Report Number: ICRR0022980

1. Project Data

Project ID	Project Name
P148013	JM Youth Employment Digital Anima MST
Country	**Practice Area(Lead)**
Jamaica	Social Sustainability and Inclusion

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IBRD-84050	31-Jan-2020	11,983,809.26
Bank Approval Date	**Closing Date (Actual)**	
18-Jul-2014	30-Jul-2021	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	20,000,000.00	0.00
Revised Commitment	20,000,000.00	0.00
Actual	12,199,716.50	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
Alejandra Eguiluz	Ebru Karamete	Christopher David Nelson	IEGSD (Unit 4)

2. Project Objectives and Components

a. Objectives

The Project Development Objective (PDO) of the Jamaica Youth Employment Digital and Animation Industries Project, (YEDAI), as articulated in the Loan Agreement (page 5) was almost identical (except where underlined) to the one in the PAD (paragraph 21, page 7) and aimed to: "Support youth employment in the digital and animation industries <u>in the Borrower's territory</u>¨. In the PAD the underscore is replaced by the text: <u>¨in Jamaica¨.</u>

b. Were the project objectives/key associated outcome targets revised during implementation?
Yes

Did the Board approve the revised objectives/key associated outcome targets?
Yes

Date of Board Approval
21-Dec-2021

c. Will a split evaluation be undertaken?
Yes

d. Components
Component 1: Skills and Capacity to Enhance Employability and Entrepreneurship (at appraisal: US$ 10 million; at first restructuring: US$ 9.05 million; at 2nd restructuring: US$ 7.04 million; at project closing: US$ 3.77 million). This component aimed to build capacity and skills of Jamaican youth to improve their employability in the growing animation industry and in the global online labor market, and provide critical skills to young tech entrepreneurs to bring ideas to market. In particular, the following activities were to be financed: a) expanding the existing 2D Animation Training Program at selected vocational and tertiary educational institutions; b) establishing 2D and/or 3D Animation Training Programs at selected secondary, vocational and tertiary educational institutions; c) establishing an accredited university degree program for professional animators; d) developing a business acceleration program for animation studios whereby companies undergo an intensive selection process and surrender some of the equity in their companies in return for seed capital, training and mentorship ("Acceleration Program"); e) developing a training program to increase the quantity and quality of software programmers and product designers; f) organizing competitions to identify youth with the best talents in the digital and animation fields; g) providing need-based scholarships to enable youth from lower-income families, and vulnerable communities to participate in the training activities provided by the Project; and h) developing a policy framework and strategic plan for the animation industry.

Component 2: Establishment of Startup Jamaica (at appraisal: US$ 5.6 million; at first restructuring: US$ 0.275 million; at 2nd restructuring: US$ 0.28 million; at project closing: US$ 0.28 million). This component planned to make provisions for the establishment of a physical hub to strengthen a viable tech entrepreneurship ecosystem. The physical structure and the connectivity aspects of Startup Jamaica was planned to be provided by private sector companies that have offered these contributions free of charge. In addition, this component would be implemented in partnership with Oasis500 - an accelerator based in Amman, Jordan – that would provide seed capital for startups accepted into the accelerator program. This component would finance: a) carrying out communication and outreach campaigns to target youth with business ideas to join the Acceleration Program; b) designing and providing in-depth technical and business training to selected youth, including hands-on service provider support and external speakers/faculty training; c) designing and implementing the Acceleration Program for tech startups (including boot camps, pitching events, demo-days); and d) recruiting relevant technical staff to manage the Acceleration Program and other training initiatives.

Component 3: Early Stage Investment for Tech Startups (at appraisal: US$ 1.6 million). At first restructuring the component was dropped and replaced by a new one .This component aimed to double the annual amount of private sector investment in early stage growth companies by: a) establishing and supporting the growth of a vibrant angel investor network; b) studying, promoting, and possibly leverage diaspora investors to establish a royalty-based equity loan fund10; c) studying and supporting the establishment of pre-purchase and equity crowdfunding platforms; d) a public awareness campaign on early stage investments; and e) a targeted program to build trust networks among investors and early stage companies.

Component 4: Support to Science, Technology and Innovation (at appraisal: US$ 0.8 million; after 1st restructuring: US$1.05 million; after 2nd restructuring: US$ 0.42; at project closing: US$ 0.10 million). Activities aimed to focus on supporting researchers with entrepreneurial aspirations who have developed R&D+i applications that have commercial potential. This support would be provided by identifying the potential entrepreneurs through calls for innovations and by incorporating the selected applicants into the incubation and acceleration services (Stages 2& 3) of Startup Jamaica.

Component 5: **Project Administration (at appraisal: US$ 2.0 million; after 1st restructuring US$1.425 million; after 2nd restructuring: US$ 1.82 million; at project closing: US$ 1.52 million.** This component planned to support program management through inter alia: a) financing the carrying out the financial management and procurement requirements under the project; b) financing the monitoring and evaluation of project activities; c) providing equipment and training for the Project Implementation Unit (PIU); d) hiring a dedicated management team that includes a project manager, and two technical specialists (animation and tech entrepreneurship); and e) financing operating costs.

