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23

COMMON COUNTRY ANALYSIS

UPDATE

JAMAICA

This document was prepared by the Office of the UN Resident Coordinator for Jamaica, the Bahamas, Bermuda, Turks and Caicos & Cayman Islands.

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Executive Summary

With 2023 marking the mid-way point of the Global Sustainable Development Goals (SDGs), recent assessments on global progress have raised concerns over their achievement by 2030. Added to these, other assessments on financing have found that the current investment costs required to finance the Goals are substantially higher today than they were when first envisaged in 2015. For Jamaica, this CCA update highlights similar concerns over the ability to build on the progress made so far toward the SDGs and its capacity to finance sustainable development.

Across the three pillars of sustainable development – economic, social, and environmental – Jamaica has been fortunate to avoid a serious natural challenge over the past year, which has enabled Jamaica to build on its development goals as outlined in its most recent second Voluntary National Review (2022). However, fiscal space for development has remained squeezed. Fiscal and monetary policies have remained tight, partly due to the ambition to ensure Jamaica’s debt sustainability goals are met but also as well as the persistent inflationary pressures that have beset the Jamaican economy over the past year. This has meant growth, while positive in real terms, has been slower than others across the sub-region as reported by the most recent projection of the IMF. Moreover, despite Jamaica’s impressive capacity to reduce unemployment to unprecedented levels, real incomes per capita continue to slide in their purchasing power.

A key challenge highlighted by this update is Jamaica’s ability to increase momentum towards the Goals given the financial constraints. With new thinking on how cost-effectively countries can prioritise action towards the goals, encapsulated in the United Nations Sustainable Development Group recent publication titled the Six Transitions: Investment Pathways to Deliver the SDGs, new analysis is gathering pace to apply this methodology to the Jamaican context, complimenting as well as informing the portfolio of development action of the United Nations Agencies, Funds and Programmes in Jamaica.

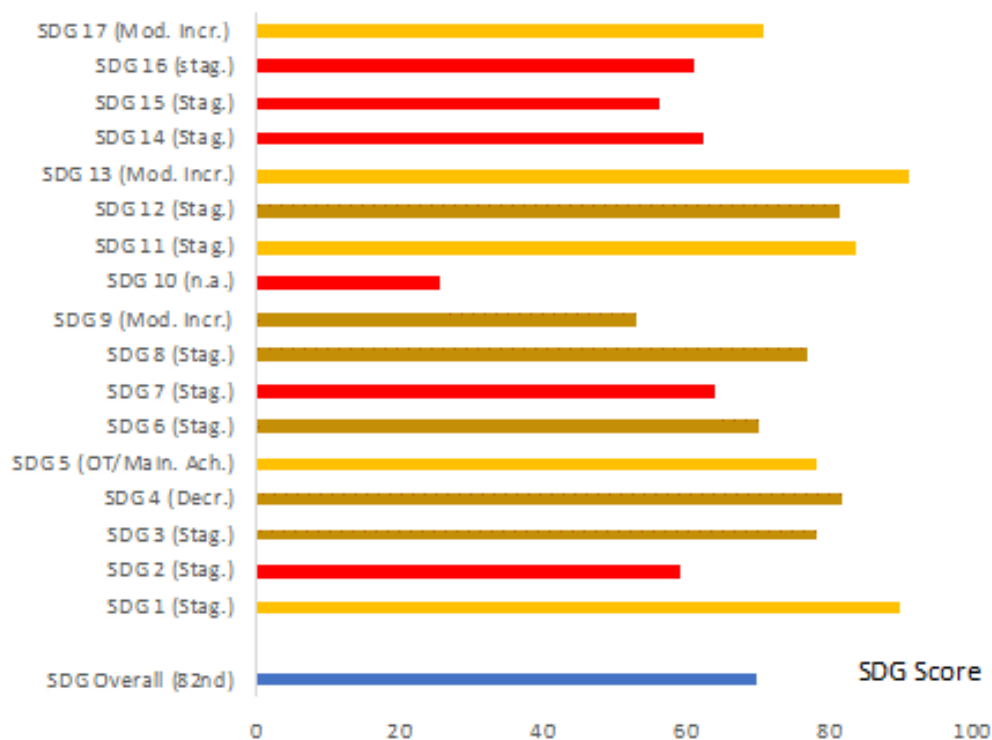
Through enhancing Jamaica’s productive capacities, particularly in its citizens, digital economies, public and civil institutions, and its vibrant private sector in all its creative forms, Jamaica can make significant contributions to the SDGs and global development indicators enshrined in the Multi-Sector Development Cooperation Plan. New joint SDG funding windows, new collaborations with The University of the West Indies, enhanced partnerships with Jamaica’s youth and steadfast support from UN Agencies, Funds and Programmes, together with new multilateral financing opportunities on climate resilience, digital governance and economic transformation call together support Jamaica accelerate its progress towards the SDGs over the remaining years.

Introduction

This update to the Common Country Analysis covers developments over the past year in each of the sustainable development pillars. It also compares progress made on the SDGs associated with each of the four Multi-Sector Development Cooperation Framework (MSDCF)^[1] pillars to highlight areas in which United Nations Agencies, Funds and Programmes can support Jamaica's advancement towards the Goals.

Sustainable Development Goals: Update

Chart 1: SDG Performance 2023



Source: Sustainable Development Report, 2023

A comparison between the Sustainable Development Goals Index scores between 2022 and 2023,^[2] shows for Jamaica that progress towards the Goals remained largely unchanged^[3]With a score of 69.6, Jamaica is currently the 82nd highest performer globally of 166 countries scored. ^[4]

Across the SDGs, Chart 1, shows Jamaica's performance in its most recent assessment described in the 2023 Sustainable Development Review. An important feature of Jamaica's progress toward the goals is the number of goals that have been reported as stagnating as well as those reported with significant and major challenges.

[1] See <https://jamaica.un.org/en/174812-programme-agenda-msdcf-2022-signing-ceremony-jamaica>

[2] See SDR 2023 database backdated SDG Index.

[3] Jamaica's score increased marginally from 69.3 to 69.6 out of 100.

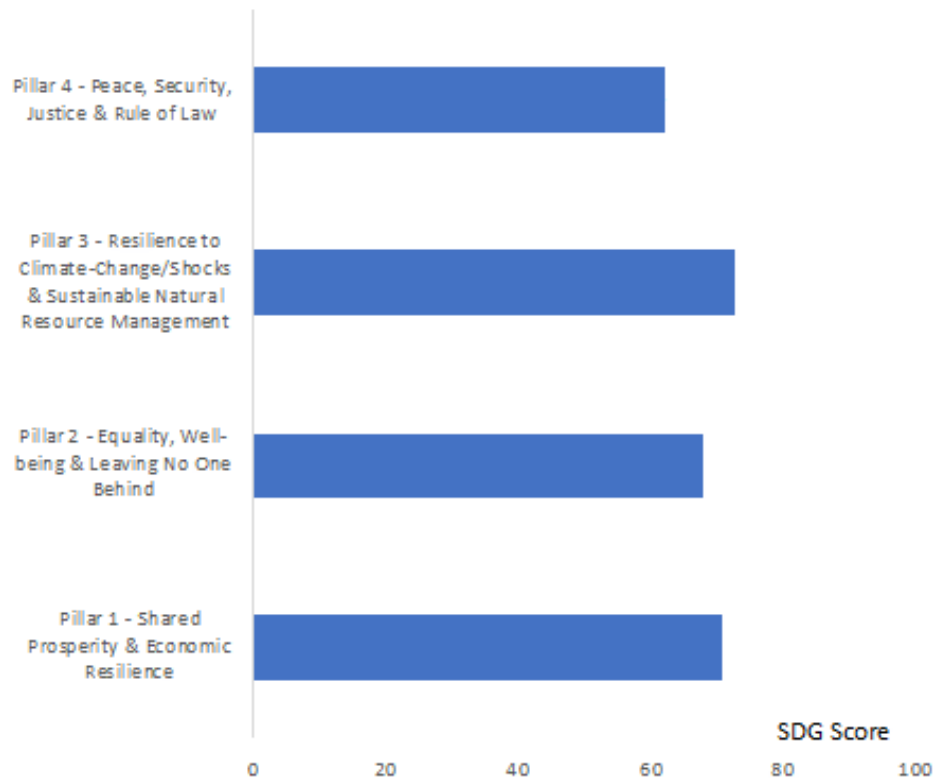
[4] In the 2022 Sustainable Development Report, only 163 countries were covered, and Jamaica's score was 69.0 and rank was 83rd highest performer. Since standardised values are used for each of the indicators that comprise the SDG Index, the addition of new countries to the index effects the back series distorting comparisons made between the scores and rankings for each country between Sustainable Development Reports. Consistent annual comparisons can be found within the back series from the latest SDR (see <https://dashboards.sdgindex.org/downloads>).

