Project (PSMP), Institutional Strengthening of Planning Institute of Jamaica (ISPIOJ) and the Integrated Drug Abuse Prevention Project (IDAPP).

The PSMP and the ISPIOJ are both aimed at strengthening the Planning Institute of Jamaica, in its capacity as the NAO.

The Trade Development Project is a private sector support programme aimed at assisting private companies to become more competitive, thus increasing their export potential. The TDP will come to an end in 2003 and is expected to be succeeded by a larger private sector development programme under the 9<sup>th</sup> EDF.

### **Other Instruments**

The European Investment Bank (EIB) has a portfolio of 18 loans in the amount of 150 million euro. During 2002, a water and sewerage project was agreed for Port Antonio in the parish of Portland, and on 6<sup>th</sup> December the EIB signed a Finance Contract with three local banks to act as intermediaries for on-lending of EIB funds to small and medium-sized enterprises (SMEs).

Programmes being implemented in Jamaica under the ambit of the Caribbean Regional Indicative Programme (CRIP) included: the Caribbean University Level Programme, the Caribbean Tourism Sector Programme, the CARIFORUM Cultural Centres Programme, the

University of Technology Programme, the Caribbean Maritime Institute Project, the Integrated Caribbean Regional Agriculture and Fisheries Development programme, the Caribbean Regional Environment Programme and the Integrated Development Programme for the Caribbean Rum Sector.

Under STABEX, Jamaica was awarded 2,2 million euro and 6,6 million euro compensation for losses in the area of banana exports in 1999 and 2000, respectively. Frameworks of Mutual Obligations were signed for both amounts in 2002, which earmarked these resources for the rehabilitation of parochial and farms access roads.

Under SYSMIN, the facility that compensates countries for losses in the mining sector, Jamaica was awarded 70 million euro for losses in the bauxite sector. These resources were applied to the Northern Coastal Highway Improvement Project.

Jamaica benefited from funding originating from the following European Commission budget lines: Operational Support, Disaster Preparedness and Humanitarian Operations (ECHO), Decentralised Co-operation, Schemes concerning Developing Countries carried out by NGOs, Tropical Forests, Human Rights and Democracy and Developing Countries and Environment. The Special Framework of Assistance for the Banana Support Programme (BSP) is designed to help traditional ACP Banana suppliers to adapt to the new market conditions resulting from the EU's common import regime, and to the changes resulting from the WTO's ruling.

### **Programming of the 9<sup>th</sup> EDF**

The 9<sup>th</sup> European Development Fund, which will start to fund the activities envisaged in the Cotonou Agreement, will be implemented on the basis of the Country Support Strategy and National Indicative Programme (CSS/NIP), 2002-2007 signed by Prime Minister, and the Head of EC Delegation in February 2002.

The focal sectors identified in the CSS/NIP are private sector development and road maintenance. An important macroeconomic budget support programme is envisaged. Outside of the focal sector, there is a programme of decentralised co-operation and capacity building.

For the implementation of these projects, Jamaica has obtained from the 9<sup>th</sup> EDF an indicative allocation of 100 million euro. In 2002, preparatory work for the new programmes started with the committing of funds and contracting of consultants to prepare feasibility studies for the private sector and road maintenance programmes. A Financing Decision covering 30 million euro for SERP III (budget support) was taken in December.

## **2. National Development Strategies**

During 2002, the Government of Jamaica (GOJ) continued to implement the economic growth strategy outlined in the National Industrial Policy and Medium Term Policy Framework (MTPF) 2002/03-2005/06, achieving some of its most important social and economic objectives, while identifying areas for adjustment.

With the broad goal of achieving sustained economic growth in order to create employment and reduce levels of poverty, the GOJ is committed to a strategy of creating a stable macroeconomic environment, promotion of export-led growth and private sector and human capital development. At the same time, the Government, through policy and regulatory oversight of the country's natural resources, seeks to safeguard the sustainability of economic development. This broad strategy is being implemented against the background of continued liberalization of external trade and the negotiation of additional trading agreements. These include the Free Trade Area for the Americas (FTAA) and the Economic Partnership Agreement (EPA) with the EU, which form an important part of the policy framework. Increased production, as well as improvements in productivity and competitiveness of major economic sectors are integral policy objectives under the strategy. In support of these objectives, the development of private sector, including Micro, Small and Medium-size Enterprises and infrastructure improvement – especially road transport, are included among the major areas of focus.

### **2.1 Economic growth**

The *macro-economic programme* seeks to achieve real economic growth with a low inflation rate, competitive exchange rates, and an interest rate regime conducive to the growth of investment. In view of low revenue inflows and the increased burden of public debt, fiscal adjustments and a responsive debt management are mechanisms which the Government continues to utilize in order to improve the fiscal balance and reduce the public debt as an urgent priority in the short to medium term. The maintenance of adequate levels of official international reserves is also necessary in order to effectively manage the exchange rate and ensure some stability in the macro-economy, given periodic episodes of speculative demand and the known impact of movements in the exchange rate on domestic prices. The completion and consolidation of reforms in the financial sector also continue to be important in order to ensure sustainability.

The MTPF Financial Programme for 2002/03 calls for : (a) a reduction of public debt and debt servicing costs (b) real economic growth of 2% to 3% per annum (c) inflation rates of 6% to 7% per annum (d) orderly adjustment in the foreign exchange market (f) a build up of international reserves to cover 17.5 weeks of imports. Fiscal adjustments were designed to lead to increased generation of government revenues and improved management of public expenditures.

The challenge to the Government for the medium term, implied by the need to preserve a proper balance between inflation, exchange rate, interest rate and fiscal targets while ensuring adequate protection of the poor and vulnerable, was considerably complicated by developments during 2002. Some of these result from developments during the year, including flood rains in May-June and September, which impacted negatively on the Agriculture, Mining and Manufacturing sectors, as well as budget targets, and resulted in a higher rate of inflation. Others reflect the extended impact of developments during the previous year, such as the September 11 2001 terrorist attacks on the United States, which adversely affected the tourism industry. Higher than normal activity in the foreign exchange markets, attributable to reduced tourism earnings and lower confidence, caused some instability and slippage of the exchange rate.

Against this background, Jamaica's *trade policy* seeks to support the thrust for export-led economic growth by increasing the orientation of the domestic economy to competitive markets while expanding external markets for Jamaican exports. Jamaica is currently pursuing trade opportunities through ongoing agreements and negotiations in a number of fora at regional, hemispheric and wider international levels. These include: (a) CARICOM Single Market and Economy (CSME) (b) The Economic Partnership Agreement (EPA) with the EU, pursuant to the Cotonou Agreement; (c) Free Trade Area of the Americas (FTAA); and (d) WTO Doha Round.

The Government's activities in the *transport sector* contribute to achievement of the objective of providing adequate infrastructure to facilitate production and enhance social well-being, particularly in rural areas.

The promotion of the *private sector development* is to be achieved primarily by improving access to credit, especially for small and medium sized enterprises (SMEs). These form an important part of Government's overall private sector development strategy. Government is also pursuing a thrust to develop micro-enterprises and to promote integration of the informal economy. The promotion of industrial harmony, the reform of labour legislation, special assistance programmes to selected sectors/industries and an ongoing modernisation programme also form part of the GOJ's strategy to increase private sector investment.

## **2.2 Social development**

Over the medium term, GOJ's *Social Policy* is largely centred on human capital development, improving national security and justice, addressing the problems faced by at-risk children and youth and improving the quality of life for the poor. A complementary focus is the reform of the Social Safety Net to use welfare as a vehicle for fostering development among the poor, contributing to breaking the inter-generational cycle of poverty and providing services in an efficient and cost-effective manner.

Included in the strategies toward *poverty eradication* are:

- (i) fostering broad-based pro-poor economic growth through the development and implementation of a comprehensive rural development programme;
- (ii) increasing access of the poor to labour and product markets via the strengthening of the nation's education system, in addition to increased employment opportunities and access to output markets arising from (i) above. In terms of education, particular attention will be paid to early childhood development, improved quality and equity in basic education and expanded access to upper secondary education. On –the- job training and skills development for the youth will also be pursued.
- (iii) Using a development-based approach to welfare by linking continued receipt of benefits to behaviour modification geared to build human capital;
- (iv) Promoting community-based development. Special emphasis is placed on improving both social and economic infrastructure in rural and inner-city communities and in building the capacity of residents.



### **2.3 Eradication of Poverty**

Government's strategy for the reduction of poverty, being addressed under the National Poverty Eradication Programme (NPEP), underscores the importance of community participation in the planning and implementation of services. The NPEP is responsible for co-ordinating, through a Programme Co-ordination and Monitoring Unit (PCMU), over seventy programmes and projects which are being implemented by various agencies. Included among the programmes and projects being implemented are: Jamaica Social Investment Fund (JSIF), Inner City Renewal Project (ICRP), the Rural Electrification Programme (REP), the Micro Investment Development Agency (MIDA), Lift Up Jamaica, Social and Economic Support Programme (SESP) and Jamaica Drugs for the Elderly Programme (JADEP).

### **2.4 Food Security**

The GOJ is committed to promoting self-sufficiency in domestic food crop production and agricultural productivity through the development and implementation of projects that target agricultural production and agricultural support services. The major projects supported by international development agencies are: the Eastern Jamaica Agricultural Support Project (EJASP) and Banana Support Programme, financed by the EU; the Agricultural Support Services Project (ASSP), financed by the Inter-American Development Bank (IDB); and the Citrus Replanting Programme, financed by the Caribbean Development Bank (CDB).

### **2.5 Governance**

The main thrust of policies to improve governance includes the Local Government Reform Programme and related programmes such as the Public Sector Modernization programme, the Financial Management Information System (FMIS), the Human Resource Management Information System (HRMIS) and the Jamaica Social Policy Evaluation (JASPEV) Project. An integrated multi-agency approach to fighting crime is being practiced, featuring greater involvement of the society in crime prevention, better crime management, community policing and social upliftment programmes. These are being supported by reforms in the administration of the justice. Government policy is to strengthen and expand institutions for safeguarding the rights of citizens, e.g. the Office of Professional Responsibility, the Public Defender and the Police Public Complaints Division.

Significant improvements in the institutional framework of Governance, particularly as these relate to the democratic process, have been critical to the successful holding of peaceful, free and fair elections, and form an integral part of the Government's strategy framework. The Electoral Office of Jamaica (EOJ) and the Office of the Political Ombudsman play major roles. Legislation and institutional measures designed to increase transparency and reduce the risk of corruption include: the Access to Information Act, the Corruption Prevention Act and the National Contracts Commission.

## 2.6 Sustainable Development

In keeping with its commitments to objectives enunciated at the 1992 Earth Summit and other fora, Government's medium term strategy for sustainable development recognises the importance of a comprehensive approach, in which economic, social and environmental impacts are simultaneously considered. The strategy calls for careful attention to *inter alia*: watershed and waste management, coastal zone management, poverty, crime and violence, competitiveness and trade. Social and economic policies take account of demographic, equity, gender, participation and other related issues. Sustainability also embraces such issues as governance, partnerships between government, the private sector, communities, NGO's and the wider civil society.

## 3. Update on the Political, Economic and Social Situation

Table 1 provides a summary of the social indicators for 2000 to 2002. As provided for in the Millennium Development Goals, equivalent indicators have been used in some cases. Forecasts for 2003 and 2004 were not available in time for the publication of the report.

**Table 1: Social Indicators 2000-2002**

INDICATORS	2000	2001	2002
Percentage of population living on less than US\$1 per day	2.0	3.0	n/a
Percentage of under-nourished children 0-59 months	5.1	6.4	n/a
Infant <sup>1</sup> mortality per 1000 live births	24.5 <sup>2</sup>	24.5	24.5
Maternal Mortality Rate per 100 000 live births	111.0	111.0	106.2
Percentage of children 12-59 months immunized against measles	91.3	91.7	n/a
HIV seroprevalence among pregnant women <sup>3</sup>			
15-19 year old	0.73	0.46 <sup>4</sup>	0.73
20-24 year old	1.62	0.97	1.68
Sustainable access to potable water (%) (urban and rural)	84.0	79.8	n/a
	<b>1999/2000</b>	<b>2000/2001</b>	<b>2001/2002</b>
Net <sup>5</sup> enrolment rates in primary education - Public Schools (%)	95.4	92.8	91.9
Percentage of pupils starting Grade 1 who reach Grade 5 <sup>6</sup>	83.6	92.3	93.8
Net Enrolment Rates Primary Level – (%) Females	94.0	90.7	89.6
Net Enrolment Rates Secondary Level, Grades 7-9 - (%) Females	77.1	72.8	87.9
Total Enrolment Tertiary Level – (%) Females	65.3	66.4	63.8

Sources: Planning Institute of Jamaica  
 Economic and Social Survey Jamaica (ESSJ) 2000, 2001, draft 2002  
 Jamaica Survey of Living Conditions (JSLC) 2000, 2001  
 Education Statistics 1994/95-2001/02  
 Ministry of Health, National Aids Programme

<sup>1</sup> Under 12 months

<sup>2</sup> As a result of problems with under-registration, the GOJ has decided to use the figure of 24.5%, based on a Ministry of Health 1993 Infant Mortality Study, until another study is conducted.

<sup>3</sup> Pregnant women 15-24 years who are HIV positive, expressed as a percentage of pregnant women in that age cohort.

<sup>4</sup> Data from the four parishes implementing the Mother to Child Transmission Prevention Programme, were excluded.

<sup>5</sup> All students of the required age cohort enrolled expressed as a percentage of that age cohort.

n/a – not available

<sup>6</sup> Data on education refer to the twelve month period September to September.

The table shows that the proportion of population living on below US\$1 per day is 3.0%, one of the lowest in Latin America and the Caribbean (World Bank Development Indicators 2002). The increase over the 2.0% recorded in 2001, could be related to exchange rate differential between the two years. The proportion of children immunized against measles increased slightly between 2000 and 2001. Although not statistically significant, the trend is being monitored. There are a number of difficulties with the data on infant mortality as a result of under-registration, while maternal mortality rates have improved somewhat. The Jamaican population continues to enjoy good access to primary education, as net enrolment is above 90%. Females are well represented at all levels of education system, while males are relatively under-represented at upper secondary and higher levels.

### **3.1 Democratic Process/Governance**

The national General Elections were held in 2002, resulting in the return of the incumbent administration. The elections were relatively peaceful, and featured the operation of a strengthened electoral machinery and the appointment of a Political Ombudsman to arbitrate differences among political parties. In addition to the two traditional major parties, the elections also saw the participation of three minor parties, as well as independents. The elections were monitored by local and international NGOs such as Citizens for a Free and Fair Election (CAFFE) and the Carter Centre. CAFFE's activities were part-funded by the EU, CIDA and USAID. The monitoring by the NGOs, along with the measures introduced by Government, contributed to the enhanced transparency of the electoral process.

The GOJ/CIDA Democracy and Governance Project, with a total cost of C\$ 4.8 million (\$150.7 million), was approved in 2002. This project contributed to the peaceful political process through the procurement of the services of national and international observers for elections. It will also support sub-project partnerships between civil society and public authorities in the area of community policing, anti-corruption and human rights.

GOJ's expenditure on National Security was \$ 12.7 billion, an 11.2% increase compared to the previous year, while that for Justice amounted to \$ 1.3 billion, 25.6% more than in 2002. The combined figure represented the second highest non-debt allocation in the budget, after Education.

The Ministry of National Security benefited from increased collaboration and assistance from bilateral sources. Successes were recorded in reducing the traffic of illegal drugs through the island's ports, assisted by the installation of newly-acquired ion-scan equipment at the two international airports.

The National Crime Strategy stresses citizen involvement a component of crime-fighting, utilising mechanisms such as the Police Community Consultative committees and "community policing" initiatives in several volatile communities.

Complaints about police misconduct were reported to and dealt with by the Office of Professional Responsibility and the Police Public Complaints Division, two bodies responsible for investigating such cases. The Office of the Public Defender also dealt with complaints. Local and international human rights organisations, such as Jamaicans for Justice, the Independent Jamaica Council for Human Rights and Amnesty International participated actively in representations of aggrieved citizens, and in (the case of local human rights NGOs) making

contributions to legislative debates such as those relating to the Constitutional amendment to institutionalise a Charter of Rights and Freedoms.

In the interest of justice, participation and transparency, the GOJ, in the latter part of 2001 established a Commission of Enquiry to investigate civil unrest in West Kingston earlier that year, which led to the deaths of both civilians and members of the Jamaica Constabulary Force. The Commission, chaired by a retired Canadian judge completed its investigations in 2002, and prepared a report in which they found that the security forces acted satisfactorily in the execution of their duties. Conflict prevention, mediation and resolution were assisted by the efforts of the Dispute Resolution Foundation (DRF) and the Peace Management Initiative (PMI). The DRF focussed on training in mediation skills, and conflict resolution techniques while at the same time offering services in mediation. The PMI facilitated specific interventions to prevent and settle inter and intra community disputes, and coordinated community actions against crime and violence. Despite these and other interventions, as well as some successes during the year, the issues of crime and violence continue as high priority areas.

### 3.2 Economic programme

Table 2 shows macroeconomic indicators for 2002. Real GDP growth continues to be low, declining slightly to 1.0% from the 2001 figure of 1.7%. Inflation however, continues to be maintained in single digits, falling to 7.3%, compared to 8.8% in 2001. The Net International Reserves (NIR) fell 13.2%, while the Central Government Balance, a deficit, increased by 56.0 % to \$33.4 billion for April-December, and the Debt Service/GDP ratio increased by 2.8%.

The macroeconomic programme remains largely on course in terms of the broad stabilisation objective and in relation to some important targets, such as inflation. However, the growth targets have been adversely affected by, among other things, the slow recovery of the Tourism sector from the effects of the September 11 2001 terrorist attack on the USA, as well as the dislocation in the Agriculture, Mining, and Manufacturing sectors, and on infrastructure as a result of flood rains in 2002.