Revision of components

The first restructuring on January 6, 2018 reflected the change in political leadership in Jamaica, who had a different vision on how to achieve the PDO, focusing on job creation through the HOPE program, which focused on vulnerable youth (NEET, not in education, employment or training) and away from a focus on job creation through animation and online work. With the change in vision, the rationale for Components 2, 3 and 4 as originally designed, was significantly undercut. The dialogue and partnership with the private sector that was behind the establishment of StartUp Jamaica (component 2) languished. The restructuring involved changes in the Project components and their scope and the reallocation of loan resources (US$8.5 million out of US$20 million).

• Component 2: Activities under this component were discontinued. This affected the activities under Components 3 and 4, as originally conceived, as they were intertwined. Removing Start Up Jamaica implied closing the incubator hub meant to generate content for investment development by the private sector.

• Component 3: This component was completely re-designed moving from supporting early-stage Investment for Tech Startups to supporting the HOPE initiative established in 2017 to provide skills training, especially for NEET youth. The revised component included: (3.1) youth training on document management and digitization and apprenticeship activities to improve the delivery of the training and apprenticeship program and (3.2) upgrading 12 community centers to act as digital/tech centers, providing equipment and furniture.

• Component 4: The component evolved to (1) supporting digital market and job fairs; (2) strengthening an existing youth inventor/innovator competition in Jamaica; and (3) strengthening the national STI system, led by the National Commission on Science and Technology (NCST), to conduct consultations for STI policy with stakeholders and (4) fund the hosting of the National Innovation Awards.

The second restructuring in January 2020 brought the following changes to the project components:

• Component 1: Online global work training activities were discontinued as the private sector had started to offer the same courses. An Animation Studio Apprenticeship Program (ASAP) was included to improve the technical skills of local animators through practical hands-on focus in response to feedback from studios on the quality of animation graduates.

• Component 3: Subcomponent 3.2, technical assistance and advisory services, was dropped as it lost relevance in light of the impact of the training and apprenticeship programs.

• Component 4: The STI policy consultations were discontinued by the government and the Development Bank of Jamaica (DBJ) also dropped financing for the ecosystem mapping and design of a G-APP for navigating support.

The third restructuring in December 2020 came in response to the implementation challenges caused by the COVID-19 pandemic. The restructuring introduced changes to the modalities of training and transitioned delivery of training and the *KingstOOn* festival from face-to-face to virtual events, to ensure the completion of as many activities as feasible, to achieve the PDO before project closing.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Cost. The total project cost at appraisal was estimated at US$20.00 million. Completion costs amounted to US$11,983,809.26 or 59,92 % of what was approved in the legal agreement (ICR, paragraph 4 page 44 and paragraph 10 page 45)

Financing. The project was financed through an IBRD Loan that totaled US$20.00 million, via an Investment Project Financing instrument, to the Government of Jamaica.

Borrower Contribution. No contribution from borrower was expected.

Dates. The project was approved on September 2014 and became effective in November 2014. The Mid-Term Review (MTR) was conducted on about 3.5 years into effectiveness. The project closed on July 30, 2021 (the original closing date was January 31, 2020). The additional time were to compensate for delays in effectiveness.

Restructuring: The project was restructured 3 times, all of which were Level 2 restructuring, described as follows:

- The first one was in January 2018 and involved changes in components, executing agency, budget distribution among components and results framework (outcome and intermediary indicators and targets). This restructuring happened in order to follow the governments change of priorities, at a time when 3,5 years had gone by and the project had a very low disbursement and implementation rate. The changes followed the new government’s decisions, prioritizing training and dropping the entrepreneurship initiatives (components 2 and 3), and with a new focus on a NEET (not in education, employment or training) youth as beneficiaries.

- The second restructuring took place in January of 2020, added a 18-month extension and made changes to components, indicators and budgets. This extension allowed to compensate for the low effectiveness in previous years. The main changes on activities: component 1, the online global work training was discontinued and an Animation Studio Apprenticeship Program (ASAP) was included to improve the technical skills of local animators. In component 3 the technical assistance and advisory services, was dropped and in component 4 the policy consultations were discontinued.
- The third was in December 2020, COVID-related, changing training activities to adapt them online and adding a new budget line for scholarships.

Split Rating: This review will follow the split rating process, as there were substantial revisions in the results framework, canceling components and PDO indicators, as well as reducing indicator targets. While there were three restructurings, the split rating will take the following periods to apply weighted average ratings for the Efficacy ratings: (i) the period from beginning of implementation until first restructuring (2014-jan 2018); (ii) the period since first restructuring until project completion (Jan 2018-July 2021). It makes sense to pick first restructuring as the dividing point of project implementation, because it marked the change of government priority towards a target population of youth that were more disadvantaged, focused the nature of the training on a specific content and delivery method, discontinued the innovative start-up and investment activities (components 2 and 3) and made important changes on the outcome indicators.

3. Relevance of Objectives

Rationale

Context at Appraisal. At the time of appraisal, Jamaica had been one of the slowest growing nations in the world for three decades, affecting disproportionately the bottom 40% of the population. Around 38% percent of young women and 25% of young men ages 15–30 were unemployed (page 11 of PAD). The animation industry, the online labor market, and the virtual economy were perceived as potential generators of significant employment opportunities for well-educated Jamaican youth who were unemployed or underemployed. Despite the international financial crisis, the animation industry had been growing steadily at the global level and the Jamaican industry had been attracting attention from global players. Foreign investors expressed interest in putting together a network of “angel investors” to provide capital for tech startups and development of a viable ecosystem in the tech entrepreneurship world in Jamaica. Jamaica needed to create more links between investors and research and development actors to leverage the commercial potential of innovations. The establishment of Start Up Jamaica (SUJ) to grow the tech ecosystem and support innovation was linked to exploring the opportunities needed to materialize achievements in science and technology by supporting entrepreneurship and focusing on commercializing innovations.

