Report Number: ICRR0023878

1. Operation Information

Operation ID P170223	**Operation Name** JM ER DPL I MST
Country Jamaica	**Practice Area (Lead)** Macroeconomics, Trade and Investment

Non-Programmatic DPF

L/C/TF Number(s) IBRD-90530	**Closing Date (Original)** 31-Mar-2021	**Total Financing (USD)** 70,000,000.00
Bank Approval Date 19-Mar-2020	**Closing Date (Actual)** 31-Mar-2021	

	IBRD/IDA (USD)	Co-financing (USD)
Original Commitment	70,000,000.00	0.00
Revised Commitment	70,000,000.00	0.00
Actual	70,000,000.00	0.00

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2. Program Objectives and Pillars/Policy Areas

a. Objectives

The Implementation Completion and Results Report (ICR, para. 8) and the Program Document (PD, p.3) stated the program development objectives (PDOs) of Jamaica’s First Economic Resilience Development Policy Loan (ERDPL) as: “to (a) Support Fiscal Sustainability and Inclusion; (b) Enhance Fiscal and Financial Resilience against Natural Disaster Risks; and (c) Improve the Investment Climate for Sustainable Growth.”

However, “inclusion” referred to social inclusion, which is different from (and potentially contradictory to) fiscal sustainability. Hence, for the purpose of this ICR Review (ICRR), the PDOs are taken as:

- PDO 1: Support fiscal sustainability;
- PDO 2: Support social inclusion;
- PDO 3: Enhance fiscal and financial resilience against natural disaster risks; and
- PDO 4: Improve the investment climate for sustainable growth.

b. Pillars/Policy Areas

The program was designed to achieve the PDOs in three pillars, which corresponded to the three objectives of the operation (as stated in the PD and ICR, para. 9). The pillars were as follows:

- Pillar A: Support fiscal sustainability and inclusion;
- Pillar B: Enhance fiscal and financial resilience against natural disaster risks; and
- Pillar C: Improve the investment climate for sustainable growth.

The latter pillar had policy actions (PAs) in the policy areas of trade, land and fisheries.

c. Comments on Program Cost, Financing and Dates

The IBRD loan of US$ 70 million for Jamaica’s First ERDPL was fully disbursed following approval on 19 March and effectiveness on 25 March, 2020. (The ICR, p. 2, reported actual disbursement of US$ 69.825 million, after deduction of the front-end fee of US$175,000) The operation closed as expected on 31 March, 2021.

Although the Bank had “approved a waiver to extend the deadline of Board submission of the second operation to March 30, 2023, given delays and reprioritizations amid the pandemic” (ICR, para. 11), in October, 2022, the government requested cancellation of the planned Second ERDPL, in part because it was unlikely to be able to complete some key reforms in time.

3. Relevance of Design

a. Relevance of Objectives

As a small Caribbean island nation whose upper-middle-income status is driven largely by tourism and agriculture, Jamaica is highly vulnerable to extreme weather, climate change and other external shocks. Since 2013, Jamaica had undertaken a program of fiscal consolidation with the support of the World Bank Group (WBG), International Monetary Fund (IMF) and the Inter-American Development Bank (IBRD). Fiscal management and control measures brought the public debt-to-GDP ratio down from 147 percent in FY2012/13 to 95 percent in 2019/20, increased fiscal surpluses, raised its credit rating, fostered increased foreign direct investment, and brought down poverty and inequality (ICR, para. 3). However, further progress was constrained by structural bottlenecks – specifically with respect to trade, land reform and fisheries (ICR, para.

4) – and the need to mitigate the increasing risks of natural disasters for infrastructure, livelihoods, and economic growth, with implications for the objective of fiscal sustainability.

The PDOs were highly relevant to addressing these identified development challenges. PDO 1 carried forward previous measures to strengthen fiscal sustainability. PDO 2 extended cash transfer programs that had proven important in mitigating the shock of the COVID-19 pandemic (ICR, para. 11). PDO 3 directly addressed inefficiencies and inadequacies in financial responsiveness to natural disasters. PDO 4 supported reforms in the key targeted areas of trade, land, and fisheries. PDO 4 was phrased to refer to improvements in the underlying investment climate that could be tracked during the period of the operation, rather than the longer-term outcome of increased investment that would presumably result.

The PDOs directly supported the aims of Jamaica's Vision 2030 National Development Plan, and the supporting Medium-Term Socio-economic Development Framework for 2018 to 2021, to "(i) undertake fundamental reforms to consolidate the macroeconomic gains over the years; (ii) strengthen the country's international competitiveness; (iii) protect the most vulnerable; and (iv) strengthen the resilience of the built and natural environment" (ICR, para. 5; PD, para. 32). Strengthening social and climate resilience, improving the enabling environment for private sector, and modernizing the public sector were also objectives of the Country Partnership Strategy (CPS) FY2014-19, as well as complementary investment projects and technical assistance (PD, paras. 72-73; ICR, para. 14). Thus, the ERDPL series was appropriately designed as part of the WBG's overall strategy for supporting Jamaica's fiscal sustainability and economic and social development.

b. Relevance of Prior Actions

Rationale

The operation had nine PAs, two of them with two distinct but related sub-actions. The ICR (Annex 4) provided a Theory of Change matrix drawn from the PD's rationale for each of the PAs. PAs were all relevant to the PDOs, with implementation often to be supported by further measures under ERDPL 2.

