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# JAMAICA

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## INTRODUCTION

**JAMAICA** is an upper-middle income country with a gross national income (GNI) of USD 4 590 per capita in 2009. Jamaica is the largest English-speaking Caribbean country, with a population of 2.7 million (WDI, 2011).

Despite its rich natural assets and a period of robust development in mining, manufacturing, construction and tourism, the economy has in recent times experienced a prolonged period of negative growth, with a poverty rate of 16.5% in 2009 and an unemployment rate of 12.4% in 2010 (between 2007-10 there was a cumulative decline of 5.1%). The country was recently classified as an upper-middle income country, but it remains highly indebted with a debt to GDP ratio of 128% (WDI, 2011). The country has made good progress in eight out of the fourteen MDG targets for 2015. Jamaica has already achieved the targeted reduction in absolute poverty, malnutrition, hunger and universal primary enrolment, and is on track for combating HIV/AIDS, halting and reversing the incidence of malaria and tuberculosis, providing access to reproductive health, and providing safe drinking water and basic sanitation. The country is, however, lagging in gender equality and environmental sustainability, as well as in child and maternal mortality targets.

Net official development assistance (ODA) to Jamaica in 2009 totalled USD 150 million (OECD, 2011). Since 2005, net ODA has averaged 1% of GNI and 3% of central government expense (WDI, 2011). The top five donors provided 60% of Jamaica's core ODA (OECD, forthcoming). ■

## SUMMARY OF PROGRESS

**PROGRESS ON THE PARIS DECLARATION INDICATORS** depends on improvements by both donors and partner governments. Jamaica participated in the Paris Declaration Monitoring Survey for the first time in 2011. Out of nine indicators with applicable targets, four have been met. Jamaica's operational development strategies have met the 2010 target. On alignment, one out of three indicators with applicable targets has been met (strengthened capacity through co-ordinated support). On harmonisation, the use of programme-based approaches is significantly above target, while remaining indicators on joint missions and analytic work are significantly below target. A results-oriented framework was assessed to be in place and meeting the target in 2010, while a mutual accountability mechanism was not deemed to be in place. In general, Jamaica's progress in aid effectiveness is constrained by human and financial resources, and donors are not participating equally towards helping Jamaica achieve the Paris Declaration targets. Moreover, Jamaica's recent elevation to middle-income status will most likely reduce ODA inflows, creating a growing urgency for Jamaica to prioritise the allocation of resources to increase the efficiency of development co-operation in the various government departments and agencies.

**TABLE 1:**  
Baselines and targets  
for 2010

INDICATORS		2005 REFERENCE	2007	2010 ACTUAL	2010 TARGET
1	Operational development strategies	--	--	B	'B' or 'A'
2a	Reliable public financial management (PFM) systems	--	--	--	No Target
2b	Reliable procurement systems	Not available	Not available	Not available	No Target
3	Aid flows are aligned on national priorities	--	--	0%	85%
4	Strengthen capacity by co-ordinated support	--	--	85%	50%
5a	Use of country PFM systems	--	--	12%	No Target
5b	Use of country procurement systems	--	--	11%	No Target
6	Strengthen capacity by avoiding parallel PIUs	--	--	8	No Target
7	Aid is more predictable	--	--	0%	No Target
8	Aid is untied	53%	41%	50%	More than 53%
9	Use of common arrangements or procedures	--	--	91%	66%
10a	Joint missions	--	--	16%	40%
10b	Joint country analytic work	--	--	23%	66%
11	Results-oriented frameworks	--	--	B	'B' or 'A'
12	Mutual accountability	Not available	Not available	N	Y

**TABLE 2:**  
Learning from success  
and challenges

	ACHIEVEMENT OR CHALLENGE	LESSON OR PRIORITY ACTION
Ownership	<b>Challenge:</b> Linking the national planning strategies to the sectoral planning strategy to create a more inclusive plan for development.	<b>Priority action:</b> Selecting priority sector strategies for inclusion at the national level, ensuring dynamism in planning at sector level guided by national strategies, refreshing national strategies so they remain relevant at the sector level
Alignment	<b>Achievement:</b> A significant proportion of technical assistance is co-ordinated with national priorities and strategies.	<b>Lesson:</b> The establishment of four Thematic Working Groups comprising government sector specialists, donors, ministries and agencies has improved co-ordination between Jamaica and donors.
Harmonisation	<b>Challenge:</b> There are limited joint missions and analytic work conducted amongst donors.	<b>Priority action:</b> Encourage communication and mutual analytical work between donors and the Jamaican government in this regard.
Managing for results	<b>Achievement:</b> A thorough monitoring and evaluation framework is in place, which provides transparency and accountability.	<b>Lesson:</b> The Planning Institute of Jamaica leads analysis and reporting on progress, and provides co-ordination and secretariat services including supporting the operation of inter-ministerial and multi-stakeholder thematic working groups for different sectors under the national development plan.
Mutual accountability	<b>Challenge:</b> Create a policy to incorporate the different technical co-operation agreements with each multilateral and bilateral partner and monitor progress.	<b>Priority action:</b> Set targets for country level aid effectiveness to create a system in which progress on mutual accountability is tracked.