Previous Bank Experience. According to the ICR, this was a first project of its kind for the bank (paragraph 55, page 21), and categorizes the project as ¨pilot¨ for that reason. On the PAD there is mention of the bank’s previous participation in the event Digital Jam 3.0, an app development competition in the region, and a roundtable discussion. The WB added value is stated on PAD as follows: ¨ *The World Bank's added value stems from its ability to bring together the myriad of partners necessary to achieve success – from animation software producers, to angel investor, to global incubator managers – and to help with the difficult task of "rebranding" the country as a center of animation and mobile app technology*¨ (paragraph 3, page 61).

Consistency with Bank Strategies.

At appraisal the overall aim for FY14-17 stated on the CPS was to **support Jamaican efforts to help build the conditions for sustained and inclusive growth.** The CPS program concentrated in three strategic thematic areas: (i) public sector modernization; (ii) enabling environment for private sector growth; and, (iii) social and climate resilience. (paragraph 6, page ii of CPS 2014-2017). The PDO is consistent mainly with area (ii), given the high participation required of the private sector at all levels, and also partly with area (iii), in what regards the aim of youth that are economically inserted in society, with jobs.

At completion, the PDO is in line with the Bank's dual goals of eliminating extreme poverty and boosting shared prosperity. It remains in line with its focus on strengthening competitive industries and developing an enabling environment for growth. There is no updated CPS since the time of appraisal (2014) that can be used as reference at completion. When looking at the Systematic Country Diagnostic (SCD) for Jamaica (from October 2022), we can see that the first of the three main development challenges identified is *harnessing the unfulfilled productive potential of youth,* that is aligned with the PDO. In the same report, the global digital sector is mentioned as a key potential industry for growth (on page 32: ¨ *The country can lead the Caribbean as a regional logistics hub. It can serve as a platform for the development of its tourism, orange, and global digital and outsourcing services and serve as a base for other industries to develop*). No similr mention is done for the animation sector (it is addressed on a note as a long-term possibility - see end note on page 32: ¨ *Services in animation, gaming, advertising, and design could be pursued in the long term*¨).

Consistency with Country Strategy.

At appraisal, the PDO was consistent with the Jamaica National Development Plan – Vision 2030 Medium Term Socio-Economic Policy Framework (MTEF), in which goal 1 is that Jamaicans are empowered to achieve their full potential and goal #3 is that Jamaica's economy is prosperous. In addition, the Vision 2030 Jamaica sees the Information and Communication Technologies (ICTs) sector as playing a central role in the transformation of Jamaica over the next two decades from being "consumers" to "producers" of ICTs. This vision has been inscribed in the ICT Roadmap prepared by the Ministry of Science, Technology and Mining

At completion the consistency remains, given that the Vision is 2030 is ongoing today (see https://www.vision2030.gov.jm).

The PDO was pitched at a level that seems beyond what was manageable by the country's institutional and technical capacity, in a too fragile context, and beyond what was reasonable for the bank's level of expertise. The highly complex nature of the operations required the existence of a strong institutional tissue, a stable and capable project management unit within the government and a culture of private-public partnerships regarding entrepreneurship. These conditions were not in place in the country, despite the dynamism and enthusiasm that the digital/animation events had fostered punctually among the participants and the willingness of the private sector and academic institutions.

Summary of Relevance of Objectives Assessment. The PDO statement was clear, but as it was beyond the country capacity and the World Bank's expertise, it was overly ambitious. Although piloting activities with limited scope, budget and/or geographical area are often necessary to try out innovative interventions and learn from the experience, in this case the project structure was not that of a pilot as the size and scope of interventions were quite large.

Due to the above mentioned reasons the relevance of the objectives is rated Modest

Rating
Modest

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective
Support youth employment in the digital and animation industries in Jamaica

Rationale
Theory of Change (ToC):

The ToC of the project (although not specifically described as such in PAD) can be easily and logically deducted from the project description and is clearly explained in the ICR (paragraph 7 page 7). Briefly: if we address the skill gap of youth in the digital and animation sectors with appropriate training and we put the mechanisms in place that promote entrepreneurship (start-up incubator, investment attraction and innovation), the end result will be that more youth will either be employed or will have started their companies. Although the logic seems evident, the level of in-country capacity and expertise needed to make it happen were underestimated at appraisal, as well as the length of time needed to achieve the entrepreneurial aspects when starting from scratch. The project's duration did not match the causal timeline of all the the interventions leading to the achievement of the PDO. While it could reasonably be expected that the training activities would lead to more skilled and thus employable youth in the 4-year project implementation, it was more doubtful that the setup of innovative entrepreneurial and investment mechanisms in two new sectors, leading to a number of startups promoted, created and receiving investments could all be achieved during the time of project implementation.

