



EVALUATION OF THE EUROPEAN UNION EXTERNAL ACTION

BUDGET SUPPORT EVALUATION

EVALUATION OF EU BUDGET SUPPORT IN JAMAICA (2008 – 2021)

February 2024

Executive Summary

**EVIDENCE
MATTERS**

International
Partnerships

The evaluation assessed the EU’s Budget Support programmes implemented in Jamaica from 2008 to 2021 in support of the country’s National Development Plan (Vision 2030) and the economic, justice & security and forest management sector reform strategies.

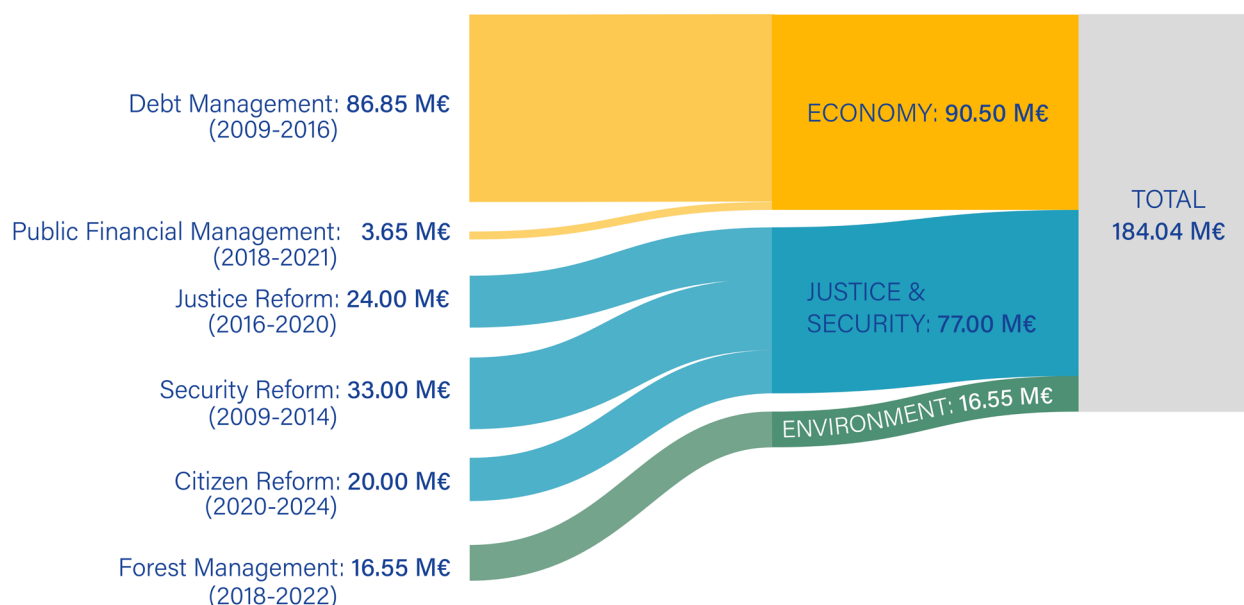
This strategic evaluation of the European Union’s Budget Support initiatives in Jamaica was mandated by the European Commission’s Directorate-General for International Partnerships (DG INTPA) and aimed at accomplishing a set of objectives: conducting an independent and thorough assessment of the EU’s Budget Support programmes; extracting lessons learnt from these initiatives with an emphasis on deriving actionable recommendations that could enhance both the design and implementation of future programmes; and identifying strategies to maximize the impact of ongoing and future Budget Support operations, particularly in terms of improving synergies with other aid modalities and contributing more effectively to the Sustainable Development Goals.

Background and methodology

The evaluation focused primarily on assessing the extent and quality of the contribution of EU Budget Support to enhancing the formulation and implementation of the Jamaican government’s policies and strategies, in a context of political stability and a complex social and economic background. EU Budget Support programmes were designed to assist the implementation of Jamaica’s National Development Plan, Vision 2030, and its four associated Medium Term Socio-Economic Policy Frameworks prepared during the evaluated period.

Six Budget Support Programmes were formulated under the 2008-2014 and 2014-2021 EU-Jamaica Indicative Strategy Papers. Because of the comprehensive and integrated approach of the evaluation, these programmes were categorized into three distinctive thematic clusters, according to their main sectors of intervention: economic policy, justice & security, and environment.

