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Jamaica

Economic Performance Assessment



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Jamaica

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Sponsored by the Economic Growth Office of USAID's Bureau of Economic Growth, Agriculture and Trade (EGAT) under Contract No. PCE-I-00-00-00013-00, Task Order 004, the Country Analytical Support Project (2004–2006), Nathan Associates Inc. developed a standard methodology for producing analytical reports to provide a clear and concise evaluation of economic growth performance in designated countries receiving USAID assistance. The reports meet the needs of USAID missions and regional bureaus for country-specific analysis. Each report contains:

- A synthesis of key data indicators drawn from numerous sources, including the World Bank, the International Monetary Fund, the Millennium Challenge Corporation, the United Nations, other international data sets, and host-country documents and data sources;
- International benchmarking to assess country performance in comparison to similar countries, groups of countries, and predicted values based on international data;
- An easy-to-read analytic narrative that highlights areas in which performance is particularly strong or weak, to assist in the identification of future programming priorities.
- A summary of findings in a highlights table and a performance scorecard (in lieu of an executive summary).

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HIGHLIGHTS OF JAMAICA'S PERFORMANCE

Economic Growth	Growth has stagnated since the early 1990s. Growth potential is high, but Jamaica has high levels of debt, faces frequent natural disasters, and is vulnerable to external shocks.
Poverty	Poverty does not appear to be a problem: 2.0 percent of the population lives on less than US\$1 per day and 14.4 percent lives on less than US\$2 per day. Jamaica also performs relatively well in the Human Poverty Index.
Economic Structure	The service sector dominates, but about 18 percent of the labor force still depends on low productivity agriculture. The informal economy is large and growing.
Demography and Environment	Because of emigration—especially of the young and educated—population growth is less than 1 percent per annum and the elderly dependency ratio is higher than in nearby countries, placing pressure on social security and health systems.
Gender	Jamaica performs relatively well on indicators of gender equity. More girls than boys attend school. Female labor force participation rates could be improved.
Fiscal and Monetary Policy	The public debt is very large and servicing the interest payments limits fiscal policy. The economy is extremely vulnerable to shocks. Inflation is stable.
Business Environment	Compared to regional, it takes very little time or money to start a business in Jamaica, but corruption, high taxes, and pervasive crime impede private investment. Better governance could help formalize the informal economy and boost economic growth.
Financial Sector	The stock market is well developed but the banking system is inefficient. Growth in securities is due mainly to short-term borrowing from households to invest in long-term, high-yield government bonds, presenting considerable risk to the economy.
External Sector	The economy depends mainly on tourism and aluminum ore exports. Imports are outpacing exports, leaving Jamaica with a rising current account deficit. The fiscal and external deficits make the economy very vulnerable to external shocks.
Economic Infrastructure	Jamaica scores well on the Global Competitiveness Report's indicator of overall infrastructure quality. High marks in air transportation and port quality drive the score.
Science and Technology	Jamaica scores well on the FDI Technology Transfer Index, which weighs the degree to which FDI brings technology into a country. IPR protection, essential in attracting technology-rich FDI and encouraging local innovation, is above average.
Health	Women have ready access to healthcare and the public healthcare system is robust. Life expectancy at birth is comparable to the regional rates. Maternal mortality is low and skilled health workers attend nearly all births.
Education	Per student expenditure is dropping at all levels of education. Primary school enrollment is high, but problems with the quality of primary education persist.
Employment and Workforce	Unemployment is decreasing steadily but is still above the regional average of 9.1 percent. Hiring and firing practices are flexible, but firing costs the equivalent of 61.0 weeks of wages, indicating that it is “easy but expensive” to fire workers in Jamaica.
Agriculture	The productivity of subsistence agriculture has deteriorated because of unpredictable weather and dependence on imported inputs. The erosion of trade preferences for sugar and bananas—two primary export crops—has put pressure on them to be more competitive in international markets. Efforts to improve productivity, diversify the export crop base, and generate rural non-farm employment are priorities.

Note: The methodology for diagnostic benchmarking is explained in Appendix.

JAMAICA: STRENGTHS AND WEAKNESSES—SELECTED INDICATORS

Selected Indicators, by Topic	Strengths	Weaknesses
Growth Performance		
Real GDP growth		X
Growth of labor productivity		X
Investment productivity—incremental capital-output ratio (ICOR)		X
Gross fixed capital formation, percentage of GDP	X	
Poverty and Inequality		
Percentage of population living on less than \$1 PPP per day	X	
Human poverty index	X	
Economic Structure		
Output and labor force structure, industry	X	
Output and labor force structure, agriculture		X
Demography and Environment		
Population growth rate		X
Elderly dependency rate		X
Environmental Performance Index	X	
Gender		
Gross enrollment rate, all levels, female	X	
Labor force participation rate, male		X
Fiscal and Monetary Policy		
Government revenue, as percentage of GDP	X	
Overall budget balance, including grants, as percentage of GDP		X
Inflation rate		X
Composition of government expenditure, interest payments		X
Business Environment		
Control of Corruption Index		X
Rule of Law Index		X
Ease of Doing Business	X	
Time to enforce a contract		X
Financial Sector		
Stock market capitalization rate, percentage of GDP	X	
Interest rate spread		X
Credit Information Index		X
External Sector		
Remittance receipts, percentage of exports	X	
Current account balance		X

Selected Indicators, by Topic	Strengths	Weaknesses
Present value of debt, percentage of GNI		X
Economic Infrastructure		
Telephone density, fixed line and mobile	X	
Overall infrastructure quality	X	
Quality of infrastructure- rail development		X
Science and Technology		
FDI Technology Transfer Index	X	
IPR Protection Index	X	
Health		
Life expectancy at birth	X	
Maternal mortality rate	X	
Births attended by skilled health workers	X	
Public expenditure on health, percentage of GDP	X	
Education		
Persistence to grade 5, total	X	
Expenditure on primary education		X
Employment and Workforce		
Unemployment rate	X	
Firing costs, weeks of wages		X
Rigidity of employment index	X	
Agriculture		
Agriculture value added per worker		X
Growth in agricultural value added		X

Note: The chart identifies indicators for which Jamaica's performance is particularly strong or weak relative to benchmark standards, as explained in Appendix A. Details are discussed in the text. Appendix B presents a full tabulation of the data and international benchmarks examined, along with technical notes on data sources and definitions.

1. Introduction

This report is one of a series of economic performance assessments prepared for the EGAT Bureau to provide USAID missions and regional bureaus with a concise evaluation of key indicators covering a broad range of issues relating to economic growth performance in designated host countries. The report draws on a variety of international data sources¹ and uses international benchmarking against reference group averages, comparator countries, and statistical norms to identify major constraints, trends, and opportunities for strengthening growth and reducing poverty. For Jamaica, the reference groups include all lower-middle income (LMI) countries and a subset of LMI countries from the Latin American and Caribbean region. Comparator countries, which represent similar endowments, are normally selected with the concurrence of the USAID mission from countries in the same income group or region, or both. This study uses neighboring Belize and the island nation of the Dominican Republic as country comparators for Jamaica.

METHODOLOGY

The methodology used here is analogous to examining an automobile dashboard to see which gauges are signaling problems. Sometimes a blinking light has obvious implications—such as the need to fill the fuel tank. In other cases, it may be necessary to have a mechanic probe more deeply to assess the source of the trouble and determine the best course of action.² Similarly, the economic performance assessment is based on an examination of key economic and social indicators, to see which ones are signaling problems. Some “blinking” indicators have clear implications, while others may require further study to investigate the problems more fully and identify appropriate courses for programmatic action.

The analysis is organized around two mutually supportive goals: transformational growth and poverty reduction.³ Broad-based growth is the most powerful instrument for poverty reduction.

¹ Sources include the World Bank, the International Monetary Fund, the Millennium Challenge Corporation, the United Nations (including the Millennium Development Goals database), the World Economic Forum, and host-country documents and data sources. This report reflects data available as of February, 2008.

² Sometimes, too, the problem is faulty wiring to the indicator—analogue here to faulty data.

³ In USAID’s white paper *U.S. Foreign Aid: Meeting the Challenges of the Twenty-first Century* (January 2004), transformational growth is a strategic objective, both for its innate importance as a development goal and because growth is the most powerful engine for poverty reduction.

At the same time, programs to reduce poverty and lessen inequality can help to underpin rapid and sustainable growth. These interactions can create a virtuous cycle of economic transformation and human development.

Transformational growth requires a high level of investment and rising productivity. This is achieved by establishing a strong *enabling environment for private sector development*, involving multiple elements: macroeconomic stability; a sound legal and regulatory system, including secure contract and property rights; effective control of corruption; a sound and efficient financial system; openness to trade and investment; sustainable debt management; investment in education, health, and workforce skills; infrastructure development; and sustainable use of natural resources.

In turn, the impact of growth on poverty depends on policies and programs that create opportunities and build capabilities for the poor. We call this the *pro-poor growth environment*. Here, too, many elements are involved, including effective education and health systems, policies facilitating job creation, agricultural development (in countries where the poor depend predominantly on farming), dismantling barriers to micro and small enterprise development, and progress toward gender equity.

The present evaluation must be interpreted with care. A concise analysis of selected indicators cannot provide a definitive diagnosis of economic performance problems, nor simple answers to questions about programmatic priorities. Instead, the aim of the analysis is to spot signs of serious problems affecting economic growth, subject to limits of data availability and quality. The results should provide insight about potential paths for USAID intervention, to complement on-the-ground knowledge and further in-depth studies.

The rest of the report presents the most important results of the diagnostic analysis, in the three sections summarized in Table 1-1. Appendix A describes criteria for selecting indicators and explains the benchmarking methodology, and presents a full set of indicators examined for this report. Appendix B presents a full tabulation of the data and international benchmarks examined, along with technical notes on data sources and definitions

Table 1-1
Topic Coverage

Overview of the Economy	Private Sector Enabling Environment	Pro-Poor Growth Environment
<ul style="list-style-type: none"> •Growth Performance •Poverty and Inequality •Economic Structure •Demographic and Environmental Conditions •Gender 	<ul style="list-style-type: none"> •Fiscal and Monetary Policy •Business Environment •Financial Sector •External Sector •Economic Infrastructure •Science and Technology 	<ul style="list-style-type: none"> •Health •Education •Employment and Workforce •Agriculture

DATA QUALITY AND FORMAT

The breadth and quality of economic data collected for Jamaica is good. Jamaica scored 77 percent in the World Bank's 2006 Statistical Capacity Indicator Index, down slightly from 78 for 2005, but above the median score of 73.3 for lower middle-income countries in Latin America-Caribbean (LMI-LAC) and well above the median for LMI countries (66.5). Some problems remain, however, with the national accounts and with price data. The IMF reports that the Statistical Institute of Jamaica (STATIN) has insufficient legal authority to collect source data and lacks resources. In addition, no data on industrial production, wholesale and producer prices, import volumes, or export and import prices have been reported to international institutions. Other than complicating discussions of growth performance and the external sector, these data problems do not affect our analysis.

2. Overview of the Economy

This section reviews basic information on Jamaica's macroeconomic performance, poverty and inequality, economic structure, demographic and environmental conditions, and indicators of gender equity. Some of the indicators cited here are descriptive rather than analytical and are included to provide context for the performance analysis.

GROWTH PERFORMANCE

Jamaica's real GDP growth has been persistently low, wavering between 1.0 percent and 2.5 percent in the five years to 2007 (see Figure 2-1). During 2006, the economy grew by 2.5 percent, the highest growth rate in 11 years.⁴ The growth rate for 2007 is expected to drop to 1.4 percent, because of destruction wrought by Hurricane Dean in August 2007.⁵ Jamaica's GDP growth rate is below the expected value of 3.7 percent⁶ and much lower than the rates in 2006 for Belize (5.0 percent) and the Dominican Republic (10.7 percent).

These low growth rates have coincided with high levels of investment. In 2005, gross fixed investment stood at 31.7 percent of GDP,⁷ more than 10 percentage points above the LMI median rate of 20.2 percent, the LMI-LAC median of 19.6 percent and rates for the Dominican Republic (19.6 percent) and Belize (18.8 percent). Investment, however, has been concentrated in well-established sectors with limited possibility of long-term gains in either labor or capital productivity.⁸ Such concentration not only deprives potentially high-productivity sectors of resources, but also keeps labor and capital productivity low. Jamaica's growth in labor productivity in particular has been abysmal, averaging 0.6 percent between 2001 and 2005, well below the LMI-LAC median of 1.2 percent and the Dominican Republic's 7.2 percent.

High levels of investment have not spurred growth as capital is absorbed inefficiently. Jamaica's incremental capital-output ratio (ICOR), which measures the amount of dollar investment required for each additional \$1 unit of output, was 17.7 in 2005 (see Figure 2-2). Jamaica's neighbors have much better capital productivity: the LMI-LAC median ICOR is 5.6, Belize's is

⁴ Economist Intelligence Unit (EIU), Country Profile 2007: Jamaica, 16.

⁵ EIU, Country Report: Jamaica, October 2007, 6.

⁶ The expected values in this report are based on our regression benchmarking methodology, which is fully explained in Appendix A.

⁷ IMF, International Financial Statistics, November 2007.

⁸ IMF, Selected Issues, May 2006, p. 21.

Figure 2-1
Real Annual GDP Growth (percent)

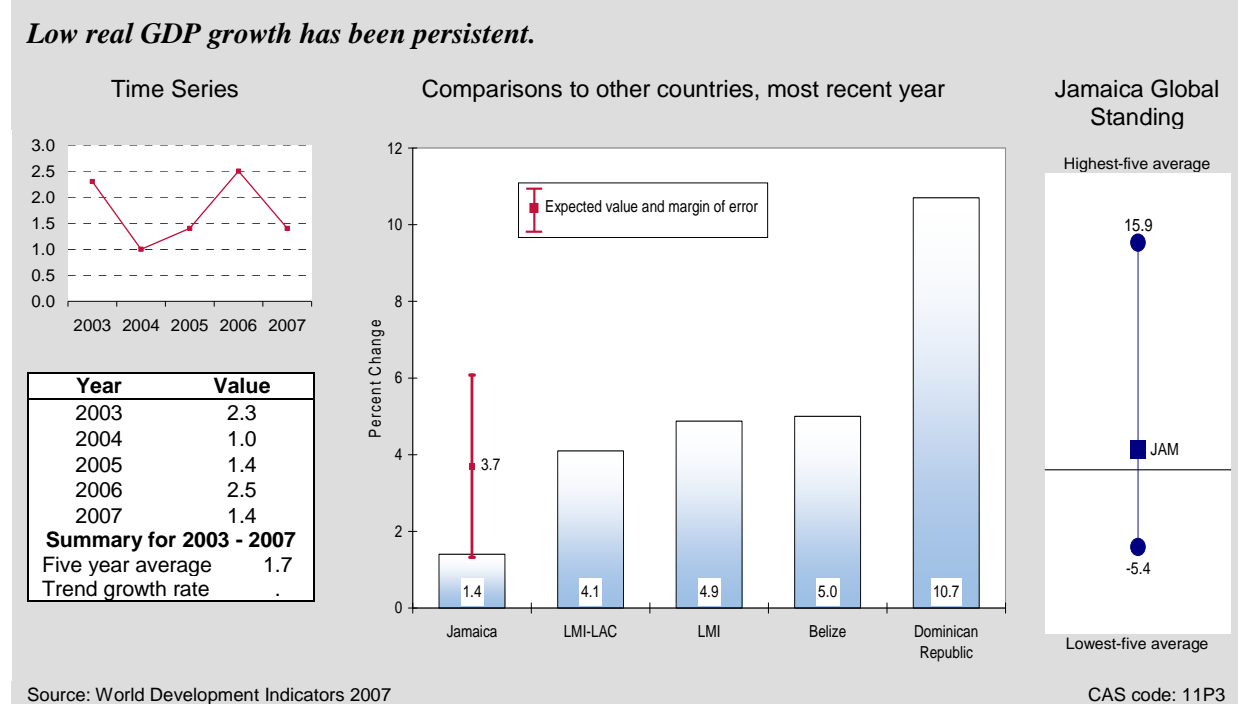
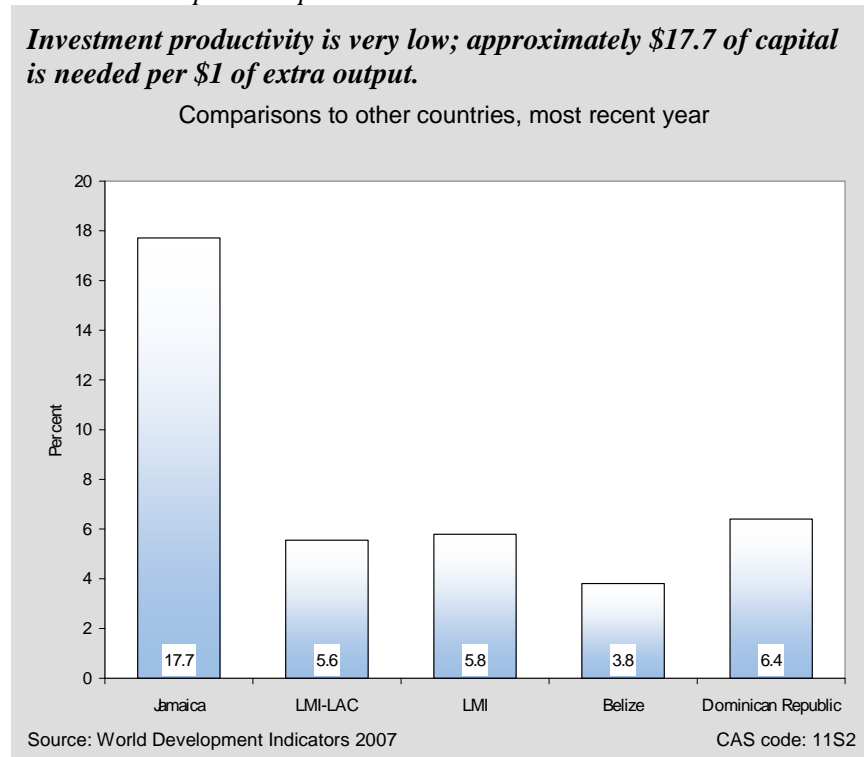


Figure 2-2
Incremental Capital Output Ratio



3.8 and the Dominican Republic's is 6.4. In absolute terms, countries using capital productively have an ICOR of 4 or less.

This disparity between investment and growth can be partly explained as a measurement problem. According to a 2006 report by the IMF, Jamaica's informal sector may be as large as 40 percent of GDP and may be growing faster than the formal economy.⁹ The report cites the large discrepancies between growth in electricity consumption and economic growth as suggesting that GDP growth rates are underestimated. Low growth statistics may also be the result of overestimated investment;¹⁰ low capacity utilization during boom times (as low as 50-60 percent); understated capital stock depreciation, the substitution of capital for labor, rather than an expansion of production; and large investments in crime prevention infrastructure.

A number of structural problems impede Jamaica's growth. The high public debt is the most fundamental.¹¹ High debt creates uncertainty about future taxes and dims investment prospects. Empirical evidence shows that the high debt in Jamaica correlates with declining productivity.¹² The economy is also vulnerable to external shocks (export earnings are dependent on a few commodities and tourism) and adverse weather, including frequent natural disasters.

Jamaica's relatively low levels of per capita income underscore the need for economic growth. GDP per capita (PPP) was \$4,654 in 2007, which is near the LMI-LAC median of \$4,937 but eclipsed by per capita income in Belize (\$7,872) and the Dominican Republic (\$9,349).

POVERTY AND INEQUALITY

Jamaica has made great strides in reducing poverty in the last decade, almost reaching its Millennium Development goal of halving poverty by 2015. Since the National Poverty Eradication Programme (NPEP) was established in 1995, the incidence of poverty—as gauged by a person's position relative to the national poverty line—declined from 27.5 percent to 16.9 percent in 2004.¹³ Similarly, just 2.0 percent of Jamaicans live on less than US\$1 per day and 14.4 percent live on less than US\$2 per day (2004). The country's performance on the Human Poverty Index, which measures poverty on the basis of deprivation rather than income, complements these measures.¹⁴ With an HPI score of 14.8, Jamaica performs better than our predicted value of 17.7 for a country with similar characteristics but below the LMI-LAC median of 11.8 and the Dominican Republic's 11.9 (Figure 2-3).

⁹ IMF, Jamaica: Selected Issues, May 2006, p.10.

¹⁰ Ibid, p. 12.

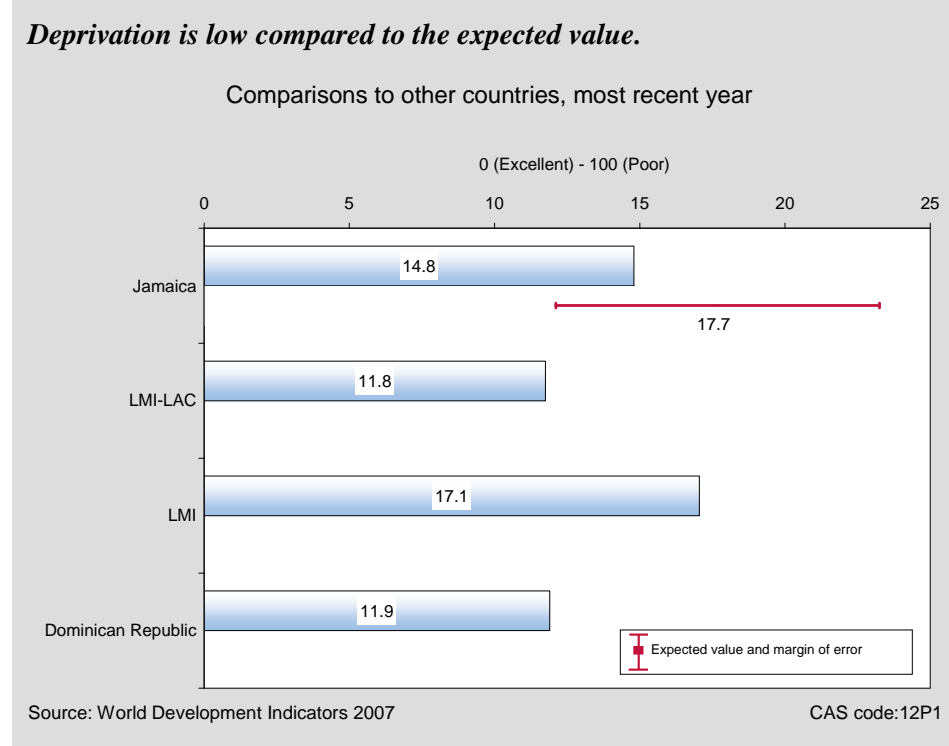
¹¹ Ibid, p.16.

¹² Ibid, p.21.

¹³ National Poverty Eradication Programme, <http://www.npep.org.jm/index.html> , accessed 2/1/2008.

¹⁴ The Human Poverty Index is reported on a scale of 0 (no incidence of deprivation) to 100 (high incidence).

Figure 2-3
Human Poverty Index



This improvement is remarkable given the country's anemic growth. The government claims that the NPEP, through projects involving school meals and electrification, is driving the improvement.¹⁵ But growth in the informal economy and high remittances are also thought to have a substantial impact.¹⁶

According to DFID, poverty in Jamaica is chiefly rural, with 69 percent of the poor living outside the towns. The majority of the poor are unemployed, work in low-paying jobs, or depend on incomes from small-scale farming, agricultural labor, domestic service, street vending, and crafts in the informal sector.¹⁷ Urban poverty, though less, is linked to acute security problems. Jamaica has the world's highest per capita murder rate. For example, the political "tribal" violence that gripped sections of Western Kingston between May and August 2001 has been linked to desperate living conditions in that community. Poverty and violence in Jamaica are serious issues that affect the fabric of the whole society and economy.¹⁸

¹⁵ National Poverty Eradication Programme reports, <http://www.npep.org.jm/index.html>, accessed 2/1/2008.

¹⁶ DFID, Jamaica Country Strategy Paper, p. 4.

¹⁷ Ibid, p. 5.

¹⁸ Ibid, p.5.

Despite reductions in poverty, Jamaica still has highly unequal incomes. In 2004, the poorest 20 percent of the population accrued only 5.3 percent of income. That rate is similar to rates in neighboring countries as income inequality is common in the LAC region, but high on an absolute scale. Programs that aim for income generation in poor households could help to correct income inequalities and bolster living standards, but conditions are unlikely to improve in the near term without macroeconomic growth.

ECONOMIC STRUCTURE

Jamaica's service sector, which is dominated by tourism and related activities, accounted for 63.8 percent of valued added in GDP in 2006. Industry, which is driven by the mining sector, accounted for 31.1 percent, and agriculture accounted for only 5.1 percent. The services sector has a roughly equal distribution of labor (64.1 percent of the labor force) to value added (63.8 percent of GDP value added). Meanwhile, industry—which appears to be the most productive sector per worker—employs only 17.7 percent of the labor force and produces about a third of all value added. (Figure 2-4). Productivity is lowest in agriculture, which employs 18.0 percent of the labor force but contributes negligibly to value added in GDP. In low growth countries, the poor tend to concentrate in agriculture as they rely on it for subsistence and cash.

While growth above all else is needed to correct structural inequalities, boosting labor productivity through programs that simultaneously raise agricultural efficiency and encourage workers to move outside of agriculture by acquiring new skills would be helpful.

DEMOGRAPHY AND ENVIRONMENT

From 2001 to 2006, Jamaica's population growth averaged a startlingly low 0.5 percent—well below the LMI-LAC and LMI medians of 1.4 percent and 1.5 percent, respectively, and rates for Belize (1.9 percent) and the Dominican Republic (1.5 percent). Many educated Jamaicans emigrate in search of employment. In fact, 85 percent with tertiary education and 35 percent with secondary education migrated to OECD member countries between 1965 and 2000.¹⁹ Brain drain is significant: the number of Jamaicans with tertiary education abroad exceeds the number still in Jamaica.²⁰

This level of emigration has contributed to a youth dependency rate of nearly 51 dependent youths for every 100 working age persons in 2005. Though similar to the LMI-LAC median of 52.8 and the Dominican Republic's 52.8, the rate is high, indicating pressure on the education system in a time of declining educational expenditures. It also signals a need to create jobs quickly. In the current setting, more uneducated youth could worsen labor force inefficiencies, violence, drug running, and lawlessness.

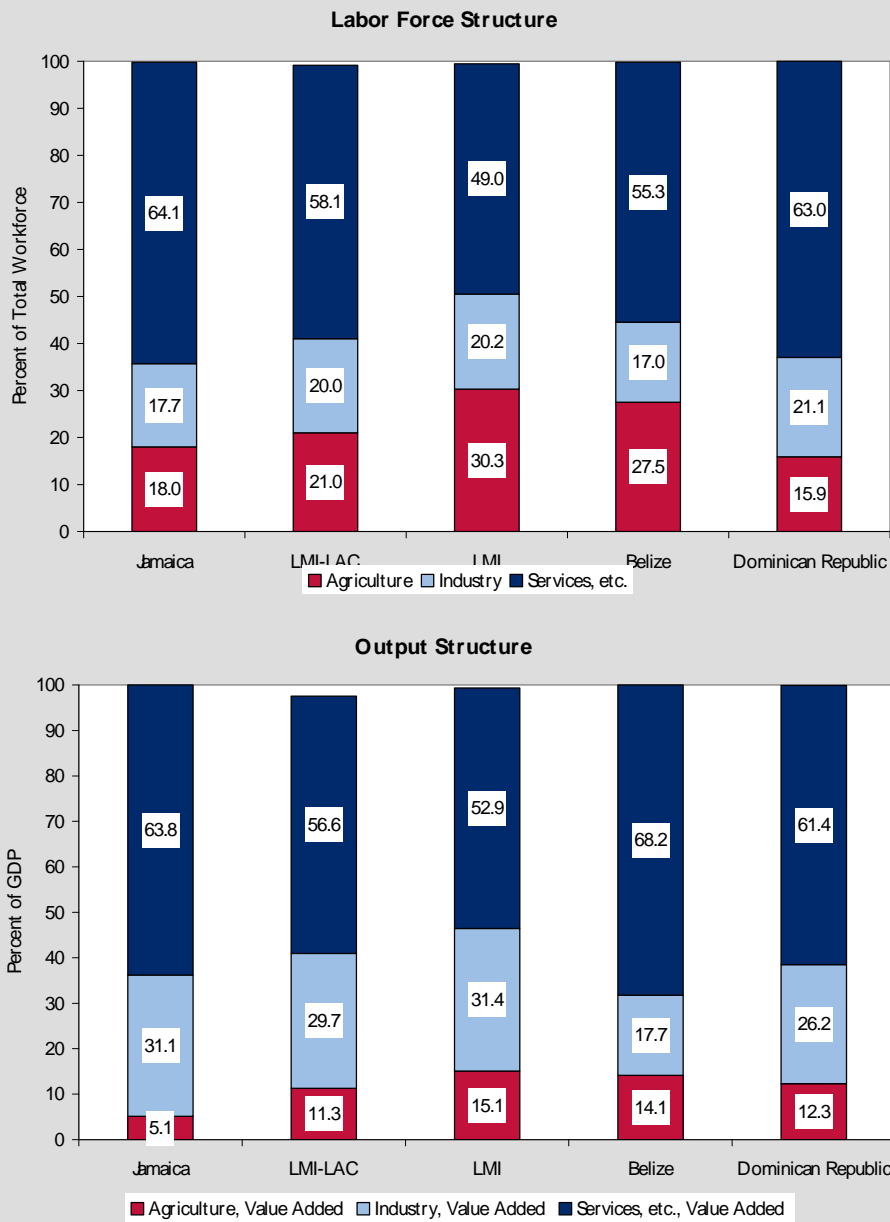
¹⁹IMF, *Emigration and Brain Drain: Evidence from the Caribbean*, working paper.

