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PROGRAMME PLANNING

Country and intercountry programmes and projects

FOURTH COUNTRY PROGRAMME FOR JAMAICA\*

<u>Programme period</u>	<u>Actual resources programmed</u>	<u>\$</u>
1987-1991	IPF for 1987-1991	4 500 000
	Other resources programmed	<u>10 500 000</u>
	<b>Total</b>	<b>15 000 000</b>

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\*Detailed listings of projects and other related data prepared as part of the country programming exercise are available on request. These listings include: (a) ongoing projects; (b) proposed projects; (c) distribution of resources by objective; (d) planned activities of operational funds and programmes under the authority of the Administrator; (e) distribution of new country programmes by sector.

## I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

### A. Current Economic Trends

1. Jamaica will require appropriately timed inflows of external financial and technical assistance over the next five years in its quest for economic recovery. In 1981 the Government embarked on a major programme of structural adjustment of the economy. Since then, there have been both positive and negative developments.
2. On the positive side, Agro-21, the Government's programme for agricultural expansion to boost the export of non-traditional crops, has opened avenues for creative investment approaches and adaptation of new technologies. Despite difficulties, tourism recorded in 1984 the highest level of arrivals ever.
3. On the negative side, the recession has frozen markets for bauxite, alumina, bananas and sugar. The effect on the economy makes forecasting of trends and prediction of social consequence difficult. As the country's international reserves and foreign exchange availability diminishes, the manufacturing sector has become less aggressive. Less resources are available for the purchase of imported inputs and spare parts.
4. A 1981 arrangement with the International Monetary Fund (IMF) provided for a three-year stabilization programme under an extended fund facility. The objectives of the programme were to revitalize the private sector, encourage export-led growth and improve the balance-of-payments position. Its results were gross domestic product (GDP) growth of 2.5 per cent in 1981, 1.1 per cent in 1982, 2 per cent in 1983 and -0.4 per cent in 1984, a turnaround after a decade of negative growth in the 1970s.
5. However, the underpinning of the economic recovery programme was based on IMF and World Bank projections of relative stability in bauxite and alumina, which performed well below anticipated levels in 1981. The decline in this sector, by 29 per cent in 1982, and continuing declines in subsequent years, resulted in a deterioration in the balance-of-payments on current account, and the depletion of the net international reserves of the Bank of Jamaica. In November 1983, this trend was arrested somewhat by the sharp devaluation of the Jamaican dollar, and the unification and floating of the exchange rate.
6. Hindrances to sufficient reduction of Government spending rapidly resulted in an increase in the overall fiscal deficit to 17.2 per cent of GDP in 1983-1984, compared with an original target of 10 per cent. However, the fiscal deficit for 1984-1985 was reduced to less than 8 per cent, surpassing the target set for the period.
7. In June 1984, an eighteen-month standby credit arrangement was agreed on with the IMF and replaced the three-year stabilization programme. The main elements of this new arrangement were: (a) to continue the foreign exchange auction with a floating exchange rate; (b) liberalize trade by the removal of

quantitative restrictions and the elaboration of the tariff structure; and (c) to introduce tight demand management and replenishment of the Export Development Fund by offering finance for imported inputs.

8. The adjustment programme having been put in place in 1984, it was anticipated that in 1985-1986 renewed growth would result, while adjustment continued. These projections were not realized because of three conditions: (a) the decline continued in the bauxite and alumina sectors; (b) the growth in tourism in 1985 was slower than anticipated; (c) the drought of 1985 impacted negatively on expanded growth in both domestic and export agriculture.

9. As expected, these stabilization policies have carried in their wake adverse consequences for credit, interest rates and other factors related to cash flow that affect manufacturing and exports. In addition, the social consequences have to be taken into account. As the Prime Minister has stated, economic systems are not adjusted, but rather the lives of people who make these systems work; hence it is short-sighted to ignore the human element.

#### B. National development strategies

10. The objectives of development strategy being pursued by the Government are to restructure export agriculture; maximize tourism revenues; increase employment in labour abundant sectors; reduce the size of the public sector; and to develop human resources in response to the needs of the economy.

11. The total projected cost for implementation of this programme is one half billion US dollars per annum, to be met from both Government and donor sources. In the longer run, the approach is to build up reserves through export-oriented strategies for agriculture and manufacturing and through reduction of public expenditure.

12. In exports, new products to non-traditional markets are being encouraged through restructured marketing arrangements. Given contractions in both the domestic and the Caribbean Community (CARICOM) markets, the need to expand on opportunities presented by the Lome Convention, Caribbean Basin Initiative (CBI) and the Generalized System of Preferences (GSP) schemes is vitally important. Several institutions have financing available, and preference is given to projects with export capacity. In addition, the Government has specifically put in place training for this sector.

13. The development of the country's human resources is pivotal to this development strategy. One principal objective is to increase employment opportunities by training workers. Substantial progress is being made by the Human Employment and Resource Training (HEART) programme, which is attending to this need in a variety of disciplines with the assistance of a number of donors, including the United States Agency for International Development (USAID), the World Bank, the Organization of American States (OAS) and UNDP/International Labour Organization (ILO). Credit is also available to strengthen the informal sector of the economy, thus facilitating income-

generating projects for unemployed youth in agriculture, handicraft and vending. The Government is also receiving support from USAID, Canadian International Development Agency (CIDA), and a joint UNDP/United Nations Industrial Development Organization (UNIDO)-Government of the Netherlands programme.