**Table 2: Macro-Economic Indicators**

<b>INDICATORS</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
Real GDP Growth	0.7	1.7	1.0
Inflation (12 month point-to-point)	6.1	8.8	7.3
Net International Reserves (US\$m)	969.5	1840.7	1597.0
	<b>F.Y. 2000/01</b>	<b>F.Y. 2001/02</b>	<b>F.Y. 2002/03</b>
Central Government Balance (J\$m)	4175.0	-21413.3	-33420.6
Central Government Balance (% of GDP)	1.4	-7.4	-8.0
Debt Servicing (% of GDP)	32.9	35.4	27.7

The net effect was a growth rate of 1.0 %, instead of the 2-3 % projected in the Medium Term Programme. Fiscal operations were also adversely affected by the above factors, as well as less than expected inflows of revenue. Preliminary data on the fiscal accounts for the F.Y. 2002/03 indicates a fiscal deficit of approximately 8.0% of GDP, relative to a target of 4.4%. For the fiscal year 2003/04 the impact of the fiscal deficit on the debt stock and debt servicing will be dependent on the Government's success in increasing its revenue intake, while curtailing its non-debt expenditure. These measures will also limit the extent to which the GOJ will need to source funds, domestically or externally to finance the deficit. Debt servicing costs will also be dependent on the stability of the exchange rate. The exchange rate suffered a 7.5% nominal

depreciation (2.5% real depreciation) as a result of the emergence of speculative demand, forcing the Bank of Jamaica to draw down on the NIR in order to stabilise the market. The NIR, however, continue to be substantial, representing approximately 27.9 weeks imports at year-end.

The immediate outlook for the macroeconomic programme is one of extremely tight fiscal management. This will have implications for growth, unless significant improvement can be accomplished in the area of productivity. Government has stressed the appropriateness of a renewed social partnership arrangement between organized labour, employers and itself as a part of its strategic response. At the same time, increased dynamism and responsiveness of the private sector and increased foreign investment remain critical to the achievement of programme objectives.

The increased investments in dynamic sectors of the economy - such as Tourism, Telecommunications, Financial Services - increased productivity and efficiency, and improved competitiveness are important elements for achieving the objective of export-led private sector-driven growth in the medium term. Bearing this in mind, Government has placed some emphasis on the Information and Communications Technology (ICT) sector. During 2002, investment activities in the ITC sector continued to be strong, making this the leading growth sector in the Jamaican economy. Most of the growth however came from Telecommunications, which continues to expand under the impetus of liberalisation, and which is projected to accelerate as a result of full liberalisation in March 2003. Despite a slowdown at the lower end of the Information Technology sub-sector, e.g. call centres, the ICT sector as a whole continues to hold serious potential for generating employment and export income.

Structural reforms, promoting a competitive market environment and private sector efficiency continue to be extremely important. The creation of an improved environment for investment will be facilitated by upgrading infrastructure, enhancing human resources and reforming labour markets, as well as increasing the efficiency of public sector investment facilitation services, reducing bureaucracy and providing support to export-oriented SMEs. Efforts to increase the integration of the informal sector into the formal economy, an aspect of private sector development, are ongoing: Government has reviewed the findings of a recently-completed study on the size and scope of the informal sector .

In the area of trade, notable developments during 2002 were: (a) the commencement of negotiations on Economic Partnership Agreements between the EU and ACP States; Jamaica was approved to receive support under the ACP-wide programme of assistance for capacity building; (b) Jamaica will benefit from additional market opportunities as a result of the free trade and partial scope Agreements between CARICOM and the Dominican Republic, Venezuela and Cuba; (c) Jamaica participated in the Seventh Meeting of Ministers Responsible for Trade, in Ecuador, November 2002. The meeting recommended the establishment of the Hemispheric Cooperation Programme as a central element of support for the FTAA. Preparing the legal framework of the CSME, Parliament approved Jamaica's participation in the establishment of a Caribbean Court.

### **3.4 Social Development**

Data from the *Survey of Living Conditions 2002* indicate that the number of individuals island-wide living below the poverty line was 18.2%<sup>7</sup>, maintaining the downward trend observable since 1994. The incidence of poverty continues to be highest in rural parishes.

---

<sup>7</sup> Preliminary data

The National Poverty Eradication Programme (NPEP) continued to pursue its objectives through focused community empowerment and development activities, implemented by agencies such as the Social Development Commission (SDC) and the Jamaica Social Investment Fund (JSIF). Total expenditures on NPEP projects to date are expected to reach \$34.26 billion by the end of 2002/03, including \$4.86 billion allocated in 2002/03.

Noteworthy achievements under the National Poverty Eradication Programme (NPEP) included:

**Jamaica Social Investment Fund:** In its sixth year of operation, project approvals increased 67% in value and 24 % in number over the previous year. Over 76% of the committed funds were spent in rural communities, the areas of greatest concentration of poverty. Approximately 40 inner city communities benefited from 138 projects. The GOJ/World Bank Community Development Project, the GOJ/CDB Infrastructure Project and the GOJ/EU Poverty Reduction Project (PRP) under which JSIF funds projects in infrastructure, social services and organizational strengthening, are complementary in the goal of strengthening community capacity , fostering empowerment and building social capital while improving access to social services and infrastructure.

The Inner City Renewal Programme (ICRP) has been operational since 2001 and is being completed on three phases over a five-year period. The programme is aimed at facilitating the renewal of selected communities which have been affected by urban blight. The community component of the ICRP progressed during 2002 with rehabilitation work completed in pilot communities. Under the ICRP-JSIF Participation Assistance Project capacity building was completed in seven communities.

Access to electricity was extended to over 4,000 rural households with the installation of 145 km of distribution lines and wiring of homes under the Rural Electrification Programme (REP). This was facilitated by a US\$ 1.82 million CDB grant. Under REP's Revolving Loan Fund, an additional 200 homes were wired and work commenced on the installation of 48.3 km of new lines. When completed, a total of 800 households will receive access to electricity.

As the Micro Investment Development Agency (MIDA) took steps to reinforce its role as a funding agency targeting poverty reduction, the number of small and micro-enterprise projects supported increased by 10% to 1,583. The projects, valued at \$147.2 million, covered the areas of manufacturing, agriculture, personal services and distribution. Females accounted for 51.6% of the projects financed and 46.9% of the value of loans. The projects generated employment for 3,427 persons, 14.2% more than in 2001.

The Government, with funding support from the Inter-American Development Bank, continued the Social Safety Net Reform Programme. The rationalisation of existing programmes targeting the most vulnerable under the Programme for Advancement through Health and Education (PATH) was the major component of the safety net reform. Implementation of PATH commenced in 2002. To date, over 200,000 individuals representing 62,100 families have been selected for participation, with children making up 71% of the target population. The safety net reform process also included the completion of evaluations of the Social and Economic Support Programme (SESP) and the island's Infirmaries.

The Jamaica Social Policy Evaluation Project, funded under the GOJ/DFID cooperation programme at a cost of US\$0.7 million (\$55.9 million), was launched. Its achievements

included the completion of the Social Policy Framework and Action Plan, 2002-2007 and the design of the Youth Inclusion Prototype.

The US\$ 15.0 GOJ/IBRD HIV/AIDS Management, Prevention and Control Project was approved in 2002. This project will expand the preventives programme, improve care, support and treatment, and strengthen the Government's multi-sectoral capacity to respond to the epidemic.

### **3.5 Food Security**

Government initiatives in the Agricultural Sector in support of food security included the GOJ/IDB Agricultural Support Services Project, which seeks to enhance the quality and delivery of agricultural support services mainly through improving extension, marketing and research services, upgrading systems for safeguarding animal and plant health, and food safety and supporting the implementation of agribusiness projects; The project provided funding for agribusiness projects in the livestock and agro processing as well as the expansion in production of agricultural exports.

### **3.6 Disaster Prevention Mechanisms**

During 2002, the Office of Disaster Preparedness and Emergency Management (ODPEM) undertook several disaster prevention and mitigation initiatives. Foremost among these efforts is the National Hazard Mitigation Policy which is currently being developed (now at the discussion paper stage). This policy will set the overarching framework for guiding mitigation mechanisms. Capacity building of ODPEM is currently taking place under the public sector modernization programme. With their qualified staffing and infrastructure installed (GIS), ODPEM undertook six projects which are guided by the principles of disaster preventative and mitigation in 2002. In general, the output for the projects varies from public awareness to hazard mapping for guiding the planning process. Additionally, Planning Institute of Jamaica in collaboration with Economic Commission for the Latin America and the Caribbean (ECLAC) spearheaded national training sessions on damage assessment of post disaster events. The training targeted the public sector, the private sector and academia.

### **3.7 Critical environmental trends**

Over the last 10-20 years, the ability of Jamaica's forests to generate multiple benefits has been reduced due to increasing deforestation. In response the Government continued the implementation of several watershed management programmes, chief among these are the National Forestry Management and Conservation Plan, and the National Integrated Watershed Management Programme. A White Paper for a Watershed Policy was tabled for approval by the Cabinet.

The quality of island's ground water supply is relatively high and suitable for human consumption with minimal treatment. However, marine and terrestrial water resources are under threat from the inappropriate disposal of solid and liquid wastes in rivers, gullies and open spaces. To counter these problems, municipal waste collection and disposal are being rationalized by the newly created National Solid Waste Management Authority through the National Solid Waste Management Programme. In addition, trade effluent standards are being developed by the National Environmental Planning Agency (NEPA).

Data on the status of the country's biological resources and biodiversity are inadequate. Some animals species classified as endangered are showing signs of recovery as a result of the success of conservation programmes. Planned introduction of exotic species is now regulated, while accidental introduction is still problematic and is to be addressed via a targeted education programme. The continued implementation of the National Biodiversity Strategy and Action Plan serves to ensure the sustainable management and use of Jamaica's biodiversity.

#### **4. Overview of past and ongoing co-operation**

The National Indicative Programmes for the 7<sup>th</sup> and 8<sup>th</sup> EDF were signed on 20 March 1991 and 28 February 1997, respectively.

During 2002 projects relating to the following areas of co-operation were implemented:

##### **Co-operation in Focal Sectors**

- Poverty Alleviation (8<sup>th</sup> EDF)
- Infrastructure Development (7<sup>th</sup> & 8<sup>th</sup> EDF)

##### **Macroeconomic Support**

- Support for Economic Reform Programme (SERP I and II – 8<sup>th</sup> EDF)

##### **Co-operation outside Focal Sectors**

- Support to NAO (8<sup>th</sup> EDF)
- Private Sector

The Country Support Strategy and National Indicative Programme (CSS/NIP), 2002-2007 for the 9<sup>th</sup> EDF was signed in February 2002<sup>8</sup>. The two focal sectors identified in the CSS/NIP are private sector development and road transport development. There is also provision for a macroeconomic support programme. Outside of the focal sectors a programme of decentralised co-operation and capacity building is envisaged. An allocation for unforeseen needs (emergency assistance and loss in export earnings) is also provided.

#### **4.1. Focal Sectors**

##### **4.1.1 Poverty Alleviation**

###### **a) Results**

###### *i. Start implementation of National Poverty Eradication Programme (NPEP)*

The NPEP is in its 7<sup>th</sup> year of implementation, and its activities are co-ordinated by the Programme Co-ordination and Monitoring Unit in the Office of the Prime Minister. Preliminary data from the Survey of Living Conditions 2002, indicates the incidence of poverty is 18.2%, which is in keeping with the downward trend observed since 1994.

###### *ii. Allocation of sufficient budgetary resources*

---

<sup>8</sup> The CSS/NIP can be viewed at: [http://europa.eu.int/comm/development/strat\\_papers/index\\_country\\_fr.htm](http://europa.eu.int/comm/development/strat_papers/index_country_fr.htm).



To underscore the commitment to the NPEP, the GOJ is projected to spend \$34.5 billion by the end of the financial year 2002/03, up from the original estimate of J\$15 billion when the Programme was established in F/Y 1995/96. This includes \$4.9 billion allocated in F.Y. 2002/03.

*iii. Formulate and review policy for water*

The Ministry of Water and Housing prepared the Water Policy in collaboration with the National Water Commission (NWC) in 1999. Cabinet has approved the document, which currently guides the sector.

*iv. Implementation of Support to Rural Development*

The Eastern Jamaica Support Project (EJASP), the successor to the Morant Yallahs Agricultural Development Project (MYADP) is in its third year of implementation.

*v. Facilitating the work of decentralized partners, notably NGO's involved in field*

A participatory approach to development planning is increasingly being adopted by GOJ. This has involved the establishment of consultative mechanisms by which civil society represented by a wide range of NGOs and CBOs to provide input in policy making and the implementation of programmes. This approach was effectively demonstrated in 2001 during the preparation of the CSS.

## **b) Activities**

### **PRP (6,078,579 euro)**

The First Annual Work Programme activities under the Poverty Reduction Programme (PRP) commenced in January 2002 and a number of consultancies and training work shops have been undertaken aimed at staff of the Jamaica Social Investment Fund (JSIF). The Memorandum of Understanding for the Capital Fund component was signed in April 2002 and it outlines the duties of all the parties involved. Implementation of the Whitfield Town Sanitation Project (the first subproject under the capital fund component) commenced in November 2002 with the appointment of a project manager. At the end of 2002, the Community was awaiting approval of the design from the National Water Commission in order to proceed further. Other sub-project proposals of the PRP were at varying stages of the approval process.

### **Difficulties causing delays in 2002**

The differences between the Financing Agreement (FA) and European Development Fund (EDF) Guidelines with regard to the level of contribution from the beneficiary communities, led to extensive discussions between the NAO and the Delegation. It was agreed that the contribution from communities would be 25% of the total cost of each project. This requirement led to some delays as the JSIF had to make some procedural changes in order to accommodate this deviation from the norm within JSIF.

Another concern is that there were no task managers appointed for this project in Brussels which has caused serious delays in the approval of requests sent to Headquarters.

### **EJASP (6,900,000 euro)**

The 8<sup>th</sup> EDF NIP allocates euro 6.9 million (or some 12.5% of the available resources) to the Eastern Jamaica Agricultural Support Project (EJASP). The project is in line with the

Government of Jamaica's (GOJ) poverty alleviation and agricultural support policies, the overall objective being to improve the standards of living of small scale farming households in the four eastern parishes of Jamaica (St. Mary, Portland, St. Thomas and St. Andrew). The Financing Agreement (FA) was signed on 13 December 1999. Rider No. 1 to the Financing Agreement, approved by the European Commission in September 2001, increased the amount of funding from 6 million euro to 6,9 million euro and changed the number of Annual Work Programmes (AWP) from 3 to 4 without extending the project end date, which remains 31 December 2004.

A mid-term evaluation of the project was conducted in the first quarter of 2002, during which the logical framework, the implementation schedule, the Objectively Verifiable Indicators (OVIs) and the assumptions were revised. The mid-term evaluation suggested that to further enhance the implementation of the project, that the project focuses on institutional strengthening beyond project end-date, and capacity building, specifically in business management, is required for achieving sustainability of the sub-projects.

EJASP was again monitored by a mission from Brussels in October 2002 following their visit in 2001. According to the monitoring report, in the design of the project insufficient attention was paid to sustainability, institutional strengthening, human resources development, marketing, availability of credit facilities and land tenure issues. Based on the lessons learnt from the MYADP, addressing land tenure issues involved protracted activities and delays outside the control of the project. The report indicated that the project has adapted and has given the necessary attention required regarding these areas of design weakness. The monitoring report also states that while the overall objective and project purpose can be regarded as well designed, the Government pays little attention to rural development. Therefore sustainability of the project could be a serious concern when EU funding ends.

In order to address these shortcomings, EJASP hosted a marketing workshop bringing together the private and public sector, RADA, the NAO and the PMU. Furthermore, a Training of Trainers (ToT) programme was commenced, which is aimed at institutional strengthening, capacity building and extending training to the final beneficiaries.

The 3<sup>rd</sup> Annual Work Programme (April 2002-March 2003) and 4<sup>th</sup> Annual Work Programmes (April 2003-March 2004) increased attention to capacity building in the areas of record keeping and financial management.

An agreement was signed between EJASP and the Banana Export Company (BECO), which is the Implementing Agency of the EU Special Framework for Assistance traditional ACP banana exporter, for the PMU to implement a JMD 7,850,000 Plantain Replanting Programme over 12 months starting in April 2002. The Programme is expected to benefit of 250 growers in Portland, St. Thomas and St. Mary

### **Effectiveness to date**

Participation in the four parishes is high and beneficiaries have access to and benefit from services provided, this being ensured by the bottom-up approach adopted by the project. The current adaptation to assist "Apex" Groups (Associations, Groups that lead projects) allows the potential for assistance to be given to many more individuals and is proving effective. OVIS at purpose level stipulate that real incomes of participating farmers increase by at least 25% in the fourth project year and that 15% of small farmers.

### **Potential sustainability**

The mid-term review found that the EJASP has worked to ensure ownership of the sub-projects, using a truly “bottom-up” approach. However, at the institutional level of RADA, since the PMU has been autonomous, the transfer and capacity strengthening of the RADA has been somewhat undermined. This weakness was also identified by the monitoring mission, and recognizing that there are also financial limitations within RADA. In addition, although RADA has undergone several operational review, the findings and recommendations are yet to be implemented, which could be linked to the above constraint. Currently there is no explicit rural development policy. Support for the project is very high, within RADA and the Ministry of Agriculture. Although groups have been exposed to various training, the groups still require a lot of “handholding” to become more self-sufficient once EU-funding ends.