EU BUDGET SUPPORT PROGRAMMES IN JAMAICA 2008-2021, ORGANISED PER THEMATIC CLUSTERS



The evaluators followed the OECD-DAC methodological approach for Budget Support evaluation, known as the 3-Step approach. This comprehensive evaluation framework places a significant emphasis on the roles of the government and non-State actors, as well as the impact of the context in which public policies are implemented. Additionally, the evaluation methodology emphasises the importance of cross-cutting issues such as human rights, gender equality, vulnerable populations, and climate change. This approach ensured that the evaluation adequately covered the complex nature of the Budget Support initiatives in Jamaica.

Findings

Budget Support was relevant to the objectives of the EU-Jamaica partnership and promoted Government leadership.

Each programme was carefully and collaboratively designed to address key challenges of Jamaican selected macroeconomic and sector policies and to contribute to Jamaica's long-term developmental goals, as outlined in Vision 2030 Jamaica. The formulation of these Budget Support interventions involved the active engagement of EU officials with Jamaican government institutions, fostering collaborative programme design and ensuring government ownership of their implementation. This engagement was evident in the strong government involvement in programme formulation, for instance in the case of the justice and security programmes, where the Ministry of Justice played a pivotal role. Another example is the forest management programme, which was closely aligned with the National Forest Management and Conservation Plan and was designed to contribute to public efforts to improve forest management and combat climate change.

The Government of Jamaica and the EU preferred the Budget Support modality over project support in the analysed sectors, as it is more suited for alignment with national strategies and more conducive to the promotion of government ownership, results-oriented reforms, and potential for greater efficiency and lower transaction costs.

Budget Support programmes also demonstrated strong harmonisation with EU and international frameworks, strategies and guidelines. The programmes reflected the EU's broader values and priorities, as reflected in the Indicative Strategy Papers and other key documents, such as the Budget Support Guidelines. Budget Support inputs were gradually fine-tuned, as the quality of design and the balance between conditionality, the allocation of disbursements, the nature of policy dialogue, and the use of complementary measures improved throughout the evaluation period.

Budget Support resources positively contributed to successful legal, policy and institutional reforms in Jamaica, and to strengthen the capacities of Non-State Actors.

The funds disbursed by EU Budget Support interventions allowed the Government of Jamaica to maintain primary surpluses and support critical sectors like security, justice, and forestry. These contributions were essential for ensuring financial stability and increasing discretionary spending in priority areas. Moreover, the disbursement of funds was predictable and timely, with a remarkable disbursement rate of 98% of the allocated funds. This high predictability enhanced the effectiveness of the financial support provided to the Government of Jamaica.

Complementary support was useful to support civil society organisations but played a small role in supporting Jamaican public sector institutions. EU programmes efficiently used grants to support Non-State Actors and beneficiaries, for example in forest conservation activities and in participatory budgeting. In contrast, only a reduced part of EU resources were directed to capacity building through Technical Assistance. This is mostly explained by the fact that the Jamaican government prioritised EU financial contributions over other mechanisms of support. Another reason is that other donors already provided resources for capacity building in those areas. Albeit small, in most cases, EU Technical Assistance was delivered efficiently and strategically, although with different levels of ownership by Jamaican institutions, and overall low impact.

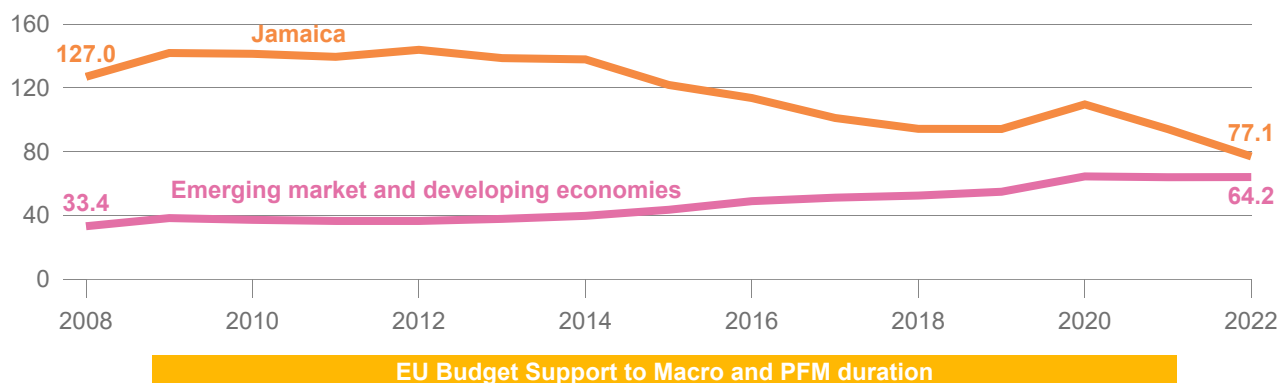
Policy dialogue between the EU and Jamaica was comprehensive, evolving over time from a rather restricted and operational approach towards more strategic and high-level discussions. These interactions promoted and facilitated significant reforms in all the sectors supported. Legislative and policy frameworks strengthening was particularly encouraged by the EU through policy dialogue.