In addition to the underestimation of the time and effort needed for components 2,3 and 4, there is also the question of the complexity of the nature of the interventions, which seems overambitious for the conditions of the country at appraisal, as regulatory framework for implementation of components 2, 3 and 4 did not exist. In addition, there was a key assumption in the project that the government would promote and nurture many partnerships with the private sector (training stakeholders and entrepreneurship promotion partners, universities etc.), but this proved unrealistic during implementation (the ICR states that the private sector felt abandoned by the government after a while).

Overall, the set of original indicators is adequate to measure the PDO. However, one of the indicators addresses investment levels, which is only indirectly related to job creation.

Outcomes:

The achievement measured using the project's original PDO indicators show significantly low achievement. The ICR presents, (page 15, paragraph 31), the following percentages of achievement of these indicators: 13% for indicator 1 (¨Number of additional young people earning foreign exchange through global online work, using platforms that are partnering with the project¨); 13,5% for indicator 2.a (¨Number of young people employed by the animation industry in the short/medium term); 50% for indicator 2.b (Including percentage of front-line 2D animators from inner city ("bottom 40%") communities); 1.2% for indicator 3 (Amount of private capital mobilized (in seed and follow-on funding) for Jamaican startups); and 16% for indicator 4 (Number of Startup companies established through StartUp Jamaica). Indicators 1, 2 and 4 address directly the PDO, as they measure jobs created in both the digital and animation industries, either through employment or entrepreneurship. The third is a measure of investment mobilized (not directly measuring jobs).

The ICR did not discuss the reason for the low achievement levels. In addition, it was reported by the ICR that there was 200% accomplishment with the intermediate indicator, 'p*ercentage of startups accepted into SUJ originating from Jamaica and the Caribbean'*. It would have been valuable to extract a lesson by the ICR as to why that one particular aspect worked so well when compared to the rest (it is mentioned in the ICR that no M&E system was put in place, and that most information on achievements has been extracted from a country implementation report). The rating on this first period is Negligible, based on the above.

Rating
Negligible

OBJECTIVE 1 REVISION 1

Revised Objective
Support youth employment in the digital and animation industries in Jamaica

Revised Rationale
TOC:

The PDO remained the same. The original ToC relied on the 2 areas of intervention in order to achieve jobs for youth in the identified sectors: the employability (via adequate training) and the entrepreneurship promotion (via incubation and investment attraction). At first restructuring, components 2 and 3, which were directly related to entrepreneurship promotion were dropped. This meant that one of the two main areas of intervention in the ToC as a means to reach more jobs, disappeared, leaving all the causal responsibility of reaching the PDO to the training intervention only. While causal linkage did not completely disappear with the changes (appropriate training can in fact lead to higher employability and more hiring), it weakened the ToC. The fact that the target group of youth also changed after first restructuring (NEET youth of ages 18-24 became the government's priority) also had an effect on the ToC: NEET youth require more substantial interventions to increase their employability, as their knowledge and skill base at start is weaker (ICR page 7, paragraph 3). Also, the government's priority towards doing specific training on document management and digitization diverted efforts from the original planned contents of training.

The project results framework was revised at first restructuring in January 2018, as follows:

Changes on main outcome indicators:

i. **Number of youth earning foreign exchange through global online work**. The target was reduced at first restructuring, and the indicator was dropped at 2nd restructuring, since private sector was offering same courses). This indicator relates to component 1
ii. **Number of youth who participate in one of the animation training program and become employed by the animation industry.** This indicator pertains to component 1. It was modified to adapt it to the government's training program HOPE, targeting vulnerable youth. It translates the new government's priority towards a certain target population (different from what was originally formulated in project design) and a certain type of training delivery.
iii. **Total number of youth trained in document management and digitization (50% women).** This is a new indicator. This indicator was modified to adapt to the government's training priorities, targeting vulnerable youth.
iv. **Percentage increase in participation in innovation competition** (new indicator, reflecting the changes in component 4).

The dropping of components 2 and 3 and 4 implied dropping of the following outcome indicators:

- **Amount of private capital mobilized (in seed and follow-on funding) for Jamaican startups;**
- **Number of Startup companies established through StartUp Jamaica**

The changes to the main indicators reflect the changes on focus and priority in the project: the start-up and investment promotion were dropped (components 2 and 3); and were substituted by indicators that reflect more participation in training and, for one of them, internships acquired after training. One of these new indicators about training incorporates a specific training content (document management and digitization). The targets of the indicators were also modified. For instance, the target of the indicator on training in animation went from 1400 to 250, as there was the realization that the training in animation required more time and content to upgrade the youth's skills so that they became more employable.

The second restructuring dropped PDO1 "Number of youth earning foreign exchange through global online work". The target for PDO 3 "Total number of youth trained in document management and digitization" was increased from 6,000 to 8000, and added a gender indicator of percentage of women trained, with a target of 50%. The aim for PDO 4, "Percentage increase in participation in innovation competition", was increased to 75%.

By the second restructuring many of the indicators that could have measured job creation (PDO) had been dropped, and replaced by the ones assessing training participation, and thus employability rather than jobs. The new indicators, although more adapted to the project reality and possibilities, distanced themselves from the PDO, which was to promote jobs.

According to the ICR, outcome indicators were reached 97.6%, with four of the IRIs surpassed, one of the IRIs was achieved, and one was 50.0 percent achieved. However, this high percentage concerns mostly participation in training programs (and internships after training only for one of the outcome indicators).

