

Data Sheet

USAID Mission:	Jamaica
Program Title:	Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	532-009
Status:	New in FY 2004
Planned FY 2005 Obligation:	\$2,000,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$1,876,000 DA
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2009

Summary: By increasing trade competitiveness in target industries, USAID's economic growth program will help Jamaica achieve greater economic prosperity. The program will increase Jamaican participation and competitiveness in global and regional trade, and it will spur private sector growth and investment. At the same time, the program will strengthen the financial sector's support to private sector growth, improve the overall regulatory, legislative and policy environment for business development, and promote public-private sector partnerships. USAID's program will also facilitate the Government of Jamaica's (GOJ) macroeconomic reforms needed to foster the availability of reasonably priced credit for businesses and other related improvements in the environment for doing business in Jamaica.

Inputs, Outputs, Activities:

FY 2005 Program: Increase Participation in Global Trade and Investment (\$1,000,000 DA). USAID's program will promote public-private alliances and build the capacity of the private sector to benefit from global trade and investment opportunities, by increasing the competitiveness of individual enterprises and industry clusters. Technical support will improve the capacity of Jamaica's businesses to meet international standards. This component includes activities to improve the enabling environment for businesses and to streamline government administrative processes. USAID will fund efforts to modernize public sector offices that serve the businesses, and to forge closer partnerships among government, business, labor unions, and academia. USAID will assist the GOJ to implement tax and financial sector reforms and to improve economic data collection and reporting. USAID will fund technical assistance for legislation to strengthen competition policy, facilitate trade, foster increased competition in the telecommunications sector, and expand business opportunities in e-commerce and information technology. Assistance will also be provided to carry out trade reforms and to implement trade agreements, including the Caribbean Single Market and Economy (CSME), the Free Trade Area of the Americas (FTAA) and the World Trade Organization (WTO). Contractors and grantees to be determined through competition.

Increase Private Sector Growth (\$1,470,000 DA). Activities under this component will support the creation and growth of private enterprises, competitive clusters, and business associations. Funding for agribusiness, entertainment and culture, and tourism clusters will continue, with a specific focus on developing Jamaica's capacity to maximize the economic benefits from hosting the Cricket World Cup in 2007. Activities will include technical assistance, training and mentoring to private firms in areas such as strategic planning, corporate governance, finance, production, packaging, marketing, and distribution. The program will undertake to educate firms on sustainable use of natural resources and sound environmental management practices through linkages with USAID's environment objectives. Activities will be carried out to enhance the efficiency of the financial sector by increasing the availability and variety of short and long term financial products to underserved markets, especially for small firms and rural areas. Programs, such as the Development Credit Authority (DCA), will also be used to expand the availability of

credit to inner city communities and farmers, by lowering the market risk to financial institutions. USAID expects to provide \$250,000 through the DCA program to broaden financial institutions outreach to these clients. USAID will build on its prior agribusiness cluster support activities and Hurricane Ivan recovery program to increase agricultural productivity. USAID will provide new technologies, technical assistance, and training to farmers to improve production practices, enhance yields, and take advantage of full-year production. Activities to encourage producers to adopt sustainable agricultural practices and environmentally sound techniques will be linked to USAID's natural resource management and rural development program. Contractors and grantees to be determined through competition.

Protect and Increase the Assets and Livelihood of the Poor during Periods of Stress (\$500,000 DA). USAID will assist the poor to protect productive assets, re-establish livelihoods after the shock of Hurricane Ivan and to diversify their sources of income. Supported by loan guarantees under the DCA program, financial institution partners will provide loans for acquiring land and titles and for developing low income housing/low cost mortgages schemes. Loans will be complemented with technical assistance, small grants, equipment and supplies for farmers, fisher folk, craftsmen, and other small enterprises, including those that were affected by Hurricane Ivan. Contractors and grantees to be determined through competition.

FY 2006 Program: Increase Participation in Global Trade and Investment (\$880,000 DA). USAID will continue programs aimed at supporting implementation of trade agreements but with increased emphasis on Jamaica's satisfaction of obligations under the CSME and the FTAA. Activities will focus on implementing recommendations from the Inter-American Development Bank's assessment of Jamaica's tax policies and addressing the GOJ's ability to analyze and disseminate economic data in a timely manner in order to facilitate better pricing of its debt and appropriate economic policies. Other activities will strengthen the Bank of Jamaica and the Financial Services Commission's ability to regulate the financial sector appropriately and thus improve the climate for investment. Contractors and grantees to be determined through competition.

Increase Private Sector Growth (\$996,000 DA). USAID will continue to work with established business clusters and will develop support sectors, which may include shipping, telecommunications, manufacturing, and information technology. New activities may include the development of a credit bureau and/or support for pension reform. Programs to provide financial products and services to the most underserved markets will continue, and the demonstration effect is expected to encourage new entrants into the market to provide additional services. USAID will develop new clusters within agriculture, such as specialty coffee and "island" cotton. Technical assistance and training will also be provided to farmers to diversify crops and improve product quality. Contractors and grantees to be determined through competition.

Performance and Results: The program will begin in 2005. By the end of the program in FY 2009, economic growth in Jamaica is expected to have accelerated and become sustained. Jamaica will be more competitive in global markets and offer a more attractive environment for domestic and foreign investment. By creating competitive and sustainable industry clusters, Jamaica will realize a dramatic increase in investment activity and export earnings. Constraints to business development and growth will have been significantly reduced. Notably, fiscal and macroeconomic reforms will create a more supportive environment for business growth. Other policy and legal changes will position Jamaica to lead in the development of the CSME, compete effectively within the FTAA and the WTO trade regimes, and attract more investment. Ultimately, Jamaica will be well on its way to achieving its true potential as a highly attractive environment for conducting business.

US Financing in Thousands of Dollars

Jamaica

532-009 Economic Growth	DA
Through September 30, 2003	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2004	
Obligations	850
Expenditures	0
Through September 30, 2004	
Obligations	850
Expenditures	0
Unliquidated	850
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2005 NOA	
Obligations	2,000
Total Planned Fiscal Year 2005	
Obligations	2,000
Proposed Fiscal Year 2006 NOA	
Obligations	1,876
Future Obligations	15,324
Est. Total Cost	20,050