



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 15-May-2018 | Report No: PIDISDSC24083



BASIC INFORMATION

A. Basic Project Data

Country Jamaica	Project ID P166279	Parent Project ID (if any)	Project Name Jamaica Rural Economic Development Initiative II (P166279)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Sep 17, 2018	Estimated Board Date Jan 08, 2019	Practice Area (Lead) Agriculture
Financing Instrument Investment Project Financing	Borrower(s) Jamaica	Implementing Agency Jamaica Social Investment Fund (JSIF), Ministry of Finance and Public Sector	

Proposed Development Objective(s)

To enhance market access and climate resilience of micro, small and medium-sized agricultural and community tourism enterprises.

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	43.00
Total Financing	43.00
of which IBRD/IDA	40.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	40.00
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Non-World Bank Group Financing

Counterpart Funding	3.00
LOCAL: BENEFICIARIES	3.00



Environmental Assessment Category

B - Partial Assessment

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

The Jamaican economy has historically been affected by low growth and high public debt. Jamaica is a middle-income island state with a population of approximately 2.9 million (of which 55.3 percent is urban) and a per capita GNI of US\$4,630 (2016). Real gross domestic product (GDP) per capita grew by only 0.5 percent per year between 1990 and 2016 (compared to 1.5 percent for Latin America and Caribbean [LAC], excluding high-income countries, and 3.4 percent for middle-income countries worldwide). High levels of crime, constrained access to credit, cumbersome business regulations, and high energy costs have restricted the rate of economic growth.

Fiscal and structural reforms launched in 2013 are helping to reverse the trend of low growth rates and rising debt.

Fiscal restraint and well-timed liability management operations have reduced the debt to GDP ratio by around 25 percentage points. GDP growth has seen a modest acceleration since the start of reforms rising to 1.4 percent in 2016 from 0.5 percent in 2013. Inflation is at historically low levels, averaging 2.3 percent in 2016 (compared to 9.4 percent in 2013). In addition, a recovering U.S. economy has boosted demand for Jamaica's tourism and business services exports, while low world energy prices have reduced Jamaica's fuel import bill and contributed to low inflation

Poverty in rural areas has been consistently higher than in urban areas since 2003, with the gap between rural and urban areas increasing.

The incidence of poverty recorded for 2015 is 21.2 percent, with the Kingston Metropolitan Area (KMA) accounting for 14.3 percent and other towns recorded 14.7 percent compared to 28.5 percent in rural areas¹. The prevalence of poverty in Jamaica has been consistently higher in rural areas, than in urban areas since 2003, with the gap jumping to 14 percentage points in 2015.

While Jamaica has achieved significant progress toward gender equality, disparities for women and youth continue to contribute to the country's high level of rural poverty.

Jamaica's Vision 2030 plan and the National Gender Policy emphasize that the Government shall adopt a gender perspective in all national policies and programs and strive to correct and mitigate gender imbalances.² Jamaica ranks 93rd of 188 countries in UNDP's 2015 gender inequality index.³ Still, poverty rates in Jamaica are higher for female-headed households, with the poverty gap widening from a negligible level in 2006 to 6.3 percentage points in 2014. Youth in Jamaica are also among the most vulnerable segments of the population. Total unemployment has shown a continuous decline, averaging 13 percent in 2017 (down to 10.4 percent in January 2018). At the same time, youth unemployment (ages 14-24) was also declining but showing significantly higher rates, with an annual average for 2017 of 31.2 percent and further declining to 24.5 percent in January 2018.

If Jamaica is to achieve "Developed World" status, as is the goal of the Government's Vision 2030 plan, then

¹ Jamaica Survey of Living Conditions

² [National Gender Policy of Jamaica 2011](#), [Government of Jamaica Vision 2030](#)

³ [UNDP Gender Inequality Index](#)



development of rural areas needs to keep the pace with development in urban areas. To this end, the tourism and agriculture sectors hold significant potential for rural growth and development both because of their importance to the economy overall and their potential reach into rural areas. Service sectors, of which tourism is a significant component, account for about 75 percent of GDP. There are also many linkages and synergies between the tourism and agricultural sectors that can be further exploited, including agro-tourism development in selected rural areas and enhancing the ability of small-scale agricultural producers to supply the tourism industry.