Therefore, the achievement of the outcome indicators cannot be considered as a measure of achievement of the PDO.

The ICR describes the main achievements: (ICR, page 21). The summary of the achievements is as follows:

- 1,534 young Jamaicans formally acquired animation skills through their participation in an animation certification program. Skills building programs were delivered by: (i) the seven teaching institutions offering animation degrees; (ii) the Animation Scholarship Program for 2D and 3D animation; and (iii) the Business of Sustainability for Studios (BOSS) program. Delivery was improved with inputs from the project, specifically curriculum review and training of instructors.
- The Project succeeded in building skills in document management and digitization for a cohort of young Jamaican NEETs between the ages of 18 and 24. By Project closing, a cohort of 6,848 such youths had participated in technical training and received a certificate (original target was 6,000, then increased to 8000 but not achieved because of COVID). The target were the NEET youth belonging to communities affected by gang violence and social hardships or from rural areas of Jamaica.
- A total of five community centers received equipment, hardware, and software packages to ensure these could function as digital and technical centers to support quality training. At completion only two of the five selected centers were completely refurbished.
- The number of trained youths who had a 4-month apprenticeship/internship (mostly in government agencies) reached 4,265 (62 percent of those were women) and 3,216 were recommended for professional certification.
- 2,215 youth had participated in STI training.

These achievements concern mainly the training activities. There is no measure of how these trainings have actually made the youth more employable and have helped them find jobs (other than the 4265 that had a 4-month internship). The ICR states the impossibility of assessing job creation (PDO), given the lack of an M&E system.

The efficacy of the revised project period is rated Modest, given the lack of evidence on employment but some positive results on the level of achievement for the training programs.

Revised Rating
Modest

OVERALL EFFICACY

Rationale
While there were positive results on training activities supported by the Project, particularly after the first restructuring, there were also important shortcomings. As the indicators measuring the employment levels were dropped after the restructuring, there was lack of evidence on employment. In addition, the impact of the achievements was weakened by the late and limited-in-scope implementation of some of the Project supported interventions (such as the lack of provision of hardware and software for training, limited size of animation training and studio experience, small number of community/youth centers refurbished as

technological centers) and the pending completion of key activities (such as the approval into policy of the animation sector concept paper and the refurbishing of three community centers) after loan closing. COVID also had a negative impact on the project's achievements.

Overall Efficacy Rating	**Primary Reason**
Modest	Insufficient evidence

5. Efficiency

Cost-benefit analysis. At appraisal a cost-benefit analysis was drafted and included in the PAD. An Internal Economic Return was estimated at 39% for animation component and 280% for the accelerator program. However, the projections and assumptions were too far from the project's reality at completion for it to be a reference of comparison: the accelerator component was dropped after first restructuring; the animation estimations were based upon the revenue, in foreign currency, that the employed youth would receive after training and offered jobs, which is something that the project didn't measure. There is not enough information on the actual cost and benefit of project achievements to do a comparison of the IERs (investment economic return) at appraisal and project completion. As stated in the ICR: *it can be assumed that the returns on the Project's investments were not as sizable as projected originally in the PAD (ICR, paragraph 46, page 23).*

Operational/administrative efficiency:

Delays in procurement. These were stated by the project team as one of the main project constraints that led to poor achievement of results (meeting with the project team on April 4th). Closing date extensions were greatly motivated by this factor (restructurings 2 and 3). In spite of the supervision and assistance provided by the bank team, procurement remained a critical limiting factor during project implementation.

Project management. Project management was problematic throughout the life of the project, in spite of the initial dynamism of the private sector. It did not improve with the change of executing agency (at first restructuring, when it was the Office of the Prime Minister that took over). This points at a lack of capacity within the government to manage a complex project of this nature.

Efficiency Rating

Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 ☐ Not Applicable

ICR Estimate	0	0 ☐ Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The outcome rating is Unsatisfactory, which is the result of the calculations below:

	Before 1st restructuring	After 1st restructuring
Relevance	Modest	
Efficacy	Negligible	Modest
Efficiency	Modest	
Outcome rating	Unsatisfactory	Unsatisfactory
Outcome rating value	2	2
Disbursement % (of total project funds disbursed, which was 62% of total project cost)	26%	74%
Weight value	0.52	1.48
Overall outcome rating (calculation)	2	
	Unsatisfactory	

a. Outcome Rating

Unsatisfactory

7. Risk to Development Outcome

The ICR has revealed the following as risks to the sustainability of the achievements (ICR, page 28):

- A lack of clear leadership for the animation sector
- A lack of sustained commitment and partnership with the private sector, that affects both the group of private companies supporting startups in technology and animation, and the universities and teaching/training facilities.
- The need for equipment in training institutions to setup labs that ensure the acquisition of skills and competencies by the end of training.
- Also, Jamaica needs to focus on overcoming connectivity problems, improving access to 4G and 5G, and making the acquisition of adequate hardware and software for animation and digital industries to develop.

8. Assessment of Bank Performance

a. Quality-at-Entry

The ICR summarizes thoroughly the problems that affected quality at entry: (i) an overly optimistic vision on expected public-private partnerships; (ii) an institutional framework that was not ready at approval; (iii) an inadequate risk identification process; (iv) inadequate M&E system and excessive complexity of procurement plan (number of contracts)(ICR, page 28).