Table 1: Objectives and Prior Actions (PAs) for Jamaica First Economic Resilience Development Policy Loan (ERDPL)

PDO 1: Support fiscal sustainability
PA1: To strengthen the fiscal responsibility framework, the Borrower, through the Cabinet, has approved the design of a fiscal council, which will be operationally independent and financially autonomous.
PA2: To improve the governance of the public sector, the Borrower, through the Ministry of Finance and the Public Service, has merged, closed or reintegrated into line ministries 6 Public Bodies, in accordance with the Public Sector Transformation Action Plan of 2018.
PDO 2: Support social inclusion
PA3: To improve equity of public spending, the Borrower through: (a) the Cabinet and the Ministry of Labour and Social Security, has increased the benefit size of the PATH conditional cash transfer; and (b) the Ministry of Labour and Social Security, has implemented a Community Engagement Series to expand the number of PATH's eligible beneficiaries in rural areas.
PDO 3: Enhance fiscal and financial resilience against natural disaster risks

PA4: To mitigate the financial impact of natural disasters, the Borrower, through the Cabinet, has approved a Public Financial Management Policy Framework for Natural Disaster Risk Financing.
PA5: To expedite post-disaster relief and recovery, the Borrower, through the House of Representatives, has raised the ceiling of the Contingencies Fund, from J$100 million to J$10 billion.
PA6: To expedite funding for disaster relief and recovery, the Borrower, through the Ministry of Finance and Public Service, has issued binding guidelines governing the process for budgetary allocation and reallocation, procurement, and disbursement of public funds in post-disaster situations.
PDO 4: Improve the investment climate for sustainable growth
Trade
PA7: To improve customs management and reduce foreign trade transaction costs, the Borrower, through the Ministry of Finance and the Public Service, has submitted a new customs bill to the House of Representatives for its approval.
Land
PA8: To facilitate the titling of land, the Borrower: (a) through the Cabinet, has integrated the Land Administration and Management Programme into the National Land Agency; and (b) through the Ministry of Economic Growth and Job Creation, has enacted the amendment of the Registration of Titles, Cadastral Mapping and Tenure Clarification (Special Provisions) Act, to reduce the fees for land titling transactions for first time registrations.
Fisheries
PA9: To promote the effective management and sustainable development of fisheries, aquaculture and other related activities, the Borrower has enacted a new Fisheries Act.

PDO 1: Support fiscal sustainability

PA1 was designed to encourage prudent fiscal management by establishing an independent fiscal council/commission that would “inform the public on the soundness and sustainability of Jamaica’s fiscal position” (PD, para. 40). The increased public accountability, as well as provision of independent advice, was expected to help ensure government adherence to the fiscal rule adopted in 2014 (to bring the public debt-to-GDP ratio below 60 percent by FY2025/26; ICR, para. 16). The Indicative Trigger (IT) for ERDPL 2 did include further steps toward implementation through “the adoption of the legal framework to establish the fiscal council and integrate it into Jamaica’s institutional framework for fiscal policy” (PD, para. 40). It was not clear what complementary enforcement mechanisms might be needed to ensure more than a modest contribution to actually achieving the PDO. **Rating: PA1: Moderately Satisfactory (MS).**

PA2 was needed to address the proliferation during the 1980s/90s of public bodies (including statutory authorities and state-owned enterprises [SOEs]) with various sources of funding and often with “inadequate governance of some public bodies and insufficient compliance with the legal framework” (PD, para. 42). The number of such bodies had been reduced from over 190 to about 160 by 2019. Further consolidation was considered necessary to improve governance and oversight by the relevant Ministries. Nevertheless, the small number of bodies targeted (6 in ERDPL 1, with a further 18 slated for ERDPL 2) and the lack of criteria to prioritize the most impactful meant that contribution to the PDO was likely to be modest, at best (ICR, para. 17). **Rating: PA2: Unsatisfactory (U).**