The Government of Jamaica showed effective leadership in coordinating with development partners and aligning international support with Jamaica's national development priorities. Additionally, collaboration among donors was notable, especially in key sectors like public financial management and justice, contributing to the overall effectiveness of the Budget Support approach. However, a noticeable lack of detailed documentation on dialogue between the EU, Jamaica and other partners limited the understanding and learning opportunities from these interactions.

Remarkable achievements were made in reducing debt and achieving fiscal consolidation.

Reforms implemented by the Government of Jamaica have very positively resulted in a reduced debt burden and improved fiscal discipline, which allowed for a gradual, but significant shift in expenditure towards the provision of goods and services. Jamaica’s performance in fiscal and macroeconomic policy has been outstanding.

GENERAL GOVERNMENT GROSS DEBT (%GDP) 2008-2022



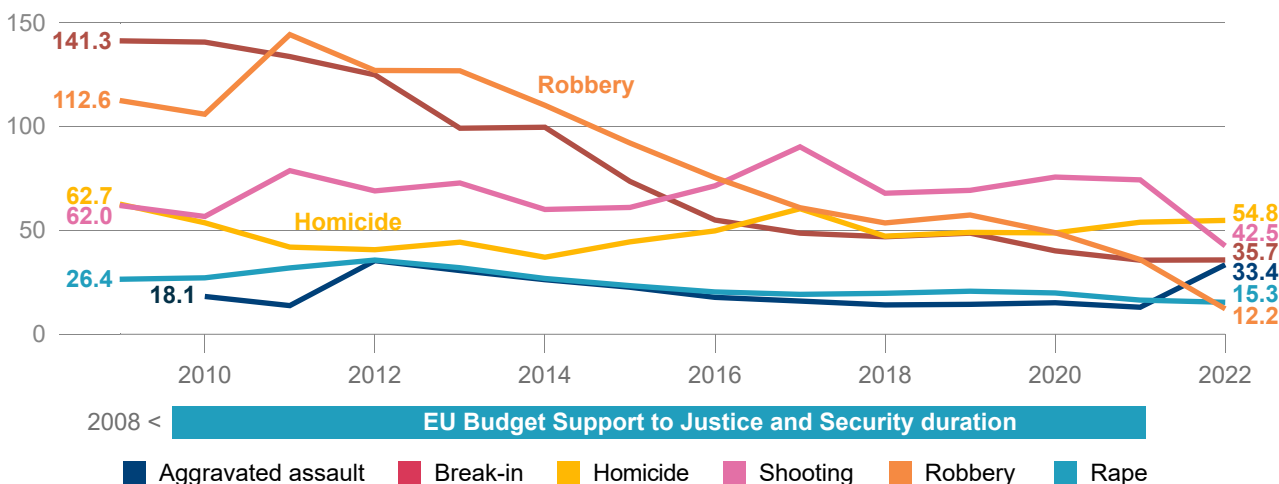
Source: IMF WEO (2023)

However, economic growth has been limited by low productivity, high homicide rates, poor education, deficient infrastructure, and a still burdensome business environment, as well as the weak competitiveness of the Jamaican economy. Real GDP growth in the 2008-2021 period was negative (-0,6%).

Sector policy reforms were successful and moderately improved the well-being of the population.

The Government of Jamaica’s prioritization of spending on justice & security has resulted in a moderate reduction of citizen exposure to crime. Government initiatives like the Zones of Special Operations (ZOSO) and the Citizen Security and Justice Programme have improved safety and employment opportunities in communities. Robberies and aggravated assaults have been sharply reduced, and recidivism is lower. However, serious offenses like homicides remain high, restraining public confidence in the police. The judicial system struggled with persistent backlog of cases, though notable reduction is seen since 2021.