Jamaica is extremely vulnerable to climate change and faces significant environmental threats due to its geographical location. The country has suffered significant economic losses from the impacts of climate change. Between 2004 and 2008, five major storm events caused damage and losses estimated at US\$1.2 billion. Evidence suggests that the country will likely observe increases in severe weather events, such as droughts, extreme precipitation, flooding, and increases in the intensity and frequency of hurricanes⁴. These events are already affecting the coastal ecosystem, fishing infrastructure, tourism, and the financial sector. Damage from future hurricanes could hinder firms' repayment of obligations, which may affect the performance of bank loans. Additionally, Jamaica's vulnerability to sea level rise is more pronounced than in other regions due to the potential impact of storm surges from tropical storms and hurricanes on the coast, partially affecting coastal development and population displacement.

Sectoral and Institutional Context

The agricultural sector is an important contributor to the country's economic development and is recognized as a priority in the Government's mid-term plans. The agricultural sector accounts to 7.5 percent of Jamaica's GDP. Since 17 percent of the active population is employed in agriculture and 44.7 percent of the total population lives in rural areas, it is an important contributor to the country's economic development and is recognized as a priority in the Government's mid-term plans. Agri-food products represent 20 percent of total merchandise export earnings, and 16 percent of total merchandise import bill⁵. Jamaica is a net importer of livestock commodities (dairy and meat products). The small-scale agricultural sector exhibits significant potential for growth, particularly in the domestic market where there is a need to displace high value imports and sustain technology transfer and infrastructure improvements in order to become more competitive, resilient and sustainable. Small farmers tend to be at a comparative disadvantage in accessing higher value markets for crop, livestock and fishery products because of a lack of market information, inefficient production practices and outdated technologies, lack of production of value added products, lack of economies of scale for storage and packing, and high logistics costs.

The agriculture sector is exposed to frequent weather shocks and high levels of climatic variability – further exacerbated by climate change. Climate change has caused a trend of rising temperatures, worsening rainfall variability, more frequent extreme events and rising sea levels. Projections suggest these trends will continue, where rainfall variability and droughts will increase, as well as the intensity of extreme events. This will make soil and crop management more difficult, especially in coastal areas which are threatened to be washed. Crops need to be climate resilient to withstand extreme and diverse set of environmental challenges, including pests and diseases. In the livestock sub-sector, these weather trends may put additional strains on cattle and add to the vulnerability of livestock facilities. The government has embraced climate change as a priority, particularly for agriculture sector development. In its Vision 2030 Jamaica, the government aims to strengthen the Jamaican economy's resilience to climate change. Climate is being mainstreamed into sector development strategies, particularly investments associated with physical infrastructure.

⁴ Ivan, Dennis and Emily (2004-2005), Dean 2007, Sandy (2012), tropical storms Gustav (2008) and Nicole (2010) and droughts (2005-2014).

⁵ Jamaica's major export earnings come from bauxite/alumina, while its main non-merchandise source of foreign currency are tourism and remittances.



Tourism is a key driver of the Jamaican economy, accounting for 9.3% of the total GDP in 2016⁶. Tourism is growing in Jamaica but has not kept up to pace with the rate of growth experienced in other regions, such as Europe and Asia, as well as the rest of the Caribbean and Latin America. According to the Jamaica Tourism Board (Annual Travel Statistics 2016) the total stopover arrivals for Jamaica was 2.18 million (7.5 percent of total arrivals in the Caribbean) with a 2.8 percent growth vis-à-vis 4.2 percent for the Caribbean (7.4 percent growth in the Spanish-speaking Caribbean). Foreign nationals were 93 percent of the total stopover arrivals to Jamaica, and the overall average intended length of stay for foreign nationals was 8.8 nights compared to a few hours for the cruise ship visitor. It is the share of cruise ship visitor, currently at 43 percent of the total number of visitors, that is increasing. Cruise passenger arrivals to Jamaica was 1.66 million (6.3 percent of the Caribbean) with a 5.5 percent growth vis-à-vis a modest 1.3 percent growth for the Caribbean. Jamaica's tourism market has traditionally focused on the "sun, sea and sand" vacation concept. However, in response to changes in the global tourism marketplace, attempts are being made by GOJ and the private sector to provide a more diversified visitor experience through new product offerings targeted to more diverse groups of visitors. Although the potential is increasingly recognized, activities such as nature, adventure and culture-oriented tourism, which could play a significant role in rural tourism, have not been adequately promoted and developed.