## ABOUT THE SURVEY

This chapter assesses progress against the quantitative indicators provided by the Survey on Monitoring the Paris Declaration, drawing on data provided by the government and donors, the OECD and the World Bank. In addition to this, it draws on qualitative evidence submitted to the OECD by the national government which incorporates feedback from donors and other stakeholders. Stakeholders note that it is possible that in places definitions and concepts were interpreted differently by survey respondents in 2011 compared with previous years. A degree of caution should be taken when analysing the trends shown by some of the indicators.

The nine donors that submitted data for the survey (EU Institutions, United States, Japan, Global Fund, United Kingdom, Canada, Inter-American Development Bank and United Nations), provided 78% of Jamaica's core ODA in 2010. The Caribbean Development Bank – the second largest donor after the EU Institutions – did not participate in the survey. ■

## OWNERSHIP

**AID IS MOST EFFECTIVE** when it supports a country-owned approach to development. It is less effective when aid policies and approaches are driven by donors. In the context of the Paris Declaration, ownership concerns a country's ability to carry out two, inter-linked activities: exercise effective leadership over its development policies and strategies; and co-ordinate the efforts of various development actors working in the country.

Indicator 1 assesses the operational value of a country's development strategy. In particular, it looks at the existence of an authoritative country-wide development policy (*i.e.* a unified strategic framework), the extent to which priorities are established, and whether these policies are costed and linked with the budget. All of these features are important to harness domestic resources for development, and to provide a basis for the alignment of aid to development priorities. Each country has provided evidence against these criteria, and this has been translated into a score by the World Bank using the same methodology as in the 2006 and 2008 surveys. A five-point scale runs from A (highest score) to E (lowest score). The Paris Declaration targets 75% of partner countries achieving a score of A or B by 2010.

Jamaica's current national development strategy is 'Vision 2030 Jamaica – National Development Plan', a long term development plan for the country, and was assessed as a B in 2010. The strategy and targets are divided into three-year medium-term plans. The Medium-Term Socio-Economic Policy Framework articulates the medium-term plan until 2012 detailing the timing, sequencing, objectives and the various institutional responsibilities.

The National Development Plan which comprises sector strategies is underpinned by a medium-term fiscal framework (MTFF) and medium-term expenditure framework (MTEF) which link the plan to the budget process. The National Development Plan is linked to the annual budget through the following mechanisms: i) the alignment of the organisational outcomes and targets of ministries, departments and agencies with national outcomes and targets; ii) the inclusion of priority national strategies and actions in the corporate plans and budgets of each ministry, department or agency. Key sector strategic priorities are reflected in the MTEF, and in the corporate and operational plans and budgets. These are broadly reflected in the most recent annual budget to varying degrees, based on the level of alignment in each ministry, department or agency after the first year of implementation of the National Development Plan. Under the MTEF, the priority national outcomes of the Medium-Term Socio-Economic Policy Framework will also be used as criteria in the selection of priority capital projects under the annual and three-year capital budgets. Performance-oriented budgeting is also being introduced, and the MTEF is being piloted in six ministries in 2011. In subsequent years performance evaluation will influence the adjustments to the annual baseline resource envelopes for each ministry and the prioritisation of resource allocation for ongoing and new capital projects.

### INDICATOR 1

Do countries have operational development strategies?

Targets in the National Development Plan are prioritised. The prioritised targets are contained in the Medium-Term Socio-Economic Policy Framework and were developed through stakeholder consultations. The criteria are those factors that have the greatest current impact on national well-being, the greatest constraints to medium-term development, and the greatest long-term transformational potential. Targets have been set for 2012, 2015, and 2030. Targets will be updated every three years in the consecutive medium-term socio-economic policy frameworks through 2030. Targets in the National Development Plan are also linked to the Millennium Development Goals (MDGs), with thirteen of the eighteen MDG targets being reflected and poverty measurement tailored to Jamaica. Targets also link to cross cutting issues, both with separate programmes and mainstreamed in other programmes.

The National Development Plan has provided a clearly articulated vision for Jamaica and a framework for dialogue and negotiations with the development community. There is therefore a high degree of country ownership in the identification, assessment and prioritisation of projects, ensuring that the activities undertaken are responding to the government's agenda and the development challenges faced by the country. Admittedly, there remain cases in which donors allocate funds to projects which may not fit the criteria, but the country has largely succeeded in establishing national ownership over the development process. ■

## ALIGNMENT

**AID THAT IS DONOR DRIVEN AND FRAGMENTED** is less effective. For aid to be effective, it must make use of national development strategies and use and help strengthen capacity in national systems, such as those for procurement and public financial management. The Paris Declaration envisions donors basing their support fully on partner countries' aims and objectives. Indicators 2 through 8 of the Paris Declaration assess several different dimensions of alignment.