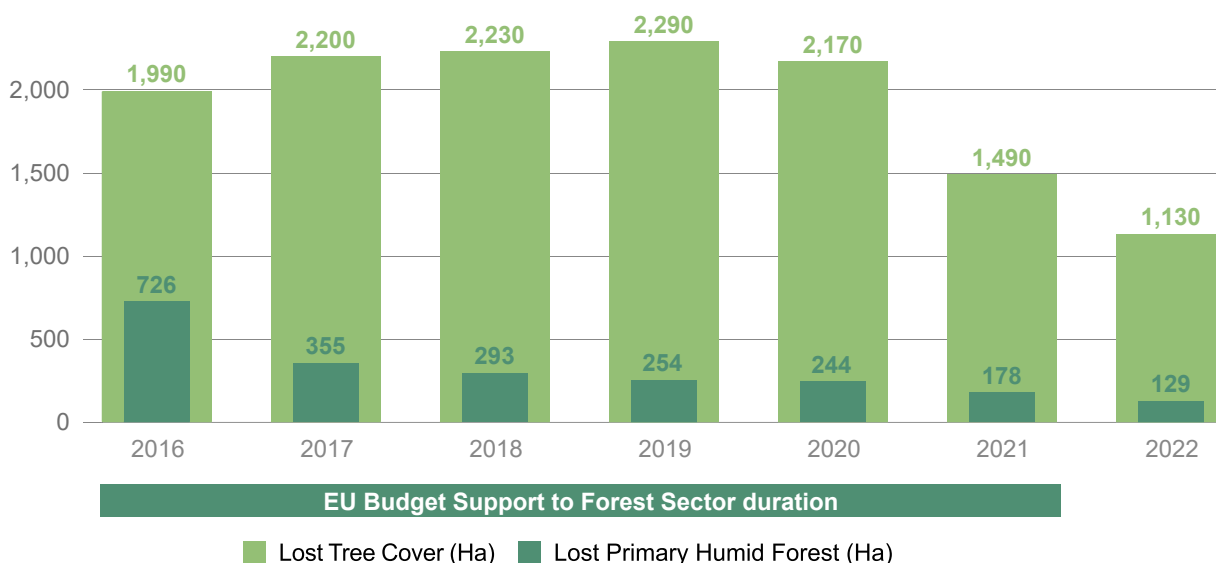
VIOLENT CRIME IN JAMAICA PER 100,000 INHABITANTS 2009-2021



Source: JCF

By international standards, Jamaica’s environment is relatively unspoiled, and deforestation is not a particularly severe problem. Deforestation has been driven by agricultural expansion, partially offset by natural forest growth and reforestation efforts. The loss of primary forest has remarkably decreased in recent years.

