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INTERNATIONAL FINANCE CORPORATION

MULTILATERAL INVESTMENT GUARANTEE AGENCY

**PERFORMANCE AND LEARNING REVIEW
OF THE COUNTRY PARTNERSHIP STRATEGY
FOR JAMAICA
FOR THE PERIOD FY14-17**

May 25, 2017

**Caribbean Country Management Unit
Latin America and Caribbean Region**

**The International Finance Corporation
Latin America and Caribbean Region**

The Multilateral Investment Guarantee Agency

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**The most recent Country Partnership Strategy was discussed by the Board on April 29, 2014
(report No. 85158-JM)**

FISCAL YEAR
April 1 to March 31

CURRENCY EQUIVALENTS

Currency Unit = Jamaican Dollar

US\$1.00 = J\$130.07

Exchange rate as of May 12, 2017

Unless otherwise specified, the currency cited throughout this document is the US dollar

ABBREVIATIONS AND ACRONYMS

CDB	Caribbean Development Bank
CPF	Country Partnership Framework
CPS	Country Partnership Strategy
DB	Doing Business
DBJ	Development Bank of Jamaica
DFID	Department for International Development (UK)
DPF	Development Policy Financing
DPL	Development Policy Loan
DPO	Development Policy Operation
DSA	Debt Sustainability Analysis
EFF	Extended Fund Facility (IMF)
EGC	Economic Growth Council
EPIC	Entrepreneurship Program for Innovation in the Caribbean
EPOC	Economic Programme Oversight Committee
EU	European Union
FCGP	Foundations for Competitiveness and Growth
FY	Fiscal Year
GAC	Global Affairs Canada
GDP	Gross Domestic Product
GoJ	Government of Jamaica
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communications Technology
IDB	Inter-American Development Bank
IFC	International Finance Corporation
IMF	International Monetary Fund
LAC	Latin America and the Caribbean
LoC	Line of Credit

MDA	Ministries, Departments, and Agencies
MIGA	Multilateral Investment Guarantee Agency
MIS	Management Information System
MoFPS	Ministry of Finance and the Public Service
MSME	Micro, Small, and Medium-sized Enterprise
MSJ	Meteorological Services Jamaica
MW	Megawatts
NMIA	Norman Manley International Airport
PATH	Programme for Advancement Through Health and Education
PFM	Public Financial Management
PIOJ	Planning Institute of Jamaica
PLR	Performance and Learning Review
PPP	Public-Private Partnership
PSIP	Public Sector Investment Programme
SBA	Stand-By Agreement (IMF)
SCD	Systematic Country Diagnostic
SME	Small and Medium-sized Enterprise
SOE	State-Owned Enterprise
SPSTP	Strategic Public Sector Transformation Project
TA	Technical Assistance
TF	Trust Fund
US	United States
UK	United Kingdom
WB	World Bank
WBG	World Bank Group
YEDAI	Youth Employment in Digital and Animations Industries
Y/Y	Year-on-Year

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I. INTRODUCTION

1. **This Performance and Learning Review (PLR) provides an assessment of progress toward achieving the objectives of the Jamaica Country Partnership Strategy (CPS), FY14-17.** The CPS provides strategic support under three pillars: (a) public sector modernization; (b) enabling environment for private sector-led growth; and (c) social and climate resilience. The CPS is consistent with the World Bank Group's (WBG) twin goals of reducing poverty and enhancing shared prosperity. The PLR takes stock of the program implementation, recommends adjustments to reflect changes in the country context, and provides lessons learned.

2. **The CPS 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, 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), who led the fiscal stabilization program. A concerted effort by development partners came at a time when the country was facing serious economic challenges, with public debt reaching 146 percent of GDP and large debt service obligations, low international reserves, low growth, high inflation, and rising unemployment and poverty. The program was aimed at quickly providing financing and advisory assistance to an ambitious reform program of fiscal consolidation, restoration of market confidence, and the establishment of foundations for growth. Since 2014, Jamaica has made commendable progress in fiscal consolidation: the country has achieved and maintained a primary fiscal balance between 7.0 to 7.5 percent of GDP, debt to GDP fell by 25 percentage points, and growth rates improved.

3. **The CPS objectives and areas of focus remain valid for the remainder of the CPS period.** A new Government came to office in March 2016 and continued the strong commitment to fiscal discipline while placing a stronger focus on enhancing growth, creating employment, and fostering public sector modernization. The CPS remains aligned with Jamaica's long-term development plan, "Vision 2030 Jamaica," which calls for sustainable growth, prosperity, and social cohesion, and which enjoys bipartisan and broad social support. It is also aligned with the new government's stronger focus on private sector-led growth and public sector modernization. A PLR was not prepared at mid-term as it was difficult to assess progress in achieving results within the short span of 18 months. In addition, elections in early 2016 made it impracticable to focus on a strategic review of the program before the new Government was in place.

4. **Progress towards achievement of stated objectives is being made.** The lending program was frontloaded and as the Government was focused on fiscal consolidation with support from the IMF, the Bank's program aimed at building conditions for broad based private sector-led growth, improving public sector efficiency and reducing vulnerability. As the country program evolved, the World Bank worked with the authorities to develop measures that can sustain the large fiscal consolidation that Jamaica achieved between 2012 and 2014, such as through the DPF series' support for adoption of fiscal rules, regular analysis of fiscal risks, stronger management of contingent liabilities, and reform of the government pension program. The diversification of the energy sector was notably advanced and improvements were made in the ease of doing business in Jamaica. Good progress was also made in early childhood development and social protection. However, implementation of investment projects, particularly new operations, was slow as

structural reforms to improve public sector performance and certain aspects of business environment reforms were delayed. In addition, some of the more complex operations needed to be re-scoped. Results in improving access to finance for micro, small and medium-sized enterprises (MSMEs), transport infrastructure and fostering entrepreneurship remain to be achieved. Results in climate resilience are anticipated in the near term.