14. On the wider front, the Government strategy aims at making sure that remedial training and skills development take place along with the necessary reform and adjustment of the formal education system. This in turn will ensure convergence between the education and training systems and the general and specific manpower needs of the economy. The structural adjustment of the economy would therefore be incomplete without the structural adjustment of education. Accompanying both formal education and non-formal training, an integral part of the Government development strategy contains measures to encourage the retaining of skills in the country, and thereby combat the effects of the brain-drain.

15. As an importer of modern technology, Jamaica must address the rationalization of technology development and delivery systems, as well as the systematic production of skilled technicians to generate, apply and maintain technology. Technology transfer and adaptation support systems are of crucial importance in the Jamaican context, in view of the enormous amounts of foreign exchange expended annually on buying technology from abroad, particularly when it is not always known whether value is being received for money.

### C. Technical co-operation needs and priorities

16. In Jamaica, public investment under the Structural Adjustment Programme is set out in a three-year rolling Public Sector Investment Programme (PSIP) and correlative financing plan. The Planning Institute of Jamaica (PIOJ) has the lead in the preparation of the PSIP, and also co-ordinates external assistance. Sectoral allocation of investment has shifted recently, in order to give optimum support to the goals of economic stabilization and structural adjustment: the Government's own capital expenditure to directly productive sectors (agriculture, industry, tourism) has been reduced, while private investment in these sectors has been vigorously encouraged. In the social infrastructure portfolio, expenditure on education in the last decade has almost doubled as a percentage of GDP, while expenditure on technical assistance and training since 1982 has multiplied almost fourfold as a percentage of GDP.

17. The Government focus on economic growth and recovery gives high priority to education and manpower development. This is further reflected in the placement of human resources development as the centre-piece of its planning over the next three years and of its next five-year programme with UNDP. Priorities to be met and specific strategies to be pursued within the context of the Government economic programme are reflected in a comprehensive manpower study and plan, undertaken with the World Bank, UNDP and United Nations Fund for Population Activities (UNFPA)/ILO/United Nations Volunteers (UNV) assistance and executed by the PIOJ.

18. An alarming shortage of skills in agriculture, manufacturing, tourism and the service industries has been confirmed by this survey. More particularly, the need for more and better trained scientific and technological resources in all fields, exacts pressure on the formal education system for adequate training in mathematics, science and English, thus providing a firm and solid base on which specific skills can be added further training.

19. Given the Government reorientation of the economy towards exports with particular emphasis on the role of the private sector, the role of the Government itself is to provide essential infrastructure and credit. UNDP has been asked by the Government, as a second priority, to provide technical assistance in areas where skills are short, both to private sector firms and to Governmental bodies involved in this critical export effort.

20. The third priority area for UNDP co-operation in the fourth cycle is technology. In relation to the rationalizing of technology development and delivery systems, a technology inventory is a basic requirement. This would provide a critical assessment of what is currently taking place, including strengths, weaknesses and specific needs of national institutions; it would suggest functional responsibilities to optimize the effectiveness of the organizational infrastructure most appropriate to the country's circumstances and needs. There is a growing tendency for the establishment of science and technology information and documentation centres to facilitate rational decision-making. More emphasis, however, has to be placed on the staffing of these centres in order to ensure systematic evaluation, re-packaging and effective dissemination of information. It is imperative to set in place a mechanism for the monitoring, screening and evaluation of costly imported technologies, and where necessary, for suggesting alternatives to bringing about technological improvements in industry and agriculture for export.

21. The effectiveness of UNDP assistance is to be enhanced through programmes which exploit linkages between the three priority areas: for example, technology as a necessary input in measures to accelerate the expansion of exports; and human resources development as the underpinning of the technological effort.

22. Within the Government economic recovery and structural adjustment programmes, a vast number of macro-economic and sectoral studies have been prepared, including, inter alia, the World Bank Economic Memoranda presented to the Caribbean Group for Co-operation for Economic Development (CGCED), for which UNDP has been designated to take the lead for the co-ordination of technical assistance. In this connection, the UNDP field office in Jamaica has been requested to prepare a comprehensive list of technical assistance needs during the World Bank Economic Memorandum missions, to be included as part of the chapter on the public sector investment programme. This new approach adopted for the work of the World Bank in the Caribbean region, emphasizing the complementarity of capital and technical assistance, was based on a similar exercise jointly undertaken by the World Bank and the field office with the Government of the Bahamas in early 1985.

23. Given the number of excellent existing technical reports on Jamaica, plus the comprehensive work forming part of the Caribbean Group framework, it was not necessary to carry out sector studies within the country programming process itself. PIOJ decided to focus its technical assistance efforts on a few judiciously chosen areas of strategic importance to its overall development programme. The critical task then to be undertaken for the Jamaica programming process with a view to the identification of priority technical assistance needs and the preparation of the country programme document itself, was the clear articulation of key issues and approaches within the selected areas. At the request of the PIOJ, the field office organized by mid-1985 missions for the preparation of issues papers in human resources development, export promotion and technology. The World Bank, United Nations Educational, Scientific and Cultural Organization (UNESCO) and International Trade Centre (ITC), along with UNIDO expertise on the spot, participated in this work. Additional inputs were prepared and provided by HABITAT.

