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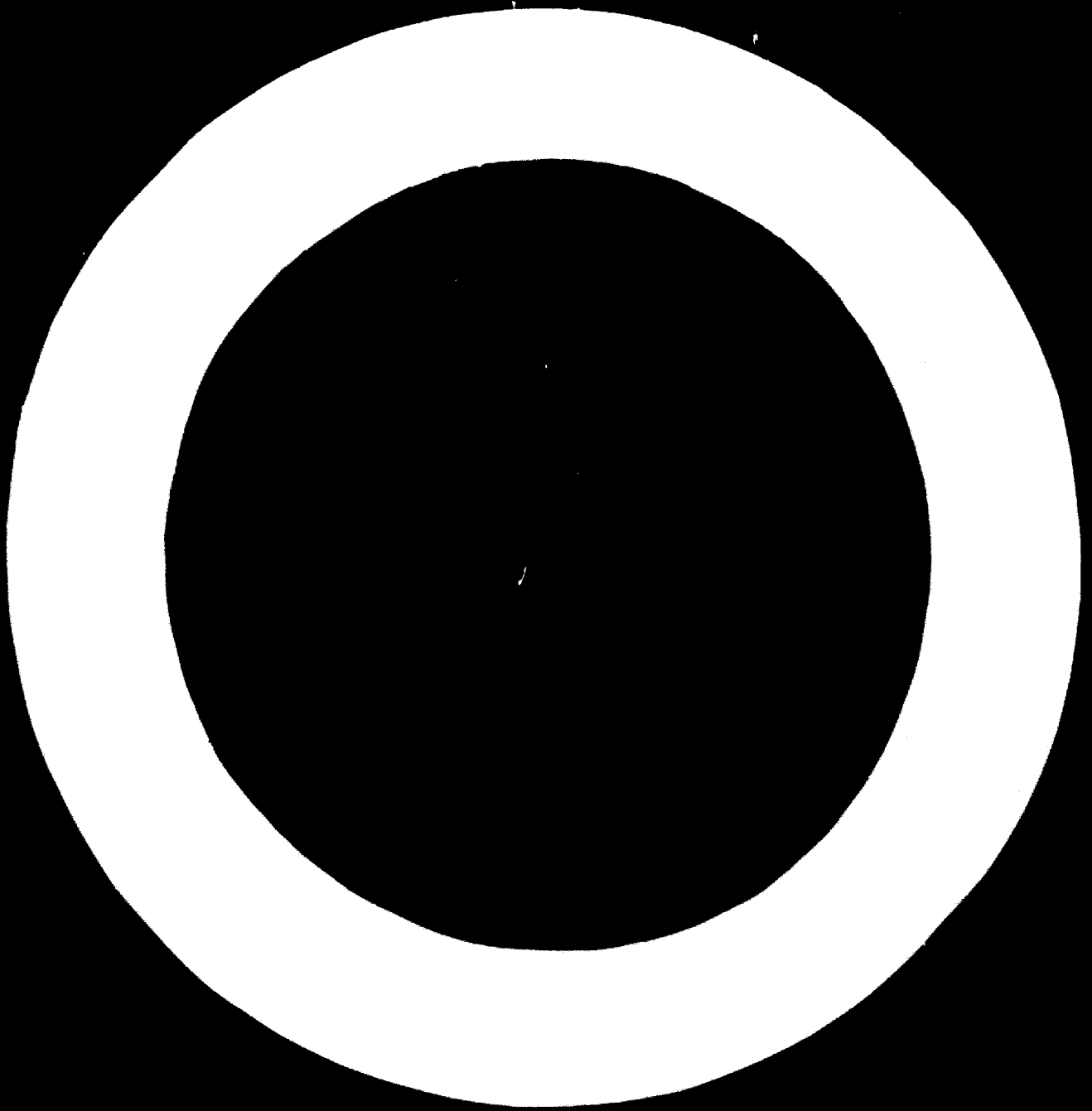
Vienna, 24 - 28 May 1971

Agenda item 6

ROLE OF UNIDO IN CO-ORDINATION OF ACTIVITIES
IN INDUSTRIAL DEVELOPMENT:
CO-ORDINATION AT THE COUNTRY LEVEL

Addendum 1

Evaluation report: Jamaica



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PREFATORY NOTE

1. The present evaluation of the programmes of UNIDO in Jamaica has been prepared jointly by UNIDO and the Government of Jamaica. It consists of two parts. The first part contains a factual record of programmes of co-operation in industry between the Government of Jamaica and UNIDO during the period January 1967 to December 1970, including a brief description of field projects with emphasis on results obtained or recommendations made by the experts. An account of other co-operative activities such as information services, provision of publications, participation in meetings and attendance at the seminars by the representatives of Jamaica is contained in the annexes. The second part of the report consists of an evaluation of the activities of UNIDO in specific industrial branches. It includes some general observations concerning both the need for assistance to be provided by UNIDO to Jamaica as well as some suggestions for improving the effectiveness of UNIDO's programmes of co-operation with Jamaica.