One of the challenges for the RADA will be to adequately identify existing NGOs and private organisations to develop partnerships with for the sub-projects, as the rural communities are unlikely to be able to afford to finance extension services.

### **Rural Water Supply Phase II (10 million euro)**

In March 2000 the Government of Jamaica and the European Commission signed the Financing Agreement for 10 million euro for the **Rural Water Supply Phase II** project (see below). This project, which falls within the focal sector of poverty reduction under the 8<sup>th</sup> EDF, includes the design and construction of four schemes the rural areas of Milk River, Christiana/Spalding, Hope Bay, Shettlewood.

The launch of the RWS II suffered major delays arising from the annulment of the tender in May 2001 and the subsequent decision to amend the tender dossier. There was some reluctance to approve the dossier by the Commission in Brussels until it was satisfied with the progress of the special conditions in the FA, and this contributed to the delay.

After extensive consultation, the tender dossier for the engagement of the design and supervision consultant was substantially completed at the end of 2002 and it is expected that the tenders would be launched in January 2003 to enable the mobilization of the Consultant in mid-2003.

### **Preparation of an Asset Management Plan for National Water Commission (80,000 euro)**

The preparation of the AMP was considered a critical issue to be addressed, as is reflected in the special conditions of the F.A that “ *the Government will define a program and identify the necessary resources (financial and man power resources) for the implementation of a structured and comprehensive country wide water supply asset record and management system. This is a precondition for the award of the design and supervision contract.*”

In September, the European Commission (EC) and the National Authorising Officer (NAO) launched a contract for technical assistance to the NWC to prepare the AMP. On the basis of a diagnostic to be carried out on the NWC’s activity, the Consultant will, in collaboration with NWC’s management, establish the guidelines of the AMP, develop and design the different components of the AMP establishing detailed needs in terms of means, human resources and financial resources for the implementation and prepare an Action Plan to ensure timely and effective implementation of the AMP.

The EC is also prepared to give support in technical assistance to the senior management of the NWC in order to strengthen the capabilities of this entity in strategic management and to give support to the NWC reform process, in keeping with the principles promulgated in the Public Sector Modernization Programme.

**c) Degree of integration of cross cutting themes (gender issues, environmental issues and institutional development and capacity building)**

The objective of the **Poverty Reduction Project** is to alleviate poverty in the most vulnerable areas of Jamaica by ensuring that poor communities have access to adequate water supply, health and sanitation facilities, and that there is increased participation by the members of these communities in the choice and implementation of sub-projects. . The project also provides for considerable institutional development and capacity building to both the implementation agency and community-based organisations.

The overall objective of the **Rural Water Supply Project** is to improve the standard of living in the rural areas of Jamaica, through the implementation of new potable water supply systems and the refurbishment and rehabilitation of existing systems.

Gender balance has been considered and incorporated into the subproject design of **EJASP**. It is also taken into account at the management level of the project and for the selection of beneficiaries. Increased attention was given under **EJASP** to capacity building at farmers/group level, in particular of those that benefit from the sub-projects and training in business management.

#### **4.1.2 Infrastructure Development**

##### **Infrastructure development – Second focal area of 7<sup>th</sup> and 8<sup>th</sup> EDF NIP**

###### ***A) Results***

###### *i. Formulation of road maintenance policy*

The GOJ has begun the preparation of the National Transport Policy (NTP), and is still committed to the process.

The preparation of the 9<sup>th</sup> EDF support to the road sector is also in progress (see details herein after).

###### *ii. Allocation of sufficient budgetary resources*

###### Road sector

As a result of fiscal constraints, GOJ supplements its budgetary allocation to road maintenance through a guarantee of loans from commercial banks to those contractors involved in road maintenance. These loans may not appear in the supplementary estimates (budget) of the year in which they were guaranteed, but provisions are made for their repayment from subsequent

supplementary estimates. Given the GOJ's debt position, this is not a sustainable option for financing road maintenance and therefore the ongoing effort to operationalise the Road Maintenance Fund.

In this regard, a Road Fund Act was approved by Parliament during the year. The allocation of a third of the vehicle remigration tax to the Fund, is deemed insufficient to finance the maintenance of the entire road network. The financing of the road fund has not yet started. This implies that road maintenance continues to be planned and financed on an emergency response basis.

### Water Sector

With the support of EDF financing in September 2002, a technical assistance was provided to the National Water Commission in order to design the asset management system (AMS) to be used to operate the NWC's water supply network. This is the first step to be followed by the identification of the relevant financial resources and the upkeep of the AMS in order to ensure the maintenance of the existing infrastructure. Following the Financing Agreement No. JM 6003 (Rural Water Supply - Phase II March 2000) the Government should "*identify the necessary resources for the implementation of a structured and comprehensive countrywide water supply, water asset record system*" (see also section 4.1.1.).

### **b) Activities**

#### **Road sector**

#### **8 JM 025 – Preparation of the 9<sup>th</sup> EDF support to the road sector in Jamaica (80,000 euro)**

As indicated in the Medium Term Policy Framework GOJ remains committed to the provision of adequate infrastructure to complement increased levels of private sector investment. In this regard various projects have been initiated by the Government including Airport Rehabilitation and Upgrading, Segments 1, 2 and 3 of the North Coast Highway and Highway 2000.

Despite the existence of this broad policy objective, there is no clearly defined policy and strategy for either the transport sector, or the road sub-sector which therefore limits the effectiveness of the government in responding to the needs of the sector.

A consultant was contracted to design the 9<sup>th</sup> EDF support to the road sector in Jamaica. As at December 2002, a draft report was completed and circulated for comments. In addition, the consultant drafted the Terms of Reference for a short term technical assistance to the Ministry of Transport and Works, to assist in completing the preparation of a road sector policy and road master plan (with particular consideration to the road maintenance). The TOR for a longer term TA in institutional strengthening and training for all the stakeholder involved in the sector, namely, MoTW, National Works Agency and the Ministry of Local Government and Community Development.

#### **7 JM 006 / 8 JM 012 - Road Rehabilitation and Institutional Strengthening (RRISP, 16,200,000 euro)**

The RRISP project (7 JM 006) regarded the rehabilitation of 100 km of tertiary roads in the parishes of St. Andrew, Portland and St. Mary. The project started in April 1999 and was

completed in November 2002 when the final acceptances were granted for the four lots in which the project was split.

The cost of the project was increased from 13.5 million up to 16.2 million euro as a result of price revision and increase in the scope of the works. A dispute is in progress with the Contractors regarding the application of the revision of prices. The final account will be closed once a settlement is reached.

### **Northern Coastal Highway Improvement Project Segment 3 – 7<sup>th</sup> & 8<sup>th</sup> EDF (80,000,000 euro)**

As a result of the financial constraints faced by the Ministry of Transport and Works the project was downscaled in 2001 with EC approval. Accordingly, a Consultant was engaged to carry out the re-design and the completion of the tender documents associated with this change of scope. In April 2002 it was agreed to include the relocation of water pipes in the works contract. The survey and the design of the pipes lines to be replaced have been prepared.

The acquisition of lands necessary to carry out the works, the relocation of electricity and telephone services interfering with the road works are under Government's responsibility. During 2002 the Project Administration Unit supervised the preparation of surveys and technical documentation related to the latter.

A complementary study regarding the economical viability of the project was launched. The study will update the economical analysis carried out in 1995 and in 1997 which were used for the preparation of the financing proposal. The implementation of the study is in progress.

### **7 JM 023 / 024 - Negril-Ocho Rios Wastewater Project**

The works regarding the Negril-Ocho Rios Wastewater Project (7 JM 023 / 024) were completed in December 1999. The project involved the construction of 26 km of sewers, 11 pumping stations and stabilization ponds in Negril, and the construction of 20km of sewers, 7 pumping stations, oxidation ditch treatment plant and a sea outfall in Ocho Rios. Advisory and Monitoring Wastewater Committees were created in association with local communities in order to secure sustainability and ownership.

The closure of the project is still pending because of claims presented by the Contractor.

### **8 JM 017 - Negril Wastewater Project - Waste Stabilization Ponds (149,000 euro)**

As a result of settlements of the embankments of the stabilization ponds in Negril a study was launched in November 2001 in order to assess the problem and to prepare the design of the possible works to restore the original specifications of the ponds in terms of capability of water treatment. The study, which is progress, suffered numerous delay during implementation as a result of the site being inaccessible for geotechnical works and the failure of the geotechnical contractor to fulfil his testing obligations.

## **c) Degree of integration of cross cutting themes**

### *Road sector*

The Jamaican transport sector accounts for 7.3% of constant price GDP and its share has been increasing steadily during the past decade. After the public rail transport ceased in 1992 road

transport became the most important land transportation mode. It is evident that an adequate policy supporting the road sector and a well maintained road network are basic factors to improve competitiveness and productivity of the economic system and will foster the development of the private sector (focal area – 9<sup>th</sup> EDF).

#### *Water sector*

The implementation of wastewater projects, such as Negril-Ocho Rios Wastewater, is an important activity in order to protect the environment and make sustainable the tourism industry. This matter has particular relevance in Jamaica where tourism is fostered by the natural resources of the country.

The implementation of rural water projects will ensure adequate social development in providing better living and health conditions in poor communities. The identification of the rural schemes where the project RWS II will provide improved water supply has been carried out also considering the poor living conditions characterizing the above mentioned areas (decentralized cooperation focused on poverty alleviation is a non-focal sector of 9<sup>th</sup> EDF).

### **4.1.3 Macroeconomic Support**

Between 2000 and 2002 the Support to the Economic Reform Programme (SERP) I & II has provided a total of 52.4 million euro in direct budgetary support to the GOJ. In addition, SERP I & II provided 3.3 million euro for long term technical assistance and a Human Resources Development and Institutional Strengthening Programme (HRDIS) to the benefit of the Ministry of Finance and Planning, the Planning Institute and other key Government services contributing to economic policy. In May 2002 the last tranche of budget support under SERP II – 6.4 million euro – was disbursed.

In November 2002 the Commission approved the Financing Proposal for SERP III under the 9<sup>th</sup> EDF. SERP III provides 27 million euro of direct budget support to be disbursed in three tranches starting in fiscal year 2003/2004. A technical assistance and institutional strengthening/capacity building programme amounting to 3 million euro is envisaged for the duration of the project and will focus on justice and security .

#### **a) Results**

##### *(i) Reduction of debt and interest expenditure*

The budget support has contributed to GOJ's deficit-reducing efforts by allowing the GOJ to reduce the level of debt and with it interest expenditure, while simultaneously maintaining the levels of investment in the social sector.

##### *(ii ) Maintain levels of social and capital spending*

Conditions concerning GOJ's expenditure to specific areas of the social sector were fulfilled in that they substantially exceeded the support provided by SERP.

##### *(iii) Enhancing policy dialogue between EU and GOJ*

The policy dialogue between the EC and the GOJ has continued during 2002 in the context of the Steering Committee meetings, quarterly macro-economic reports, and the association of the EU to IMF missions, GOJ meetings and to meetings with the Minister of Finance and Planning. The fact that the magnitude of the deviation from the deficit target, which occurred at the end of December 2002, had not been anticipated shows the need for a further strengthening of the dialogue, in particular with a view to planned future budget support.

*(iv) Enhancing capacity of institutions responsible for economic management (including public expenditure review and debt management)*

SERP funding of a long term Debt Specialist in the Ministry of Finance and Planning and of a debt strategy workshop have been instrumental in the design of a new GOJ Debt Strategy. The HRDIS AWP, prepared and administered by the Programme Specialist, further supported the implementation of the strategy through short-term technical assistance.

## **b) Activities**

In May 2002 the final tranche of SERP II – 5.4 million euro – was disbursed and under the Human Resources Development and Institutional Strengthening Component (HRDIS) technical assistance and training were provided notably to the Ministry of Finance and Planning and the PIOJ.

A Financing Proposal for SERP III was prepared by the Delegation, PMU and NAO, and approved by the Commission in November 2002.. Implementation of the second work programme continued, and preparatory work was done for the final work programme under SERP I and II, as well as for the first work programme under SERP III. The signing of the SERP III FA and the approval of the first AWP are expected for the first half of 2003. The institutional strengthening/capacity building component of SERP III will focus on the justice and security.

## **c) Degree of integration of cross cutting themes (gender issues, environmental issues and institutional development and capacity building)**

Capacity building and institutional strengthening are key components of SERP. The intention is go beyond debt relief by simultaneously enhancing the capacity of the GOJ to address the challenges it faces.

## **4.2. Projects and Programmes outside focal sectors**

### **4.2.1 Public Sector Modernisation Project (PSMP) –2,028,446 euro**

The EU funding of the PSMP is part of a wider programme, the Jamaica Public Sector Modernisation Project, which started in March 1997. Other contributors are the World Bank (loan of 25.8 million euro) and the UK Department for International Development (DFID) (grant of 2.7 million euro). The Jamaican Government will provide counterpart funding of up to 23.6 million euro and approve the restructuring plans.

The EU component is limited to two operational entities: the Planning Institute of Jamaica (PIOJ) and the Works Division of the Ministry of Transport & Works and implementation is in



two phases: development of the Modernisation Plans in phase I and implementation of the Plans under phase II.

**a) Results**

Modernisation plans were completed for both the PIOJ and the National Works Agency (NWA)<sup>1</sup> in June and October 1999, respectively and a one year consultancy for the implementation of the plan for the PIOJ commenced in August 2002.

**b) Activities**

A consultancy was engaged in August 2002 for the implementation of the Modernisation Plan of the PIOJ. A workplan was approved. Its progress is being overseen by a project coordinator within PIOJ, a steering committee and by taskforce meetings for each of the operative areas.

**c) Degree of integration of cross cutting themes (gender issues, environmental issues and institutional development and capacity building)**

The public sector modernisation project aims at institutional development and capacity building and is a critical component of GOJ's overall thrust towards good governance and sustainable development.

**4.2.2 Institutional Strengthening of Planning Institute of Jamaica (ISPIOJ) – 7<sup>th</sup> EDF (435,000 euro)**

Article 224(I) of the Lomé IV Convention provides assistance for the human and material resources necessary for efficient and effective administration and supervision by the NAOs of interventions financed by the European Development Fund. In this context the Planning Institute of Jamaica (PIOJ) both in its role as the office of the National Authorising Officer, received support under ISPIOJ to facilitate the efficient implementation of EU-Jamaica co-operation.

**a) Results**

A project officer and a project engineer have effectively contributed to EU-Jamaica co-operation within the PIOJ since 1998. Material resources in terms of a vehicle and IT equipment were provided. In 2002, the PIOJ made the decision to appoint the two project officers to permanent positions within the agency, thus ensuring the sustainability of the initiative.

**b) Activities**

The final Annual Work Programme (AWP) for 2002 was extended until March 2003 to take into account the contracts of the project officers and to allow for finalisation of project activities. An audit and an end of project evaluation will be carried out.

---

<sup>1</sup> Approval was given by the Cabinet to convert the Works Department into an executive agency, the National Works Agency (NWA). The implementation of the Modernisation Plan for the NWA is financed by other sources.

### **c) Degree of integration of cross cutting themes (gender issues, environmental issues and institutional development and capacity building)**

The project aims at institutional strengthening and capacity building.

#### **4.2.3 Trade Development Project (TDP) 6,000,000 euro**

The Trade Development Project (TDP) is a business development scheme that aims to create sustainable trade and production growth through enhanced international competitiveness of Jamaican private sector companies. An amount of 4.8 million euro was provided for technical assistance and Business Development (BD) to private firms, while 1.2 million euro was provided for technical assistance to services providers for example, the Jamaica Bureau of Standards.

In the following, the results achieved by the project are measured against the targets set in the Financing Agreement for the TDP, which was signed in 1999. The targets set have been reached and in some cases exceeded. While exceeding the targets set, the TDP was not able to meet the large demand by companies to make use of the support.

#### **a) Results**

- *Increased awareness at the company level of the need to invest in becoming more competitive*

The level of more than 600 enquiries from potential beneficiaries indicates that there is a high level of awareness among Jamaican companies about the need to increase their competitiveness.

- *25-35 companies or associations having had a thorough diagnostic of their operation carried out*

By 2002, 33 companies have had a thorough diagnostic of their operations undertaken.

- *25-30 companies or associations having implemented medium to long-term business plans and having achieved sustainable expansion in terms of export or tourism related earnings*

At the end of 2002, 43 companies have completed business plans, 32 of which were developed with TDP resources and 11 completed by clients).

- *Local service providers benefiting from a direct increase in turnover*

J\$ 12.34 million have been disbursed to local service providers who have delivered services to the Project.

- *15 - 20 local service providers developing their specialised skills*

12 service providers have been assisted.

An analysis undertaken by TDP has shown that in the first three quarters of 2002 as compared to 2001 the average export sales growth of benefiting companies was 22.37%, as compared with a national decline of 18.84% during the same period.

The importance of private sector development with a strong programme to support economic recovery and growth in Jamaica is underlined in the 9<sup>th</sup> EDF CSS. Based on the experience gained under the TDP and the Target Europe Project, it is envisaged to make available funding of up to 20 million euro for a private sector development programme for small and medium size firms. Linked to this programme is the new Investment Facility created under the Cotonou

Agreement, to be administered by the European Investment Bank to provide loans to small and medium size firms at favourable conditions.

#### **4.2.4 Integrated Drug Abuse Prevention Project (IDAPP) – 8<sup>th</sup> EDF (1,200,000 euro)**

The IDAPP is quite unique in the Caribbean, as it is perhaps the only such project which is jointly implemented by the National Council on Drug Abuse (NCDA), a Government Agency and Addiction Alert Organisation (AAO), an NGO. The project is also unusual in that all the components except the survey were already in place before the effective date of implementation.

##### **a) Results**

The National Assessment Survey on current drug use in Kingston, St. Andrew and St. Catherine has been completed and the results will be used to influence future programmes.

