

E. FUTURE UK DEVELOPMENT STRATEGY

E1 The small island states of the Caribbean continue to face significant challenges. Although many, including Jamaica, are middle income countries, their economies remain fragile and vulnerable. Poverty levels and the risks of more people being dragged back into poverty as the region adjusts to the challenges and opportunities of economic globalisation remain issues of concern.

E2 There is a significant case for DFID support to the Caribbean because of continuing poverty levels and because of small island vulnerability to the effects of economic globalisation – including the transition out of the Caribbean's traditional preferential trading arrangements with Europe envisaged under the EU's new Cotonou Agreement with the Africa, Caribbean and Pacific (ACP) countries. Poverty threatens to increase once more if these economic challenges are not well managed. There are significant threats to social stability in the region, related to the potentially severe social implications of the downturn of the traditional commodity industries and also to the high crime levels in Jamaica and elsewhere (partly linked to the drugs trade). The increasing incidence of HIV/AIDS in the region is also starting to impact upon social and development indicators.

E3 If the Caribbean is to take advantage of the opportunities created by globalisation, support is needed in developing and implementing strategies to promote alternative enterprise and economic diversification, and to promote the sustainable environmental management of the islands to underpin the tourism industry, while in the meantime protecting the interests of the poor and other groups most at risk during economic transition

E4 DFID's aim in the Caribbean region is to work in concert with other donors, the international financial institutions (IFIs), regional organisations and other partners to help strengthen the capacity of Caribbean countries to maximise the benefits and minimise the negative impacts of globalisation. We will also work to ensure a coherent UK approach towards the development interests of the region. We will promote and participate in a concerted and co-ordinated effort by regional governments, the private sector, civil society, other donor partners and the IFIs to maximise sustainable and equitable growth opportunities in the

Caribbean, minimise the social costs of change, and help ensure a strong Caribbean voice in the series of ongoing international negotiations which are crucial to influencing how economic globalisation impacts upon the region.

E5 The objective of the UK's development assistance programme to Jamaica will be to work with the Government and its development partners to reduce poverty through focused and co-ordinated support aimed at achieving the following *outcomes*:

- a) a better macroeconomic and social context for poverty reduction;
- b) improved public services for poorer people;
- c) improved access to education, and improvements in educational equity and quality;
- d) improved livelihoods;
- e) a stronger voice and better rights for poor people;
- f) improved justice and personal security.

E6 We will only succeed if we work within the wider developmental partnership with Jamaica and with other key development agencies working towards the same objective. We will aim to work closely with such agencies (especially the EC, World Bank, IMF, IDB and CDB), in sectors where we have experience, to promote coherence and consistency in approach and improve co-ordination, thereby reducing transaction costs for government. We will also explore collaborative sector-wide approaches wherever feasible. In Jamaica, as elsewhere in the Caribbean, some of the International Development Targets have already been fully or nearly met: though it remains important to address issues of sustainability. We are keen to collaborate with the Government and other development agencies in an effort to ensure that momentum is maintained and that the risks of regression resultant from small island vulnerability are minimised.

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CONTINUED

E7 In support of outcomes (a) and (b) above, we will continue our support – within the overall international effort – for strengthening the Government’s **social policies**, and for **public sector reform** to improve the delivery of public services. This will involve:

- Continuing to support the Government’s efforts to develop **better planning systems** for poverty reduction. The Government needs help to establish a social development policy framework, which will enable priorities for reducing poverty to be agreed, disseminated and carried forward. This will be addressed through the second phase of our Social Policy Evaluation project. We may also help overhaul current social safety net mechanisms.
- Continuing, through the Jamaica Performance Improvement Project and other means, to support the Government’s efforts to **modernise the public sector** so that it can better allocate resources in line with poverty- focused priorities, and ensure that tight budgets are spent more effectively. This work is currently being extended to help implement reforms within the Ministry of Finance and Planning which will underpin performance improvements in the rest of the public sector.

Our forthcoming review of this programme and a commissioned study into Central Government Public Service Reforms and Human Resource Management will assist the Government and ourselves to determine the precise directions to take. We have maintained dialogue with the World Bank and other donors in this sector and will seek to collaborate with them in specific follow-up activities.

E8 We will maintain our commitment to education – outcome (c). We will work with the Government to tackle issues of access, equity and quality by strengthening education policy and planning and supporting practically focused interventions aimed at the poorest. We will support Government’s aim to consolidate the achievement of the reforms instigated under JAPIP with further support that sustains progress towards improved sectoral efficiency and equity, in furtherance of Jamaica’s Green Paper on Education. We will seek to maximise the impact of these

strategic interventions by encouraging donor collaboration and integration of effort, especially to ensure that all externally financed interventions respond to national policies and plans. We will therefore seek opportunities for joint initiatives with other key donors, building on the experience of the current All-Age Schools Project. This programme will require significant country-level dialogue with both government and the international community, handled by our Jamaica Education Programme Adviser.