Of three alignment indicators with applicable targets, one has been met. Strengthening capacity by co-ordinated support is significantly above target, while no disbursed aid is accurately recorded on the budget. The proportion of united aid is close to target. Remaining indicators do not have applicable targets. Nevertheless, there remain challenges in improving the reliability of country PFM and procurement systems in order to encourage their use among donors. Figures in this regard are remarkably low at approximately 10%.

### INDICATOR 2 Building reliable country systems

Indicator 2 covers two aspects of country systems: public financial management (PFM) and procurement. Do these systems either adhere to good practices or are there plans for reform? If countries have reliable systems, donors are encouraged to use them for the delivery and management of aid. This helps to align aid more closely with national development strategies and enhances aid effectiveness.

### INDICATOR 2a How reliable are country public financial management systems?

Indicator 2a of the Paris Declaration assesses whether PFM systems meet broadly accepted good practices or whether credible reform programmes are in place. The assessment is based on the World Bank's Country Policy and Institutional Analysis (CPIA) score for the quality of PFM systems, which uses a scale running from 1 (very weak) to 6 (very strong).

To score highly, a country needs to perform well against all three of the following criteria: a comprehensive and credible budget linked to policy priorities; an effective financial management system to ensure that the budget is implemented as intended in a controlled and predictable way; and timely and accurate accounting and fiscal reporting, including timely and audited public accounts with effective arrangements for follow up. Meeting the global 2010 target requires half of partner countries to move up at least one measure (*i.e.* 0.5 points) between 2005 and 2010.

Jamaica was not assessed on the reliability of its PFM systems in 2010. Over the past decades, Jamaica's country systems have been instituted and strengthened in an attempt to ensure that the public gets value for money. For example the Offices of the Auditor General and the Accountant General have also been

improved in order to increase the effectiveness of Parliamentary Review of the operations of Ministries and their Departments and Agencies.

In order to improve PFM the establishment of a Central Treasury Management System is planned, implementing a Treasury Single Account to optimise cash management among government agencies. Complementary to this process is the establishment of budget coherence between corporate plans, operational plans and the budget through the MTEF. There is also a need to upgrade some aspects of the PFM system such as financial accounting, the budget system and auditing.

Indicator 2b was first measured in 2008 by 17 countries. The process is one of self-assessment, using the Methodology for the Assessment of National Procurement Systems developed by the OECD-DAC Task Force on Procurement. The methodology includes baseline indicators to compare a country's systems to internationally-accepted good practice, as well as a new set of indicators. These indicators assess overall performance of the system, compliance with national legislation and standards and whether there is a reform programme in place to promote improved practices. The results are expressed as grades on a four-point scale running from A (the highest) to D (the lowest). The 2010 target is for a third of partner countries to move up at least one measure (*i.e.* from D to C, C to B or B to A) although not all countries will perform an assessment.

Jamaica's country procurement systems were not assessed in 2010. Nevertheless, reforms to procurement processes and institutions have been made. Jamaica has implemented the use of standard bidding documents, based on standard donor procedures to ensure consistency with their processes. An outstanding aspect in this regard is the implementation of full e-procurement. Institutions such as the Office of the Contractor General have been strengthened technically and they have produced a set of guidelines for government procurement procedures. The National Contracts Committee is responsible for certification of eligible contractors who can bid in competitive tender processes.

Comprehensive and transparent reporting on aid, and its use, helps ensure that donors align aid flows with national development priorities. When aid directed to the government sector is fully and accurately reflected in the national budget it indicates that aid programmes are well connected with country policies and processes. This also allows partner country authorities to present accurate and comprehensive budget reports to their parliaments and citizens.

As a proxy for alignment, indicator 3 measures the percentage of aid disbursed by donors for the government sector that is included in the annual budget for the same fiscal year. The indicator reflects two components: the degree to which aid is aligned with government priorities, and the extent to which aid is captured in government's budget preparation process. Budget estimates can be higher or lower than disbursements by donors and are treated similarly for the purpose of measuring indicator 3 despite the different causes.

The 2010 target is to halve the proportion of aid flows that are not currently reported on government budgets, with at least 85% of aid reflected in the budget.

Jamaica registered a completed alignment of aid flows to national priorities with all the official development assistance spending being directed to the government sector. A large portion of support from the major donors was provided as budget support which is directly aligned with the country's reform agenda and is programmed to assist in bridging the fiscal gap. A successful intervention was the development of a consolidated matrix of international donor involvement in the reform areas which was used by the donors and the government to eliminate the possibility of duplication of effort. The UN system approach to supporting Jamaica's national priorities and the effort to align to government's articulated national development strategy was demonstrated through the development of the United Nations Development Assistance Framework which directly synchronises each UN activity to a national strategy and target.

#### INDICATOR 2b

How reliable are country procurement systems?