All six Community-based Action Committees (CODACs) have been launched, and there is ongoing leadership and drug awareness training although progress to NGO status has been slow.

The evaluation of the drug prevention education programme (PEP) in schools has been completed and the target of training 450 teachers plus other staff is ongoing and will be reached. The Addiction Alert Organisation (AAO) has recruited and trained 40 Adolescent Facilitators and Peer Educators as well as continued their telephone counselling lifeline. The contract with AAO came to an end in December 2002 and the final report is expected in early 2003.

##### **b) Activities**

NCDA's continued implementation of its activities through a Third Annual Work Programme and Cost Estimate. The AAO's components have been delivered under a three-year contract which ended in December 2002. A monitoring mission from Brussels visited in October 2002 as a follow-up to their visit the year before again noted that the activities were progressing well and commended the implementing agencies on the good job they have done so far. The potential failure of some CODACs to attain NGO status was highlighted and interventions are planned in the hope of remedying the problem.

##### **c) Degree of integration of cross cutting themes (gender issues, environmental issues and institutional development and capacity building)**

Gender issues are part of the programme of community development. Although environmental issues are not a real aspect of the project design, attention will be paid to this in the development of business plans for the CODACS. In respect to institutional strengthening and capacity building, the Ministry of Education and Culture has received considerable assistance in training teachers and other staff and the CODACS have also received considerable training.

#### **4.3 Utilisation of resources for non-State actors**

Non-state actors (NSA) were involved in the consultative process for preparation of the Country Support Strategy (CSS) and National Indicative Programme (NIP) for the 9<sup>th</sup> EDF. Under the CSS and NIP an indicative amount of 10 million euro has been reserved, among others for non-focal areas. The purpose of the NSA programme is for Community-based initiatives focusing on poverty reduction.

The specific objective of the NSA programme is to improve community empowerment and strengthen social capital in communities. It will be implemented through a participatory decentralised manner, through capacity building measures related to the community empowerment and the delivery of services to communities.

The preparation of the CSS benefited significantly from the input of state and non-state stakeholders. The process involved individual meetings with key Government agencies, as well as two workshops attended by a grouping of state and non-state participants representing a broad spectrum of interests. The fora provided a means through which a combined response could be made to the CSS and served to foster, at all levels, a sense of ownership of the process and its output. The non-state representatives, who were drawn from the private sector and civil society, reflect a core to be engaged by the Government, in fulfilling the mandate of the Cotonou Agreement.

While the involvement of the private sector and civil society in the preparation and monitoring of the CSS/NIP is valued, concerns remain regarding the modality for the provision of NIP resources to non-state actors. The concerns relate to the large number of NGOs, which exist across varying interests and their relatively low levels of institutional capacity. These issues raise further questions about the eligibility criteria for NGOs to benefit from NIP resources, the parties which will sign ensuing Financing Agreements and be held accountable for the proper utilisation of the resources and whether the performance of the non-state sector will have an impact on the overall performance of the NIP, thereby affecting Jamaica's allocations. A feasibility study aimed at designing a framework for the project to benefit civil society will be undertaken in 2003.

## **4.4 Other Instruments**

### **4.4.1 European Investment Bank<sup>1</sup>**

In conformity with Article 18 of the Bank's Statute, the European Investment Bank (EIB) contributes to European development co-operation policy outside the European Union. The Union is continuously building up co-operation or association agreements with countries in different regions in the world. Such agreements lay down the conditions for EIB activities in the third countries concerned.

EIB support to Jamaica dates back to the First Lomé Convention and the Bank has been mainly active in the industrial sector, infrastructure, telecommunications and tourism. The total active loans in Jamaica currently outstanding under the different Conventions at the end of 2002 million 154 million euro.

In April the EIB approved a 15 million euro loan to the National Water Commission for the improvement water treatment and sewerage project for Port Antonio in the parish of Portland.

In December EIB signed a Finance Contract with three local banks to act as intermediaries for on-lending of EIB funds to small and medium-sized enterprises. The Bank will provide a total of 20 million euro from risk capital resources to the Bank of Nova Scotia Jamaica Ltd., the First Caribbean International Bank Jamaica Ltd. and the Trafalgar Development Bank Ltd. These

---

<sup>1</sup> General information on the activities of the EIB in development cooperation can be found at Annex.

banks will on-lend to firms for investments in upgrading, expansion, etc. The loans will be provided in Jamaican or US dollars, for long term loans of up to 50% of any single investment.

A complete summary table of the different active projects financed by the EIB can be found at Annex.

#### **4.4.2 Regional Co-operation**

Fifteen independent countries in the Caribbean region are signatories to the ACP-EU Conventions<sup>9</sup>, having established in October 1992 the Forum of the Caribbean ACP States (CARIFORUM) with the aim of enhancing co-ordination and monitoring of the EDF support to regional co-operation in the Caribbean. Three EU Member States, the United Kingdom and the Netherlands with overseas countries and territories (OCT)<sup>10</sup> and France with overseas departments (DOM)<sup>11</sup>, have constitutional links with a number of countries and territories in the region.

The relations between the Caribbean Region and the EU have developed essentially in the context of the Lomé Conventions, particularly in the areas of technical and financial co-operation and trade. Initial steps have been made to upgrade this relationship and to institute permanent mechanisms of EU-Caribbean political dialogue, namely through the organisation of regular meetings between the European members of the Joint Assembly and Parliamentary Members of the Caribbean region on specific items of interest to both regions. The 8<sup>th</sup> EDF Caribbean Regional Indicative Programme (CRIP) was signed in February 1997, provides for the strengthening and facilitation of the co-operation between the EU and the Caribbean Region, by way of annual meetings between CARIFORUM and the Commission. The meeting for 2002 took place in St. Vincent and the Grenadines in late October 2002 during which various aspects of the EU/Caribbean regional co-operation were thoroughly reviewed and the work plan for the year 2003 was agreed. During 2002, the 9<sup>th</sup> EDF Regional Indicative programme was finalised and should be signed in early 2003.

### **Interventions and Funding under the European Development Fund (EDF)**

#### **6<sup>th</sup> EDF**

Under the Third Lomé Convention (1985-1990) and its resources from the 6<sup>th</sup> EDF, a total allocation of 71.1 million euro, 47 projects concerning human resource development, transport and communication, agriculture, trade and tourism and general technical assistance were supported. In consistency with the EC regional co-operation objectives of deeper co-operation and integration with the Caribbean Overseas Countries and Territories and Overseas Departments and of support to the smaller and more fragile economies of the region, 6.3 million euro balances were allocated to two additional projects.

---

<sup>9</sup> Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Saint Kitts and Nevis, Saint Vincent and the Grenadines, Saint Lucia, Suriname, and Trinidad and Tobago. Cuba is an official observer.

<sup>10</sup> Anguilla, British Virgin Islands, Cayman Islands, Montserrat, Turks and Caicos Islands, Netherlands Antilles, Aruba.

<sup>11</sup> Guadeloupe, Martinique and French Guyana.

## 7<sup>th</sup> EDF

The focal sectors under the 7<sup>th</sup> EDF regional indicative programme were agriculture, trade, tourism, human resource development, environment and telecommunications, for which a global envelope of 105 million euro was made available.

The main projects financed covered agriculture and fisheries development (22.2 million euro), tertiary education (27 million euro), trade development (14 million euro), tourism development (11 million euro) and environment (9.1 million euro).

## 8<sup>th</sup> EDF

The main aim of the EC regional co-operation under the 8<sup>th</sup> EDF is to support the economic and social integration process, particularly in areas that assist the regional economy in becoming more competitive and contribute to future sustainability. 90 million euro has been earmarked and in this framework, the **priority areas of co-operation** are:

- **Regional economic integration and co-operation**, where the regional strategic objectives include: 1) the liberalisation of the intra-regional movement of factors of production and services and the development of export led activities; 2) the preparation for full participation in global and hemispheric arrangements; 3) integration of regional transport, communications and information networks, which are to be facilitated by the implementation of compatible policies, legislation, rules, standards and procedures; 4) policy development facilitated by strategic partnerships between the public sector and a responsible private sector in the areas of tourism, enterprise development and investment promotion.
- **Human development and capacity building, including human resources development and regional capacity building**, where the regional specific objectives include: 1) the development of a matrix of appropriate skills at the relevant levels and in sufficient volumes, which are required for sustaining development and growth, as well as to reverse and reduce the brain drain from the region; 2) capacity building related to population/gender, health and poverty alleviation policies, environmental protection and preservation, the control of drug trafficking and money laundering, support to disaster prevention and mitigation, as well as measures and special initiatives in the fields of science, technology and research, good governance practices and cultural co-operation.
- Under the **chapter of other CRIP interventions** the EC is to support strategic interventions focusing on: 1) the mobilisation of non-state bodies in the region and the encouragement of the participation by such organisations in the regional programmes; 2) the maintenance of an effective and efficient mechanism for the management of the regional programme.

Various factors contributed to not having the rate of RIP decisions meeting the initial expectations: the late presentation by the region in 1998 of the 8<sup>th</sup> EDF initial project portfolio; the specificity of the appraisal cycle of regional projects, which imply an extensive process of across-borders consultation with stakeholders and a formal political dialogue among the Member States of CARIFORUM; the need to comply with new enhanced methodology of project identification focusing on a greater appropriation by the stakeholders, but involving longer periods of appraisal, long and unforeseen shortage of staff in the CARIFORUM Programming Unit (PU) and lengthy approval process.

## **9<sup>th</sup> EDF**

The Regional Indicative Programme under the 9<sup>th</sup> EDF has been finalised and should be signed in early 2003. The focal areas for support during the next five years will be: Intensification of Regional Integration which will entail Regional Economic Integration, Integration into the World Economy and Economic Repositioning.

The non-focal sectors support will address major weaknesses that present serious limitations on regional economic development and political and social stability. The areas of support are drugs control and disaster management.

The cross-cutting issues which will be taken into account are the involvement of non-state actors and civil society organisations in the implementation of the programme, gender and youth issues, environmental sustainability, development and strengthening of regional structures, institutions and procedures as well as adherence of the region to the agreed orientations of the EU-LAC bi-regional partnership process.

Details of the various ongoing projects can be found at Annex.

### **4.4.3 STABEX**

#### **a. Stabex 2000**

By virtue of the system of stabilisation of export earnings from agricultural commodities (Stabex) as stipulated in Article 186 et. seq. of the Lomé IV Convention, as revised by the Agreement signed in Mauritius on 4 November 1995, the European Commission granted the Government of Jamaica on 27 December 2000 a repayment of 2,229,930 euro on the account of Article 195.a, corresponding to the franchise applied to the compensation Jamaica's losses experienced in the exports of fresh banana to the European Union in 1999 ("2000 Stabex Repayment").

The Framework of Mutual Obligations (FMO) which governs the utilisation of the 2000 Stabex Repayment was signed by the European Commission on 29 November 2001 and the Government of Jamaica (GoJ) on 4 March 2002. The total amount of the 2000 Stabex Repayment is being used in conformity with the ongoing rural poverty reduction programme of the 8<sup>th</sup> National Indicative Programme under the Eastern Jamaica Agricultural Support Project (EJASP, Project No. 8 ACP JM 005). These resources point towards at improving the production and marketing of agricultural produce through the rehabilitation of parochial and farm access roads in the traditional banana growing parishes of eastern Jamaica.

On 15 April 2002 a three month "Start-up Work Programme and Cost Estimate (JMD 3,380,720)" was approved by the Ministry of Agriculture, the Planning Institute of Jamaica and the Delegation of the European Commission to Jamaica, to ensure a prompt commencement of project activities at the beginning of 2002/2003 Fiscal Year, i.e April 2002. This would be followed by a nine-month Work Programme (July 2002 to March 2003) for JMD 33,405,830.

Expenditure to date (JMD 3,434,228) has been in the form of salaries for an engineer, payments for design and costing work on the St. Thomas, Portland and St. Mary roads and the Brandon Hill bridge design in St. Andrew.

Tenders for all works contracts have been recommended for award to various contractors by the Ministry of Agriculture' contracts Committee, after endorsement of the NAO and Delegation. The resultant time delay in the contracting process has pushed back the project implementation by two months. The Community Development Adviser has been contracted and to date has completed the initial sensitisation meetings with all the beneficiary farmers Groups under the Programme. The training has been well received by the groups and they are looking for the commencement of the works.

#### **b. Stabex 1999**

On 24 July 2000 the Commission granted Jamaica 6,577,053 euro to partly compensate Jamaica's losses experienced in the exports for bananas to the EU in 1999. A Framework of Mutual Obligations was signed by the Minister of Finance and Planning and the Head of Delegation in December 2002, in which it was agreed that the 1999 Transfer should be used for the rehabilitation of parochial and farm access roads damaged by the heavy floods in May/June 2002. The Stabex Transfer plus accrued interest will be provided as direct budgetary support, while the Government will spend an equivalent amount on roads repairs.

#### **4.4.4 SYSMIN**

The Sysmin facility compensates ACP countries for losses experienced in the mining sector. In 1999 Jamaica was the third largest exporter of bauxite and the fourth largest exporter of alumina. Due to steady decline in export earnings Jamaica benefited from Sysmin funds under the 5<sup>th</sup> EDF (Negril Ocho Rios Waste Water Project. It was again eligible for Sysmin support under the 7<sup>th</sup> EDF where it received an allocation of 70 million euro. As mentioned in section 4.1.2 above, the resources were allocated to the Northern Coastal Highway Improvement Project.

#### **4.4.5 Budget Line Funding**

In addition to the European Development Fund, the European Commission offers direct support to Jamaica through various lines from its annual budget. In the following lines the purposes of the different budget lines are explained and descriptions of the various projects being implemented under these in Jamaica are provided. Details of the projects funded from the Budget can be found at Annex.

#### **4.4.6 Budget line Assistance: Special Framework of Assistance Banana Support Programme**

### **GLOBAL CONTEXT AND OBJECTIVES**

In 1993, the European Union established the "Special System of Assistance for Traditional ACP Banana Suppliers" (SSA)<sup>12</sup>. This was designed to compensate ACP banana producers for the adverse effects of the Single European Market and to help them enhance their competitiveness accordingly. In this way, their situation in the traditional banana market was maintained and any advantages safeguarded. Since 1996, the European Union has granted 10.8 million euro in support to the Jamaican banana industry through SSA.

---

<sup>12</sup> Council Regulations (EC) 2686/94 and 2320/96.



Against a background of falling banana prices on the world market and following a WTO decision against the European banana regime, the EU established the “Special Framework of Assistance for Traditional ACP Suppliers of Bananas” (SFA)<sup>13</sup> in 1999. This was introduced to provide financial and technical assistance to twelve traditional ACP exporter countries to help them adjust to the progressive liberalisation of the European Union’s banana regime. The assistance should be temporary and from the year 2004, a maximum reduction coefficient of 15% will be applied to the level of assistance available.

The overall purpose of the SFA is to improve competitiveness of ACP banana production and where this is not possible or sustainable, to support diversification. It has an implementation period not exceeding ten years, and is financed through a budget line (B7-8710) allocated on an annual basis through successive Financing Agreements.

In Jamaica, the objective of the SFA-funded Banana Support Programme (BSP) has been to improve competitiveness of the banana industry, to safeguard foreign exchange earnings, increase rural income and employment whilst using the resource base in a sustainable manner. It does this through continued support to the Banana Export Company Ltd. (BECo), a private company owned by all Jamaican banana exporters. Activities have therefore been designed to increase productivity and fruit quality, to reduce operating costs of the industry as well as improve marketing in the EU. The Programme’s beneficiaries include banana estate workers and banana farmers in five parishes, Clarendon, Portland, St. James, St. Mary and St. Thomas. It is hoped that 16,000 to 20,000 rural family members will benefit both directly and indirectly by 2009.

To date, Jamaica has been granted a further 20.3 million euro under the four SFA’s from 1999 to 2002.

## PROGRESS OF ACTIVITIES AND RESULTS

The Programme Management Unit, under the guidance of BECo, has responsibility for day-to-day implementation of activities through Annual Work Programmes. Technical activities are similar in focus under all the SFA’s, and in 2002 continued to be carried out by their respective Units. Thus the Technology Transfer Unit trained extension officers and farmer groups in improved agricultural practices including safer chemical use, rational fertiliser application and new technologies. The Disease Management Unit continued its Sigatoka control service, both through sensitisation of farmers to appropriate chemical use and through provision of advice and equipment to farmer spray teams. Working in close collaboration, the Research Unit continued its applied research in new technologies, plant nutrition and fungicide sensitivity for control of both Sigatoka and nematode diseases. The Water Management Unit continued to manage the Water Management Loan Fund for (re)construction of irrigation and drainage works.

**Under SFA 1999**, a six-month extension was granted to the first Annual Work Programme (AWP) until 30<sup>th</sup> June 2002, in order to facilitate the completion of two activities: the Workers Education Programme and the Niche Market Trial. Despite the delays in starting the Workers Education Programme, this successfully increased literacy for over 230 workers as well in boosted their general confidence and attitude to work. The niche market trial, to explore the market access in the UK for a specially branded Jamaican banana, was not carried out given the uncertainty of the EU Banana regime.

---

<sup>13</sup> Council Regulation (EC) No. 856/1999 and Commission Regulation (EC) No. 1609/1999.

The Investment Fund under SFA 1999 was established to facilitate investments both on-farm and to improve the general environment and infrastructure. In December 2002, a larger proportion of the Fund was earmarked to assist small farmers given the closure of one of the three large estates, Victoria Banana Estate. Small farmers are now also obliged to pay 25% equity up-front before receiving the remainder as grant for their investment projects. The Fund has been so successful that over 80% had been approved to finance projects on small and large estates alike by December 2002.