Tourism Development. Given the scale and cost of investments involved in these traditional areas of tourism development, as well as, the limited number of GOJ programs targeting small rural enterprises, many small tourism enterprises in rural communities are effectively excluded from fully participating in the economic benefits that can be provided by this sector. Creating mechanisms to enable small rural operators to access investment opportunities within the tourism sector is a primary objective of this project. In terms of sectoral public institutions, the Ministry of Tourism (MOT) through the Jamaica's Tourist Product Development Company (TPDCo) is the primary counterpart institution for REDI II for its work in the Tourism sector.

The Jamaica Rural Economic Development Initiative (REDI) Project. This project was implemented between January 2010 and July 2017, with the objective of "Improve market access for micro and small-scale rural agricultural producers and tourism product and service providers". The long-term objective was to: (i) Stimulate rural economic growth through small-scale agricultural sector, particularly in the domestic market, displacing high cost imports and made more competitive; and (ii) Stimulate rural economic growth through small rural tourism enterprises overcoming challenges of responding to changing market dynamics, access to affordable capital and financing, human resource constraints, limited access to business development services and limited organizational capacity. The REDI Project benefitted an estimated total of 19,808 micro and small-scale rural producers and tourism product and service providers (directly and indirectly). Among them, 22 percent were youth (defined as aged below 30 years) and 51 percent women. Additionally, it is estimated that 33,800 rural residents benefitted indirectly from the training and capacity building provided.

Relationship to CPF

The 2014-17 CPS (Country Partnership Strategy) was prepared in the context of serious economic and fiscal challenges being experienced by Jamaica, as part of a closely coordinated package of multilateral support. The CPS, which was discussed by the Board of Executive Directors on April 29, 2014, (Report No. 85158-JM) was prepared to cover a three-year period (but has been extended since until the fiscal year 2019 (FY-19) under the Program and Learning Review which was approved in June 2017), as part of a comprehensive package of support to Jamaica from the World Bank Group (WBG), Inter-American Development Bank (IDB), and International Monetary Fund (IMF), which led the fiscal stabilization program. The above institutions also have been supporting the main pillars of the GOJ's agenda for growth. The World Bank Group CPS provides strategic support under three Strategic Thematic Areas: (a) public sector modernization; (b) enabling environment for private sector-led growth; and (c) social and climate resilience. The CPS is consistent with the

⁶ World Travel & Tourism Council (2017). Travel & Tourism: Economic Impact 2017 Jamaica



World Bank Group's (WBG) twin goals of reducing poverty and enhancing shared prosperity.

In line with REDI, REDI II is consistent with the World Bank Group's CPS. The proposed project is highly relevant in terms of Strategic Thematic Area 2, Enabling environment for private sector growth, which it supports through (a) providing financial and technical support to small scale agricultural and rural tourism enterprises; (b) assisting in the development of critical market-oriented small-scale infrastructure, marketing and management; (c) increasing access to technical innovation and business support services; (d) enhancing financial management of rural enterprises; and (e) providing technical and environmental skills development including disaster mitigation and recovery training. Lastly, the proposed project also supports the economic and sustainable environmental development goals of Jamaica's Vision 2030 plan, part of which states the need for a "Competitive Diversified Value-Added Agricultural Production" and "Strong Marketing Systems for Domestic and Export Markets," and includes the need for long term rural development and rural environmental sustainability.

Moreover, the proposed Project will support the goal of increasing rural incomes and generating new employment opportunities in rural areas. This goal supports the prosperous economy and sustainable environmental development goals of Jamaica's Vision 2030 plan, part of which states the need for a "Competitive Diversified Value-Added Agricultural Production" and "Strong Marketing Systems for Domestic and Export Markets," and includes the need for long term rural development and rural environmental sustainability.