5. **The PLR proposes an extension of the CPS to FY19 to allow for consolidation of results and to provide uninterrupted support to Jamaica within the current IBRD financing envelope.** The proposed CPS extension will keep the existing structure of three strategic pillars, though with consolidated objectives and results indicators. The proposed extension period would provide further time for implementation of key interventions of the WBG program. Fully consistent with the strategic focus of the CPS, and the priorities of the Government, financial support will be provided for improving access to finance and facilitating employment and job opportunities, particularly for Jamaica's youth. Going forward, increased emphasis will also be placed on advisory and knowledge services in areas of key priority for the Government, such as agriculture and energy sector policies and the strengthening of the safety net system. A Systematic Country Diagnostic (SCD) will be prepared in FY18 to guide the preparation of the new Country Partnership Framework (CPF).

II. MAIN CHANGES IN COUNTRY CONTEXT

A. Recent Political Developments

6. **Elections in February 2016 brought to power the Jamaica Labour Party (JLP), the party that was in opposition at the time of the CPS, which reconfirmed the commitment to continue the reform program.** Although the new Government has a narrow Parliamentary majority of one seat, it received political and broad public support to maintain policy continuity, sustain fiscal prudence, and place strong focus on growth, job creation, and public sector modernization. The administration successfully completed the 2013-17 IMF Extended Fund Facility (EFF) program and signed a successor Stand-By Agreement (SBA) that supports continued focus on fiscal consolidation, macroeconomic stability and growth promoting reforms. In addition, the Government articulated a program to accelerate growth (with an aspirational target of five percent growth rate by 2020), by enabling private sector-led development, improving the business environment, providing better and more efficient public services, and focusing on strategic investments. To further strengthen private sector ownership and its contribution to the reform process, the Economic Growth Council (EGC), mainly composed of private sector stakeholders, was established in 2016 with the mandate of identifying and fostering policy reforms and key investments to drive growth. The Government has placed strong emphasis on public sector reform and on addressing Jamaica's high crime rate as elements to facilitate private sector investments. It also seeks to increase financial inclusion and improve resilience of the banking sector. In 2016, as part of a broader revenue-neutral package of tax reforms, the Government commenced a move from direct to indirect taxes to spur economic growth. This shift toward greater reliance on indirect taxation is being accompanied by the strengthening of safety nets to mitigate the impact on the poor and vulnerable.

B. Recent Economic Developments and Prospects

7. **During the CPS period, Jamaica stabilized the economy, restored market confidence, and established conditions for growth.** The CPS was prepared while Jamaica was launching an ambitious program of fiscal adjustment and structural change. Jamaica was experiencing serious economic challenges in early 2013. The country was recovering from Hurricane Sandy, the economy was in its fifth consecutive quarter of negative GDP growth, inflation was accelerating, the currency had lost 15 percent of its value over the preceding year, reserves were dwindling, and the country was facing large debt service obligations. The WBG joined with the IMF and IDB to provide a package of financial and technical assistance to Jamaica to support reforms (see Box 1).

8. **Jamaica achieved impressive results within the first year of the reform program.** By March 2014 (the end of Jamaica's 2013/14 fiscal year), the government turned its FY2012/13 budget deficit of 4.1 percent of GDP into a 0.1 percent surplus. It achieved this fiscal consolidation through debt market operations that reduced interest payments (by 2.0 percentage points of GDP—almost half of the fiscal consolidation), increased revenue mobilization, and reduced primary spending. As part of the IMF program, the government succeeded in bringing the primary fiscal surplus to 7.6 percent of GDP in FY2013/14.¹ In addition, the inflation rate declined to single digits, net international reserves had increased by almost 50 percent and the economy started growing.

Box 1. Key Objectives of the Government of Jamaica Reform Program Launched in 2013 and Supported by International Development Partners

- Ensure fiscal consolidation and a sustained primary fiscal balance of at least 7.0 percent of GDP
- Implement tax reform, introduction of fiscal rules, disciplines on contingent liabilities, and other measures to sustain fiscal consolidation
- Achieve debt reduction, including a debt exchange, to place public debt on a sustainable path while protecting financial sector stability
- Improve fiscal efficiency and public sector management through implementation of the public sector investment program, reform of state-owned enterprises (SOEs), privatization of select public entities, transparency, and accountability
- Improve the business environment
- Improve social protection
- Strengthen climate resilience

9. **The Government, through sequential administrations of the two major political parties, has maintained a tight fiscal stance since 2014 and has continued a path of economic reform.** The primary fiscal surplus has been at least 7.0 percent of GDP each year. With support of international development partners, Jamaica introduced a number of new laws and regulations to sustain these fiscal gains by strengthening the fiscal responsibility framework, improving public financial management, making public procurement more transparent, and aligning public investment management with national development objectives. It also solidified the foundations for economic growth by overhauling the power sector (to reduce costs and increase the use of

¹ The government's primary surplus was 5.4 percent in FY2012/13 and averaged 4.7 percent during the previous four years.

renewables), modernizing rules for special economic zones, reducing international trade costs, and streamlining building permit procedures.

10. **These measures, combined with timely liability management operations and increased market confidence, helped the government reduce the debt/GDP ratio by 25 percentage points over three years.**² The economy has recorded positive year-on-year (y/y) GDP growth each quarter since March 2015 and positive job growth since July 2015. Inflation dropped to a record-low of 1.6 percent (y/y) in November 2016, from 10.1 percent three years earlier. The current account deficit narrowed to 1.0 percent of GDP in 2016 from 10 percent in 2013. Success of this reform program has also engendered confidence in capital markets, as evidenced by falling spreads over other emerging market sovereign bonds.