24. The programming process itself, arranged by the PIOJ/UNDP field office, involved continuous interaction with sectoral ministries and other Governmental bodies, and the United Nations organizations and other multilateral and bilateral donors based in Jamaica; consultations in the preparation of the Resident Representative's note; and a series of roundtable discussions convened and chaired by the Prime Minister in his capacity as Minister of Finance and Planning. Based upon this collaborative process, the critical needs selected by far exceeded available indicative planning figures (IPF) resources. Co-financing arrangements within the framework of the Country Programme, through cost-sharing or parallel financing, will be used to fill the Government's priority technical assistance gap, and to provide for collaborative technical co-operation support of the Government economic recovery and structural adjustment programmes. In the third cycle, cost-sharing partners included USAID, the World Bank, Inter-American Development Bank (IDB), the Arab Gulf Fund for Development (AGFUND), the Netherlands, Israel and International Development Research Centre (IDRC), Canada, as well as 12 United Nations agencies. The Government of Jamaica itself has allocated \$J 8.9 million per annum as programme cost-sharing since fiscal 1983/1984, a participation that is projected to continue throughout the fourth cycle.

25. The Government position in respect of the above has been stated by the Prime Minister: technical assistance is a growing area of vital concern in project development. He looks to UNDP to be as creative today, when problems are more acute, as in the past; indeed, projects begun 25 years ago are still producing results. Consequently, UNDP has been asked to participate in its areas of unique experience, notably the transfer of technology; assistance to upgrade technology; and the introduction of new levels of technology. All are vital components in making capital investment work. In this connection, the Prime Minister has requested UNDP and the United Nations system also to interface directly with the private sector on projects. He explains that in view of the major Governmental and donor cost-sharing to the UNDP country programme, the types of services provided by UNDP make a catalytic contribution

to the growth of Jamaica. In his experience, donors were usually more interested in programmes where a United Nations agency was involved, since they felt that the proper design and monitoring arrangements would be in place.

## II. THE COUNTRY PROGRAMME

### A. Assessment of current country programme

26. The third country programme was developed in a climate of waning support for development assistance, notably for multilateral programmes. As a result, the IPF for Jamaica was reduced from an initial \$US 7.5 million to \$US 4.1 million. Rather than permit a drastic cut in planned projects, the field office redoubled efforts to seek cost-sharing resources. The Government, in response, proposed an initial cost-sharing contribution of \$J 8.9 million, which was subsequently renewed annually. This permitted maintenance of the programme at the original level, and enabled UNDP to seek additional matching resources.

27. Donors contributed \$US 2.1 million in additional resources, while an equal sum is under negotiation. This initiative enabled greatly increased co-ordination of technical assistance. The cost-sharing scheme has provided one focus for monthly meetings of the United Nations agencies with a presence in Jamaica; it has also greatly facilitated regular formal and informal discussions with multilateral and bilateral donors, including the World Bank, USAID, CIDA, IDB, the United Kingdom and the Netherlands.

28. The Government regards these efforts as permitting better integration of external resources with its priority development programmes on the one hand, and, on the other, with the rationalization of the recurrent budget implications of projects. In addition, cost-sharing has introduced other innovative and cost-effective financing, co-ordinating and implementing arrangements which will now be a central feature of the fourth cycle country programme.

29. Given the above background, the main features of the third cycle programme were the development of projects designed to support those entities which required additional inputs to increase efficiency. The technical input of the United Nations agencies assisted in preparing priority activities. As an example, projects which contributed to the Government human resources objectives were formulated, and some 7,000 Jamaicans benefited through in-service training, workshops, overseas fellowships and study tours.

30. Conclusive results on pre-investment cannot be cited at this time, as such major initiatives are only now at the data presentation stage. Indications are, however, that some level of the desired investment commitments will be met, as set out below. Technical co-operation among developing countries (TCDC) activities not originally foreseen have been increasingly used by the Government. During the cycle, twelve multi-sectoral

TCDC exchanges have been concluded, with another six in the pipeline, providing benefit to both the public and private sectors.

31. Third cycle IPF funding financed 22 projects, 9 of which were carried over from the previous cycle and terminated within two years of the current cycle; 7 represented new phases of previous activities, and 6 were entirely new ones.

32. The sectoral spread and percentage allocation of third cycle IPF resources for the thirteen core projects were as follows:

<u>Sector</u> <sup>a/</sup>	<u>Planned</u> (Percentage)	<u>Actual</u> (Percentage)
General development issues	7	1
Natural resources	20	4
Agriculture	15	16
Industry	14	29
Human settlements	34	32
Education	10	9
Employment	-	9
	<u>100</u>	<u>100</u>

a/ According to Administrative Committee on Co-ordination (ACC) classification.

33. There were no major changes in the direction of the third country programme approved by the Governing Council. Major projects in the General development issues and natural resources categories could not be accommodated under the reduced IPF. However, these projects were financed from Government and third-party cost-sharing. After 3.75 years of the third cycle programme, the implementation rate stands at 94 per cent. It is projected that the programme will be fully implemented by December 1986.

34. There has, however, been a major constraint to implementation: the inability of the Government to provide the full complement of counterpart services. Budgetary stringencies have prevented both the provision of posts and attractive salaries. Many trained nationals seek employment elsewhere. One response to the lessons of this experience is seen in the major Administrative Reform Programme (ARP) for the public sector, which is addressing this problem.

35. As the cycle progressed, increased emphasis was placed on employment-generating activities following reductions in public sector staff and expenditures. Major non-IPF United Nations activities included the provision of management services at a cost of \$US 3.1 million to the Government in support of a World Bank technical assistance project linked to a structural adjustment loan; a project at a cost of \$US 1 million jointly financed by the Federal Republic of Germany/the United Nations Financing System for Science and Technology for Development (UNFSSTD)/UNDP/UNIDO to



assist the Jamaica Bauxite Institute in establishing a unique pilot plant; and a Government-executed United Nations Voluntary Fund for Women (UNVFW) project at a cost of approximately \$US 250,000 aimed at generating increased employment for rural women. A few of the country programme highlights follow.