PART ONE: FIELD PROGRAMME IN JAMAICA

2. In Jamaica, the United Nations programmes of technical co-operation in industry date back to the period immediately after the country achieved independence. The programmes in industry were small, as they are now. After the establishment of UNIDO, efforts were made by the field adviser in late 1967 to review, in the preliminary way, the requirements of assistance for Jamaica, and recommendations for action were submitted. In a sense, the present situation of the technical co-operation programme in Jamaica reflects the preliminary discussions between the UNDP and government representatives, on the one hand, and the UNIDO industrial field adviser on the other.

3. The following table provides a summary of assistance provided by UNIDO since 1967.

Expert man-months in Jamaica, by sources of finance

Year	Expert <u>m/m</u>	Fellow <u>m/m</u>	<u>Sources of finance</u>			
			SIS <u>m/m</u>	TA <u>m/m</u>	FIT <u>m/m</u>	RP <u>m/m</u>
1967	24	-	-	12	12	-
1968	41	-	29	-	12	-
1969	61	-	26	20	15	-
1970 ^{a/}	66	6	28	25	12	1
Total	<u>192</u>	<u>6</u>	<u>83</u>	<u>57</u>	<u>51</u>	<u>1</u>

a/ A UNDP/SF project on repair and maintenance has been approved by UNDP.

Apart from the provision of individual experts, amounting to a total of 192 m/m, the Government, with the assistance of UNIDO, has prepared a UNDP/SF request entitled Repair and Maintenance Programme in Jamaica, which was subsequently approved by UNDP.

4. In its initial stages, the technical co-operation programme in Jamaica was concerned with the development of small-scale industry. The programme has now expanded to include assistance to specific industrial branches. The experts have worked closely with the Thomas Jamaica Ceramic Corporation and more recently with the Jamaica Industrial Development Corporation (JIDC), a body that is responsible for the promotion of industrial development, in general, and for the administration of incentive schemes, in particular. The JIDC is giving emphasis to the promotional aspect of its programme, and in this task a group of UNIDO experts is assisting JIDC.
5. The assistance provided by UNIDO relates primarily to the development of a number of specific industrial branches. In some cases, assistance was directed towards the trouble-shooting of technological and engineering problems. In others, it was concerned with the survey and recommendations for action. One UNIDO expert, for example, who was associated with the development and expansion of the leather and footwear industry, was instrumental in rehabilitating a tannery project, expanding a shoe factory, negotiating with buyers from other markets and in evolving an import and production policy for the Government. Other experts are concerned with the establishment of resource-based industries, development of repair and maintenance facilities etc. Recently a sugar industry team has arrived in the country to assess the situation and recommend proposals for action.
6. The programmes of co-operation are continuously reviewed by the UNDP Resident Representative in his discussions both with government officials in Kingston and with the UNIDO staff in Vienna. The UNIDO field adviser has held discussions in Jamaica with the authorities, with the experts in the country, and with UNIDO senior staff on the work of the experts to assess their progress. A mission headed by the Minister for Industry visited UNIDO headquarters in June 1970 for discussions on co-operation between UNIDO and Jamaica. The discussions that took place with the Executive Director of UNIDO and with the Directors of the substantive Divisions were most useful in understanding problems of mutual interest. UNIDO was able to obtain a better appreciation of the industrial development problems of Jamaica, and a number of priority areas were evolved in which UNIDO and the Government could make a concentrated effort. The areas are: repair and maintenance; sugar industry; expansion of the Food Research Institute; leather industry; and chemical industry.

**A BRIEF RESUME OF THE CONTRIBUTION OF UNIDO TO PROGRAMMES
OF INDUSTRIAL DEVELOPMENT IN MAJOR AREAS**

Furniture Industry

28 m/m (total)

7. Expert assistance was provided to the Jamaican furniture industry for the purpose of increasing productivity and improving quality of production in both the "small cabinet" type of enterprise and large furniture factories. The expert provided advice on modern production methods and techniques, factory layout, quality control and on methods of increasing the productivity of factory operations. He worked closely with the three main woodworking industries, namely, Arawak, Kraftman's Limited and Spence's Furniture Industry. His recommendations covered a variety of aspects of the industry, including design and carving techniques, training of personnel, research and machinery layout.