²⁰ World Bank, *International Migration, Remittances, and the Brain Drain*, p.13.

Figure 2-4
Output Structure and Labor Force Structure, Most Recent Year

Huge differences in labor productivity by sector indicate inefficient labor allocation.

Comparisons to other countries, most recent year



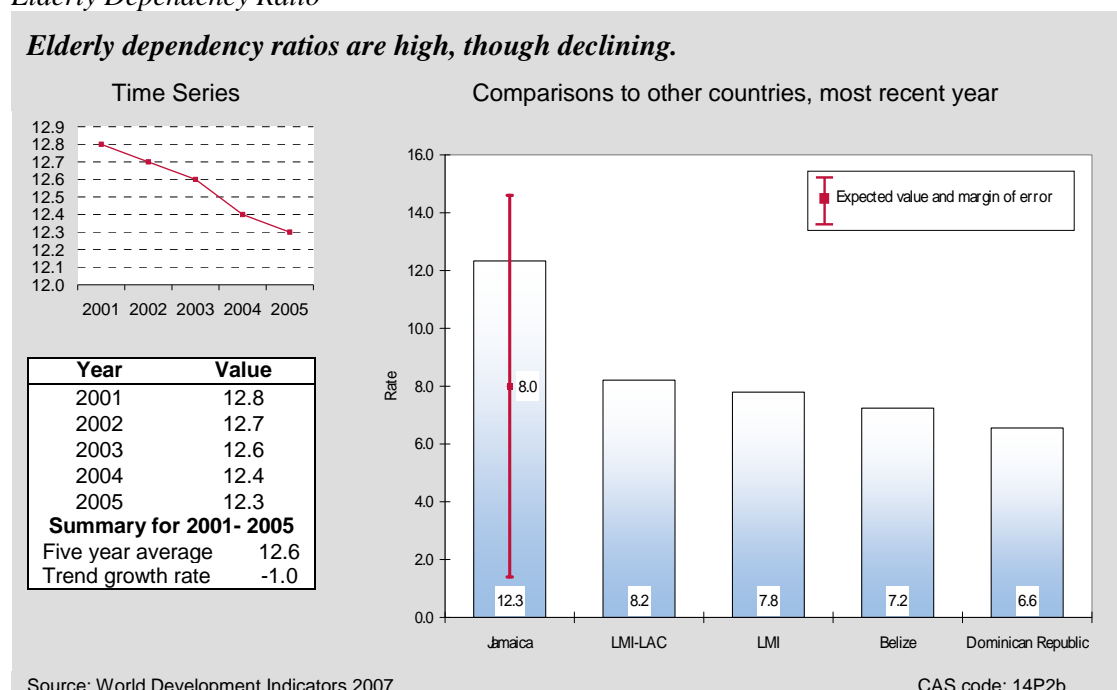
Source: World Development Indicators 2007

CAS code: 13P1abc, 13P2abc

Jamaica’s elderly dependency rate is similarly high: 12.3 elderly adults for every 100 working adults. By comparison the elderly dependency rate in the Dominican Republic is 6.6, in Belize 7.2, and the LMI-LAC median is 8.2 (Figure 2-5). This high dependency rate also pressures public resources, such as social security and healthcare. Programs that emphasize education and

job creation and that facilitate the flow of worker remittances can alleviate systemic pressures created by high dependency ratios.

Figure 2-5
Elderly Dependency Ratio



Jamaica’s urbanization rate has remained almost constant, reaching about 53.4 percent in 2006. Improving access to urban infrastructure for education and delivery of public services is considered critical.²¹ Long-term growth strategies should also take into consideration environmental pressures, particularly those peculiar to small island states. Stewardship of natural resources is of utmost importance to Jamaica because of its size and dependence on tourism. On the Environmental Performance Index (EPI), which evaluates environmental stress and ecosystem vitality on an ascending scale to 100, Jamaica has a high composite score of 74.7, with exceptional performance in child mortality, nitrogen loading, water consumption, eco-region protection, and agricultural subsidies. Areas of concern include regional ozone (26.9), energy efficiency (42.5), and renewable energy (1.3). Programs that encourage existing and new sectors to adopt sustainable practices for energy use could make an important contribution to environmental sustainability within the context of economic growth.

GENDER

Gender equity enables faster economic growth by ensuring that the productive capacities of all citizens can be developed and utilized to the greatest extent. Gauging equity in access to

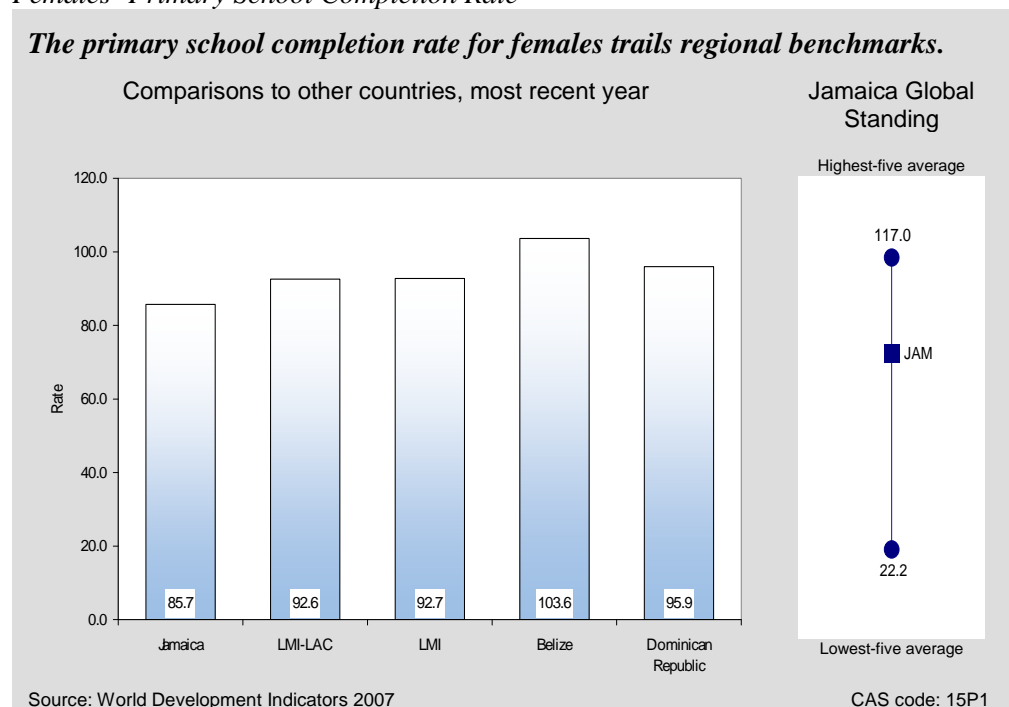
²¹ DFID, Jamaica Country Strategy Paper, p. 5.

healthcare and education services and labor market opportunities enables policymakers to determine priorities for narrowing or eliminating gender-based inequities.

Jamaica performs well on indicators of gender equity for access to healthcare but needs to improve access to education and the labor market. Life expectancy at birth, which is a proxy for access to healthcare, is high for females in Jamaica—72.5 years compared to 69.0 years for males.

More females than males attend school; the gross enrollment rate at all levels is 75.0 percent for males and 79.0 percent for females. As in other LAC countries, the disparity between the rates may not indicate greater access for females but simply that males drop out of school to get jobs. The low rate of primary school completion for females is troubling. In 2004, the rate was 85.7 percent, less than the LMI-LAC average (92.6) and the rates in Belize (103.6) and the Dominican Republic (95.9), indicating a need for more investment in females' education (Figure 2-6).

Figure 2-6
Females' Primary School Completion Rate



Education, however, needs to be complemented by work opportunities. In 2005, females had a labor force participation rate of 61.8 percent compared to the male rate of 82.0 percent. Furthermore, over the five years to 2005, the female labor force participation rate declined more rapidly than the male rate, -1.9 percent versus -0.7 percent. Programs that create equitable opportunities for women in the job market, including those that train female workers and entrepreneurs, could help increase female participation in the labor force.

3. Private Sector Enabling Environment

This section reviews key indicators of the enabling environment for encouraging rapid and efficient growth of the private sector. Sound fiscal and monetary policies are essential for macroeconomic stability, which is a necessary (though not sufficient) condition for sustained growth. A dynamic market economy also depends on basic institutional foundations, including secure property rights, an effective system for enforcing contracts, and an efficient regulatory environment that does not impose undue barriers on business activities. Financial institutions play a major role in mobilizing and allocating saving, facilitating transactions, and creating instruments for risk management. Access to the global economy is another pillar of a good enabling environment because the external sector is a source of markets, modern inputs, technology, and finance, as well as competitive pressure for improving efficiency and productivity. Equally important is development of physical infrastructure to support production and trade. Finally, developing countries need to adapt and apply science and technology to attract efficient investment, improve competitiveness, and stimulate productivity.

FISCAL AND MONETARY POLICY

Jamaica faces serious internal and external imbalances and, as a small open economy, is particularly vulnerable to external shocks. Thus, its macroeconomic framework needs to be strengthened and policy implementation monitored carefully to ensure support for much needed economic growth.

Jamaica's most striking fiscal feature and greatest challenge is public debt amounting to about 132 percent of GDP.²² Servicing a large public debt while controlling inflation, maintaining a stable exchange rate, and manipulating domestic interest rates requires balancing competing objectives. In 2006, Jamaica's money supply grew 15.8 percent, more than the LMI-LAC median of 14.2 percent, the Dominican Republic's 14.3 percent, and Belize's 6.6 percent. Given the lag between money supply growth and inflationary response, authorities must remain mindful of how expansionary policy drives inflation. This is of particular concern given the current external conditions, including high oil prices and the weakening economy of Jamaica's main trade partner, the United States.

²² IMF, Article IV Consultation–Staff Report, May 2007.

According to the latest IMF figures, Jamaica's budget deficit (including grants) in fiscal year 2006/07²³ was 4.7 percent of GDP.²⁴ Government expenditure decreased from 36.7 percent of GDP in fiscal year 2004/05 to 32.7 percent in 2005/06. Despite this decrease, government expenditure as a percent of GDP is still greater than the LMI-LAC median of 17.4 percent, the Dominican Republic's 16.2 percent, and Belize's 23.5 percent. However, once interest payments—which form the bulk of government spending at 45 percent of expenditure and 14.7 percent of GDP—are removed, the remaining government expenditure, at 18 percent of GDP, compares favorably. It is clear that debt financing is a substantial burden on the government bill. With spending restricted by the debt burden there is little room to invest in capital expenditure, which stands at 5.6 percent of total expenditure after wages and salaries (30 percent) are accounted for.

IMF Program Status

Jamaica is under intensified surveillance whereby staff monitor the implementation of the economic strategy formulated by the authorities without reaching prior understandings with the Fund. Between Article IV consultations, the executive board receives interim reports.

Jamaica's inflation rate, the main indicator of macroeconomic stability, dropped sharply from 15.3 percent in 2005 to 8.6 percent in 2006. This improvement reflects the Bank of Jamaica's commitment to price stability and lower prices for agricultural products.²⁵ Further moderation is expected, and inflation could drop to 6.4 percent for 2007.²⁶ The 2006 estimate is higher than the LMI-LAC and LMI medians of 6.3 and 5.2 percent, respectively, and Belize's rate of 4.3 percent (2006), but not Dominican Republic's 7.6 percent rate (2006). Factors that may contribute to continued high inflation include high oil prices and adverse weather, like the hurricanes of 2005 that decreased output and resulted in a surge in agricultural prices.²⁷

Government revenue has grown at an annual rate of 2.5 percent over the past five years, owing to revenue enhancing measures adopted in 2003 that broadened the tax base and improved tax administration. At 29 percent of GDP in 2005/06, revenue collection in Jamaica compares favorably with all comparators; it is on par with Belize (also 29 percent), and significantly above the LMI-LAC median 21.2 percent and the Dominican Republic's 16.7. The overall budget deficit (including grants) as a percent of GDP has been decreasing in recent years, partly because of enhanced revenue generation (Figure 3-1).²⁸

²³ Fiscal year 2006/07 reflect data from April 1, 2006 to March 31, 2007.

²⁴ Ibid.

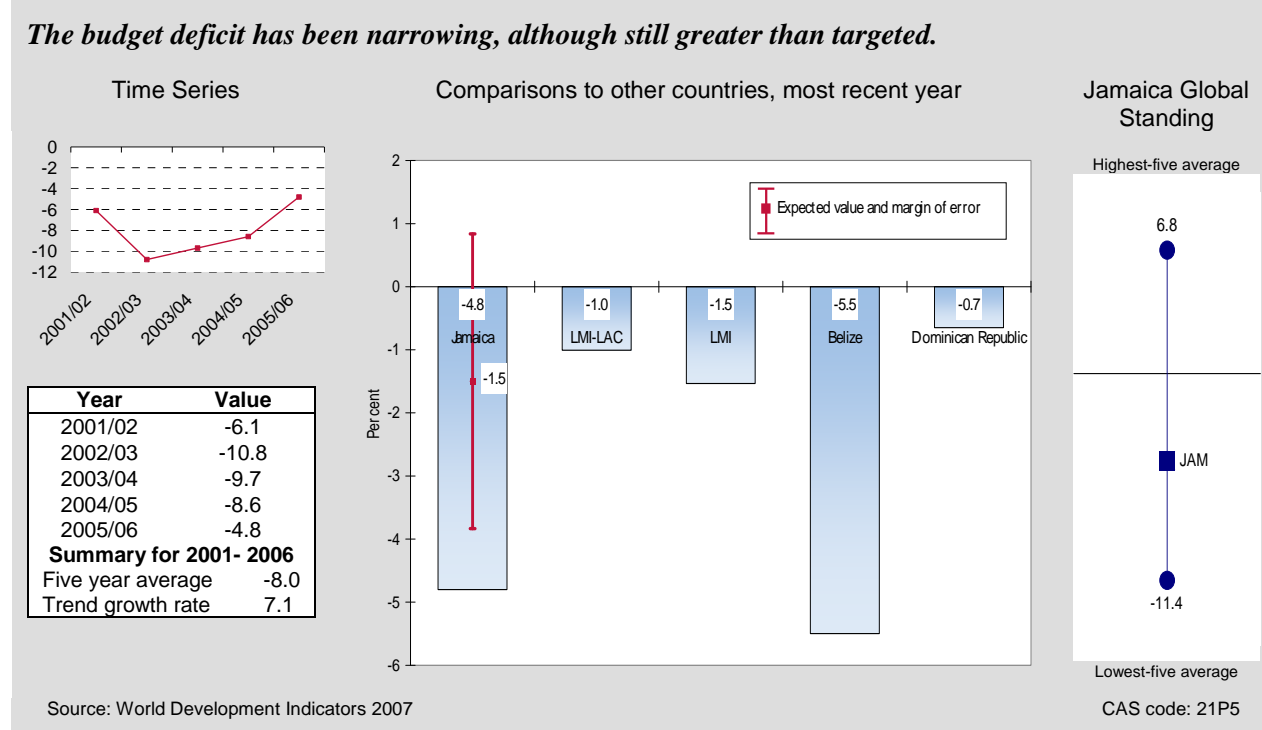
²⁵ IMF, Article IV,

²⁶ Bank of Jamaica, Economic Statistics, August 2007.

²⁷ Ibid.

²⁸ This includes off-budget expenditures amounting to about 1.2 percent of GDP.

Figure 3-1
Overall Budget Balance (percentage of GDP)



The revenue measures included a new surcharge on imports and a widening of the general consumption tax base.²⁹ This is evident in the change in the structure of taxes. Trade taxes, social contribution taxes, and other taxes increased substantially, while the proportion of taxes on income, profits, and capital gains has declined. Taxes on trade, however, can discourage investment and are easily eroded through international commitments (Jamaica is a WTO member). Similarly, taxes on social contributions can provide the wrong incentives for investing in human welfare. Authorities should be cognizant of the incentives (and disincentives) that varying tax structures provide in the open economy.

Successfully reducing the high public debt burden is of overwhelming importance in Jamaica, and donor assistance toward this objective should be a priority. Areas where public expenditure can be trimmed include the public wage bill, which may be bloated because of excessive hiring (the headcount rose by more than 40 percent between 1995-2003) and the existence of various off-budget public entities. Creating a consolidated public sector accounting framework and assessing risks from off-budget public entities are potential areas of focus. Furthermore, formal independence for the Bank of Jamaica (a commitment made by the current government³⁰) should be supported in order to move toward sound monetary policy that is neither excessively influenced by politics nor too accommodating of fiscal excesses.

²⁹ IMF, Article IV Consultation–Staff Report, March 2004.

³⁰ EIU, Jamaica Country Report, October 2007.

BUSINESS ENVIRONMENT

Institutional barriers to doing business, including corruption in government, are critical determinants of private sector development and prospects for sustainable growth. An efficient business environment functions by principles of good governance, such as transparency, simple and fair rules, equality in the application of law, and equitable access to government services.³¹

In governance, Jamaica has scored poorly on corruption and rule of law and well on regulatory quality and government effectiveness. In 2006, it scored -0.4 on the Control of Corruption index, a favorable score versus regional comparators, though high on an absolute scale and indicating that corruption is prevalent in Jamaica. In fact, approximately 45 percent of firms surveyed in 2005 identified corruption as a “major” or “very severe” obstacle to investment in Jamaica.³² Similarly in 2006, it scored -0.6 on the Rule of Law index, which measures confidence in the rules of society. Crime and corruption are also major concerns of the average citizen (Figure 3-2). Running on an anti-crime and anti-corruption platform, the Jamaica Labor Party won the September 2007 election.³³

On the Regulatory Quality index, which measures the incidence of market-adverse policies and perception of excessive regulation, Jamaica performed relatively well, scoring 0.3 in 2006 as compared to the LMI-LAC average of -0.4 . On the Government Effectiveness index for 2006 it scored 0.1, near the global mean and above all comparators. Gains in government effectiveness and regulatory quality should be built upon and should integrate strategies that address Jamaica’s shortfalls in rule of law and control of corruption.

With regard to the time, procedures, and nominal cost of private sector participation, Jamaica ranks 63 among 178 countries in the 2007 Doing Business series, outperforming many of its LAC neighbors and LMI countries in general. The median LMI-LAC ranking is 104.5 and the median LMI ranking is 102.5, while the Dominica Republic was ranked at 99. Belize fared better at 59.

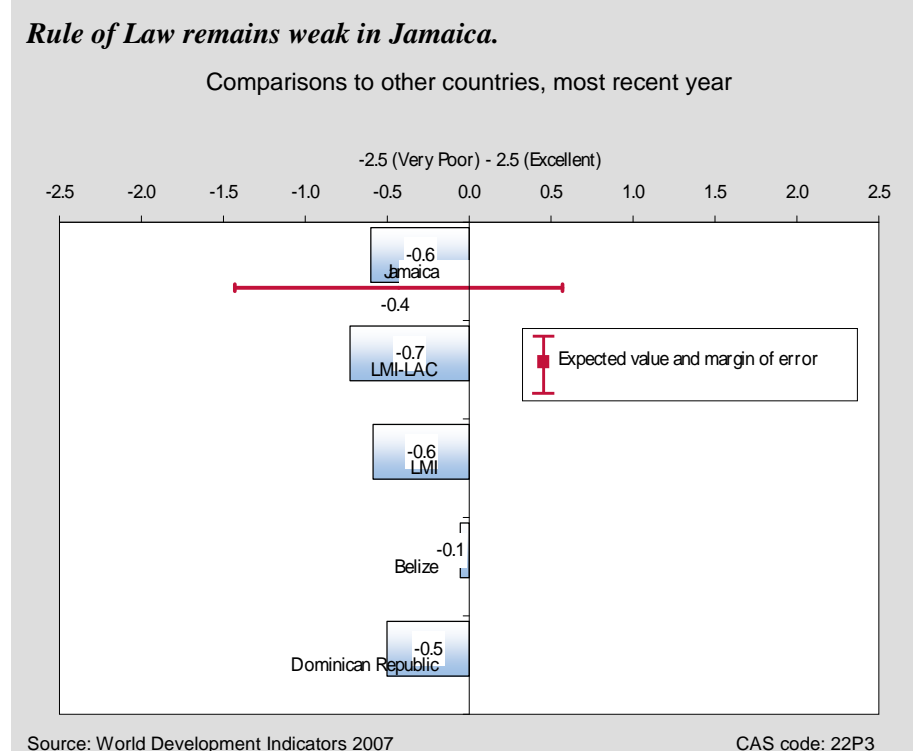
Jamaica’s good performance in starting a business perhaps drove its overall Doing Business ranking. The cost of starting a business, 8.7 percent of GNI per capita in 2007, is tiny compared to 31.1 percent in the Dominican Republic, 53.1 percent in Belize, and 57.3 percent for the LMI-LAC median. Jamaica also performs well compared to the regional average on number of procedures to start a business (6 procedures versus an average of 12.5 for LMI-LAC) and time to start a business (8 days versus 47.7 days). The 8 days to start a business in 2007 is a dramatic decrease from the 31 days it used to take to start a business in 2004. See Figure 3-3.

³¹ The World Bank Institute (WBI) reports four indices pertinent to governance: control of corruption, government effectiveness, rule of law, and regulatory quality. These indices are expressed on a scale of -2.5 to $+2.5$, with a global mean of 0.0. More information can be found at: <http://www.enterprisesurveys.org/ExploreEconomies/>

³² Enterprise survey at the World Bank website: <http://www.enterprisesurveys.org/ExploreEconomies/>

³³ EIU, Jamaica Country Report, October 2007.

Figure 3-2
Rule of Law Index



Although businesses can be started with relative ease in Jamaica, an excessive tax burden and the costs associated with crime can drive up operating costs. According to the Doing Business report for 2007, the tax rate on the operating profit of an average size business in Jamaica is 51.3 percent—as opposed to 30.8 percent in Belize and 40.2 percent in the Dominican Republic. LMI-LAC and LMI medians, 41.5 and 41.7 percent, are almost 10 percentage points lower than Jamaica’s tax rate. A survey of enterprises in Jamaica in 2005 revealed that about 60 percent of firms in Jamaica cite tax rates as a “major” or “very severe” obstacle to investment.³⁴ The IMF notes that Jamaica’s tax system is both costly and inefficient; thus, simplifying it and increasing efficiency could address business concerns without necessarily decreasing revenues.³⁵

In addition, crime, violence, and terrorism drive up operating costs by destroying inventory, limiting work hours, and raising security and insurance costs. On an ascending scale of 1 (poor) to 7 (excellent), Jamaica scores a low 2.1 on the Global Competitiveness Report’s survey of Business Costs of Crime, Violence, and Terrorism.

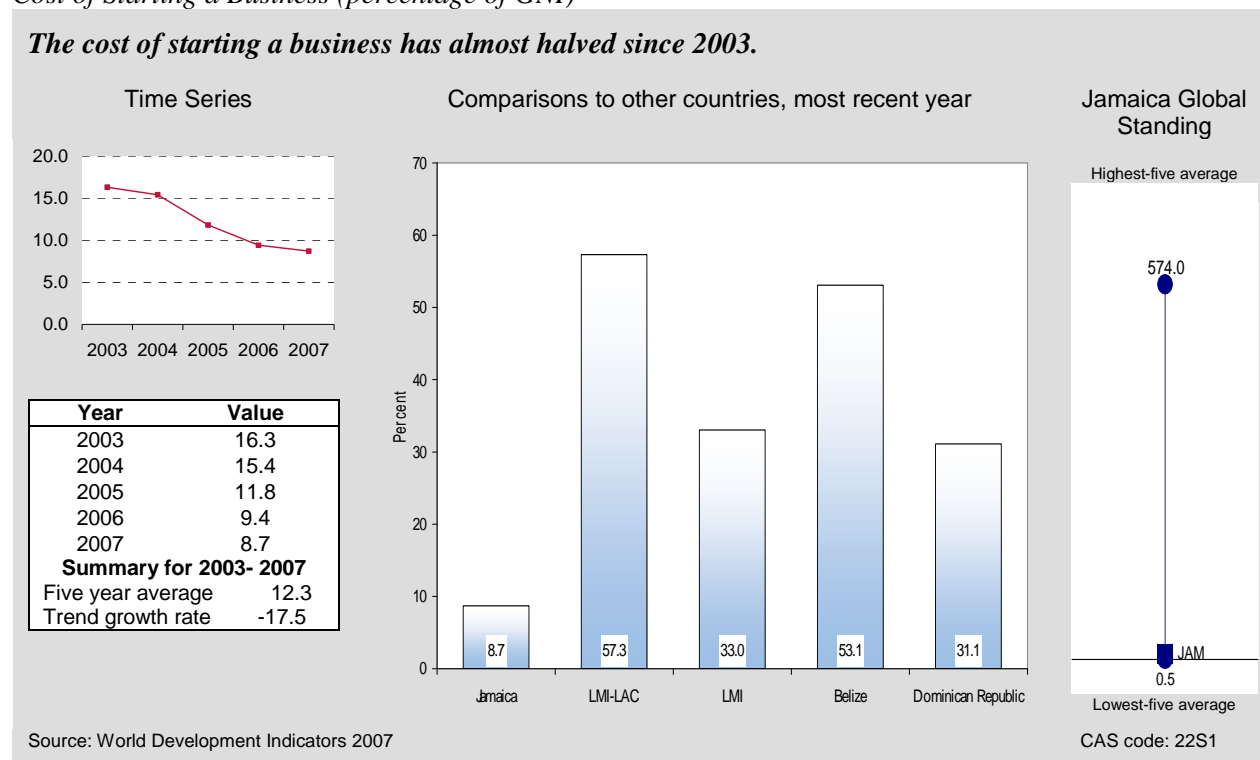
Jamaica’s legal system does not allow for quick resolution of disputes. For instance, it takes 565 days to enforce a contract and 54 days to register property, though procedures for both are on par with regional comparators. While other countries are amending their regulatory environments to

³⁴ Summary of enterprise survey: <http://www.enterprisesurveys.org/ExploreEconomies/>

³⁵ IMF Article IV report, April 2007.

improve their Doing Business scores, Jamaica has done little, and its scores have not improved significantly since 2003. Interventions to streamline processes for resolving legal disputes, combat corruption, and strengthen the rule of law are urgently needed in Jamaica. Without such interventions, the private sector's growth potential will be extremely limited.