Of the 17 SDGs, 5 goals are displayed as where challenges remain (bar coloured yellow); 6 goals are indicated where significant challenges remain; and a further 6 goals are where major challenges remain. In terms of Jamaica's direction of travel on the SDGs, 11 goals (SDGs 1, 2, 3, 6, 7, 8, 11, 12, 14, 15, 16) are currently stagnating (Stag.); one goal is decreasing (Decr.) (SDG 4); 2 goals (SDGs 13 and 17) are moderately increasing (Mod. Incr.); and one goal (SDG 5) is reported as being on track/maintaining achievement (OT/Main Ach.).

From the 2023 Sustainable Development Report, the overall picture for Jamaica is that of widespread stagnation over the past year with each Goal facing challenges of varying degrees. Given the concordance between the four MSDCF pillars and the SDGs (as outlined in the most recent MSDCF), there still remains much to do over the remaining years to lead to accelerate Jamaica's progress towards the Goals.

In the light of these developments, the advice conveyed in last year's Common Country Analysis update would also be relevant today. While Chart 1 shows the relative performance of each SDG, Chart 2 shows the simple average of the SDG scores that are associated with each pillar of the MSDCF.^[5] Across the MSDCF pillars, Jamaica's performance is better on Pillar 3 and to a lesser extent Pillars 1 and 2. On Pillar 4, the findings show that further progress is required to improve Peace, Security, Justice, and Rule of Law and bring it closer in line with the progress that is being made on the other MSDCF pillars.

Chart 2: Averaged SDGs scores associated with each MSDCF Pillar.



Source: Sustainable Development Report, 2023 and MSDCF

[5] The MSDCF shows SDGs 1, 2, 7, 8, 9, 12, and 17 to be associated with Pillar 1; SDGs 1, 2, 3, 4, 5, 10, 16, and 17 to be associated with Pillar 2; SDGs 1, 2, 6, 7, 11, 12, 13, 14, 15, and 17 to be associated with Pillar 3; and SDGs 5, 10, 11, and 16 to be associated with Pillar 4.

Sustainable Development

- **Economic Developments**

Developments in the Real Economy

Chart 3: Real GDP Growth & Nom. GDP p.c.



Impacts from the pandemic, the war in the Ukraine and other deteriorating geo-political tensions have had direct as well as indirect spillover impacts on Jamaica's economy. Policy responses, like the strong monetary tightening that has taken place to reduce inflation, compounded by continued tight fiscal discipline to support Jamaica's debt reduction, have combined to dampen Jamaica's economic growth as reported in the latest economic assessment by the IMF. The latest October 2023 review showed real growth projections being scaled back by 1 percentage point (from 3% in Oct 22 World Economic Outlook projections to 2% in their most recent projections one year on).^[6]

At 2% real growth (see Chart 3), while average nominal income per capita is projected to increase in 2023 (from US\$5,649 to US\$5,888), continued inflationary pressures in 2023 have eroded the purchasing power of incomes, to the extent that in real terms, average income is lower in 2023 (US\$1,609) than it was in the previous year, continuing the 6 years of decline since 2017.^[7]

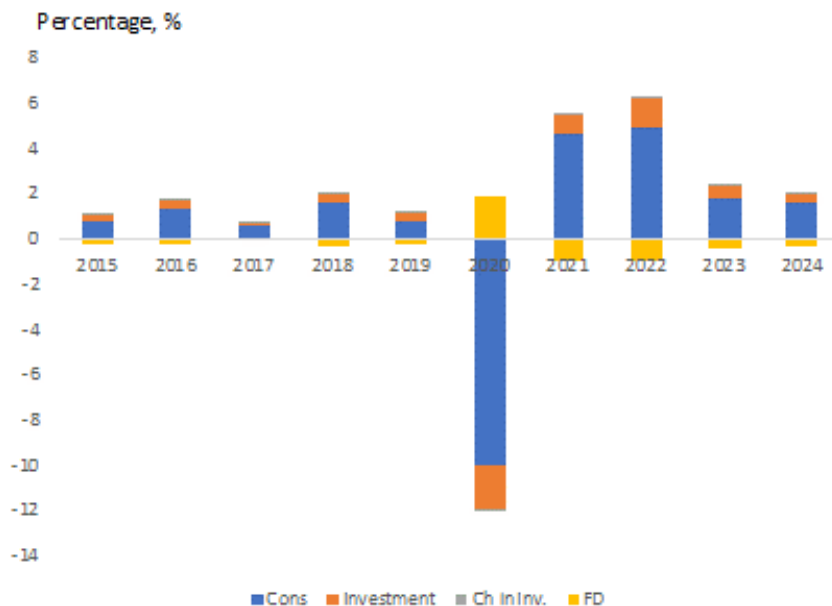
When Jamaica growth is disaggregated for 2023, Chart 4 shows a sharp reduction in consumption growth compared to 2022. Combined with reduced investment demand growth, these are the two main elements that drive the IMF more pessimistic outlook for for this year.

[6] See <https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023>

[7] When expressed in US dollar terms.

Contributing factors to these developments over the course of 2023 have been the persistent inflationary pressures, which has eroded the purchasing power of disposable incomes, which has invoked a strong policy response from Jamaica's Central Bank, which has increased the cost of borrowing both for consumers and investors in Jamaica.

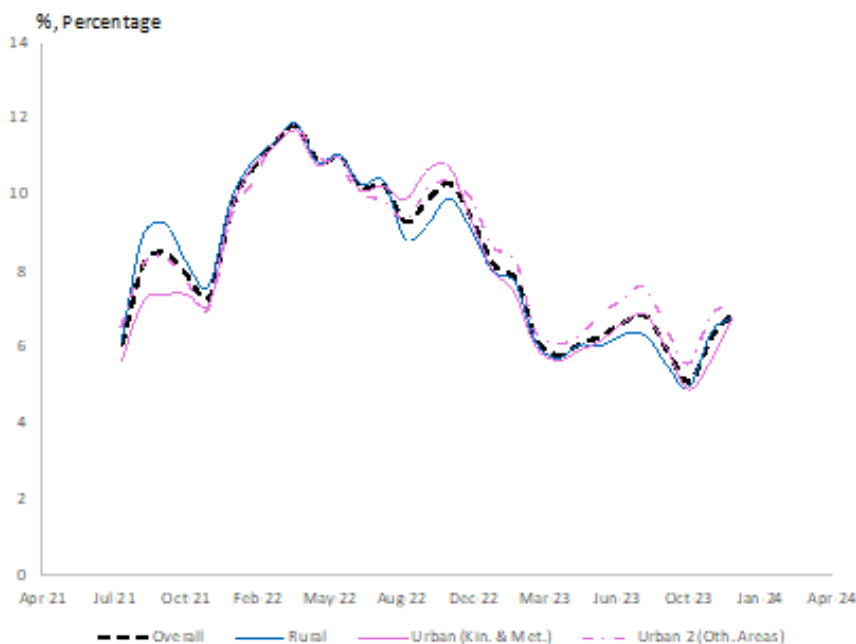
Chart 4: Real GDP Growth by expenditure components



Source: IMF World Economic Outlook, Oct-23

Consumer Price Developments

Chart 5: Consumer prices – Overall, Rural & Urban



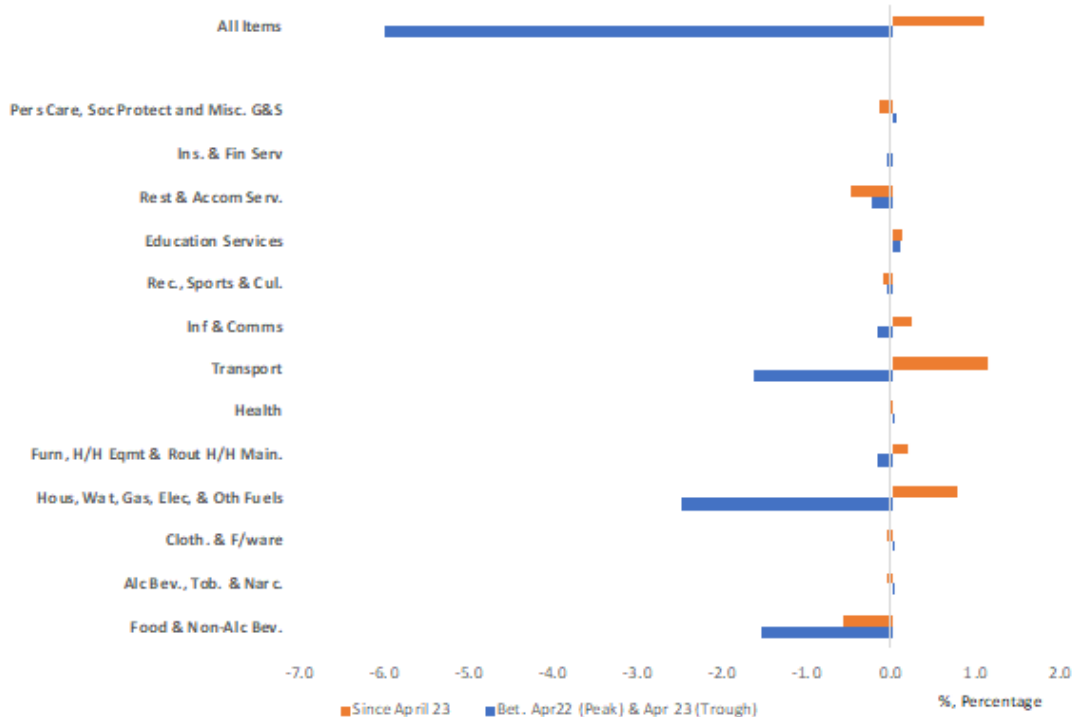
Source: Central Bank of Jamaica, Dec-23

Comparing price developments over 2023 and between rural and urban areas, Chart 5 shows that the sharp tightening in monetary policy over the course of 2022 and through 2023 have lowered inflation from its double digit levels seen in 2022 back to the target range set by the Central Bank.^[8] However, as can be seen from inflation outturns in the final months of 2023, inflationary pressures still persist as is evident from the Central Bank’s December assessment where again inflation had increased above the upper threshold of its target range to 6.9%. Consequently, the Central Bank’s Monetary Policy Committee have taken a precautionary stance of holding off reducing policy rates, currently at 7%, that would give some relief to Jamaican borrowers.