Under SFA 2000, the first AWP was established to run from January to December 2002. In December 2002, a Rider to this was granted to allow a four-month extension for completion of the Plantain Replanting Sub-Programme. This aims to re-establish a sustainable plantain production able to satisfy both the domestic and export markets, and provides an alternative income-generating activity in the traditional banana growing areas for farmers unable to compete in a liberalised market. It is being implemented in conjunction with the EU-funded “Eastern Jamaica Agricultural Support Programme”.

An international tender for fungicides and fertilisers, excavation equipment and three vehicles was launched in December 2002. Procurement of a further 20 refrigerated containers for transportation of bananas to the UK was not done as the loading facilities in Kingston closed due to the changes in the EU regime. All bananas are now shipped from Port Antonio, which does not have the facilities to load these containers.

The Investment Fund under SFA 2000 was not yet established, although the project is preparing an Agreement to provide workable guidelines for the Fund.

SFA 2001 was signed in March 2002 to provide further support to improve productivity of the export sector. A Diversification Component was also included to support demand-driven sub-projects in the areas of alternative crop production, agro-processing, marketing and other rural development activities. The first AWP started in July 2002, and implements many of the recommendations of the “Study to Update the 1999 Jamaica Banana Country Strategy, Scanagri April 2002. This broadened the original focus of the BCS to include local banana farmers who need additional support during this transitional period as well as those farmers who cannot survive in the banana industry. Diversification activities including promotion of plantain and value-added products such as banana chips, dried bananas, etc., are suggested.

The technical Units of the Programme have all therefore expanded their activities to include domestic farmers. For example, the Research Unit is preparing a manual so that farmers may reduce income loss through middlemen and so increase their returns through establishing ripening rooms or manufacturing banana chips. A further activity is seeking to determine a model for effective and relevant crop insurance for domestic farmers. The Workers Education Programme is being extended to small- and medium-sized farms.

Importantly, a number of studies are being conducted to better inform the industry of both the spread of banana and plantain farmers island wide as well as the local markets for these two crops. In the interest of making the Programme sustainable in the long term, farmers now pay for the services of a spray team for disease control and for soil/nematode tests as part of a pilot cost recovery model.

The Financing Proposal 2002 was approved in November 2002, thereby committing an additional 4.7 million euro to the Jamaican banana industry. The Financing Agreement consists

of two distinct components: the EU Banana Support Component (EUBSP) that will address both domestic and export banana and plantain farmers; and a Diversification Component, intended to support particularly those farmers who cannot survive the existing banana industry.

## MONITORING AND EVALUATION OF SFA

NR International conducted a follow-up Monitoring Mission of the SFA Banana Budget line. Their Final Report, "Monitoring Consultancy of the Banana Budget Line", March 2002, gave wide-ranging recommendations including revising the monitoring tables, simplifying procedures to reduce delays, standardising AWP documents and taking realistic consideration of environmental and social standards in the banana production.

Landell Mills conducted an "Evaluation of the Implementation of the Council Regulation (EC) No. 856/1999 Establishing a Special Framework of Assistance for Traditional ACP Suppliers of Bananas". Their Final Report, September 2002, included a comprehensive analysis of the relevance, efficiency, efficacy/impact and sustainability of the SFA. They recommended redesigning the SFA on the basis of identified potential and need, as well as programming future SFA's under a single multi-annual Financing Agreement. Simplification of procedures for procurement and disbursement of funds is also needed.

## **5. Programming Perspectives for the coming years**

The Country Support Strategy/National Indicative Programme (CSS/NIP), 2002-2007 was signed by the Prime Minister and the Head of Delegation in February 2002. In this document the Government of Jamaica and the European Commission agreed on the following areas of intervention: continuation of co-operation on Jamaica's macro-economic reform programme (30 million euro), private sector development (20 million euro) and road maintenance (30 million euro) as focal sectors of co-operation and a non-focal programme for community-based initiatives focusing on poverty alleviation and institutional strengthening of the office of the NAO (10 million euro).

Under the 9<sup>th</sup> EDF Jamaica was allocated 73 million euro of programmable resources ("A-envelope"), which meant that the envelope was over-programmed by 23%. Jamaica's allocation for unforeseen needs ("B-envelope"), such as emergency assistance, is 27 million euro.

### Programmable resources (A-Envelope)

In November 2002 the Support for Economic Reform Programme (SERP) III was approved by the Commission and the Financing Decision covering 30 million euro taken in December. Assuming that the conditions stipulated in the Financing Agreement are met, the first tranche of budget support is expected to be released in the first half of 2003. As elaborated in chapter 4, SERP III will continue the capacity building component for the public sector. Support for the Ministries of Justice and Security will be implemented on the basis of Annual Work Programmes. The first AWP is expected to be submitted for approval in the first half of 2003.

The funds for a comprehensive study for the Private Sector Development Programme (PSDP) were approved in November 2002. On the basis of a feasibility study the consultants will assist GOJ and the Delegation to elaborate a Financing Proposal that should be submitted to Brussels

before August 2003. It is expected that the Financing Decision covering the 20 million euro programme will be taken before end 2003.

Under the 9<sup>th</sup> EDF CSS/NIP 30 million euro were identified for the transport sector. A consultant was contracted in 2002 to assist the Government in the design of the programme for the support to the road sector, with particular emphasis on the identification and management of financial resources for road maintenance. It is expected that the Financing Decision will be taken in 2004.

The non-focal programme of community-based initiatives focussing on poverty alleviation and institutional strengthening of government agencies was allocated 10 million euro in the CSS/NIP. A feasibility study for the design of the poverty alleviation component will be undertaken in 2003 and a programme for the strengthening of the office of the NAO, will also be submitted.

#### Allocation to cover unforeseen needs (B-Envelope)

This allocation of 27 million euro is to cover unforeseen needs such as emergency assistance, where support cannot be financed from the Community Budget, as well as contributions to internationally agreed debt relief and support to mitigate adverse effects of instability of export earnings.

In 2002 Jamaica submitted to the Commission a request for emergency assistance as direct budget support to compensate for expenditure incurred in the context of flood rains in May/June 2002 that caused widespread damage, in particular to the roads network.

This request, which was accompanied by an assessment by the UN Economic Commission for Latin America and the Caribbean, ECLAC, was analysed by the responsible services of the European Commission in Brussels. It was considered that a Financing Proposal should be drawn up for an amount of 25 million euro, while reserving 2 million euro for possible future emergencies. Given the emergency nature of the intervention, it is expected that approval will be obtained at the latest at beginning of the second half of 2003.

#### Chronogram and timetable

A chronogram for the programming of 9<sup>th</sup> EDF resources, as well as an indicative timetable for commitments and disbursements are provided at Annex.

## **6. Specific issues**

In view of the preparation of the 2004 Mid-term Review, three specific themes have been identified as priorities for the 2003 Annual Operational Review:

### **6.1 Advancing the use of previous EDF resources**

At the time of the Operational Review Meeting (7 August 2003), a balance of 1,043,328 euro remained under the 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup> EDF NIPs available for primary commitments (e.g. Financing Agreements). Of the already committed resources 40.2 million euro remain either to be

contracted or to be paid under ongoing projects. Out of these 40.2 million, 20 million relate to projects that have experienced delays in implementation, resulting in a slow pace of secondary commitments and disbursements over the past two years.

Two projects account for this amount: Rural Water Supply II (10 million euro), and the Northern Coastal Highway Improvement Project (10 million euro).

The reasons contributing to the delay in the RWS II implementation were the annulment of the first tender in 2001, the non-fulfilment of preconditions in the Financing Agreement, as well as the protracted process involved in the amendment of the tender dossier. As a result there has been no secondary commitment on the project.

In November/December 2002, one of these preconditions, the preparation of an Asset Management System for the National Water Commission) had been accomplished. It is anticipated that the tender for the selection of a consultant for the design and supervision will be launched in January 2003 resulting in the secondary commitment of the consultancy services by mid 2003.

In the case of the Northern Coastal Highway Improvement Project, the civil works, estimated to cost 64 million euro, is the final component of the project to be committed. The project suffered considerable delay during the period when the decision was taken by GOJ to downscale the project in April 2001 and the time that the Consultant was engaged to update the works dossier in November 2001. The initial draft works tender dossier prepared by the Consultant in September 2002 is being extensively reviewed by GOJ and the European Commission. Given the magnitude of the project, it is expected that this review process will be time consuming and as such, it is not anticipated that tenders will be launched before mid 2003 resulting in the works contract in early 2004. The fulfilment of special conditions (access to works sites) which had contributed to previous delay is now on schedule based on the revised timetable following the decision to downscale and redesign the project.

Although there is an apparent delay of the utilization of the 10 million euro NIP resources, it should be noted that the Northern Coastal Highway Improvement Project is also financed from 70 million euro received from the 7<sup>th</sup> EDF SYSMIN resources. As is customary, the disbursements are currently being utilized from the 7<sup>th</sup> EDF resources before any commitments are made against 8<sup>th</sup> EDF NIP resources.

As in the case of the Northern Coastal Highway Improvement Project, the Negril/Ocho Rios Wastewater Project is financed through 15 million euro grant directly from the 7<sup>th</sup> EDF and an additional of 25 million euro loan from the SYSMIN facility transferred from the 5<sup>th</sup> EDF. At the end of the reporting period, the entire NIP resources had been exhausted leaving a balance of 6.2 million euro against the SYSMIN resources. The prolonged resolution of the dispute through an amicable settlement procedure between the Contractor and NWC, the protracted approval process, a third party claim against the Contractor and the lengthy finalization of the settlement document for the payment of the settlement were the main reasons for the delay in the closure of the project. It is expected that the payment of the final settlement to the Contractor of 4 million euro will be done in early 2003. Of the remaining 2.2 million euro, additional commitments will be required for the following activities, namely for the remedial works arising from the Contractor's failure to fulfil his contractual obligations and the installation of surge vessels for both schemes.

The decommitment of funds that have remained committed under projects that have already been terminated - around 190.000 euro -, will be accelerated and completed by the end of 2003.

Considering that the CSS/NIP for the 9<sup>th</sup> EDF includes an over programming of funds of around 23%, any unused or decommitted balances from the previous EDFs should be used for interventions under the new Indicative Programme.

## **6.2 Setting indicators and targets for measuring results in the focal sectors**

The frameworks of intervention provided in the CSS/NIP drawn up during 2001 and signed on 27.2.2002, has been reviewed. The new intervention frameworks for macroeconomic support in the focal areas of private sector development and road maintenance are in Annex I.

## **6.3 Dialogue in country with the NAO and non-State actors**

The dialogue between Delegation and the office of the NAO continues to be an important underpinning for the implementation of development cooperation under the EDF in Jamaica. Present arrangements for dialogue include:

- Regular meetings to assess programme progress - project updates and minutes prepared systematically.
- Delegation and NAO office participate in Steering Committees of all programmes/projects.
- Delegation, together with the respective Member States Presidency conduct a regular operational co-ordination at EU level.
- Daily contacts among implementing agencies, NAO and Delegation.
- Meetings with the International Development Partners organized and chaired by the NAO.

In keeping with the Cotonou Agreement, and the GOJ's overall thrust towards good governance the participation of civil society in policy and programme development has gained increased importance. The NAO undertook an extensive series of consultation with non-state actors in the development of the CSS/NIP. The PIOJ's annual Dialogue for Development series represents another mechanism employed by the GOJ to widen the participatory process. The importance of enhancing this involvement substantially is recognised with a view to the non-focal programme under the 9<sup>th</sup> EDF CSS/NIP.

In the context of capacity building for the office of the NAO under the non-focal programme, it has been proposed to hire a consultant for the Office of the NAO with the specific responsibility of developing the mechanism for the involvement of non-State actors.

## **7. Conclusions**

1. During 2002, the Government of Jamaica (GOJ) continued to implement the economic growth strategy outlined in the National Industrial Policy and Medium Term Policy Framework (MTPF) 2002/03-2005/06, achieving some of its most important social and economic objectives, while identifying areas for adjustment. Real GDP growth continues to be low, while the inflation rate and level of international reserves remained at acceptable

levels. There was a further increase in the deficit in the Central Government Balance. With the broad goal of achieving sustained economic growth in order to create employment and reduce levels of poverty, the GOJ is committed to a strategy of creating a stable macroeconomic environment, promotion of export-led growth and private sector and human capital development.

2. During the reporting period, the incidence of poverty was 18.2%, maintaining the downward trend observed since 1994. Jamaica's National Poverty Eradication Program (NPEP) has continued to pursue its objectives through focused community empowerment and development activities, implemented by agencies, such as the Jamaica Social Investment Fund, through which the EU funded PRP is also being implemented. Total expenditures on NPEP projects to date are expected to reach J\$34.26 billion by the end of 2002/03, including J\$4.86 billion allocated in 2002/03.

Noteworthy achievements under the National Poverty Eradication Programme (NPEP) include:

In the Jamaica Social Investment Fund's (JSIF) sixth year of operation, project approvals increased 67% in value and 24 % in number over the previous year. Over 76% of the committed funds were spent in rural communities, the areas of greatest concentration of poverty. Approximately 40 inner city communities benefited from 138 projects, including projects funded by the GOJ/EU Poverty Reduction Project (PRP). The GOJ/World Bank Community Development Project, the GOJ/CDB Infrastructure Project and the GOJ/EU Poverty Reduction Project (PRP) under which JSIF funds projects in infrastructure, social services and organizational strengthening, are complementary in the goal of strengthening community capacity, fostering empowerment and building social capital while improving access to social services and infrastructure.

The Inner City Renewal Programme (ICRP): This project has been operational since 2001 and is being completed in three phases over a five-year period. The programme is aimed at facilitating the renewal of selected communities which have been affected by urban blight. The community component of the ICRP progressed during 2002 with rehabilitation work completed in pilot communities. Under the ICRP-JSIF Participation Assistance Project capacity building was completed in seven communities.

Access to electricity was extended to over 4,000 rural households with the installation of 145 km of distribution lines and wiring of homes under the Rural Electrification Programme (REP). Under REP's Revolving Loan Fund, an additional 200 homes were wired and work commenced on the installation of 48.3 km of new lines. When completed, a total of 800 households will receive access to electricity.

As the Micro Investment Development Agency (MIDA) took steps to reinforce its role as a funding agency targeting poverty reduction, the number of small and micro-enterprise projects supported increased by 10% to 1,583. The projects, valued at J\$147.2 million, covered the areas of manufacturing, agriculture, personal services and distribution. Females accounted for 51.6% of the projects financed and 46.9% of the value of loans. The projects generated employment for 3,427 persons, 14.2% more than in 2001.

The Jamaican Government, with funding support from the Inter-American Development Bank and the World Bank, continued the Social Safety Net Reform Programme. The rationalisation of existing programmes targeting the most vulnerable under the Programme

for Advancement through Health and Education (PATH) was the major component of the safety net reform. Implementation of PATH commenced in 2002. To date, over 200,000 individuals representing 62,100 families have been selected for participation, with children making up 71% of the target population. The safety net reform process also included the completion of evaluations of the Social and Economic Support Programme (SESP) and the island's Infirmaries.

The Jamaica Social Policy Evaluation Project, funded under the GOJ/DFID cooperation programme at a cost of US\$0.7 million (J\$55.9 million), was launched. Its achievements included the completion of the Social Policy Framework and Action Plan, 2002-2007 and the design of the Youth Inclusion Prototype.

The US\$ 15 million GOJ/IBRD HIV/AIDS Management, Prevention and Control Project was approved in 2002. This project will expand the preventives programme, improve care, support and treatment, and strengthen the Government's multi-sectoral capacity to respond to the epidemic.

3. In 2002, the Focal areas of co-operation under the 7<sup>th</sup> and 8<sup>th</sup> European Development Fund were Poverty Alleviation and Infrastructure Development. The results achieved in the focal area of poverty alleviation include the starting of the National Poverty Eradication Programme (NPEP) and the allocation of sufficient budgetary resources by the Government. In the area of infrastructure the target of a review of government's policy for road maintenance, including the plan to set up a Road Fund had not been attained. The projects funded in the focal area of Poverty Alleviation included the Eastern Jamaica Agricultural Support Project and the Poverty Reduction Programme. In the infrastructure sector the Road Rehabilitation and Institutional Strengthening Project was completed, while work continued on the preparation of the Northern Coastal Highway Improvement Project.

In the area of macroeconomic support the Support for the Economic Reform Programme (SERP) was implemented to assist the Government of Jamaica to address the problem of external and domestic debt and the constraints these have placed on social investment. The final tranche of SERP II was disbursed, and a Financing Proposal for SERP III approved at the end of 2002. SERP has helped GOJ's debt reducing efforts and allowed the government to maintain levels of spending in the social sectors. An accompanying programme of technical assistance and training has helped to increase the capacity of the government to further implement its economic reform programme.

4. Projects and programmes financed under the NIPs outside the focal areas of Poverty Alleviation and Infrastructure Development included the Trade Development Project (TDP), the Public Sector Modernisation Project (PSMP), Institutional Strengthening of Planning Institute of Jamaica (ISPIOJ) and the Integrated Drug Abuse Prevention Project (IDAPP).

The PSMP and the ISPIOJ are both aimed at strengthening the Planning Institute of Jamaica, in its capacity as the NAO. The Trade Development Project, a private sector support programme aimed at assisting private companies to become more competitive, has helped benefiting companies to improve their operations and increase their exports by 22%, while exports declined on a national level. The TDP will come to an end in 2003 and is expected to be succeeded by a larger private sector development programme under the 9<sup>th</sup> EDF in 2004.



5. On 24 July 2000 the Commission granted Jamaica 6,577,053 euro to partly compensate Jamaica's losses experienced in the exports for bananas to the EU in 1999. A Framework of Mutual Obligations (FMO) was signed in December 2002, in which it was agreed that the 1999 Transfer should be used for the rehabilitation of parochial and farm access roads damaged by the heavy floods in May/June 2002. The Stabex Transfer plus accrued interest will be provided as direct budgetary support, while the Government will spend an equivalent amount on roads repairs.