Figure 3-3
Cost of Starting a Business (percentage of GNI)

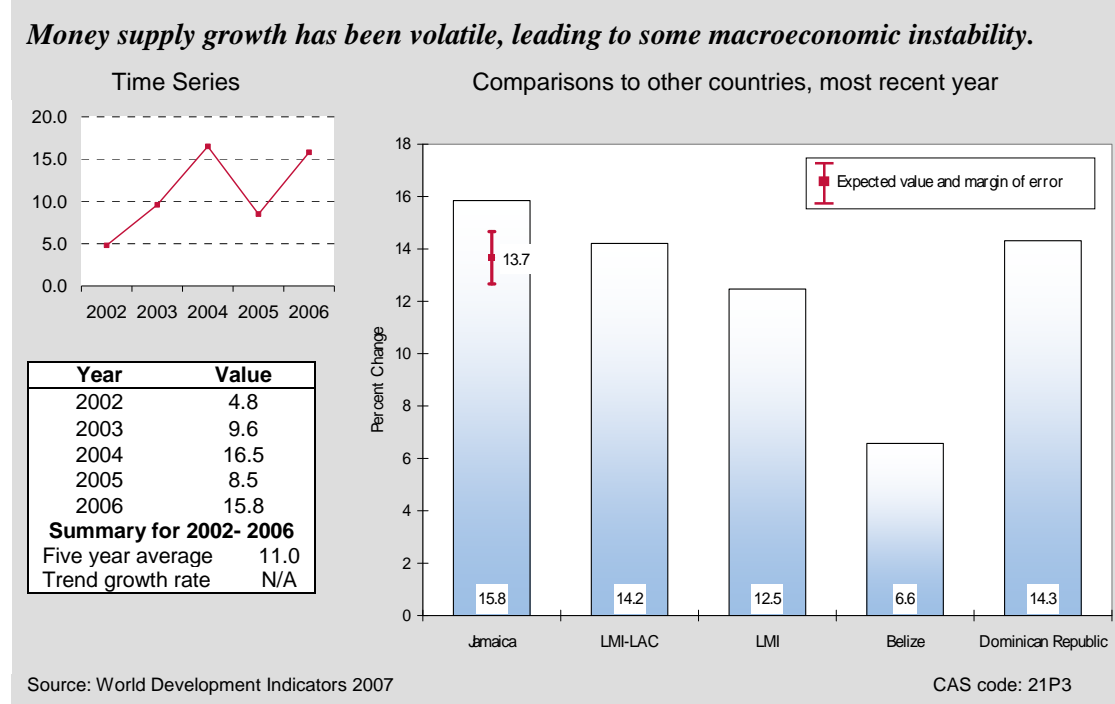


FINANCIAL SECTOR

A sound and efficient financial sector is a key to mobilizing savings, fostering productive investment, and improving risk management. Indicators for Jamaica's financial sector present a mixed picture. In some areas, Jamaica resembles a relatively advanced emerging market economy. For example, monetization, a simple indicator of financial development, is measured by the ratio of broad money (currency plus bank deposits) to GDP. In 2006, Jamaica's money supply was 54.1 percent of GDP,³⁶ almost 16 percentage points higher than the LMI average of 38.4 and the LMI-LAC average of 38. That ratio also compares favorably to the Dominican Republic's ratio of 31.3 percent, while Belize is more monetized at 57.5 percent. See Figure 3-4.

³⁶ This indicator was computed from the IMF's International Financial Statistics (IFS), November 2007, for Jamaica, using the standardized definition of money plus quasi-money. The IMF Article IV report's M2 numbers computed on the basis of Jamaica's national definitions differ from the numbers above.

Figure 3-4
Growth in Money Supply



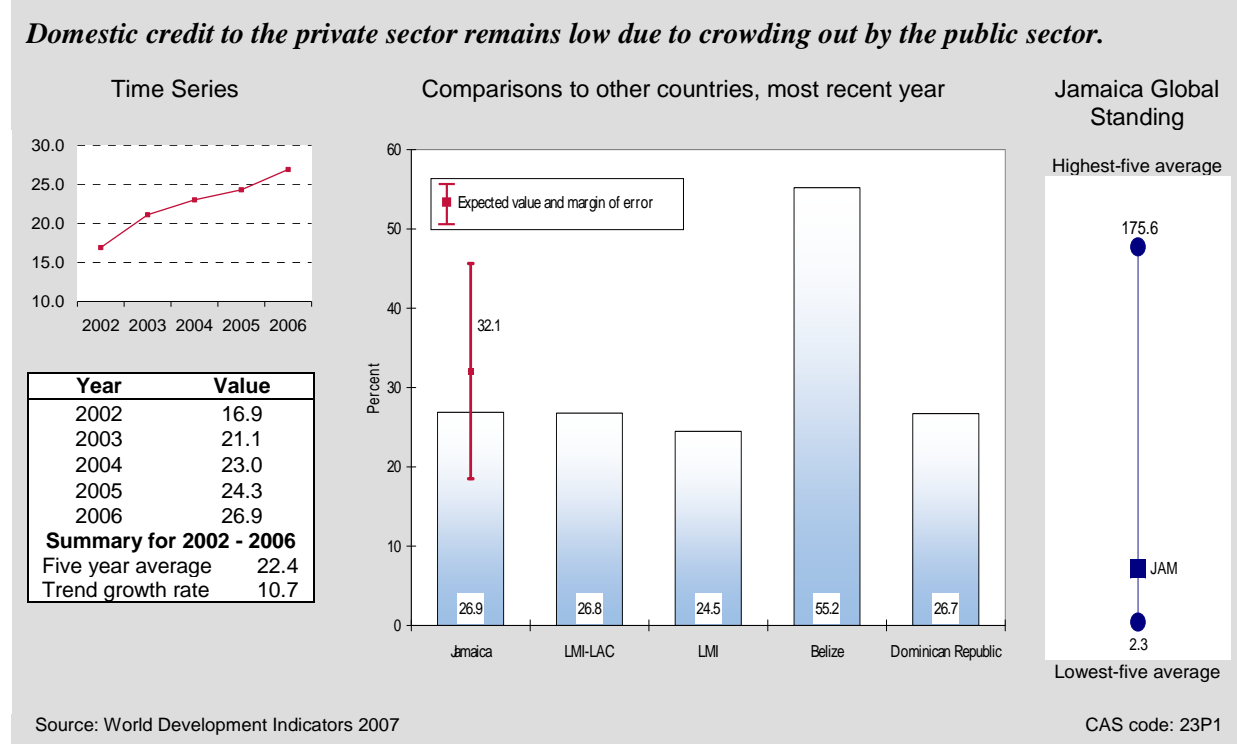
In other areas, Jamaica performs poorly. Credit to the private sector, for example, is low by absolute standards but improving. Measured as a percent of GDP, credit to the private sector rose from 16.9 percent in 2002 to 26.9 percent in 2006, growing 10.7 percent over the five-year period³⁷ (Figure 3-5), on par with the LMI-LAC average of 26.8 percent, and the Dominican Republic's 26.7 percent. This is well below Belize's 55.2 percent. A 2005 survey of firms in Jamaica revealed that more than 70 percent cite access to and cost of financing as "major" or "very severe" obstacles to investment.³⁸ An Inter-American Bank study reports that only one third of the medium and small enterprises it surveyed obtained credit from commercial banks, the rest turned to informal sources.³⁹ A major factor influencing credit availability is the level of public debt (see Fiscal and Monetary Policy). The government borrows about 70 percent of GDP from the domestic market—a high rate by any standard—driving interest rates up and crowding out the private sector.

³⁷ There is some discrepancy in domestic credit to the private sector as reported in the IMF IFS, IMF Article IV, WDI, and national sources. We use the IMF IFS November 2007 database.

³⁸ For a summary of the enterprise survey, go to <http://www.enterprisesurveys.org/ExploreEconomies/> and select Jamaica.

³⁹ Inter-American Development Bank, *The Informal Sector in Jamaica*, December 2006, p. 36.

Figure 3-5
Domestic Credit to Private Sector, Percent of GDP



Furthermore, financial intermediation in Jamaica is not efficient as evidenced by the difference between the average bank lending and deposit interest rates (Figure 3-6). In 2006, this spread was 10.6, exceeding the spreads for all comparators; the Dominican Republic's (10.2), the LMI-LAC median (10.1), the LMI median (7.1), and Belize's (6.5). And there is no evidence of improvement in the five years to 2006.

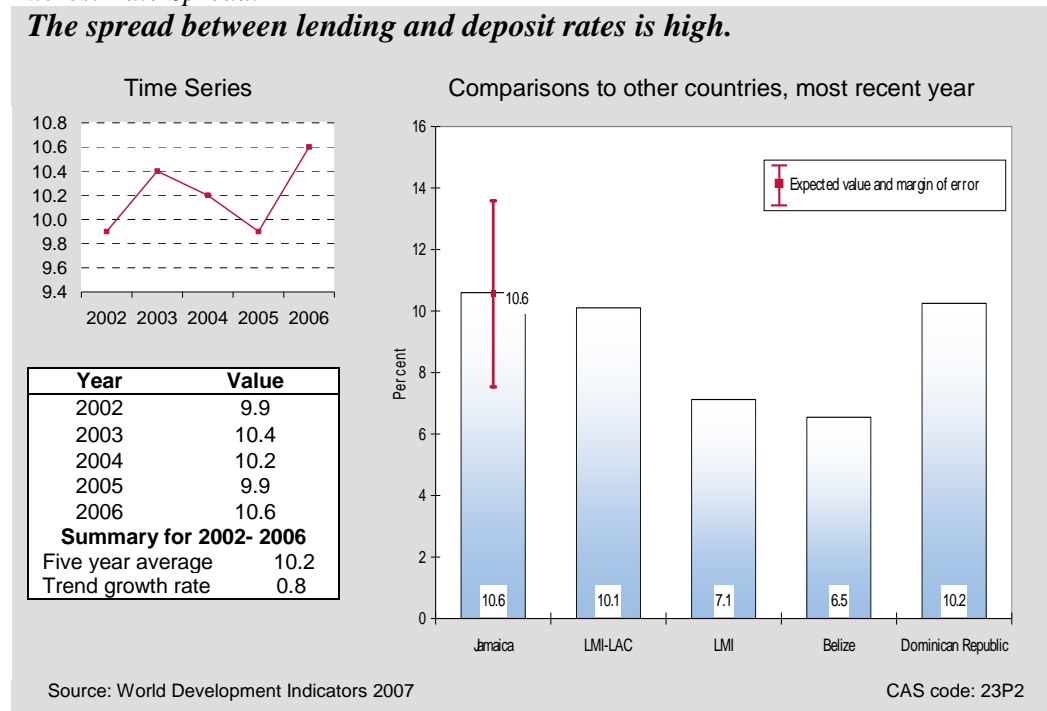
Financial sector institutions pose further constraints. Jamaica scored a 5 on the World Bank's Index of Legal Rights of Borrowers and Lenders for 2006, on a scale of 0 (poor) to 10 (excellent), slightly better than the LMI median score and the Dominican Republic's score (both 4), but below Belize's score of 7. This indicator shows the need for further legal and regulatory reform, particularly in light of the fact that insolvency procedures and creditors' rights may be outdated, as they are based on U.K. legislation of the 1880s.⁴⁰

Jamaica's stock exchange for equities had a capitalization rate of 116.6 percent of GDP for 2006, ten times the LMI-LAC average of 11.9 percent, and more than seven times the LMI average of 15.4 percent. The growth has been led by the so-called *repo business*—short-term household borrowing via hold-in-custody repurchase arrangements to fund investments in high yielding government bonds. In addition, regulatory and temporary tax advantages also contributed to

⁴⁰ See Rodolfe Blavy, Public debt and Productivity: The difficult quest for growth in Jamaica, IMF Working Paper WP/06/235, October 2006.

growth in capitalization.⁴¹ The IMF warns of potential risks in the financial system, particularly the apparent growth of unregulated foreign currency trading schemes promising spectacularly high returns.⁴² The IMF recommends tighter regulation of the securities sector, which has assets amounting to almost half of GDP and making it particularly vulnerable to interest rate and liquidity shocks, as it uses short-term borrowing from households to fund investment in long-term government paper.⁴³

Figure 3-6
Interest Rate Spread.



In the near future Jamaica's financial sector will be more prepared to counter external shocks. As of January 2008, the Bank of Jamaica continued efforts started in 2006 in drafting the Omnibus Banking Bill, which incorporates many of the recommendations made in 2005 by a joint IMF-World Bank Financial Sector Assessment Program.⁴⁴ The IMF also reports notable achievements in improving the legal regime to fight money laundering.⁴⁵ Further donor assistance may be warranted to speed these reforms.

⁴¹ IMF, Article IV Consultation–Staff Report, May 2007, p. 15.

⁴² Ibid, p.15.

⁴³ Ibid, p. 15.

⁴⁴ IMF Country Report No. 06/156 “Jamaica: Financial System Stability Assessment,” March 2006 and http://www.jis.gov.jm/finance_planning/html/20080115T160000-0500_13992_JIS_JDIC_REPORT_OUTLINES_LAWS_PASSED.asp

⁴⁵ IMF, Article IV Consultation–Staff Report, May 2007, p. 14.

EXTERNAL SECTOR

Fundamental changes in international commerce and finance, including lower transport costs, advances in telecommunications technology, and fewer policy barriers, have fueled a rapid increase in global integration in the past 25 years. The international flow of goods and services, capital, technology, ideas, and people offers great opportunities for Jamaica to boost growth and reduce poverty by stimulating productivity and efficiency, providing access to new markets and ideas, and expanding the range of consumer choice. At the same time, globalization creates new challenges, including the need for reforms to take full advantage of international markets, and cost-effective approaches to cope with the resulting adjustment costs.

Jamaica, like many small island nations, is highly dependent on international trade. With a large tourism sector and limited domestic production of consumption goods, its economy is dependent on trade partners, particularly the United States. It is also highly vulnerable to external shocks (e.g., movements in the world price of petroleum, weakening of the U.S. economy) and to fluctuations in production and price of the few primary commodities that constitute the bulk of its exports. These vulnerabilities must be carefully managed to ensure steady growth.

International Trade and Current Account Balance

Jamaica is an open economy with total trade (exports plus imports of goods and services) amounting to 116.4 percent of GDP in 2006. This is higher than the median for LMI countries (83.3 percent), LMI-LAC countries (63.9 percent), and the Dominican Republic (71.7 percent), but close to Belize (118.2 percent).

In terms of goods exports Jamaica is dependent on a few products: aluminum, sugar, alcohol and alcoholic beverages (primarily sugar cane-based distilled spirits), and coffee. In 2004, the latest year for which data are available, three products accounted for 73.2 percent of all commodity exports, indicating high vulnerability. This vulnerability, high as in other small island nations, is higher still if EU trade preferences for the Africa, Caribbean and Pacific Group (ACP) erode for sugar and bananas.⁴⁶ Aluminum exports alone constituted between 60 and 65 percent of commodity exports from 2001 to 2004. Services exports are mostly a function of the strong tourism sector. Services trade is robust at 45.7 percent of GDP in 2006 as compared to 13.8 percent for the LMI-LAC average and 17.5 percent for the LMI average. Total trade (goods and services) as a percent of GDP is 116.4 for the same year indicating that services trade accounts for more than one third of total trade.

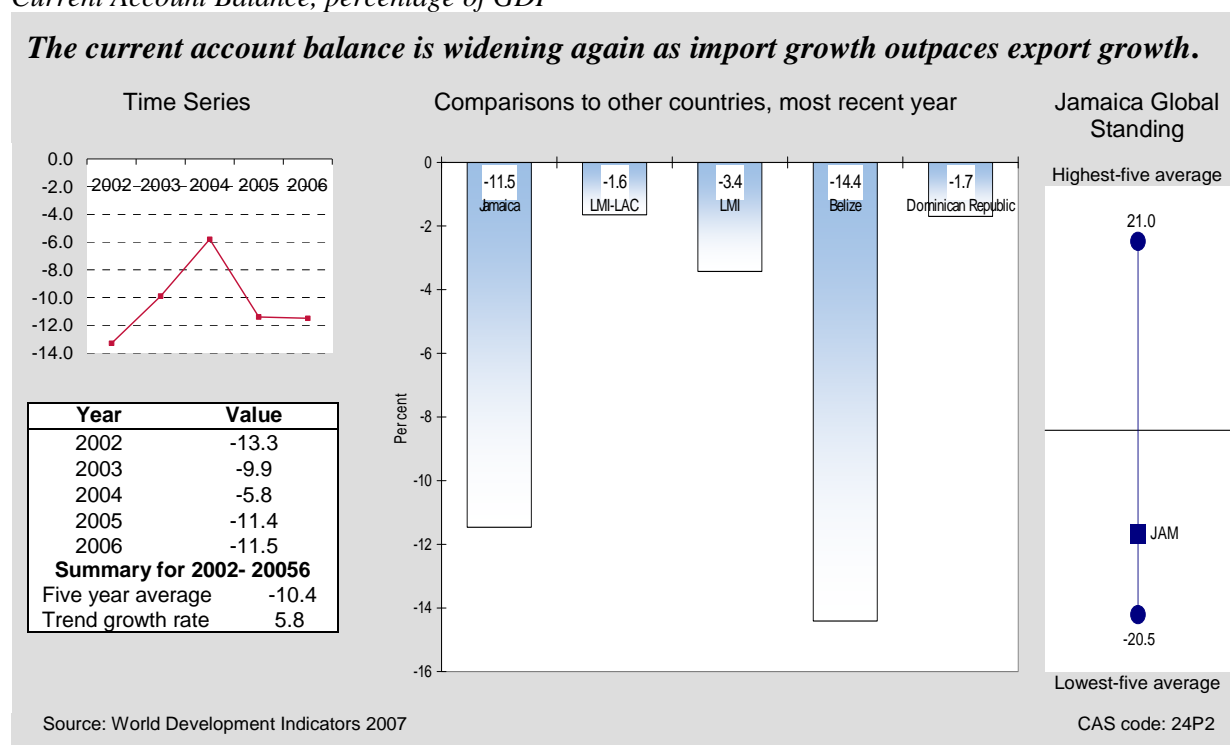
Driven by increases in agricultural exports, tourism, and favorable prices for aluminum, exports grew 19.7 percent in 2006—a welcome improvement from 2005, when exports grew only 2.4 percent because of hurricanes.⁴⁷ Despite good recent performance Jamaica remains dependent on

⁴⁶ IMF, Finance and Development, Preference Erosion: Cause for Alarm? March 2005, p. 28. Exports from these countries have duty-free access in key markets.

⁴⁷ The standard indicator measures the annual growth rate of exports of goods and services in constant local currency units. As noted in section 1 of this report, these data are not available for Jamaica for recent years. We instead use export data, reported in current US\$, from the IMF IFS November 2007 database.

a few products for its export base and therefore is vulnerable to international price shocks and climate based vulnerabilities that can affect supply (such as hurricanes). Export diversification should therefore be prioritized in Jamaica and should be focused on establishing new product areas that move up the value chain and away from basic commodities exports. Export expansion is increasingly important as the value of Jamaica’s imports has almost doubled since 2002, growing by 19 percent in 2006 ⁴⁸ driven by the recovery in foreign direct investment (FDI) and a rapid rise in the world price of petroleum. The rise in imports widened Jamaica’s current account deficit (Figure 3-7). At the end of 2006, it was –11.5 percent of GDP with further risk of widening in 2007.

Figure 3-7
 Current Account Balance, percentage of GDP



Jamaicans living abroad are sending remittances at a record high level (see Figure 3-8). As a percentage of exports, remittances reached 40.6 percent in 2005, greatly exceeding ratios for all comparators: Belize (6.7 percent) Dominican Republic (24.2), and the medians for LMI-LAC countries (21 percent) and LMI countries (7.9 percent). This large and growing source of foreign exchange and national income is indicative of the vast opportunities for Jamaicans outside the country, and the lack of opportunities within it.

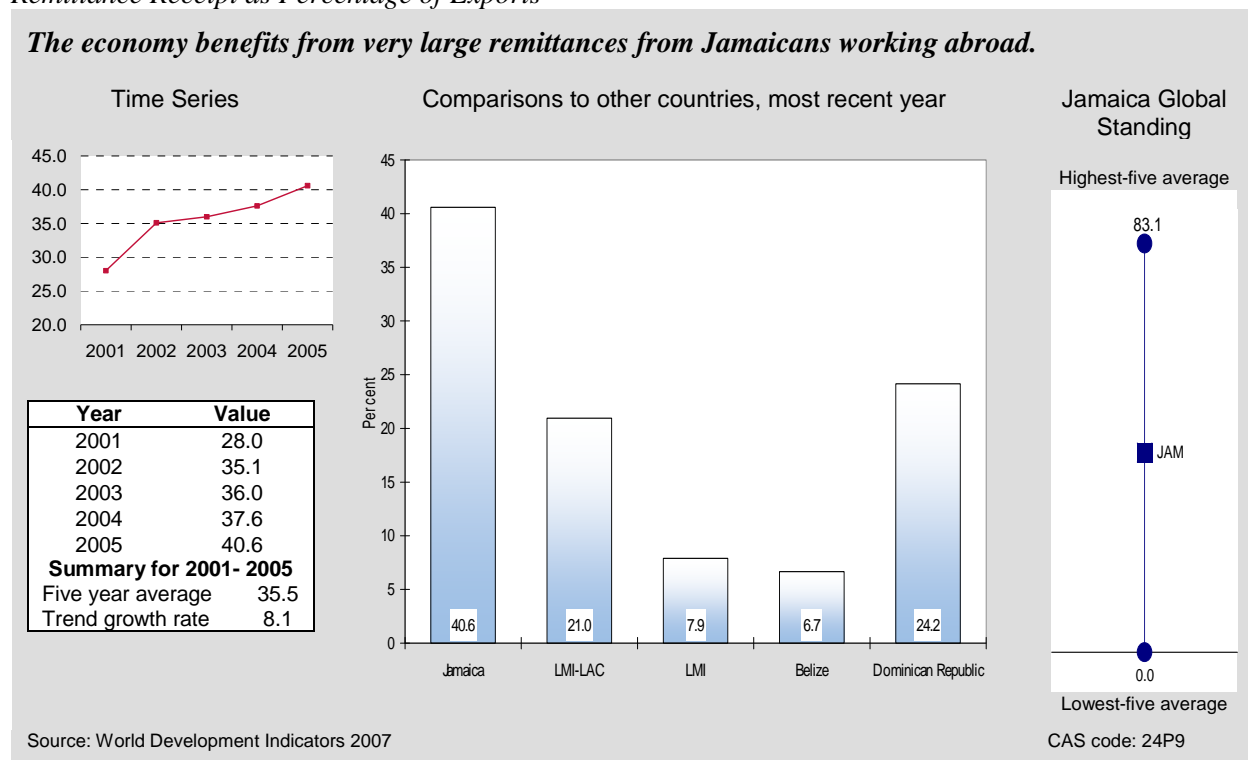
⁴⁸ IMF IFS November 2007.

FDI, External Debt, and Exchange Rate

Foreign direct investment (FDI) can catalyze productivity gains and growth by transferring technology, developing human capital, and enhancing competition. FDI in Jamaica has recovered after a dip in 2004, and reached 8.6 percent of GDP in 2006. That percent dwarves FDI inflows into LMI-LAC countries, where the median was 3.5 percent of GDP, and into LMI countries (2.7 percent). Only Belize fared better, with FDI reaching 11.4 percent of GDP (2005).

The present value of Jamaica's debt obligations is very high, equivalent to 93.2 percent of gross national income (GNI) at the end of 2005, the year of the most recent data available. This is lower than Belize's 116.1 percent but much higher than the expected value (51.8 percent) and nearly double the LMI-LAC and LMI medians of 46.2 and 39 percent. Consequently, Jamaica's ratio of debt service to export earnings—23 percent—is also higher than comparators and above the expected value of 9.1 percent and more than twice the LMI median of 10.1 percent and the LMI-LAC median of 8.8 percent.

Figure 3-8
Remittance Receipt as Percentage of Exports



Despite the repeated interventions of the Bank of Jamaica, the Jamaican dollar has depreciated in the last five years, with the number of Jamaican dollars that can be bought by one US dollar increasing from 48.4 in 2002 to 65.7 in 2006. Jamaica's large and growing current account deficit has been the downward pressure on the value of the Jamaican dollar.

Substantial levels of remittance receipts combined with increases in FDI inflows have increased gross official reserves over the last two years. Gross reserves stand at 3.7 months' of goods and

services imports, on par with the expected value of 3.5 for a country with Jamaica's characteristics, the LMI-LAC median of 3.6 months and the LMI median of 3.3 months. However, the rule of thumb is that economies, particularly open economies, should maintain a reserve ratio of at least 4 months of imports. Given the openness of Jamaica's economy, an adequate level of international reserves is important in cushioning against external shocks.

Despite imbalances arising from surging imports and evident in substantial current account deficits, Jamaica has been able to manage its external sector challenges. However, its twin fiscal and external deficits make it extremely vulnerable to shocks ranging from natural disasters that disrupt export production (e.g., hurricanes), to adverse global price movements (e.g., rising oil prices or declining prices in its own export commodities), to weakening in economic activity among trade partners, such as the United States. A key priority is diversification and value addition in exports, including expansion of manufactured exports.

ECONOMIC INFRASTRUCTURE

Reliable physical infrastructure—for transportation, communications, power, and information technology—provides an essential conduit for commerce, improving competitiveness and expanding productive capacity. Jamaica performs well in infrastructure indicators. Internet use has grown 72.1 percent over the past five years with 403.9 users per 1,000 people. Telephone density is also high at 1,146 per 1,000 people for fixed line and mobile use. Jamaica performs quite well on the Global Competitiveness Report's indicator of overall infrastructure quality, scoring 3.9 on an ascending scale of 1 to 7 (Figure 3-9). High marks for air transportation and port quality drive that score, though rail infrastructure scored a poor 1.3 on the same scale. There is certainly room for improvement, but basic infrastructure does not appear to be a critical constraint on private sector development.

SCIENCE AND TECHNOLOGY

Advances in science and technology often drive growth by spurring innovation and increasing efficiency. Even for LMI countries such as the Jamaica, transformational development often depends on acquiring and adapting technology from the global economy. Lack of capacity to access and use technology impedes the benefits of globalization. Unfortunately, very few international indicators can be used to judge performance in this area for low- and lower-middle-income countries. Jamaica performs on par for those science and technology indicators available as compared to regional comparators. It scores 4 out of 7 on availability of scientists and engineers, a Global Competitiveness Report survey indicator, bettering the LMI-LAC average of 3.6. On the FDI Technology Transfer Index, which weighs the degree to which FDI brings new technology into the country, Jamaica scores 5.2, again bettering the LMI-LAC average of 4.9 but trailing the Dominican Republic (5.5) (Figure 3-10). This score indicates that FDI, which has been growing, is a good proxy source for domestic innovation. On the protection of intellectual property rights, essential in attracting technology-rich FDI and encouraging local innovation, Jamaica scores 3.6, above the LMI-LAC average of 2.8. This score could be improved by implementing comprehensive IPR protection for patents, trademarks and copyright and enforcement.