#### INDICATOR 3

Aligning aid flows on national priorities

**TABLE 3:**  
Are government budget estimates comprehensive and realistic?

	Government's budget estimates of aid flows in 2010 (USD m)	Aid disbursed by donors for government sector in 2010 (USD m)	2005		2007		2010 *		Total aid disbursed through other donors (USD m)
	a	b	(for reference)		(for reference)		c = a / b c = b / a		
Canada	--	0	--		--				0
EU Institutions	--	80	--		--				0
Global Fund	--	9	--		--				0
IDB	--	424	--		--				0
Japan	--	13	--		--				3
OAS	--	0	--		--				0
United Kingdom	--	2	--		--				0
United Nations	--	0	--		--				0
United States	--	2	--		--				1
World Bank	--	216	--		--				0
Average donor ratio			--		--		--		
<b>Total</b>	<b>0</b>	<b>745</b>	--		--		<b>0%</b>		<b>3</b>

\* Ratio is  $c = a / b$  except where government's budget estimates are greater than disbursements ( $c = b / a$ ).

#### INDICATOR 7

Providing more predictable aid

For many countries, aid is a vital source of revenue and resources. Being able to predict aid disbursements – both in terms of how much aid will be delivered and when – is important to enable countries to manage public finances and undertake realistic planning for development. The Paris Declaration calls on donors to provide reliable, indicative commitments of aid over a multi-year framework, and to disburse aid in a timely and predictable manner according to agreed schedules.

Indicator 7 examines the in-year predictability of aid for the government sector by measuring the proportion of planned disbursements (as reported by donors) that are recorded by governments in their accounting system as having been disbursed. Indicator 7 therefore assesses two aspects of predictability. The first is the ability of donors to disburse aid according to schedule. The second is the ability of government to record disbursements for the government sector as received in its accounting system. Indicator 7 is designed to encourage progress in relation to both, with the aim of halving the proportion of aid not disbursed (and not captured in the government's accounting system) within the fiscal year for which it was scheduled by 2010.

**TABLE 4:**  
Are disbursements on schedule and recorded by government?

	Disbursements recorded by government in 2010 (USD m)	Aid scheduled by donors for disbursement in 2010 (USD m)	2005		2007		2010 *		For reference: Aid disbursed by donors for government sector in 2010 (USD m)	For reference: % of scheduled aid disbursements reported as disbursed by donors in 2010 **	
	a	b	(for reference)		(for reference)		c = a / b c = b / a		d	e = d / b	e = b / d
Canada	--	0	--		--				0	--	
EU Institutions	--	115	--		--				110	95%	
Global Fund	--	4	--		--				12		35%
IDB	--	732	--		--				626	86%	
Japan	--	17	--		--				17	100%	
OAS	--	0	--		--				0		76%
United Kingdom	--	2	--		--				0	0%	
United Nations	--	14	--		--				5	35%	
United States	--	2	--		--				2	100%	
World Bank	--	215	--		--				223		96%
Average donor ratio			--		--		--			69%	
<b>Total</b>	<b>0</b>	<b>1 102</b>	--		--		<b>0%</b>		<b>996</b>	<b>90%</b>	

\* Ratio is  $c = a / b$  except where disbursements recorded by government are greater than aid scheduled for disbursement ( $c = b / a$ ).

\*\* Ratio is  $e = d / b$  except where disbursements recorded by donors are greater than aid scheduled for disbursement ( $e = b / d$ ).

The ultimate goal is to improve not only the predictability of disbursements, but also the accuracy with which they are recorded in government systems – an important element to support ownership, accountability and transparency.

While no target is applicable, according to 2010 data, no disbursed aid was recorded in public accounts. On the other hand, 65% of scheduled aid was actually disbursed. In this regard, Jamaica obtained significantly more aid than was planned at the outset of the calendar year. In particular, the Inter-American Development Bank, the largest donor to the government sector, disbursed 86% of their scheduled aid, while other major donors such as the World Bank and EU Institutions registered at least 95%. The main discrepancy comes from ‘other donors’ who did not participate in the survey, for which no scheduled aid was disbursed.

Capacity constraints present significant challenges to development and poverty reduction efforts and their sustainability. These relate both to aid management capacities (the ability of the government to capture, co-ordinate and utilise aid flows more effectively) and also to broader capacities for the design and implementation of policies and service delivery.

Under the Paris Declaration donors committed to providing technical co-operation that is co-ordinated with partner country strategies and programmes. This approach aims to strengthen capacities while also responding to the needs of partner countries. Successful capacity development is led by the partner country.

Indicator 4 focuses on the extent to which donor technical co-operation (an important input into capacity development) is country-led and well co-ordinated. It captures the extent to which technical co-operation is aligned with objectives articulated by country authorities, whether country authorities have control over this assistance, and whether arrangements are in place to co-ordinate support provided by different donors. The Paris Declaration target is for 50% of technical co-operation flows to be implemented through co-ordinated programmes that are consistent with national development strategies by 2010.

#### INDICATOR 4

Co-ordinating support to strengthen capacity

	Co-ordinated technical co-operation (USD m)	Total technical co-operation (USD m)	2005 (for reference)	2007 (for reference)	2010 (%) c = a / b
	a	b			
Canada	0	2	--	--	0%
EU Institutions	4	4	--	--	100%
Global Fund	0	0	--	--	--
IDB	0	4	--	--	0%
Japan	2	2	--	--	75%
OAS	0	0	--	--	100%
United Kingdom	0	0	--	--	--
United Nations	4	4	--	--	100%
United States	12	12	--	--	100%
World Bank	15	15	--	--	99%
<b>Total</b>	<b>37</b>	<b>43</b>	<b>--</b>	<b>--</b>	<b>85%</b>

TABLE 5:

How much technical co-operation is co-ordinated with country programmes?