From the same chart, when urban and rural areas are compared, recent price developments that have led to higher inflation have come from urban, particularly those urban areas outside of Kingston and the Metropolitan area.

By source, Chart 6 shows price developments over both periods peak to trough (April 2022 to April 2023) and after April 2023 to December 2023.

Chart 6: Consumer prices – All Jamaica



Source: Central Bank of Jamaica, Dec-23

Strong drivers for the disinflationary period were slower price increases for transport, energy prices, utilities, and food, which were greatly affected by global factors that included the war in the Ukraine where food and fuel prices globally were adversely impacted.^[9] However, since April 2023, when prices fell to their lowest point since the double digit peak in 2022, inflationary pressures remain causing inflation to exceed the upper threshold of the Central Bank’s target range in the final two months of 2023.

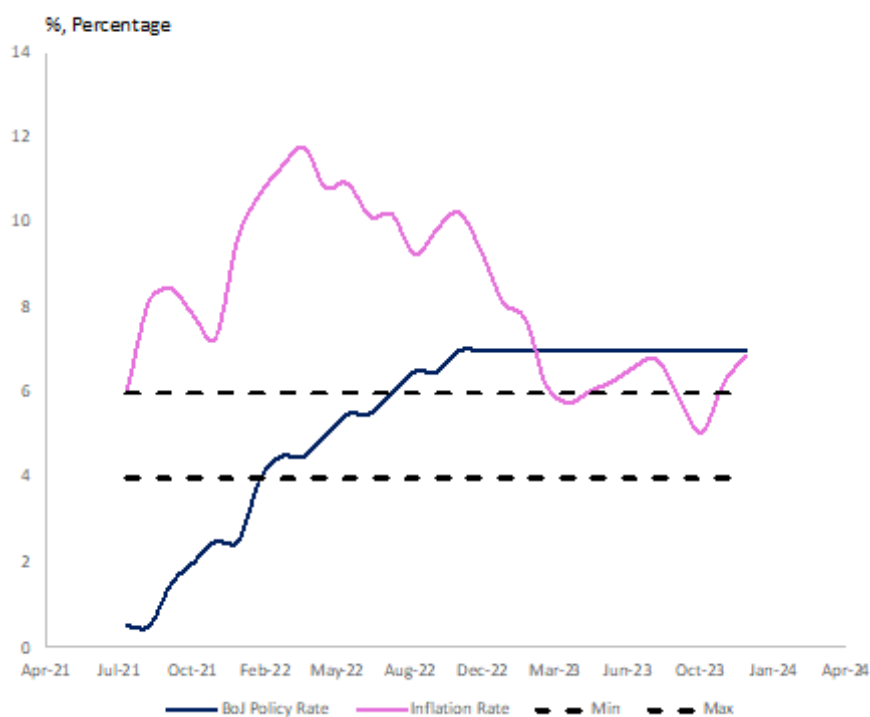
[8] When inflation fell to within the Central Bank’s target range – between 4% and 6%.

[9] See <https://boj.org.jm/statistics/real-sector/inflation/>

Since April 2023, the inflation rate has increased from a low point of 5.8% to 6.9% reported by the Central Bank of Jamaica for December 2023. Chart 6 shows that despite there being deflation most notably in food and non-alcoholic beverages as well as in resautrant and accommodation services, consumer price inflation in transport, utilities and communications, which collectively account for almost one-quarter of the weights applied to compile the overall index, have remained persistent to effect inflation overall. As result of these and other underlying inflationary pressures the Central Bank’s have taken a precautionary approach by holding policy rates steady.

Consumer Price Developments

Chart 7: Policy Rates vs Consumer prices



Source: Central Bank of Jamaica, Dec-23

Turning to Government Policy, the persistence of inflation above its target range has deterred the Monetary Policy Committee from relenting on its policy rate of 7%, the eleventh consecutive month at this level (see Chart 7).^[10]

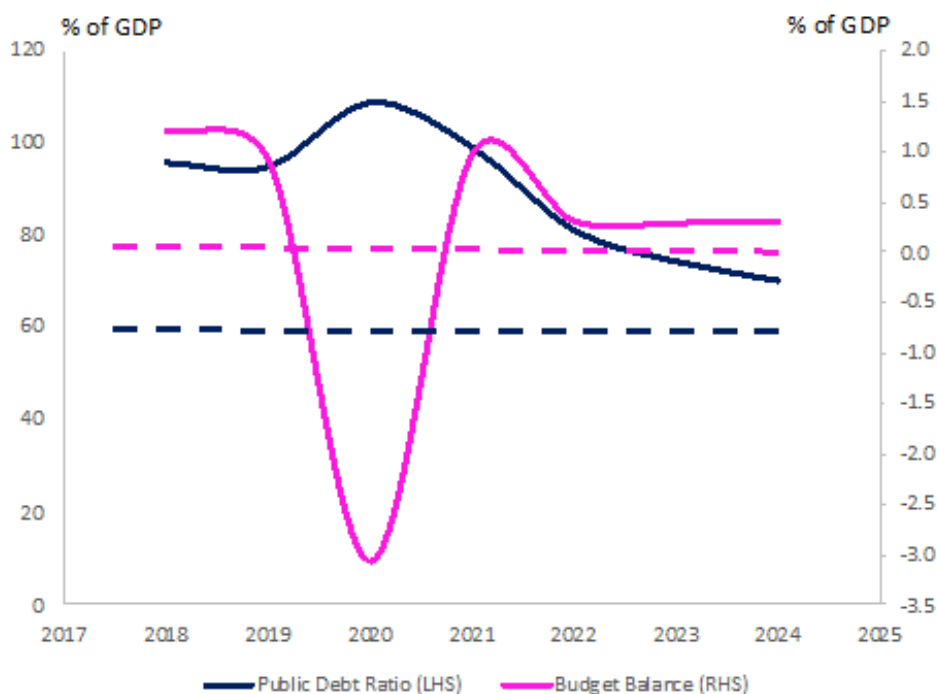
Since November 2022, policy rates have been held at this level despite there being quite strong disinflation into 2023. However, as can be seen from Chart 7, inflation has fluctuated around the upper threshold level of the Central Bank’s target range, indicating that underlying factors affecting inflation remain present and do not offer Monetary Policy setting Officials with sufficient comfort that more is needed to dampen underlying price pressures for a more sustained return to within target levels.

[10] See <https://boj.org.jm/statistics/interest-rates/bank-of-jamaica-rates/>

Fiscally too, the Governments steadfast commitment to reducing public debt from the high-levels brought on by economic stabilisation and other support measures associated with COVID-19, has meant that the government has operated, and is expected to continue to operate, fiscal surpluses until Jamaica’s public debt ratio has reduced to 60% of GDP (see Chart 8).

IMF World Economic Outlook projections indicate that if all is as planned, Jamaica will reach its target public debt ratio by 2027, upon which it is anticipated that the government will have sufficient fiscal space as well as enhanced creditworthiness, to borrow again at lower premiums for new development projects across the country.