Figure 3-9
Overall Infrastructure Quality

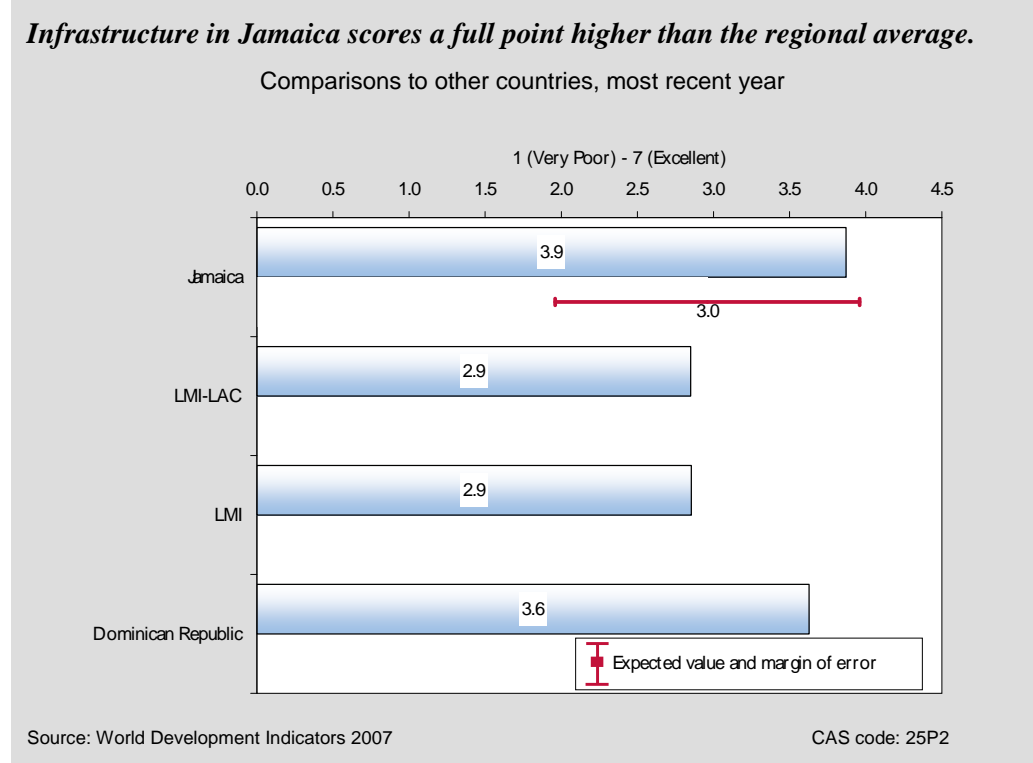
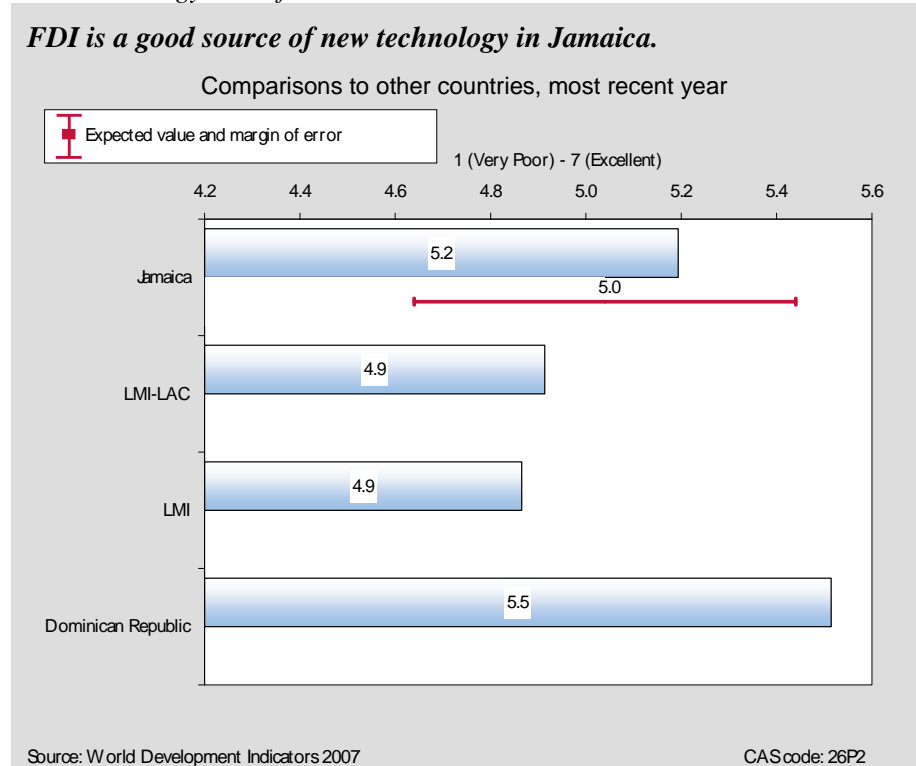


Figure 3-10
FDI Technology Transfer Index



4. Pro-Poor Growth Environment

Rapid growth is the most powerful and dependable instrument for poverty reduction, but the link from growth to poverty reduction is not mechanical. In some circumstances, income growth for poor households exceeds an overall rise in per capita income; in others, the poor are left far behind. A pro-poor growth environment stems from policies and institutions that improve opportunities and capabilities for the poor while reducing their vulnerabilities. Pro-poor growth is associated with investment in primary health and education, the creation of jobs and income opportunities, the development of skills, microfinance, agricultural development, and gender equality. This section focuses on four of these issues: health, education, employment and the workforce, and agricultural development.

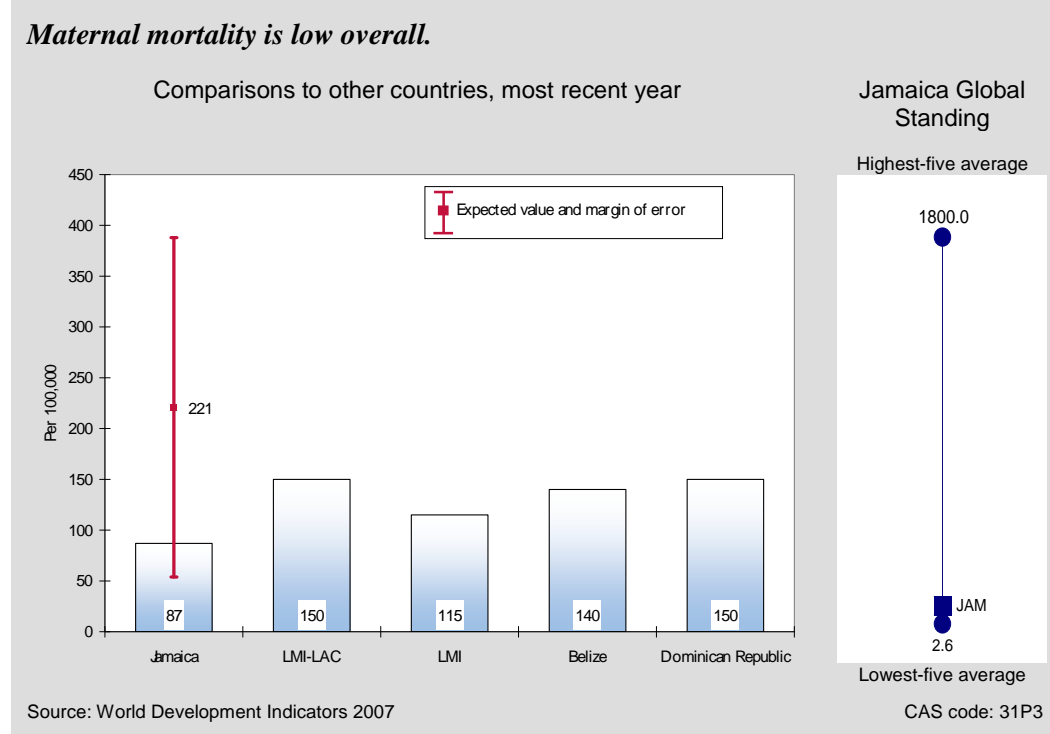
HEALTH

The provision of basic health service is a major form of human capital investment and a significant determinant of growth and poverty reduction. Although health programs do not fall under the purview of EGAT, an understanding of health conditions can influence the design of economic growth interventions.

Life expectancy at birth, commonly regarded as an indicator of health, is 70.9 years in Jamaica, similar to the LMI-LAC average of 70.7 years. Maternal mortality, another indicator of health, is 87 deaths per 100,000 live births in Jamaica, low when compared to the LMI-LAC rate of 150, Belize's 140, and the Dominican Republic's 150 (see Figure 4-1). Ninety-seven percent of births in Jamaica are attended by skilled health personnel. The good maternal mortality and birth attendance rates indicate a robust public healthcare system to which Jamaican women enjoy ready access.

The government's health policies toward children merit attention. In 2005, 86 percent of children under 23 months were vaccinated for four diseases—measles and diphtheria, pertussis (whooping cough), and tetanus (DDPT). This rate, which is lower than in the comparator countries, could be improved. Public health expenditure, though high by absolute standards, has been dropping 3.6 percent for the past five years. Maintenance of public healthcare programs should be monitored as fiscal pressures increase.

Figure 4-1
Maternal Mortality Rate

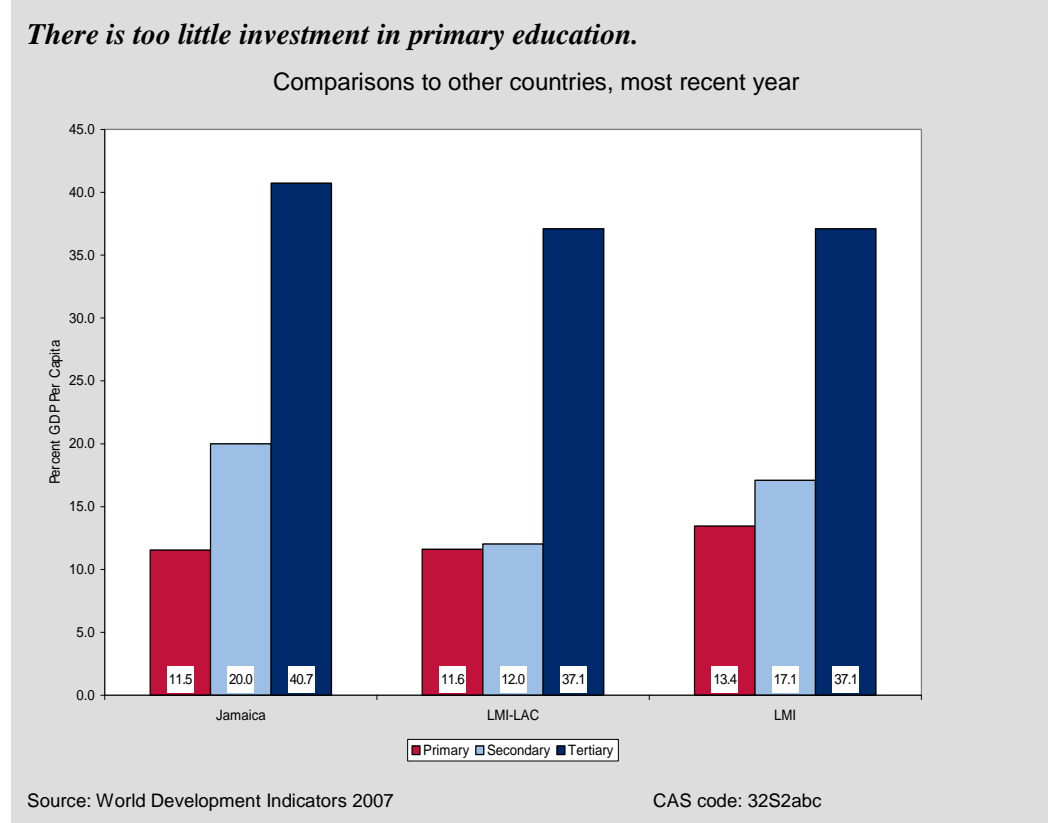


EDUCATION

In turning out skilled and productive workers, education is essential to economic growth. Primary school enrollment in Jamaica is high, though problems with the quality of primary education persist. Net primary enrollment has decreased slightly, going from 76.5 percent in 2001 to 74.7 in 2005. If this trend continues, further steps to improve primary enrollment should be considered. Persistence to grade 5 overall is a high 89.0 percent and even higher for females at 92.4 percent. The pupil-teacher ratio, though decreasing slightly, is still high in absolute terms at 27.5. The Economist Intelligence Unit country report for Jamaica (2007) reports serious problems with the quality of primary education; apparently, one third of primary school graduates are functionally illiterate. Investments in the quality of education, such as providing more teachers and improving teacher training, could improve weak primary educational systems.

Enrollment beyond primary levels declines. Jamaica's net secondary enrollment rate is 79.2 and its gross tertiary enrollment rate is 19.0 percent. Educational expenditure, however, concentrates on the tertiary system, which accounts for 40.7 percent GDP per capita per student. Secondary levels account for only 20.0 and the primary levels for 11.5 percent. For all levels of education, expenditure per student is decreasing. See Figure 4-2.

Figure 4-2
Expenditure per Student at Primary, Secondary, and Tertiary Levels, Percent of GDP per capita

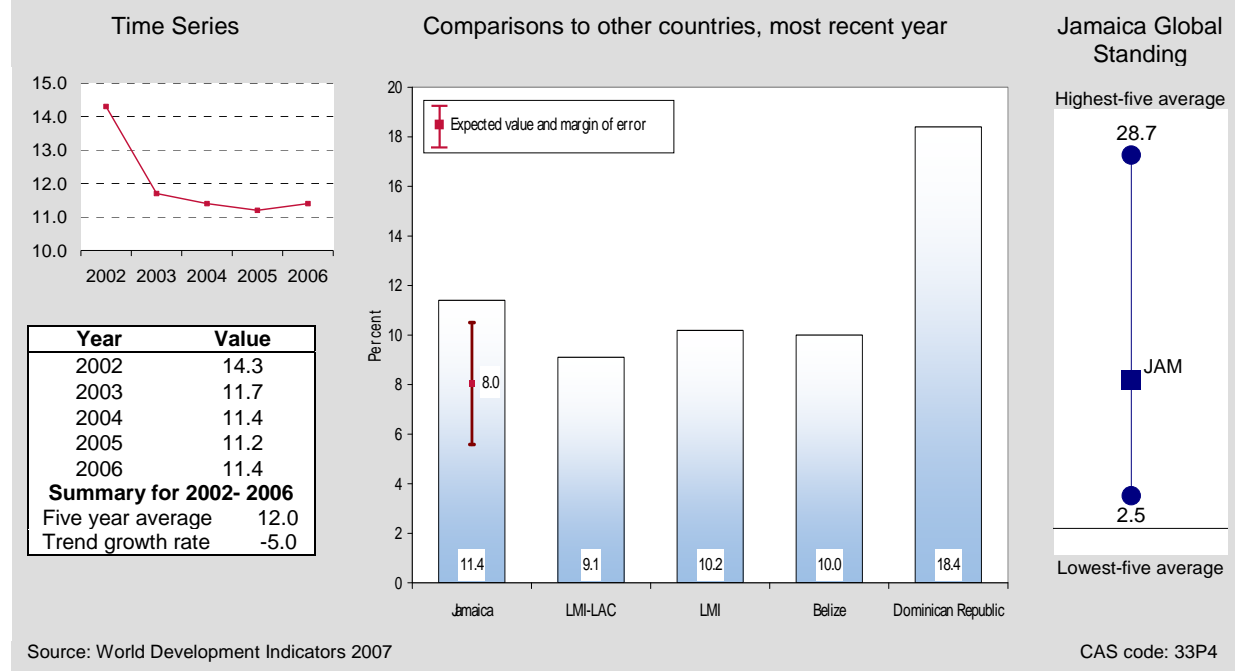


EMPLOYMENT AND WORKFORCE

Jamaica’s labor force participation rate of 71.8 percent is identical to the LMI-LAC average and higher than rates in Belize (67.5 percent) and the Dominican Republic (68.5 percent). The rate, however, has been decreasing 1.2 percent for the five years leading to 2005. Jamaica did not see much growth in the labor force during 2001-2005, when annual labor force growth was less than 0.5 percent, except in 2004 when it was a negative -0.8. Unemployment has been decreasing steadily with a negative growth trend of -5.0 between 2002 and 2006. Unemployment was 11.4 percent in 2006, slightly above the LMI-LAC average of 9.1 percent though high by absolute standards (see Figure 4-3). Jamaica’s flexible hiring and firing practices scored it a 4 on a scale of 0 (minimum rigidity) to 100 (maximum rigidity). But with firing costs equivalent to 61.0 weeks of wages it is “easy but expensive” to fire workers. The lack of jobs in Jamaica is causing a brain drain of skilled workers. Programs that promote job creation should be a priority.

Figure 4-3
Unemployment

Unemployment, though high overall, has been decreasing steadily.



AGRICULTURE

Jamaica's agriculture sector has two distinct components: large-scale commercial farming and subsistence agriculture. Commercial crops include sugarcane, banana, citrus products, coffee, spices, pimento, cacao, and coconuts. Sugar, bananas, and coffee dominate agricultural exports. Commercial operations do fairly well, but are increasingly challenged by unpredictable and harsh weather, rising input costs, and dwindling trade preferences in U.S. and EU markets. Dependence on inputs, such as petroleum-based fertilizers, is evident in Jamaica's dismal agricultural value added—US\$1,796 per worker, a rate low by absolute and regional standards. That rate is lower than the LMI-LAC median of US\$2,054, much lower than the Dominican Republic's US\$4,369, and a fraction of Belize's rate of US\$6,632.

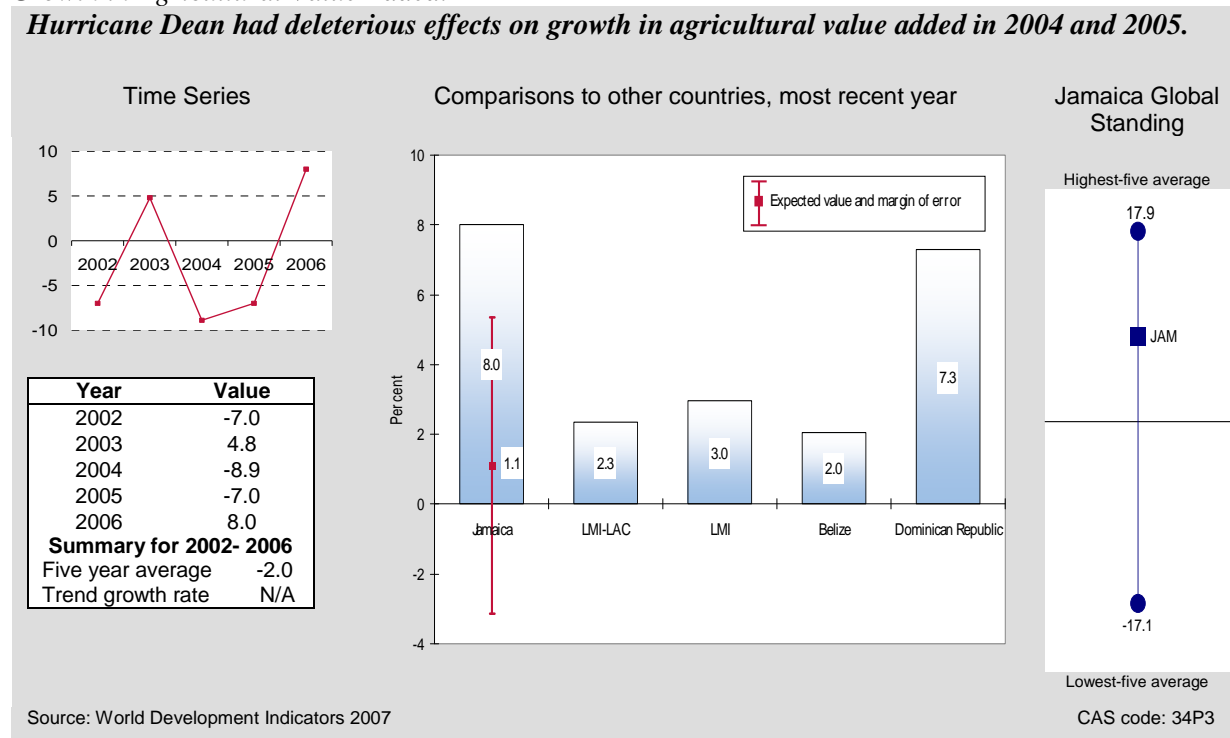
Value addition in the sector is especially vulnerable to weather events. Hurricane Ivan in 2004 and an active hurricane season in 2005 resulted in a decline in agricultural value-added of 8.9 percent and 7.0 percent, respectively, in the two years following. Hurricane Dean, which struck Jamaica in August 2007, has wreaked havoc on agriculture once again, destroying more than half the coffee crop.⁴⁹

⁴⁹ EIU, Jamaica Country Report, October 2007.

Figure 4-4

Growth in Agricultural Value Added.

Hurricane Dean had deleterious effects on growth in agricultural value added in 2004 and 2005.



Productivity in the subsistence sector is extremely low. The many households that rely on agriculture for their livelihood are poor, but agricultural performance remains vital to poverty reduction and achievement of the Millennium Development Goals. The incidence of poverty in the rural areas of Jamaica is more than twice that in Kingston.⁵⁰ Our CAS indicator for cereal yield per hectare is a poor measure for the sector as Jamaica imports 96 percent of cereals consumed.⁵¹ Production in roots and tubers⁵² (16,612 kilograms per hectare), however, far exceeds both the Central American and Caribbean countries average (8,063 kilograms) and world average (12,958 kilograms).⁵³ This level of productivity indicates scope for increases in nontraditional exports from Jamaica such as yam, potato, cassava and other tropical fruits and vegetables.

According to World Economic Forum survey for the 2006 Global Competitiveness Report, Jamaica scores a middling 3.7 (1 for excessively burdensome to 7 for well balanced) on

⁵⁰ World Bank, Country Assistance Strategy Report No. 31830, April 2005.

⁵¹ World Resources Institute, Country Profile: Jamaica (<http://earthtrends.wri.org/text/agriculture-food/country-profile-92/html>)

⁵² This is not a standard CAS indicator.

⁵³ World Resources Institute, http://earthtrends.wri.org/searchable_db/index.php?theme=8&variable_ID=182&action=select_countries

agricultural policy costs. This is on par with regional comparators, confirming that policy is not an excessive burden on the sector.

The commercial sector desperately needs to increase productivity by making sound capital investments and exploring the potential for nontraditional export crops. Greater productivity, in turn, will free labor to move into more productive sectors. Reducing rural poverty requires implementing agricultural best practices and small-scale irrigation and generating non-farm employment to lessen farmers' dependence on rain-fed agriculture as the primary source of livelihood.

Appendix A. CAS Methodology

CRITERIA FOR SELECTING INDICATORS

The economic performance evaluation in this report is designed to balance the need for broad coverage and diagnostic value with a requirement for brevity and clarity. The analysis covers 15 economic growth–related topics, and just over 100 variables. For the sake of brevity, the write-up in the text highlights issues for which the “dashboard lights” appear to be signaling problems, which suggest priorities for USAID intervention. The table below lists all indicators examined for this report. The data supplement in Appendix B presents the complete data set for Jamaica, including data for the benchmark comparisons, and technical notes for every indicator.

For each topic, we begin our analysis by screening *primary performance indicators*. These Level I indicators are selected to answer the question: Is the country performing well or not in this area? The set of primary indicators includes descriptive variables such as per capita income, the poverty head count, and the age dependency rate.

When Level I indicators suggest weak performance, we review a limited set of *diagnostic supporting indicators*. These Level II indicators provide additional details, or shed light on *why* the primary indicators may be weak. For example, if economic growth is poor, one can examine data on investment and productivity as diagnostic indicators. If a country performs poorly on educational achievement, as measured by the youth literacy rate, one can examine determinants such as expenditure on primary education, and the pupil–teacher ratio.¹

The indicators were selected on the basis of the following criteria. Each must be accessible through USAID’s Economic and Social Database or convenient public sources, particularly on the Internet. They should be available for a large number of countries, including most USAID client states, to support the benchmarking analysis. The data should be sufficiently timely to support an assessment of country performance that is suitable for strategic planning purposes. Data quality is another consideration. For example, subjective survey responses are used only when actual measurements are not available. Aside from a few descriptive variables, the indicators must also be useful for diagnostic purposes. Preference is given to measures that are widely used, such as Millennium Development Goal indicators, or evaluation data used by the Millennium Challenge Corporation. Finally, an effort has been made to minimize redundancy. If two indicators provide similar information, preference is given to one that is simplest to understand, or most widely used. For example, both the Gini coefficient and the share of income

¹ Deeper analysis of the topic using more detailed data (Level III) is beyond the scope of this series.

accruing to the poorest 20 percent of households can be used to gauge income inequality. We use the income share because it is simpler and more sensitive to changes.

BENCHMARKING METHODOLOGY

Comparative benchmarking is the main tool used to evaluate each indicator. The analysis draws on several criteria rather than a single mechanical rule. The starting point is a comparison of performance in Jamaica relative to the average for countries in the same income group and region—lower-middle-income countries in Latin America-Caribbean.² We also examine (1) the global average for this income group; (2) respective values for two comparator countries—Belize and the Dominican Republic—approved by the mission in Jamaica; and (3) the average for the five best- and five worst-performing countries globally. Most comparisons are framed in terms of values for the latest year of data from available sources. Five-year trends are also taken into account when this information sheds light on the performance assessment.³

For selected variables, we use statistical regression analysis to establish an expected value for an indicator while controlling for income and regional effects.⁴ This allows us to customize the benchmark to Jamaica's level of income, free the comparison from dependence on the exact choice of reference group, and quantify a margin of error and establish a "normal band" for a country with Jamaica's characteristics. An observed value falling outside this band on the side of poor performance signals a serious problem.⁵

Finally, where relevant, we weigh Jamaica's performance against absolute standards. For example, a corruption perception index below 3.0 is a sign of serious economic governance problems, regardless of the regional comparisons or regression result.

² Income groups as defined by the World Bank for 2004. For this study, the average is defined in terms of the median.

³ The five-year trends are computed by fitting a log-linear regression line through the data points. The alternative of computing average growth from the end points produces aberrant results when one or both of those points diverges from the underlying trend.

⁴ This is a cross-sectional OLS regression using data for all developing countries. For any indicator, Y , the regression equation takes the form: Y (or $\ln Y$, as relevant) = $a + b * \ln \text{PCI} + c * \text{Region} + \text{error}$ – where PCI is per capita income in PPP\$, and Region is a set of 0-1 dummy variables indicating the region in which each country is located. When estimates are obtained for the parameters a , b , and c , the predicted value for the Jamaica is computed by plugging in Jamaica-specific values for PCI and Region. Where applicable, the regression also controls for population size and petroleum exports (as a percentage of GDP).

⁵ This report uses a margin of error of 0.66 times the standard error of estimate (adjusted for heteroskedasticity, where appropriate). With this value, 25 percent of the observations should fall outside the normal range on the side of poor performance (and 25 percent on the side of good performance). Some regressions produce a very large standard error, giving a "normal band" that is too wide to provide a discerning test of good or bad performance.