Table 1. Selected Economic Indicators

	2012/ 13	2013/ 14	2014/ 15	2015/ 16e	2016/ 17f	2017/ 18f	2018/ 19f	2019/ 20f
Real Economy								
GDP (J\$ billions)	1,337	1,462	1,572	1,691	1,759	1,877	2,025	2,194
Real GDP growth	-0.8	1.0	0.2	1.1	1.7	2.1	2.5	2.7
Exports of goods (growth)	7.8	-14.2	-6.2	-13.0	0.8	6.5	2.0	2.1
Imports of goods (growth)	-3.1	-7.3	-4.3	-15.3	6.9	5.6	3.7	2.8
Unemployment rate (eop/latest)	14.4	13.4	14.2	13.3	12.7	...	...	...
Poverty								
Poverty rate ¹ (%)	19.9	24.6	20.0	19.5	19.3	18.5	17.9	17.4
Fiscal								
Budgetary revenue	25.8	27.1	26.2	27.0	27.9	28.6	27.2	26.9
Budgetary expenditure	29.9	27.0	26.7	27.2	28.8	29.0	27.3	26.4
o/w Employee compensation	11.0	10.1	9.7	9.6	9.6	9.6	9.0	8.9
o/w Interest	9.5	7.5	8.0	7.4	7.9	7.4	7.1	6.4
Overall fiscal balance	-4.1	0.1	-0.5	-0.3	-0.9	-0.3	-0.1	0.5
Primary fiscal balance	5.4	7.6	7.5	7.1	7.0	7.0	7.0	7.0
Public debt ²	145.3	140.5	137.6	120.2	122.5	115.8	108.9	99.5
Monetary and financial								
CPI (period average)	7.2	9.4	7.2	3.4	2.3	4.5	5.3	5.5
CPI (end of period)	9.1	8.3	4.0	3.0	4.0	4.5	5.3	5.5
Base money growth (eop)	7.6	3.4	7.0	18.7	1.5	10.8	9.9	8.3
BOJ policy rate (eop/latest)	5.75	5.75	5.75	5.25	5.00	4.75	...	...
Non-performing loans/total loans (eop/latest) ³	7.0	5.4	5.0	4.1	3.5	...	...	...
External								
Current account balance (% of GDP)	-10.0	-8.7	-7.0	-1.7	-3.0	-3.2	-3.3	-3.2
Direct investment (\$ million, net)	325	511	590	942	484	624	653	651
Gross reserves (weeks of imports of GNFS)	11.4	14.4	19.3	23.4	25.3	27.5	28.0	27.8
Net international reserves (\$ million)	884	1,304	2,294	2,416	2,699	3,177	3,437	3,621
Exchange rate (avg., J\$/US\$)	91.2	103.9	113.1	118.8	127.2	...	...	...

Sources: IMF, Statistical Institute of Jamaica and Bank of Jamaica, and World Bank staff estimates.

Notes: Fiscal years run from April 1 to March 31. Authorities' budgets presented according to IMF definitions. Data for 2015/16 are the latest estimates. 2016/17 and later are forecasts.

1/ Poverty rate 2012–2014 actual rates observed. Rates from 2015–19 projected.

2/ Debt statistics follow definition under the IMF program. Central government direct and guaranteed only, including PetroCaribe debt (net of its financing to the central government) and projected disbursements by international financial institutions.

3/ End of calendar years, starting with 2012; 2016 is as of September 30, 2016.

² The latest debt sustainability analysis (DSA) finds that the primary surplus accounted for just over half of the cumulative reduction of the debt/GDP ratio between FY2013/14 and FY2014/15, followed closely by liability management operations, although currency appreciation offset some of their contribution. Jamaica issued an historic \$2 billion Eurobond in July 2015. This enabled the GoJ to retire its entire \$2.9 billion PetroCaribe debt at an almost 50 percent discount. In February 2016 the GoJ re-entered the domestic bond market, redeeming bonds totaling J\$61 million (3.6 percent of GDP) and issuing J\$15m in new bonds. In August 2016 the GoJ went to the international market to exchange \$785 million of high-coupon international debt maturing in 2017-19 for long-dated debt, thus reducing refinancing risk and extending the average maturity of Jamaican debt.

11. **Despite these successes, the economy remains fragile.** Public debt, at 120 percent of GDP at end March 2016, remains high by world standards and is vulnerable to external interest rate and currency shocks. Although GDP growth has increased, it did so from a low base, and preliminary estimates suggest growth of less than 1.5 percent in 2016. As a small and open economy, Jamaica's economic growth prospects remain vulnerable to external shocks, and last year's near miss by Hurricane Matthew provides a warning that the island also remains highly exposed to severe weather events.

12. **The medium-term growth outlook for Jamaica is encouraging, provided fiscal and structural policy reforms are maintained and the reform program continues to progress.** The IMF forecasts that GDP will grow modestly to 2.1 percent by FY2017/18, rising to almost 3.0 percent by the end of the decade. Projections for debt reduction show that public debt could fall to less than 100 percent of GDP by FY2019/20 if the government maintains fiscal restraint. Continued implementation of reforms to improve the investment climate is also essential to attracting local and foreign investments, and efforts to boost competitiveness will need to continue.

C. Update on Poverty, Inequality, and Gender Issues

13. **Poverty in Jamaica³ almost doubled in the wake of the global economic crisis, reaching 24.6 percent in 2013, eroding the gains of the previous two decades.⁴** Inequality, as measured by the Gini coefficient, followed a similar trend, climbing to 0.41 in 2013 from 0.37 in 2007. Although in 2014 both poverty and inequality marked modest declines to 20 percent and 0.38 respectively, poverty remains high and trends underline the strong vulnerability of Jamaica's population. Poverty in rural areas has been consistently higher than in urban areas since 2003, with the gap between rural and urban areas jumping to 6.6 percentage points in 2013. Poverty has also been higher for female-headed households, with the poverty gap between female- and male-headed households widening from a negligible level in 2006 to 6.3 percentage points in 2014. Poverty experienced by children (ages 0-14) has been consistently higher than for adults, and the difference in 2013 of 13.1 percentage points is more than three-times higher than calculated in 2007.

14. **Youth in Jamaica are among the most vulnerable segments of the population.** While total unemployment in October 2016 was 12.9 percent, unemployment for those aged 14-24⁵ is significantly higher, at 41 percent for women and 26 percent for men. It is estimated that in 2014 more than two-thirds of youth aged 18-20 in the poorest 40 percent of households were neither in school nor working, rendering them especially vulnerable to risky and violent behavior.

15. **Jamaica fares relatively well in terms of female labor force participation, and participation in political and economic life.** Jamaica is among the top countries worldwide by share of women in senior official and management roles.⁶ However, women continue to face challenges. Although women entrepreneurs account for the majority of the MSME sector, they

³ The poverty line for Jamaica in 2014 is \$4.1 per day per adult equivalent, and is based on the value of daily expenditures, not income.

⁴ Despite the annual collection, data is released with a two-year lag, and the poverty data for 2013 and 2014 were only made available by GoJ in February, 2017. Poverty data for 2012 were released at the end of 2014.