PDO 2: Support social inclusion

PA3 was intended to enhance social inclusion and protection by addressing the low "benefit sizes and lingering coverage gaps [that] hinder effective inclusion of the poor" under the country's key social safety net conditional cash transfer program, the Programme of Advancement Through Health and Education (PATH) (PD, para. 45; ICR, para. 18). The World Bank's 2019 study on Social Protection Programs in Jamaica noted that Jamaica's relatively low benefit sizes were "hindering intended equity and poverty reduction outcomes" (PD para. 45). It also cited low application rates from PATH among the relatively poor population, especially in rural areas, where poverty rates were highest. The supported actions constituted an important contribution to PDO 2 and the overall objective of enhancing economic resilience to natural disasters. (Although the budgetary cost of the PATH reforms would work against the fiscal sustainability objective of PDO 1, the IT for ERDPL2, to revise the rules governing the National Insurance Scheme (NIS)'s benefits for formal employees, was designed to address sustainability concerns that were raised by an actuarial review (PD, para. 46.) **Rating: PA3: Satisfactory (S).**

PDO 3: Enhance fiscal and financial resilience against natural disaster risks

PA4 directly addressed the severe shortcomings in Jamaica's ability to cope with the financial consequences of a major disaster, which could incur financial losses and recovery costs estimated to reach as much as 50 percent of GDP (PD, para. 50). Fiscal responsiveness was constrained by a "piecemeal approach" and reliance on multiple, uncoordinated funding sources (ICR, para. 20). The reforms supported by PA 4 addressed a substantial range of issues that were important to achievement of PDO 3, including central risk analysis and management, decentralized fiscal efforts, increasing a disaster-specific reserve fund, and strengthening institutional capacity (including a specialized unit). **Rating**: **PA4: Highly Satisfactory (HS).**

PA5 was directly relevant to PDO 3 by raising the ceiling on the disaster relief/recovery Contingencies Fund tenfold to JS$10 billion (US$ 70.6 million). This amount was based on WBG-supported analysis of low-cost, high-frequency natural disaster events, although it was still well below the annual cost of hurricanes. The ICR (para. 21) noted, however, that implementation to achieve the objective would depend on legislation and setting up a new National Natural Disaster Reserve Fund (NNDRF). Enacting the legislation was an IT for ERDPL2, which was cancelled – but has now been incorporated as a PA for a new operation (Sustainable and Resilient Recovery DPF; ICR, para. 21). While PA5 by itself was insufficient to achieve the objective, can be considered satisfactory as a step toward the objective when combined with further follow-on actions. **Rating**: **PA5**: **Satisfactory (S)**.

PA6 was appropriately designed to address the "fragmented financing sources, inconsistent procedures, and lack of emergency guidelines….consolidated information and clear instructions" that constrained budgetary responses to disasters (PD, para. 56). It was based on analysis in WBG sector work and preparation for the Public Financial Management under the Strategic Public Sector Transformation Project (PD, Table 6). Implementation was to be supported by further actions under the Second ERDPL to guide operation of the National Disaster Fund and the process for accessing it (ICR, para. 22). **Rating: PA6: Satisfactory (S).**

PDO 4: Improve the investment climate for sustainable growth

PA7 addressed the constraint on Jamaica's competitiveness and attractiveness to foreign businesses imposed by its "outdated trade facilitation regulatory framework inconsistent with World Trade Organization (WTO) rules" and its exceptionally high cost of complying with trade regulations (PD, para. 60). Building on a previous DPL series and complemented by WBG TA on Trade Logistics in the Caribbean and the Foundations for Competition and Growth Project, the new Customs Bill supported by PA 7 was designed to "facilitate full implementation of the ASYCUDA World platform….launch of the Jamaica Trade Information Portal…and [make] progress towards an Electronic Single Window for Trade" (PD, para. 61 and Table 6). These measures would directly support PDO 4, although implementation depended on complementary rules and regulations that were to be undertaken under ERDPL 2. **Rating: PA7: Satisfactory (S).**

PA8 addressed the "costly, complex and lengthy procedures" that constrained issuance of land titles, which were identified as important to investors and to enabling transfer of land to more efficient users (PD, para. 63). Measures relevant to PDO 3 included institutional reform "to harmonize and streamline procedures related to land titling…a set of principles for modernizing titling legislation….[and] a systematic land registration policy," as well as reduction of fees, based on analysis under the Foundations for Competition and Growth Project (PD, para. 64 and Table 6). Untitled land parcels constituted 40 percent of Jamaica's 650,000 land parcels (PD, para. 63; World Bank Country Profile for Jamaica, 2008; cited in USAID Land Links). Although the annual increase in registrations was expected to reach only 1.3 percent of untitled parcels by the end of the operation, the PD (para. 64) proposed an IT for "the submission to Parliament of legislation to implement an electronic titling system" that might have helped to build more broadly on these initial steps to simplify procedures and reduce costs. **Rating: PA8: Satisfactory (S).**