STANDARD CAS INDICATORS

Indicator	Level	MDG, MCA, or EcGov ^a
Statistical Capacity Indicator	I	EcGov
Growth Performance		
Per capita GDP, in purchasing power parity dollars	I	
Per capita GDP, in current US\$	I	
Real GDP growth	I	
Growth of labor productivity	II	
Investment Productivity, incremental capital-output ratio (ICOR)	II	
Gross fixed investment, % GDP	II	
Gross fixed private investment, % GDP	II	
Poverty and Inequality		
Human poverty index (0 for excellent to 100 for poor)	I	
Income-share, poorest 20%	I	
Population living on less than \$1 PPP per day (lower income countries)/ \$2 PPP per day (lower middle-income countries)	I	MDG
Poverty Headcount, by national poverty line	I	MDG
PRSP Status	I	EcGov
Population below minimum dietary energy consumption	II	MDG
Economic Structure		
Employment or labor force structure	I	
Output structure	I	
Demography and Environment		
Adult literacy rate	I	
Youth dependency rate, or elderly dependency rate (Eastern Europe and Former Soviet Union)	I	
Environmental performance index (0 for poor to 100 for excellent)	I	
Population size and growth	I	
Urbanization rate	I	
Gender		
Girls primary completion rate	I	MCA
Gross enrollment rate, all levels, male, female	I	MDG
Life expectancy at birth, male, female	I	
Labor force participation rate, male, female	I	
Fiscal and Monetary Policy		
Government expenditure, % GDP	I	EcGov
Government revenue, excluding grants, % GDP	I	EcGov
Growth in the broad money supply	I	EcGov
Inflation rate	I	MCA
Overall government budget balance, including grants, % GDP	I	MCA, EcGov

Indicator	Level	MDG, MCA, or EcGov ^a
Composition of government expenditure	II	
Composition of government revenue	II	
Composition of money supply growth	II	
Business Environment		
Control of Corruption Index (-2.5 for poor to 2.5 for excellent)	I	EcGov
Ease of doing business ranking	I	EcGov
Rule of law index (-2.5 for poor to 2.5 for excellent)	I	MCA, EcGov
Regulatory quality index (-2.5 for poor to 2.5 for excellent)	I	MCA, EcGov
Government effectiveness index (-2.5 for poor to 2.5 for excellent)	I	MCA, EcGov
Cost of starting a business	II	MCA, EcGov
Procedures to enforce a contract	II	EcGov
Procedures to register property	II	EcGov
Procedures to start a business	II	EcGov
Time to enforce a contract	II	EcGov
Time to register property	II	EcGov
Time to start a business	II	MCA, EcGov
Total tax payable by business	II	EcGov
Business costs of crime, violence, terrorism index (1 for poor to 7 for excellent)	II	
Senior manager time spent dealing with government regulations	II	EcGov
Financial Sector		
Domestic credit to private sector, % GDP	I	
Interest rate spread	I	
Money supply, % GDP	I	
Stock market capitalization rate, % of GDP	I	
Credit information index (0 for poor to 6 for excellent)	I	
Legal rights of borrowers and lenders index (0 for poor to 10 for excellent)	II	
Real interest rate	II	
Number of active microfinance borrowers	II	
External Sector		
Aid, % GNI	I	
Current account balance, % GDP	I	
Debt service ratio, % exports	I	MDG
Export growth of goods and services	I	
Foreign direct investment, % GDP	I	
Gross international reserves, months of imports	I	EcGov
Gross Private capital inflows, % GDP	I	
Present value of debt, % GNI	I	

Indicator	Level	MDG, MCA, or EcGov ^a
Remittance receipts, % exports	I	
Trade, % GDP	I	
Trade in services, % GDP	I	
Concentration of exports	II	
Inward FDI potential index	II	
Net barter terms of trade	II	
Real effective exchange rate (REER)	II	EcGov
Structure of merchandise exports	II	
Trade policy index (0 for poor to 100 for excellent)	II	MCA, EcGov
Ease of trading across borders ranking	II	EcGov
Economic Infrastructure		
Internet users per 1,000 people	I	MDG
Overall infrastructure quality index (1 for poor to 7 for excellent)	I	EcGov
Telephone density, fixed line and mobile	I	MDG
Quality of infrastructure—railroads, ports, air transport, and electricity	II	
Roads paved, % total roads	II	
Science and Technology		
Expenditure for R&D, % GDP	I	
FDI and technology transfer index (1 for poor to 7 for excellent)	I	
Availability of scientists and engineers index (1 for poor to 7 for excellent)	I	
Science and technology journal articles per million people	I	
IPR protection index (1 for poor to 7 for excellent)	I	
Health		
HIV prevalence	I	
Life expectancy at birth	I	
Maternal mortality rate	I	MDG
Access to improved sanitation	II	MDG
Access to improved water source	II	MDG
Births attended by skilled health workers	II	MDG
Child immunization rate	II	MCA
Prevalence of child malnutrition (weight for age)	II	
Public health expenditure, % GDP	II	MCA, EcGov
Education		
Net primary enrollment rate—female, male, total	I	MDG
Persistence in school to grade 5	I	MDG
Youth literacy rate—all, male, female	I	
Net secondary enrollment rate	I	

Indicator	Level	MDG, MCA, or EcGov ^a
Gross tertiary enrollment rate	I	
Education expenditure, primary, % GDP	II	MCA, EcGov
Expenditure per student, % GDP per capita—primary, secondary, tertiary	II	EcGov
Pupil-teacher ratio, primary school	II	
Employment and Workforce		
Labor force participation rate, total	I	
Rigidity of employment index (0 for minimum to 100 for maximum)	I	EcGov
Size and growth of the labor force	I	
Unemployment rate	I	
Economically active children, % children ages 7-14	I	
Firing costs, weeks of wages	II	EcGov
Agriculture		
Agriculture value added per worker	I	
Cereal yield	I	
Growth in agricultural value-added	I	
Agricultural policy costs index (1 for poor to 7 for excellent)	II	EcGov
Crop production index	II	
Livestock production index	II	
Agricultural export growth	II	

^a Level I = primary performance indicators, Level II = supporting diagnostic indicators

^b MDG—Millennium Development Goal indicator

MCA—Millennium Challenge Account indicator

EcGov—Major indicators of economic governance, which is defined in USAID's Strategic Management Interim Guidance to include "microeconomic and macroeconomic policy and institutional frameworks and operations for economic stability, efficiency, and growth." The term therefore encompasses indicators of fiscal and monetary management, trade and exchange rate policy, legal and regulatory systems affecting the business environment, infrastructure quality, and budget allocations.

Appendix B. Data Supplement

This supplement presents a full tabulation of the data and international benchmarks examined for this report, along with technical notes on the data sources and definitions.

	Growth Performance							
Indicator Number	01P1	11P1	11P2	11P3	11S1	11S2	11S3	11S4
<i>Jamaica Data</i>								
<i>Latest Year (T)</i>	2006	2007	2007	2007	2005	2005	2005	2005/06
Value Year T	77.0	4,654	3,998	1.4	0.6	17.7	31.7	29.9
Value Year T-1	78.0	4,494	3,877	2.5	-0.1	19.9	30.6	28.6
Value Year T-2	75.0	4,270	3,532	1.4	1.5	19.9	29.7	28.7
Value Year T-3	.	4,097	3,323	1.0	0.5	32.7	31.6	.
Value Year T-4	.	3,963	2,965	2.3	0.4	93.7	29.1	.
Average Value, time series	.	4,295	3,539	1.7	0.6	36.8	30.5	29.1
Growth Trend	.	4.1	7.5	.	.	-38.3	1.4	.
<i>Benchmark Data</i>								
Regression Benchmark	.	.	.	3.7	.	.	.	.
Lower Bound	.	.	.	1.3	.	.	.	.
Upper Bound	.	.	.	6.1	.	.	.	.
<i>Latest Year Belize</i>	2006	2007	2007	2006	2005	2005	2005	2005est.
Belize Value Latest Year	43.0	7,872	4,139	5.0	-1.1	3.8	18.8	15.0
<i>Latest Year Dominican Republic</i>	2006	2007	2007	2006	2005	2005	2005	2000
Dominican Rep. Value Latest Year	63.0	9,349	3,774	10.7	7.2	6.4	19.6	20.2
LMI-LAC Average	73.3	4,937	2,662	4.1	1.2	5.6	19.6	19.0
LMI Average	66.5	5,376	2,192	4.9	0.9	5.8	20.2	17.4
High Five Avg.	90.5	43,504	53,335	15.9	11.5	54.5	44.7	30.5
Low Five Avg.	22.7	709	153	-5.4	-8.7	-86.2	8.2	4.4

Poverty and Inequality							
Indicator Number	Human Poverty Index (0 for excellent to 100 for poor)	Income Share, Poorest 20%	Percentage of Population Living on Less Than \$1 PPP per Day	Percentage of Population Living on Less Than \$2 PPP per Day	Poverty Headcount, National Poverty Line	PRSP Status	Population % Below Minimum Dietary Energy Consumption
	12P1	12P2	12P3a	12P3b	12P4	12P5	12S1
<i>Jamaica Data</i>							
<i>Latest Year (T)</i>	2004	2004	2004	2004	2003	.	2002
Value Year T	14.8	5.3	2.0	14.4	14.8	.	10.0
Value Year T-1	.	.	.	.	.	.	.
Value Year T-2	.	.	.	.	.	.	.
Value Year T-3	.	.	.	.	18.7	.	.
Value Year T-4	.	5.9	2.0	16.9	.	.	.
Average Value, time series	.	.	.	.	.	.	.
Growth Trend	.	.	.	.	.	.	.
<i>Benchmark Data</i>							
Regression Benchmark	17.7	3.9	15.6	37.2	42.1	.	.
Lower Bound	12.1	3.0	8.1	28.9	33.9	.	.
Upper Bound	23.3	4.8	23.0	45.6	50.3	.	.
<i>Latest Year Belize</i>	.	.	.	.	.	.	2002
Belize Value Latest Year	.	.	.	.	.	.	5.0
<i>Latest Year Dominican Republic</i>	2004	2004	2004	2004	2004	.	2002
Dominican Rep. Value Latest Year	11.9	4.0	2.8	16.2	42.2	.	27.0
LMI-LAC Average	11.8	3.0	16.5	34.8	47.0	.	12.0
LMI Average	17.1	.	.	.	.	.	11.0
High Five Avg.	57.6	8.7	33.7	69.8	51.2	-	67.0
Low Five Avg.	4.0	3.1	2.0	4.7	22.3	-	2.5

Economic Structure						
	Labor Force Structure (Employment in agriculture, % total)	Labor Force Structure (Employment in industry, % total)	Labor Force Structure (Employment in services, % total)	Output structure (Agriculture, value added, % GDP)	Output structure (Industry, value added, % GDP)	Output structure (Services, etc., value added, % GDP)
Indicator Number	13P1a	13P1b	13P1c	13P2a	13P2b	13P2c
<i>Jamaica Data</i>						
<i>Latest Year (T)</i>	2005	2005	2005	2006	2006	2006
Value Year T	18.0	17.7	64.1	5.1	31.1	63.8
Value Year T-1	18.5	18.3	63.2	5.7	33.1	61.2
Value Year T-2	20.4	17.4	62.1	5.6	32.7	61.7
Value Year T-3	20.1	17.3	62.4	5.5	31.7	62.8
Value Year T-4	20.7	17.1	61.9	5.9	31.2	62.8
Average Value, time series	19.5	17.6	62.7	5.6	32.0	62.5
Growth Trend	-3.6	1.3	0.8	-2.6	0.4	0.0
<i>Benchmark Data</i>						
Regression Benchmark	25.9	18.7	51.8	15.1	24.4	60.6
Lower Bound	19.3	15.4	46.7	9.3	18.9	54.4
Upper Bound	32.5	21.9	57.0	20.9	29.8	66.7
<i>Latest Year Belize</i>	1999	1999	1999	2005	2005	2005
Belize Value Latest Year	27.5	17.0	55.3	14.1	17.7	68.2
<i>Latest Year Dominican Republic</i>	2002	2002	2002	2006	2006	2006
Dominican Rep. Value Latest Year	15.9	21.1	63.0	12.3	26.2	61.4
LMI-LAC Average	21.0	20.0	58.1	11.3	29.7	56.6
LMI Average	30.3	20.2	49.0	15.1	31.4	52.9
High Five Avg.	54.7	38.6	79.7	63.6	67.6	80.6
Low Five Avg.	0.4	11.1	30.5	2.2	11.6	19.7

Demography and Environment							
	Adult Literacy Rate	Youth Dependency Rate	Elderly Dependency Rate	Environmental Performance Index (1 to 100)	Population Size (Millions)	Population Growth, Annual %	Urbanization Rate
Indicator Number	14P1	14P2a	14P2b	14P3	14P4a	14P4b	14P5
<i>Jamaica Data</i>							
<i>Latest Year (T)</i>	2006	2005	2005	2006	2006	2006	2006
Value Year T	79.9	51.0	12.3	74.7	2.7	0.4	53.4
Value Year T-1	.	52.1	12.4	.	2.7	0.5	53.1
Value Year T-2	.	53.1	12.6	.	2.6	0.4	52.8
Value Year T-3	.	54.1	12.7	.	2.6	0.5	52.6
Value Year T-4	87.6	54.9	12.8	.	2.6	0.5	52.3
Average Value, time series	.	53.0	12.6	.	2.6	0.5	52.8
Growth Trend	.	-1.9	-1.0	.	0.7	-4.3	0.5
<i>Benchmark Data</i>							
Regression Benchmark	80.1	59.0	8.0	65.8	.	.	50.2
Lower Bound	71.1	52.4	6.0	60.7	.	.	40.2
Upper Bound	89.1	65.6	10.0	71.0	.	.	60.1
<i>Latest Year Belize</i>	2003.0	2004	2005	.	2006	2006	2006
Belize Value Latest Year	76.9	63.9	7.2	.	0.3	1.9	48.5
<i>Latest Year Dominican Republic</i>	2006	2004	2005	2006	2006	2006	2006
Dominican Rep. Value Latest Year	87.0	52.8	6.6	69.5	9.6	1.5	67.5
LMI-LAC Average	87.3	52.8	8.2	70.2	8.9	1.4	62.8
LMI Average	89.7	57.0	7.8	65.0	6.3	1.5	54.6
High Five Avg.	99.7	99.4	27.5	86.9	611.1	5.5	100.0
Low Five Avg.	24.7	16.6	1.8	31.8	0.0	-0.7	10.4

Gender

	Girls' Primary Completion Rate	Gross Enrollment Rate, All Levels of Education, Male	Gross Enrollment Rate, All Levels of Education, Female	Life Expectancy, Male	Life Expectancy, Female	Labor Force Participation Rate, Male	Labor Force Participation Rate, Female
Indicator Number	15P1	15P2a	15P2b	15P3a	15P3b	15P4a	15P4b
<i>Jamaica Data</i>							
<i>Latest Year (T)</i>	2004	2004	2004	2004	2004	2005	2005
Value Year T	85.7	75.0	79.0	69.0	72.5	82.0	61.8
Value Year T-1	88.5	.	.	.	.	82.5	62.6
Value Year T-2	88.9	.	.	.	.	83.2	64.8
Value Year T-3	84.3	.	.	.	.	83.8	65.6
Value Year T-4	89.2	.	.	.	.	84.2	66.5
Average Value, time series	87.3	.	.	.	.	83.1	64.3
Growth Trend	-0.3	.	.	.	.	-0.7	-1.9
<i>Benchmark Data</i>							
Regression Benchmark	88.2	69.2	69.3	67.6	72.0	86.9	53.0
Lower Bound	78.9	63.1	62.3	64.0	67.9	83.3	44.7
Upper Bound	97.4	75.4	76.4	71.3	76.2	90.5	61.3
<i>Latest Year Belize</i>	2005	2004	2004	2004	2004	2005	2005
Belize Value Latest Year	103.6	81.0	81.0	69.5	74.4	87.7	46.6
<i>Latest Year Dominican Republic</i>	2005	2004	2004	2004	2004	2005	2005
Dominican Rep. Value Latest Year	95.9	70.0	78.0	64.1	71.3	87.0	49.7
LMI-LAC Average	92.6	70.5	77.5	67.6	72.7	87.1	58.1
LMI Average	92.7	70.0	73.0	67.4	72.7	84.7	53.8
High Five Avg.	117.0	101.2	106.8	78.5	84.1	98.6	92.2
Low Five Avg.	22.2	28.2	21.8	35.1	35.1	67.6	19.2

Fiscal and Monetary Policy

	Government Expenditure, % of GDP	Government Revenue, % of GDP	Growth in the Money Supply	Inflation Rate	Overall Budget Balance, Including Grants, % of GDP	Composition of Government Expenditure (Wages and salaries)	Composition of Government Expenditure (Goods and services)	Composition of Government Expenditure (Interest payments)	Composition of Government Expenditure (Subsidies and other current transfers)	Composition of Government Expenditure (Capital expenditure)
Indicator Number	21P1	21P2	21P3	21P4	21P5	21S1a	21S1b	21S1c	21S1d	21S1e
<i>Jamaica Data</i>										
<i>Latest Year (T)</i>	2005/06	2005/06	2006	2006	2005/06	2005/06	.	2005/06	.	2005/06
Value Year T	32.7	29.0	15.8	8.6	-4.8	30.0	.	45.0	.	5.6
Value Year T-1	36.7	31.2	8.5	15.3	-8.6	31.5	.	47.3	.	5.4
Value Year T-2	36.0	29.4	16.5	13.5	-9.7	33.8	.	49.3	.	3.1
Value Year T-3	35.7	28.1	9.6	10.5	-10.8	.	.	.	.	.
Value Year T-4	32.6	27.0	4.8	7.1	-6.1	.	.	.	.	.
Average Value, time series	34.7	28.9	11.0	11.0	-8.0	31.0	50.8	34.5	0.7	.
Growth Trend	0.3	2.5	22.8	7.6	7.1	.	.	.	.	.
<i>Benchmark Data</i>										
Regression Benchmark	24.7	21.1	13.7	6.6	-1.5	.	.	.	.	.
Lower Bound	17.6	16.1	7.2	3.9	-3.8	.	.	.	.	.
Upper Bound	31.9	26.2	20.1	9.3	0.8	.	.	.	.	.
<i>Latest Year Belize</i>	2005 est.	2005 est.	2005	2006	2005 est.	.	.	.	.	2005 est.
Belize Value Latest Year	23.5	29.0	6.6	4.3	-5.5	.	.	.	.	3.8
<i>Latest Year Dominican Republic</i>	2004	2004	2005	2006	2004	2000	2000	2000	2000	.
Dominican Rep. Value Latest Year	16.2	16.7	14.3	7.6	-0.7	41.5	53.2	4.8	16.5	.
LMI-LAC Average	17.4	21.2	14.2	6.3	-1.0	23.8	39.4	9.7	22.0	.
LMI Average	24.1	26.6	12.5	5.2	-1.5	23.8	41.9	10.5	19.3	.
High Five Avg.	48.8	50.6	107.2	89.7	6.8	69.2	48.8	35.6	71.2	0.0
Low Five Avg.	10.6	8.9	5.2	-1.2	-11.4	3.2	4.6	0.6	16.2	0.0

Fiscal and Monetary Policy (cont'd)

Indicator Number	21S1f	21S2b	21S2c	21S2d	21S2e	21S2f	21S3a	21S3b	21S3c	21S3d	21S3e
<i>Jamaica Data</i>											
<i>Latest Year (T)</i>	2005/06	2005	2005	2005	2005	2005	2006	2006	2006	2006	2006
Value Year T	19.4	32.9	10.1	7.2	19.6	15.2	-21.9	72.9	-5.0	36.9	17.0
Value Year T-1	15.9	32.9	9.3	6.6	21.3	15.9	31.6	89.4	19.4	81.9	-122.3
Value Year T-2	13.8	32.8	9.3	5.9	19.1	17.3	-27.8	59.0	5.0	99.8	-36.1
Value Year T-3	.	33.8	7.7	3.9	7.3	17.5	188.6	138.5	10.2	-36.8	-200.5
Value Year T-4	.	32.0	7.1	3.8	7.0	20.6	-18.1	137.9	98.2	-20.4	-97.6
Average Value, time series	14.0	32.9	8.7	5.5	14.9	17.3	30.5	99.5	25.6	32.3	-87.9
Growth Trend	.	0.3	9.1	17.9	31.3	-7.0	.	-17.1	.	.	.
<i>Benchmark Data</i>											
Regression Benchmark	.	.	.	.	.	.	.	.	.	.	.
Lower Bound	.	.	.	.	.	.	.	.	.	.	.
Upper Bound	.	.	.	.	.	.	.	.	.	.	.
<i>Latest Year Belize</i>	.	.	.	.	.	.	.	.	.	.	.
Belize Value Latest Year	.	.	.	.	.	.	.	.	.	.	.
<i>Latest Year Dominican Republic</i>	2000	2004	2004	2004	2004	2004	.	.	.	.	.
Dominican Rep. Value Latest Year	22.1	40.7	28.3	1.5	1.6	9.3	.	.	.	.	.
LMI-LAC Average	19.8	40.7	6.8	8.7	1.8	15.6	.	.	.	.	.
LMI Average	19.4	35.5	8.3	.	1.4	15.6	.	.	.	.	.
High Five Avg.	0.0	64.6	44.9	45.3	19.8	78.7	-	-	-	-	0.0
Low Five Avg.	0.0	3.1	-1.7	0.4	-	3.0	-	-	-	-	0.0

Business Environment

	Control of Corruption Index (-2.5 for poor to 2.5 for excellent)	Ease of Doing Business Ranking (1 to 178)	Rule of Law Index (-2.5 for poor to 2.5 for excellent)	Regulatory Quality Index (-2.5 for poor to 2.5 for excellent)	Government Effectiveness Index (-2.5 for poor to +2.5 for excellent)	Cost of Starting a Business % GNI per Capita	Procedures to Enforce a Contract	Procedures to Register Property
Indicator Number	22P1	22P2	22P3	22P4	22P5	22S1	22S2	22S3
<i>Jamaica Data</i>								
<i>Latest Year (T)</i>	2006	2007	2006	2006	2006	2007	2007	2007
Value Year T	-0.4	63.0	-0.6	0.3	0.1	8.7	34	5
Value Year T-1	-0.5	63.0	-0.6	0.3	-0.1	9.4	34	5
Value Year T-2	-0.5	.	-0.5	0.2	0.1	11.8	34	5
Value Year T-3	-0.5	.	-0.6	0.2	0.0	15.4	34	5
Value Year T-4	-0.5	.	-0.5	0.3	-0.1	16.3	34	.
Average Value, time series	-0.5	.	-0.5	0.2	0.0	12.3	34	.
Growth Trend	8.0	.	-3.2	6.4	.	-17.5	.	.
<i>Benchmark Data</i>								
Regression Benchmark	-0.3	92.0	-0.4	0.0	-0.3	.	.	.
Lower Bound	-0.5	70.7	-0.7	-0.3	-0.5	.	.	.
Upper Bound	0.0	113.3	-0.1	0.3	-0.1	.	.	.
<i>Latest Year Belize</i>	2006	2007	2006	2006	2006	2007	2007	2007
Belize Value Latest Year	-0.3	59.0	-0.1	-0.2	-0.2	53.1	51	8
<i>Latest Year Dominican Republic</i>	2006	2007	2006	2006	2006	2007	2007	2007
Dominican Rep. Value Latest Year	-0.6	99.0	-0.5	-0.1	-0.4	31.1	34	7
LMI-LAC Average	-0.6	104.5	-0.7	-0.4	-0.5	57.3	37	7
LMI Average	-0.5	102.5	-0.6	-0.4	-0.4	33.0	39	6
High Five Avg.	2.4	-	2.0	1.8	2.2	574.0	54	14
Low Five Avg.	-1.6	-	-1.8	-2.2	-1.7	0.5	23	2

Business Environment (cont'd)							
	Procedures to Start a Business	Time to Enforce a Contract	Time to Register Property	Time to Start a Business	Total Tax Payable by Business, % operating profit	Business Costs of Crime, Violence and Terrorism (1 for poor to 7 for excellent)	Senior Manager Time Spent Dealing with Government Regulations (%)
Indicator Number	22S4	22S5	22S6	22S7	22S8	22S9	22S10
<i>Jamaica Data</i>							
<i>Latest Year (T)</i>	2007	2007	2007	2007	2007	2006	2005
Value Year T	6	565	54	8.0	51.3	2.1	6.3
Value Year T-1	6	565	54	8.0	51.3	2.1	.
Value Year T-2	6	565	54	8.0	51.3	2.3	.
Value Year T-3	7	565	54	31.0	.	1.9	.
Value Year T-4	7	565	.	31.0	.	2.2	.
Average Value, time series	6	565	.	17.2	.	2.1	.
Growth Trend	-5	.	.	-40.6	.	-0.1	.
<i>Benchmark Data</i>							
Regression Benchmark	.	.	.	.	.	.	.
Lower Bound	.	.	.	.	.	.	.
Upper Bound	.	.	.	.	.	.	.
<i>Latest Year Belize</i>	2007	2007	2007	2007	2007	.	.
Belize Value Latest Year	9	892	60	44.0	30.8	.	.
<i>Latest Year Dominican Republic</i>	2007	2007	2007	2007	2007	2006	2005
Dominican Rep. Value Latest Year	9	460	60	22.0	40.2	3.1	8.8
LMI-LAC Average	13	586	46	47.7	41.5	2.7	8.7
LMI Average	11	565	48	41.7	41.7	3.8	.
High Five Avg.	18	1,612	486	287.7	251.2	6.6	17.4
Low Five Avg.	2	183	2	4.3	12.2	1.9	1.5

Financial Sector

	Domestic Credit to Private Sector, % GDP	Interest Rate Spread	Broad Money Supply, % GDP	Stock Market Capitalization Rate, % GDP	Credit Information Index (0 for poor to 6 for excellent)	Legal Rights of Borrowers and Lenders (0 for poor to 10 for excellent)	Real Interest Rate	Number of Active Microfinance Borrowers
Indicator Number	23P1	23P2	23P3	23P4	23P5	23S1	23S2	23S3
<i>Jamaica Data</i>								
<i>Latest Year (T)</i>	2006	2006	2006	2006	2007	2007	2006	2006
Value Year T	26.9	10.6	54.1	116.6	.	5.0	5.9	2,350.0
Value Year T-1	24.3	9.9	52.9	133.7	.	5.0	7.0	.
Value Year T-2	23.0	10.2	54.5	162.2	.	5.0	5.0	.
Value Year T-3	21.1	10.4	53.5	102.6	.	5.0	6.2	.
Value Year T-4	16.9	9.9	56.3	67.9	.	.	9.3	.
Average Value, time series	22.4	10.2	54.3	116.6	.	.	6.7	.
Growth Trend	10.7	0.8	-0.9	13.5	.	.	-7.9	.
<i>Benchmark Data</i>								
Regression Benchmark	32.1	10.6	47.1	54.0	2.6	.	.	.
Lower Bound	18.4	7.5	32.7	21.6	1.3	.	.	.
Upper Bound	45.7	13.6	61.5	86.5	4.0	.	.	.
<i>Latest Year Belize</i>	2006	2005	2006	.	2007	2007	2006	.
Belize Value Latest Year	55.2	6.5	57.5	.	.	7.0	7.8	.
<i>Latest Year Dominican Republic</i>	2006	2005	2006	1999	2007	2007	2006	2006
Dominican Rep. Value Latest Year	26.7	10.2	31.3	0.8	6.0	4.0	14.7	120,345.0
LMI-LAC Average	26.8	10.1	38.0	11.9	5.0	3.0	12.4	.
LMI Average	24.5	7.1	38.4	15.4	3.0	4.0	6.7	.
High Five Avg.	175.6	56.8	185.7	246.3	6.0	9.4	29.4	0.0
Low Five Avg.	2.3	1.5	8.7	1.1	0.0	0.6	-11.9	0.0

External Sector

	Aid, % of GNI	Current Account Balance, % GDP	Debt Service ratio, % Exports	Exports Growth, Goods and Services	Foreign Direct Investment, % GDP	Gross International Reserves, Months of Imports	Gross Private Capital Inflows, % GDP	Present Value of Debt, % GNI	Remittance Receipts, % Exports	Trade, % GDP
Indicator Number	24P1	24P2	24P3	24P4	24P5	24P6	24P7	24P8	24P9	24P10
<i>Jamaica Data</i>										
<i>Latest Year (T)</i>	2005	2006	2005	.	2006	2005	2006	2005	2005	2006
Value Year T	0.4	-11.5	23.0	.	8.6	3.7	12.3	93.2	40.6	116.4
Value Year T-1	0.9	-11.4	21.3	.	7.3	3.6	20.9	89.0	37.6	106.0
Value Year T-2	0.1	-5.8	24.0	.	6.8	2.5	20.8	.	36.0	104.2
Value Year T-3	0.3	-9.9	25.9	.	9.2	3.5	19.7	.	35.1	108.0
Value Year T-4	0.7	-13.3	21.3	.	6.0	4.4	7.9	.	28.0	99.0
Average Value, time series	0.5	-10.4	23.1	.	7.6	3.5	16.3	.	35.5	106.7
Growth Trend	0.2	5.8	-0.4	.	5.1	.	9.5	.	8.1	3.0
<i>Benchmark Data</i>										
Regression Benchmark	5.3	-7.7	9.1	8.3	6.3	3.5	.	51.8	30.2	84.5
Lower Bound	0.5	-12.7	4.1	2.0	4.0	2.1	.	30.4	21.5	62.0
Upper Bound	10.1	-2.7	14.0	14.7	8.7	4.9	.	73.1	38.9	107.1
<i>Latest Year Belize</i>	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005
Belize Value Latest Year	1.3	-14.4	36.9	12.6	11.4	1.0	12.6	116.1	6.7	118.2
<i>Latest Year Dominican Republic</i>	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005
Dominican Rep. Value Latest Year	0.3	-1.7	8.3	6.1	3.5	1.6	3.4	37.2	24.2	71.7
LMI-LAC Average	0.7	-1.6	8.8	6.9	3.5	3.6	4.1	46.2	21.0	63.9
LMI Average	3.1	-3.4	10.1	5.5	2.7	3.3	3.7	39.0	7.9	83.3
High Five Avg.	51.9	21.0	56.8	49.0	90.7	16.4	178.6	352.4	83.1	242.3
Low Five Avg.	-0.2	-20.5	0.6	-15.5	-0.7	0.4	-2.1	10.9	0.0	26.3