⁵ Statistical Institute Jamaica

⁶ World Economic Forum Global Gender Gap Report, 2016.

struggle the most with accessing finance and weak capacity. Female-headed households account for 58 percent of the poor. Domestic and gender-based violence in Jamaica are significant problems, with one in every five women experiencing physical or sexual violence by a partner in their lifetime.

III. SUMMARY OF PROGRAM IMPLEMENTATION

A. Summary of Progress

16. **The CPS program has made good progress with one objective fully achieved, one mostly achieved, and good progress made on the remaining six CPS objectives.** Progress has been driven by political commitment, spanning two administrations, which allowed for important reforms to be implemented. The use of appropriate instruments (development policy financing and additional financing for successful investment projects) early in the CPS was critical to providing timely support to the GoJ's reform efforts and to achieving results in public finance, debt management, select doing business indicators, and energy and education sector reforms. Slower progress in areas such as public sector reform, as well as delays in implementation of newer and more complex operations,⁷ contributed to delays in meeting some CPS objectives related to private sector-led growth and public sector modernization. WB operations in support of climate resilience were delivered later in the CPS period. Therefore, results in this area remain to be achieved. Having achieved macro stabilization, the Government is currently sustaining focus on structural reforms which, combined with a maturing portfolio, positions the program to achieve its objectives. In addition, work is underway on re-scoping projects to improve implementation and World Bank teams are providing stronger implementation support and technical assistance that will help remove implementation bottlenecks and achieve intended results. Annex 3 presents the progress toward achieving the CPS objectives.

17. **The WBG has delivered the lending program as planned.** Nine new IBRD operations totaling \$434 million were made effective during CPS implementation. With a \$70 million operation to be delivered in FY17, total IBRD financing of \$504 million is in line with the planned \$510 million under the program. Two trust funds totaling \$10 million were also approved under the CPS. The WBG has and will continue to support the Government's reform program through technical assistance and advisory services.

Pillar I: Public Sector Modernization

18. **Highly encouraging results in improving fiscal and debt management have contributed to achieving macroeconomic stability.** Good progress in strengthening the public sector investment program has been registered, while public sector performance reforms have experienced delays. The DPL operations and technical assistance helped put in place important elements of fiscal prudence. A framework to assess fiscal risks and contingent liabilities arising from state-owned enterprises (a key source of debt build-up in Jamaica) has been adopted, and a public pension bill that introduces employee contributions to reduce the burden on public resources has been prepared and is expected to come into force in mid-2017. Government capacity to manage

⁷ Strategic Public Sector Transformation Project, Youth Employment in Digital and Animation Industries, and Foundations for Competitiveness and Growth.

debt has been significantly strengthened through the reorganization of the Debt Management Branch in the Ministry of Finance and Public Service (MoFPS), and through revisions to the regulatory framework on debt. A Public Investment Management System was put in place to help policymakers prioritize projects, monitor execution, and evaluate results. Budget calendars—which introduce and enforce fiscal discipline, transparency, and control in the budget preparation process—have been adopted. A new Pre-Investment and Evaluation Fund was designed and is expected to be fully operational by 2018. Cash management, as well as financial information availability, is being improved and five Ministries, Departments, and Agencies (MDAs) have adopted results-based budgeting, with five more expected to follow suit. Additional enhancements to rationalizing fiscal management were delayed but are underway following the launch, in January 2017, of the Government’s Public Sector Transformation Action Plan.

19. The Bank continues to support Government efforts to improve the performance of public sector institutions, through the Public Sector Transformation Project and technical assistance. Rationalization of the border inspections regime and strengthening of the public-private partnership (PPP) institutional framework and capacities are underway. The Bank supports the implementation of risk management frameworks and integration of border agencies’ risk profiles, which will streamline inspections and expedite cross-border merchandise transactions. The Bank will continue to provide advisory services in this area, including, rationalization of licenses and permits and the establishment of a national trade portal. The Bank is supporting the introduction of performance based budgeting in a number of MDAs. An expenditure review of the health sector, to be completed in the short-term, will help Government identify policies to improve the efficiency of the health sector. The establishment of the PPP unit and operationalization of the Project Preparation Facility for PPP has strengthened the Government’s capacity for oversight of Jamaica’s growing PPP program, and is helping to ensure that PPPs are fiscally responsible. Additional support in divestments/PPPs outsourcing and mergers is ongoing, both in SOE reform and through IFC transaction support. The launch of the Government’s Public Sector Transformation Action Plan, along with the restructuring of the Strategic Public Sector Transformation Project (P146688) is expected to accelerate implementation towards achievement of results.

Pillar II: Enabling Environment for Private Sector Growth

20. Progress in improving conditions for private sector-led growth has been mixed. Substantial effort toward improving the business environment, access to credit, skills and capacity development and new niche markets for MSMEs is slowly yielding results. Jamaica was among the top 10 economies showing the most notable improvement in performance on the Doing Business (DB) indicators for 2014 and 2015, and in 2017 Jamaica continued to lead in the ease of doing business among Caribbean countries. A \$30 million IFC ‘trade finance’ line of credit to the National Commercial Bank, and a WB-financed line of credit through the Development Bank of Jamaica (with \$8.4 million disbursed to date to 57 MSMEs), were important elements in improving access to finance. In the agriculture sector, MSME producers were trained and accredited on food safety compliance, which facilitated a broadened access to export markets and more developed agribusiness channels.

21. **Progress on infrastructure improvement, fostering investments in high-potential sectors and enhancing entrepreneurship and skills has been uneven.** A new energy bill opened up the sector for investments in renewable energy and resulted in an increase in renewable energy sources, with approximately 90 megawatts (MW) coming on line from grid-tied wind and solar photovoltaics. An additional 150 MW of renewables is currently being tendered, which will bring the total capacity for renewable energy to approximately 300 MW, above 10 percent of the electricity supply. Programs to build the skills and enhance youth employability in the animation industry, as well as incubation support services to animation and digital entrepreneurs had a slow start; however, the forthcoming project restructuring will improve the pace of implementation. Significant effort has also been placed on fostering investments in high-potential sectors, although progress has been slower to emerge owing to challenges in legislative and operational processes. Major investments opportunities, such as the logistics hub initiative and divestments of key state-owned enterprises, have been slower to produce results but remain on the forefront of the Government's agenda. IFC contributed equity of \$4.6 million for the construction of 10.5 kilometers of new road on Highway 2000, which had a protracted implementation period. The planned modernization and expansion of the state-owned Norman Manley International Airport was significantly delayed by an unsuccessful divestment process in 2015; a new tendering process is underway and is expected to be concluded in a satisfactory manner. The Government remains firmly committed to reforms that could have an impact on investment climate and private sector led growth. This sustained commitment, along with the restructuring of projects such as the Foundations for Competitiveness and Growth (P147665) and the Youth Employment in Digital and Animation Industries (P148013) will contribute to improved progress.

