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PROGRAMME PLANNING

Country and intercountry programmes and projects

FOURTH COUNTRY PROGRAMME FOR JAMAICA

Note by the Administrator

II. PROCESS OF THE PROGRAMMING EXERCISE

1. The Planning Institute of Jamaica (PIOJ), which is the Government's focal point for co-ordination of all multilateral and bilateral technical assistance, spearheaded the country programming process. The UNDP field office's major areas of intervention were in the review of third cycle programmes; co-ordination and development of issue papers; preparation of the Resident Representative's note which put forward a framework for technical co-operation; and the facilitation of continuous interaction and consultation between the Government of Jamaica, United Nations organizations, and major bilateral and other multilateral agencies.
2. The outcome of the joint review of the third cycle by the PIOJ and the UNDP field office provided information for more accurate planning of fourth cycle activities. Key sectors were delineated for further study. A sectoral mission was undertaken by HABITAT in the early stages of this process to examine the requirements of urban and regional planning institutions.
3. The Planning Institute also based the country programming exercise on existing macro-economic and sectoral studies, and on its reviews of ongoing capital programmes and technical co-operation requirements of the Ministries and Government departments. Within the context of the Government's comprehensive structural adjustment programme, the PIOJ identified three

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priority areas for future work: human resources development; export promotion; and technology. The Resident Representative's note had articulated particular regional concerns in the areas of critical poverty, technology, and administrative reform, as well as key national issues. The note thus provided useful guidelines, which were subsequently reflected in large measure in the content of the country programme.

4. The UNDP role intensified as the field office worked with the PIOJ in the preparation of detailed terms of reference for missions to address three priority areas. A mission from the United Nations Educational, Scientific and Cultural Organisation (UNESCO) provided analytical data on technology, while the International Trade Centre (ITC) with inputs from the United Nations Industrial Development Organisation (UNIDO) and the United Nations Conference on Trade and Development (UNCTAD), reviewed specific enterprise-level constraints to export promotion. UNDP and UNESCO, with the collaboration of the World Bank, prepared a series of substantive papers on the educational sector. These papers assisted the Government in establishing its priorities for this sector.

5. Additional consultations were held with sectoral Ministries and several major donors, e.g., the United States Agency for International Development (USAID), the Canadian International Development Agency (CIDA), the World Bank, on the three areas identified, as it is envisaged that collaborative financing by UNDP, the Government of Jamaica and third-party donors will be sought in these priority areas. The process culminated in a series of discussions chaired by the Prime Minister, in his capacity as Minister of Finance and Planning, which led to final decisions on the fourth cycle country programme.

6. Within the framework of the activities of the Caribbean Group for Co-operation in Economic Development (CGCED), the UNDP, as co-ordinator of technical co-operation, is preparing a comprehensive list of technical assistance needs for inclusion in the World Bank Economic Memorandum.

II. THE FOURTH COUNTRY PROGRAMME

7. The economic situation of Jamaica gradually deteriorated during the decade of the 1970s. In an attempt to reverse this trend, the Government of Jamaica embarked on a major programme of structural adjustment of the economy. An arrangement concluded in 1981 with the International Monetary Fund (IMF) provided for a three-year stabilization programme under an extended fund facility. In June 1984 an 18-month standby credit arrangement was agreed with the IMF, replacing the three-year stabilization programme.

8. However, major improvement in the performance of the economy is not expected in the short term, owing to the greatly weakened position of the bauxite/alumina sector, and the likelihood that the growth in non-traditional export earnings will not be sufficient to compensate for this shortfall. In addition, the disequilibrium in the labour market, which reflects a surplus of

largely unskilled labour on the one hand, and a shortage of professional, technical and managerial manpower on the other, has further aggravated the situation.

9. In view of the above, the Government's current economic development strategies centre on a set of policy reforms designed to: (a) restructure export agriculture; (b) maximize revenue flow from tourism; (c) increase employment, especially in the low-wage, labour-surplus sector; (d) reduce the size of the public sector; and (e) develop the necessary human resources to respond to the restructuring of the economy.

10. The Government views training and education as critical to the success of its overall development strategy. It has therefore identified human resources development, which accounts for 40 per cent of overall IPF resources, as the centrepiece of both its national planning and of its programme of technical co-operation with UNDP for the fourth cycle.

11. The other two themes to be pursued under the country programme are export promotion, 27 per cent of overall resources, and technology, 13 per cent of overall resources, which are both central to the Government's longer-term goal to build up reserves through export-oriented strategies in both agriculture and manufacturing. Based upon suggestions from the Programme Review Committee and from United Nations systems organisations with offices in Kingston, ever increased attention will be paid during actual project design in these sectors to marketing aspects and to plant and animal protection which are essential for attaining export-quality produce.

12. The Administrator supports the orientation of the fourth country programme for Jamaica as reflected in the above distribution of resources. It should be noted that within each major area of concentration, substantial funds remain to be committed to specific projects, while there is an unprogrammed reserve comprising 20 per cent of resources. Ample provision is thus made for continuous programming, which will require ongoing mobilization of matching third-party cost-sharing resources.

13. The Administrator invites attention to one of the most significant features of the Jamaica country programme, which is its catalytic use of UNDP IPF resources to facilitate programming of cost-sharing funds. During the third cycle, apart from special funds and management-services activities, over \$7 million in cost-sharing resources were made available by Government and third-party donors, including the participation of twelve United Nations system organizations. Similar cost-sharing arrangements are planned in the financing of the fourth country programme: the Government is to provide contributions in local currency, and will again aim to attract matching third-party contributions. A sum of \$10,875,000 will be required through cost-sharing and special funds for programme implementation during 1987-91.

III. MANAGEMENT OF THE COUNTRY PROGRAMME

14. Discussions have been initiated with the Administrative Reform Programme (ARP) team in Jamaica, which will participate in establishing targets to assist in the review of the Country Programme in the area of human resource development. The Government is considering establishing a joint committee made up of PIOJ, ARP and the UNDP field office, which would hold periodic internal reviews to determine the best means of achieving targets and assessing the impact of various activities.

15. The PIOJ intends to utilize third cycle project "add-on" funds for staff training in the project cycle commencing in January 1986. This training is to be complemented by sessions organized by the field office, with the support of the headquarters training section, in the use of the matrix as a programme and project design and appraisal tool; the UNDP Office for Projects Execution will also provide training in contracting and equipment procurement.

16. With the current country programme projecting two-thirds additional cost-sharing inputs, a major resource mobilization effort is being undertaken by the Government of Jamaica and the UNDP Office in concert with UNDP headquarters and concerned United Nations system organisations. Increasing utilization of the special funds under the responsibility of the Administrator is foreseen, and continued collaboration with the World Bank and with other multilateral and bilateral donors will be pursued.

IV. RECOMMENDATION OF THE ADMINISTRATOR

17. In light of the foregoing, the Administrator is pleased to endorse the Country Programme for Jamaica and recommends its approval by the Governing Council.

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