Chart 8: Fiscal Balance & Public Debt



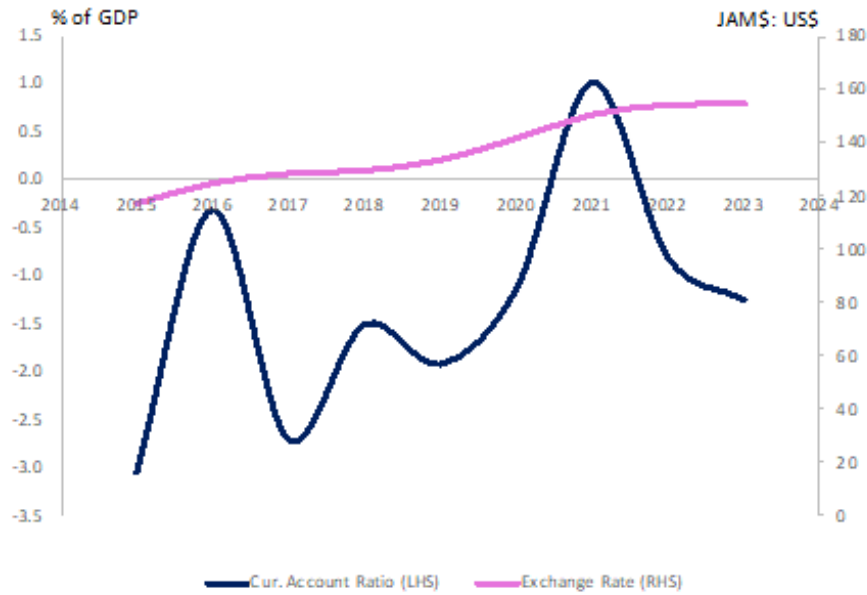
Source: IMF World Economic Outlook, Oct-23

External Account

On the external accounts,^[1] the reduction in consumption expenditure is expected to impact both domestic markets as well as demand for foreign goods and services. Compared to one year ago, the IMF’s autumn projection for Jamaica’s current account ratio in 2023 is 4.1 percentage points lower at 1.2% deficit compared to the IMF’s Autumn 2022 projections (see Chart 9). However, while it was projected in the October 2022 projections that Jamaica’s current account deficit would be reined in over successive years, it is now projected that there will be a steady increase in Jamaica’s current account ratio steadying at around 2.2% of GDP deficit in the outer years of the IMF projection period (from 2026 to 2028).

[1] See <https://boj.org.jm/statistics/external-sector/> for data to 2022 and IMF World Economic Outlook Oct-23 thereafter.

Chart 9: Current Account & Exchange Rate



Source: IMF World Economic Outlook, Oct-23

Disaggregating Jamaica’s external accounts reveals that for trade and income components of the current account, while Jamaica’s trade deficit is expected to decline from 21% of GDP to 17% and thereafter remaining around this rate, on the income side Jamaica’s strong remittances inflows observed over the COVID-19 period, when they reached almost 25% of GDP in 2021, are expected to fall back to levels that Jamaica was accustomed to in the years before COVID-19 and expected to stabilise around 14% of GDP (see **Chart 10**).

Chart 10: Trade & Income

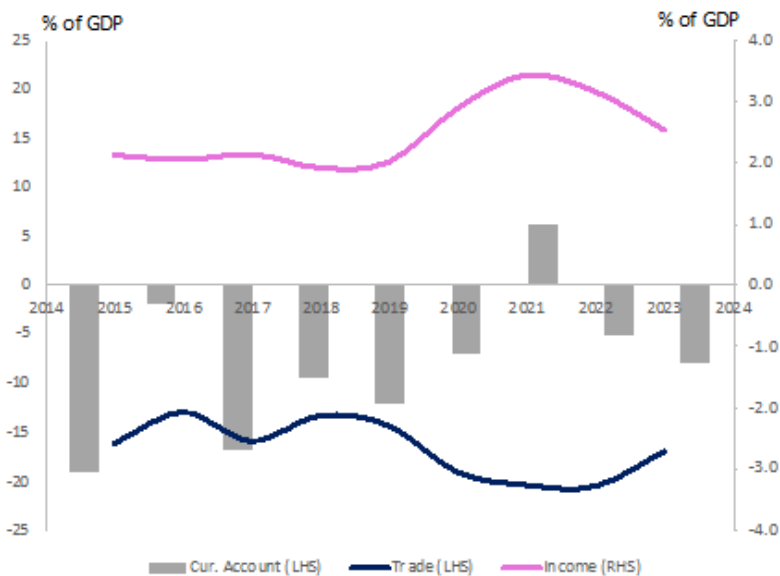
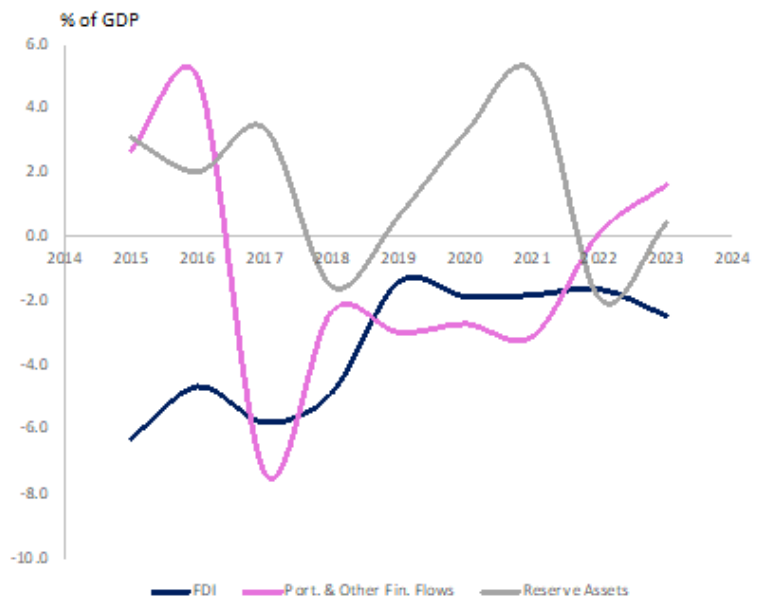


Chart 11: FDI, Other Financial Flows & Reserves



Source: Official figures & IMF World Economic Outlook Projections, Oct-23

On the financial accounts side of Jamaica's balance of payments, **Chart 11** shows that the most significant development is Jamaica's projected net inflow of foreign directed investment, which is expected to steadily increase as a percentage of GDP from 1.6% on 2022 to 3.4% by 2026.

Overall, while it is anticipated that Jamaica's economic development outturn over the course of this year will fall short of expectations set 12 months ago, the economy continues to growth in real terms. However, as **Table 1** shows, at 2% Jamaica real growth is below the sub-regional average, and below growth rates projected for other larger Caribbean Islands like Trinidad and Tobago and Dominican Republic.

Table 1: Comparing selected Caribbean real growth rates.

	2022	2023P	2024P
Antigua and Barbuda	8.5	5.6	5.4
Aruba	10.5	2.3	1.2
The Bahamas	14.4	4.3	1.8
Barbados	9.8	4.5	3.9
Belize	12.7	4.0	3.0
Dominica	5.7	4.6	4.6
Dominican Republic	4.9	3.0	5.2
Grenada	6.4	3.9	3.8
Guatemala	4.1	3.4	3.5
Guyana	62.3	38.4	26.6
Haiti	-1.7	-1.5	1.4
Jamaica	5.2	2.0	1.8
St. Kitts and Nevis	8.8	4.9	3.8
St. Lucia	15.7	3.2	2.3
St. Vincent and the Grenadines	5.5	6.2	5.0
Suriname	1.0	2.1	3.0
Trinidad and Tobago	1.5	2.5	2.2
Average	10.3	5.5	4.6

Source: IMF World Economic Outlook October 2023

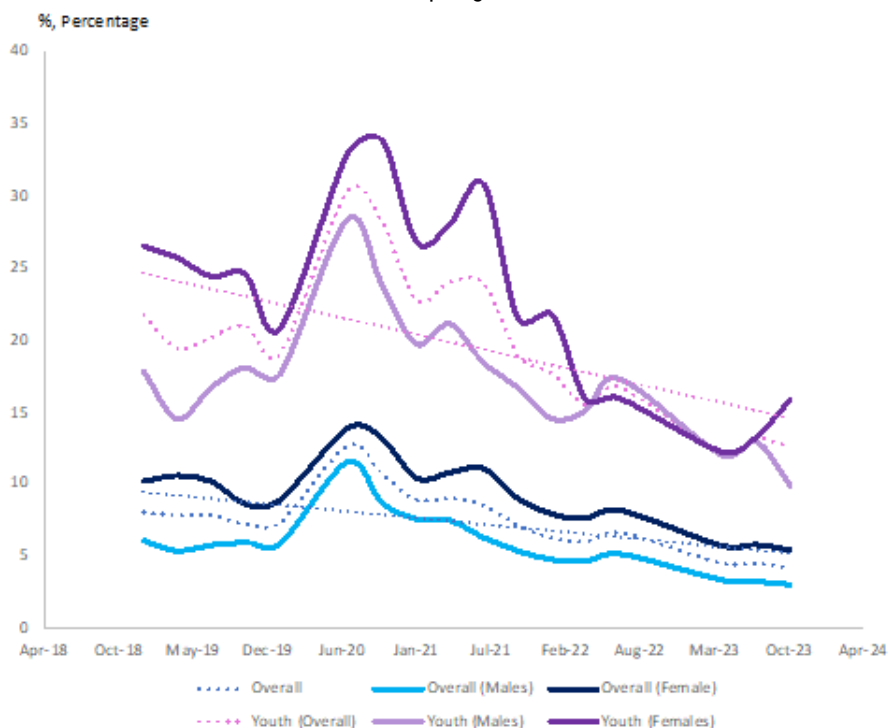
Despite relatively subdued growth, Jamaica continues to recover from COVID-19 crisis and most recent data on jobs show levels of unemployment at unprecedented low levels. In October 2023, Jamaica's overall unemployment level fell to 4.2% of the labour force.^[12] Moreover, youth unemployment, which over the past decade has reached levels of 50% for females, has decreased dramatically. In April 2023 both male and female youth unemployment were around 12%, signally dramatic structural changes in the labour market in recent years providing greater equity in opportunity for Jamaica's youth. However, as indicated by the recent two quarterly labourforce surveys, while male youth unemployment has continued to decline to 9.9%, female youth unemployment has crept back up to 15.9% and levels last seen in April 2022. These divergent outcomes between male and female youth unemployment signal concerning developments for inclusion.