The complexity of the nature of the project was not matched with the necessary pre-conditions in the country. Many of the pre-requisites weren't there to allow for components 2, 3 and 4 to take place. For instance, no regulatory framework was in place for the investment mechanisms that the project wanted to promote, such as the crowdfunding platforms or the investment angels' networks, or the investment of the diaspora that the project was supposed to leverage. An incomplete risk analysis failed to reveal that the basic conditions were not in place to sustain such level of complexity. At appraisal, key information on how the new and complex investment and business acceleration setups would be implemented, were left to be detailed in the Manual of Operations, but this Manual was not drafted when supposed to (the audit report of March 2027 points out at the fact that the Manual is still not available). Many of the partnerships that were meant to happen with the private sector (via MoUs) were left to be concretized after project start.

In addition to these, the interventions proposed would have benefitted from more thorough analysis and studies that would support them. For example, an analytical exercise to justify the choice of the 2 sectors an not other sectors with potential for employment is missing. A more thorough assessment on the institutional framework would have helped to identify risks better, as well as appropriate mitigation measures. The investment dimension and business acceleration, given their novelty, would have benefitted from a more profound assessment. The way such novel interventions would be implemented is also missing; a significant part of the laying out how these complex and very novel interventions would take place was left to be detailed in the Manual of Operations (which seems to have been produced late during implementation).

Additional inputs provided by the project team point at a series of events (conferences on the animation/digital sectors) as the means used to assess the relevance at appraisal, proving the good momentum for the interventions, instead of a more customary approach of feasibility studies and other analytical work.

Risk identification. The main implementation risk identified at appraisal was *the capacity gap in project implementation, resulting from the novelty of the thematic areas and the innovative approach introduced by the project*. The mitigation measure proposed was the establishment of strong partnerships and hiring the expertise externally. However, the partnerships were in themselves an uncertain variable, given that the private sector was described as fragmented and the risk of limited synergies had been identified. The proposed way to mitigate this fragmentation was *to maintain a continuous dialogue among stakeholders, ensuring private sector engagement*, but without a specific reference as to how this would happen and who would ensure it. It seems that the risks identified were high but that the mitigation measures proposed were also risks in themselves.

In the case of the ecosystem in animation and digital industries (components 2, 3 and 4), the risk identified was a *limited participation and contribution of relevant stakeholders to the design of the project;*

limited diaspora engagement, and the mitigation measure was *to conduct an economic analysis that provides a thorough assessment of the challenges and opportunities of these two sectors in Jamaica*. It would seem, however, that such an analysis was due during appraisal, in order to justify the choice of those 2 sectors. Finally, the macro risk of *not having adequate legislation for IP protection and inadequate bankruptcy law,* was meant to be mitigated by *working closely with the relevant national institutions*, with no further description of how this would be done and by whom.

Based on the above the quality at entry is rated Unsatisfactory.

Quality-at-Entry Rating
Unsatisfactory

b. Quality of supervision

According to the ICR, the bank's supervision efforts increased towards project end, working more closely with the government of Jamaica to deliver critical activities. The Bank regularly carried well-staffed supervision missions and followed up with the GoJ to provide technical assistance. The WB worked with the government to restructure the Project three times to align project activities to the GoJ's priorities. There was continuous dialogue as well as just-in-time clinics on safeguards and procurement. In the COVID-19 pandemic, the WB supported the government efforts to move the execution of activities to a virtual mode, supporting reallocation of resources and providing additional resources and technical assistance for key activities such as the international event *KingstOOn* and all training under Component 1.

Despite these efforts, the issue of monitoring was not addressed during the restructuring processes (to have an appropriate M&E system that could follow-up and measure indicators). Impact of activities remained unmonitored. There was a high turnover of task team leaders (TTL); four in total. While each TTL worked in coordination with the GoJ, the turnover rate probably had an impact on implementation. The WB provided support to address fiduciary issues. It provided additional procurement training and close interactions to overcome procurement bottlenecks. The bank supported the PIU in financial management, during the clarifications related to the use of resources by HEART Trust/NSTA; and collaborated with the PIU to comply with the environmental and social safeguard requirements when the refurbishing activities of the community centers became part of the Project activities.

The bank also collaborated with the PIU to comply with the environmental and social safeguard requirements when the refurbishing activities of the community centers became part of the Project activities. As declared by procurement specialist in the team, from a procureement perspective, the Bank Task Team kept raising the challenges and the Implementation Support Missions (held at least twice a year), identified the bottlenecks: (i) lack of readiness of technical inputs required for the procurement processes to start off (Terms of Reference, Technical Specifications, Designs, etc.); (ii) unavailability of technical staff to get evaluation of Bids/Proposals/Expressions of Interest done timely; (iii) lengthy GOJ own internal approval process for project contracts to get awarded and signed; and (iv) weak procurement planning exercise (as the PIU changed mind often and amended the Project Procurement Plan 25 times).

Based on the above, the quality of supervision is rated Moderately unsatisfactory.