DEFORESTATION RATE IN JAMAICA, HECTARES 2016-2021



Source: Global Forest Watch

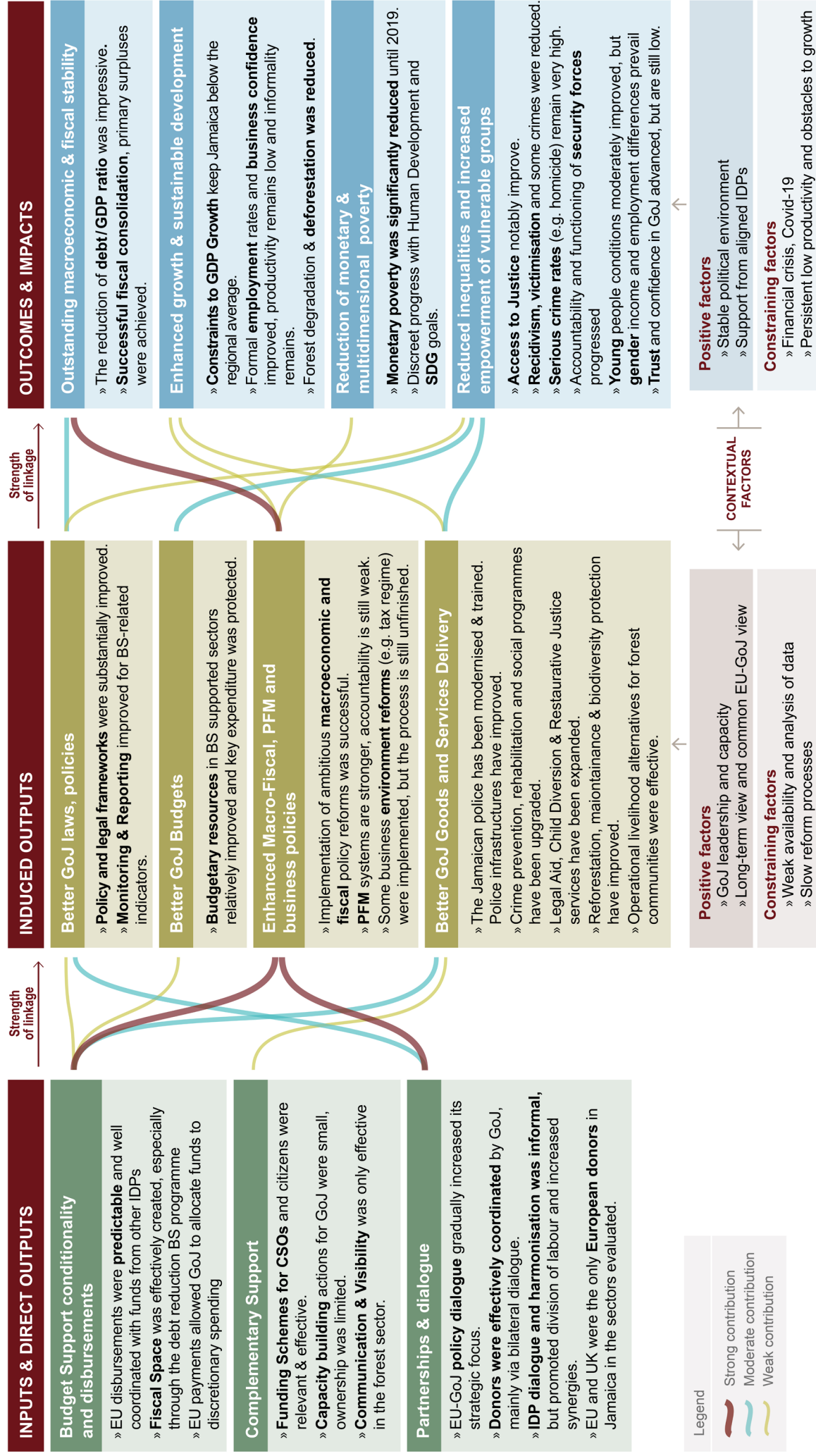
While some progress with SDG achievements is observed, targets for several goals most concerned by the scope of this evaluation are still behind schedule. The report for 2022 shows mixed results.

PROGRESS AS OF 2022 WITH MOST RELEVANT SDGS IN BUDGET SUPPORT INTERVENTION LOGICS



Source: UN

OVERALL CONTRIBUTION OF EU BUDGET SUPPORT OPERATIONS IN JAMAICA



The analyses revealed a strong contribution of EU Budget Support funds and policy dialogue towards improved macroeconomic and fiscal performance, some moderate contributions towards improvements in service delivery, and moderate to weak contributions towards growth and sustainable development, and the reduction of poverty and inequalities.

Conclusions

Four conclusions were reached on the relevance and quality of design of EU Budget Support and its effects on the Jamaican institutional framework and capacities...

- 1. EU Budget Support in Jamaica was highly relevant and well-integrated with support from other international development partners, particularly during the 2008 financial crisis and subsequent reforms.** The EU played a pivotal role in addressing Jamaica's debt crisis and collaborated with organizations like the IMF, WB, and IADB to support fiscal stability. Additionally, the EU partnered with major donors in sectors like citizen security, justice, and environmental protection.
- 2. Budget Support in Jamaica has proven to be effective in improving institutional frameworks and capacities in government entities.** The combination of Budget Support inputs, especially disbursement conditionality and policy dialogue, facilitated reforms in the public sector and government institutions. EU funds created fiscal space, strengthened Jamaica's fiscal position, and helped to protect vital expenditures immediately after the financial crisis. Technical Assistance was relatively small and, overall, of limited impact.
- 3. The use of Budget Support helped to make EU-Jamaica policy dialogue more strategic.** Initially, discussions were centred around programme performance indicators and programme implementation activities, but more recent programmes included more strategic consultations, addressing medium and long-term priorities. While the dialogue remained stable during Budget Support programme implementation, it weakened after EU interventions ended, resulting in reduced access of EU officials to Government of Jamaica sector entities.
- 4. Budget Support has contributed to improving the Monitoring and Reporting (M&R) systems of Jamaican sector entities, but data management and availability is still weak.** M&R frameworks in targeted sectors have improved, although primarily focused on Budget Support performance indicators. Nonetheless, the accessibility and consistency of data at sector level remains limited, hindering public access and evidence-based policymaking and accountability. Efforts to compile and aggregate performance information are hampered by human and technological resource limitations of the entities.