#### Public administration

36. UNDP assistance was directed at establishing effective management capabilities within key public sector agencies. JAM/79/001, Assistance to the Jamaica National Investment Corporation, helped with the transformation of this corporation into the National Investment Bank of Jamaica. This project trained 23 national professionals and carried out management audits of 48 public sector entities, 8 of which have adopted new management systems. Project development and investment analysis work resulted in 10 agro-industrial and 10 pipeline projects. These efforts led to Government cost-sharing with UNDP through World Bank loan proceeds, thus extending assistance to provide for a management adviser to the ARP, which is a corner-stone of the Structural Adjustment Programme.

#### Natural Resources

37. Under a UNDP/United Nations Department of Technical Co-operation for Development (UNDTCD)-assisted project, an investment programme in the mining sector is being formulated. So far, important marble deposits have attracted an investment contract between the Government and a Canadian mineral development firm, and further investment proposals will be presented to investors in December 1986. USAID has now cost-shared an extension of the project, while CIDA is assisting the Government with complementary metallic minerals work.

#### Agriculture

38. A national soil and water conservation policy and a forestry policy were developed under a UNDP/Food and Agriculture Organization (FAO)-supported project, JAM/82/006, Institutional Strengthening of the Department of Forestry and Soil Conservation. New legislation is currently being drafted to provide for the enforcement of the policies. Problems encountered included the inability to fund an optimal number of posts from the recurrent budget of the Government.

#### Industry

39. JAM/81/002, Small Industries and Crafts, reflected the Government emphasis on employment generation, particularly for the rural poor. Under this project, the average income for some 5,000 craft vendors rose from near zero to an average of \$J 100 per week. Throughout the craft industry, a wider product range, improved designs, product finish and presentation are now evident, as well as a commensurate increase in sales and revenue. Deficiencies in the management aspects of the host institution, however, not within the scope of this effort, led the Government to request a successor project.

40. A Packaging and Plastics Center has been developed within the Jamaica Bureau of Standards under JAM/82/004, to strengthen and support export-oriented industries by providing test facilities and packaging standards. It was estimated that just under \$US 2 million was lost annually due to faulty packaging.

41. Under a UNIDO-executed project, 10 staff members were trained abroad, while hundreds of local entrepreneurs benefited from the Center's public awareness and training programmes. Further multiplier benefits resulted from 30 video tapes produced on various technical aspects of the Center's work.

42. Under a new programme providing for Short-Term Advisory Services (STAS), the American Chemical Society, Owens-Illinois, through the Industry Council for Development, the Government of Jamaica and UNDP have collaborated in the provision of advisory services and training abroad in the areas of chemical analyses and the testing of glass containers. Building on Prime Minister Seaga's initiative to broaden development activities and systematically tap skills from non-traditional sources such as commercial enterprises, universities and foundations, the UNDP Governing Council is enabling interested countries to benefit from STAS over a trial period through the establishment of a focal point.

43. JAM/82/012, a feasibility study on an energy-saving device was launched with initial assistance from the UNDP Energy Account and the regular programme of UNESCO. Under the project, it was confirmed that installation of the device in hotel rooms can result in up to a 40 per cent reduction in the energy used in the room. A local private sector company has now pioneered local production of the device; investment estimated at \$US 250,000 has been realized, and 15 people, including several from another Caribbean country under TCDC, have been trained in areas such as conducting hotel surveys, manufacturing and quality control. Meanwhile, an export market is developing with significant interest being shown in the device by the Governments and hoteliers in the Bahamas and in Bermuda.

#### Human Settlements

44. Research and testing of the potential use of indigenous building materials has been the objective of JAM/82/007, a UNDP/HABITAT-assisted project for the establishment of a Building Research Institute. The project has already proven that, using local materials, construction costs can be reduced by up to 30 per cent. Four prototype buildings have been constructed in order to demonstrate the techniques. Another output of the project has been the development of a ferro-cement water tank at a cost of 50 cents per gallon capacity. This activity has been called to the attention of several UNDP-administered funds, in order that its results might be shared with other developing countries, in particular, those in drought-stricken parts of Africa.

## Education

45. Just one example of work in this sector is JAM/85/001, Primary Textbook Project, which has provided 7 basic texts for each of the country's 350,000 primary school children in 785 primary schools. The great majority of these children have never had access to these texts because of their high price; less than half of these children acquire basic literacy. Under the project, which has enabled collaboration between the Government, the Jamaican private sector, USAID, CIDA, the Federal Republic of Germany, AGFUND, UNESCO and UNDP, these texts have been provided annually free of charge since 1984. The UNDP contribution includes financing an evaluation aimed at devising an institutional mechanism to create a self-sustaining programme.

46. The unique scheme is developed through the use of high-quality, durable newsprint, and local printing and publishing facilities. These efforts have resulted in reducing the cost of each text so that all charges, including delivery to the schools, are now one fifth of the conventional cost. This experience has caught the attention of other Caribbean countries.