Jamaica has met the target for strengthening local capacity by co-ordinated technical support. In 2010, 85 % of funds were implemented in co-ordination between government and donors. With the exception of Canada (0%), IDB (0%) and Japan (75%), donors co-ordinated all of their technical assistance. Jamaica's success on this indicator is mainly due to UNDP assistance in co-ordinating donors around specific themes related to the country's developmental needs through four thematic working groups. The Planning Institute of Jamaica has notably developed a standard procedure to channel every request of the ministries, departments, and agencies for international assistance; a practice that has proven to be extremely successful for Jamaica. The education sector has been benefited the most from the working group arrangement, however, health and agriculture sectors have yet to share in the benefits of this co-ordinated effort.



**INDICATOR 5**

## Using country systems

Donor use of a partner country's established institutions and systems increases aid effectiveness by strengthening the government's long-term capacity to develop, implement and account for its policies to both its citizens and its parliament. The Paris Declaration commits donors to increase their use of country systems that are of sufficient quality, and to work with partner countries to strengthen systems that are currently weak. Indicator 5 is directly linked to Indicator 2 on the quality of public financial management (PFM) and procurement systems.

**INDICATOR 5a**

## Use of country public financial management systems

Indicator 5a measures the extent to which donors use partner country PFM systems when providing funding for the government sector. It measures the volume of aid that uses partner country PFM systems (budget execution, financial reporting and auditing) as a proportion of total aid disbursed for the government sector. The 2010 target is set relative to Indicator 2a on the quality of PFM systems. For partner countries with a score of 5 or above on Indicator 2a scale the target is for a two-thirds reduction in the proportion of aid to the public sector not using the partner country's PFM systems. For partner countries with a score between 3.5 and 4.5 on Indicator 2a, the target is a one-third reduction in the proportion of aid to the public sector not using partner country's PFM systems. There is no target for countries scoring less than 3.5.

**TABLE 6:**

How much aid for the government sector uses country systems?

	Aid disbursed by donors for government sector (USD m)	Public financial management						Procurement			
		Budget execution	Financial reporting	Auditing	2005	2007	2010	Proc. systems	2005	2007	2010
		(USD m)	(USD m)	(USD m)	(for reference)	(for reference)	(%)	(USD m)	(for reference)	(for reference)	(%)
	a	b	c	d			avg(b,c,d)/a	e			e / a
Canada	0	0	0	0	--	--	--	0	--	--	--
EU Institutions	110	88	88	88	--	--	80%	88	--	--	80%
Global Fund	12	12	0	0	--	--	33%	0	--	--	0%
IDB	626	27	0	0	--	--	1%	1	--	--	0%
Japan	17	15	15	15	--	--	86%	15	--	--	86%
OAS	0	0	0	0	--	--	0%	0	--	--	0%
United Kingdom	0	0	0	0	--	--	--	0	--	--	--
United Nations	5	0	0	0	--	--	0%	0	--	--	0%
United States	2	0	0	0	--	--	0%	2	--	--	100%
World Bank	223	0	0	0	--	--	0%	0	--	--	0%
<b>Total</b>	<b>996</b>	<b>142</b>	<b>103</b>	<b>103</b>	<b>--</b>	<b>--</b>	<b>12%</b>	<b>106</b>	<b>--</b>	<b>--</b>	<b>11%</b>

According to the survey data, only 12% of the aid to Jamaica in 2010 used public financial management systems. However, this may not reflect the actual use of country auditing systems by the IADB, as the correct information was not reported in time for the validation of survey data by end-July 2011 (see endnote i). As IADB is the largest donor to Jamaica, updating this information would significantly improve Jamaica's overall performance on the use of PFM systems (in the range of 30%). The third largest donor to the government sector, the EU Institutions, registered the highest figures among major donors at 80%. Regarding challenges to a greater use of PFM systems, some donor headquarters notably continue to require additional and or external procedures, particularly in the area of audits, in order to satisfy their management, but continued efforts and progress in this area should solidify the gains already achieved as well as provide further justification and assurance in the integrity of Jamaica's country systems.

**INDICATOR 5b**

## Use of country procurement systems

Indicator 5b follows a similar graduated target to indicator 5a which is set relative to Indicator 2b on the quality of procurement systems. For partner countries with a procurement score of 'A', a two-thirds reduction in the proportion of aid for the public sector not using the country's procurement systems and for partner countries with a procurement score of 'B' to reduce the gap by one-third.