• **Social Developments**

The most recent Official estimates of poverty and consumption-based inequality were taken in 2019 and reported in the second Voluntary National Review. It was shown that the incidence of poverty was 11.0% of the population and on track to reaching the government's target of below 10%. For inequality,^[14] the GINI coefficient estimated in 2019 was 0.36.^{[15], [16]}

Successive food security and livelihoods impact surveys^[17] conducted by the Word Food Programme across the region illustrate how livelihoods and behaviours have been affected across Jamaica, particularly by the increase in food prices. The results of these surveys show that the incidence of poverty and inequality are perceived to have increased since 2020.

Chart 12: Unemployment



Source: STATIN Jamaican Labour Force Survey Oct 23

[12] See <https://boj.org.jm/summary-of-decisions-september-2023/>

[13] See <https://statinja.gov.jm/LabourForce/NewLFS.aspx>

[14] Recent data shows the prevalence of poverty trending towards the goal of below 10% while food poverty levels were close to global eradication levels of less than 3% (see pp.63 Second VNR).

[15] 1 being perfect inequality and 0 being perfect equality.

[16] See Fig. 59 pp.181.

[17] See <https://analytics.wfp.org/t/Public/views/CaribbeanFoodSecurityLivelihoodsSurvey/Overview?>

https://analytics.wfp.org/t/Public/views/CaribbeanFoodSecurityLivelihoodsSurvey/Overview?%3Aembed=y&%3AisGuestRedirectFromVizportal=y&_ga=2.136270577.115036366.1695394802-1860592909.1695394802

Two interesting developments in Jamaica's labour market is first, the apparent convergence between youth unemployment and Jamaica's overall rate of unemployment. The latest labourforce survey shows youth unemployment to have decreased to 12.% in October 2023. The second, and perhaps more striking feature has been the convergence between male youth and female youth unemployment rates, at least to April 2023. In July 2022, the female youth unemployment rate fell below the male youth unemployment rate at 16% versus 17.3%.

Over the course of 2023, male youth unemployment continued to fall to 9.9% and the lowest level over the past decade. For female youth unemployment, while this started to decline in 2023, both July and October surveys have shown a reversal in developments. Female youth unemployment in October 2023 had increase back to April 2002 levels at 15.9%.

On health and education, Jamaica has high human development ranked 110th highest (of 191 countries) with a score of 0.709 on the latest 2021 Human Development Index. By health and education indices, Jamaican's have an expected life expectancy at birth of 70.5 year and spend on average 9.2 years in school.

Despite the World Health Organisation's announcement that COVID-19 no longer constitutes a public health emergency of international concern,^[18] COVID-19 is still prevalent in Jamaica. In 2023, up to 31 December, there have been 3850 laboratory confirmed cases of COVID-19, with 128 COVID-19 related deaths for the same period. Mindful that cases may not always be laboratory confirmed, the actual number of cases is believed to be higher. There are still new variants of COVID-19 developing making the risk of a new immune and evasive variant ever present for Jamaica. Moreover, low COVID-19 vaccination coverage a future outbreak of a more virulent strain of COVID-19 could again have a sustantive impact on Jamaica.

Jamaica like other countries across the Caribbean, sees the highest impact on health and wellness affected by non-communicable diseases, including cardiovascular diseases (i.e. hypertension), cancers, diabetes and chronic lung diseases. The latest estimates of the prevalence of obesity for Jamaica is that around 1 in 4 in the population are obese (24.7%) with this being greater for men (33.4%) than women (15.3%).^[19] For diabetes, Jamaica ranks 24th highest globally with diabetes accounting for almost 12% of total death and about 62 persons per 100,000 of the population.^[20] Hypertension ranks 89th globally, where almost 4% of total death are attributed to this disease and 18.75 per 100,000 of the population suffer from hypertension.^[21]

For communicable diseases, such as tuberculosis, malaria and HIV, prevalence is lower. In 2022, there were an estimated 3.2 cases of tuberculosis per 100,000 of the population and the trend has been on a declining path over the past two decades.^[22] Jamaica is free of malaria since 2012 and the prevalence of HIV in adults aged 15 to 49 years^[23] is 1.3%. Specifically on HIV, the number of new infections reduced by 17% between 2010 and 2022 (Chart 13). While HIV prevalence, is low as a percentage of adults aged 15 to 49 years it is much higher among key populations.^[24]

[18] See [https://www.who.int/news/item/05-05-2023-statement-on-the-fifteenth-meeting-of-the-international-health-regulations-\(2005\)-emergency-committee-regarding-the-coronavirus-disease-\(covid-19\)-pandemic](https://www.who.int/news/item/05-05-2023-statement-on-the-fifteenth-meeting-of-the-international-health-regulations-(2005)-emergency-committee-regarding-the-coronavirus-disease-(covid-19)-pandemic)

[19] See <https://worldpopulationreview.com/country-rankings/obesity-rates-by-country>

[20] See <https://www.worldlifeexpectancy.com/jamaica-diabetes-mellitus>

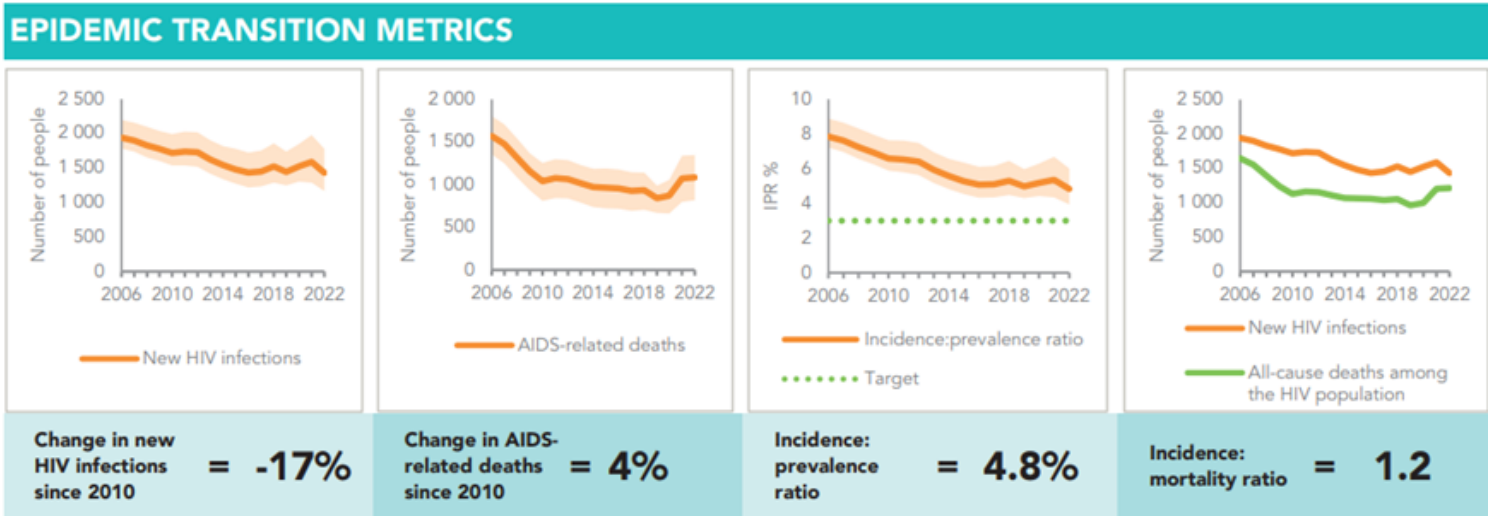
[21] See <https://www.worldlifeexpectancy.com/jamaica-hypertension>

[22] See <https://knoema.com/atlas/Jamaica/incidence-of-tuberculosis>

[23] See <https://www.cdc.gov/globalhivtb/where-we-work/jamaica.pdf>

[24] Notably, among transgender people at 51%, men who have sex with men, 29.8% and people in prisons, at 6.9%.