External Sector (cont'd)												
Indicator Number	Trade in Services, % GDP	Concentration of Exports	Inward FDI Potential Index (0 for poor to 1 for excellent)	Net Barter Terms of Trade (2000 = 100)	Real Effective Exchange Rate (REER) (1995/96 = 100)	Structure of Merchandise Exports (Agricultural raw materials exports)	Structure of Merchandise Exports (Fuel exports)	Structure of Merchandise Exports (Manufactures exports)	Structure of Merchandise Exports (Ores and metals exports)	Structure of Merchandise Exports (Food exports)	Trade Policy Index (on a scale of 1 to 100)	Ease of Trading Across Borders Ranking
	24P11	24S1	24S2	24S3	24S4	24S5a	24S5b	24S5c	24S5d	24S5e	24S6	24S7
<i>Jamaica Data</i>												
<i>Latest Year (T)</i>	2006	2004	2003-2005	2005	2005/06	2004	2004	2004	2004	2004	2007	2007
Value Year T	45.7	73.20	0.1	89.3	126.3	0.1	2.4	66.2	9.2	22.0	60	92.0
Value Year T-1	43.1	74.8	0.2	101.5	121.3	.	.	.	.	.	60	82.0
Value Year T-2	45.7	73.9	0.2	94.8	115.3	0.2	2.6	64.5	10.0	22.7	64	.
Value Year T-3	47.7	69.8	0.2	94.7	116.2	0.1	1.2	68.1	8.2	22.3	59	.
Value Year T-4	43.4	.	0.2	99.6	135.5	0.2	0.3	73.5	4.0	22.0	61	.
Average Value, time series	45.1	72.9	0.2	96.0	122.9	.	.	.	.	.	61	.
Growth Trend	0.0	.	-4.2	-1.5	-1.0	.	.	.	.	.	0	.
<i>Benchmark Data</i>												
Regression Benchmark	29.1	.	.	.	.	.	.	.	.	.	.	.
Lower Bound	18.4	.	.	.	.	.	.	.	.	.	.	.
Upper Bound	39.8	.	.	.	.	.	.	.	.	.	.	.
<i>Latest Year Belize</i>	2005	.	.	2005	.	2003	2003	2003	2003	2003	2007	2007
Belize Value Latest Year	40.8	.	.	87.4	.	1.1	0.3	13.4	0.0	84.7	57	116.0
<i>Latest Year Dominican Republic</i>	2005	.	2003-2005	2005	.	2001	2001	2001	2001	2001	2007	2007
Dominican Rep. Value Latest Year	18.2	.	0.2	92.2	.	1.6	15.8	34.2	1.7	40.8	64	35.0
LMI-LAC Average	13.8	.	0.1	.	.	2.9	5.7	26.1	2.9	40.8	62	92.0
LMI Average	17.5	.	0.2	97.2	.	2.6	5.2	42.5	1.7	21.1	60	97.0
High Five Avg.	92.1	-	0.5	130.7	-	34.5	92.2	95.2	52.0	87.6	52	-
Low Five Avg.	5.0	-	0.1	65.7	-	0.0	0.0	3.0	0.0	0.2	40	-

Economic Infrastructure

Indicator Number	Internet Users per 1,000 people	Overall Infrastructure Quality (1 for poor to 7 for excellent)	Telephone Density, Fixed Line and Mobile per 1,000 people	Quality of Infrastructure - Air Transport Infrastructure Index (1 for poor to 7 for excellent)	Quality of Infrastructure - Port Infrastructure Quality Index (1 for poor to 7 for excellent)	Quality of Infrastructure - Rail Development Index (1 for poor to 7 for excellent)	Quality of Infrastructure - Quality of Electricity Supply Index (1 for poor to 7 for excellent)	Roads, Paved (% total)
	25P1	25P2	25P3	25S1a	25S1b	25S1c	25S1d	25S2
<i>Jamaica Data</i>								
<i>Latest Year (T)</i>	2004	2006	2005	2006	2006	2006	2006	2004
Value Year T	403.9	3.9	1,146.0	5.5	5.3	1.3	4.4	73.3
Value Year T-1	304.1	.	980.6	.	.	.	.	73.3
Value Year T-2	229.2	.	782.7	.	.	.	.	.
Value Year T-3	38.4	.	618.9	.	.	.	.	.
Value Year T-4	30.9	.	440.1	.	.	.	.	.
Average Value, time series	201.3	.	793.6	.	.	.	.	.
Growth Trend	72.1	.	23.7	.	.	.	.	.
<i>Benchmark Data</i>								
Regression Benchmark	80.2	3.0	318.3	.	.	.	.	.
Lower Bound	30.1	2.5	181.3	.	.	.	.	.
Upper Bound	130.3	3.4	455.3	.	.	.	.	.
<i>Latest Year Belize</i>	2005	.	2005	.	.	.	.	.
Belize Value Latest Year	130.2	.	433.1	.	.	.	.	.
<i>Latest Year Dominican Republic</i>	2005	2006	2005	2006	2006	2006	2006	.
Dominican Rep. Value Latest Year	168.6	3.6	508.1	5.5	3.7	1.2	1.4	.
LMI-LAC Average	70.6	2.9	443.4	4.2	2.8	1.3	3.9	19.0
LMI Average	53.6	2.9	259.7	4.0	3.0	1.7	3.9	49.0
High Five Avg.	667.5	6.6	1,729.7	6.7	6.6	6.5	6.9	100.0
Low Five Avg.	1.0	1.7	9.4	2.2	1.3	1.1	1.5	6.0

Science and Technology					
	Expenditure in Research and Development, % GDP	FDI Technology Transfer Index	Availability of Scientists and Engineers (1 for poor to 7 for excellent)	Scientific and Technology Journal Articles, per Million People	IPR Protection (1 for poor to 7 for excellent)
Indicator Number	26P1	26P2	26P3	26P4	26P5
<i>Jamaica Data</i>					
<i>Latest Year (T)</i>	2002	2006	2006	.	2006
Value Year T	0.1	5.2	4.0	.	3.6
Value Year T-1	0.1	.	.	.	.
Value Year T-2	.	.	.	.	.
Value Year T-3	.	.	.	.	.
Value Year T-4	.	.	.	.	.
Average Value, time series	.	.	.	.	.
Growth Trend	.	.	.	.	.
<i>Benchmark Data</i>					
Regression Benchmark	0.0	5.0	3.8	376.0	3.0
Lower Bound	-0.1	4.7	3.4	336.4	2.7
Upper Bound	0.2	5.4	4.2	415.6	3.3
<i>Latest Year Belize</i>					
Belize Value Latest Year	.	.	.	.	.
<i>Latest Year Dominican Republic</i>					
Dominican Rep. Value Latest Year	.	5.5	3.5	.	3.4
LMI-LAC Average	0.1	4.9	3.6	14.0	2.8
LMI Average	.	4.9	4.2	27.0	2.9
High Five Avg.	3.7	6.1	6.2	17,149.0	6.4
Low Five Avg.	0.1	3.7	2.6	6.0	1.9

Health									
	HIV Prevalence	Life Expectancy at Birth	Maternal Mortality Rate, per 100,000 Live Births	Access to Improved Sanitation	Access to Improved Water Source	Births Attended by Skilled Health Personnel	Child Immunization Rate	Prevalence of Child Malnutrition, Weight for Age	Public Health Expenditure, % GDP
Indicator Number	31P1	31P2	31P3	31S1	31S2	31S3	31S4	31S5	31S6
<i>Jamaica Data</i>									
<i>Latest Year (T)</i>	2005	2005	2000	2004	2004	2003	2005	2002	2004
Value Year T	1.5	70.9	87.0	80.0	93.0	97.0	86.0	3.6	2.8
Value Year T-1	.	.	.	.	.	96.9	83.5	6.4	2.3
Value Year T-2	.	.	.	.	.	.	79.5	.	3.2
Value Year T-3		70.7	.	.	.	.	86.0	3.8	2.5
Value Year T-4		.	.	.	.	.	87.5	5.0	3.3
Average Value, time series	.	.	.	.	.	.	84.5	.	2.8
Growth Trend	.	.	.	.	.	.	-0.6	.	-3.6
<i>Benchmark Data</i>									
Regression Benchmark	0.9	69.8	221.0	.	.	.	.	.	.
Lower Bound	-2.8	66.0	54.0	.	.	.	.	.	.
Upper Bound	4.6	73.6	388.0	.	.	.	.	.	.
<i>Latest Year Belize</i>	2005	2005	2000	2004	2004	.	2005	.	2004
Belize Value Latest Year	2.5	71.8	140.0	47.0	91.0	.	95.5	.	2.7
<i>Latest Year Dominican Republic</i>	2005	2005	2000	2004	2004	2002	2005	2002	2004
Dominican Rep. Value Latest Year	1.1	68.1	150.0	78.0	95.0	98.7	88.0	5.3	1.9
LMI-LAC Average	.	70.7	150.0	78.0	90.0	85.1	88.0	7.6	3.6
LMI Average	.	69.4	115.0	75.0	86.5	89.8	91.0	9.9	3.2
High Five Avg.	33.4	80.9	1,800.0	100.0	100.0	99.6	99.0	44.0	10.2
Low Five Avg.	0.1	37.2	2.6	8.0	26.4	15.0	37.6	5.6	0.7

Education

	Net Primary Enrollment Rate, Total	Net Primary Enrollment Rate, Female	Net Primary Enrollment Rate, Male	Persistence to Grade 5, Total	Persistence to Grade 5, Female	Persistence to Grade 5, Male	Youth Literacy Rate, Total
Indicator Number	32P1a	32P1b	32P1c	32P2a	32P2b	32P2c	32P3a
<i>Jamaica Data</i>							
<i>Latest Year (T)</i>	2005	2005	2005	2002	2002	2002	.
Value Year T	74.7	75.8	73.7	89.0	92.4	86.0	.
Value Year T-1	74.3	75.7	72.9	90.3	92.7	88.0	.
Value Year T-2	73.4	75.1	71.7	88.9	90.8	87.0	.
Value Year T-3	75.0	77.0	73.1	.	.	.	.
Value Year T-4	76.5	78.9	74.2	.	.	.	.
Average Value, time series	74.8	76.5	73.1	.	.	.	.
Growth Trend	-0.6	-1.0	-0.2	.	.	.	.
<i>Benchmark Data</i>							
Regression Benchmark	92.3	.	.	75.9	.	.	88.6
Lower Bound	84.6	.	.	68.3	.	.	80.4
Upper Bound	99.9	.	.	83.4	.	.	96.9
<i>Latest Year Belize</i>	2005	2005	2005	2000	.	.	.
Belize Value Latest Year	65.3	64.5	66.1	91.0	.	.	.
<i>Latest Year Dominican Republic</i>	2005	2005	2005	2004	2000	2000	2006
Dominican Rep. Value Latest Year	75.4	75.5	75.3	85.8	86.4	58.2	94.2
LMI-LAC Average	70.7	70.8	70.6	73.8	77.6	71.5	96.4
LMI Average	72.7	71.6	69.9	81.6	83.1	81.7	97.3
High Five Avg.	100.0	100.0	100.0	99.9	100.0	98.9	99.9
Low Five Avg.	40.0	35.3	44.5	48.1	48.9	46.3	32.8

Education (cont'd)

	Youth Literacy Rate, Male	Youth Literacy Rate, Female	Net Secondary Enrollment Rate, Total	Gross Tertiary Enrollment Rate, Total	Expenditure on Primary Education, % GDP	Educational Expenditure per Student, % GDP per capita, Primary	Educational Expenditure per Student, % GDP per capita, Secondary	Educational Expenditure per Student, % GDP per capita, Tertiary	Pupil-teacher Ratio, Primary School
Indicator Number	32P3b	32P3c	32P4	32P5	32S1	32S2a	32S2b	32S2c	32S3
<i>Jamaica Data</i>									
<i>Latest Year (T)</i>	.	.	2004	2003	2007	2004	2004	2003	2004
Value Year T	.	.	79.2	19.0	1.6	11.5	20.0	40.7	27.5
Value Year T-1	.	.	75.0	19.1	1.6	14.1	22.6	66.1	29.7
Value Year T-2	.	.	75.6	18.1	.	14.9	23.2	79.0	33.8
Value Year T-3	.	.	76.0	15.4	.	15.0	23.6	.	33.6
Value Year T-4	.	.	77.2	.	.	.	.	.	33.6
Average Value, time series	.	.	76.6	.	.	.	.	.	31.6
Growth Trend	.	.	0.4	.	.	.	.	.	-5.3
<i>Benchmark Data</i>									
Regression Benchmark	.	.	53.6	14.8	.	.	.	.	.
Lower Bound	.	.	45.5	7.9	.	.	.	.	.
Upper Bound	.	.	61.7	21.6	.	.	.	.	.
<i>Latest Year Belize</i>	.	.	2005	2004	.	2004	2004	2004	2005
Belize Value Latest Year	.	.	72.6	2.6	.	12.7	18.4	218.4	22.5
<i>Latest Year Dominican Republic</i>	2006	2006	2005	2004	2007	2005	2004	.	2005
Dominican Rep. Value Latest Year	93.0	95.4	53.0	32.9	0.7	8.1	5.5	.	24.3
LMI-LAC Average	95.8	95.7	61.8	20.1	2.1	11.6	12.0	37.1	27.4
LMI Average	97.8	97.8	67.4	16.9	2.1	13.4	17.1	37.1	24.2
High Five Avg.	99.9	99.9	97.8	83.9	6.2	24.3	47.8	470.0	68.3
Low Five Avg.	45.9	21.3	7.8	0.7	0.0	5.9	6.1	11.2	10.0

Employment and Workforce

Indicator Number	Labor Force Participation Rate, Total	Rigidity of Employment Index (0 for minimum rigidity to 100 for maximum rigidity)	Size of the Labor Force	Growth of the Labor Force, Labor Force, Annual % Change	Unemployment Rate	Economically Active Children, % Children Ages 7-14	Firing Costs, Weeks of Wages
	33P1	33P2	33P3a	33P3b	33P4	33P5	33S1
<i>Jamaica Data</i>							
<i>Latest Year (T)</i>	2005	2007	2005	2005	2006	2000	2007
Value Year T	71.8	4.0	1,166,704.0	0.3	11.4	1	61
Value Year T-1	72.4	4.0	1,162,810.5	-0.8	11.2	.	61
Value Year T-2	73.9	4.0	1,172,321.4	0.1	11.4	.	61
Value Year T-3	74.6	.	1,170,964.9	0.2	11.7	.	.
Value Year T-4	75.3	.	1,168,502.8	0.1	14.3	.	.
Average Value, time series	73.6	.	1,168,260.7	0.0	12.0	.	.
Growth Trend	-1.2	.	-0.1	.	-5.0	.	.
<i>Benchmark Data</i>							
Regression Benchmark	70.0	25.7	.	3.2	8.0	15.3	.
Lower Bound	65.4	14.8	.	1.7	5.6	4.7	.
Upper Bound	74.6	36.5	.	4.6	10.5	26.0	.
<i>Latest Year Belize</i>	2005	2007	2005	2005	2002	2001	2007
Belize Value Latest Year	67.5	14.0	116,082.9	4.9	10.0	7	24
<i>Latest Year Dominican Republic</i>	2005	2007	2005	2005	2004	2000	2007
Dominican Rep. Value Latest Year	68.5	32.0	3,847,695.9	2.6	18.4	13	88
LMI-LAC Average	71.8	30.0	3,847,695.9	2.6	9.1	13	68
LMI Average	68.3	32.0	2,503,190.9	2.5	10.2	.	52
High Five Avg.	92.3	72.6	306,821,409.0	8.1	28.7	70	226
Low Five Avg.	49.7	0.0	51,616.0	-1.8	2.5	5	0

Agriculture						
	Agriculture Value Added per Worker	Cereal Yield	Growth in Agricultural Value-Added	Agricultural Policy Costs Index (1 for poor to 7 for excellent)	Crop Production Index (1999-2001 = 100)	Livestock Production Index (1999-2001 = 100)
Indicator Number	34P1	34P2	34P3	34S1	34S2	34S3
<i>Jamaica Data</i>						
<i>Latest Year (T)</i>	2004	2005	2006	2006	2004	2004
Value Year T	1,796	1,160.0	8.0	3.7	98.8	102.0
Value Year T-1	1,965	1,160.0	-7.0	3.7	95.7	101.8
Value Year T-2	1,867	1,164.6	-8.9	3.6	95.6	104.7
Value Year T-3	2,000	1,177.8	4.8	3.4	100.1	103.6
Value Year T-4	1,881	1,190.3	-7.0	.	94.9	98.8
Average Value, time series	1,902	1,170.5	-2.0	.	97.0	102.2
Growth Trend	-1.1	-0.7	.	.	0.4	0.5
<i>Benchmark Data</i>						
Regression Benchmark	1,766	2,149.3	4.2	.	.	.
Lower Bound	1,066	1,530.6	3.1	.	.	.
Upper Bound	2,467	2,768.1	5.3	.	.	.
<i>Latest Year Belize</i>	2004	2005	2005	.	2004	2004
Belize Value Latest Year	6,632	2,523.9	2.0	.	110.5	148.7
<i>Latest Year Dominican Republic</i>	2004	2005	2005	2006	2004	2004
Dominican Rep. Value Latest Year	4,369	4,135.5	7.3	3.6	107.6	99.5
LMI-LAC Average	2,054	2,624.0	2.3	3.6	107.6	108.6
LMI Average	1,415	2,484.7	3.0	3.6	110.9	108.4
High Five Avg.	39,551	7,896.1	17.9	5.2	135.9	148
Low Five Avg.	110	368.6	-17.1	2.5	68.1	86.5

Technical Notes

The following technical notes identify the source for each indicator, provide a concise definition, indicate the coverage of USAID countries, and comment on data quality where pertinent. For reference purposes, a CAS code is also given for each indicator. In many cases, the descriptive information is taken directly from the original sources, as cited.

STATISTICAL CAPACITY

Statistical Capacity Indicator

Source: World Bank, updated annually, at <http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,contentMDK:20541648~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html>

Definition: Provides and evaluation of a country's statistical practice, data collection activities and key indicator availability against a set of criteria consistent with international recommendations. The score ranges from 0 to 100 with a score of 100 indicating that the country meets all the criteria.

Coverage: Data are available for the vast majority of USAID countries.

CAS Code # 01P1

GROWTH PERFORMANCE

Per capita GDP, in Purchasing Power Parity Dollars

Source: IMF World Economic Outlook database, updated every six months, at <http://www.imf.org/external/ns/cs.aspx?id=28>

Definition: This indicator adjusts per capita GDP measured in current U.S. dollars for differences in purchasing power, using an estimated exchange rate reflecting the purchasing power of the various local currencies.

Coverage: Data are available for about 85 USAID countries.

CAS Code #11P1

Per capita GDP, in current US Dollars

Source: IMF World Economic Outlook database, updated every 6 months, at <http://www.imf.org/external/ns/cs.aspx?id=28>

Definition: GDP per capita is gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers plus any product taxes, less any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources.

Coverage: Data are available for about 85 USAID countries.

CAS Code #11P2

Real GDP Growth

Source: IMF World Economic Outlook database, updated every six months; latest country data from IMF Article IV consultation reports:

www.imf.org/external/np/sec/aiv/index.htm

Definition: Annual percentage growth rate of GDP at constant local currency prices

Coverage: Data are available for about 85 USAID countries.

CAS Code #11P3

Growth of Labor Productivity

Source: Best labor market data available for target country, or World Development Indicators. If using WDI, estimated by calculating the annual percentage change of the ratio of GDP (constant 1995 US\$) (NY.GDP.MKTP.KD) to the population age 15–64, which in turn is the product of the total population (SP.POP.TOTL) times the percentage of total population in this age group (SP.POP.1564.IN.ZS).

Definition: Labor productivity is defined here as the ratio of GDP (in constant prices) to the size of the working age population (age 15–64). The more familiar calculation, based on employment, labor force, or work hours, is used where available.

Coverage: Data are available for about 85 USAID countries.

CAS Code # 11S1

Investment Productivity, Incremental Capital-Output Ratio (ICOR)

Source: International benchmark data computed from World Development Indicators most recent publication year, based on the five-year average of the share of fixed investment (NE.GDI.FTOT.ZS) and the five-year average GDP growth (NY.GDP.MKTP.KD.ZG). Updated figures for the target country are computed from IMF Article IV consultation reports.

Definition: The ICOR shows the amount of capital investment incurred per extra unit of output. A high value represents low investment productivity. The ICOR is calculated here as the ratio of the investment share of GDP to the growth rate of GDP, using five-year averages for both the numerator and denominator.

Coverage: Data are available for about 81 USAID countries.

CAS Code #11S2

Gross Fixed Investment, Percentage of GDP

Source: IMF Article IV consultation report for latest country data; international benchmark from the World Development Indicators, most recent publication series NE.GDI.FTOT.ZS.

Definition: Gross fixed investment is spending on replacing or adding to fixed assets (buildings, machinery, equipment and similar goods).

Coverage: Data are available for about 84 USAID countries.

CAS Code # 11S3

Gross Fixed Private Investment, Percentage of GDP

Source: IMF Article IV consultation report, for latest country data; World Development Indicators, for international comparison data (explanation below). The estimation of this indicator involves taking the difference between gross fixed capital formation (percent of GDP) (NE.GDI.FTOT.ZS) and government capital expenditure (percent of GDP). The latter term is the product of government capital expenditure (percent of total expenditure) (GB.XPK.TOTL.ZS) and total government expenditure (percent of GDP) (GB.XPD.TOTL.GD.ZS).

Definition: This indicator measures gross fixed capital formation by nongovernment investors, including spending for replacement or net addition to fixed assets (buildings, machinery, equipment, and similar goods).

Coverage: Available from World Development Indicators 2004 for about 38 USAID countries. Starting in 2005, WDI no longer reports government capital expenditure, which is needed to compute this variable. The reason is that the World Bank has adopted a new system for government finance statistics, which switches from reporting budget performance based on cash outlays and receipts, to a modified accrual accounting system in which government capital formation is a balance sheet entry, and only the consumption of fixed capital (that is, a depreciation allowance) is treated as an expense. The template will include this variable when the required data can be obtained from IMF Article IV consultation report or national data sources. Group and regression benchmarks will be computed from WDI 2004 (since group averages tend to be relatively stable).

Data Quality: National statistics offices may have different methodologies for breaking down total government expenditure into current and capital components. In particular, the data on “development expenditure” in many countries include elements of current expenditure.

CAS Code #11S4

POVERTY AND INEQUALITY

Human Poverty Index

Source: UNDP, Human Development Report.

<http://hdr.undp.org/statistics/data/indicators.cfm?x=18&y=1&z=1> for most recent edition; updates may be found at http://hdr.undp.org/reports/view_reports.cfm?type=1

Definition: The index measures deprivation in terms of not meeting target levels for specified economic and quality-of-life indicators. Values are based on (1) percentage of people not expected to survive to age 40, (2) percentage of adults who are illiterate, and (3) percentage of people who fail to attain a “decent living standard,” which is subdivided into three (equally weighted) separate items: (a) percentage of people without access to safe water, (b) percentage of people without access to health services, and (c) percentage of underweight children. The HPI ranges in value from 0 (zero deprivation incidence) to 100 (high deprivation incidence).

Coverage: Data are available for about 60 USAID countries.

CAS Code #12P1

Income Share, Poorest 20%

Source: World Development Indicators, most recent publication series SI.DST.FRST.20. These are World Bank staff estimates based on primary household survey data obtained from government statistical agencies and World Bank country departments. Alternative source for target countries: the country’s Poverty Reduction Strategy Paper: <http://www.imf.org/external/np/prsp/prsp.asp>

Definition: Share of total income or consumption accruing to the poorest quintile of the population.

Coverage: Data are available for about 59 USAID countries, if one goes back to 1997; for the period since 2000, data are available for about 35 USAID countries.

CAS Code # 12P2

Percentage of Population Living on Less than \$1 PPP per Day

Source: World Development Indicators, most recent publication series SI.POV.DDAY, original data from national surveys. Alternative source for target countries: the country’s Poverty Reduction Strategy Paper:

<http://www.imf.org/external/np/prsp/prsp.asp>

Definition: The indicator captures the percentage of the population living on less than \$1.08 a day at 1993 international prices.

Coverage: Data are available for about 59 USAID countries going back to 1997; data for 2000 or later are available for about 35 USAID countries.

Data Quality: Poverty data originate from household survey questionnaires that can differ widely; even similar surveys may not be strictly comparable because of difference in quality.

CAS Code #12P3a

Percentage of Population Living on Less than \$2 PPP per Day

Source: World Development Indicators, most recent publication series SI.POV.2DAY, original data from national surveys. Alternative source for target countries: the country’s Poverty Reduction Strategy Paper:

<http://www.imf.org/external/np/prsp/prsp.asp>

Definition: The indicator captures the percentage of the population living on less than \$2.15 a day at 1993 international prices.

Coverage: Data are available for about 59 USAID countries going back to 1997; data for 2000 or later are available for about 35 USAID countries.

Data Quality: Poverty data originate from household survey questionnaires that can differ widely; even similar surveys may not be strictly comparable because of difference in quality.

CAS Code #12P3b

Poverty Headcount, National Poverty Line

Source: World Development Indicators, most recent publication series SI.POV.NAHC. Alternative source: the country’s Poverty Reduction Strategy Paper: <http://www.imf.org/external/np/prsp/prsp.asp>

Definition: The percentage of the population living below the national poverty line. National estimates are based on population-weighted estimates from household surveys

Coverage: Data available for only 19 countries for 2000 or later; data are available for about 49 countries going back to 1997. For most target countries, data can be obtained from the PRSP.

Data Quality: Measuring the percentage of people below the “national poverty line” has the disadvantage of limiting international comparisons because of differences in the definition of the poverty line. Most lower-income countries, however, determine the national poverty line by the level of consumption required to have a minimally sufficient food intake plus other basic necessities.

CAS Code #12P4

PRSP Status

Source: World Bank/IMF. A list of countries with a Poverty Reduction Strategy Paper can be found at <http://www.imf.org/external/np/prsp/prsp.asp>

Definition: Yes or no variable showing whether a country has (or not) completed a PRSP (introduced by the World Bank

and IMF to ensure host-country ownership of poverty reduction programs).

Coverage: All countries having PRSPs are so indicated.

CAS Code #12P5

Percent of Population below Minimum Dietary Energy Consumption

Source: UN Millennium Indicators Database at <http://millenniumindicators.un.org/unsd/mdg/Data.aspx>, based on FAO estimates.

Definition: Proportion of the population in a condition of undernourishment. The FAO defines undernourishment as the condition of people whose dietary energy consumption is continuously below a minimum dietary energy requirement for maintaining a healthy life and carrying out light physical activity.

Coverage: Data are available for about 82 USAID countries.

CAS Code # 12S1

ECONOMIC STRUCTURE

Employment or Labor Force Structure

Source: World Development Indicators, most recent publication series SL.AGR.EMPL.ZS for agriculture, series SL.IND.EMPL.ZS for industry, and series SL.SRV.EMPL.ZS for services. Alternative source: CIA World Fact Book:

<https://www.cia.gov/library/publications/the-world-factbook/index.html>

Definition: Employment in each sector is the proportion of total employment recorded as working in that sector. Employees are people who work for a public or private employer and receive remuneration in wages, salary, commission, tips, piece rates, or pay in kind. Agriculture includes hunting, forestry, and fishing. Industry includes mining and quarrying (including oil production), manufacturing, electricity, gas and water, and construction. Services include wholesale and retail trade and restaurants and hotels; transport, storage, and communications; financing, insurance, real estate, and business services; and community, social, and personal services.

Coverage: Data are available for about 37 USAID countries. For most target countries, data can be obtained from PRSP.

Data Quality: Employment figures originate with International Labor Organization. Some countries report labor force structure instead of employment, thus the data must be checked carefully before comparisons are made.

CAS Code #13P1

Output Structure

Source: World Development Indicators, most recent publication series NV.AGR.TOTL.ZS for value added in agriculture as a percentage of GDP; series NV.IND.TOTL.ZS for the share of industry; and NV.SRV.TETC.ZS for the share of services.

Definition: The output structure is composed of value added by major sector of the economy (agriculture, industry, and services) as percentages of GDP, where value added is the net output of a sector after all outputs are added up and intermediate inputs are subtracted. Value added is calculated without deductions for depreciation of fabricated assets or depletion and degradation of natural resources. Agriculture includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Industry includes manufacturing, mining, construction, electricity, water, and gas. Services include wholesale and retail trade (including

hotels and restaurants), transport, and government, financial, professional, and personal services such as education, health care, and real estate services.

Coverage: Data are available for about 86 USAID countries.

Data Quality: A major difficulty in compiling national accounts is the extent of unreported activity in the informal economy. In developing countries a large share of agricultural output is either not exchanged (because it is consumed within the household) or not exchanged for money. This production is estimated indirectly using estimates of inputs, yields, and area under cultivation. This approach can differ from the true values over time and across crops. Ideally, informal activity in industry and services is measured through regular enterprise censuses and surveys. In most developing countries such surveys are infrequent, so prior survey results are extrapolated.