The use of country procurement systems presents a similar dynamic to indicator 5a. According to the survey data, only 11 % of total aid uses Jamaica's procurement systems. Only three donors made any use of country procurement systems, the EU Institutions, Japan and the United States at 80%, 86% and 100% respectively. Jamaica has implemented reforms to improve its procurement systems such as: strengthening the Office of the Contractor General by producing comprehensive guidelines for government procurement procedures; and improving the capacity of the National Contracts Committee, the Offices of the Auditor General and the Accountant General. Despite these reforms, some donors have been reluctant to depend entirely on local country systems. However, donors such as the Caribbean Development Bank, the Inter-American Development Bank, the EU Institutions, and the World Bank are investing in Jamaica's efforts to improve the efficiency of country systems.

When providing development assistance, some donors establish dedicated project management units or implementation units (PIUs) – to support development projects or programmes. A PIU is said to be “parallel” when it is created by the donor and operates outside existing country institutional and administrative structures. In the short term, parallel PIUs can play a useful role in establishing good practice and promoting effective project management. However, in the long run, parallel PIUs often tend to undermine national capacity development efforts, distort salaries and weaken accountability for development.

To make aid more effective, the Paris Declaration encourages donors to “avoid, to the maximum extent possible, creating dedicated structures for day-to-day management and implementation of aid-financed projects and programmes.” Indicator 6 counts the number of parallel PIUs being used in partner countries. The target is to reduce by two-thirds the number of parallel PIUs in each partner country between 2005 and 2010.

**INDICATOR 6**  
Avoiding parallel  
implementation  
structures

	Parallel PIUs		
	2005 (for reference)	2007 (for reference)	2010 (units)
Canada	--	--	0
EU Institutions	--	--	0
Global Fund	--	--	0
IDB	--	--	6
Japan	--	--	0
OAS	--	--	0
United Kingdom	--	--	0
United Nations	--	--	2
United States	--	--	0
World Bank	--	--	0
<b>Total</b>	<b>--</b>	<b>--</b>	<b>8</b>

**TABLE 7:**  
How many PIUs are  
parallel to country  
structures?

In 2010, only eight parallel PIUs were reported in Jamaica. Only two donors register use of parallel PIUs, the World Bank (6) and the United Nations (2). The monitoring and evaluation framework Jamaica has implemented has produced positive results in this area, however, more work needs to be done in order to phase out all parallel PIUs in the country.

Aid is “tied” when restrictions are placed on the countries that goods and services may be purchased from, typically including the donor country and/or another narrowly specified group of countries. Untied aid not only improves value for money and decreases administrative burdens, but also supports the use of local resources, country systems and the harmonisation of donor support provided through pooled or joint aid instruments and approaches.

**INDICATOR 8**  
Untying aid

Data on the extent to which aid is tied are based on voluntary self-reporting by donors that are members of the OECD's Development Assistance Committee (DAC). The Paris Declaration target is to continue progress towards untying all aid between 2005 and 2010.

**TABLE 8:**  
How much bilateral aid  
is untied?

	Total bilateral aid as reported to the DAC in 2009	Untied aid	2005 (for reference)	2007 (for reference)	Share of untied aid
Austria	0.0	0.0	0%	--	--
Belgium	5.0	0.0	0%	100%	0%
Canada	0.3	0.0	31%	93%	0%
France	0.0	0.0	100%	54%	--
Germany	0.0	0.0	--	100%	--
Greece	0.0	0.0	--	0%	--
Ireland	0.3	0.3	--	100%	100%
Japan	0.2	0.2	100%	100%	100%
Korea	0.0	0.0	--	0%	0%
Netherlands	0.0	0.0	0%	--	--
Norway	0.0	0.0	--	--	--
Spain	0.0	0.0	30%	--	--
Sweden	0.0	0.0	--	100%	--
United Kingdom	8.5	8.5	100%	100%	100%
United States	24.2	10.4	5%	33%	43%
<b>Total</b>	<b>39</b>	<b>19</b>	<b>53%</b>	<b>41%</b>	<b>50%</b>

Source: OECD Creditor Reporting System.

According to OECD-CRS, only 50 % of total bilateral aid is untied, slightly short of the 2010 target. This has been a set back from 2005, when 53% of Jamaica's bilateral aid was untied. Almost all bilateral aid is supplied by three donors, the United Kingdom, the United States, and Belgium, which register 43%, 100% and 0% respectively. ■

## HARMONISATION

**POOR CO-ORDINATION OF AID** increases the cost to both donors and partner countries and significantly reduces the real value of aid. Harmonisation of aid delivery procedures and the adoption of common arrangements help reduce duplication of effort and lower the transaction costs associated with aid management. The Paris Declaration focuses on two dimensions of aid as a proxy for assessing overall harmonisation: the use of common arrangements within programme-based approaches (PBAs) and the extent to which donors and partner countries conduct joint missions and co-ordinate analytic work.

Aid effectiveness is enhanced when donors use common arrangements to manage and deliver aid in support of partner country priorities. A good mechanism for aid co-ordination can be described as one that has shared objectives and integrates the various interests of stakeholders. Indicator 9 assesses the degree to which donors work together – and with partner governments and organisations – by measuring the proportion of total ODA disbursed within programme-based approaches (PBAs). In practice, there are many different approaches and modalities which can use PBAs and harmonisation takes place at various levels.