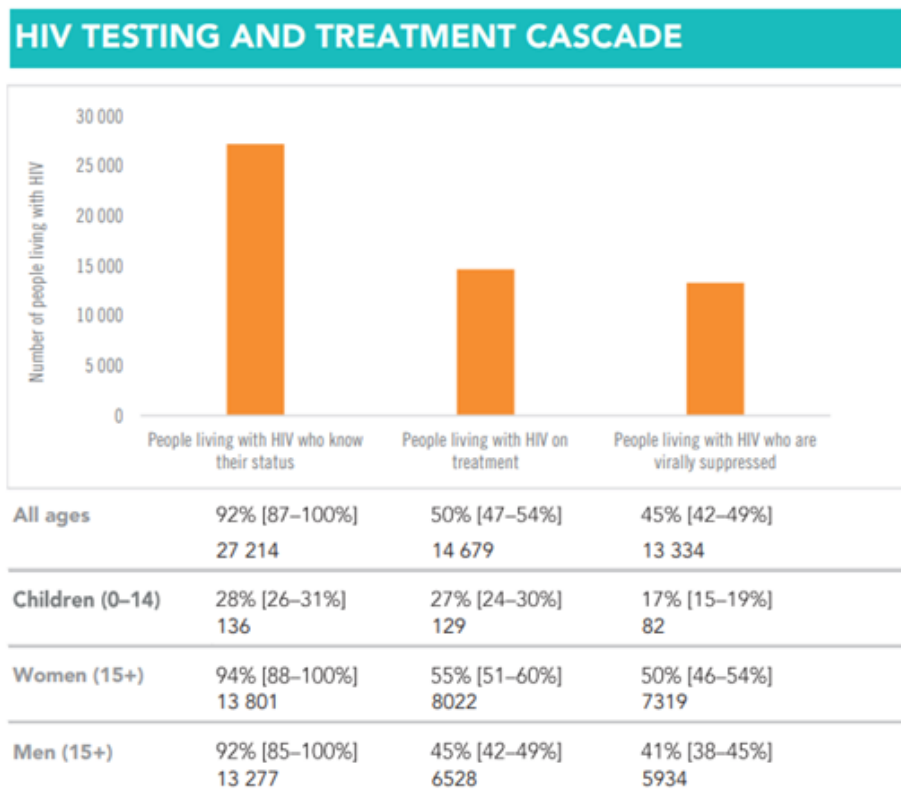
Chart 13: Epidemic transition metrics



Source: UNAIDS 2023

Since 2010, antiretroviral therapy coverage has increased from 22% to 50%, but coverage in 2022 continues to be much lower among children (27%). Despite nationwide efforts to widen the coverage of HIV treatment, the numbers of AIDS-related deaths increased by 4% between 2010 and 2022.

Chart 14: Testing and treatment cascade



Source: UNAIDS 2023

Presentation or diagnosis with advanced HIV disease remains a challenge in Jamaica.^[25] If underlying HIV-related inequalities and barriers, including HIV-related stigma, are addressed, linkage to care, treatment coverage and outcomes are likely to improve further. The percentage of women and men aged 15-49 years who report discriminatory attitudes towards people living with HIV was very high at 66.8% in 2017, and percentage of people living with HIV who report experienced stigma and discrimination in the general community was 32.9% in 2019. Coverage of programmes to prevent vertical transmission of HIV rose from 56% to 77% between 2010 and 2022 and Jamaica is on track for validation of elimination of mother-to-child transmission (EMTCT).

As we see in many countries non-communicable and communicable disease may themselves cause challenges for health systems, additionally, they may amplify the adverse effects and impacts from other diseases, as we witnessed with COVID-19, which had a greater risk to those living with underlying health issues including non-communicable and communicable disease.

Putting this into perspective, we can see from the Global Health Security Index,^[26] the relative strengthen of Jamaica's health system. On the latest 2021 index, Jamaica is ranked 120th highest of 195 countries with an overall score of 31.8. In the two years since the last index in 2019, Jamaica's score had improved by just 0.9. With six factors – prevent, detect, respond, health, norms and risk – that make up the Global Health Security Index, Jamaica is 148th highest on prevent with a score of 13.7 which has declined 4.1 since 2019; 136th highest on detect with a score of 19.3 which has increase by 0.5 since 2019; 102nd highest on respond with a score of 35.5 which has increased by 4.3 since 2019; 124th on health with a score of 19.3 which has improved by 4.8 since 2019; 112th on norms with a score of 43.6 unchanged since 2019; and 76th on risk with a score of 59.4 which has declined by 0.2 since 2019.

Disaggregating this index shows that in the key areas of prevent, detect, health capacity and to a lesser extent respond, Jamaica displays important weaknesses that in stress events like COVID-19 may have a systemic effect on the health system with spill overs expected elsewhere. At around 6.6% of GDP (latest 2020) increasing public spending on health may be necessary to increase the capacity of Jamaica's health service to build greater resilience against the potential impacts from future pandemics.

Jamaica has made significant gains in access to education, including almost universal coverage in pre-primary and primary school levels, with about 94% of children of preschool age enrolled, and 90% of children of primary school enrolled in school in 2022. But major gaps remain. The effects of poverty, low-quality education services and violence led to chronic underperformance (especially among boys).

On average, Jamaican children complete 11.7 years of schooling, but those years are equivalent to only 7.2 years of learning when benchmarked against top-performing systems. This notable learning gap of 4.5 years disproportionately impacts children in the poorer quintiles, as access to the best performing schools continues to be highly correlated with children's socioeconomic background. At the secondary-school level, progression through the system remains low and unevenly distributed. 82% of adolescents of lower secondary school age are enrolled in school, while 77% of those of upper secondary school age are so. Only 23% of Jamaican students go on to tertiary studies.

[25] Although the percentage of people living with HIV with suppressed viral loads has risen from 28% in 2017 to 45% in 2022, viral load testing coverage was at low levels.

[26] See <https://www.ghsindex.org/>

Around 50,000 adolescents of secondary-school age are out of school, and three out of five of these children are boys. Pregnancy and financial problems are the main reasons why adolescent girls and boys from the poorest quintiles stop attending school. School dropout and poor educational outcomes have contributed to the increase in the number of unattached youths – globally referred to as Not in Education, Employment or Training – who represent about 35% of young people aged 14 to 24 years.

On social protection, livelihoods and food security, Jamaica continues to follow the Social Protection Strategy (SPS) developed in 2014 and which supports the Vision 2030 Jamaica – National Development Plan. Against a backdrop of persistent poverty, poor educational outcomes, insufficient risk coverage, inadequate discharge of parental responsibilities, needs of low-income households for shelter and related infrastructure, inadequate provisions for increasing societal equity and insufficient institutional capacities, the SPS follows a life-cycle integrated approach linking security, development, and productive employment considerations.

In Jamaica's second Voluntary National Review (VNR) 2022, developed in the aftermath of COVID-19, added emphasis was given to social protection by recognising its role both for recovery and to support the transformations required for accelerating sustainable development. Having been elevated in importance by COVID-19, both shock-responsive and adaptive social protection systems were given a substantial boost by enhanced budgetary allocations, human resource deployments and administrative procedures.

Key developments in social protection over the past year have centred on enabling it to be more shock- and gender- responsive, as well as accelerating efforts towards reducing poverty and returning to the goals of reducing the prevalence of poverty to below 10%. Other key elements to enhancing Jamaica's SPS has focused on reducing citizen and community exposure and vulnerability to multiple hazard risk that draws together not least social protection with climate change adaptation and mitigation.

New supportive actions to facilitate the strengthening of Jamaica's SPS have included the UN's Joint SDG Fund programme – Modernising the Social Protection System in Jamaica^[27], which was introduced in March 2022 and will continue through to December 2023. This programme aims to strengthen institutional capacity for evidence-based emergency expansion of social protection programmes and attempt to accelerate the scaling-up of a social registry to support increased coverage and coordination for key vulnerable groups. Through gender-gap analyses of the policy and legislative social protection frameworks this programme^[28] aims to narrowing inequalities in the responsiveness of social protection responsiveness.

[27] <https://jointsofund.org/article/enhancing-social-protection-processes-jamaica#:~:text=In%20March%202022%2C%20Jamaica%20launched,approximately%20US%241%2C1%20million.>

[28] This a joint programme between three UN Agencies - UNICEF, UN WOMEN and WFP - and the Ministry of Labour and Social Security; Planning Institute of Jamaica; and the Ministry of Local Government and Rural Development.

Over the course of this year, this Programme enhanced payment processes within the social protection system through the piloting of shock responsive payments to select (around 8,800) households; strengthened institutional capacity for evidence-based emergency expansion of social protection programmes through training (25 MLSS technocrats) and (6 Tools) customized tools, based on tailored protocols and fast identification of people facing acute/socio-economic and environmental impacts; and developed a concept and strategy to integrate existing information system to support increased coverage and coordination of social protection interventions. It also completed a gender-gap analysis of the policy and legislative social protection frameworks towards ensuring responsiveness of the social protection system.

Currently in the pipeline, the World Bank is developing a social protection programme to strengthen the resilience and opportunity functions.^[29] The social protection for increased resilience and opportunity programme aims to enhance social protection resilience by expanding the risks covered under social insurance; increasing the system's ability to respond to shocks; and building adaptive social protection capacity. Economic opportunities for beneficiaries are expected by this programme to be enhanced by strengthening labour market services; information systems and coordination; and data intelligence. This programme is current progressing through the World Bank's approval process, and it is anticipated to be launched in 2024.