Footwear industry

21 m/m (continuing)

8. Expert assistance has been provided to this sector with a view to increasing productivity and quality in order to meet export standards and to develop exports of shoes to the United States market. This industry enjoys protection against competing imports, and the Government is concerned with raising local production and with improving the quality for export. The UNIDO expert has been advising and assisting individual shoe manufacturers, as well as the Government, on all matters pertaining to the development of the footwear industry. He also advised on problems arising from Jamaica's relation to the Caribbean Free Trade Area with regard to the footwear industry. His work covered technical matters relating to shoe production, shoe and leather import policy, the tanning industry, leather goods and animal production. Assistance was also provided by him to shoe-making shops at the youth camps of Coubla and Chesterville. The expert has co-operated with other experts in Jamaica, especially with the UNIDO tanning expert, with the manager of "Things Jamaican" and with the ILO experts at the Jamaica Productivity Centre.

Industrial production of handicraft goods

31 m/m (continuing)

9. Expert assistance is being provided to the hand-crafts industry, with stress on export promotion and production policy of a large number of co-ordinated enterprises. Management skills and marketing data are the two major needs of this employment-creating sector. The expert has made proposals with regard to aims and objectives of "Things Jamaican" and the required financial structure to achieve such goals. The expert will continue to concentrate on improving the overall management and production and marketing function, working in close association with the Deputy Managing Director, who has already assumed much of the day-to-day responsibilities.

Ceramic industry

22 m/m (total)

10. Assistance was provided to the government owned ceramic industry (decorative ceramics) with a view to improving the quality and design of goods for export, taking into account particularly the United States market. Experts were concerned especially with technology and commercial management. One expert also worked as managing director responsible for the operations of the factory. He concentrated on improving the processes of forming, finishing, glazing and decorating, with a view to reducing the waste of materials. The expert also developed a new range of lamps which has been successfully exported to the United States. Several technological improvements were made in the factory on the basis of recommendations made by the expert.

Leather and tanning

12 m/m (total)

11. The main purpose of assistance provided to the sector was to expand and improve the tannery industry with a view to supplying adequate raw materials for the local shoe industry and to promote the export of intermediate products. Import substitution and life improvement were further aims. The expert recommended the establishment of buying and obtaining centres for hides and skins. Special recommendations were made to concentrate production of various types of leather in three existing tanneries which are suitably equipped for sole leather and upper leather and leather from goatskins.

Electric and electronics industries

8 m/m (continuing)

12. The improvement of engineering know-how as well as the promotion of "link industries" (i.e. possibilities for subcontracting) for this sector are the main purposes of the assistance provided through the Jamaica Industrial Development Corporation.

Chemical industries

9 m/m (continuing)

13. Assistance provided to the chemical industries through the Jamaica Industrial Development Corporation pertains primarily to investment promotion, i.e. formulation of proposals for expansion and new investments on the basis of surveys. This assistance is geared to both small and medium industries and includes the provision of engineering know-how. The expert first made an over-all survey of the situation of chemical industries in the country. According to his first assessment, potential projects are foreseeable in the fields of: building material from gypsum; manufacture of chemicals by fermentation processes; production of salt and extractive chemicals from sea water; electrolytic caustic soda; and manufacture of ammonium sulphate from gypsum and sulphuric acid from gypsum.

Metal industries

14. The assistance provided through the Jamaica Industrial Development Corporation to the metal industries follow lines similar to those for the chemical industries. The major aim is to advise on possible investments and expansions as well as to provide engineering know-how to existing plants. This assistance is being expanded and linked to the repair and maintenance activities. The UNIDO expert has visited a number of local factories concerned with metal industries and surveyed their problems. He has worked out proposals for the establishment of a tool-room and workshop facilities to provide repair and maintenance facilities to the metal-using industries, which account for one-fourth of the industrial employment in Jamaica.

Sugar industry

3 m/m (continuing)

15. A first step in assisting the Jamaican sugar industry was taken following the discussions in Vienna between UNIDO and members of Jamaican industry. A team of three experts is in the country with a view to assessing the present state of existing sugar plants and to identifying the shortcomings and bottlenecks within the industry. The initial survey reviews problems relating to the following aspects of this sector: technological, economic, financial, utilization of by-products and repair and maintenance. The Jamaica Industrial Development Corporation is co-ordinating the activities of the project and is responsible for its supervision.