Quality of Supervision Rating

Moderately Unsatisfactory

Overall Bank Performance Rating

Unsatisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The PAD assigned the responsibility of M&E to the Ministry of Science, Technology, Energy and Mining (MSTEM). It mentioned that the details of the system would be lay out in the Manual of Operations. It was expected that other participating institutions would assist the PIU in the M&E activities, but no specific M&E responsibilities were assigned to these other institutions on the PAD specifically. Given the complexity of the project and its expected implementation arrangements, it was clear that the institution responsible for M&E would need strong capacity. The indicators proposed to measure the PDO were adequate in the original design. The changes made in the results framework at first restructuring presented substantial changes in the outcome indicators, focusing on the goal of employability, distancing themselves from the original PDO (job creation). Only one of the new set of indicators still give a measure of the PDO, albeit partially (internships provided mostly by the government after a training period).

b. M&E Implementation

M&E was a challenge throughout the life of the Project. M&E specialists were few and in high demand. The OPM PIU (second PIU, after first restructuring and after more than 3 years of implementation), tried to hire and retain an M&E specialist during implementation. Two were recruited but left after a short period. The PIU's coordinator and the component heads carried a greater burden of the M&E activities. The PIU succeeded partially in its M&E activities (in-depth follow-up and evaluation of the impact of the Project's interventions were not fulfilled thoroughly). For instance, employment/enterprise creation (main PDO) of beneficiaries was not captured systematically. The COVID-19 limited interactions with beneficiaries to gather first- hand information from the project's activities. Following a 2019 audit of HEART, the Office of the Prime Minister (OPM) assigned a senior level manager to work with HEART to strengthen its M&E systems and address data gaps.

c. M&E Utilization

M&E utilization was tributary to the shortcomings of not having an effective M&E system. However, the ICR points at some relevant changes in the project having been informed by the monitoring of activities, such as the change on the target for the digital training beneficiaries, that was increased based on the feedback that had been captured. The ICR mission was able to capture some impact of the project activities, which the M&E system has not been able to. In spite of the M&E system shortcomings, the data produced to assess achievements was triangulated and confirmed, as the ICR mission checked the evidence with the implementation reports produced by the heads of each component and by the many interviews that took place with relevant stakeholders and beneficiaries.

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards

Environment safeguards. No environmental safeguards were triggered during original project design (classification of C). During the second Level II restructuring, Safeguard Policies OP4.01 and OP4.09 were triggered due to the need to refurbish the community centers to make the spaces secure to install and keep computers. Safeguard instruments were prepared, including two site-specific Environmental and Social Management Plans (ESMPs) for the major centers and a generic ESMP for the repairs in minor centers. These will be used to guide any additional construction. In addition, the project prepared an e-waste management plan shared with each center. There were no environmental and social safeguard issues during implementation. The refurbishing followed the Community Driven Development (CDD) approach. The PIU signed a memorandum of understanding (MOU) with the Jamaica Social Investment Fund (JSIF) to support the PIU construction manager during the refurbishing process for three of the five community centers. The ESMPs were supervised by the last TTL of the project (conversation of April 5th) and no specific issues were raised.

Social safeguards. No social safeguards were triggered during original project design. The Borrower engaged with stakeholders, holding consultations in those communities where works were going to take place. The ESMPs were disclosed in the Project's LinkedIn page, and hard copies of the ESMPs were also available at the community centers. The Grievance Redress Mechanism (GRM) was accessible to the community members where works occurred. Contact information to receive potential questions, feedback, and complaints was posted on the bulletin board of each community center. Beneficiaries and the public could raise queries and concerns to Project management through the OPM and the YEDAI web pages which have a telephone number, Facebook, and a web page for the OPM website: https://opm.gov.jm/participate/follow-us-on-social-media. The Borrower agreed to continue the environmental and social safeguards supervision in compliance with the WB policies and guidelines, as part of general supervision of the works until all works were completed and the supervision arrangements existing at completion were maintained, retaining the construction manager.(ICR paragraphs 68 and 69, page 24)

b. Fiduciary Compliance

Procurement. The ICR reveals a lack of capacity within the GoJ for the procurement activities required during implementation. There was a very high workload and lack of adequate staffing in the PIU; a lengthy approval process and the inability of the procurement system to be effective and procure the hardware needed for the training (computers). The Procurement Plan provided for 295 contracts, at the end of the project only 66 contracts were executed (of which 2 were terminated) and 229 were dropped (77.6% of the total number of contracts). The more complex project procurement activities required many technical inputs (i.e., terms of reference [TORs], technical specifications, bid evaluations, etc.) that were to come from different technical units within the implementing agency. Whenever such technical inputs were not provided in a timely manner, the procurement unit itself remained unable to move the procurement process forward toward the contract award stage. These delays in procuring hardware and software were significant and hampered the implementation of activities. For instance, the refurbishment of the community centers took a lot of back and forth between the WB and the PIU to choose best procurement method and underwent 2 failed procurement processes before opting for a different approach. While a total of 12,199,716.50 of project funds were disbursed before completion, the actual Project expenditures after the grace closing period up to November 30, 2021, were US$11,983,809.26. Acquisitions of key equipment, hardware, and software were significantly delayed, and took place almost at the time of completion. As declared by procurement specialist consulted: *In the end, the PIU was unable to get project procurement implemented timely even though (a) it was all about non-complex contracts (most of them were to be procured through very simple Request for Quotation procedures); and (b) the Bank Task Team had provided the PIU with procurement trainings and close implementation support*