CAS Code #13P2

DEMOGRAPHY AND ENVIRONMENT

Adult Literacy Rate

Source: World Development Indicators, most recent publication series SE.ADT.LITR.ZS, based on UNESCO calculations.

Definition: Percentage of people ages 15 and older who can read and write a short, simple statement about their daily life.

Coverage: Data are available for about 66 USAID countries.

Data Quality: In practice, literacy is difficult to measure. A proper estimate requires census or survey measurements under controlled conditions. Many countries estimate the number of illiterate people from self-reported data, or by taking people with no schooling as illiterate.

CAS Code # 14P1

Youth Dependency Rate

Source: World Development Indicators, most recent publication series.

Definition: Youth dependency rate is calculated as the percentage of the population below age 15 (WDI SP.POP.0014.TO.ZS) divided by the working-age population (those ages 15–64) (WDI SP.POP.1564.TO.ZS)

Coverage: Data are available for about 89 USAID countries.

CAS Code #14P2a

Elderly Dependency Rate

Source: World Development Indicators, most recent publication series.

Definition: This is calculated as percentage of the population over age 65 (WDI SP.POP.65UP.TO.ZS) divided by working-age population (those ages 15–64) (WDI SP.POP.1564.TO.ZS)

Coverage: Data are available for about 89 USAID countries.

CAS Code #14P2b

Environmental Performance Index

Source: Center for International Earth Science Information Network (CIESIN) at Columbia University, and the Center for Environmental Law and Policy at Yale University. <http://www.yale.edu/epi/>.

Definition: The Environmental Performance Index (EPI) is a composite index of national environmental protection, which tracks (1) environmental health, (2) air quality, (3) water resources, (4) biodiversity and habitat, (5) productive natural

resources, and (6) sustainable energy. The index is a weighted average of these six policy categories, with more weight given environmental health, (i.e., $EPI = 0.5 \times \text{environmental health} + 0.1 \times (\text{air quality} + \text{water resources} + \text{productive natural resources} + \text{biodiversity and habitat} + \text{sustainable energy})$). The index values range from 0 (very poor performance) to 100 (very good performance). The 2006 edition is considered a work in progress.

Coverage: Data are available for about 80 USAID countries.
CAS Code #14P3

Population Size and Growth

Source: World Development Indicators, most recent publication series SP.POP.TOTL for total population, and series SP.POP.GROW for the population growth rate.

Definition: Total population counts all residents regardless of legal status or citizenship—except refugees not permanently settled in the country of asylum. Annual population growth rate is based on the de facto definition of population.

Coverage: Data are available for about 88 USAID countries.
CAS Code # 14P4

Percent of Population Living in Urban Areas

Source: World Development Indicators, most recent publication series SP.URB.TOTL.IN.ZS.

Definition: Urban population is the share of the total population living in areas defined as urban in each country. The calculation considers all residents regardless of legal status or citizenship, except refugees.

Coverage: Data are available for about 86 USAID countries.

Data Quality: The estimates are based on national definitions of what constitutes an urban area; since these definitions vary greatly, cross-country comparisons should be made with caution.

CAS Code #14P5

GENDER

Girls' Primary Completion Rate

Source: World Development Indicators, most recent publication series: SE.PRM.CMPT.FE.ZS

Definition: Primary completion rate is the percentage of students completing the last year of primary school. It is calculated by taking the total number of students in the last grade of primary school, minus the number of repeaters in that grade, divided by the total number of children of official graduation age.

Coverage: Data are available for about 80 USAID countries.

Data Quality: Completion rates are based on data collected during annual school surveys, typically conducted at the beginning of the school year. The indicator does not measure the quality of the education.

CAS Code #15P1

Gross Enrollment Rate, All Levels of Education, Male and Female

Source: UNDP Human Development Report <http://hdr.undp.org/hdr2006/statistics/indicators/225.html> and <http://hdr.undp.org/hdr2006/statistics/indicators/224.html>

Definition: The number of students enrolled in primary, secondary, and tertiary levels of education by sex, regardless of age, as a percentage of the population of official school age for the three levels by sex.

Coverage: Data are available for about 80 USAID countries.

Data Quality: Enrollment rates are based on data collected during annual school surveys, typically conducted at the beginning of the school year.

CAS Code #15P2

Life Expectancy, Male and Female

Source: Estimated from UNDP Human Development Indicators:

<http://hdr.undp.org/hdr2006/statistics/indicators/221.html>.

Definition: The number of years a newborn male or female infant would live if prevailing patterns of age and sex-specific mortality rates at the time of birth were to stay the same throughout the child's life.

Coverage: Data are available for about 85 USAID countries.

CAS Code #15P3

Labor Force Participation Rate, Male and Female

Source: Derived from World Development Indicators, but the precise computation differs depending on the edition of WDI used for the data.

To calculate the female labor force participation rate using WDI 2007: the numerator is the labor force, female (% of total labor force) (SL.TLF.TOTL.FE.ZS) times labor force, total (SL.TLF.TOTL.IN); the denominator is simply population ages 15–64, female (SP.POP.1564.FE.IN). Using WDI 2006, the denominator (female population, ages 15–64), can only be estimated by multiplying the total population (SP.POP.TOTL) times the percentage of the population ages 15–64 (SP.POP.1564.IN.ZS) times the percentage of females in the total population (SP.POP.TOTL.FE.ZS).

To calculate the male labor force participation rate using WDI 2004: the numerator is calculated by subtracting the female labor force, derived above, from the total labor force (SL.TLF.TOTL.IN). The denominator is population ages 15–64, male (SP.POP.1564.MA.IN). Using WDI 2006 and subsequent years, the denominator is an estimate of the male population, ages 15–64, calculated as the total population (SP.POP.TOTL) times the percentage ages 15–64 (SP.POP.1564.IN.ZS) times the percentage of males in the total population, where the final factor is computed as 100 minus the percentage of females in the total population (SP.POP.TOTL.FE.ZS).

Definition: The percentage of the working-age population that is in the labor force. The labor force is made up of people who meet the International Labour Organization definition of the economically active population: all people who supply labor for the production of goods and services during a specified period. It includes both the employed and the unemployed.

Coverage: Data are available for about 88 USAID countries.

CAS Code #15P4

FISCAL AND MONETARY POLICY

In the World Development Indicators for 2005, the World Bank has adopted a new system for government budget statistics, switching from data based on cash outlays and receipts to a system with revenues booked on receipt and expenses booked on accrual, in accordance with the IMF's *Government Financial Statistics Manual, 2001*. On the revenue side, the changes are minor, and comparisons to the old system may still be valid. There is a major change, however, in the reporting of capital outlays, which are now treated as balance sheet entries; only the annual capital consumption allowance (depreciation) is reported as an expense. Hence, the data on total *expense* is not comparable

to the former data on total *expenditure*. In addition, WDI 2005 now provides data on the government's cash surplus/deficit; this differs from the previous concept of the overall budget balance by excluding net lending minus repayments (which are now a financing item under net acquisition of financial assets). Many countries do not use the new GFS system, so country coverage of fiscal data in WDI 2005 is limited. For these reasons, the template will continue to use some data from WDI 2004, along with new data from WDI 2005 and subsequent WDI series, as appropriate.

Government Expenditure, Percentage of GDP

Source: IMF Article IV consultation report for latest country data www.imf.org/external/np/sec/aiv/index.htm; International Financial Statistics database for benchmarking (line item 82 divided by GDP).

Definition: Total expenditure of the central government as a percent of GDP.

Gaps: Data available for about 70% of USAID countries.

CAS Code # 21P1

Government Revenue, excluding grants, Percentage of GDP

Source: IMF Article IV consultation report for latest country data www.imf.org/external/np/sec/aiv/index.htm; World Development Indicators for benchmarking data (GB.RVC.TOTL.GD.ZS). Original data from the IMF, Government Finance Statistics Yearbook and data file, and World Bank estimates.

Definition: Government revenue includes all revenue to the central government from taxes and non-repayable receipts (other than grants), measured as a share of GDP. Grants represent monetary aid going to the central government that has no repayment requirement.

Gaps: Data missing for about 24 USAID countries.

CAS Code # 21P2

Growth in Broad Money Supply

Source: Latest country data are from national data sources or from IMF Article IV consultation report: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data are from World Development Indicators, most recent publication, series FM.LBL.MQMY.ZG. Original source of WDI data is IMF, International Financial Statistics, and World Bank estimates.

Definition: Average annual growth rate in the broad money supply, M2 (money plus quasi-money) measured as the change in end-of-year totals relative to the preceding year. M2 comprises the sum of currency outside banks, checking account deposits other than those of the central government, and the time, savings, and foreign currency deposits of resident sectors other than the central government. M2 corresponds to the sum of lines 34 and 35 in the IMF's International Financial Statistics.

Coverage: Data are available for about 81 USAID countries.

CAS Code #21P3

Inflation Rate

Source: IMF World Economic Outlook database, updated every six months, at <http://www.imf.org/external/ns/cs.aspx?id=28>

Definition: Inflation as measured by the consumer price index reflects the annual percentage change in the cost to the average consumer of acquiring a basket of goods and services that may be fixed or changed at specific intervals.

Coverage: Data are available for about 85 USAID countries.

Data Quality: For many developing countries, figures for recent years are IMF staff estimates. Additionally, data for some countries are for fiscal years.

CAS Code # 21P4

Overall Budget Balance, Including Grants, Percentage of GDP

Source: For countries using the new GFS system (see explanation at the beginning of this section), benchmarking data on the government's cash surplus/deficit are obtained from World Development Indicators, most recent publication series GC.BAL.CASH.GD.ZS. For countries that are not yet using the new system, benchmarking data on the overall budget balance are obtained from WDI 2004, series GB.BAL.OVRL.GD.ZS. Latest country data are obtained from national data sources or from IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm.

Definition: The cash surplus/deficit is revenue (including grants) minus expenses, minus net acquisition of nonfinancial assets. This is close to the previous concept of *overall budget balance*, differing only in that it excludes net lending (which is now treated as a financing item, under net acquisition of financial assets).

For countries that are not using the new GFS system, the template will continue to focus on the *overall budget balance*, using data from the alternative sources indicated above. The overall budget deficit is defined as the difference between total revenue (including grants) and total expenditure.

Both concepts measure the central government's financing requirement, which must be met by domestic or foreign borrowing. As noted above, they differ in that the new cash surplus/deficit variable excludes net lending (which is usually a minor item).

Coverage: Data are available in WDI 2006 for less than half USAID countries.

CAS Code # 21P5

Composition of Government Expenditure

Source: The latest country and benchmark data are taken from national data sources or from IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm.

Definition: Central government expenditure, broken down into the following five categories: (1) wages and salaries; (2) goods and services; (3) interest payments; (3) subsidies and other current transfers; (4) capital expenditures; (5) other expenditure.

Coverage: Data are available for the majority of USAID countries. As explained at the beginning of this section, WDI stopped reporting government *expenditures* in 2005. The template will include this variable when the required data can be obtained from IMF Article IV consultation report or national data sources for the target country and the comparison countries. *Data Quality:* Many countries report their revenue in noncomparable categories. Budget data are compiled by fiscal year. If the fiscal year differs from the calendar year, ratios to GDP may be calculated by interpolating budget data from two adjacent fiscal years.

CAS Code # 21S1

Composition of Government Revenue

Source: The latest country and comparison country data are taken from national data sources or from IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking

data are taken directly from WDI 2005 database: (1) taxes on goods and services (% of revenue), series GC.TAX.GSRV.RV.ZS; (2) taxes on income, profits and capital gains (% of revenue), series GC.TAX.YPKG.RV.ZS; (3) taxes on international trade (% of revenue), series GC.TAX.INTT.RV.ZS; (4) other taxes (% of revenue), series GC.TAX.OTHR.RV.ZS; (5) social security contributions (% of revenue), series GC.REV.SOCL.ZS; and (6) grants and other revenue (% of revenue), series GC.REV.GOTR.ZS.

Definition: Breakdown of central government revenue sources by categories outlined above. Each source of revenue is expressed as a percentage of total revenue.

Coverage: Data are available from WDI 2005 for about 46 USAID countries.

Data Quality: Many countries report their revenue in noncomparable categories. If the fiscal year differs from the calendar year, then the ratios to GDP may be calculated by interpolating budget data from two adjacent fiscal years.

CAS Code # 21S2

Composition of Money Supply Growth

Source: Constructed using national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm.

Definition: Identifies the sources of the year-to-year change in the broad money supply (M2), disaggregated into five categories: (1) net domestic credit to the public sector, (2) net domestic credit to the private sector, and (3) net foreign assets (reserves), (4) net credit to non-financial public enterprises, and (5) other items, net. Each component is expressed as a percentage of the annual change (December to December) in M2.

Coverage: Data are available for about 86 USAID countries.

CAS Code # 21S3

BUSINESS ENVIRONMENT

Control of Corruption Index

Source: World Bank Institute
<http://www.govindicators.org>

Definition: The Control of Corruption index is an aggregation of various indicators that measure the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests. Index ranges from -2.5 (for very poor performance) to +2.5 (for excellent performance).

This is also an MCC indicator, under the criterion of ruling justly. The MCC rescales the values as percentile rankings relative to the set of MCA eligible countries, ranging from a value from 0 (for very poor performance) to 100 (for excellent performance). Some country reports use the MCC scaling.

Coverage: Data are available for nearly all USAID countries.

Data Quality: This indicator uses perception and opinions gathered from local businessmen as well as third-party experts; thus, the indicator is largely subjective. Also standard errors are large. For both reasons, international comparisons are problematic, though widely used.

CAS Code # 22P1

Ease of Doing Business Index

Source: World Bank, Doing Business Indicators
<http://rru.worldbank.org/DoingBusiness/>

Definition: The Ease of Doing Business index ranks economies from 1 to 178. The index is calculated as the ranking on the simple average of country percentile rankings on each of the 10 topics covered in Doing Business in 2007: starting a business, dealing with licenses, hiring and firing, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts, and closing a business.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 22P2

Rule of Law Index

Source: World Bank Institute, <http://www.govindicators.org>

This indicator is based on the perceptions of the legal system, drawn from 12 data sources.

Definition: The Rule of Law index is an aggregation of various indicators that measure the extent to which agents have confidence in and abide by the rules of society. Index ranges from -2.5 (for very poor performance) to +2.5 (for excellent performance).

Coverage: Data are available for nearly all USAID countries.

Data Quality: This index is best used with caution for relative comparisons between countries in a single year, because the standard errors are large. Using the index to track a country's progress over time is also difficult because the index does not compensate for changes in the world average. For instance, if the world average decreases in a given year, a country whose score appears to increase may not actually have tangible improvements in its legal environment.

CAS Code #22P3

Regulatory Quality Index

Source: World Bank Institute;

<http://www.govindicators.org>

Definition: The regulatory quality index measures the ability of the government to formulate and implement sound policies and regulations that permit and promote private sector development. It is computed from survey data from multiple sources. The index values range from -2.5 (very poor performance) to +2.5 (excellent performance).

This is also an MCC indicator, under the criterion of encouraging economic freedom. The MCC rescales the values as percentile rankings relative to the set of MCA eligible countries, ranging from a value from 0 (for very poor performance) to 100 (for excellent performance). Some country reports use the MCC scaling.

Gaps: Data are available for nearly all USAID countries.

Data Quality: This index is best used with caution for relative comparisons between countries in a single year, because the standard errors are large. It is also difficult to use the index to track a country's progress over time because the index does not compensate for changes in the world average. For instance, if the world average decreases in a given year, a country whose score appears to increase may not actually have tangible improvements in their legal environment.

CAS Code #22P4

Government Effectiveness Index

Source: World Bank Institute, <http://www.govindicators.org>

Definition: This index, based on 17 component sources, measures "the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies." The index values range from

-2.5 (very poor performance) to +2.5 (excellent performance).

Coverage: Data are available for nearly all USAID countries.
CAS Code #22P5

Cost of Starting a Business

Source: World Bank, Doing Business; Starting a Business category: <http://rru.worldbank.org/DoingBusiness/ExploreTopics/StartingBusiness/CompareAll.aspx>

Definition: Legally required cost to starting a simple limited liability company, expressed as percentage of GNI per capita.

Coverage: Data are available for nearly all USAID countries.
CAS Code #22S1

Procedures to Enforce a Contract

Source: World Bank, Doing Business; Enforcing Contracts category: <http://rru.worldbank.org/DoingBusiness/ExploreTopics/EnforcingContracts/CompareAll.aspx>

Definition: The number of procedures required to enforce a valid contract through the court system, with *procedure* defined as any interactive step the company must take with government agencies, lawyers, notaries, etc. to proceed with enforcement action.

Coverage: Data are available for nearly all USAID countries.
CAS Code # 22S2

Procedures to Register Property

Source: World Bank, Doing Business; Registering Property category: <http://rru.worldbank.org/DoingBusiness/ExploreTopics/RegisteringProperty/CompareAll.aspx>

Definition: Number of procedures required to register the transfer of title for business property. A procedure is defined as any step involving interaction between a company or individual and a third party that is necessary to complete the property registration process.

Coverage: Data are available for nearly all USAID countries.
CAS Code #22S3

Procedures to Start a Business

Source: World Bank, Doing Business; Starting a Business category: <http://rru.worldbank.org/DoingBusiness/ExploreTopics/StartingBusiness/CompareAll.aspx>

Definition: The number of procedural steps required to legalize a simple limited liability company. A procedure is an interaction of a company with government agencies, lawyers, auditors, notaries, and the like, including interactions required to obtain necessary permits and licenses and complete all inscriptions, verifications, and notifications to start operations.

Coverage: Data are available for nearly all USAID countries.
CAS Code # 22S4

Time to Enforce a Contract

Source: World Bank, Doing Business; Enforcing Contracts category: <http://rru.worldbank.org/DoingBusiness/ExploreTopics/EnforcingContracts/CompareAll.aspx>

Definition: Minimum number of days required to enforce a contract through the court system.

Coverage: Data are available for nearly all USAID countries.
CAS Code # 22S5

Time to Register Property

Source: World Bank, Doing Business; Registering Property category: <http://rru.worldbank.org/DoingBusiness/ExploreTopics/RegisteringProperty/CompareAll.aspx>

Definition: The time required to accomplish the full sequence of procedures to transfer a property title from the seller to the buyer when a business purchases land and a building in a peri-urban area of the country's most populous city. Every required procedure is included whether it is the responsibility of the seller, the buyer, or where it is required to be completed by a third party on their behalf.

Coverage: Data are available for nearly all USAID countries.
CAS Code #22S6

Time to Start a Business

Source: World Bank, Doing Business; Starting a Business category: <http://rru.worldbank.org/DoingBusiness/ExploreTopics/StartingBusiness/CompareAll.aspx>

Definition: The number of calendar days needed to complete the required procedures for legally operating a business. If a procedure can be speeded up at additional cost, the fastest procedure, independent of cost, is chosen.

Coverage: Data are available for nearly all USAID countries.
CAS Code #22S7

Total Tax Payable by Business

Source: World Bank, Doing Business, Paying Taxes Category: <http://www.doingbusiness.org/ExploreTopics/PayingTaxes/>

Definition: The amount of taxes payable by a medium-sized business in the second year of operation, expressed as share of commercial profits. The total amount of taxes is the sum of all the different taxes payable after accounting for deductions and exemptions. The taxes withheld but not paid by the company are excluded. The taxes included can be divided into five categories: profit or corporate income tax, social security contributions and other labor taxes paid by the employer, property taxes, turnover taxes and other small taxes (such as municipal fees and vehicle and fuel taxes). Commercial profits are defined as sales minus cost of goods sold, minus gross salaries, minus administrative expenses, minus other deductible expenses, minus deductible provisions, plus capital gains (from the property sale) minus interest expense, plus interest income and minus commercial depreciation.

Coverage: Data are available for nearly all USAID countries
CAS Code #22S8

Business Costs of Crime, Violence and Terrorism Index

Source: Global Competitiveness Report 2006-2007, World Economic Forum. The indicators can be found in the Data Tables, Section VI.

Definitions: The index measures executives' perceptions of the business costs of terrorism in their respective country. Executives grade, on a scale from 1 to 7, whether crime, violence and terrorism impose (1) significant costs on business, or (7) do not impose significant costs on business.

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult, because the data are based on executive perceptions.

CAS Code #22S9

Senior Manager Time Spent Dealing with Government Regulations

Source: World Bank Enterprise Surveys, Bureaucracy section, www.enterprisesurveys.org.

Definitions: Average percentage of senior managers' time that is spent in a typical week dealing with requirements imposed by government regulations such as taxes, customs, labor regulations, licensing and registration, and dealings with officials, and completing forms.

Coverage: Data available for about 80 USAID countries.

Data Quality: Same-timeframe comparisons between countries may be difficult; 15-20 enterprise surveys are conducted per year, with country updates expected approximately every three to five years. Surveys are taken of hundreds of entrepreneurs per country who describe the impact of their country's investment climate on their firm.

CAS Code #22S10

FINANCIAL SECTOR

Domestic Credit to Private Sector, Percentage of GDP

Source: IMF-International Financial Statistics financial section, where available; IMF Article IV consultation reports or national data sources for latest country data; World Development Indicators, most recent publication series FS.AST.PRVT.GD.ZS for benchmarking data. The WDI data originate with the IMF, International Financial Statistics and data files, and World Bank estimates.

Definition: Domestic credit to private sector refers to financial resources provided to the private sector, such as through loans, purchases of non-equity securities, and trade credits and other accounts receivable, that establish a claim for repayment. For some countries, these claims include credit to public enterprises.

Coverage: Data are available for about 82 USAID countries.

CAS Code # 23P1

Interest Rate Spread

Source: World Development Indicators, most recent publication series FR.INR.LNDP. Original data from IMF, International Financial Statistics and data files.

Definition: The difference between the average lending and borrowing interest rates charged by commercial or similar banks on domestic currency deposits.

Coverage: Data are available for about 66 USAID countries.

CAS Code # 23P2

Money Supply, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication series FM.LBL.MQMY.GD.ZS. WDI data originate from IMF, International Financial Statistics and data files, and World Bank and OECD GDP estimates.

Definition: Money supply (M2), also called broad money, is defined as nonbank private sector's holdings of notes, coins, and demand deposits, plus savings deposits and foreign currency deposits. Ratio of M2 to GDP is calculated to assess the degree of monetization of an economy.

Coverage: Data are available for about 81 USAID countries.

Data Quality: In some countries M2 includes certificates of deposits, money market instruments, and treasury bills.

CAS Code # 23P3

Stock Market Capitalization Rate, Percentage of GDP

Source: World Development Indicators, most recent publication, series CM.MKT.LCAP.GD.ZS.

Definition: This variable is defined as the market capitalization, also known as market value (the share price times the number of shares outstanding), of all the domestic shares listed on the country's stock exchange as a percentage of GDP.

Coverage: Data are available for about 54 USAID countries.

CAS Code # 23P4

Credit Information Index

Source: World Bank, Doing Business; Getting Credit Category: <http://www.doingbusiness.org/ExploreTopics/GettingCredit/Default.aspx?direction=asc&sort=2>

Definition: The credit information index measures rules affecting the scope, accessibility and quality of credit information available through either public or private credit registries. The index ranges from 0 to 6, with higher values indicating the availability of more credit information, from either a public registry or a private bureau, to facilitate lending decisions.

Coverage: Data are available for nearly all USAID countries.

Data Quality: The indicator is subjective, as it is based on an opinion poll.

CAS Code # 23P5

Legal Rights of Borrowers and Lenders Index

Source: World Bank Doing Business; Getting Credit category: <http://rru.worldbank.org/DoingBusiness/ExploreTopics/GettingCredit/CompareAll.aspx>. The index is based on data collected through research of collateral and insolvency laws supported by survey data on secured transactions laws.

Definition: The index measures the degree to which collateral and bankruptcy laws facilitate lending. It ranges in value from 0 (very poor performance) to 10 (excellent performance). It includes three aspects related to legal rights in bankruptcy, and seven aspects found in collateral law.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 23S1

Real Interest Rate

Source: World Development Indicators, most recent publication series FR.INR.RINR.

Definition: Real interest rate is the lending interest rate adjusted for inflation, as measured by the GDP deflator.

Coverage: Data are available for about 68 USAID countries.

CAS Code # 23S2

Number of Active Microfinance Borrowers

Source: The Mix Market.

<http://www.mixmarket.org/en/demand/demand.quick.search.asp>.

Definition: An aggregate of the number of current borrowers from microfinance institutions as reported by microfinance institutions to The Mix Market.

Coverage: Data are available for about 68 USAID countries.

Data Quality: Data are only available for those microfinance institutions that report to the Mix Market and data are not always updated in a timely fashion.

CAS Code # 2353

EXTERNAL SECTOR

Aid, Percentage of GNI

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication series DT.ODA.ALLD.GN.ZS.

Definition: The indicator measures official development assistance from OECD countries and official aid from non-OECD countries, as a percentage of the recipient's gross national income.

Coverage: Data are available for about 84 USAID countries.

Data Quality: Data do not include aid given by recipient countries to other recipient countries, and may not be consistent with the country's balance sheets, because data are collected from donors.

CAS Code #24P1

Current Account Balance, Percentage of GDP

Source: Latest country data from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication series BN.CAB.XOKA.GD.ZS, based on IMF, Balance of Payments Statistics Yearbook and data files, World Bank staff estimates, and World Bank and OECD GDP estimates.

Definition: Current account balance is the sum of net exports of goods, services, net income, and net current transfers. It is presented here as a percentage of a country's gross domestic product.

Coverage: Data are available for about 79 USAID countries.

CAS Code # 24P2

Debt Service ratio

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series DT.TDS.DECT.EX.ZS, based on World Bank, Global Development Finance data.

Definition: Total debt service is the sum of principal repayments and interest actually paid in foreign currency, goods, or services on long-term debt, interest paid on short-term debt and repayments (repurchases and charges) to the IMF. Debt is considered as a percent of exports of goods and services, which includes income and workers' remittances.

Coverage: Data are available for about 77 USAID countries.

Data Quality: See data quality comments to the Present value of debt, percent of GNI regarding quality of debt data reported.

CAS Code # 24P3

Exports Growth, Goods and Services

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent

publication, series NE.EXP.GNFS.KD.ZG, based on World Bank national accounts data, and OECD National Accounts data files.

Definitions: Annual growth rate of exports of goods and services based on constant local currency units. Exports include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services, such as communication, construction, financial, information, business, personal, and government services. They exclude labor and property income (formerly called factor services), as well as transfer payments.

Coverage: Data are available for about 81 USAID countries.

CAS Code # 24P4

Foreign Direct Investment, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series BX.KLT.DINV.DT.GD.ZS, based on IMF, International Financial Statistics and Balance of Payments databases, World Bank, Global Development Finance, and World Bank and OECD GDP estimates.

Definition: Foreign direct investment is the net inflow of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This series shows net inflows in the reporting economy.

Coverage: Data are available for about 82 USAID countries.

CAS Code #24P5

Gross International Reserves, Months of Imports

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports:

www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series FI.RES.TOTL.MO.

Definition: Gross international reserves comprise holdings of monetary gold, special drawing rights (SDRs), the reserve position of members in the IMF, and holdings of foreign exchange under the control of monetary authorities expressed in terms of the number of months of imports of goods and services.

Coverage: Data are available for about 77 USAID countries.

CAS Code # 24P6

Gross Private Capital Inflows, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data derived from the International Financial Statistics (sum of lines 78BED and 78BGD, divided by GDP).

Definition: Gross private capital inflows are the sum of the direct and portfolio investment inflows recorded in the balance-of-payments financial account. The indicator is calculated as a ratio to GDP in U.S. dollars.

Coverage: Information on coverage is not easily accessible.

Data Quality: Capital flows are converted to U.S. dollars at the IMF's average official exchange rate for the year shown.

CAS Code #24P7

Present Value of Debt, Percentage of GNI

Source: World Development Indicators, most recent publication series DT.DOD.PVLX.GN.ZS, based on Global Development Finance data.

Definition: Present value of debt is the sum of short-term external debt plus the discounted sum of total debt service payments due on public, publicly guaranteed, and private non-guaranteed long-term external debt over the life of existing loans. The indicator measures the value of debt relative to the GNI.