Industrial management with reference to electrical and mechanical services

22 m/m (continuing)

16. Assistance is being provided to the Government of Jamaica with regard to over-all organization, production planning, control and training of personnel in public sector maintenance workshops. The expert has been concerned primarily with the organization and management of the Public Works Department repair shops and preventive maintenance branch. He has also undertaken

a number of ad hoc assignments in the general field of repair and maintenance operations. As a follow-up of this expert's mission, the UNDP has approved a Special Fund project which will permit assistance to be intensified in this priority sector.

PART TWO: EVALUATION OF ASSISTANCE PROVIDED BY UNIDO TO JAMAICA

IMPORTANCE OF THE INDUSTRIAL SECTOR FOR THE JAMAICAN ECONOMY

17. The industrial sector has assumed greater significance in the Jamaican economy. In 1967, manufacturing industries contributed 13.8 per cent to the GDP. It is likely that a similar level of contribution will continue up to 1975. Mineral industries contributed 9.1 per cent to the GDP in 1967 and this is likely to increase to about 15 per cent in 1975. In terms of export performance, manufacturing industries accounted for 6.7 per cent of total exports in 1967. There is likely to be a reduction in the share of this contribution by 1975, although it is estimated that there will be a significant increase in value of exports of manufactures in 1975. The share of the exports of mineral industries totalled 28 per cent in 1967, and this is likely to increase to about 42 per cent by 1975.

18. Given the projected expansions in the industrial sector referred to above, the Government of Jamaica attaches importance to the continued assistance of UNIDO. As the industrial base expands, problems become more complex and the expertise that can be supplied by UNIDO is required to supplement local know-how. Emphasis is being put on the development and expansion of small and medium enterprises. Financing for capital investment has been obtained by the Jamaica Development Bank from the Inter-American Development Bank and discussions are taking place with the World Bank for additional financing of industry. Capital assistance will not be effective, however, if technical assistance is unavailable.

EVALUATION OF THE PROGRAMME OF UNIDO IN JAMAICA IN SPECIFIC INDUSTRIAL BRANCHES¹

Furniture industry

19. The consultant assigned to assist the Jamaican furniture industry was of a very high calibre; not only was he knowledgeable in modern production methods and techniques for large-scale firms, but was also an expert in the setting up of small firms and the basic techniques to be used.

20. On his own initiative he established classes where draughtsmen were taught the preparation of full-scale drawings, a technique which had previously been used seldom, if at all. He was also knowledgeable in bamboo technology and imparted a great deal of information to local bamboo craftsmen.

^{1/} The experts referred in this section worked with the Jamaica Industrial Development Corporation.

21. Unfortunately, his command of English was not good and there was a communication problem with many of the firms with which he came in contact. Our experience with this consultant suggests that more attention should be paid to the résumé of applicants. In this instance, for example, it was stated that the applicant spoke English fluently though this was not the case.

Footwear industry

22. The achievements of the consultant assigned in this area have been outstanding. He has efficiently assisted in revitalizing the footwear industry and, over the period of his consultancy, production of footwear has more than doubled. Although his area of expertise relates particularly to the technical aspect of shoe production, his advice on matters pertaining to the import policy for shoe and leather has been invaluable. While assigned specifically to the footwear industry, he rendered assistance in other areas, and the resuscitation of the tanning industry is a direct result of his efforts.

23. He worked closely with the Welco Shoe Company - a company in which the Jamaica Industrial Development Corporation has equity - and was able to illustrate that the production of footwear for children was feasible and profitable.

24. The only disadvantage that has arisen from the use of this consultant's services has been the fact that, for the last three years, JIDC has had to meet all the costs pertaining to his consultancy. It has been learnt recently that there are other UNIDO programmes (such as OPAS) under which it might have been possible to request his services whereby JIDC would have been required to meet only a portion of the relevant costs.

Leather and tanning

25. The achievements of the consultant assigned to this area were not spectacular. This was due primarily to the personality of the expert which did not lend itself to communicating with smaller tanners located in rural areas.

26. Although some useful recommendations were made concerning the establishment of a hide clearing centre at the grassroot level, i.e. the small tanners, there were no lasting effects from his consultancy. Here again, the need is clearly indicated to relate the background of the consultant to the type and class of persons with whom it is known that he will be primarily associated.