With price developments over the past year prompting the Central Bank of Jamaica to raise and sustain policy rate at 7%, both the cost of living and the cost of borrowing have increased substantially. Moreover, with consumer price inflation remaining buoyant throughout 2023, the cost of borrow will remain high as the Central Bank continues it's policy to reduce demand pressure across the Jamaican economy. As successive food security and livelihood surveys have shown these have had a pervasive impact on the welfare of Jamaicans.

The key messages from the May 2023 Caribbean Food Security and Livelihoods survey^[30] were that on livelihoods, the percentage of disrupted livelihoods had increased, on markets, the lack of market access had increased, and on food security both reduced food consumption and food stocks had increased since February 2022. Rising costs of living, particularly on essential items like food and fuel, were found from the survey respondents to be having a damaging impact across Jamaica.

While employment prospects across Jamaica have improved, as judged by the substantial decline in unemployment rates, real wages had been eroded by the sharp and sustained increase in consumer prices, which started to build before the war in Ukraine, but which have since accelerated reaching a peak in April 2022 of 11.3%. The commensurate rise and holding of policy rates at 7% since November 2022, while having reduced the pressure on rising consumer prices, has yet to finish its job. Despite consumer prices falling back to within the target range in April 2023, they have since started to increase and are stalling the Central Banks decision to reduce policy rates. The outcome on livelihoods has been for many households to resort to secondary or alternative sources of income. The May survey showed that compared to February 2022, the percentage of survey respondents who reported resorting to alternative sources of income increased by 12 percentage points to 24%.

[29] See <https://documents1.worldbank.org/curated/en/099055106302229672/pdf/P1785820438ac10e0b3e0063a4fb2c39ac.pdf>

[30] See https://analytics.wfp.org/t/Public/views/CaribbeanFoodSecurityLivelihoodsSurvey/Overview?%3Aembed=y&%3AisGuestRedirectFromVizportal=y&_ga=2.136270577.115036366.1695394802-1860592909.1695394802

In markets, consumer behaviours had also changed since February 2022, with more respondents disclosing that they were buying cheaper or less preferred food (increase of 17 percentage points to 67% of respondents); buying smaller quantities than usual (increase of 19 percentage points to 63%) and choosing to shop in different stores (increase of 12 percentage points to 34% of respondents). The overwhelming reason given for this behavioural change by survey respondents was a lack of money to spend (increase of 9 percentage points to 97% of respondents).

Finally, and of concern, are the impacts on food security and the coping strategies that are being adopted consequently. When respondents were asked to recall their eating habits over the past 7 days, the percentage of respondent going without food for a whole day; skipping meals or eating less than usual; or eating less preferred foods all increased in prevalence. Most noticeably was the case where survey respondents were choosing to skip meals or eat less than usual with the percentage of respondents increasing by 7 percentage points to 41%. When asked a similar question on eating habits but over a longer period of 30 days, the percentage of respondents increased for all the categories that respondents were shown since February 2022.^[31] In essence, these responses indicated that not only were more respondents eating less but that in some cases their eating habits were worse than they were a year ago. To meet the rising cost of living in Jamaica over the past year, in addition to resorting to secondary or alternative sources of income, those who have savings, reported drawing of these to meet their food needs.

• ***Environmental Developments***

Over the past 12 months, Jamaica has been fortunate to have avoided significant natural hazard threats that had previously led to substantial loss and damage and taken time to recover from. As can be seen from the EM-DATA International Disaster Database, Jamaica is particularly vulnerable to tropical cyclones, and while there has not been one to affect Jamaica since 2017 – Hurricane Matthew – there have been fifteen tropical cyclones recorded since 2000 making the prospect of another high.

On environmental resource management, the latest results from Yale University's Environmental Performance Index remain the same as was reported in last year's CCA update. To summarise, Jamaica is ranked 72nd (out of 180 countries) best performer overall, which is driven mainly by its approach to climate policy (ranked 33rd) and performances across a range of climate change indicators. On ecosystem vitality (116th) and to a lesser extent (85th), Jamaica performs less well. Specifically, on biodiversity Jamaica's performance is weakest for species habitat, species protection, biodiversity habitat and marine protected areas.

In other areas of ecosystem vitality Jamaica stand outs in terms of its nitrogen use and management in agriculture and wastewater management. For health, comprised of air quality, sanitation drinking water, heavy metals and waste management, Jamaica is weakest on waste management, notably solid waste management and recycling. With the next index expected in 2024, in these key areas Jamaica needs to improve, and in doing so will help progress SDGs 14 (life below water) and 15 (life on land) where major challenges for Jamaica currently exist.

[31] These categories were: I went without eating for a whole day; I was hungry but did not eat; My house ran out of food; I ate less than I thought I should; I had to skip a meal; I ate only a few kinds of foods; I was unable to eat healthy and nutritious food; and I worried I would not have enough to eat.

[32] See <https://epi.yale.edu/epi-results/2022/country/jam>

Consequently, Jamaica is striving to transition into a more efficient, socially inclusive and green economy through initiatives like Jamaica Vision 2030 and through the Caribbean Green Economy Project - Advancing Caribbean States' Sustainable Development through Green Economy (ACSSD-GE) – and has identified agriculture, fishing, forestry, construction, energy, tourism, water and sewerage as focus sectors for green transition.

On biodiversity, Jamaica is participating in the project, Biodiversity Mainstreamed in Coastal Landscapes, within the Negril Environmental Protection Area of Jamaica by restoring wetland ecosystem services and supporting the sustainable use of wetland biological resources. The Jamaican Government are also supporting the Integrating Water, land and Ecosystem (IWEco) that focuses upon the Negril Great Morass, one of the largest natural coastal wetland ecosystems in the Caribbean.^[33] Also being the most recent country to join the Caribbean Biological Corridor initiative,^[34] Jamaica will be supporting and building on the existing joint efforts of CBCI countries on biodiversity and climate change.

Representing Jamaica's interests on the global stage, Jamaica expressed its concerns on achieving the SDGs, climate justice, regional and global security issues and fairer access to financing for development at UNGA78. Also, in October 2023, the Hon. Matthew Samuda, Minister of Economic Growth, Job creation and the Economy highlighted Jamaica's interests on the circular economy as well as the Jamaica's Green Economy Strategy at the Forum of Ministers of Environment for LAC held in Panama.

On financing, the Jamaican Government recently approved its Green Economy Investment Strategy (GEIS), which complements the National Investment Policy (NIP) and aims to shift the flow of investments towards greening of the economy. This strategy highlights four key factors in transitioning to a circular economy, namely (i) fostering a culture of sustainability, (ii) embracing technology and technological advancements, (iii) provision of circular goods and services to markets, and (iv) institution of regulatory frameworks that incentivize the private sector and other key stakeholders in support of the transition towards a green economy.

[33] Implemented over 4 years, it is the largest of the eight national sub-projects in IWEco with \$3,114,685 USD in funding from the Global Environment Facility, \$10,343,678 USD as co-financing from other sources, and an estimated \$438,413 USD in government support.

[34] Caribbean Biological Corridor initiative (June 2023), which will develop and promote a new holistic, integrated, cross-sectoral approach to preserve remaining natural refuges and restore ecological connectivity from ridge to reef, at landscape and seascape scales

Political, Security and Human Rights Developments

In the past year, there have been several notable political, human rights and security developments that have taken place. With the next general election not expected until 2025, preparations have begun on the process of Jamaica becoming a Republic, which the government plans to be complete before the next general election. For local elections, which were last held in 2016, these were due to take place in February but were postponed for a further 12 months. They will now to be held no later than February 28, 2024. Internationally, Jamaica's Prime Minister Andrew Holness has been an important regional leader in addressing the crisis in Haiti and working with regional and international partners to find a solution. On September 26th, at the 78th Session of the United Nations General Assembly, Jamaica's Minister of Foreign Affairs and Foreign Trade, Senator Kamina Johnson Smith reaffirmed Jamaica's commitment to peace and reiterated Jamaica's and CARICOM's call for international action to restore order and security in Haiti.

On security, Jamaica has one of the highest crime rates in the Caribbean, and this continues to be a major issue for the government. The government has implemented several crime-fighting initiatives such as limited States of Emergencies (SOEs) and Special Zones of Operation (ZOSOs). Under these initiatives there has been a reduction in the homicide rate for the first six months of 2023, compared with the first six months of 2022. Nonetheless, crime and violence remain a serious problem and human rights organisations and some lawyer groups have noted how these limited SOEs and ZOSOs also impact many law-abiding citizens and lead to a rise in police raids and subsequent intercommunity violence.

Box 1: On Public Financial Management, in February, UNDP commissioned the Report on Assessment of Public Financial Management for Jamaica. This showed that PFM in Jamaica was improving but there were still challenges to be met. The budget process is evolving, supported by fiscal framework and revenue forecasting has improved enabling more robust estimates on Government expenditures and revenues presented for parliamentary approval at the start of each financial year.[1] Also with the introduction of a web-based electronic procurement system, Jamaica's public procurement system has improved markedly and through the introduction of FINMAN, Jamaica now has a more efficient accounting system.