On 27 December 2000 Jamaica was granted an additional amount of 2,229,930 euro as compensation for losses experienced in the exports of fresh banana to the EU. The FMO was signed by GOJ in March 2002. The total amount of the 2000 Stabex Repayment is being used in conformity with the ongoing rural poverty reduction programme of the 8<sup>th</sup> National Indicative Programme under the Eastern Jamaica Agricultural Support Project (EJASP, Project No. 8 ACP JM 005). The resources will be used to improve the production and marketing of agricultural produce through the rehabilitation of parochial and farm access roads in the traditional banana growing parishes of eastern Jamaica.

6. The Country Support Strategy/National Indicative Programme (CSS/NIP), 2002-2007 was signed in February 2002. In the CSS/NIP Government of Jamaica and the European Commission agreed on the following areas of intervention: continuation of co-operation on Jamaica's macro-economic reform programme (30 million euro), private sector development (20 million euro) and road maintenance (30 million euro) as focal sectors of co-operation and a non-focal programme for community-based initiatives focusing on poverty alleviation through capacity building among non-state actors and institutional strengthening of the office of the NAO (10 million euro).

Under the 9<sup>th</sup> EDF Jamaica was allocated 73 million euro of programmable resources ("A-envelope"), which meant that the envelope was over-programmed by 23%. Jamaica's allocation for unforeseen needs ("B-envelope"), such as emergency assistance, is 27 million euro.

Performance in the implementation of the 9<sup>th</sup> European Development (EDF) has advanced well with 41% of A-Envelope funds already committed. With the anticipated financing decision in 2003 for the Private Sector Programme, the commitment of funds will be approximately 68% of the programmable resources. Jamaica has already been advised that the Community intends to consider a Financing Proposal for 25 million euro for emergency assistance representing 93% of the Envelope B.

7. Overall performance under the 8<sup>th</sup> EDF has been good, with a near 100% primary commitment of funds, 63% in secondary commitments and 46% in disbursements. The pace of secondary commitments and disbursements has been constrained to some extent by the slow progress of implementation in two projects, namely, the Rural Water Supply Project II (RWS II) and the Northern Coastal Highway Improvement Project (NCHIP). Notwithstanding the delays in commencement of the RWS II (as detailed in Section 6.1), the tender for the engagement of the design and supervision consultants is expected to be launched in January 2003 to enable the mobilization of a Consultant in mid-2003. Also considerable progress has been made in fulfilling the special conditions of the Financing Agreement, namely, the development of a plan for the establishment of an Asset Management System. In the case of the NCHIP, the resources from SYSMIN (70 million

euro) are currently being utilized before the NIP resources (10 million euro) can be exploited, thus the delay in disbursements from the latter.

8. The office of the NAO is of the opinion that for assessing a country's performance on the basis of the implementation of projects under the respective EDFs, it could be considered to assign the accounting number of the EDF related to the NIP under which the project was conceptualized. This could help avoid possible misconceptions that the country has not made effective use of available resources. For example, the 100% commitment of 8<sup>th</sup> EDF resources required that balances from the 6<sup>th</sup> and 7<sup>th</sup> EDFs be used to supplement the funds needed for the 8<sup>th</sup> EDF Poverty Reduction Programme (PRP). The PRP was therefore assigned five accounting numbers, which have the prefix - 6 JM, which would seem to suggest that there are un-utilized balances from the 6<sup>th</sup> EDF. It is envisaged that a similar situation could arise with SERP III, a 9<sup>th</sup> EDF project, which has been assigned a 8<sup>th</sup> EDF accounting number.
9. The NAO and the Delegation will move expeditiously to establish the guidelines for the implementation of the non-focal programme of decentralized cooperation. These guidelines would provide information on the mechanisms for the disbursement of funds, as well as the criteria for accountability and performance. Clarification will also be provided on the potential impact of the performance of the non-focal programme on the NIP, particularly in view of the relatively low levels of institutional capacity within the Jamaican NGO community. The proposal for hiring of a consultant within the office of the NAO to focus specifically on this aspect of the CSS/NIP is expected to drive the programme forward.

#### 10. Outcome of the Operational Review and key perspectives for the future

The draft Annual Report for 2002 was reviewed in the context of the Annual Operational Review Meeting, which took place in Kingston on 7 August 2003, bringing together officials from GOJ and the European Commission. The Annual Review included the following specific topics: an outlook on the upcoming 2004 Midterm Review, the question of the use of residual EDF resources, the refinement of indicators and targets for measuring progress in the focal areas of cooperation and macro-economic support under the 9<sup>th</sup> EDF, and an assessment of the dialogue between Commission Delegation, National Authorising Officer and non-state actors (NSA). Key outcomes of the Operational Review Meeting can be summarised as follows:

- **Mid-term Review in 2004**

The Mid-term Review with Jamaica will take place in the course of 2004. The procedure was explained and discussed. The scope of the review may include a review of the strategy in the CSS/NIP, a possible revision of the resource allocation under the 9<sup>th</sup> EDF, depending on an assessments of needs and performance (i.e. financial performance and progress in the focal sector), as well as an assessment of the participation of non-State actors (NSA). It was stressed that the financial performance of Jamaica was good, but that it would be necessary to speed up commitments to be able to be considered for an upward revision of the allocation. It was also explained that the assesment of sectoral performance will be dependant on the quality of indicators in the intervention framework. It was, therefore, necessary that a serious effort be made by GOJ to refine the indicators in the CSS/NIP (see below).

- **Speeding up of old EDF resources**

It was agreed that the NAO would send official requests for closure of the following projects:

7-JM-043: Institutional strengthening PIOJ,

8-JM-017: Negril Waste Stabilisation Ponds Study,

8-JM-023: NWC- Preparation of the Asset Management Plan,

8-JM-025: TA Preparation of 9<sup>th</sup> EDF Support Road Sector.

Regarding the Negril/Ocho Rios Wastewater, the NAO could not request closure, as with the settlement payment to the contractor, it was understood by all parties that the contractor would be relieved of all outstanding responsibilities and that the NWC would pursue the completion of the schemes through 3<sup>rd</sup> party contracts. It was agreed that the balance of 2.2 million euros would be used by the GOJ for the procurement of spares and equipment, and for rehabilitation of the wastewater pond. Hence closure of this project could not be sought until 2004. The NAO would be seeking to convert the remaining loan balance to grant.

- **Indicators**

An agreement was reached on the intervention framework for the macro-economic support programme. It was agreed that there is a need to ensure continued harmonisation between social indicators monitored under the macro-economic support programme and those monitored in the Annual Reports. It was agreed that the NAO will suggest a refinement to the intervention frameworks in the two focal areas of the transport sector and for private sector development, including indicators and targets. The updated intervention frameworks for these sectors are annexed to the Annual Report 2002. They replace the intervention frameworks contained in the CSS/NIP signed on 27 February 2002.

- **Dialogue between the HOD and the NAO**

Regular meetings are foreseen in order to continue the very good existing dialogue.

- **Non-State Actors**

A more structured involvement of non-state actors will be organised through regular meetings. In the fall a consultant should be hired for a period of 18 months to work in the Office of the NAO with the specific responsibility of developing a mechanism for the involvement of non-state actors. A decision needs to be taken on the repartition of the funds earmarked under the non-focal sector to be allocated to non-state actors.

- **Transport Sector**

It was agreed that in September, after approval of the Minister of Transport, the policy document will be sent officially to Brussels HQ together with a clear timetable and commitment for adopting finally the transport policy and together with a sectoral medium term expenditure plan. In the meantime, preparation of the Financing proposal for the 9<sup>th</sup> EDF Road Maintenance program will start.

## **Annexes to the Joint Annual Report**

**Annex I – Intervention Framework  
(Macro-economic Support, Private Sector and Road Transport Development)**

Sector: Macro-economic support	Performance <sup>14</sup> Indicators	Actual FY 2000/2001	Actual FY 2001/2002	Actual FY 2002/2003	Target FY 2003/2004	Target FY 2004/2005	Target FY 2005/2006	Sources of information	Assumptions
<b>National Sector Target</b> To achieve export-led sustainable growth with low inflation, to improve the fiscal situation and reduce public debt and to maintain progress in the social sectors	1. Real GDP growth (%)  2. National Poverty Index (%)	1.0	1.3	1.7	2.7	3.0-4.0	3.0 – 4.0	STATIN: national account statistics	An economic reform programme is implemented on the basis of an arrangement with the IMF, or, in the absence of such, on the basis of a medium term programme implemented in cooperation with the EC and other donors
<b>Intervention Objective:</b> To support the Government of Jamaica in the implementation over the medium term of a growth-oriented and poverty-focused macro-economic policy, aimed at a reduction of - fiscal deficit - public debt - inflation	3. Ratio of fiscal deficit to GDP  4. Ratio of debt to GDP (%)  5. Inflation rate (%)	1.3	-3.9	-7.7	-5.0 to -6.0	-3.0 to -4.0	0	MINOFP  MINOFP  STATIN	Continued government commitment to pursuing macro economic reform, fiscal restraint, debt reduction and structural economic reforms

<sup>14</sup> Indicators 6 –10 are have been identified for monitoring under the Support to the Economic Reform Programme (SERP) III, signed on May 15 2003. In addition six indicators in the area of Health and Education are monitored under SERP III. Possible changes to indicators 6 – 10 resulting from reviews of SERP III have to be integrated into the present framework.

Results	Performance Indicators	Actual 2000	Actual 2001	Actual 2002	Target 2003	Target 2004	Target 2005	Sources of Verification	Assumptions	
<ul style="list-style-type: none"> <li>Improvements in Public Finance Management of Public</li> </ul>	6. Proportion of Ministries / unattached Depts submitting Corporate & Operational Plans within indicative ceilings set by MoFP for Recurrent Budget <sup>8</sup>			23	23			MoFP	Government succeeds in attracting sufficient donor support for debt reduction and budget support;	
	7. Proportion of Ministries / Depts submitting accurate & timely monthly / quarterly / annual expenditure reports in required format <sup>9</sup>		14 out of 54	16 out of 55	25 out of 55			MoFP (PEX Division)	Complementary technical assistance in the fields of debt and public expenditure management available;	
	8. Average number of non-salary in-year requests per M/D for additional funds <sup>10</sup>			5	<1			MoFP (PEX Division)	Adequate financial management practices in place;	
<ul style="list-style-type: none"> <li>Expenditure in social and poverty reduction programmes maintained in real terms</li> </ul>	9. Total GoJ expenditure on selected social & poverty reduction programmes <sup>11</sup>	J\$ 5,548.77 million	J\$ 5,728.318 million (revised budget figure)	J\$ 6,703.034 million equivalent to J\$6,311.00 million in constant 2001/02 prices (Inflation 6.29%)	J\$ 5,728.318 million in constant 2001/02 prices (2003/04 Budget Estimate is J\$6,898.095 million)			Financial Statements, MoFP (PEX Division)	Absence of major external shocks such as natural disasters.	
	<ul style="list-style-type: none"> <li>Capacities in the areas of Justice and Security improved</li> </ul>	10. Level of monthly income transfer to the poor by beneficiary	J\$ 110.0	J\$110	J\$300	J\$ 375.0	J\$ 500	460	Economic and Social Survey (ESSJ)	
11. Number of Officials trained in the area of human rights		265	261	432	460	460	762	Ministry of National Security (MNS)		
		887	1139	1045	940	846	21436	MNS		
12. Reduction in the number of homicides		39 188	33 595	29 412	26 463	23 817			MNS	
13. Reduction in the overall incidence of crime										

Sector: <b>Private Sector Development</b>	PERFORMANCE INDICATORS	STATUS 2002	TARGET 2003	TARGET 2004	TARGETS 2005	SOURCE OF INFORMATION	ASSUMPTIONS
<b>NATIONAL SECTOR TARGET:</b> To achieve export-led sustainable growth with increase in production for export and domestic markets and creation of employment	<ul style="list-style-type: none"> <li>- stable inflation rate maintained</li> <li>- containment of public sector deficit</li> <li>- Increase in bank credit to private sector</li> </ul>	<b>Fiscal Year 2002/03</b> 6.2 % inflation rate  8.8% of GDP  37.6%	<b>Fiscal Year 2003/04</b> *13 -14% inflation  *9.6% GDP  *34.7%	<b>Fiscal Year 2004/05</b> *7% - 8% inflation  *7.2 % of GDP  *11.9%	<b>Fiscal Year 2005/06</b> *6%-7% inflation  *7.2% GDP  *10.9%	STATIN- Consumer Price Indices; Ministry of Finance- Fiscal Accounts; Bank of Jamaica- Monetary Statistics	Sound political, social and macro-economic framework
<b>INTERVENTIONS:</b> Improve the competitiveness of both private sector organizations and private sector enterprises within the challenging context of globalization	<ul style="list-style-type: none"> <li>- Increase in non-traditional Exports</li> <li>- Increase membership in private sector organizations (PSO).</li> </ul>	Non-traditional exports was affected mainly by the decline in apparel sector; Various Government initiatives and incentives are in place to modernize industries, increase efficiency and accountability within the sector	2% Increase in non-traditional exports  Introduce assistance programme to PSOs	2% Increase in non-traditional exports  Start implementation of PSO assistance programme	2% Increase in non-traditional exports  5% increase in membership	JAMPRO, PSOJ, Annual Reports and Surveys.	Continued Government Commitment to Macro Economic Reforms; Exchange Rate Policy Conducive to Maintaining Competitiveness; Simplification of Investment Incentive Systems; Reform Labour Legislation; Stable Industrial Relation.
<b>RESULTS:</b> <ul style="list-style-type: none"> <li>- Improved Business Dev. Services;</li> <li>- Access to Financial Services enhanced;</li> <li>- Management Capacity of enterprises and Business associations Strengthened</li> <li>- Policy Framework for SME updated</li> </ul>	<ul style="list-style-type: none"> <li>- Private Sector advisory and Competitiveness Committee established</li> <li>- Private Sector Organizations strengthened</li> <li>- Firms assisted through cost sharing scheme</li> <li>- Access to information for exporting and business establishment and operation improved</li> </ul>	Policy framework for SMEs under review	<ul style="list-style-type: none"> <li>- Introduce Competitiveness Committee to private sector</li> <li>- Introduce assistance programme to PSOs</li> </ul> Participated in regional CARICOM conference for SMEs policy	<ul style="list-style-type: none"> <li>- competitiveness Committee formed with regular meetings</li> <li>- 2 survey undertaken</li> <li>- 3 PSO strengthened</li> <li>- 20 firms assisted under cost sharing scheme</li> <li>- 100 firms receiving assistance through information centres</li> </ul>	<ul style="list-style-type: none"> <li>- (4) surveys undertaken</li> <li>(3) PSO strengthened</li> <li>20 firms assisted under cost sharing scheme</li> <li>- 500 firms receiving assistance through information centres</li> </ul>	Project Management Unit Reports, JAMPRO, Ministry of Industry & Tourism reports, OPM Minister of Development Reports	Government and Private Sector willingness to establish Committee

\* ) targets being reviewed, not yet final

Sector: Road Transport Development	Performance Indicators	Source of Verification	Assumptions	Status 2002	2003/04 (targets)	2004/05 (targets)
<p><b>Long term national sector targets:</b> Economic growth and poverty reduction through better access to communities, facilitating increased production and access to social services</p>	<p>1. Net contribution to GDP from transport sector</p> <p>2. Mean per capita Consumption in rural areas (parameter to be identified)</p>	<p>Statistics:</p> <ul style="list-style-type: none"> <li>- National Accounts and Statistics</li> <li>- PIOJ: Survey of Living Conditions</li> </ul>	<p>NA</p> <p>NA</p>	<p>12.9 %</p> <p>\$7 049 (in 1988 prices) \$59 138 current prices*</p> <p>* Figures are for 2001</p>	<p>NA</p> <p>NA</p>	<p>NA</p> <p>NA</p>
<p><b>Intervention objective:</b> Improving the quality of the road network in rural areas</p>	<p>3. Road quality indicators (road roughness IRI: Good &lt;4.5 Fair 4.5 -7 Bad &gt;7)</p>	<p>Ministry of Transport &amp; Works and National Works Agency – Quarterly Performance Reports and Road Condition Survey Results</p>	<p>Appropriate level of stable funding is available to support:</p> <ul style="list-style-type: none"> <li>a) Enhanced routine and periodic maintenance programme</li> <li>b) Enhanced training programme for NWA Staff and Private Sector Contractors</li> <li>c) Implementation of ISO requirement within the road sector by NWA and Private Sector Contractors</li> </ul>	<p>Information not available</p>	<p>Conduct road roughness condition survey to determine roughness of network</p> <p>Complete 800km under National Road Improvement Project (NRIP)</p> <p>Commence Stage 1 &amp; 2 road maintenance under National Road Services Improvement Programme (NRSIP)</p> <ul style="list-style-type: none"> <li>1. Implementation of the Road Fund Act and the operation of the Road Fund</li> <li>2. Identification of alternative sources stable funding for 5 year periodic maintenance programme</li> <li>3. Implementation of the Staff/Contractor training programme in required construction and maintenance quality standards</li> <li>4. Implementation of programme for increased on-site inspection of on-going works</li> <li>5. Implementation of programme for on-site inspection and testing of construction materials</li> </ul>	<p>Complete 200km under Kuwaiti Programme</p> <p>Complete 75km Segment 2 NCHIP</p> <p>Commence designs under NRSIP</p> <p>Continue with NRSIP maintenance programme</p> <p>Commence 9<sup>th</sup> EDF Transport Sector</p> <p>Commence rehabilitation of Segment 3 NCHIP</p> <ul style="list-style-type: none"> <li>a) identification of additional revenue sources for the Maintenance Road Fund</li> <li>b) Apply for ISO Certification for specified aspects of the NWA operations</li> <li>c) Rollout of ISO Certification process to Private Contractors</li> <li>d) Material testing requirements implemented by private sector suppliers</li> </ul>