### B. New programme proposal

#### Human resources development

47. The Government strategies for human resources development have been determined by the need to correct the imbalance between manpower and demand/supply. The condition of oversupply of unskilled workers is further aggravated by a continuing dramatic deficiency of skilled workers, technicians, scientists, managers and professionals. As a first response to the situation, the comprehensive manpower plan mentioned in Part II.A of this document is being finalized.

48. A root cause of this situation can be found in the nature of the formal education system and its inability to produce a reservoir of appropriately trained personnel, from which all sectors of the economy can meet and sustain manpower needs. The lopsided performance of this sector has profound implications for the Government development strategies, and creates an almost insurmountable barrier to sustained economic growth.

49. Over 350,000 students enter the primary system, representing 98 per cent of the eligible school-age population. Of this number, just under half will never have access to secondary education; of the remainder, only 6 per cent will go on to the tertiary level.

50. The failure rate throughout the system also indicates a decline in the quality of education. In 1984, 47,000 primary school children, 11 years and under sat the secondary school entrance examination. Only 9,683 gained admission. The next opportunity for mobility through the different levels is the technical high school entry examination, taken by 13-year-olds. Of 16,140

entered for this examination, 985 passed. At the top end of the primary system, in a grade nine achievement test taken by 10,400 students, only 901 passed, showing a pass rate of approximately 9 per cent.

51. Efficiency indicators of the performance of the education system show that 50 per cent of secondary school students have an inadequate level of literacy and numeracy; 40 per cent of the 12-15 age group do not receive secondary education; large parts of the secondary curriculum do not relate to the needs of school leavers and the economy; there is a high failure rate in all examinations.

52. These indicators suggest a major disincentive to socially relevant and economically appropriate learning, and the production of frustrated, demotivated and unskilled school leavers.

53. In this context, in addition to skills upgrading for a number of specific, crucial activities, UNDP resources during the fourth cycle will contribute to a review of the education sector as a whole, within the economic and social setting of contemporary Jamaica. There will consequently be implications for administrative reform of the Ministry of Education.

#### Administrative reform of education: Ministry of Education

54. In keeping with the emphasis placed by the Government itself on administrative reform and in view of the recommendation by the UNDP Regional Bureau for Latin America and the Caribbean that particular attention be paid to the area of public policy/administrative reform, UNDP resources will be applied to:

(a) Review of policy positions, benefit/cost of nationally and internationally-funded programmes and optimal use of these scarce resources; issues of accountability; resource availability and the development of a clearly articulated strategy for the education sector. This will include preparation of an implementation framework covering areas such as objectives of the system, development and integration of strategies for improvement of the primary, secondary and tertiary levels; structures of the Ministry and its capacity for planning, implementation, supervision and evaluation of programmes and projects. This rationalization within the Ministry is linked to the overall Administrative Reform Programme of the Government;

(b) The acceleration of structural adjustments, in line with the above, within the Ministry of Education, starting in 1986/1987.

#### Curriculum development

55. UNDP resources will be provided to complement activities planned with World Bank support to permit examination and reform of the existing curriculum at the secondary level. This effort will assist the Government in addressing three major deficiencies in the system through a programme of activities aimed at:

(a) Increased emphasis on science, mathematics and language at the primary level, and an assessment of the implications for teacher training and retraining;

(b) Provision of a solid basis for the rational flow and integration of a reformed, standardized secondary curriculum which places the required emphasis on science and communication requirements and develops a basis for prevocational work;

(c) Enabling the Government to effect considerable savings through the standardization and low-cost production of instructional materials, including textbooks.

#### Development of learning materials for schools

56. Under an IDB-funded project, 32 manuscripts have been prepared for the primary level in the fields of reading, mathematics, social studies and science. These manuscripts foresee 14 teachers' manuals, 17 student workbooks and one resource book. Assistance is requested under the fourth cycle to permit the conversion of these manuscripts to the final stage before printing, typesetting, proofreading and paste-up. The completion of this activity by the beginning of the 1988 academic year will build on the achievements of JAM/85/001, the Primary Textbook Project (1984-1987).

#### Extension of the secondary school system

57. A study on the extension of schooling by two years for students within the 16-18 age group is to be prepared. In particular, the study will examine the existing curriculum; technical and vocational training; the linkage with tertiary and higher education and the world of work.

58. The study will also compare similar systems developed elsewhere, including those that extend the school year in selected populous areas, and estimate the likely number of participants in the proposed programmes using available demographic data. An analysis of existing space, the availability of teachers, and detailed cost analyses of the proposed alternative schemes will also be done, concentrating on the establishment and development of the programme options.

#### Umbrella project for short-term training

59. The sum of \$US 250,000 is being earmarked for short-term training courses, to respond to evolving critical needs which may be identified throughout the programming period, with particular reference to those needs emerging within the context of the Manpower Plan.

#### Upgrading and restructuring of the Town Planning Department

60. The Town Planning Department was established in 1950 to provide for the orderly and progressive physical planning for land-use allocation. It suffers

from severe financial constraints which affect general operations, including retention of staff. The regulatory functions of the Department are further hampered by over thirty different forms required for processing development applications and subsequent building inspection.

61. In addition to the traditional portfolio of the Department, new responsibilities for building facilities in Kingston and St. Andrew have put further strain on the capacity of the Department. No adequate institutional machinery exists for taking systematic and explicit account of interregional distributional considerations in rational investment programming.

62. UNDP assistance is being requested for: the examination and assessment of the human resource needs of the Town Planning Department; the provision of formal and in-service training and the resuscitation of a certification programme; the examination of the system; procedures to simplify, rationalize and improve building control and enforcement procedures, and strengthen the linkages between physical and economic planning; the relaunching of medium- and long-term planning; and the continuation of the updating of the Physical Development Plan, prepared with earlier UNDP/United Nations assistance, which is the whole macro-base of the country.