PA9 was directed toward the "outdated legal and regulatory framework" that had proven unable to cope with overfishing, environmental degradation and other challenges to fisheries, which "form the backbone of the local economy in many coastal and inland communities" (PD, para. 66). PA9 supported legislation "for the establishment of a National Fisheries Authority (NFA) with the responsibility to manage, develop, [and] regulate the fisheries and aquaculture industries" (PD, para. 67), directly relevant to PDO 4. Whether the NFA would have the authority and budget to enforce regulations and address the increasing challenges being posed by climate change and natural disasters was unclear. Implementation was to be supported by principles and regulations to be issued under ERDPL 2. **Rating: PA9: Moderately Satisfactory (MS).**

Rating

Satisfactory

4. Relevance of Results Indicators

Rationale

EMDPL 1 used eleven results indicators (RIs) to measure the impact of its nine PAs and progress toward achievement of the PDOs. Although the majority of the RIs were satisfactory in terms of monitoring the impact of the associated PA and progress toward objectives, four were problematic in that regard or in definition/measurement. The RIs for PDO 4 tracked outputs related to actions to improve the underlying investment climate, though not outcomes in terms of increased investment (more appropriate for a higher-level, longer-term indicator). The ICR (para. 33) reported that data for most indicators could readily be obtained from the relevant administrative unit or involved data collection systems already in place.

PDO 1 had two RIs, associated with PAs 1-2.

PDO 2 had one RI to track PA 3.

PDO 3 had three RIs, associated with PAs 4-6.PDO 4 had five RIs, associated with PAs 7-11. (An additional RI discussed in the ICR was omitted here, as it related only to a trigger for ERDPL 2, which was canceled, not related to any PA in ERDPL 1.)

Table 2: Results indicators by Objective and PAs; baseline and target values; status and achievement							
Results indicator (RI)	**Asso-ciated PAs**	**RI Rele-vance**	**Baseline** (2018)	**Target** (2021)	**Actual** (2021) (2022)	**Actual as % of targeted change**	**RI Achieve-ment rating**
PDO 1: Support fiscal sustainability							
RI1. The Fiscal Council is adequately staffed and issues regular fiscal assessment reports (that include debt sustainability analysis)	PA1	MU	0	≥ 2	0	0%	[Negligible]
RI2. Percentage of self-financing public bodies compliant with submitting an Annual Report within four months after the end of the financial year	PA2	MU	47%	63%	28.6% (2021) 51.8% (2022) 42.9% (2023)	- 115% 30% - 26%	[Modest] [public bodies reduced to 149]
PDO2: Support social inclusion							
RI3. Percentage of rural beneficiaries and peri-urban beneficiaries among all [new] PATH beneficiaries	PA3	S	80%	85%	95% (2021) 89% (2023)	200% 180%	High
PDO 3: Enhance fiscal and financial resilience against natural disaster risks							
RI4. Annual Fiscal Policy Paper has a section quantifying disaster-related risks	PA4	HS	No	Yes	Yes	100%	High
RI5. Capitalization of the National Natural Disaster Reserve Fund	PA5	S	J$100 million	JS3.1 billion	J$4.5b (2021) J$4.9b (2022)	137% 160%	High [but NNDRF not yet established]
RI6. Number of post-natural disaster sources of		MU					

financing available to ministries, departments, and agencies with documented emergency procedures	PA6		0	5	5 [4 accessible in 5 hours]	100%	[Substantial]
PDO 4: Improve the investment climate for sustainable growth							
Trade							
RI7. Percentage of commercial declaration documentary processed by customs within 16 hours	PA7	S	51%	70%	76% (2021) 88.8% (2023)	119% 180%	High [but Customs Bill not passed]
RI8. Percentage of commercial consignment initially assigned to Green Channel	PA7	S	10%	30%	24% (2021) 25% (2023)	70% 75%	Substantial
Land Titling							
RI9. Number of titles issued annually	PA8	HS	1,300	3,500	7,872 (2021) 14,105 (2023)	299% 586%	High
RI10. Total number of titles with unimproved value of J$ 2 million and below	PA8	MU	2,000 per annum	4,000	6,769 (2021) 3,424 (2023)	238% 71%	[Modest]
Fisheries							
RI11. Percentage of active fishers who are licensed	PA9	U	16%	30%	49.5% (2021) 52.4% (2022)	239% 260%	[Negligible] [regulations not enacted]

Source: ICR, Table 2.

Note: RI12 regarding days to obtain a construction permit is omitted because it related to a trigger for ERDPL 2 (which was canceled) and there was no associated PA in ERDPL 1.

PDO 1: Support fiscal sustainability

RI1 as stated included “adequate staff”, which would have been suitable to track implementation of PA 1 (which only referred to approval of the design of a fiscal council), but this aspect was not captured in the actual indicator used. Issuance of regular fiscal assessment reports was reasonably relevant as a measure of progress toward the objective of supporting fiscal sustainability through adherence to the fiscal rule – on the assumption that a better-informed public would bring pressure on the fiscal council to press for compliance. However, monitoring actual compliance with the fiscal rule would have been more directly related to the objective. **Relevance Rating: RI1: Moderately Unsatisfactory (MU).**

RI2 did not directly track PA 2 to reduce the number of public bodies. It was intended to capture the impact of the PA on the performance of public bodies in terms of prompt issuance of annual reports, which also would facilitate oversight. Nevertheless, the results chain from better governance to the objective of fiscal sustainability was unclear – especially as "the expected impact on the wage bill is likely to be minimal" (PD, para. 44). An indicator of the number and/or costs of public bodies would have been more relevant to both implementation of the PA and the objective. **Relevance Rating: RI2: Moderately Unsatisfactory (MU)**.

