



## EUROPEAN UNION – JAMAICA PROJECT SHEET

<b>Project Title</b>	<b>Jamaica Accompanying Measures for Sugar (AMS)</b>
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<b>Sector</b>	Agriculture (Sugar)	<b>Budget (Euro)</b>	Total project cost: <b>€86 Mio</b> EU contribution : <b>€86 Mio</b>
<b>Location</b>	Jamaica (rural)	<b>Budget (J\$ equiv.)</b> Xrate = 109.6	Total project cost: <b>J \$ 8.99 Bn</b> EU contribution : <b>J \$ 8.99 Bn</b>
<b>Start Date (Est.)</b>	December 2006	<b>End date (Est.)</b>	2013

<b>Implemented by</b>	Government of Jamaica
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<b>Objective</b>	The purpose of the Accompanying Measures for Sugar is to support the Government of Jamaica in its implementation of the Jamaica Country Strategy for the Adaptation of the Sugar Industry, and in particular to improve the competitiveness of the sugar sector while at the same time strengthen social resilience in sugar-dependent areas affected by the transformation.
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<b>Description</b>
<p>The reform of the EU Sugar Regime in 2006, involved a loss of quotas and progressive reductions in the price guaranteed by the EU (totaling 36% by October 2009), forced EU Sugar Protocol countries to introduce measures to improve the competitiveness of their sugarcane sectors in the global market and to mitigate the negative economic and social impact of the reform. To support these changes, the European Commission in 2006 announced an eight year aid scheme: the Accompanying Measures for Sugar Protocol Countries (AMS).</p> <p>The objectives of the AMS programme reflect those of the Government's Jamaica Country Strategy for the Adaptation of the Sugarcane Industry 2006-2020 (JCS II), revised in September 2009.</p> <p>JCS II objectives are: 1) to develop and maintain a sustainable private sector led Sugar Cane industry; 2) to strengthen the economic diversification, social resilience and environmental sustainability of sugar dependent areas; and 3) to support progress towards macroeconomic goals. The strategy envisages achievement of these objectives over three phases of adjustment to the change in the EU Sugar Protocol: Transition (2006/7-2009/10); Transformation (2010/11-2014/15), and Consolidation (2015/16-2019/20).</p> <p>Under the initial phases, covering 2006-2010, Jamaica was allocated Euro 86,714,000<sup>1</sup>, the major part of which, Euro 54.7mln was for Sector Budget Support (SBS). Euro 29.9mln was earmarked for macro-economic assistance via General Budget Support (GBS). For the second phase (MIP 2011-2013), an amount of Euro 61.9mln has been provisionally allocated.</p> <p>Through the budget support modality the funds are disbursed directly into the Consolidated Fund against the achievement of specific targets agreed with the Government in annual financing agreements. As such, the Government is fully responsible for the implementation of the programme.</p> <p>During the first phase' the programme focus was in supporting the GoJ reform agenda concerning the advancement of the divestment process, the mitigation measures addressing the socio-economic impact of the privatisation and introducing the regulatory and policy changes necessary for the development of an internal market for bio-fuels.</p>

<sup>1</sup> AMS2006: Euro 5.218mn (Euro 4.4mn SBS plus Euro 0.818mn TA); MIP2007 -2010: Euro 81.496mn comprising Euro 60.7mn for AMS2007-2009 (Euro 30.6mn SBS, Euro 20.0mn GBS, plus Euro 1.0mn TA) and Euro 20.796mn for AMS2010

## Results

The GoJ made some significant progress in the implementation of the JCS-II, having successfully completed JCS-II expected developments and results under its “Phase I-Transition (FY 2006/2007-FY 2009/2010)” Main Government's achievements so far have been:

### In respect to Objective 1 - Develop a sustainable private sector led sugar cane industry

- The divestment of all 5 publicly owned sugar estates to the private sector;
- the establishment of an operational cane expansion fund (CEF) for productivity improvement, with increasing levels of capital for independent cane farmers
- all redundant sugar-workers received the full redundancy payments
- all past forms of budgetary support to the sugar estates *were eliminated from the FY 2010/2011 Budget*,
- investments to improve efficiency and productivity in the estates continued and were even stepped up by the partial pre-shipment financing arrangements with ERIDANIA and TATE & LYLE,
- The introduction of a local market for ethanol, with the E10 10 (10% blended ethanol gasoline), now available across the country;
- a Commission of Enquiry completed its analysis and recommendations regarding the necessary revamping of the institutional and regulatory framework of the sugar industry, in order to reflect all structural changes brought into it since launching the JCS-I in 2006.

### In respect to Objective 2 - Strengthen the economic diversification, social resilience and environmental sustainability of sugar dependent areas:

- The roll-out of the Areas Development Programmes, through the launch of re-housing schemes for those previously living in the estate barracks (whether or not they are estate workers); making arrangements for continued social services and utilities provision; and the roll-out of a small grant support for more than 2000 workers made redundant.

## Contact Details (incl. email and website), implementing partner

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