Pillar III: Social and Climate Resilience

22. **Positive results have been achieved in building social resilience under the CPS program.** Significant results have been achieved in building capacity and improving quality in the education sector through enhancing school inspections, implementing improvement plans, and the retraining and certification of teachers as well as ensuring minimum quality standards of early childhood development institutions. The Programme for Advancement through Health and Education (PATH), which provides a safety net for the most vulnerable populations, continued to be strengthened, with a focus on effective targeting, improved adequacy of benefit and transitioning beneficiaries to employment. The Steps-to-Work program is functional and ongoing improvements in the Management Information System (MIS) will allow for better capturing of results. In light of the recent commencement of a transition from direct to indirect taxation over the past two years, the Government plans to further strengthen social safety nets, and the Bank will continue to support the reforms through the ongoing Social Protection Project and additional technical assistance and advisory services. Progress was made in skills training, certification, and employability of residents within 18 targeted vulnerable communities through which more than 500 persons gained employment. Efforts at urban renewal were slower to materialize as much of the initial focus was rightly on community engagement, with the bulk of the infrastructure work expected in the next two years. Support to vulnerable communities in the areas of crime prevention and community safety is well underway. An ongoing public expenditure review of the health sector will inform policies to improve health services, particularly for the poor and vulnerable.

23. **Capacity building for institutions related to climate and disaster risk management have ramped up over the last year, although results lag as a consequence of delayed approvals of related projects.** By 2018, the Meteorological Services Jamaica (MSJ) is expected to be fully equipped with the necessary infrastructure to collect flood-related data, which is already being transmitted in real time from some retrofitted sites. The Office for Disaster Preparedness and Emergency Management is being strengthened through building early warning systems and drafting disaster preparedness plans. Ongoing activities include preparation of a new Building Code to underpin resilient construction practices; development of coastal management guidelines; development of a cost effective sovereign risk financing strategy; and a disaster risk assessment of all public school infrastructure. As infrastructure works under the Integrated Community Development Project (P146460) are starting and implementation of the Disaster Vulnerability Risk Reduction Project (P146965) is accelerating, good progress towards the achievement of results is expected over the next year.

Gender Mainstreaming

24. **Gender is mainstreamed through the Bank's program and 80 percent of operations approved under the CPS monitor and incentivize female participation.** All operations with the exception of the development policy financing operations of FY14 and FY15 track gender. The Entrepreneurship Program for Innovation in the Caribbean (EPIC) (P132890) targets women-led entrepreneurship and provides an access to a finance facility through the Women Innovators Network in the Caribbean Acceleration Program. In addition, the Bank supported the building of awareness on gender-based violence, particularly among young people, through the 'NextGENERATION' initiative. The initiative produced a toolkit as a basis for continued awareness building toward the goal of changing behaviors; the toolkit continues to be shared with and used by universities, schools, and student organizations.

B. Portfolio Overview

25. **The WB financing program under the CPS was frontloaded and focused on larger operations, aiming at quickly providing access to funding and technical support to the ambitious reform program launched by the Government in 2013.** The CPS inherited a small portfolio and after three years without new lending, the WB moved quickly with nine new operations totaling \$434 million delivered in FY14-16. This more than doubled total commitments in Jamaica, inadvertently straining weak implementation capacities at the early stages of the CPS program when Government efforts were strongly focused on fiscal consolidation. The DPLs totaling \$205 million and two additional financing operations (Social Protection Project – P105024 and Early Childhood Development Project – P095673) provided swiftly needed support and financing to Government reforms efforts, while the five new, larger and more complex, investment operations⁸ (\$229 million) experienced implementation delays. Currently, the active portfolio consists of nine investment projects totaling \$313.93 million, with an undisbursed balance of \$167.90 million (as of April 2017). The portfolio also includes two recipient-executed grants totaling \$10 million. The only project that closed during the CPS period, the Education Transformation Capacity Building (P107407), was rated satisfactory. Projects delivered under the

⁸ The Integrated Community Development Project, though not an additional financing, is the second phase to the Inner City Basic Services for the Poor Project, which ended in 2013.

CPS are expected to end between 2018 and 2022. The current pipeline includes the second operation of the competitiveness and fiscal management DPL series (to be presented to the Board in June 2017).

Table 2. Planned and Actual IBRD Financing under the CPS (\$ Millions)

Fiscal Year Approved	Financing originally planned	Planned	Actual
FY14	Economic Stabilization and Foundations for Growth DPL	130	130
	Early Childhood Develop Project (additional financing)	12	12
	Social Protection (additional financing)	40	40
	Integrated Community Development Project	42	42
FY15	First Competitiveness and Fiscal Management DPL	75	75
	Strategic Public Sector Transformation	35	35
	Youth Employment in Digital and Animation	20	20
	Foundations for Competitiveness & Growth	50	50
FY16	Disaster Vulnerability Reduction	30	30
FY17	Second Competitiveness and Fiscal Management DPL	TBD	70
Sub-Total	10 operations	434	504
	Financing not originally planned		
FY18	Access to Finance	20	0
FY19	Investment project – TBC	20	0
Sub-Total	2 operations	40	0
Total	12 operations	474	504

26. **Portfolio performance has been mixed.** Of the nine active investment projects, three are currently rated satisfactory, five are rated moderately satisfactory, and one is rated moderately unsatisfactory. With heavy frontloading, a young portfolio, and commitments almost doubling (from \$195 million in FY14 to \$358 million in FY15), the disbursement ratio declined, from 32.8 percent in FY14 to 11.4 percent in FY17 (as of April 2017). Implementation also has been constrained by generally weak implementation capacity and some delays consequent upon the change of Government in 2016. Government procurement and approval processes and inadequate budget planning in some implementing agencies also contributed to some implementation delays. Annex 5 provides more detail on the Bank’s portfolio.