At one level, the partner country is responsible for defining clear, country-owned programmes (*e.g.* a sector programme or strategy) and establishing a single budgetary framework that captures all resources (both domestic and external). At another level, donors are responsible for taking steps to use local systems for programme design and implementation, financial management, monitoring and evaluation. Finally, partner countries and donors are jointly responsible for donor co-ordination and harmonisation of donor procedures. The 2010 target is that two-thirds of aid flows are provided in the context of PBAs.

### INDICATOR 9 Using common arrangements

	Programme-based approaches			Total aid disbursed (USD m) d	2005 (for reference)	2007 (for reference)	2010 (%) e = c / d
	Budget support (USD m)	Other PBAs (USD m)	Total (USD m)				
	a	b	c = a + b				
Canada	0	0	0	3	--	--	0%
EU Institutions	88	19	107	110	--	--	98%
Global Fund	0	12	12	12	--	--	100%
IDB	600	0	600	626	--	--	96%
Japan	0	0	0	17	--	--	0%
OAS	0	0	0	0	--	--	0%
United Kingdom	0	0	0	0	--	--	--
United Nations	0	0	0	9	--	--	0%
United States	2	0	2	12	--	--	15%
World Bank	200	0	200	223	--	--	90%
<b>Total</b>	<b>890</b>	<b>31</b>	<b>921</b>	<b>1 013</b>	<b>--</b>	<b>--</b>	<b>91%</b>

**TABLE 9:**  
How much aid is  
programme based?

Jamaica has met the goal for indicator 9 and performed significantly above target on programme-based aid allocation. According to the survey data, 91% of aid received was directed into programme based approaches. Budget support constitutes the significant majority of PBAs in Jamaica, mostly accounted for by the EU Institutions, IDB and World Bank. Jamaica is also in the process of implementing a medium-term, performance based budgeting through sector-wide approaches and the use of a medium-term expenditure framework (MTEF) in order to improve the alignment between budgets, plans, and performance review reporting. Based on the 2010 data, it can be noted that use of PBAs is more concentrated among multilateral agencies than bilateral donors.

A common complaint of partner countries is that donors make too many demands on their limited resources: country authorities spend too much time meeting with donor officials and responding to their many requests. The Paris Declaration recognises that donors have a responsibility to ensure that, to the greatest extent possible, the missions and analytical work they commission are undertaken jointly – *i.e.* that the burden of such work is shared. The 2010 target is that 40% of donor missions to the field are conducted jointly.

**INDICATOR 10a**  
Joint missions

	Co-ordinated donor missions* (missions)	Total donor missions (missions)	2005* (for reference)	2007* (for reference)	2010* (%) c = a / b
	a	b			
Canada	0	0	--	--	--
EU Institutions	0	3	--	--	0%
Global Fund	0	1	--	--	0%
IDB	1	7	--	--	14%
Japan	0	1	--	--	0%
OAS	10	10	--	--	100%
United Kingdom	0	0	--	--	--
United Nations	3	23	--	--	13%
United States	7	10	--	--	70%
World Bank	2	39	--	--	5%
<b>Total</b>	<b>15</b>	<b>94</b>	<b>--</b>	<b>--</b>	<b>16%</b>

**TABLE 10:**  
How many donor  
missions are  
co-ordinated?

\* The total of coordinated missions has been adjusted to avoid double counting.  
A discount factor of 35% is applied.

There were relatively few co-ordinated missions in Jamaica in 2010, with only 15 out of a total of 94 technical missions conducted jointly. This is significantly below the 2010 target. The United Nations, and World Bank, the two donors with the highest number of missions, score 13% and 5% respectively.

**INDICATOR 10b****Joint country analytical work**

Country analytic work is the analysis and advice necessary to strengthen policy dialogue, and to develop and implement country strategies. It includes country or sector studies and strategies, country evaluations and discussion papers. The Paris Declaration foresees that donors should conduct analytic work jointly where possible as it helps curb transaction costs for partner authorities, avoids unnecessary duplicative work and helps to foster common understanding. Indicator 10b measures the proportion of country analytic work that is undertaken jointly. The 2010 target is that 66% of country analytic work is carried out jointly.

The dynamic on co-ordinated analytical work is similar to that of joint missions, with 23% of analytic work conducted jointly, significantly below the 66% target. More co-ordination is needed, mainly in the case of the EU Institutions and the United Nations (which together represent over half of total analytical work to Jamaica) both of which conduct no analytic work jointly. Various donors are using a fairly consultative process in the development of individual country strategies, allowing for more work to be invested in co-ordinating analytic work with Jamaica.

**TABLE 11:**  
How much country  
analytic work is  
co-ordinated?

	Co-ordinated donor analytic work* (units) a	Total donor analytic work (units) b	2005* (for reference)	2007* (for reference)	2010* (%) c = a / b
Canada	0	0	--	--	--
EU Institutions	0	4	--	--	0%
Global Fund	0	1	--	--	0%
IDB	1	1	--	--	100%
Japan	0	0	--	--	--
OAS	0	1	--	--	0%
United Kingdom	0	0	--	--	--
United Nations	0	8	--	--	0%
United States	5	7	--	--	71%
World Bank	1	1	--	--	100%
<b>Total</b>	<b>5</b>	<b>23</b>	<b>--</b>	<b>--</b>	<b>23%</b>

\* The total of coordinated missions has been adjusted to avoid double counting.  
A discount factor of 25% is applied.