Coverage: Data are available for about 80 USAID countries.

Data Quality: The coverage and quality of debt data vary widely across countries because of the wide spectrum of debt instruments, the unwillingness of governments to provide information, and a lack of capacity in reporting. Discrepancies are significant when exchange rate fluctuations, debt cancellations, and rescheduling occur.

CAS Code # 24P8

Remittances Receipts, Percentage of Exports

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data are obtained from World Development Indicators, most recent publication. The figure is constructed by dividing workers' remittances (receipts), series BX.TRF.PWKR.CD, by exports of goods and services, series BX.GSR.GNFS.CD.

Definition: Workers' remittances are current transfers by migrants who are employed or intend to remain employed for more than a year in another economy in which they are considered residents. The indicator is the ratio of remittances to exports.

Coverage: Data are available for about 74 USAID countries.

CAS Code # 24P9

Trade, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from World Development Indicators, most recent publication, series NE.TRD.GNFS.ZS.

Definition: The sum of exports and imports of goods and services divided by the value of GDP, all expressed in current U.S. dollars.

Coverage: Data available for about 84 USAID countries.

CAS Code # 24P10

Trade in Services, Percentage of GDP

Source: Latest country data obtained from national data sources or IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm. Benchmarking data from the World Development Indicators, most recent publication, series BG.GSR.NFSV.GD.ZS.

Definition: Trade in services is the sum of service exports and imports divided by the value of GDP, all in current U.S. dollars.

Coverage: Data available for about 80 USAID countries.

CAS Code # 24P11

Concentration of Exports

Source: Constructed with ITC COMTRADE data by aggregating the value for the top three export product groups (SITC Rev.3) and dividing by total exports. Raw data: <http://www.intracen.org/tradstat/sitc3-3d/indexre.htm>

Definition: The percentage of a country's total merchandise exports consisting of the top three products, disaggregated at the SITC (Rev. 3) 3-digit level.

Coverage: Available for about 74 USAID countries.

Data Quality: Smuggling is a serious problem in some countries. For countries that do not report trade data to the United Nations, ITC uses partner country data. There are a number of shortcomings with this approach: ITC does not cover trade with other nonreporting countries; transshipments may hide the actual source of supply; and reporting standards include transport cost and insurance in measuring exports but exclude these items when measuring imports.

CAS Code # 24S1

Inward FDI Potential Index

Source: UNCTAD. Indicator is available at <http://www.unctad.org/Templates/WebFlyer.asp?intItemID=2472&lang=1>.

Definition: Inward FDI Potential Index measures an economy's attractiveness to foreign investors, capturing factors (apart from market size) that are expected to have an impact. The index ranges in value from 0 (for very poor performance) to 1 (for excellent performance). It is an unweighted average of the scores of 12 normalized economic and social variables.

Coverage: Data are available for about 77 USAID countries.

CAS Code # 24S2

Net Barter Terms of Trade

Source: World Development Indicators, most recent publication, series TT.PR1.MRCH.XD.WD

Definition: Net barter terms of trade are calculated as the ratio of the export price index to the corresponding import price index measured relative to the base year 2000.

Coverage: Data are available for about 51 USAID countries.

CAS Code # 24S3

Real Effective Exchange Rate (REER)

Source: IMF Article IV consultation reports: www.imf.org/external/np/sec/aiv/index.htm;

Definition: The REER is an index number with base 2000=100, which measures the value of a currency against a weighted average of foreign currencies. It is calculated as the nominal effective exchange rate divided by a price deflator or index of costs. The IMF defines the REER so that an increase in the value represents a real appreciation of the home currency, and a decrease represents a real depreciation.

Coverage: Information on coverage is not easily accessible.

Data Quality: Changes in real effective exchange rates should be interpreted with caution. For many countries the weights from 1990 onward take into account trade in 1988-90, and an index of relative changes in consumer prices is used as the deflator.

CAS Code # 24S4

Structure of Merchandise Exports

Source: World Development Indicators, most recent publication. Exports from five categories are used: Food exports series TX.VAL.FOOD.ZS.UN; Agricultural raw materials exports series TX.VAL.AGRI.ZS.UN; Manufactures exports series TX.VAL.MANF.ZS.UN; Ores and metals exports series TX.VAL.MMTL.ZS.UN; and Fuel exports series TX.VAL.FUEL.ZS.UN.

Definition: This indicator reflects the composition of merchandise exports by major commodity groups—food, agricultural raw materials, fuels, ores and metals, and manufactures.

Coverage: Data are available for about 78 USAID countries.

Data Quality: The classification of commodity groups follows the Standard International Trade Classification (SITC) revision 1, but most countries report using later revisions of the SITC. Tables are used to convert data reported in one system to another and this may introduce errors of classification. Shares may not sum to 100 percent because of unclassified trade.

CAS Code # 24S5

Trade Policy Index

Source: Index of Economic Freedom, Heritage Foundation: <http://www.heritage.org/research/features/index/downloads.cfm>. The Trade Policy Score (index) is one component of the Index of Economic Freedom.

Definition: The index measures the degree to which government hinders the free flow of foreign commerce, based on a country's weighted average tariff rate (weighted by imports from the country's trading partners), with adjustments for non-tariff barriers and corruption in the customs service. The countries are ranked on a 0-to-100 scale, with a higher score representing greater freedom (low barriers to trade)—a switch from the 5-1 ranking of previous Indexes (in which lower numbers denoted greater freedom).

Coverage: Data are available for about 83 USAID countries.

Data Quality: The index is subjective and at times inconsistent in its treatment of tariffs.

CAS Code # 24S6

Ease of Trading Across Borders Ranking

Source: World Bank, Doing Business, Trading Across Borders category: <http://www.doingbusiness.org/ExploreTopics/TradingAcrossBorders/>

Definitions: The 178 economies covered by the Doing Business report are ranked on the ease with which one may import into and export out of the economy. The ranking is based on a simple average of the economy's ranking on each of the composite indicators for Trading Across Borders: number of documents to import and export, cost to import and export, and time to import and export.

Coverage: Data are available for nearly all USAID countries.

CAS Code # 24S7

ECONOMIC INFRASTRUCTURE

Internet Users per 1,000 people

Source: World Development Indicators, most recent publication series IT.NET.USER.P3, derived from the International Telecommunication Union database.

Definition: Indicator quantifies the number of Internet users, defined as those with access to the worldwide network, per 1,000 people.

Coverage: Data are available for about 88 USAID countries.

CAS Code # 25P1

Overall Infrastructure Quality Index

Source: Global Competitiveness Report 2006–2007, World Economic Forum. The indicator can be found in the Data Tables, Section V. General Infrastructure; 5.01.

Definition: The index measures executives' perceptions of general infrastructure in their respective country. Executives grade, on a scale from 1 to 7, whether general infrastructure in their country is poorly developed (1) or among the best in the world (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executives' perceptions.

CAS Code # 25P2

Telephone Density, Fixed Line and Mobile

Source: World Development Indicators, most recent publication series IT.TEL.TOTL.P3, derived from the International Telecommunication Union database.

Definition: The indicator is the sum of subscribers to telephone mainlines and mobile phones per 1,000 people. Fixed lines represent telephone mainlines connected to the public switched telephone network. Mobile phone subscribers refer to users of cellular-based technology with access to the public switched telephone network.

Coverage: Data are available for about 88 USAID countries.

CAS Code #25P3

Quality of infrastructure—Railroads, Ports, Air Transport and Electricity

Source: Global Competitiveness Report 2006-2007, World Economic Forum. The indicators can be found in the Data Tables, Section V. General Infrastructure; 5.02, 5.03, 5.04, and 5.05 for Railroad, Port; Air Transport, and Electricity, respectively.

Definitions: The index measures executives' perceptions of general infrastructure in their respective country. Executives grade, on a scale from 1 to 7, whether railroads, ports, air transport, and electricity are poorly developed (1) or among the best in the world (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executive perceptions.

CAS Code #25S1

Roads, paved (% total)

Source: World Development Indicators, most recent publication series IS.ROD.PAVE.ZS

Definitions: Paved roads are roads surfaced with crushed stone (macadam) and hydrocarbon binder or bituminized agents, with concrete, or with cobblestones.

Coverage: Data are available for nearly all USAID countries.

CAS Code #25S2

SCIENCE AND TECHNOLOGY

Expenditure in Research and Development, Percentage of GDP

Source: World Development Indicators, most recent publication, series GB.XPD.RSDV.GD.ZS, based on data from the UNESCO Institute of Statistics.

Definition: Expenditures for research and development are current and capital expenditures (both public and private) on creative, systematic activity that increases the stock of knowledge. Included are fundamental and applied research and experimental development work leading to new devices, products, or processes.

Coverage: Data are available for about 26 USAID countries.

CAS Code #26P1

FDI Technology Transfer Index

Source: Global Competitiveness Report 2006-2007, World Economic Forum. The indicator can be found in the Data Tables, Section III. Technology: Innovation and Diffusion; 3.04.

Definition: The index measures executives' perceptions of FDI as a source of new technology for the country. Executives grade, on a scale from 1 to 7, whether foreign direct investment in their country brings little new technology (1), or is an important source of new technology (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executive perceptions.

CAS Code # 26P2

Availability of Scientists and Engineers Index

Source: Global Competitiveness Report 2006-2007, World Economic Forum. The indicators can be found in the Data Tables, Section IX. Innovation; 9.05.

Definitions: The index measures executives' perceptions of the availability of scientists and engineers in their respective country. Executives grade, on a scale from 1 to 7, whether scientists and engineers in their country are nonexistent (1) or rare, or widely available (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executive perceptions.

CAS Code #26P3

Science and Technology Journal Articles, per Million People

Source: World Development Indicators, most recent publication, series IP.JRN.ARTC.SC

Definitions: The indicator refers to published scientific and engineering articles in physics, biology, chemistry, mathematics, clinical medicine, biomedical research, engineering and technology, and earth and space sciences per one million population.

Coverage: Data are available for about 82 USAID countries.

CAS Code #26P4

IPR Protection Index

Source: Global Competitiveness Report 2006-2007, World Economic Forum. The indicators can be found in the Data Tables, Section IV. Innovation; 9.07.

Definitions: The index measures executives' perceptions of the availability of the quality of intellectual property rights protection in their respective country. The scale ranges from 1 (for poorly enforced) to 7 (among the best in the world).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executive perceptions.

CAS Code #26P5

HEALTH

HIV Prevalence

Source: UNAIDS for most recent country data:

http://data.unaids.org/pub/GlobalReport/2006/2006_GR_AN

[N2_en.pdf](#). World Development Indicators, most recent publication for benchmark data, series SH.DYN.AIDS.ZS.

Definition: Percentage of people ages 15–49 who are infected with HIV.

Coverage: Data are available for about 79 USAID countries.

Data Quality: UNAIDS/WHO estimates are based on all available data, including surveys of pregnant women, population-based surveys, household surveys conducted by Kenya, Mali, Zambia, and Zimbabwe, and other surveillance information.

CAS Code # 31P1

Life Expectancy at Birth

Source: World Development Indicators, most recent publication, (SP.DYN.LE00.IN)

Definition: Life expectancy at birth indicates the number of years a newborn infant would live on average if prevailing patterns of mortality at the time of his or her birth were to stay the same throughout his or her life.

Coverage: Data are available for about 88 USAID countries.

Data Quality: Life expectancy at birth is estimated on the basis of vital registration or the most recent census/survey. Extrapolations may not be reliable for monitoring changes in health status or for comparative analytical work.

CAS Code # 31P2

Maternal Mortality Rate

Source: UN Millennium Indicators Database, <http://millenniumindicators.un.org/unsd/mdg/Data.aspx> based on WHO, UNICEF and UNFPA data.

Definition: The indicator is the number of women who die during pregnancy and childbirth, per 100,000 live births.

Coverage: Data are available for about 87 USAID countries.

Data Quality: Household surveys attempt to measure maternal mortality by asking respondents about survival of sisters. The estimates pertain to 12 years or so before the survey, making them unsuitable for monitoring recent changes.

CAS Code # 31P3

Access to Improved Sanitation

Source: World Development Indicators, most recent publication, series SH.STA.ACSN.

Definition: The indicator is the percentage of population with at least adequate excreta disposal facilities (private or shared, but not public) that can effectively prevent human, animal, and insect contact with excreta.

Coverage: Data are available for about 82 USAID countries.

CAS Code #31S1

Access to Improved Water Source

Source: World Development Indicators, most recent publication series SH.H2O.SAFE.ZS

Definition: The indicator is the percentage of the population with reasonable access to an adequate amount of water from an improved source, such as a household connection, public standpipe, borehole, protected well or spring, or rain water collection.

Coverage: Data are available for about 83 USAID countries.

Data Quality: Access to drinking water from an improved source does not ensure that the water is adequate or safe.

CAS Code # 31S2

Births Attended by Skilled Health Personnel

Source: World Development Indicators, most recent publication, series SH.STA.BRTC.ZS.

Definition: The indicator is the percentage of deliveries attended by personnel trained to give the necessary supervision, care, and advice to women during pregnancy, labor, and the postpartum period, to conduct interviews on their own, and to care for newborns.

Coverage: Data are available for about 62 USAID countries.

Data Quality: Data may not reflect improvements in maternal health; maternal deaths are underreported; and rates of maternal mortality are difficult to measure.

CAS Code # 31S3

Child Immunization Rate

Source: World Development Indicators, most recent publication, estimated by averaging two series: Immunization, DPT (% of children ages 12–23 months) (SH.IMM.IDPT) and Immunization, measles (% of children ages 12–23 months) (SH.IMM.MEAS).

Definition: Percentage of children under one year of age receiving vaccination coverage for four diseases: measles and diphtheria, pertussis (whooping cough), and tetanus (DDPT).

Coverage: Data are available for about 88 USAID countries.

CAS Code #31S4

Prevalence of Child Malnutrition—Weight for Age

Source: World Development Indicators, most recent publication, series SH.STA.MALN.ZS.

Definition: The indicator is based on the percentage of children under age five whose weight for age is more than minus two standard deviations below the median for the international reference population ages 0–59 months.

Coverage: Data are available for about 55 USAID countries.

CAS Code # 31S5

Public Health Expenditure, Percentage of GDP

Source: Latest data for host country is obtained from the MCC: <http://www.mcc.gov/selection/scorecards/2007/index.php>.

International benchmarking data from World Development Indicators, most recent publication (SH.XPD.PUBL.ZS), based on World Health Organization, World Health Report, and updates and from the OECD, supplemented by World Bank poverty assessments and country and sector studies.

Definition: Public health expenditure consists of recurrent and capital spending from government (central and local) budgets, external borrowings and grants (including donations from international agencies and nongovernmental organizations), and social (or compulsory) health insurance funds.

Coverage: Data are available for about 88 USAID countries.

CAS Code #31S6

EDUCATION

Net Primary Enrollment Rate—Female, Male and Total

Source: UNESCO Institute for Statistics, <http://stats.uis.unesco.org/ReportFolders/reportfolders.aspx>

Definition: The indicator measures the proportion of the population of the official age for primary, secondary, or tertiary education according to national regulations who are

enrolled in primary schools. Primary education provides children with basic reading, writing, and mathematics skills along with an elementary understanding of such subjects as history, geography, natural science, social science, art, and music.

Coverage: Data are available for about 80 USAID countries.

Data Quality: Enrollment rates are based on data collected during annual school surveys, which are typically conducted at the beginning of the school year, and do not reflect actual rates of attendance during the school year. In addition, school administrators may report exaggerated enrollments because teachers often are paid proportionally to the number of pupils enrolled. The indicator does not measure the quality of the education provided.

CAS Code # 32P1

Persistence to Grade 5—Female, Male, and Total

Source: World Development Indicators, most recent publication series SE.PRM.PRS5.FE.ZS (female); SE.PRM.PRS5.MA.ZS (male); and SE.PRM.PRS5.ZS (total).

Definition: The indicator is an estimate of the proportion of the population entering primary school who reach grade 5, for female, male, and total students.

Coverage: Data are available for about 48 USAID countries.

CAS Code # 32P2

Youth Literacy Rate—Female, Male, and Total

Source: World Development Indicators, most recent publication, series SE.ADT.1524.LT.ZS.

Definition: The indicator is an estimate of the percent of people ages 15–24 who can, with understanding, read and write a short, simple statement on their everyday life.

Coverage: Data are available for about 67 USAID countries.

Data Quality: Statistics are out of date by two to three years.

CAS Code #32P3

Net Secondary Enrollment Rate, Total

Source: World Development Indicators, most recent publication, series SE.SEC.NENR. Based on data from the United Nations Educational, Scientific, and Cultural Organization (UNESCO) Institute for Statistics.

Definitions: Net enrollment ratio is the ratio of children of official school age based on the International Standard Classification of Education 1997 who are enrolled in school to the population of the corresponding official school age. Secondary education completes the provision of basic education that began at the primary level and aims at laying the foundations for lifelong learning and human development by offering more subject- or skill-oriented instruction using more specialized teachers.

Coverage: Not available for draft.

Data Quality: Break in series between 1997 and 1998 due to change from International Standard Classification of Education (ISCED) 76 to ISCED97. Recent data are provisional.

CAS Code #32P4

Gross Tertiary Enrollment Rate, Total

Source: World Development Indicators, most recent publication, series SE.TER.ENRR. Based on data from the UNESCO Institute for Statistics.

Definitions: Gross enrollment ratio is the ratio of total enrollment, regardless of age, to the population of the age

group that officially corresponds to the level of education shown. Tertiary education, whether or not to an advanced research qualification, normally requires, as a minimum condition of admission, the successful completion of education at the secondary level.

Coverage: Not available for draft.

Data Quality: Break in series between 1997 and 1998 due to change from International Standard Classification of Education (ISCED) 76 to ISCED97. Recent data are provisional.

CAS Code #32P5

Expenditure on Primary Education, Percentage of GDP

Source: Millennium Challenge Corporation:
<http://www.mcc.gov/selection/scorecards/2007/index.php>.

Definition: The indicator is the total expenditures on education by all levels of government, as a percent of GDP.

Coverage: Data are available for about 58 USAID countries.

Data Quality: The MCC obtains the data from national sources through U.S. embassies.

CAS Code #32S1

Educational Expenditure per Student, Percentage of GDP per capita—Primary, Secondary and Tertiary

Source: World Development Indicators, most recent publication series SE.XPD.PRIM.PC.ZS (primary); SE.XPD.SECO.PC.ZS (secondary); and SE.XPD.TERT.PC.ZS (tertiary).

Definition: Public expenditure per student (primary, secondary or tertiary) is defined as the public current expenditure on education divided by the total number of students, by level, as a percentage of GDP per capita.

Coverage: Data are available for about 50, 47, and 45 USAID countries (for primary, secondary, and tertiary expenditure, respectively).

Data Quality: Education statistics should be interpreted with caution because the data are out of date by 2 or 3 years; also, the statistics reflects solely public spending, generally excluding spending by religious schools, which play a significant role in many developing countries. Data for some countries and for some years refer to spending by the ministry of education only.

CAS Code # 32S2

Pupil-teacher Ratio, Primary School

Source: World Development Indicators, most recent publication series SE.PRM.ENRL.TC.ZS.

Definition: Primary school pupil-teacher ratio is the number of pupils enrolled in primary school divided by the number of primary school teachers (regardless of their teaching assignment).

Coverage: Data are available for about 76 USAID countries.

Data Quality: The indicator does not take into account differences in teachers' academic qualifications, pedagogical training, professional experience and status, teaching methods, teaching materials and variations in classroom conditions – all factors that could also affect the quality of teaching/learning and pupil performance.

CAS Code # 32S3

EMPLOYMENT AND WORKFORCE

Labor Force Participation Rate

Source: Derived from World Development Indicators, but the precise computation differs depending on whether a particular country study uses the 2004 or 2005 and years subsequent WDI.

To calculate the *total* labor force participation rate using WDI 2004: the numerator is Labor force, total (SL.TLF.TOTL.IN), and the denominator is Population ages 15-64, total (SP.POP.1564.TO). Using WDI 2005 and subsequent years, the denominator is calculated as the total population (SP.POP.TOTL) times the percentage of the population in the age group 15-64 (SP.POP.1564.IN.ZS).

Definition: The percentage of the working age population that is in the labor force. The labor force comprises people who meet the International Labor Organization definition of the economically active population: all people who supply labor for the production of goods and services during a specified period. It includes both the employed and the unemployed.

Coverage: Data are available for about 88 USAID countries.

CAS Code #33P1

Rigidity of Employment Index

Source: World Bank, Doing Business in 2007, Employing workers category:

<http://www.doingbusiness.org/ExploreTopics/EmployingWorkers/>

Definition: Rigidity of employment index is a measure of labor market rigidity constructed as the average of the Difficulty of Hiring index, Rigidity of Hours index and Difficulty of Firing index. Index ranges in value from 0 (minimum rigidity) to 100 (maximum rigidity).

Coverage: Data are available for nearly all USAID countries.

Data Quality: Subindices are compiled by the World Bank from survey responses to in-country specialists.

CAS Code # 33P2

Size and Growth of the Labor Force

Source: Size of labor force from World Development Indicators (SL.TLF.TOTL.IN); annual percentage change calculated from size data.

Definition: The indicator measures the size of the labor supply, and its annual percent change. Labor force is made up of people who meet the International Labor Organization definition of the economically active population: all people who are able to supply labor for the production of goods and services during a specified period, including both the employed and the unemployed. Although national practices vary in the treatment of groups such as the armed forces and seasonal or part-time workers, in general, the labor force includes the armed forces, the unemployed, and first-time job-seekers, but excludes homemakers and other unpaid caregivers and workers in the informal sector.

Coverage: Data are available for about 88 USAID countries.

CAS Code #33P3

Unemployment Rate

Source: World Development Indicators, most recent publication series SL.UEM.TOTL.ZS.

Definition: The unemployment rate refers to the share of the labor force that is without work but available for and seeking employment. For this purpose, informal sector workers and

own-account workers (including subsistence farmers) are counted as employed.

Coverage: Data are available for about 50 USAID countries.

Data Quality: Definitions of labor force and unemployment differ by country, making international comparisons inaccurate.

CAS Code # 33P4

Economically Active Children, Percentage Children Ages 7-14

Source: World Development Indicators, most recent publication series SL.TLF.0714.ZS. Derived from the Understanding Children's Work project based on data from ILO, UNICEF, and the World Bank.

Definitions: Economically active children refer to children involved in economic activity for at least one hour in the reference week of the survey.

CAS Code # 33P5

Firing Costs, Weeks of Wages

Source: World Bank, Doing Business, Employing Workers

Category: <http://www.doingbusiness.org/MethodologySurveys/EmployingWorkers.aspx>.

Definitions: The firing cost indicator measures the cost of advance notice requirements, severance payments, and penalties due when terminating a redundant worker, expressed in weekly wages. One month is recorded as 4 and 1/3 weeks.

Coverage: Data available for nearly all USAID countries.

CAS Code # 33S1

AGRICULTURE

Agriculture Value Added per Worker

Source: World Development Indicators, most recent publication series EA.PRD.AGRI.KD, derived from World Bank national accounts files and Food and Agriculture Organization, Production Yearbook and data files.

Definition: Agriculture value added per worker is a basic measure of labor productivity in agriculture. Value added in agriculture measures the output of the agricultural sector (ISIC divisions 1–5)—forestry, hunting, fishing, cultivation of crops, and livestock production—less the value of intermediate inputs. Data are in constant 2000 U.S. dollars.

Coverage: Data are available for about 80 USAID countries.

CAS Code # 34P1

Cereal Yield

Source: World Development Indicators, most recent publication series AG.YLD.CREL.KG based on Food and Agriculture Organization Production Yearbook and data files.

Definition: Cereal yield, measured as kilograms per hectare of harvested land, includes wheat, rice, maize, barley, oats, rye, millet, sorghum, buckwheat, and mixed grains. Production data on cereals relate to crops harvested for dry grain only.

Coverage: Data are available for about 84 USAID countries.

Data Quality: Data on cereal yield may be affected by a variety of reporting and timing differences. The FAO allocates production data to the calendar year in which the bulk of the harvest took place. But most of a crop harvested near the end of a year will be used in the following year. Cereal crops harvested for hay or harvested green for food,

feed, or silage, and those used for grazing, are generally excluded. But millet and sorghum, which are grown as feed for livestock and poultry in Europe and North America, are used as food in Africa, Asia, and countries of the former Soviet Union. So some cereal crops are excluded from the data for some countries and included elsewhere, depending on their use.

CAS Code # 34P2

Growth in Agricultural Value-Added

Source: The latest country data are taken from national data sources or from IMF Article IV consultation reports:

www.imf.org/external/np/sec/aiv/index.htm. The benchmarking data are from World Development Indicators, most recent publication series NV.AGR.TOTL.KD.ZG

Definition: The indicator measures the annual growth rate for agricultural value added, in constant local currency. Regional group aggregates are based on constant 2000 U.S. dollars. Agriculture corresponds to ISIC divisions 1–5 and includes forestry, hunting, and fishing, as well as cultivation of crops and livestock production. Value added is the net output of a sector after all outputs are added up and intermediate inputs are subtracted. It is calculated without deductions for depreciation of fabricated assets or depletion and degradation of natural resources.

Coverage: Data are available for about 84 USAID countries.

CAS Code # 34P3

Agricultural Policy Costs Index

Source: Global Competitiveness Report 2006-2007, World Economic Forum. The indicator can be found in the Data Tables, Section II. Macroeconomic Environment; 2.20.

Definition: The index measures executives' perceptions of agricultural policy costs in their respective country. Executives grade, on a scale from 1 to 7, whether the cost of agricultural policy in a given country is excessively burdensome (1), or balances all economic agents' interests (7).

Coverage: Data are available for about 52 USAID countries.

Data Quality: Comparisons between countries are difficult because the data are based on executives' perceptions.

CAS Code # 34S1

Crop Production Index

Source: World Development Indicators, most recent publication series AG.PRD.CROP.XD, based on FAO statistics.

Definition: Crop production index shows agricultural production for each year relative to the period 1999–2001 = 100. The index includes production of all crops except fodder crops. Regional and income group aggregates for the FAO's production indices are calculated from the underlying values in international dollars, normalized to the base period.

Coverage: Data are available for about 85 USAID countries.

Data Quality: Regional and income group aggregates for the FAO's production indices are calculated from the underlying values in international dollars, normalized to the base period 1999–2001. The FAO obtains data from official and semi-official reports of crop yields, area under production, and livestock numbers. If data are not available, the FAO makes estimates. To ease cross-country comparisons, the FAO uses international commodity prices to value production expressed in international dollars (equivalent in purchasing power to the U.S. dollar). This method assigns a single price to each commodity so that, for example, one metric ton of wheat has the same price regardless of where it was

produced. The use of international prices eliminates fluctuations in the value of output due to transitory movements of nominal exchange rates unrelated to the purchasing power of the domestic currency.

Coverage: Data are available for about 85 USAID countries.

CAS Code # 34S2

Livestock Production Index

Source: World Development Indicators, most recent publication series AG.PRD.LVSK.XD, based on FAO.

Definition: Livestock production index shows livestock production for each year relative to the base period 1999–2001=100. The index includes meat and milk from all sources, dairy products such as cheese, and eggs, honey, raw silk, wool, and hides and skins.

Coverage: Data are available for about 85 USAID countries.

Data Quality: See comments on the Crop Production Index.

CAS Code # 34S3

Agriculture Export Growth

Source: World Development Indicators, most recent publication series TX.VAL.AGRI.ZS.UNs, Agricultural raw materials exports (% of merchandise exports), based on World Bank staff estimates from the COMTRADE database maintained by the United Nations Statistics Division; and series TX.VAL.MRCH.CD.WT, Merchandise exports (current US\$), based on data from the World Trade Organization.

Definitions: Agricultural raw materials comprise SITC section 2 (crude materials except fuels), excluding divisions 22, 27 (crude fertilizers and minerals excluding coal, petroleum, and precious stones), and 28 (metalliferous ores and scrap). Merchandise exports show the f.o.b. value of goods provided to the rest of the world valued in U.S. dollars. Data are in current U.S. dollars. The indicator is calculated by multiplying agricultural raw materials by merchandise exports. The annual growth rate is then calculated from the resulting series.

Coverage: Not available for draft.

CAS Code # 34S4