27. **The Government and the Bank are addressing portfolio performance across multiple dimensions.** Regular joint country portfolio performance reviews helped identify cross-cutting issues in procurement, financial management, and project restructuring needs. Quarterly portfolio meetings with project managers supported the identification of specific project bottlenecks and delivery of capacity-building activities. Structured implementation support for project implementation units are conducted annually, technical assistance provision is ongoing on procurement reform, and the imminent promulgation of the new procurement law is expected to help accelerate project implementation.

28. **A few Bank-financed projects in Jamaica have triggered Bank social and environmental safeguard policies.** Given the small-scale nature of the civil works financed and the Government's experience with applying these policies, no major issues have arisen. Going forward, with the new Environmental and Social Framework, more attention will be placed on a range of other social issues that would need to be managed during project preparation and implementation, including labor and working conditions, non-discrimination, and stakeholder engagement.

29. **Knowledge services have made significant contributions to the reform program with the Government placing increasing value on the Bank's non-lending support.** The WB/DFID support was instrumental for strengthening debt management capacity and developing strategies for debt liability management, including successful buy backs and reductions of the debt stock. Technical assistance in trade facilitation and tax administration helped identify actions that contributed to Jamaica's improved Doing Business ranking. An assessment of the financial sector led to the development of the Financial Inclusion Strategy and support to the improvement of the partial credit guarantee scheme aimed at boosting SME access to credit. The assessment also led to the development of the Code of Conduct for Deposit Taking Institutions improving the quality of financial services to the consumer. Through the Caribbean Growth Forum, Jamaica has benefitted from knowledge sharing in growth enhancing sectors regionally and globally and has deepened non-government stakeholder involvement in the development and monitoring of the growth strategy. The Bank has brought global knowledge and international practitioners' advice to help the Government articulate its growth and job-creation program. Ongoing advisory services and analytics include a public expenditure review of the health sector, capacity building in trade facilitation, support to PPP and divestments of public entities, a coastal management assessment, and strengthened social protection for the most vulnerable in the event of a disaster.

30. **IFC's committed portfolio currently stands at \$208.5 million, comprising \$154.5 million from IFC's own account and \$54 million in mobilization.** In the last three years the IFC has committed \$20 million to a renewable energy generation project that will contribute to the diversification of the Jamaican electricity generation sector; \$20 million to the Telecoms project that is supporting a Jamaican Group to expand regionally; and \$81 million under the Global Trade Finance Program, which extends lending to market segments where trade lines may be constrained (see Annex 5). The IFC is also supporting SME linkages across select value chains. Additionally, the IFC is currently managing more than \$8 million for five active advisory services projects in Jamaica (the Norman Manley International Airport, Jamaica Tax Reform, Jamaica Coffee Revival, Jamaica Sauces & Spices SMEs, and Value Chain).

31. **The Multilateral Investment Guarantee Agency (MIGA) has one active engagement in Jamaica,** representing gross exposure of \$33 million as of March 2017, which supports on-lending by a financial services company to an infrastructure project. MIGA remains open to facilitating further productive inward investments in the country where possible.

32. **Concerted efforts among development partners are strong.** The CPS was part of a tripartite (IDB, IMF, WBG) comprehensive package of support to Jamaica's reform program to stabilize the economy, create an enabling environment for growth, and build resilience. While the IMF's Extended Fund Facility (EFF) focused on fiscal consolidation, debt restructuring, and

financial sector reforms, the WBG and IDB targeted support to social protection, public sector modernization, competitiveness, and climate resilience. As the WBG's country program evolved, the authorities and the WBG agreed on other measures, including budget support that can help sustain the fiscal consolidation achieved in 2014—such as fiscal rules, tighter controls over contingent liabilities, regular fiscal risk analysis, and reforms to reduce the burden of the public pension system on the national budget. The new IMF SBA and a new IDB strategy continue the close partnership with the WBG. The WBG also works closely with the European Union in agribusiness and competitiveness; with Global Affairs Canada (GAC) in the creative industries and entrepreneurship; and the UK Department for International Development (DFID) in accountability, transparency, and public financial management.

IV. EMERGING LESSONS

33. **A three-year CPS period is not sufficient for the implementation of a program that supports a comprehensive reform agenda.** The CPS was part of a coordinated package of support that committed three development partners to provide approximately \$2 billion of financing by 2017. While the program rightly frontloaded assistance, in part through a combination of DPLs and additional financing, it inadvertently strained government capacities at a time when the Government was focused on restoring macroeconomic stability. In addition, a three-year period was too short to demonstrate results for a program with ambitious targets in creating conditions for growth within a constrained environment. A longer program duration would have provided the time needed to advance implementation of a new and larger investment project portfolio and consolidate results.

34. **Strong bipartisan and political support was essential for policy continuity, and was underscored by strong support from development partners, the private sector, and civil society.** Two sequential administrations from two different political parties maintained a focus on fiscal prudence and a reform agenda to spur growth. Broader social support and enhanced transparency were ensured through a strong involvement of civil society and private sector stakeholders, principally through the Economic Programme Oversight Committee (EPOC),⁹ which had responsibility for the monitoring of Jamaica's economic reform program. Coordinated support by the development partners provided the substantial financing needed to meet debt obligations and advance critical reforms and investments to revitalize growth, while protecting the most vulnerable.

35. **Well-sequenced support of WBG agencies is key to improved delivery of products and achievement of outcomes.** Good cross-sectoral work proved to be essential for smooth implementation and delivery of results—particularly for more complex multi-sectoral operations. The Bank and IFC are working together on advancing several CPS objectives, such as PPPs, growth, and competitiveness.

36. **Technical assistance and capacity building early in the project cycle, including through the use of project preparation advances, are critical to avoiding delays in implementation.** Limited fiscal capacity constrained the Government's capacity to establish implementing units and conduct preparatory work to jump-start project implementation. Going

⁹ EPOC members are drawn from the Government, private sector, and civil society.

forward, more technical support and capacity building should be ensured as early as project preparation by using project preparation advances. Preparation of feasibility studies and first-year bidding documents could also be frontloaded, and advanced procurement could be considered.