Sector: Road Transport Development	Performance Indicators	Source of Verification	Assumptions	Status 2002	2003/04 (targets)	2004/05 (targets)
<b>Results:</b> <ul style="list-style-type: none"> <li>• Road Maintenance Strategy and Investment Plan formulated</li> <li>• Road maintenance capacity at NWA and in Parishes strengthened</li> <li>• Financing of road maintenance activities secured in a sustainable manner</li> </ul>	<ol style="list-style-type: none"> <li>4. Road Master Plan adopted</li> <li>5. Road Maintenance Management System adopted</li> <li>6. % of Staff &amp; contractors trained</li> <li>7. Financial, audit and procurement procedures in place</li> <li>8. Funding mechanisms in place</li> <li>9. Length of roads for which routine maintenance has been carried out on:               <ul style="list-style-type: none"> <li>- Primary 844kms</li> <li>- Secondary 717kms</li> <li>- Tertiary roads 3,224kms</li> <li>- Urban 282kms</li> </ul> </li> </ol>	Ministry of Transport & Works and National Works Agency	<p>GoJ adopts a road maintenance strategy and provides sufficient financing in the context of a medium-term public sector investment plan.</p> <p>Authorities follow strictly financial management, auditing and procurement procedures. Coordination with other development cooperation partners is achieved</p> <p>Cooperation of utility companies for planning and cost sharing of works.</p> <p>Advancement in NWA ISO 9001 Certification (Staff and contractors trained to required standards)</p> <p>All roads (including urban roads) are under routine maintenance programme, managed by the RMMS, except when being rehabilitated.</p>	<ol style="list-style-type: none"> <li>6. (N/A)</li> <li>7. Information not available</li> <li>8. Information not available</li> <li>9. Financial Administration and Audit Act (FAAA) governs operations</li> <li>10. Maintenance by contract for all roads started in 1999.</li> <li>11. Information not available</li> </ol>	<ol style="list-style-type: none"> <li>6. Operation of the Road Maintenance Fund to support maintenance works</li> <li>7. Utilization of the RMMS for prioritization of works programme in Stage 1</li> <li>8. Engagement of NRSIP – Institutional Strengthening component consultants</li> <li>9. Development of fully integrated IT/IS infrastructure strategic plan for NWA</li> <li>10. Coordination Main Road Network (MRN) &amp; Parish Council (PC) maintenance programmes</li> <li>11. MOU with NWC signed</li> <li>12. 20% of Staff and private sector contractors trained in standardized project management techniques.</li> </ol>	<ol style="list-style-type: none"> <li>e. Implementation of periodic maintenance programme</li> <li>f. Full integration of all project management, financial, operating and HR applications so as to provide “one-stop” information within NWA</li> <li>g. Implementation of the NRSIP Institutional Strengthening Consultancy recommendations</li> <li>h. Implementation of Stage 2 NSRIP maintenance activities</li> <li>i. Increased coordination of NWC &amp; NWA work programmes and reinstatement of road surface</li> <li>j. Improved MRN &amp; PC programme planning and execution</li> <li>k. MOU with JPS Co and CWJ signed</li> <li>l. 50% of Staff and private sector contracts trained in standardized project management techniques (overall total 70%).</li> </ol>

## Annex II – Chronogramme of Activities

Titles	Amounts (M €)	Identification	Appraisal	Financing decision
<b>Programmable Resources (A-envelope)</b>				
<b>Private Sector Support</b> (focal sector)	20	May – July 2003	Sept – Oct 2003	Nov 2003
<b>Road Transport Development</b> (focal sector)				
- phase 1: Technical assistance for preparation of roads policy and master plan	0.75	Nov 2003 – Jan 2004	Feb - Mar 2004	April 2004
- phase 2: Financing of road maintenance	29.25 <sup>15</sup>	Feb – Nov 2004	Nov – Dec 2004	Feb 2005
<b>Non-focal Programme</b>				
- decentralised cooperation	8	Nov - Dec 2003	March 2004	May 2004
- capacity building of government institutions	2	July – Aug 2003	Oct – Nov 2003	Jan 2004
<b>Resources for unforeseen needs (B-envelope)</b>				
<b>Emergency Assistance</b> <sup>16</sup>	25	June – Oct 2002	May 2003	January 2004

NB: Financing decision for 9<sup>th</sup> EDF macro-economic support programme (30 M euro was taken in Dec. 2002). Above amounts include overprogramming of 13%. The overall amount of the 9<sup>th</sup> EDF NIP is 100 M euro (A-envelope: 73 M euro and B-envelope 27 M euro).

<sup>15</sup> Includes overprogramming of €17 million.

<sup>16</sup> The total allocation under the B-Envelope (unprogrammed funds for unforeseen needs) is €27 million. At the time of the operational review meeting (7.8.2003) €25 million had been earmarked to address damages caused by flood rains during 2002.

### Annex III – Timetable for Commitments and Disbursements

N° Compt.	Intitulé	Total prim. com.	situation 31/12/2002		1° semestre 2003		2° semestre 2003		1° semestre 2004		2° semestre 2004	
			Total sec. com.	Total paid	eng. sec.	payments	eng. sec.	payments	eng. sec.	payments	eng. sec.	payments
(6, 7 and 8 EDF)			(A)	(B)	(C)	(D)	(E)	(F)	(I)	(J)	(K)	(L)
6 JM 038	Poverty Reduction Programme	147,039			136,000			80,000		67,000		
6 JM 040	Poverty Reduction Programme	229,162			229,000			115,000		114,000		
7 JM 006	Road Rehabilitation / Inst. Strengthening	13,500,000	13,488,953	13,371,081				132,000				
7 JM 023	Negril-Ocho Rios Wastewater Project	15,000,000	15,000,000	14,962,874	37,000	37,000						
7 JM 024	Negril-Ocho Rios Wastewater Project	25,000,000	21,139,441	18,706,565	1,708,000	4,136,000		400,000		800,000		1,000,000
7 JM 041	Public Sector Modernisation Project	1,950,000	1,545,626	971,442	30,000	297,000		265,000				
7 JM 043	Institutional Strengthening PIOJ	153,496	153,496	153,496								
7 JM 044	Institutional Strengthening PIOJ	281,504	234,380	224,278	30,000			30,000				
7 JM 054	Poverty Reduction Programme	429,536	278,000	145,928		52,508	44,900	80,000				
7 JM 055	Poverty Reduction Programme	272,959							200,000	115,000		85,000
7 JM 57	Identification study private sector proj.	155,000			155,000	120,000		35,000				
8 JM 001	Northern Coastal Highway (NIP)	10,000,000										
8 JM 004	Trade Development Programme	6,000,000	5,999,129	5,293,463		268,000		402,000		30,000		
8 JM 005	Eastern Jamaica Agriculture Support	6,900,000	6,354,329	4,070,077		637,000		846,000		800,000		
8 JM 007	Integrated Drug Abuse Prevention Project	1,200,000	1,164,160	1,022,779		53,000		50,000				
8 JM 010	Support Economic Reform Process (NIP)	9,000,000	8,713,925	7,606,793	107,670	90,000	175,000	640,000		663,207		
8 JM 011	Rural Water Supply II	10,000,000					1,400,000	120,000	150,000	100,000		200,000
8 JM 016	Poverty Reduction Programme	4,921,305	4,850,200	854,633	20,000	18,000		1,000,000		1,000,000		700,000
8 JM 017	Negril Waste Stabilisation Ponds Study	149,000	138,000			138,000						
8 JM 020	Support Economic Reform Process II (SAF)	18,000,000	18,000,000	18,000,000								
8 JM 021	Support Economic Reform Process II (NIP)	3,700,000	3,700,000	3,400,000			300,000	300,000				
8 JM 023	Preparation of Assett Management Plan	80,000	79,990	19,356		60,634						
8 JM 025	Preparation of 9th EDF Support to Road Sector	80,000	79,620			79,620						
na	INSTITUTIONAL STRENGTH. NWC								800,000	160,000		250,000
<b>Sub-Total 6, 7 and 8 EDF (NIP)</b>		127,149,000	100,919,249	88,802,765	2,452,670	5,986,762	1,919,900	4,495,000	1,150,000	3,849,207		2,235,000

SYSMIN												
7 JM 042	Northern Coastal Highway (Sysmin)	70,000,000	4,307,246	1,256,869	13,335	160,000		120,000	60,000,000	12,000,000		2,000,000
<b>Sub-Total 6, 7, and 8 EDF (+ Sysmin)</b>		70,000,000	4,307,246	1,256,869	13,335	160,000		120,000	60,000,000	12,000,000		2,000,000
<b>Total 6,7,8 EDF (NIP, Sysmin)</b>												
		197,149,000	105,226,495	90,059,634	2,466,005	6,146,762	1,919,900	4,615,000	61,150,000	15,849,207		4,235,000

N° Compt.	Intitulé	Total prim. com.	situation 31/12/2002		1° semestre 2003		2° semestre 2003		1° semestre 2004		2° semestre 2004		
			Total sec. com. (A)	Total payé (B)	sec. com. (C)	payments (D)	sec. com. (E)	payments (F)	sec. com. (I)	payments (J)	sec. com. (K)	payments (L)	
<b>(9th EDF)</b>													
	<b>A-Envelope*</b>												
8 ACP JM 26	Support for the Economic Reform Programme	30,000,000						1,500,000	300,000	12,000,000	12,500,000	8,000,000	8,400,000
	Private Sector Support	20,000,000								2,000,000	800,000	2,000,000	500,000
	Road Transport Development	30,000,000								750,000	120,000		150,000
	Non-focal Programme	10,000,000								2,500,000	500,000		600,000
<b>Sub-Total 9 EDF</b>		90,000,000						1,500,000	300,000	17,250,000	13,920,000	10,000,000	9,650,000
	<b>B-Envelope**</b>	25,000,000						25,000,000	25,000,000				
<b>Sub-Total 9 EDF</b>		115,000,000						26,500,000	25,300,000	17,250,000	13,920,000	10,000,000	9,650,000
<b>Total 6,7,8and 9 EDF</b>													
		312,149,000	105,226,495	90,059,634	2,466,005	6,146,762	28,419,900	29,915,000	78,400,000	29,769,207	10,000,000	13,885,000	

\*) includes overprogramming of 13%. \*\*)The overall amount of the 9<sup>th</sup> EDF NIP is 100 M euro (A-envelope: 73 M euro and B-envelope 27 M euro).

## Annex IV – Financial Situation

### Overview 6<sup>th</sup> , 7<sup>th</sup> and 8<sup>th</sup> EDF

National Indicative Programme 6th EDF		<b>40,200,000</b>
Balances 4th EDF	+	<b>3,320,716</b>
Committed at 30.6.03	-	<b>43,367,772</b>
Available balance 6 <sup>th</sup> EDF	=	<b>152,944</b>

National Indicative Programme 7th EDF		<b>49,700,000</b>
Balances 5th EDF	+	<b>8,102,094</b>
Structural Adjustment Facility	+	<b>2,500,000</b>
SYSMIN Resources	+	<b>95,113,141</b>
Committed at 30.06.03	-	<b>154,563,060</b>
Available balance 7 <sup>th</sup> EDF	=	<b>852,175</b>

National Indicative Programme 8th EDF	+	<b>55,500,000</b>
8th EDF Transitional Resources for 9th EDF	+	<b>30,000,000</b>
Structural Adjustment Facility (SAF)	+	<b>43,000,000</b>
Resources non-programmables (STABEX )	+	<b>8,806,983</b>
Committed at 30.6.03	-	<b>137,268,774</b>
Available balance 8th EDF	=	<b>38,209</b>
<b>Available 6th, 7th &amp; 8th EDFs</b>	<b>=</b>	<b>1,043,328</b>

## Projects – Commitments and Disbursements

					(EURO)
		g	Primary	Secondary	
Project	Project Title	or	Commitments	Commitments	Disbursements
No.		l	30-Jun-03	30-Jun-03	30-Jun-03
<b>6th EDF</b>					
6 JM 038	Poverty Reduction Programme	g	147,039	136,000	0
6 JM 040	Poverty Reduction Programme	g	229,162	229,000	0
	<b>Total 6th EDF</b>		<b>376,201</b>	<b>365,000</b>	<b>0</b>
<b>7th EDF</b>					
7 JM 006	Road Rehabilitation/Inst.Strengthening (RRISP)	g	13,500,000	13,488,953	13,371,081
7 JM 023	Negril-Ocho Rios Wastewater Project	g	15,000,000	15,000,000	14,962,874
7 JM 024	Negril-Ocho Rios Wastewater Project	L	25,000,000	22,798,741	22,623,049
7 JM 041	Public Sector Modernisation Project	g	1,950,000	1,545,626	1,275,976
7 JM 042	North Coast Highway (Sysmin)	g	70,000,000	4,332,703	1,376,047
7 JM 043	Institutional Strengthening PIOJ	g	153,496	153,496	153,496
7 JM 044	Institutional Strengthening PIOJ	g	281,504	278,526	243,226
7 JM 054	Poverty Reduction Programme	g	429,536	278,000	195,472
7 JM 055	Poverty Reduction Programme	g	272,959	0	0
7 JM 056	Study to Prepare Private Sector Development	g	155,000	154,975	151,536
	<b>Total 7th EDF</b>		<b>126,742,495</b>	<b>58,031,020</b>	<b>54,352,756</b>
<b>8th EDF</b>					
8 JM 001	Northern Coastal Highway (NIP)	g	10,000,000	0	0
8 JM 004	Trade Development Project	g	6,000,000	5,995,896	5,701,165
8 JM 005	Eastern Jamaica Agriculture Support	g	6,900,000	6,323,142	4,944,420
8 JM 007	Integrated Drug Abuse Prevention Project	g	1,200,000	1,168,480	1,080,924
8 JM 009	Support Economic Reform Process (SAF)	g	25,000,000	25,000,000	25,000,000
8 JM 010	Support Economic Reform Process	g	9,000,000	8,821,595	7,694,838
8 JM 011	Rural Water Supply II	g	10,000,000	0	0
8 JM 012	Road Rehabilitation/Inst.Strengthening Inc	g	2,700,000	2,700,000	2,467,704
8 JM 016	Poverty Reduction Programme	g	4,921,305	4,870,100	872,729
8 JM 017	Negril Waste Stabilisation Ponds Study	g	149,000	143,800	143,800
8 JM 020	Support Economic Reform Process II (SAF)	g	18,000,000	18,000,000	18,000,000
8 JM 021	Support Economic Reform Process II (NIP)	g	3,700,000	3,515,000	3,423,431
8 JM 023	Preparation of Asset Management Plan	g	79,990	79,990	77,230
8 JM 025	Preparation of 9th EDF Support to Road Sec	g	79,620	79,602	68,920
8 JM 026	Support Economic Reform Process III (9th EDF)	g	30,000,000	0	0
	<b>Total 8th EDF</b>		<b>127,729,915</b>	<b>76,697,605</b>	<b>69,475,162</b>
	<b>Total 6th, 7th &amp; 8th EDF (open projects only)</b>		<b>254,848,611</b>	<b>135,093,625</b>	<b>123,827,918</b>

## **Annex V – Projects financed under the Caribbean Regional Project (CRIP)**

The European Commission Delegation in Jamaica chiefly leads the process for projects within the Human Development and Capacity Building Sector although Jamaica benefits from a number of other regional programmes managed by other Delegations in the region. The most important regional projects from which Jamaica benefits substantially are:

### **(i) Caribbean University Level Programme (CULP) - EDF 7**

The overall aim of the CULP (24.7 million euro) is to promote integration and sustainable social and economic development in the Caribbean Region. The Human Resource Development Sector, at tertiary level, was identified under the 7<sup>th</sup> National Indicative Programme as a key element in achieving the above objectives given the future demand for trained development professionals with a distinct regional focus. The Programme complements other Caribbean Regional actions under the Lomé IV Caribbean Regional Indicative Programme in the trade, tourism, agriculture, environmental and telecommunication fields. The main purpose of the programme is to establish a regional capability to supply competent professionals to public and private sector organisations in the region. As a result, masters courses were developed in key applied disciplines namely, economic development and reform, public sector management, international business, agricultural diversification, natural resource management, tropical architecture and monument conservation. The project also provides for the improvement of distance education and information technology services at select universities within the region and the construction of a building for the Caribbean School of Architecture at the University of Technology.

The programme has, to date, provided scholarships for students from Guyana, Trinidad & Tobago, Jamaica, Barbados, Dominican Republic, Haiti, Suriname, St. Lucia, Belize and The Bahamas totalling 379 graduates in three cohorts. An extension was granted to June 2003 to facilitate a fourth cohort of students. The project amount was increased by 3.7 million euro and an additional 111 students are expected to follow courses at the three campuses of the University of the West Indies and at the three participating universities in the Dominican Republic. The main activities during 2002 were the continuation of studies for the third cohort of students and preparations for the fourth cohort. The Third Annual Work Programme was extended for one month to January 2003 to facilitate preparation of an addendum to carry the programme through to the end in June 2003.