C. Proposed Development Objective(s)

The PDO is to enhance market access and climate resilience⁷ of micro, small and medium-sized agriculture and community tourism enterprises⁸.

Key Results (From PCN)

The results of the proposed Project will be measured through the following set of PDO indicators:

- Number of participating rural enterprises that realize an increase in turnover (sales).
- Number of participating agriculture and community tourism enterprises functioning as legally registered business entities one year after final disbursement.
- Number of enterprises adopting climate resilient technologies and/or practices; and,
- Total number of people directly benefited by the project, disaggregated by gender and age group.

D. Concept Description

The proposed project will build on the achievements of REDI on further improving market access to rural enterprises. The enhancements are expected to: (a) expand tested approaches to improve the environment for fostering rural growth, including by addressing policy issues; (b) further exploitation of the tourism and agriculture linkages; (c) increased access to new technologies to improve productivity and adoption of climate smart technologies in agriculture; and (d) improved basic infrastructure and agro-logistics for enhanced market access by rural producers and services providers, incorporating

⁷ According to the World Bank Guidelines, building climate resilience relies on the enhancement of the sustainability pillars – environmental, social and economic underlying factors.

⁸ "Agriculture and community tourism enterprises" are defined as any type of formal organization or group (e.g., Cooperatives, Friendly or Benevolent societies, etc.) formed by people with common economic interests (i.e., farmers, agri-businesses, agro-processors, aggregators, craft makers, tourism sector producers and services providers, etc.), who have formed a legally-recognized organization to carry out business activities.



critical climate-resilient infrastructure specifications and methodologies to increase sustainability. In doing so, project design will be informed by the significant climate change risks to project outcomes identified in the Climate Change Risk Screening (e.g. including drought, erratic rainfall, extreme climate events). Analysis and design of core project activities undertaken during project preparation will include gender-sensitive analysis, with the aim of including specific mechanisms to ensure participation of and benefits for women and youth.

The project will operate at a national scale, and the subprojects will be demand-driven and selected competitively. The geographic focus of the project is the rural space across the island, where 45 percent of Jamaica's population lives (13 Parishes with rural population, except for Kingston Parish). Specific locations are not listed because that will depend upon requests by the Rural Enterprises/producers associations which are privately owned. The project expects to support around 160 Rural Enterprises, defined as legally constituted agribusinesses, small farmers' associations or cooperatives formed by micro and small farmers, engaged in supplying agro-based products and services, and tourism producers and services providers, from across all parishes in the country that meet the eligibility criteria. The project will directly target approximately 12,000 individual beneficiaries benefiting directly from the project's activities (of which women are estimated at 40 percent and youth at 25 percent). The project is expected to reach a total number of beneficiaries (directly and indirectly) estimated at 50,000 rural residents through revenue-generating sub-projects and from critical market-oriented infrastructure, marketing and management. The inclusion of young people and women will be promoted.

PROJECT COMPONENTS

Component 1. Productive Subprojects in Agriculture and Rural Tourism (Total US\$ 27.0 million, IBRD US\$24.0 million).

This component will finance the design and implementation of subprojects that support revenue generating activities and enhanced resilience by the participating partners, who could include small farmers' associations (i.e., cooperatives, friendly or benevolent societies, or any formal form of association), fisherfolk, agribusinesses, tourism producers and operators and craft makers⁹. These investments would co-finance demand-driven and competitively selected subprojects presented and to be implemented by rural enterprises, agribusinesses/agro-processors, tourism enterprises with a common goal of increasing production of competitive goods with the intention of capturing or increasing their market share and level of profits. Subprojects would be prioritized and evaluated on criteria such as inclusion of lower income groups, pre-identified markets for the proposed products and services, incorporation of climate smart and resilience enhancement technologies, economic sustainability considerations and a clear potential for local impact. Subproject selection will also include criteria to ensure a substantial level of participation by women and youth.