PDO 2: Support social inclusion

RI3 was directly relevant to the second sub-action of PA3 regarding expansion of PATH's rural beneficiaries, and hence to PDO 2 to support social inclusion, though it did not track implementation of the first sub-action to increase the size of the benefit. The indicator was readily measurable and suitable to monitor implementation on a regular basis. **Relevance Rating: RI3: Satisfactory (S)**.

PDO 3: Enhance fiscal and financial resilience against natural disaster risks

RI4 directly related to implementation of PA4 to establish a policy framework that would address the identified "need to identify, monitor, and mitigate all sources of contingent liabilities" (PD, para. 51). Regular quantification of disaster-related risks was highly relevant to the objective of enhancing resilience, as a basis for budgeting and increasing the size of the reserve fund. Assessment of the indicator was straightforward (yes/no). **Relevance Rating: RI4: Highly Satisfactory (HS)**.

RI5 likewise directly captured both implementation of PA5 and progress toward the objective of ensuring adequate fiscal capacity to cope with natural disasters. It was readily measurable and suitable for tracking progress over time. (However, actual achievement was contingent on establishment of the NNDRF to manage the funds, which was to be enabled as a trigger for ERDPL2). **Relevance Rating: RI5: Satisfactory (S).**

RI6 tracked the next stage of implementing the guidelines for disaster recovery funds that were supported by PA6, but only the availability of funds with procedures, not ease of access or use. As stated and measured, it was not entirely clear whether it was the number of **funds** being tracked or the number that had "documented emergency procedures." The ICR (Table 6) indicated that "the Government already had five funds available," implying that the baseline of 0 referred to those with the requisite procedures and that all five had adopted the procedures by 2021 as targeted. However, the objective was expedited *access* to recovery funds, which was not captured by this indicator. The ICR noted that quick access (within 5 hours) was available for "all except for the CCRIF" – suggesting that ready access could have been a RI. **Relevance Rating: RI6: Moderately Unsatisfactory (MU)**.

PDO 4: Improve the investment climate for sustainable growth

RI7 and RI8: RI7 measured implementation of the new customs bill supported by PA7 in terms of reducing customs declaration delays as a constraint on and cost of importation. It was directly related to achievement of the objective in that trade administration inefficiencies and costs had been identified as a negative factor for the investment climate (PD, paras. 60-61). **RI8** likewise was designed to track reduction in commercial trade processing time in terms of the share allocated to the "green channel" –

presumably expedited or with less cumbersome procedures (the PD and ICR gave no explanation). They were suitable as proxies for the objective of reducing the costs of importation, which would have been more difficult to measure directly. **Relevance Rating: RI7: Satisfactory (S)**; **RI8: Satisfactory (S)**.

RI9 directly monitored implementation of the institutional streamlining and reduced titling costs supported by PA8 in terms of the impact on number of titles issued. Ease of obtaining titles was relevant to the objective of improving the investment climate by facilitating the acquisition of land for investment. **Relevance Rating: RI9: Highly Satisfactory (HS).**

RI10 was intended to track achievement of the Government's objective of "targeting lower income households, to ensure that the land titling reform is inclusive" (PD, para. 65). The relevance to the objective of improving the climate for investment is limited to the extent that investment by low-income families does not depend importantly on having a formal title, and low demand for such titles could prevent achieving the target, even though the cost of titles had been reduced. **Relevance Rating: RI10: Moderately Unsatisfactory (MU).**

RI11 was somewhat relevant to monitoring implementation of the new Fisheries Act supported by PA9, to the extent that issuance of fishing licenses represented improved administrative capabilities. However, it was at best indirectly related to the objective of sustainable growth, which would depend on effective enforcement of the licensing system to curtail overfishing. The PD (para. 68) did not specify how the "new category of licenses, authorizations and permits" in the new Act would improve the investment climate, nor how it (together with increased penalties" would "address illegal, unreported and unregulated fishing." Nonetheless, these more relevant aspects may have been more difficult to measure than new licenses issued. A further problem was that the issuance of licenses depended on factors other than the Fisheries Act and hence did not adequately track implementation of PA9 – evident in the fact that the number increased despite the fact that the necessary regulations had never been enacted (ICR, para. 32). **Relevance Rating: RI11: Unsatisfactory (U)**.