#### Linkages

63. The Government Planning Institute has the task of co-ordinating external assistance to Jamaica. In this function, UNDP plays a supportive role. Attempts are made to ensure that aid contributions are in keeping with national priorities and at the same time contribute to coherent overall planning and implementation. In this regard, the Government wishes to use the country programme as a tool to mobilize additional resources for critical human resources development needs. The current Manpower Study, with inputs from several United Nations bodies, is consolidating work accomplished earlier, with USAID assistance. All of the major bilateral and multilateral donors are making important contributions to improvements in this sector.

64. In respect of formal education, the IDB is providing resources for the refurbishing and construction of physical facilities, equipment, training of personnel and curriculum development. The World Bank is assisting with the examination of technical and vocational training and the development of learning materials. USAID is establishing a skills training programme, and will also shortly be providing assistance in the area of physical development. The Government is also anticipating that UNESCO support will continue in this sector, together with UNDP fourth cycle resources.

65. In the informal education sector, USAID has provided major funding to the HEART Trust and Academies, which the World Bank and UNDP/ILO have also assisted. Other donors such as OAS are fully involved, for example, in tourism and crafts. The HEART programme will accommodate 10,000 additional young people each year for practical skills training. Another 26,000 move on to higher education or apprenticeships; some 6,000-9,000 will find jobs in agriculture and tourism; however, some 10,000 still remain, swelling the ranks

of the unemployed. The Solidarity Programme was therefore launched in late 1985, with support from USAID, CIDA, and the Netherlands; the latter through its Industrial Development Programme co-financing arrangement with UNDP, which was requested by the Government of Jamaica at the initiative of the UNDP field office. This programme is to be implemented together with a UNDP/UNIDO/OAS micro-industry/craft development effort in the informal sector. The Solidarity Programme, administered by HEART, will provide simple skills training and credit to individuals or groups of youths, in particular to young women, who constitute the majority of unemployed youth.

66. The Solidarity Programme joins the Textbook Scheme and the World Food Programme (WFP) School Feeding Programme in the formal education sector as efforts designed to assist the lesser-advantaged population groups, on whom structural adjustment programmes tend to have a disproportionately painful impact.

67. Initial steps to share the dramatic cost-savings of the Textbook Project with the rest of the subregion have already been taken. Similarly, Jamaica has had access to the outputs of the multi-island technical vocational education project in the Eastern Caribbean (UNDP/UNESCO), notably from curriculum modules prepared in practical skills areas, e.g., automotive mechanics and construction/electrical techniques.

#### Programmed reserve

68. An amount of approximately \$US 1.6 million is being reserved for the human resources development sector activities. One priority project to be developed from these resources involves technical assistance in the area of public broadcasting.

#### Export promotion

69. The development strategy is based heavily on the expansion and diversification of exports, particularly non-traditional exports, as well as services, in an attempt to accumulate foreign exchange. Selected sectors which have maximum potential for growth have been targeted for export promotion efforts. These include garments, furniture, fresh and processed food and cut flowers, which were among the few sectors that showed an increase in earnings in the 1983-1984 period. Consequently, UNDP resources will complement those of the Government and other donors applied to these sectors.

70. Historically, the manufacturing sector has been highly protected and non-export oriented. Technical assistance will be directed, at the request of the Government towards private companies, after further specifying marketing or production constraints. Packaging, including package design, has already been diagnosed as one of the major barriers to export.

71. According to the findings of an ITC team, invited by PIOJ/UNDP to examine specific sub-sectors, constraints to export expansion lie mainly at the company

and institutional levels: namely, inadequate financing facilities, low production levels, and deficient marketing information/strategies at the policy level.

72. The Government has carried out a comparative advantage study funded by the World Bank and assisted by UNDP, to determine the adequacy of current incentives in export promotion and the level of effective tariff protection required by the manufacturing sector. The final results will point to the adjustments needed in current trade and industrial policies. A set of policy review procedures to be utilized continuously is also being developed.

#### Packaging Development and Design Centre

73. A priority for the export promotion of Jamaican products is top quality packaging, an indispensable first step to establishing competitive status in the markets of the Caribbean Community, North America, the European Community and South America. There are many designs produced and being used by Jamaican companies, but the majority are not competitive. Most packaging has a non-competitive image abroad because of cost and other limitations, such as inappropriate materials and printing.

74. To rectify this situation, the Government, in keeping with the thrust of the Public Sector Investment Programme, has requested that a Packaging Design and Development Centre should be instituted to assist local industry with marketing concepts and image, and the design and execution of better packaging aimed at export. A top packaging firm has been contracted by UNDP/UNIDO to recommend the modus operandi and provide for the formulation of the proposed project. The Government envisages such donors as USAID or the Netherlands may be also be involved.

#### Non-traditional export promotion

75. Much work needs to be carried out in this sector. The Government has requested USAID assistance, targeting mainly the United States market, and that of the European Economic Community (EEC) for promotion work in European countries. Care has been taken to direct UNDP assistance to tackling company-level constraints in particular, so as to complement the above-mentioned activities. At present, the Government wishes to apply UNDP resources to the following subsectors, which may require modification at the time of actual project formulation.