## MANAGING FOR RESULTS

**INDICATOR 11****Do countries have  
results-oriented  
monitoring frameworks?**

**BOTH DONORS AND PARTNER COUNTRIES** should manage resources according to well-defined, desired results, measuring progress toward them and using information on results to improve decision making and performance. Achieving this implies strengthening capacity to undertake such management and emphasising a focus on results. Countries are expected to develop cost-effective and results-oriented reporting and performance assessment frameworks, while donors commit to use them and refrain from requiring separate reporting.

Indicator 11 assesses the quality of a country's results-oriented frameworks. In particular, it considers the quality of the information generated, stakeholder access to information, and the extent to which the information is utilised within a country level monitoring and evaluation system. The government provides evidence against these criteria through the survey, and this is translated by the World Bank into a score running from A (highest score) to E (lowest score).

The Paris Declaration 2010 global target is to reduce the proportion of countries without transparent and monitorable performance assessment frameworks by one-third.

Jamaica has achieved the target of B regarding its results-based monitoring frameworks. Jamaica's national development strategy (NDS) has an M&E framework led by the Planning Institute of Jamaica (PIOJ). The PIOJ leads analysis and reporting on progress, and provides co-ordination and secretariat services including supporting the operation of inter-ministerial and multi-stakeholder thematic working groups for different sectors under the plan. The quality and quantity of development information for the M&E framework was significantly improved during the preparation of the NDS. Stakeholders can easily access to the information on the NDS and public expenditure.

Development information for the M&E framework is sectorally and geographically comprehensive, and coverage extends to a number of themes as well. Progress against the NDS is reported quarterly and annually. Data coverage of qualitative and quantitative targets is comprehensive: 60 out of 62 indicators (97%) have baseline data. National data systems include a population census, household survey, GDP, poverty survey, labour survey, complemented by administrative data, with reasonable frequency. Available data are of sufficient quality to meet the demands of the M&E system. The National Statistical Office ensures the quality and integrity of official statistics. The quality of data from international sources is based on their conformity with international data quality standards. The majority of national indicators for the NDS are based on well-established data collection and analysis processes that have undergone incremental improvement over the past 10 years. A significant development took place during the preparation of the NDS, when the National Statistical Office conducted a comprehensive revision of Jamaica's System of National Accounts in October 2008.

The NDS and public expenditure data are publically available on the internet, electronically, in hardcopy and, in the case of the NDS, other dissemination materials targeting the general public. Public expenditure data are available semi-annually and annually. All materials are in English. Stakeholder access to public expenditure data has remained relatively unchanged over the past ten years in terms of the frequency and range of media available. The rights of stakeholders to access public information generally were enhanced with the passage of the Access to Information Act in 2002.

Jamaica's NDS M&E system tracks input, output and outcome indicators identified in the NDS. While the NDS does not, per se, directly track input and output indicators, but the M&E framework has 62 national outcome indicators. Input and output indicators are tracked by ministries, departments and agencies in their corporate and operational plans and budgets, and their quarterly and annual progress reports. M&E reports are at an early stage of development. The government-wide performance monitoring and evaluation system (PMES) is being introduced in eight pilot ministries in financial year 2011/12. When the PMES is fully implemented the ministries will use the M&E reports as key elements in developing plans and budgets for the next fiscal year. Aspects of the M&E reports are also linked to the Management Accountability Framework for Permanent Secretaries and CEOs of public entities. ■

## MUTUAL ACCOUNTABILITY

**STRONG AND BALANCED MECHANISMS** that support accountability are required at all levels for aid to be most effective. Donors and partner country governments should be accountable to their respective publics and to each other for implementing their commitments on aid, its effectiveness, and the results to which it contributes.

Indicator 12 examines whether there is a country-level mechanism for mutual assessment of progress on partnership commitments, including on aid effectiveness. There are three criteria that must all be met: the existence of an aid policy or strategy agreed between the partner country government and donors; specific country-level aid effectiveness targets for both the partner country government and donors; an assessment

### INDICATOR 12

#### Mutual accountability

towards these targets undertaken by both partner and donors in the last two years, and discussed in a forum for broad-based dialogue.

The 2010 target is for all partner countries to have mutual assessment reviews meeting these criteria in place. Jamaica was not assessed to have a mutual accountability mechanism in place in 2010. While there is no overall aid policy/strategy in place in Jamaica, there are technical co-operation agreements with each multilateral and bilateral partner. In some cases there are specific agreements for co-operation on specific issues. There are no targets for country-level aid effectiveness and as a result no assessment has been made. ■

## NOTES

The quantitative information presented in this chapter is taken from data provided by national co-ordinators up to 31 July 2011, following the data validation process with stakeholders at the country level. It was not possible to modify or correct any data received after this date.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

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