Rating

Moderately Satisfactory

5. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

Support fiscal sustainability

Rationale

RI1: regarding issuance of fiscal assessment reports that included debt sustainability analysis was not achieved because COVID-19 disruption delayed appointment of the Fiscal Commissioner and staffing of the Fiscal Council (ICR, para. 29). **Achievement Rating: Negligible.**

RI2: COVID-19 likewise disrupted submission of Annual Reports by public bodies in FY 2020/21. Although the number submitted in FY 2021/22 rose above the baseline, it fell again in FY 2022/23 below the baseline (ICR, Table 2, p. 17), representing *negative* progress (not partial achievement, as stated in the ICR, para. 29). Although the RI was unrelated to implementation of the PA in terms of consolidation to reduce the number public bodies and hence their fiscal cost, additional evidence provided showed that the number had been reduced to 149 by July 2023 (from 160 in 2019), indicating some progress toward the objective of fiscal sustainability. Achievement is rated modest in Table 2, but the MU relevance rating of RI2 triggers a downgrade to Negligible. However, additional information provided during the preparation of this review on implementation of the PA (reduced number of public bodies) and the progress made towards achievement of the PDO on fiscal sustainability warrants an Modest achievement rating. **Achievement Rating: Modest.**

Rating

Unsatisfactory

OBJECTIVE 2

Objective

Support social inclusion

Rationale

RI3: The share of rural and peri-urban beneficiaries jumped substantially from 80 percent (2018 baseline) to 95 percent in the target year of FY 2020/21 – due in part to substantial additional funding under the COVID-19 pandemic response (ICR, Table 2, p. 17). While the share subsequently slipped back somewhat (to 89 percent in FY 2022/23), it remained above the targeted level. Additional data in the ICR (p. 17) indicated that achievement of the social inclusion objective was being sustained in terms of adequate funding and an estimated decline in the poverty rate. **Achievement Rating: High.**

Rating

Highly Satisfactory

OBJECTIVE 3

Objective

Enhance fiscal and financial resilience against natural disaster risks

Rationale

RI 4: The Fiscal Policy Paper published annually in 2021, 2022 and 2023 included an Appendix quantifying disaster-related risks and quantifying contingent liabilities, as targeted by RI 4 (ICR, p. 18). Achievement of the objective was furthered by a White Paper on Public Financial Management Policy for Disaster Risk Financing tabled in Parliament in June 2023. **Achievement Rating: High.**

RI 5: The JS$4.5 million required to capitalize the NNDRF was raised and deposited in the Contingencies Fund (enabled by the increased ceiling supported by PA5), nominally exceeding the target for RI5. Nevertheless, full achievement of the objective depended on setting up the NNDRF, which was delayed by the COVID-19 pandemic and the cancellation of ERDPL2. Additional evidence revealed that Government had submitted legislation to establish the NNDRF as a separate account to Parliament in December 2023, supported by the IMF's Resilience and Sustainability Facility (RSF) program. **Achievement Rating: High.**

RI 6: Guidelines/procedures for emergency financing had been consolidated into a single, comprehensive source of information that was adapted by the five Government funds relevant to disaster recovery that were in place at baseline, meeting the target for RI 6 in tracking implementation of PA6. Nevertheless, the indicator did not adequately capture the speed with which such funds could be accessed; the ICR, (p.18) reported that four of the five funds could be accessed within five hours, indicating substantial achievement of the objective. While achievement is rated High, the MU relevance rating of RI6 triggers a downgrade to Modest. However, given additional evidence provided in the ICR, and progress towards the achievement of the objective, the rating is upgraded to Substantial. **Achievement Rating: Substantial.**

Rating

Satisfactory

OBJECTIVE 4

Objective

Improve the investment climate for sustainable growth

Rationale

RI7: Implementation of the Customs Bill that was approved under PA7 has been stalled in Parliament for two years (ICR, p. 19). Nonetheless, the objective of expediting processing of customs declarations has been achieved through measures to streamline procedures, exceeding the RI7 target for the percentage of documentation processed within 16 hours by 2021 (76 percent), with sustained improvements in subsequent years (to 89 percent in FY 2022/23). **Achievement Rating: High.**

RI8: The complementary indicator of the share of commercial consignments assigned to the Green Channel (to expedite clearance) was substantially achieved over FYs 2020/21 through 2022/23, but fell short because the re-verification process found gaps for some importers (ICR, p. 19). As for RI7, the indicator related more to achievement of the PDO than implementation of the PA. **Achievement Rating: Substantial.**

RI9 indicated that the institutional, procedural and fee reforms in land titling supported by PA8 were highly successful in achieving the intended result of increasing the annual issuance of land titles, which reached double the target by FY 2020/21 and continued to rise sharply to nearly six times the targeted annual increase by FY 2022/23. This also reflected a surge in demand for titles due to a construction boom and lower mortgage rates (ICR, p. 19), which is indicative of achievement of the ultimate objective of increased investment. (Nevertheless, cancellation of ERDP2 may have compromised further progress toward the objective through the next step of an electronic system for registering titles). **Achievement Rating: High.**