Each subproject grant amount is not expected to exceed US\$250,000 (excluding technical assistance (TA) and capacity building elements); beneficiaries will contribute at least 10 percent of the total subproject cost (in cash and/or in kind). Grants must be used in accordance with the provisions of agreed business plans and a Subproject Agreements to be signed between the beneficiaries and JSIF, making clear how the proceeds should be used for works, goods, services and/or operating costs (including working capital). These subprojects will comprise specific actions to link the producers to established markets, such as supermarkets, industries, hospitality sector or other buyers, or to established overseas buyers. For this purpose, the proposed project is expected to provide financial and technical support to micro- or small scale agricultural and tourism enterprises; assist in the development of critical market-oriented small-scale infrastructure, agro-logistics, marketing and management services. The subprojects will also increase access to climate smart technologies and introduce simple technical innovations to promote resilience. All investments will be on owner's land or provided voluntarily with no physical involuntary resettlement. No purchase of land from loan proceeds are being considered and such investments would be deemed ineligible.

⁹ Indicative list of members benefitting from subprojects.



These subprojects would help beneficiaries (producers and processors) to respond better to market demand through on-farm investments and innovations, (e.g. greenhouses, water harvesting, expansion of efficient irrigation methods, integrated pest management, improvement in stock breeding and management, introduction of new crop varieties, integrated in more productive and resilient cropping systems, counter-seasonal production methods, small group marketing infrastructure such as storage sheds, and others, including adoption of practices to increase resilience to climate change). At the same time, some of these investments will be designed to enhance product sanitary conditions/standards, thereby improving food safety, extending the shelf life of horticultural, fish and meat products, and promote the development of higher quality products, increasing their value-added and competitiveness. They may include investments in privately owned and operated, small scale cold storage or other storage solutions (located on private lands owned by the beneficiaries), packing facilities and processing equipment. Examples in the tourism sector may include subprojects that support the production, preparation or packaging of agricultural specialty products, handicrafts and novelty items e.g., landscaping, eco-tourism or gastro-tourism development (such as eco-hiking trails, waterfalls, mineral baths, culinary expertise and gastronomic events and investments), advertisement and promotion. Project design will entail the general definition of main technical solutions and the Project Operational Manual will include them as a general framework for guiding implementation.

Component 2. Support to critical rural public infrastructure (IBRD US\$6.0 million). This component will finance public investments aimed at improving efficiency in priority value chains for selected products, benefitting mainly rural producers, fisherfolk, agribusinesses, tourism/craft related micro and small enterprises, as well as the general population. While the definition is very broad¹⁰, the project is expected to target urgent needs and up to a maximum of US\$ 1 million of grant financing per investment, comprising: (a) infrastructural improvements for targeted rehabilitation or upgrading of, among others, storage facilities, cold chain supply infrastructure and equipment (at the regional level, as well as in ports or airports), fresh products grading and clearing hubs, agricultural research and development facilities, seeds/seedlings production and certification facilities, rehabilitation of or safety enhancements to public attractions (parks and natural reserves, caves and other public touristic attraction sites), expansion or upgrading of hydro-meteorological networks, etc.; or (b) investments to improve coverage or quality of basic public services considered to be essential for providing the enabling conditions for a successful implementation of subproject under Component 1 (e.g., agricultural research and extension, training, seeds/seedlings certification). Examples of infrastructure in the tourism sector may include the construction of public bathrooms, collection and out-of-view disposal of solid waste, construction of simple craft markets, equipment for satellite-based internet access, etc. All these investments will be carried out either in land owned by government, in a way to avoid economic/physical involuntary resettlement impacts. No road construction is considered under this component. These investments are typically outside the scope of the agriculture or tourism subprojects under Component 1, since they are public in nature and needed to support or facilitate access to markets, improve competitiveness and revenues. These infrastructural shortcomings were identified as the most important negative effect on exports in the recent agriculture sector study by the IDB¹¹. Similarly, there may be some immediate climate change related public-good investments in infrastructure (e.g., irrigation rehabilitation, expansion or improvement, etc.).

Component 3. National Technical Assistance and Capacity Building (IBRD US\$6.0 million). There are two main objectives of this component. In line with the first phase REDI, the first objective is to strengthen relevant national organizations;

¹⁰ Value chain is defined as interlinked value-adding activities that help competitive advantage. Typically, it includes: (a) procurement and input logistics; (b) operations that may include, in the case of this project, farming and agricultural research, basic tourism infrastructure such as eco-trails; (c) training and other form of human resource development activities; (d) transportation of outputs and any investment in infrastructure to decrease costs or improve quality of the outputs (such as cold storage); and (e) corporate activities including marketing and sales.