V. PROPOSED ADJUSTMENTS TO COUNTRY PARTNERSHIP STRATEGY

37. **The CPS framework remains valid and the PLR proposes the following changes to the CPS program:** (a) a two-year extension of the CPS; (b) changes to the results framework to better align it with the evolution of the program; and (c) new activities within the strategic framework of the CPS and the current IBRD financing envelope.

38. **The PLR proposes to extend the CPS to FY19.** The proposed extension will provide adequate time for full implementation of the program and achievement of CPS objectives. The restructuring of three projects that support key Government priorities—Foundations for Competitiveness and Growth (P147665), Youth Employment in Digital and Animation Industries (P148013), and Strategic Public Sector Transformation (P146688)—will help improve implementation and achieve results. The proposed extension will also enable the current financing envelope for Jamaica to support a selective investment engagement in areas of Government priorities, such as private sector development and youth skills enhancement and employment. The WBG will also extend further knowledge, advisory, and technical services in areas that are important for the Government program, such as social protection and energy and agriculture sector reform.

39. **The PLR recommends modification to the results framework to better capture realities on the ground from a maturing portfolio and to strengthen linkages between objectives and results indicators.** To align with the format of the CPF results matrix, for presentational purposes ‘outcomes’ are redefined as ‘objectives.’ Objective 1 and 2 have been consolidated to reflect evolution of support to public sector modernization. Objective 3 and 5 have also been consolidated to reflect better the evolution of the program and the strong focus on enhancing entrepreneurship. Indicators have been consolidated, reduced, and modified to strengthen linkages with the Objectives and reflect key CPS level results. Annex 2 provides further detail on the changes made to the results framework.

40. **New lending during the remaining CPS period is fully aligned with CPS objectives and GoJ priorities.** The Access to Finance for MSMEs and Housing Project (P152307) seeks to improve the ability of MSMEs, which currently account for 90 percent of jobs, to better contribute to economic growth through improved access to finance. Based on a Financial Sector Assessment (P149283) conducted in FY15, the Access to Finance for MSMEs and Housing project is expected to be discussed by the Board in early FY18. It will contribute to Pillar II: Enabling environment for private sector growth, Objective 2a – *Enhanced business environment and entrepreneurship*; and to Pillar III: Social and climate resilience, Objective 3b – *Increase opportunities for the poor and vulnerable*, and is strongly aligned with the Government’s enhanced focus on facilitating private sector-led growth. An investment project, under early discussion with the Government, will seek to address youth skills enhancement and unemployment, and provide integrated support to vulnerable communities. This project will contribute to Pillar III: Social and climate resilience, Objective 3b – *Increase opportunities for the poor and vulnerable*.

VI. RISKS TO CPS PROGRAM

41. **The main risks identified in the original CPS remain relevant.** The overall risk rating is substantial.

Table 3. Risks to the Jamaica CPS Program

Risk Categories	Rating
1. Political and governance	Substantial
2. Macroeconomic	High
3. Sector strategies and policies	Moderate
6. Fiduciary	Substantial
5. Institutional capacity for implementation and sustainability	Substantial
4. Technical design of program	Moderate
7. Environmental and social	Moderate
8. Stakeholders	Moderate
Overall	Substantial

42. **Political and governance risks are assessed as substantial.** Following the February 2016 general election, the then Opposition, Jamaica Labour Party, took the reins of government, with a narrow one-seat majority in Parliament. While the new administration remains committed to the economic reform program, and general political and public support for the program exists at present, the sensitivity of some policy measures (in particular those related to public sector transformation) would likely require significant bipartisan support. Mitigating this risk will include undertaking stakeholder analysis and change management activities in specific areas of engagement; focusing on areas of priority that have broad public support; and engaging in regular stakeholder consultations. Activities will be phased in a way to ensure that windows of opportunity are utilized and in ensuring a broad dialogue on reform areas. Cross-portfolio attention will be given to these issues, given their importance to achieving results.

43. **Macroeconomic risks are assessed as high.** Fiscal and monetary policies implemented since 2013 have succeeded in stabilizing the economy and reducing debt; however, macroeconomic risks to the CPS remain high. Given the relatively slow GDP growth, the high primary fiscal surpluses required to meet the Government’s debt/GDP target place tight limits on public investment spending—including spending under Bank-financed investment projects. In addition, the economy remains vulnerable to external shocks that could slow portfolio implementation. To mitigate these risks, the government will continue to maintain its fiscal program while focusing on strategic investments to boost growth. The Bank will continue to support these efforts through the provision of on-demand technical assistance.

44. **The fiduciary risk is assessed as substantial.** A cumbersome procurement process is further compounded by the sequential application of both Bank and Government procurement procedures. This, along with insufficient planning and preparation within budget restrictions, continues to delay procurement processes and affect the pace of implementation. Consideration is being given to the greater application of the national procurement systems to reduce the reliance on two sets of procedures. The Government is fine-tuning the new procurement legislation and

will build the capacity of procurement professionals through the recent establishment of the Caribbean Regional Procurement Training Centre, housed at the University of Technology in Jamaica.

45. **The institutional capacity for implementation and sustainability risk is substantial.** Jamaica's extensive reform program continues to strain the capacity of the Chief Parliamentary Counsel, which if not strengthened could affect the pace of implementation. The forthcoming public sector rationalization could also lead to implementation slowdowns. Risks are further heightened by the innovative nature of Bank supported projects that are crosscutting and require close coordination among MDAs. Recognizing the capacity constraints, the Government is working on ways to strengthen the capacity of the Chief Parliamentary Council through technical assistance from the Bank and other development partners. Streamlined project designs through the upcoming restructurings, continued technical assistance and implementation support will help to strengthen institutional capacity to implement projects.