E9 Improved economic growth is a necessary but not sufficient condition for achieving improved livelihoods – outcome (d). We are putting in place a new programme of support for **enterprise development**. This will help the Government create the environment for private sector development and design initiatives to promote sustainable livelihoods. We are launching a new Challenge Fund which will encourage the private sector and local communities to collaborate in involving the poor more actively and positively in the tourism industry. We will continue to promote better opportunities for urban livelihoods through the Jamaica Urban Poverty Project.

E10 So far our livelihoods support has concentrated on Kingston rather than the rural areas where most poor people live. We need to understand the nature of rural poverty better in Jamaica, particularly the links between it and urban poverty (for example, through migration to towns). We will undertake a structured analysis of poverty in the context of rural livelihoods over the next year. We will then review our strategy and make a more informed decision about how best to support Government-led, broad-based donor effort to promote growth in Jamaica’s rural economy.

E11 In support of outcome (e), a stronger voice and better rights for poor people, we will continue to support **capacity strengthening** of Jamaican **civil society**, through our regional Civil Society Capacity Building Programme and by working with the Government’s Social Development Commission. Jamaica’s poverty eradication strategy recognises the importance of combining the potential of both government and non-governmental groups. We will therefore help strengthen **public/private/community partnerships** for poverty reduction. DFID has been working with the Kingston Restoration Company (a leading NGO),

community groups, the police, utility providers and the private sector to develop a replicable partnership model for reducing poverty in Kingston. We will build on this work to help find effective ways to reflect the interests of poor people in the inner city areas. We are also examining the possibilities for developing public/private partnerships in education, following a very successful DFID/CARICOM education conference in Jamaica in 2000. The second phase of the Jamaica Social Policy Evaluation project will help identify ways of empowering communities to seek better services, for example in education, health and justice, and influence government policy.

Ei2 To help achieve outcome (f), improved justice and personal security, we will continue implementation of the **police modernisation** project and a new **penal reform** project which is developing alternatives to custodial sentencing. We will be alert to the links between police reform and the wider public sector reform spearheaded by JAPIP, as well as ensuring that its focus will remain on improved service delivery and access to justice. Our Community Service Enhancement Project is promoting alternatives to custodial sentencing, thereby supporting the Government's efforts to reduce overcrowding in prisons and enable those sentenced to make a productive contribution to their communities. Our further strategic support to public sector reform and the review of social policy may help identify other ways in which we can work with the Government on justice and security issues.

Ei3 The present agreement with Jamaica under the Commonwealth Debt Initiative (CDI) provides for an additional three years of **debt relief** on repayments on past UK aid loans until 2002. If Jamaica continues to meet the CDI criteria, we will provide further debt relief at that time.

Ei4 Jamaica is included in a DFID-funded regional review of the effectiveness of present arrangements for disaster preparedness, mitigation and post-impact recovery in the independent Commonwealth Caribbean. This review may lead on to further DFID support, as part of a wider donor effort, to strengthen disaster preparedness and management capacity within the region.

Ei5 Because we need to concentrate our support on a limited number of areas in order to be effective, we do not plan any direct involvement in the health sector, except for technical assistance under JAPIP for improving performance in the Ministry of Health. However, in recognition of the growing threat of **HIV/AIDS** in the Caribbean, we hope to contribute from our Regional programme to a Caribbean HIV/AIDS Action Plan sponsored by the United Nations Joint Programme for HIV/AIDS (UNAIDS) and CARICOM. Recognising that HIV/AIDS may have a wide-ranging impact on Caribbean development, we will also seek to take account of its implications in the design of our overall programme with Jamaica.

Ei6 We will measure the effective implementation of our development plans by carrying out regular reviews of all our programmes to assess effectiveness and impact against their intended purpose. In those sectors where DFID has a significant financial and policy involvement, such as education and public sector reform, we will work with others to identify agreed sectoral goals against which the impact of our support can be measured. We will review progress under this Strategy Paper in two years' time.

F. IMPLEMENTING THE NEW STRATEGY

F1 Responsibility for managing the Jamaica programme rests with the DFID Caribbean regional office in Barbados, supported by the Development Section in the British High Commission in Kingston. This team is supplemented by a DFID Education Programme Adviser and other technical cooperation officers in Jamaica. The management of DFID's Jamaica programme is currently being examined as part of a wider management review for DFID's programmes in the Caribbean. One key issue is whether we need to reinforce our in-country programme management and advisory capacity in order to enhance networking with Government and the donor community. We are looking at the case for transferring some staff capacity from our Barbados office to Jamaica to enable us to do this.

F2 To fulfil our programme plans, DFID bilateral resources will amount to about £5 million a year up to 2004. This will be supplemented by support from DFID's Caribbean Regional budget, amounting to some £4 million a year, since our Caribbean-wide projects also benefit Jamaica. Jamaica is also party to the UK's Commonwealth Debt Initiative.