¹¹ IDB Agricultural Policy Report, July 2017.



their capacity will be enhanced to strengthen rural enterprises and other relevant project partners. These activities include strengthening agricultural research, extension support services, product development and marketing strategies, market studies and competitive analysis and support for development of an exchange of agri-business linkages platform and new more efficient models of integration.

The second objective is to support JSIF, already a premier agency in Jamaica, in improving strategic planning and operational capability. This will be achieved via TA and capacity building for key organizations and agencies that deliver support services in agriculture and tourism at the local level. JSIF will invite TA and capacity building proposals from organizations such as Rural Agricultural Development Authority (RADA), Tourism Product Development Company (TPDCo), Jamaica Agricultural Society (JAS), Department of Cooperatives & Friendly Societies (DCFS), Chambers of Commerce, etc. TA and capacity building will include approaches targeted at women and youth, drawing on local knowledge of appropriate gender-sensitive practices and lessons learned from REDI.

JSIF's capacity building at the strategic level will also evaluate the TA proposals of other institutions based on their potential contribution to the achievement of the PDO and their contribution to the operation and sustainability of rural subprojects financed under the Project. JSIF will finance and procure the agreed services/activities in these regards.

Component 4. Project Management (IBRD US\$4.0 million). To implement the Project, JSIF will put into place a small technical Project Management Team (PMT), funded by this component, while JSIF core staff will implement safeguards, procurement and financial management building on experience under previous interventions. This component will finance project management, technical expertise (tourism and agricultural specialists, enterprise development, monitoring and evaluation), staff training, annual audits, vehicles, office equipment and incremental operating costs. This component will also ensure that effective safeguards, fiduciary and M&E arrangements are in place during implementation.

Component 5: Contingency Emergency Response Component (CERC) (Total IBRD \$0.0 million). The objective of this component is to support the Government's emergency response and reconstruction in the event of an eligible emergency. An eligible emergency is an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact associated with natural or man-made crises or disasters. At the request of the Government, based on the official declaration of the emergency, the Bank would reallocate uncommitted funds from other components into this component. The mechanism for declaration of emergency would be in accordance with current local legislation in Jamaica.

E. Implementation Arrangements.

Building on the REDI I experience, the implementation arrangement for REDI II includes having the Jamaica Social Investment Fund (JSIF) as the agency with overall responsibility for coordination and management of project implementation, in close collaboration with Ministry of Industry, Commerce, Agriculture and Fisheries (MICAFA) and the Ministry of Tourism (MOT), as lead technical implementing agencies in their respective fields of responsibility. The importance of ensuring the involvement and active participation of all relevant partner institutions and stakeholders in the formulation and preparation stage of REDI II was highlighted. Similarly, the importance of continued consultations with the multi-stakeholder group to guide project preparation was discussed. This would ensure adequate stakeholder involvement, input and buy-in into the evolving project design.

SAFEGUARDS



A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project will build on the achievements of RED1 and will occur in largely rural agricultural and tourism landscapes throughout the country. Specific location details are unknown at this time and sub-projects will be demand driven.

Examples of physical investments made under the Rural Economic Development Initiative (REDI Phase I) (P105122) in the tourism sector included the construction of public bathrooms, collection and out-of-view disposal of solid waste, construction of simple craft markets, equipment for satellite-based internet access, landscaping, trail development, signage, and rehabilitation of or safety enhancements to public attractions (e.g., hiking trails, waterfalls and mineral baths). Investments also included: (a) the construction of 183 greenhouses (thereby increasing the number of greenhouses by 50 percent in the country and the area under protected agriculture by 40 percent); installation of drip irrigation in 14 communities (>600 acres); three ginger shade houses; and the construction and equipping of seven agro-processing incubators in partnership with RADA across Jamaica.