76. Garments. The industry has been showing significant growth since 1983, when a mutually beneficial scheme for exports to the United States was established under the CBI. In mid-1985, there were some 148 garment manufacturing companies, 92 of which were exporters employing over 12,000 workers. Exports in 1983 amounted to \$US 12.9 million, and in 1984 to \$US 30.4 million, with a 1985 target of \$US 50 million. UNDP assistance is being sought to provide for market intelligence studies and quality control systems to maintain and improve the growth patterns shown over the past three years by increased foreign exchange earnings and employment.



77. Furniture. Some 2,000 workers are currently employed by companies involved in the furniture industry, which has an estimated earning capacity of \$US 20 million. During early 1986, representatives from several companies will visit Brazil under TCDC arrangements in order to discuss with their counterparts the latest developments in the industry, including design, wood and leather treatment, and collapsible packaging. Further UNDP assistance is required to carry out an assessment of the industry with a view to determining plant capacity and expansion potential. Opportunities will also be explored for further TCDC initiatives.

78. Fresh fruit and vegetables. Currently, there are 49 companies exporting non-traditional agricultural products such as pumpkins, sweet potatoes, tomatoes, cucumbers, melons, plantains and mangoes. The volume of exports has recently shown an increase from 25 million tons in 1983 to 34.6 million tons in 1984. Provision is therefore being made for assistance in the area of quality control as well as for market studies. Through the UNDP global programme, links were also established to explore activities in the area of rapid seed reproduction.

79. Processed foods. There are 22 exporting companies in this sub-sector, five of whom account for over 50 per cent of total exports, valued in 1984 at \$US 12.9 million, in items such as jams, jellies, marmalade and sauces. UNDP assistance is further required for the devising, establishment and maintenance of quality control systems and market research.

80. Cut flowers and foliage. Employment in this sub-sector moved from 305 persons in 1981 to 2,200 persons in 1985, while export earnings increased from \$US 1.4 million in 1982 to \$US 1.6 million in 1984. It is estimated that production over the next 15 months will create additional employment for 916 persons, and, by 1987 a total workforce of 6,800 persons, with export earnings targeted at \$US 19 million. The needs of the industry are now to develop standards and design training programmes for growers and improve sales and promotion strategies. UNDP is to collaborate in this effort.

81. Land titling. The Government of Jamaica owns just over one third of the land mass. Of this amount, just over one hundred thousand acres have been earmarked for land settlement and land-lease programmes designed to benefit 40,000 small farmers by making available to them units of 4 acres and under. Productivity of these farmers is severely hampered by the insecurity which stems mainly from the fact that farmers do not own the title to their land. This historic problem is proving to be an even more demotivating one because of the rapid expansion in export agriculture, which has heightened interest and increased the number of persons going into farming. The major stumbling block is the inadequacy of the country's legal and administrative machinery to handle the management of public lands.

82. UNDP resources are therefore being sought to assist in the reorganization and streamlining of this machinery; resolving inter-institutional responsibilities; providing for the preparation of plans; the systematic allocation of farm lands; and the issuing of titles. In general, these are

factors that will create the conditions to encourage the conclusion of agreements with potential local and overseas investors. HABITAT concluded a study for the Government on legal constraints and set out an action plan, and PIOJ has taken steps to explore co-financing arrangements for follow-up work with such donors as IDB and FAO, through its technical co-operation programme.

#### Transfer of technology to small farmers

83. In keeping with the objectives of the proposed project in land titling discussed above, as well as the work of Agro-21 mentioned earlier, the Government is seeking ways of ensuring that small farmers involved in agriculture have access to new technological developments to improve farming methods and practices and increase production, notably for export.

84. Plans are being formulated to designate production centres to spearhead the adoption by small farmers of appropriate high-yield technologies currently used by large commercial farms. These centres will comprise small farmers already settled on underutilized Government properties, and also provide a framework for the systematic development of private holdings in contiguous areas.

85. Under this scheme, it is proposed that some 36,700 acres of arable yet underutilized agricultural lands will be brought under production. This acreage has a potential production of 275,000 tons of export agricultural produce, yielding approximately \$US 30 million.

86. The models being considered to effect this technology transfer are: (a) establishing production centres to serve as mother farms, which the cluster of small farmers will use as a marketing outlet for their production, a key consideration in the scheme; (b) encouraging other farmers on Government land to co-operate and co-ordinate their production with producer marketing organizations established in a number of major production areas; and (c) assisting private farmers on large holdings in the use of new technologies by demonstration effect.

87. UNDP assistance is therefore being sought to help develop the training models for utilizing technology for export production in consultation with the Ministry of Agriculture and Agro-21. Appropriate strategies for facilitating communication between the parties concerned are to be devised. PIOJ is requesting FAO technical co-operation programme assistance to bridge this fourth cycle effort.

#### Linkages

88. The land titling, mother farms and non-traditional exports projects are all interlinked. Achieving security of tenure for farmers will contribute to the attainment of the production levels targeted in the non-traditional subsectors.

89. Major complementary activities have been undertaken by the USAID crop diversification and export promotion projects; the IDB programmes in agro-business, the agricultural and industrial sectors, and tourism credit; the EEC trade promotion programme; several FAO export marketing and technology projects; CIDA fertilizer and development lines of credit; and Project Oasis (OAS/Government of Israel). A regional trade information project (UNDP/United Nations Conference on Trade and Development (UNCTAD) which will complement country programme activities in the area of market information is to continue to 1988.

