

Official Development Assistance 2007

Official Development Assistance (ODA) continued to play a critical role as a source of external financing for the Government of Jamaica (GOJ) towards meeting the development needs of the country. In addressing the social and economic needs in an effective manner, the GOJ remained committed to improved alignment of development assistance with its strategic goals and priorities, as outlined in the Medium Term Socio-Economic Policy Framework (MTF).

There was a reduction in the level of new ODA compared with the previous year, particularly concessionary loans. New ODA to Jamaica amounted to US\$157.4 million (\$10.9 billion), representing a decline of 73.5 per cent relative to 2006. Grant resources accounted for US\$67.2 million (\$4.6 billion) of total new ODA, twice the amount of the previous year. This was mainly due to the signing of seven new financing agreements with the European Commission (EC), the largest provider of grant resources to Jamaica. Two new country programmes were also signed between the GOJ and the United Nations agencies, with Jamaica receiving a grant allocation of US\$4.4 million (\$303.9 million). The level of new loan resources however, was reduced with approvals totalling US\$90.2 million (\$6.2 billion) compared with US\$563.4 million (\$38.9 billion) in 2006.

Multilateral Financial Institutions (MFIs) were the major sources of ODA loan and grant financing, totalling US\$77.3 million (\$5.3 billion) and US\$49.0 million (3.4 billion) respectively. Loans and grants from bilateral sources amounted to US\$12.9 million (\$890.9 million) and US\$9.6 million (\$663.0 million), respectively. The Multilateral Technical Cooperation (MTC) agencies provided grants and technical assistance amounting to US\$8.6 million (\$593.9 million).

The sectoral allocation of new ODA continued to reflect an emphasis on Economic Infrastructure¹ which accounted for US\$111.1 million (\$7.7 billion) of total ODA. These funds were mainly channelled towards road rehabilitation. The allocation to the Social Infrastructure² sector was US\$7.3 million (\$504.1 million). Allocations to the Directly Productive³ and Administrative⁴ sectors were US\$0.8 million (\$55.3 million) and US\$0.6 million (\$41.4 million), respectively.

Total repayments to the three multilateral lending partners⁵ for principal, interest and other charges exceeded disbursements. An amount of US\$79.5 million (\$5.5 billion) was disbursed to ongoing and new projects. Repayments to these institutions totalled US\$211.9 million (\$14.6 billion). The net position was negative US\$132.4 million (\$9.1 billion).

¹ Economic Infrastructure – Transport, Power, Water, Sewerage

² Social Infrastructure – Health, Education, Housing, Safety Net

³ Directly Productive – Agriculture, Tourism, Mining, Manufacturing, Micro, Small and Medium Business Enterprises

⁴ Administrative – Public Sector Reform, Budgetary Support

⁵ The Inter-American Development Bank, International Bank for Reconstruction and Development, and the Caribbean Development Bank.