The REDI I project did not trigger the Bank's social safeguards policies: OP 4.10 (Indigenous People) and OP4.12 (Involuntary Resettlement). However, findings from the REDI Phase 1 implementation completion report (ICR) found that the project recorded substantial direct and indirect social benefits. The participation rate of women and youth in the sub-projects exceeded set targets. Women adopted the improved agricultural technology promoted by REDI and led some sub-projects. Project beneficiaries have reported economic benefits that have contributed to their children's education, and the feeling of ownership and pride through association with 'modern' technology. In some communities, there is evidence that cooperation between project beneficiaries and other community members has led to replication and expansion of new agricultural practices in these communities.

B. Borrower's Institutional Capacity for Safeguard Policies

The project will be implemented by the JSIF (Jamaica Social Investment Fund). The JSIF is a limited liability company incorporated under The Company's Act of Jamaica and established in 1996 as a component of the Government of Jamaica's (GoJ's) national poverty alleviation strategy. The fund has been operational for over 21 years and has implemented multiple projects with World Bank financing.

The JSIF will establish internally a Project Management Team (PMT) that will be responsible for overall implementation and will coordinate all the actors involved in the Project's execution. The JSIF will be responsible for financial management, procurement and compliance with safeguards. The JSIF recently managed the recently closed project (Jamaica REDI (P10522)) and the ICR noted that its management of safeguards was highly satisfactory.

The ICR for the REDI Phase One found that compliance with environmental safeguards progressed from satisfactory to highly satisfactory throughout implementation and remained highly satisfactory at closing. Environmental risks were managed appropriately, and the implementing agency's capacity for environmental management was high due to their application of an ISO14001-certified management system. Country-wide improvements in pest management practice were introduced by training in Integrated Pest Management and food safety training, and through application of an innovative pesticide rinsate disposal technique to the region (charcoal pits).

C. Environmental and Social Safeguards Specialists on the Team

Gibwa A. Kajubi, Social Safeguards Specialist

Nyaneba E. Nkrumah, Environmental Safeguards Specialist



D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The project is rated as a Category B in terms of its risk profile.</p> <p>Component 1 will finance rural agricultural and tourism subprojects that support revenue generating activities. Agricultural subprojects will include support to rural producers (inputs, equipment, seeds, water access, drip irrigation, greenhouses etc) as well as support to tourism operators and enterprises (marketing, small renovations such as painting and refurbishing guest housing, equipment for craft making, etc).The precise investments to be supported are unknown at this stage because the activities are demand-driven. However, supported activities will be small in nature and grant amounts to producers and operators are not expected to exceed US\$250,000 (excluding TA).</p> <p>The activities under Component 1 are small in scale and scope and therefore unlikely to have long-term or cumulative impacts. Any impacts would be short-term, highly localized, and therefore easily mitigated through standard mitigation measures.</p> <p>Component 2 finances small scale public investments aimed at improving the efficiency of priority value chains for selected products. The component will benefit rural producers, fisherfolk and agribusiness and will finance infrastructural improvements related to agriculture and tourism (e.g., storage facilities, cold chain supply infrastructure equipment at the regional level as well as at airports/ports, fresh products grading, clearing hubs, agricultural research and development, seeds/seedling production and certification activities}. There is scope within the project to also finance other public investments that are outside the scope of agriculture or tourism yet are needed to improve competitiveness and enhance access to markets in the two sectors. In terms of safeguards, these small-scale activities (building storage facilities, processing areas) would result in some small-scale construction. Most of the impacts</p>



related to the implementation of Component 2 would therefore be minor, short-term and highly localized and thus easily mitigated through standard mitigation measures.

During implementation, each subprojectl will be screened to determine its risk profile and, accordingly, it will be determined whether further documents (ESMPs) will need to be developed to manage these risks. Any activity that is rated Category A will be screened out.

Component 3 focuses on strengthening relevant national organizations to enhance their capacity to continue assisting the rural enterprises and other Project partners and ensure the sustainability of the rural enterprises. It will also enhance the JSIF's ability to do more strategic level thinking within the country. The component will therefore finance TA and capacity building for key organizations and agencies that deliver support services in agriculture and rural tourism at the local level. While the TA activities themselves do not have direct adverse environmental or social impacts, the Bank team will integrate environmental and social principles and objectives as an integral part of the terms of reference and supervision of the TA.