Financial Management. The ICR describes a situation of inaccurate or delayed reporting, unreconciled differences, and the need to strengthen the financial management (FM) systems which were hampered at times by low staff capacity. The audit report issued in March 2017 referred to the fact that the PIU had not fulfilled part of its responsibilities (as required by the loan agreement): producing the operations manual and submitting the periodical reports to the WB. It was also the opinion of the auditor that the project did not maintain an adequate accounting system based on separate and clearly identifiable accounts which enabled the recording, monitoring and reporting of the operations and costs under the program in accordance with satisfactory accounting/financial/management practices and standards as required by Schedule 11 Section 2 (B) of the Loan Agreement (see report on Financial Statements for the period *April 1, 2016- March 31, 2017)*

The audit report issued for the FY ended March 2018 was delayed by eight months due to challenges in obtaining project files. Subsequently the audit report issued for the FY ended March 2020 had a qualified audit opinion due to the inability to verify expenditures totaling US$2.3 million incurred by HEART. The issues flagged were due to weak internal controls and weak reporting systems. These issues were promptly dealt with in the spring of 2021 by the Borrower, with agile support of the WB FM team. Training on upgrading and strengthening of HEART reporting systems contributed to overcoming the weaknesses identified. A subsequent supplementary audit review for the period submitted in February 2021 provided reasonable assurance that the expenditures were eligible. The pace of disbursements was irregular, with a trend of one disbursement per year (except for the beginning of 2015, when three disbursement requests were processed). At Project completion, the disbursement recorded was 59% of the total amount.

The ICR describes how the ISRs revealed a situation of inaccurate or delayed reporting, unreconciled differences, and the need to strengthen the financial management (FM) systems which were hampered at times by low staff capacity.

c. Unintended impacts (Positive or Negative)

The number of women who participated in training and apprenticeship was surpassed—64 percent versus a target of 50 percent.

The ICR also describes how the project succeeded in supporting young males from challenging communities where young males are often more at risk of falling to the pressure of peers, dropping out of school, and engaging in gang and/or illegal activities. However, this was an expected direct impact of component 3 and not un unintended one.

d. Other

---

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Unsatisfactory	Unsatisfactory	The downgrading of the Relevance of the PDO from Substantial to Modest and the downgrading of the Efficacy of objective 1 (original) from Modest to Negligible lead to a total outcome rating of Unsatisfactory
Bank Performance	Moderately Unsatisfactory	Unsatisfactory	Unsatisfactory
Quality of M&E	Modest	Modest	Modest
Quality of ICR	---	Substantial	Substantial

12. Lessons

IEG draws the following lessons:

Strong appraisal in innovative operations is key for success of the projects. This is always important, but most essential when the nature of the operation is highly complex and innovative for both the country and for the WB. In this project, strong appraisal involves sound technical analysis, deep insight into the country's institutional framework and capacity in order to adequately assess risks, and to propose M&E and procurement that is adapted to the existing country capacity and to the project's needs.

Highly innovative activities call for adapted intervention tools. In this project, a pilot approach would have ring-fenced the potential risks. A pilot operation with a more restricted scope (such as one sub-sector, a manageable group of institutions, a specific geographical area, etc.), would have allowed the learning experience in a monitored way, on how investments and training can lead towards jobs thanks to a multi-partner participation**.**

The following lessons from the ICR is particularly relevant as well:

When setting the foundations of an ecosystem for a new industry it is critical to have an enabling policy framework (with identification of institutional roles and responsibilities that best support the sector's growth needs) and a clear comprehension of the roles and dynamics of the private and public sectors. In this project a pre-existing platform of private and public institutions from the animation and digital industries would have allowed for the private sector to build a pipeline, and for the Government to move forward the enabling environment actions that help (and do not interfere with) the private sector dynamics (setting policies, frameworks and institutional arrangements).

Fiscal planning of governments can impact implementation, regardless of the existence of a borrower's contribution. In this project there was no contribution from the borrower, but the fiscal space still needed to be planned for disbursements to happen. The constraints Jamaica faced in its fiscal planning hindered the pace of project implementation.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

Quality of Evidence. It would have been helpful for the reader of the ICR to clearly see the references to the evidence of achievements.

Lessons. Lessons reflected the project experience and were based on evidence and analysis.

Results Orientation. The discussion on the achievement of the PDO would have benefited from further analysis and comparison between the reported data and what was actually achieved, given the many changes to the components that distanced the project from the original PDO (job creation). The ICR timidly points at this issue, but without further analysis on how the chain results-PDO has been deeply changed during implementation.

Consistency with guidelines. The ToC is well depicted. as originally applied implicitly in the design of the operation. The ICR used the available data to justify most of the assigned ratings, although the evidence is not clearly referred to in the narrative to facilitate the linkage between narrative-results-achievements. In particular, the efficiency analysis provided good justification for the shortcomings experienced by the project in this criteria. The discussion on Efficacy could have included a more critical analysis on the linkage between the results and PDO, as well as the changes to the ToC.

Conciseness. The ICR provided comprehensive coverage of a complex project, and candidly reported on shortcomings. The ICR also included information rich Annexes that covered different aspects of the project, enriching the impact section thanks to the direct observation during the ICR mission.

a. Quality of ICR Rating

Substantial