### **(ii) Caribbean Regional Tourism Sector Programme (CRTSP) - EDF 7**

The objective of the CRTSP (12.8 million euro) is to improve the performance of the tourism sector, to achieve growth of sector income and increase its contribution to the GDP of the CARIFORUM Member States. The main activities of this project are Human Resources Development through training for tourism workers, development of language training materials, establishment of a regional internship programme, development and implementation of a regional distance learning programme, tourism masters and diploma programmes, upgrading of facilities and equipment, product development, marketing and promotion, research and cultural heritage implemented through the Organisation of the Wider Caribbean on Monuments and Sites (CARIMOS). The activities from which Jamaica directly benefits are human resources development and cultural heritage. The

University of the West Indies offers a Masters Degree in Tourism and Hospitality Management and the second and final cohort of students commenced studies in September 2000. The University has continued the course with fee-paying students. Implementation of the Distance Education Component commenced in 2001 and ended in 2002.

Under the cultural heritage component, the East Wing and Colonnade of the Rodney Memorial Building (a national monument) was successfully restored. The project came to an end in December 2002.

**(iii) CARIFORUM Cultural Centres Programme (CCC) - EDF 7**

The objectives of this project (1.965 million euro) are the promotion of CARIFORUM cultural identities and cultural exchanges as well as encouraging intra-CARIFORUM cultural communication in order to strengthen regional integration whilst preserving national cultures and sub-cultures.

The project centre in Jamaica is responsible for co-ordination in region of the following activities: establishment of a cultural centre, implementation of youth and cultural exchanges, development of national and regional cultural information systems and the establishment of a fund for support of cultural activities.

Among the achievements of the Jamaica Centre are the compilation of a Calendar of Cultural Events, a mapping of the Cultural Supply and Demand in Jamaica and numerous youth and cultural exchanges. The Cultural Fund became operational in 2000 and consultants have developed a business plan and have incorporated the Fund. The project has created a website and the national and regional information systems became operational in June 2002 with the addition of computers and related equipment for 15 CARIFORUM Countries. The project ended in June 2002 and an audit of the entire programme was carried out in December 2002. The report is pending.

**(iv) University of Technology Programme (UTECH) - EDF 8**

The objective of the UTECH project (2.67 million euro) is to enable the University of Technology, Jamaica to pursue development strategies to significantly increase the institution's capacity to provide high-quality, cost-effective manpower training to meet the growing need for highly skilled professional and technical personnel to contribute to the economic and social development of Caribbean nations. The University was formerly called the College of Arts, Science and Technology and in 1997, the Government of Jamaica granted it university status. As a result, the University is in need of staff upgrading as well as equipment upgrading to allow it to deliver quality programmes befitting its university status.

The activities under this project are: staff development, equipment and material for an open learning centre, campus area network augmentation, upgrading of instructional laboratories, upgrading of IT resources of the library, implementation of an integrated management information system and technical assistance.

The project commenced in July 2001 with the appointment of the project manager and the appointment of a Deputy Regional Authorising Officer. The First Annual Work Programme was signed in March 2002 and seven staff members are already benefiting from staff development locally and overseas. The project has been suffering setbacks due to the lack of administrative support for the PMU, development of policy guidelines are still ongoing at UTech, Several major changes have been taking place at the school and



unfamiliarity with EDF procedures have also caused delays. The first steering committee meeting was only convened in December 2002 as the Financing Agreement did not make financial provision for the meetings and temporary alternative arrangements had to be made. (See attached project sheet for details)

(v) **Caribbean Maritime Institute Project (CMI) - EDF 8**

The objective of this project (1.96 million euro) is the upgrading and strengthening of the institutional capacity of the Caribbean Maritime Institute (formerly the Jamaica Maritime Institute) to allow them to offer courses approved by the International Maritime Organisation under the new Standards of Training Certification and Watchkeeping 1995 (STCW 95) international standards. The project will also strive to give the maritime sector in the Caribbean access to state of the art training and qualifications.

The activities under this project are: identification and prioritisation of necessary equipment to meet the requirements of the STCW 95, procurement of computers and related equipment, provision of simulators and related equipment, provision of necessary safety apparatus, training of trainers and incorporation of distance teaching systems as well as the building of two class rooms.

The project commenced with the appointment of the Project Management Unit in May 2000. The project suffered major delays as the international tender dossier for simulators took a long time to be approved. Approval was finally given and the tender was launched with a return date of July 2002. Evaluation of the proposals has taken place and the contract signing procedure commenced in December 2002. Computers were delivered in April 2002 and are operational. New classrooms are expected to be built in 2003 and additional equipment such as a lifeboat, Self-contained Breathing Apparatus and a Microfiche Processor will be purchased. The project is currently implementing activities under the Second Annual Work Programme, which comes to an end in April 2003. (see attached project sheet for details).

(vi) **Integrated Caribbean Regional Agriculture and Fisheries Development Programme (CAFP) – EDF 7**

The objective of the Programme is to enhance the contribution of the agriculture and fisheries sectors to the economies of the CARIFORUM Members by an improvement of the utilisation of natural resources through market-led development of sustainable regional initiatives contributing to diversification and stimulation of private sector activity in agribusiness. The Programme, which is expected to run until 30 April 2004, provides a total amount of 22,2 million euro from the 7<sup>th</sup> EDF Caribbean Regional Indicative Programme and is led by the EC Delegation in Trinidad and Tobago. It includes ten sub-programmes, some of which are currently being implemented in Jamaica.

Various CAFP components have been monitored in a number of Caribbean countries and Monitoring Reports came more or less to the same conclusions on the disappointing performance of the Programme to date, even though, all the components are relevant in concept, the overall design of the Programme combines many projects at the same time to be supervised from Trinidad and this is clearly not working.

Four components of the CAFP managed by the Project Management Coordination Unit (PMCU) in Trinidad were monitored in Jamaica from 30/09/02 to 11/10/02: Agribusiness

Research and training Fund (CARTF), Integrated Pest Management (IPM), Classic Swine Fever (CSF) and Strengthening Agricultural Quarantine Services (SAQS). Apart from some preliminary workshops only CARTF has actually commenced operations, through an appointed National Agency, Jamaica Exporter Association. Since CARTF started in Jamaica in 1999 only 5 sub-projects have been approved within this component. The monitoring Report states that it should be considered by CARIFORUM and EC the introduction of more flexibility into CARTF rules in order to match local Jamaican requirement more closely. Currently, five additional applications are in progress. As mentioned above the SAQS CSF and IPM components have not yet commenced field operations in Jamaica.

**(vii) Caribbean Regional Environment Programme (CREP) – EDF 7**

The overall objective of this programme (9.1444 million euro) is to enhance the contribution of natural areas of bio-diversity and economic significance to a sustainable development of CARIFORUM Member States. This is a four-year project, implemented by the Barbados-based Caribbean Conservation Association (CCA).

The project purpose is to strengthen regional co-operation and capacity in conservation management and sustainable development of amenity areas, in order to assure that greater attention is given to environmental issues in the CARIFORUM region. The main activities include development and strengthening of an effective regional environmental information network; promotion of environmental education and awareness throughout the thirteen of the CARIFORUM member states benefiting from this Programme; and improvement of the capacity of the regional institutions to enable them to act effectively in the delivery of a regional environmental mandate.

Two components of the programme were recently approved for implementation. The “Demonstration Project in Amenity Areas” commands half of CREP’s budget and has generated much interest in the region. Sensitive natural areas with key economic and ecological value were selected in 2002 as a means of demonstrating that ecological conservation can go hand in hand with sustainable livelihoods. The “Regional Environmental Awareness Programme” uses culture as its main vehicle for heightening awareness in the region.

A “Conference on Partnerships in Defense of the Environment - Involving the Youth” was held in Trinidad in November 2002. This initiated CREP's Regional Environmental Information Network (REIN) component by sharing information on community-based initiatives to raise awareness, develop partnerships and access funding, with a focus on involvement of youth.

A further component currently being approved is the “Capacity Building Programme”. This aims to strengthen key regional institutions working in protected areas, so that these may continue working effectively even when CREP has been concluded.

**(viii) Integrated Development Programme for the Caribbean Rum Sector – EDF 8**

The Financing Proposal was approved in November 2001. The programme covers a 4 year project and aims to enhance the competitiveness of the sector by making it export-ready in the segment of branded products. The project will have three main components: (i) institutional capacity building of the West Indies Rum and Spirits Producers Association (WIRSPA); (ii) plant modernisation and meeting environmental needs; (iii) implementation of a distribution and marketing strategy.

The recipient of the resources is CARIFORUM, which is also the Regional Authorising Officer (RAO). The total project cost is estimated at about 146 million euro, of which 70 million will be funded by EC, from intra-ACP Resources. The remaining 75 million will be financed by the private sector.

## **Annex VI – Projects funded from the Budget of the European Community**

### **B7 – 2190 OPERATIONAL SUPPORT, DISASTER PREPAREDNESS AND HUMANITARIAN OPERATIONS (ECHO)**

This budget appropriation is intended to support disaster preparedness in the Caribbean. The European Commission Humanitarian Office (ECHO) is the agency responsible for implementation of projects financed by this budget line.

#### *RELIEF OPERATION FOR VICTIMS OF FLOODING ASSOCIATED WITH HURRICANE MICHELLE - B7-2100/01-25004*

The project started implementation in November 2001 and its aim was to provide assistance to 400 persons in the Blue Mountain Valley, Western Portland and Eastern St. Mary who were most affected by Hurricane Michelle in late October 2001. The project provided aid in the form of basic relief items such as foodstuff, beds, stoves, utensils, clothes, hygiene and kitchen sets as well as tarpaulins to the 400 families in five shelters and eight communities over a period of six weeks. Additionally, 120 Red Cross volunteers and 75 affected persons participated in five one-day training workshops, four of which focused on emergency operations centre management and a fifth on community-based disaster preparedness. The project amount was 50,000 euro. The Project ended in May 2002.

### **B7-6000 SCHEMES CONCERNING DEVELOPING COUNTRIES CARRIED OUT BY NON-GOVERNMENTAL ORGANISATIONS**

This appropriation is intended to cover financing of social or economic operations carried out by NGOs of the European Union to help the poorest sections of the population in developing countries, in particular to support local social and economic development in rural and urban areas, the development of human resources by means of training and institutional support for local partners. The following project is funded from this budget line:

#### *A MULTI-SECTORAL RESPONSE TO REDUCE THE VULNERABILITY OF YOUNG PEOPLE TO HIV/AIDS IN JAMAICA - B7-6000/01-25*

This project is being implemented by Save the Children Fund (UK) and the local NGO, Children First over a period of three years. The Commission's contribution is 555,909 euro. The project aims at developing and implementing a programme of education and sensitisation of young people in St. Catherine on the ways of preventing and controlling HIV/AIDS as well as to increase the capacity of partner NGOs in order that the project can be sustained on completion and to have facilitated the strengthening of the National NGO Network responsible for HIV/AIDS.

The project started on the planned date of April 1, 2002 and Children First has received training in management, finance, accounting systems, human resources development and technical courses to build the capacity and capability of the staff. The local NGO along with Save the Children (UK) have already developed a logical framework and an implementation schedules. Services under the project started with 49 children providing them with health service and a pilot

to find out what are the needs. A baseline research study has been done which outlines the activities and priorities from which a project manual will be produced. Training is being provided for the staff of the Ministry of Health and training of trainers has also started in order to provide services to other areas than St. Catherine. Exchange with Caribbean Task Force on HIV/AIDS started in July 2002 and is ongoing as well as skills development and education. Children First has started work on a website and an official launch of the project to bring it to the attention of the wider public. A total amount of euro192,145 has already been disbursed.

## **B7 – 701/B7 -7020 Human Rights and Democracy in Developing Countries**

This appropriation is intended to support the transition to democracy and vulnerable groups, as well as to strengthen the rule of law and the fabric of civil society in ACP countries. The following projects have been funded from this budget line:

### *EDUCATION AND ADVOCACY FOR HUMAN RIGHTS AND DEMOCRACY - INDEPENDENT JAMAICAN COUNCIL FOR HUMAN RIGHTS*

This project was approved in December 2001 and commenced in June 2002. Its aim is to strengthen the rule of law and protect human rights in Jamaica, promote respect for international and constitutional human rights norms, sensitise the public to their rights and freedoms and through representation and advice to defend the human rights of all Jamaicans, particularly those who are least able to defend themselves.

The main activities will comprise the creation and publication of literature, the holding of meetings and workshops, the use of the print and electronic media to propagate information on human rights matters and the provision of legal advice and representation.

The total contribution of the Commission is euro 447,674.42 of which euro 165,769.00 has already been disbursed.

### *ELECTION PROCESS IN JAMAICA – CITIZENS ACTION FOR FREE AND FAIR ELECTIONS (CAFFE)*

CAFFE was granted an amount of euro198,158.00 to monitor the General Elections in Jamaica during October 2002. The aim of this project was to provide education and citizens' rights and responsibilities and the electoral process; monitor the enumeration process, the electoral process and election day proceedings; propose guidelines for the election process; perform an advocacy role in relation to electoral matters and reforms; and take or promote lawful and appropriate action on and subsequent to election day to ensure free and fair elections. This would include scrutiny of the enumeration exercise, voters' list, election campaigns, media advertising and the conduct of the election.

CAFFE is expected to publish a comprehensive report on its findings after the General Elections. They will also develop a substantial body of election material for civic education at all levels of society.

To date, an amount of euro158,526.00 has been disbursed.

## **B7 – 6200 ENVIRONMENT**

In the context of protection of the environment and natural resources, the aim is to put into action the principle of sustainable development by providing financial and technical assistance in developing countries for activities intended to integrate environmental protection and notions of sustainable development into everyday life.

### *SELF SUSTAINABILITY OF THE NEGRIL MARINE PARK (B7-6200/98-22)*

This is the second phase of the European Commission's support to the Negril Coral Reef Preservation Society (NCRPS), which started in 1995 with an initial amount of 536,000 euro. In 1999, the EU signed a Financing Agreement with the Negril Coral Reef Preservation Society (NCRPS) to implement a three- year project aimed at contributing to the overall objectives of the Jamaican Government in stabilising the economy. The Project should assist in maintaining and increasing foreign exchange earning through tourism, whilst at the same time protecting the fragile coastal environment of Negril especially the coral reef ecosystem.

The Project aims at protecting the coral reef ecosystem and at achieving long-term financial sustainability of the Negril Marine Park and Protected Area through income generating measures, such as a user-fee system. NCRPS collaborates closely with the Negril Area Environment Protection Trust (NEPT), which has led to efforts at whole watershed management. The Financing Agreement was signed on 1 April 1999 and amounted to 900,000 euro.

Among the expected outcomes of the Project are (a) the establishment by the Government of a user fee system (b) Government subventions and (c) collection of commissions for licensing fees for the use of natural resources. However due to the lack of Government support for the above-mentioned activities, none of the above has so far been achieved. Furthermore, the necessary approval to build the construction of the headquarters and visitors' centre at the proposed site within the Norman Manley Sea Park is still pending.

An extension of the project to 31 March 2003 (Rider 3 to the Financing Agreement) has been agreed by the European Commission to finalise the pending activities: the construction of the headquarters and visitor's centre and all reporting documents and the final audit.

### Annex VII – European Investment Bank

Region /	Project Name	Status	Convention	Contract	Amount signed (m)		Date of	Amount outstanding (m)		Beginning	Comments
Country				number	OR	RC	Signature	OR	RC	Repayment	
<b>Caribbean</b>											
Jamaica	JAMAICA - NATIONAL DEVELOPMENT BANK	Disbursed	Lome - 2	70307		5.00	30/11/82		1.65	15/10/91	
	KINGSTON CONTAINER TERMINAL	Disbursed	Lome - 3	14107	16.00		26/7/89	10.63		20/1/95	
	TDBJ	Disbursed	Lome - 3	70811		1.00	5/4/90		0.73	31/3/11	
	NDB III (LOME III)	Disbursed	Lome - 3	15404	3.00		22/8/91	1.32		15/12/95	
	NDB/VCC VENTURE CAPITAL (LOME III)	Disbursed	Lome - 3	70845		1.00	22/8/91		0.88	15/6/07	
	NDB III (LOME III)	Disbursed	Lome - 4	15713	12.00		30/12/91	5.91		15/6/96	
	JAMAICA POWER	Disbursed	Lome - 4	16530	9.00		31/3/93	5.39		25/9/98	
	TDB II GLOBAL LOAN	Disbursed	Lome - 4	16806	5.00		22/9/93	0.97		20/3/98	
		Signed	Lome - 4	70921		3.00	22/9/93		1.52	31/12/07	
	JVF II	Disbursed	Lome - 4	70967		2.00	9/9/94		1.12	31/8/09	
	MONTEGO BAY FREE ZONE	Disbursed	Lome - 4	17931	7.00		16/5/95	4.28		5/11/00	
	NDB - GL IV	Disbursed	Lome - 4	17933	12.00		16/5/95	8.97		5/11/00	
	TELECOMMUNICATIONS OF JAMAICA	Disbursed	Lome - 4	18871	40.00		25/7/96	19.36		20/7/98	
	KINGSTON CONTAINER TERMINAL II	Disbursed	Lome - 4	18902	20.00		8/8/96	21.60		15/1/02	
	KINGSTON CONTAINER TERMINAL III	Signed	Lome - 4 - Bis	20553	30.00		12/4/00	19.64		15/9/05	
	KINGSTON CONTAINER TERMINAL III (RC)	Signed	Lome - 4 - Bis	20729		12.00	8/8/00		10.55	15/7/06	

	PORT ANTONIO WATER AND SEWERAGE	Signed	Lome 4b-ress.add.(comm.)	21613		15.00	25/6/02		0.00		
	JAMAICA FINANCIAL SECTOR OPERATION	Signed	Lome 4b-ress.add.(comm.)	21887		20.00	20/12/02		0.00		
	<b>Total</b>				<b>154.00</b>	<b>59.00</b>		<b>98.07</b>	<b>16.44</b>		
<b>Total</b>					<b>154,000,000.00</b>	<b>59.00</b>		<b>98,073,914.69</b>	<b>16.44</b>		