ANNEX I

SELECTED ECONOMIC AND SOCIAL INDICATORS 1997/98

	GUYANA	DOMINICAN REPUBLIC	JAMAICA	TRINIDAD
ECONOMIC WELL-BEING				
Total Population (million)	0.8	8.1	2.5	1.3
GNP per capita (US\$)	800	1,750	1,550	4,250
Poverty ⁷	43.0	21.0	32.0	21.0
Human Development Rank	99	88	82	46
Human Poverty Index HPI-1(%)	10.2	17.7	13.6	3.5
HUMAN DEVELOPMENT:				
Life expectancy	64	71	75	73
Infant mortality rate (per 1,000 live)	58	40	12	12
Child underweight (% of children <5)	12	6	10	7
Net enrolment ratio: Primary	92.8	91.3	95.6	99.9
Secondary	74.9	78.5	69.8	71.5
Adult literacy (% of population)	98.1	82.6	85.5	97.8
AID FLOWS:				
Aid per capita (US\$)	339.9	10.5	29.3	26.5

⁷ Percentage below national poverty line, 1989-1994

DEVELOPMENT ASSISTANCE INDICATORS FOR DFID PROGRAMME

ALL AGE SCHOOLS PROJECT

- increase in pupils reading at, or above, expected reading age at Grade 4.
- increase in attainment in core subjects at Grade 6, 7 and 9 tests
- increase in pupils progressing to secondary education
- school attendance at 85%

CONSTABULARY REFORM AND MODERNISATION

- regular police survey results
- improvements in crime statistics
- positive report of independent research study

PERFORMANCE IMPROVEMENT PROGRAMME

- improved arrangements in place for continuous review of implementation progress and appraisal and evaluation of performance
- capacity to design and manage change processes and attitudes and behaviour of managers and staff improved
- competence of key ministry performance improvement teams and Office of the Prime Minister implementation teams enhanced

COMMUNITY SERVICE ENHANCEMENT PROJECT

- reduced rates of recidivism among minor offenders
- reduced percentage of minor offenders in prison population
- confidence among public and judiciary that the community service system is an effective and appropriate form of punishment

URBAN POVERTY

- participatory planning process meeting primary stakeholders' felt needs by end of project
- increased numbers gainfully employed in small enterprise sectors and increased income generated. (Area specific targets to be agreed between the Kingston Restoration Company and community organisations at the start of each planning phase)
- primary stakeholders and police both report decline in community conflict by end of project
- methodologies developed by the pilot project utilised in other urban areas by KRC/other organisations by end of second year
- external bodies fund replication of project approaches by end of project
- mechanisms for KRC and communities to influence wider urban poverty policy established by end of second year
- project lessons accepted by the Government and incorporated into policy by end of project

OFFICE OF UTILITIES REGULATION

- non-competitive costs are within 10% of the long-run marginal cost of providing an economical, efficient service by 2000 in the telecoms, water and electricity services

SOCIAL POLICY EVALUATION

- key stakeholders (Jamaican Government, non-government and international agencies) and users state that improved processes and mechanisms are in place and are operating satisfactorily

SOCIAL INVESTMENT FUND (SIF)

- increased official recognition of the value of participation
- positive media coverage/awareness of SIF's innovative elements

SUMMARY OF CONSULTATION PROCESS

1. Preparing the Jamaica Country Strategy Paper (CSP) has involved several consultations with the Government, civil society, the private sector and other donors to ensure that a cross-section of views on the country's needs and priorities was adequately reflected.
2. Consultations were held with Jamaican communities in the UK to explore interest in partnerships between DFID and UK-based civil society groups for promoting poverty reduction in Jamaica. The potential for business and trading links, and of education and health initiatives as important contributions to Jamaica's wider development agenda, was highlighted.
3. Representatives of civil society from three areas in Jamaica (Kingston; Portland/St. Mary/St. Ann – East; Manchester – mid-island) were brought together to discuss general poverty issues, and the scope and capacity of civil society's efforts to help eliminate poverty. The need for more effective dialogue between civil society and government, including better opportunities for civil society to influence programme design and policy, was emphasised. Major concerns were expressed about the lack of access by the poor to natural capital for promoting sustainable livelihoods and the absence of rural micro-enterprise initiatives.
4. Selected private sector organisations were consulted to gain an understanding of the constraints and opportunities faced by the private sector. Discussion centred on macroeconomic policy formulation, enterprise development issues, education, public sector reforms, and urban poverty initiatives. The analysis and recommendations followed similar lines to those made by Government and others. Special attention was paid to the recommendations of the Rural Investment Overseas report⁸ and possible DFID initiatives in enterprise development.
5. Consultations with the Government centred on the Planning Institute of Jamaica which endorsed the final version of the CSP.
6. Discussions with other donors revealed that there is some similarity between their ongoing and planned country strategies and those of DFID. Priority areas for the World Bank include secondary education, the social safety net and the restructuring of the financial sector. The IDB expressed interest in co-ordination with other donors in education, justice and public sector reform. There was endorsement of DFID's overarching work in public sector reform and education.

⁸ Enterprise Development in the Caribbean: Country Report – Jamaica. Rural Investment Overseas Ltd in association with Trevor Hamilton and Associates (August 1998).

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