RI10: Although the number of titles for relatively low-value land issued annually surpassed the target in FYs 2020/21 and 2021/22, it then declined to 3,424 in FY 2022/23 – *below* the targeted level. The data indicate substantial achievement of the objective of greater inclusion of lower-income groups (PDO 1), though not necessarily the desired outcome of increased investment. Additional evidence supported progress toward implementation of the IT associated with PA8 in that the legislative package including e-titling of land has been submitted to Parliament for preparation of the second draft bill. The substantial rating of RI10 is downgraded due to the MU relevance rating of the RI. **Achievement Rating: Modest.**

RI11: Although the share of active fishers with licenses increased beyond the level targeted for RI11, this was unrelated to implementation of PA9, since the regulations for the new Fisheries Act had not been enacted (ICR, para. 32), and hence could not have been enforced to achieve the objective of more sustainable development of fisheries. Nonetheless, it did reflect more effective management of fisheries, e.g., due to creation of the NFA and establishment of the Fisheries Compliance and Statistics Division (ICR, p. 20), although this was unrelated to PDO 4. **Achievement Rating: Negligible.**

Rating

Moderately Satisfactory

Overall Achievement of Objectives (Efficacy)
Rationale

While achievement of PDOs 2, 3 and 4 is rated Highly Satisfactory, Satisfactory and Moderately Satisfactory, respectively, the Unsatisfactory for PDO 1 yields an overall achievement of Moderately Satisfactory.

Overall Efficacy Rating
Moderately Satisfactory

6. Outcome

Rationale

While the relevance of the PAs was Satisfactory, a Moderately Satisfactory rating for Efficacy yields an overall outcome of Moderately Satisfactory.

a. Rating

Moderately Satisfactory

7. Risk to Development Outcome

The risk of natural disasters poses the greatest threat to sustaining the achievements of ERDPL 1 with respect to fiscal sustainability and investment for growth. Climate change is likely to intensify the risk of weather-related disasters. ERDPL 1 specifically included actions to improve the institutional and financial capabilities to mitigate the impact of such risks. Nevertheless, even though the new Sustainable and Resilient Recovery DPF (SSRDPF) supports operationalization of the NNDRF, even the increased ceiling of J$10 billion under ERDPL 1 remains below the average annual cost of hurricanes. Thus, recurrent fiscal challenges from natural disasters can be expected.

The ICR (para. 52) cites several on-going factors that help mitigate the above risks. First, progress toward implementing institutional objectives of ERDPL 1 resumed after delays due to the COVID-19 pandemic and will be supported by the SSRDPF (expected in FY 2024/25). Second, a new IMF-supported Resilience and Sustainability Facility will “strengthen Jamaica’s physical and fiscal resilience to climate change, while catalyzing funding for climate priorities from both other lenders and the private sector.” This will be supported by the Government’s efforts to collaborate with “international partners to strengthen cooperation and crowd in private investment.” Third, the latest CPF and IMF reports indicate that “inflation is decelerating, international reserves are healthy, and the financial system is well-capitalized and liquid.”

Changing priorities contributed to cancellation of EDRPL2, impeding further actions to implement measures initiated under EDRPL1. While this was triggered by the COVID-19 crisis, and a subsequent DPL is expected to pick up on some of the reforms, progress toward achievement of objectives clearly can be compromised both by external shocks and changes in government priorities. Furthermore, the priorities of some of the implementing agencies did not necessarily align with those of the Ministry of Finance and the Public Services, resulting in the unavailability of some data needed for monitoring and evaluation.

8. Assessment of Bank Performance

a. Bank Performance – Design

Rationale

Analytical underpinnings and lessons from prior experience

A number of directly relevant studies and reports motivated the design of actions to support fiscal and financial sustainability, resilience and inclusion, including (PD, Table 6): LAC Regional Study: Fiscal Rules in Small Economies (2019); Financial Solutions for Climate and Natural Disaster Risks Program in the Caribbean (2018); Advancing Disaster Risk Finance in Jamaica; and Jamaica Strengthening Social Protection System for Disaster Preparedness and Response (2015-2017). Measures to improve the investment climate were based on previous technical assistance on Trade Logistics in the Caribbean and two projects: Foundations for Competition and Growth Project; and Promoting Community-based Climate Resilience in the Fisheries Sector.

The design drew on relevant lessons from experience with the implementation of the First and Second Competitiveness and Fiscal Management DPL and the Economic Stabilization and Foundations for Growth Development Policy Loan (PD, para. 37). Those experiences indicated “that a targeted operation, clearly focused on the critical constraints would have a greater likelihood of achieving results.” Other lessons included holding social forums to help build Governmental and societal ownership and commitment, and the importance of coordination with other development partners.

