

Official Development Assistance (taken from *Economic and Social Survey Jamaica 2008*)

Official Development Assistance (ODA) comprising loans, grants and technical assistance from multilateral and bilateral sources remained critical to realizing the development priorities articulated by the Government of Jamaica. The year registered an increase both in the levels of new ODA and disbursements. This was attributed to the Government's deliberate strategy to increase its engagement with the Multilateral Financial Institutions (MFIs)¹ to secure lower cost loans. Assistance was primarily provided through quick disbursing policy loans in support of Government's reform agenda in areas such as public financial management, education, taxation, security and justice. These funds were mostly directed at paying down more expensive commercial debts, thus providing the Government with more discretionary resources for critical development initiatives.

New ODA from International Development Partners (IDPs) amounted to US\$631.0 million (\$46.0 billion), an increase of 300.9 per cent compared with 2007. MFIs including the Inter-American Development Bank (IDB), Caribbean Development Bank (CDB) and the International Bank for Reconstruction and Development (World Bank) approved a total of US\$517.8 million (\$37.8 billion)², a combined increase of 714.0 per cent compared with 2007³. This notable increase in 2008 is attributed to the Government's intensified engagement with MFIs, as well as the relatively low level of approvals in 2007, due to delays by MFIs in the development of several projects until the new administration had assumed office.

New ODA from bilateral sources also increased by 161.0 per cent compared with 2007, with the increase in loans and grants amounting to 240.0 per cent and 55.0 per cent respectively, compared with 2007. The increase in the loan portfolio is mainly due to funding of €30.3 million (\$3.2 billion) from the Government of Belgium, which was the only bilateral loan approved in 2008.

Total disbursements from the IDPs increased by 122.0 per cent compared with 2007. Disbursements for loans and grants increased by 171.0 per cent and 61.0 per cent respectively, compared with 2007. MFIs accounted for 74.5 per cent of total disbursements for 2008. Combined disbursements from CDB, IDB and World Bank registered a 135.8 per cent increase compared with 2007.

The IDPs demonstrated a high degree of responsiveness to the need for rehabilitation and reconstruction following the passage of Tropical Storm Gustav. Some US\$20.9 million (\$1.5 billion) was pledged for rehabilitation of roads, gullies and bridges; repair of schools, health centres and other social infrastructure; and provision of budget support.

¹ Inter-American Development Bank, World Bank, Caribbean Development Bank, European Union

² Exchange rate: US\$1 = J\$72.92

³ Four initiatives amounting US\$57.3 million (\$4.0 billion) were approved in 2007.