...completed with three conclusions on the contribution of Budget Support to policy outcomes and impacts in Jamaica.

- 5. The EU and other donors played a crucial role in supporting Jamaica's impressive fiscal consolidation efforts, especially through the two Budget Support programmes that were focused on debt reduction and PFM.** Timely and substantial disbursements from the EU shortly after the global financial crisis helped to stabilise the macroeconomic framework and supported critical reforms. While the government's efforts focused on fiscal discipline, economic growth promotion has been only a secondary consideration, which has limited the potential of EU Budget Support to contribute towards economic progress.
- 6. The implementation of security, justice, and environmental sector reforms in Jamaica, accompanied by EU Budget Support, has brought about some improvement in the well-being of Jamaicans.** Some encouraging results were observed in the reduction of crime and deforestation, but the actual outcomes of government policies did not always meet expectations. While economic inequality has seen a notable reduction, and poverty reduction trends were moderately positive until COVID-19, progress towards Vision 2030 and SDG targets was mixed. Overall, the effectiveness of EU Budget Support programmes has been confirmed, but was also limited by the constraints of the context and the modest results of Jamaican policies.
- 7. Despite the Jamaican government's efforts and the European Union's support, there hasn't been a significant improvement in civil society's awareness and trust.** A considerable portion of the Jamaican population remains sceptical about reforms and government institutions, particularly in areas like citizen security and justice. The EU's communication and visibility efforts have had limited impact, often targeting specific groups rather than the broader public.

Additionally, the EU's prominence as a donor is recognised, but overall less visible compared to other international partners, except in the field of forest management.

Recommendations

Four general recommendations are made focusing on transversal and strategic aspects...

- 1. Continue using the Budget Support modality in Jamaica while intensifying efforts to prioritize and stimulate sustainable economic growth.** The EU, in collaboration with other major international development partners, should encourage the Jamaican Government to take urgent and necessary measures to address factors hindering economic growth. EU aid, including through the Global Gateway initiative, should continue using the Budget Support modality to promote the fine-tuning of public policy strategies and to work toward ambitious development goals.
- 2. Increase the support to improving data and statistics,** focusing on enhancing the quality of sector statistics and monitoring systems in collaboration with the Jamaican government. This involves using Budget Support to provide help, including Technical Assistance, to enhance data collection and analysis in the sectors, improve data availability and access to comprehensive information for civil society, academia, and donors. Coordination with other donors and parallel EU projects can also facilitate this effort.
- 3. Encourage a more comprehensive development approach that focuses on higher-level policy effects.** Budget Support can facilitate closer collaboration among government entities to achieve the goals outlined in Jamaica Vision 2030 and the SDGs. Future Budget Support programmes should consider how sector outcomes can impact on broader objectives and work towards reducing poverty, promoting economic development, and addressing strategic cooperation frameworks.
- 4. Enhance EU communication and visibility efforts in Jamaica.** This includes developing joint EU-Jamaica communication and dissemination strategies to convey the objectives, actions, and results of reform plans being supported by Budget Support, among government entities, international development partners, civil society organizations, and the general public.

...completed by three recommendations on how to improve EU assistance in each of the thematic areas that have been supported by Budget Support in Jamaica.

- 5. Continue supporting the strengthening of Jamaica's PFM.** Together with the Jamaican Ministry of Finance and Public Service, and in coordination with other donors, the EU should provide specific assistance to formulate and implement a new PFM reform strategy that can address existing weaknesses in the system at both the general and sector levels.
- 6. Formulate a comprehensive programme in the areas of Justice and Security based on best international practices.** EU should recuperate justice as a focal sector. A situation analysis should be conducted to identify gaps and recommend approaches for justice and security policies that can effectively continue to reduce recidivism and serious crimes while considering their impact on the social and economic context. Existing government sector strategies and policies should also be taken into account in this overall multi-sector analysis.
- 7. Improve stakeholder participation in the planning, implementation, and monitoring of the National Forest and Management Conservation Plan (NFMCP) in Jamaica.** Increase the involvement of civil society organizations and private sector entities to advance a value chain approach for forest products. This recommendation prioritizes expanding reforestation and restoration efforts, along with sustainable and alternative livelihood initiatives, in collaboration with non-State stakeholders. Key actions can include engaging Civil Society Organisations in NFMCP planning, assessing and reorienting reforestation strategies, developing an investment plan for livelihood initiatives, and designing incentive schemes to encourage community and private sector involvement in forest management.

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