Prior to appraisal, the project will prepare an Environmental and Social Management Framework (ESMF) that outlines potential risks and draws attention to the World Bank Group Environmental, Health, and Safety Guidelines to ensure worker and community safety. The ESMF will reduce and mitigate potential impacts, outline roles and responsibilities of key actors, provide budget and costs for mitigation and training (where needed) and give guidance to contractors and PIU environmental specialists in terms of managing contracts with firms. The ESMF will also serve as the guiding document for any site-specific Environmental and Social Management Plans (ESMPs).

Performance Standards for Private Sector Activities OP/BP 4.03

No

Natural Habitats OP/BP 4.04

Yes

Given the scale of the activities, it is unlikely that natural habitats will be impacted. However, the locations are unknown and are in the rural areas of



		<p>Jamaica, which has significant natural resources. For this reason, the OP is triggered as a precaution. However, every effort will be made to avoid working in or impacting critical natural habitats.</p>
Forests OP/BP 4.36	Yes	<p>The, project activities are highly localized and are unlikely to impact forests but the project will operate in a rural landscape and therefore it is possible that some activities may impact tree clusters. For this reason, OP 4.36 is triggered as a precaution. All subprojects will be screened and any impacts on forests, or tree clusters, quantified. Alternatives will be considered as a means to avoid negative impacts on any forests or significant tree clusters.</p>
Pest Management OP 4.09	Yes	<p>Given that support is provided to producer organizers, pesticides may be supported. However, World Bank guidance regarding the use of pesticides and IPM will be observed, and a pesticide management plan will be prepared as part of the ESMF.</p>
Physical Cultural Resources OP/BP 4.11	Yes	<p>This OP is triggered because although the project will not operate in culturally sensitive areas, during implementation, small rehabilitation works and minor mitigation works may result in the chance find of culturally significant objects. In addition the project will work on rehabilitation in tourist areas, which may turn out to have some cultural attachment for Jamaicans. The ESMF will include procedures to address chance findings of archeological and cultural resources during construction works.</p>
Indigenous Peoples OP/BP 4.10	No	<p>The policy is not triggered because there are no groups in Jamaica who meet the definition of IPs under OP 4.10.</p>
Involuntary Resettlement OP/BP 4.12	No	<p>Involuntary Resettlement OP/BP 4.12 is not triggered as there will be no physical involuntary displacement because of land acquisition through the project. Compensation for economic displacement will be addressed through the preparation of a compensation note as per guidance in the ESMF.</p> <p>The project will not make investments in roads (rehabilitation or new construction). Project investments will be on farm and site specific. All investments will be on owner's land or provided voluntarily with no physical involuntary resettlement. All land transactions will be on a willing buyer-willing seller basis. Voluntary Land Donation (VLD) will be applied according to international good practice and</p>



according to World Bank Guidelines for Voluntary Land Donations. i.e. VLD will only be applied to people that are direct project beneficiaries and when impacts are minor (normally less than 10% of land/assets).

The JSIF has procedures in place for Voluntary land Donation and these will be appraised to ensure they are in line with good practice and the procedures will be included in the ESMF..

Under Component Two the rehabilitation of larger facilities in support of selected value chains are being considered. These may include investments in cold storage at the regional level on public land, as well as in ports or airports, vegetable warehouses, packing facilities, processing equipment/other. The focus for the public and/or private cold storage facilities will be on rehabilitation and modernization of existing facilities.

This policy will not be triggered because the project will not support the construction or rehabilitation of dams nor will it support other investments which rely on the services of existing dams.

This policy will not be triggered because the project will not affect international waterways as defined under the policy.

This policy will not be triggered because the proposed project will not intervene in disputed areas as defined under the policy.

Safety of Dams OP/BP 4.37

No

Projects on International Waterways OP/BP 7.50

No

Projects in Disputed Areas OP/BP 7.60

No

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Jun 13, 2018

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

The project will go to PCN review on April 23rd and Appraisal is slated for June. The ESMF preparation process will start by May, to produce a draft in early June that can feed into the preparation of the final Appraisal stage ISDS.



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APPROVAL

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Approved By

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