There are still challenges though, notably the timely submission of financial statements and appropriation accounts by agencies and ministries to the Auditor General Department for audit; the partial effectiveness of expenditure commitment controls; the partial coverage of Appropriation Audits and the Financial statements audits; and enabling greater financial and organisational independence of the Auditor General Department. Overall, this assessment concluded that Jamaica's PFM risk was moderate and still needs monitoring.

Looking forward, the government remains committed to continue to strengthen anti-money laundering, counter financing of terrorism as well as counter financing of proliferation.

On human rights, civic space continues to be restricted in a context of public emergencies. High rate of criminality has paved the way for draft laws facilitating pre-charges detention and more severe custodial sentences for the illegal possession of weapons; while concerns for civil society organizations on public liberties and accountability of security forces require close monitoring. Also, concerns were raised over a proposed amendment to the Childcare and Protection Act that would require children convicted of murder to serve a mandatory sentence of 20 years in prison before becoming eligible for parole.^[35] This amendment is seemingly in conflict with Jamaica's obligations under the Convention on the Rights of the Child (CRC).^[36]

There is also a trend, including in other countries of the region such as The Bahamas and Turk and Caicos, to deny access to asylum seeker proceedings for Haitian nationals who enter the country irregularly by boat, with expedite deportation procedures as it was the case for a group of 36 people from Haiti who were removed from the Police Station in Long Bay and shipped back to Haiti on 10 September, 24 hours after their arrival. This is occurring in a context where the UN Committee on the Elimination of Racial Discrimination (CERD) called, on 28 April 2023, on State parties in the region to suspend forced returns and adopt measures to protect Haitians on the move, after 36,000 people of Haitian origin were deported from different countries during the first three months of this year.^{[37],[38]}

[35] UNICEF raised concerns on 20 June 2023.

[36] In 2015, in the concluding observations on the combined third and fourth periodic reports of Jamaica, the UN Committee on the rights of the Child expressed concern about the right of the child to have his or her best interests considered in criminal proceedings concerning his or her parents, including in sentencing guidelines (see CRC/C/15/Add.210, para. 27; and CRC/C/JAM/CO/3-4)

[37] see <https://www.ohchr.org/en/press-releases/2023/04/stop-deporting-haitians-move-americas-un-committee-warns>

[38] Jamaica became State party to the CERD on 04 June 1971.

Development Financing Landscape

Jamaica's public finances have been heavily influenced by its policy objective of reducing its public debt to GDP ratio to below 60% by 2028. Prior to COVID-19, Jamaica had been on course to meeting this target by 2025, but the heavy fiscal toll that the pandemic had on Jamaica's public finances – increasing the public debt ratio from 94.3% in 2019 to 108.1% in 2020 – meant an extended period of fiscal austerity as the Government delayed the date for meeting its target and has resumed at or near balanced budgets to achieve this since. Specifically, what this has meant for Jamaica's annual budgetary spend, is that in both 2021 and 2022, Jamaica has operated fiscal surpluses of 0.9% and 0.3% of GDP respectively.

In 2022, Jamaica's public debt to GDP stood at 86.2% and latest projections for 2023 by the IMF in their most recent World Economic Outlook indicate that debt will further fall to 74% and to 70% in 2024. Moreover, by 2028 the IMF project that Jamaica's public debt ratio will be 56% and thus creating the space, both in terms of revenues but also for debt premiums, for higher public spending on development.

For bilateral support, the latest figures for net Official Development Assistance (ODA) and official aid received by Jamaica provided by the World Bank, was 2021 where it was recorded that Jamaica received \$58.5m equivalent to 0.4% of its Gross National Income (GNI). This had been declining since 2019, when Jamaica received \$125m (0.8% of GNI). Figures for 2022 have yet to be released.

For multilateral support, Jamaica's upper-middle income status^[39], high population for a Small Island Developing State of 2.8m, high level of human development, makes it largely ineligible for concessional financing provided by multilateral institutions. Moreover, multilateral bank financing tends to be administered by loans rather than grants. In August 2023, the IMF Executive Board concluded its first review under Jamaica's Precautionary and Liquidity Line (PLL), which serves as insurance against shocks with access at about US\$611m. In addition, the IMF concluded its first review under the Resilience and Sustainability Facility (RSF) arrangement, which makes available a further US\$255m.^{[41], [42]}

For private financing, Jamaica's main private financing flows take the form of remittances and foreign direct investment. For remittances, in 2022 these were US\$3.4bn equivalent to 20% of GDP and below what they had been in 2021 (US\$3.5bn equivalent to 24% of GDP). Comparing developments in inbound remittance flows to July 2023 with the same period in 2022, these are down slightly on 2022 levels (-0.4%). Given that in the 5 years prior to COVID-19, remittances were steady at about 16% of GDP, while they may stay above this level it is unlikely that they will increase to 2021 levels in the coming years.

[39] See <https://blogs.worldbank.org/opendata/new-world-bank-group-country-classifications-income-level-fy24#:~:text=The%20World%20Bank%20Group%20assigns,of%20the%20previous%20calendar%20year>.

[40] See <https://hdr.undp.org/data-center/human-development-index#/indicies/HDI>

[41] See <https://www.imf.org/en/News/Articles/2023/03/02/pr2357-jamaica-imf-executive-board-approves-usd-million-pll-usd-million-rsf>

[42] See <https://www.imf.org/en/News/Articles/2023/08/31/pr23300-jamaica-imf-executive-board-completes-review-under-pll-and-rst-with-jamaica>

For foreign direct investment, inward flows of FDI were US\$318.7 equivalent to 1.9% of GDP in 2022. This was down slightly (-0.5%) on 2021 levels, which were US\$320.5m equivalent to 2.2% of GDP. The largest declines in FDI between 2021 and 2022, were in the information technology and communication and mining sectors, where FDI decreased by 38% and 45% respectively. While this was offset by increases in FDI from the tourism (32%) and agricultural, manufacturing and distribution (19%) sectors, a substantial decline in retained earnings led to a decrease in inflows of FDI overall.

Overall, the development financing landscape for Jamaica has levelled off somewhat from the state in 2021. With public financing expected to remain squeezed out to 2028, remittances and FDI likely to remain level or slip back slightly, Official Direct Assistance on a downward path and multilateral financing constrained by its income per capita, prospects for large scale investments in development projects remain low at least upto the medium term. Catalytic projects that advance many SDGs will offer the greatest cost-effectiveness for Jamaica until conditions change on development financing.

United Nations Sustainable Development Support in Jamaica

Through the Joint SDG Fund's Development Emergency Modality joint programme, the UN system in 2022-23 supported the Government of Jamaica (GOJ) in conducting a mapping on integrated water management systems for sustainable food production and strengthening data and information for evidence-based policy formulation and programme design. This work included the generation of sex-disaggregated data and information, scenarios, and policy recommendations to strengthen agriculture-based rural development plans and strategies, as well as contribute to closing the gender gap in the food production chain. Most recently, the Joint SDG Fund have issued a call for expressions of interest for the first funding round of the Digital Transformation window, with specific areas of focus in government services systems transformation; inclusive digital connectivity; digital finance and payment systems; E-commerce, market access and trade enablement; and digital for the planet.

As it relates to citizen safety and security, the recent SALIENT Joint Programme has contributed to bolstering the capacity of the Government of Jamaica to (1) reduce access and use of small arms and light weapons, (2) improve detection capabilities of local authorities and (3) improve the legislative framework governing the reduction of illicit small arms and reducing crime and violence. This was achieved through activities including capacity building focused on enhanced interdiction at entry, exit and transit points as well as the detection and investigation of firearms trafficking. The joint programme also targeted youth to strengthen their capacities on life skills and conflict management. The joint programme also facilitated great levels of research with the commissioning of the first Violence Audit conducted in Jamaica within the Denham Town and Norwood communities.

Conclusion

Jamaica's progress towards delivering the SDGs has stagnated in many areas over the past year. Sustainable development interventions have not led to substantial increases in Jamaica's SDG score as reported in the Sustainable Development Report for 2023. There has been good economic and social progress made, most notably in terms of the unprecedented reduction in unemployment, particularly among Jamaica's youth. However, Jamaica, like many other SIDS continues to be highly exposed to global developments and is still in the throes of redressing the structural imbalances that have fuelled inflationary pressures over the past year. Together with its steadfast commitment to enhance debt sustainability, the Government has had to make tough choices on its spending on development having little room to advance large scale transformative programmes that would accelerate sustainable development.

Policies and practices, over the remaining years of this millennium, will need to evolve as evidence at the global level indicates that not only are the SDGs behind schedule, but also that the investment cost of delivering the goals has increased markedly from what was anticipated when the SDGs were agreed.^[43] New thinking, fresh approaches, new partnerships and greater innovation will be needed to support Jamaica accelerate towards achieving the Goals by 2030. ■



[43] See <https://unctad.org/publication/world-investment-report-2023>