

No. 18616

**UNITED STATES OF AMERICA
and
JAMAICA**

Memorandum of Understanding concerning currency utilization for high priority development activities (with annex). Signed at Kingston on 23 March 1978

Authentic text: English.

Registered by the United States of America on 18 April 1980.

**ÉTATS-UNIS D'AMÉRIQUE
et
JAMAÏQUE**

Mémoire d'accord relatif à l'utilisation de fonds en monnaie pour des activités de développement hautement prioritaires (avec annexe). Signé à Kingston le 23 mars 1978

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 18 avril 1980.

MEMORANDUM OF UNDERSTANDING¹

March 23, 1978

Subject: Utilization of Jamaican Currency for High Priority Development Activities

The purpose of this Memorandum of Understanding is to register our agreement concerning:

- A. Certain key sectors in which Jamaican currency will be used to support Jamaica's socio-economic development;
- B. The priorities to be followed in allocating said currency;
- C. The activities to be supported; and
- D. The schedule of reviews to be followed.

Jamaican currency generated through A.I.D.'s P.L. 480 Agreement 1977/1 and Commodity Import Loan 532-K-011, and any similar A.I.D. supported programs in the future, will be used in support of the development sectors and activities agreed upon herein.

The Jamaican currency generated under each A.I.D. supported program will be credited to its own special, individually identifiable account at the Bank of Jamaica. The Ministry of Finance and Planning shall promptly provide A.I.D. with copies of each monthly statement of balance prepared by the Bank of Jamaica.

A. SECTORS

In accordance with the provisions of Part II Item IV of the P.L. 480 Title I Agreement signed on August 8, 1977, as amended² (hereinafter referred to as "P.L. 480 1977/1"), and Section 6.6 of Commodity Import Program Loan No. 532-K-011³ (hereinafter referred to as "532-K-011"), it is hereby agreed that Jamaican currency generated through these programs shall be utilized in the sectors of Agriculture, Nutrition, Health and Population, placing emphasis on improving the lives of the least privileged segments of the population in Jamaica and on improving their capacity to participate in the development of the country.

In addition, it is hereby agreed that Jamaican currency generated under Loan 532-K-011 may be utilized in the education and housing sectors, and such other sectors as may be agreed upon in the future.

It is hereby agreed that activities in the aforementioned sectors shall receive first priority in the allocation of Jamaican currency.

B. PRIORITIES

Within the aforementioned sectors, the following will be the general order of priority:

1. To support ongoing projects which are being assisted by A.I.D.;
2. To support activities which would facilitate programs being considered for such assistance;

¹ Came into force on 23 March 1978 by signature.

² United Nations, *Treaty Series*, vol. 1118, p. 301.

³ *Ibid.*, vol. 1135, p. 43.

3. To support activities which would complement such ongoing and/or proposed programs; and
4. To support other high priority development projects for Jamaica, to be agreed upon by A.I.D. and the Ministry of Finance and Planning.

C. ACTIVITIES

Attached as Annex A to this Memorandum of Understanding is the tentative list of activities, with sums allocated to them, upon which it is intended that expenditure of Jamaican currency will be incurred.

Adjustments to the tentative list of activities in Annex A will be agreed upon through an exchange of letters between the Financial Secretary of the Ministry of Finance and Planning, or his nominee, and the Director of USAID/Jamaica, or his nominee.

D. REVIEWS

It is agreed that there will be periodic reviews of the progress of the activities listed in Annex A, the amounts expended on those activities, the availability of Jamaican currency for those activities, the rate at which Jamaican currency is being generated under A.I.D. supported programs, and possible adjustments to the list of activities.

Such reviews will take place on a quarterly basis within 30 days after the ending of each calendar quarter. In addition, either party may request such ad hoc reviews as they deem necessary. The first quarterly review will take place the third week of April 1978.

The material which the Ministry of Finance and Planning prepares for each review will include information on actual and planned allocations, disbursement, and expenditures of Jamaican currency for each activity; and a reconciliation with the monthly statements of the Bank of Jamaica.

Government of Jamaica:

By: *[Signed]*

ERIC O. BELL

March 23, 1978

Title: Minister of Finance and Planning

United States of America:

By: *[Signed]*

DONOR M. LION

Title: Mission Director USAID Jamaica

By: *[Signed]*

FREDERICK IRVING

Title: Ambassador U.S.A.

LOCAL CURRENCY REQUIRED BY SPECIFIED PROJECTS

Project	Jan.- March	1978			1979		Additional Require- ments to March 1981	Total	Comments	
		April- June	July- Sept.	Oct.- Dec.	Jan.- March	Total				
Health										
1. Health Improvement	197	197	197	197	197	985	1,600	2,585	Local currency support for IBRD/USAID projects. (Cornwall).	
2. Vital Statistics	8	8	8	8	9	41	72	113	Registrar General's Data Processing.	
3. Family Planning	444	444	444	444	444	2,220	4,896	7,116	Budget support for the National Family Planning Programme.	
4. Budget Support—Vector Control Unit	100	100	100	100	100	500	900	1,400	Budget for the Vector Control Unit.	
Total Health	749	749	749	749	750	3,746	7,468	11,214		
Agriculture										
1. Integrated Rural Development	345	651	651	652	652	2,951	10,716	13,667	Local currency counterpart.	
2. Agriculture Sector Loan							20,000	20,000	Local currency counterpart.	
3. Fish Production System Development	125	125	125	125	125	625	2,375	3,000		
4. Expansion Blue Mountain Coffee	200	400	400	425	425	1,850	425	2,275		
5. Marketing Improvement	100	100	50	50	50	350	100	450	For study on improving the marketing of agricultural products.	
6. Rural Roads Improvement	259	252	252	252	252	1,267	1,008	2,275	Ministry of Works.	
7. Agriculture Census	310	300	300			910		910	Department of Statistics.	
8. Agricultural Survey Data Analysis		50	50	50	32	182		182	Ministry of Agriculture.	
Total Agriculture	1,339	1,878	1,828	1,554	1,536	8,135	34,624	42,759		
Housing										
1. Support for urban upgrading	80	79	368	369	368	1,264	537	1,801	Ministry of Local Government.	
2. Support for squatter settlement		192	191	192	191	766	768	1,534	Ministry of Housing.	
Total Housing	80	271	559	561	559	2,030	1,305	3,335		
Education										
1. Support Staff for Rural Education Project	32	32	32	32	32	160	256	416	Ministry of Education.	
2. Support Staff for Planning Division	79	79	79	80	80	397	720	1,117	Ministry of Education.	
3. Educational Development and Demonstration Centre ..	22	21	22	21	22	108	176	284	M.E.—Staffing Centre.	
4. Rural Education Project (Local Counterpart)	175	175	1,024	1,024	1,024	3,422	3,388	6,810	Ministry of Education.	

5. Board for Handicapped Children	28	28	28	28	112		112	Survey of educational, etc., needs.
6. Training Needs Survey		63	62	63	62	250	394	644 Ministry of Education.
7. G.O.J. Education Statistics	60	60	60	60	60	300	250	550 Department of Statistics.
8. Youth Training Programme	300	300	300	300	300	1,500	2,100	3,600 Ministry of Education.
Total Education	668	758	1,607	1,608	1,608	6,249	7,284	13,533
GRANT TOTAL	2,836	3,656	4,743	4,472	4,453	20,160	50,681	70,841
J\$m generated quarterly 6.1	7.4	8.6	2.2	3.0	4.0	31.3		
Balance \$m	10.664	15.608	13.065	11.593	11.140	11.140		