Electric and electronic industries

27. This consultancy is progressing satisfactorily. Much assistance has been given regarding long-term industrial demand for electric power.

Chemical industries

28. This consultant has worked assiduously in identifying several linkage industries that could be established in the chemical industries area. Because of the importance to the national economy of the projects which he has so clearly identified, efforts are being made to retain his services for a further period of time.

29. It is considered imperative that the important work that has been started should not be disrupted at this stage.

Metal industries

30. Certain important developments have resulted from this consultancy. A toolroom is currently under construction. When it is completed, training will be given in the making of dies and tools. This is an important step if the economy is to enter the field of engineering and machine technology. For example, this will pave the way for the establishment of companies to manufacture small appliances as well as the fractional horsepower motors needed for their operation.

31. As a result of this consultant's activities and recommendations, a request has been submitted to UNIDO for the establishment of a repair and maintenance unit. It is anticipated that this request will receive favourable consideration shortly. It is desirable that the consultant's tour of duty be extended in order to ensure proper functioning of the toolroom and workshop from its inception.

GENERAL COMMENTS

32. The assistance provided under UNIDO programmes has been extremely beneficial in the development of certain key areas of the national economy of Jamaica. Special reference is made to the leather, tanning, metalworking and chemical industries.

33. In the cases where significant benefits have not been derived during the expert's tour of duty, this has resulted from their personality and communication problems rather than from technical incompetence. This indicates the desirability for careful screening of the backgrounds of future experts.

34. There is need for closer collaboration between the Office of the Resident Representative and the Agencies to which experts are to be assigned. It has only recently been brought to our attention that there are many different types of programmes administered by UNIDO which need to be considered, depending on the length of the assignment. It is evident that the consultants who are currently with us in the areas of chemical, electronic, and metalworking industries should have been requested under programmes which would enable them to remain for a longer period of time than the one-year initially assigned.

35. To the extent it could be ascertained, the Jamaican Industrial Development Corporation has not been provided with a list of the areas for which UNIDO has experts available under its various programmes. This would facilitate long-term planning on the Corporation's part. The Corporation would thus be able to budget for consultants within its financial capacity for the programmes that it wishes to have implemented.

ANNEX I

SPECIAL CONTACTS

Industrial Development Board

First session, 1967

Mr. William G. Whiting (Observer)	United States Director, Jamaica Industrial Development Corporation
Mr. P. W. Aitken (Observer)	Counsellor, Permanent Mission
Mr. Donald Craig (Observer)	Second Secretary, Permanent Mission

Second session, 1968

Jamaica not represented

Third session, 1969

Mr. P. W. Aitken (Observer)	Counsellor, Permanent Mission, Geneva
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Fourth session, 1970

Mr. C. S. McMorris (Observer)	Minister-Counsellor, Permanent Mission in Geneva
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Official visitors to UNIDO

Hon. R. Lightborne	Minister of Trade and Industry of Jamaica, May 1970
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Attendance at UNIDO seminars

Mr. P. Chen-Young	Deputy Director, Jamaican Development Bank, Seminar on incentive policies for industrial development, March 1969
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Visits of UNIDO personnel (other than technical assistance experts)

Mr. T. Nasr	Repair and maintenance of machinery and equipment, October - December 1968
Mr. G. S. Gouri	27-30 September 1970

ANNEX II

INQUIRIES RECEIVED BY THE UNIDO INDUSTRIAL INQUIRY SERVICE FROM JAMAICA, 1967 TO 1970

Inquirer: Resident Representative

Question: Utilization of castor seed cake as animal feed

Received by: Letter dated 29 October 1969

Source of answer: Tropical Products Institute, London; United States Department of Agriculture, Agricultural Research Service, Agricultural Extension, Department of Agronomy, University of California

Answer: 11 November 1969

Question no: Q1133

Inquirer: Island Music, 12 Slipe Road, Kingston 5

Question: Manufacture of small metal objects in pewter; application of patterns and glazing on pre-fired pottery items

Received by: Letter dated 9 June 1970

Source of answer: Austrian Productivity Centre publications sent; inquirer also referred to UNIDO expert working in Jamaica in the subject

Answered: 28 August 1970

Question no: 1876 and 1877

ANNEX III

DISTRIBUTION OF UNIDO DOCUMENTS IN JAMAICA

Regular distribution of UNIDO documents

Library
University College of the West Indies

Institute of Jamaica Library

Permanent Secretary to the
Ministry of External Affairs

UNIDO Newsletter

The Newsletter is sent regularly to 34
professional organisations and individuals



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