#### Programmed reserve

90. An amount of approximately \$US 1,939,200 is being reserved for additional activities in the export promotion sector. These include the implementation of the recommendations of the advisory team with regard to the Packaging Design Centre; feasibility studies related to the work of the Jamaica National Investment Promotion (JNIP); a project involving the promotion of Kingston, the nation's capital as a convention centre; and a study, designed with UNCTAD/Economic Commission for Latin America and the Caribbean (ECLAC) inputs, to increase the provision of services, initially in the areas of engineering and telecommunications.

#### Technology

91. The rational and systematic application of science and technology to development in general, and to agricultural development in particular, is of high priority to the Government. Research and development activities are to be focused on a limited number of key areas, with agriculture being the prime target area. The chosen areas reflect a growing awareness of the potentials of new technologies, including biotechnology and micro-electronics to accelerate agricultural production, as well as the concern for the plight of the small farmer.

92. Complementing this concern for the small farmer is the work of Agro-21, a statutory body geared to private sector involvement in non-traditional agricultural production. Production under Agro-21 auspices is market-led, and, in particular, covers exports such as winter vegetables and horticultural products, but also import substitution such as aquaculture, rice, and beef production. Within Agro-21, the concept of mother farms surrounded by satellite small farmers is gaining ground, and using the leverage afforded under the leasing of land, mother farms will help in the transfer of technology to the small satellite farms.

93. While agriculture is envisaged as the dominant growth sector, the Government is none the less alive to the possibilities afforded by the manufacturing sector. In this sector, maintenance and repair technology follows the establishment of the packaging design centre mentioned above as one of the highest priorities. Loss of export orders caused by faulty packaging and non-competitive graphic design has in turn been the cause of

considerable revenue loss. Also in the industrial sector, eliminating or minimizing factory downtime resulting from non-functional equipment or lack of technicians is a high priority.

94. It is evident from the above that several of the projects falling under export promotion could just as well be categorized under the theme of Technology, given the duality of their objectives.

95. Repair and maintenance unit. The establishment of an interdisciplinary training programme for technicians in instrumentation, industrial control and high technology is currently being explored. UNDP assistance is being sought to help establish such a programme initially at the College of Arts, Science and Technology. It is hoped that the first batch of technicians trained in the new multidisciplinary approach can be available in three years time.

96. Tissue culture. Bearing in mind the objectives, rationale and nature of the programmes being planned in the area of export promotion, the Government feels it necessary to develop a capability in tissue culture in order to exploit the plant resources potential of Jamaica, with particular reference to plants of economic importance. A tissue culture committee is to be responsible for determining the precise nature of the practical research and development to be undertaken within the scope of the project; identifying openings for technical resource personnel to be trained; and serving as liaison and monitoring the work of an information and extension services unit with responsibility for ongoing monitoring of developments world-wide in order to assess implications for Jamaica, as well as providing for the transfer of tissue culture technology to small farmers.

#### Linkages

97. Complementary activities in this sector include assistance with technology transfer to public institutions by the Government of Belgium; the establishment of a science and technology information/dissemination system, and science and technology policy implementation plan by the OAS; and an applied radiochemistry and a research reactor centre through the technical co-operation programme of the International Atomic Energy Agency (IAEA).

98. USAID is spearheading efforts to introduce new technologies to the private sector and plans to establish a revolving fund for technology which will finance equity and loan capital for medium- to high-risk technological ventures in the private sector.

99. Science and technology are necessary inputs into measures to accelerate export promotion and human resources development. It follows that the technological work of Jamaica will inevitably be sharply focused on activities that display direct links to the other priority areas for the fourth cycle, namely, export promotion and human resources development. It is also likely to be reinforced by UNDP support at the regional level, for technology is another theme emphasized by the Regional Bureau for Latin America and the Caribbean (RBLAC) for attention in the next cycle.

Programmed reserve

100. An amount of \$US 500,000 is reserved for further activities in the technology sector, which may include work in enhancing marine sciences capabilities, given the economic importance of the sea and coastline to the islands of the Caribbean.

C. Unprogrammed Reserve

101. Of the programme resources projected for the fourth cycle, 20 per cent are to be held as an unprogrammed reserve, for use in the context of continuous programming. Part of this reserve (2.3 per cent of programme resources) is earmarked for urgent programme requirements. Additionally, a pipeline of important projects complementing those in the country programme is under preparation, and will include in particular (a) further activities to help offset the impact of economic austerity measures on the poorer population; and (b) longer-term actions supportive of the objectives of the country programme; for example, in watershed management and reforestation, environmental protection measures that will ultimately affect agricultural and industrial production.



Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

	\$	\$
A. <u>UNDP-administered sources</u>		
Third cycle IPF balance	-	
Fourth cycle IPF	4 500 000	
Subtotal IPF		4 500 000
Special Measures Fund for Least Developed Countries	-	
Special programme resources	-	
Government cost-sharing	5 500 000	
Third-party cost-sharing	5 500 000	
Operational funds under the authority of the Administrator	-	
UNDP special trust funds	-	
Subtotal, UNDP non-IPF funds		<u>10 500 000</u>
B. <u>Other sources</u>		
Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise	-	
Parallel financing from non-United Nations sources	-	
Subtotal, other sources		-
 TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		 <u>15 000 000</u>

II. USE OF RESOURCES

Ongoing projects	320 000	
New project proposals	7 591 000	
Programmed reserve	4 089 000	
Subtotal, programmed resources		12 000 000
Unprogrammed reserve		<u>3 000 000</u>
 TOTAL USE OF RESOURCES		 <u>15 000 000</u>