Results chain and indicators

The PD (section 4.2) provided thorough explanations of the rationale for the PAs, which enabled the ICR (Annex Table A4.1) to formulate a basic theory of change linking the actions to expected outcomes and impacts. The RIs were generally satisfactory in terms of monitoring the impact of the associated PA and progress toward objectives, although there were some gaps with respect to tracking achievement of outcomes.

Identification and mitigation of risks

The PD adequately identified and discussed mitigation of risks in the areas of debt sustainability (paras. 23-24), macroeconomy (paras. 25 and 28), global conditions (para. 26), and natural disasters (para. 27). Specific risk mitigation measures were discussed under the PAs that were intended to deal with fiscal sustainability and natural disaster risks.

Consultation with stakeholders and development partners

The PD (para. 74) indicated that consultations with Government, Parliament and other key stakeholders had been held in connection with preparation of Vision 2030 and the MTF 2018-2021. The PD (para. 75) also noted close collaboration with the IMF on reforms promoting macroeconomic and fiscal stability, and with “DFID, the US Agency for International Development, the European Union, and Global Affairs Canada on issues related to disaster risk financing and disaster risk management,” as well as with the IDB and the European Union on public financial management.

Rating

Highly Satisfactory

b. Bank Performance – Implementation

Rationale

Monitoring

The data for RIs to monitor implementation of the PAs were readily available and reported in the ICR. However, monitoring of progress toward intended outcomes and objectives was disrupted by the COVID-19 pandemic, which "took focus away from the ongoing reforms," and the subsequent cancellation of the planned Second ERDPL (ICR, para. 11). Furthermore, "data on several results indicators was not systematically tabulated and shared at program closure….suggesting low buy-in for the program by some agencies" (ICR, para. 55).

Adaptation

The Government and the Bank agreed on a separate standalone emergency DPF to help mitigate the effects of the pandemic and prepare for recovery (ICR, para. 12). While somewhat complementary to the ERDPL, "the development objective changed significantly." Although the team obtained a waiver from the Board to extend the time for submission of the Second ERDPL, continued delays in reforms led to its cancellation (ICR, para. 11). This compromised the ability to continue with further steps and monitoring toward achievement of the ultimate objectives.

Rating

Satisfactory

c. Overall Bank Performance

Rationale

Strong program design enabled several components to cope reasonably well with the difficult conditions ensuing from the COVID-19 pandemic, but it proved impossible to overcome the challenges to maintaining progress in the key area of fiscal sustainability, especially with cancellation of ERDPL 2.

Overall Bank Performance Rating

Satisfactory

9. Other Impacts

a. Social and Poverty

It is too early for evidence to be available on possible social and poverty impacts.

b. Environmental

It is too early for evidence to be available on improvements in resilience to climate change and other external shocks.

c. Gender

There were no gender-specific measures and indicators.

d. Other

n.a.

10. Quality of ICR

Rationale

The ICR clearly laid out the challenges to be addressed, in particular with respect to external shocks and fiscal sustainability, and it made clear the rationale for Bank involvement (although the application of lessons learned from previous operations was asserted without specifics). It explained the rationale for each PA and formulated a theory of change (Annex 4). Although it summarized the evidence on achievement of targets in Table 2, it could have analyzed and interrogated the extent of achievement (and reasons for underachievement) in more detail in Section B, especially with regard to progress toward intended outcomes/objectives. It stated reasonable lessons and suggestions for improvement. It was concise and consistent with the guidelines.

a. Rating

Substantial

11. Ratings

Ratings	ICR	IEG	Reason for Disagreement/Comments
Outcome	Moderately Satisfactory	Moderately Satisfactory	
Bank Performance	Satisfactory	Satisfactory	
Relevance of Results Indicators	---	Moderately Satisfactory	
Quality of ICR	---	Substantial	

12. Lessons

Results indicators that are not clearly linked to the results of PAs or the intended outcomes do not adequately measure the impact of an operation. The target for RI7 was met even though the new customs bill enabled by PA7 had not been enacted (thus representing progress toward the objective that was nevertheless not attributable to the action). Submission of annual reports (RI2) was unrelated to either the action or the objective of reducing the number of public bodies. Specifying a clear results chain from the action to its implementation to the indicator and the expected outcome can facilitate evaluation of the impact of an operation.

Collaboration with and support for implementing agencies can improve monitoring implementation and achievement of a DPO. The ICR (para. 55) noted that one risk of a DPO is that "funds are delivered to the Ministry of Finance and the Public Service, but the agencies tasked with making progress in policy areas are not necessarily given the resources" to carry implementation forward and monitor progress. The ICR had difficulty obtaining needed data from some agencies. Providing complementary support to such agencies through technical assistance or investment operations may help ensure their buy-in.

13. Project Performance Assessment Report (PPAR) Recommended?

No