ANNEX 1. UPDATED CPS RESULTS MATRIX

Pillar 1. Public Sector Modernization		
<i>Objective 1. Strengthen public finance and debt management, and public administration performance</i>		
CPS Indicators	Supplementary Indicators	WBG Program
<p>1.1 Operationalize Public Investment Management System (PIMS) to track, prioritize, monitor, and evaluate execution of projects. <i>Baseline:</i> 0 (2013) <i>Target:</i> 80 percent of projects (2016)</p>	<p>New Public Pension bill introducing employee contribution to keep cost of public pension at 1.5% of GDP is passed <i>Target:</i> 2017</p>	<p>Lending: Ongoing Social Protection Project (P105024; FY08-FY18) Public Sector Transformation (P146688; FY15-FY20)</p>
<p>1.2 The debt management branch is restructured, personnel trained, and the domestic and foreign debt consolidated database is in place. <i>Target:</i> 2015</p>	<p>PPP Unit in DBJ is operational and the Project Preparation Facility for PPP is in place <i>Target:</i> 2016</p>	<p>Lending: Closed Economic Stabilization and Foundations for Growth Development Policy Loan (P145995; FY14) First Competitiveness and Fiscal Management Programmatic DPL (P151448; FY15)</p>
<p>1.3. Incorporation of performance-based budgeting in MDAs <i>Baseline:</i> 0 (2014) <i>Target:</i> 10 MDAs (2019)</p>		<p>Lending: Pipeline Second Competitiveness and Fiscal Management Programmatic DPL (P163586; FY17)</p> <p><u>Knowledge/ASA</u> ROSC (P144757; 2014) PPP Program Support (P144182; FY14-16) Public Finance PKS (Debt & Fiscal) (P132345; FY15) PFM Enhancement (P146170; FY14-15) Strengthening Public Investment Management (P154489; FY15-FY17) Health PER (P156928; FY17-18) Support for Economic Management in the Caribbean Region (SEMCAR) (P128874; FY10 - 18) Support for Economic Management in the Caribbean Region (SEMCAR) II (P160774;</p>

		FY17-21) Caribbean Open Data (P148056; FY15-16)
		IFC Mandate for structuring 2 PPPs
Pillar 2. Enabling Environment for Private Sector Growth		
<i>Objective 2a. Enhanced business environment and entrepreneurship</i>		
CPS Indicators	Supplementary Indicators	WBG Program
<p>2.1 Improve the business regulatory environment</p> <p><i>Baseline:</i> 135 days to obtain construction permit (2014) <i>Target:</i> 90 days (2019)</p> <p><i>Baseline:</i> 6 days to register a company (2014) <i>Target:</i> 3 days (2015)</p> <p><i>Baseline:</i> 36 tax payments per year (2014) <i>Target:</i> 24 tax payments per year (2017)</p>	<p>Establish innovation incubators <i>Baseline:</i> 0 (2013) <i>Target:</i> 2 (end 2015)</p>	<p>Lending: Ongoing Rural Economic Development Initiative (P105122; FY10-FY18) Energy Efficiency (P112780; FY11-FY18) Competitiveness and Growth (P147665; FY15-FY20)</p> <p>Lending: Closed First Competitiveness and Fiscal Management Programmatic DPL (P151448; FY15)</p> <p>Lending: Pipeline Second Competitiveness and Fiscal Management Programmatic DPL (P163586; FY17) Access to Finance for MSMEs & Housing (P152307; FY18)</p> <p>Knowledge/ASA Development FSAP (P149283; FY14-15) Pre-feasibility study for NSWMA (P163306; FY17-18) Partial Credit Guarantee (P154667; FY15-17) Support to Competitive Industries (P147665; FY15-17)</p>
<p>2.2 Number of entrepreneurs who have received digital, mobile and climate incubation support</p> <p><i>Baseline:</i> 0 (2014) <i>Target:</i> 3, 000 entrepreneurs of which 30 percent are women (2019)</p>		<p>IFC Business Edge Program</p>
<p>2.3 Increase number of MSME</p>	<p>Increase access to finance for SME</p>	

producers that market products through formal channels <i>Baseline: 0 (2013)</i> <i>Target: 2,500 (2018)</i>	* as measured by volume of SME loans disbursed <i>Baseline: 0 (2013)</i> <i>Target: \$120 million (2019)</i>	Small Business Advisory
Objective 2b. Modernize and increase diversification of energy sector and transport infrastructure capacity		
CPF Indicators	Supplementary Indicators	WBG Program
2.4 Percentage of generation capacity from renewable energy sources <i>Baseline: 5 percent (2014)</i> <i>Target: 15 percent (end 2019)</i>		Lending: Ongoing Energy Efficiency & Security Enhancement (P112780; FY11-FY18)
2.5 Increase capacity of select transport infrastructure <i>Baseline: 1 million vehicles per month (Trans-Jamaica road; 2013), and 1.5 million passengers per year (NMIA; 2014)</i> <i>Target: 2 million vehicles per month (Trans-Jamaica road; 2018), and 1.66 million passengers per year (NMIA; 2019)</i>		IFC Two new infrastructure operations (energy & transport sectors)
Pillar 3. Social and Climate Resilience		
Objective 3a. Strengthen social protection programs and improve institutional capacity		
CPF Indicators	Supplementary Indicators	WBG Program
3.1 Improve targeting and adequacy of social assistance programs Adequacy of benefit: average monthly benefit size for school-aged children (grades 1 to 13) <i>Baseline (2013): J\$ 1,160</i> <i>Target (2018): increased by no less than 50%</i>	PATH graduation strategy approved <i>Target: 2017</i>	Lending: Ongoing Social Protection Project (P105024; FY08-FY18) Financed by Grants: Ongoing PHRD Disability (P144263; 2013-2017) Knowledge/ASA Diagnostic of Young Jamaicans (P149830; FY15)

Steps to Work is implemented and number of beneficiaries participating in employment activities <i>Baseline (2013): 0</i> <i>Target (2016): 1,000 of which at least 50% are female</i>		Strengthening SP System for Disaster Preparedness and Response (P159232; FY16-17)
Objective 3b. Increase opportunities for the poor and vulnerable		
CPF Indicators	Supplementary Indicators	WBG Program
3.2 Percentage of children enrolled in early Childhood institutions that have a permit to operate <i>Baseline (2013):53</i> <i>Target (end 2017): 65 percent</i>		Lending: Ongoing Early Childhood Development Project (P095673; FY08-FY18) Energy Security and Efficiency (P112780; FY11-2018) Integrated Community Development Project (P146460; FY14-FY20)
3.3 Revised indicator: Increase access to basic services in select communities *as measured by: the number of persons with access to water, electricity, roads, drainage: <i>Baseline: 60,000 (2013)</i> <i>Target: 85,000 (2019)</i>	Targeted vulnerable communities with regular solid waste collection: <i>Baseline: 0 (2013)</i> <i>Target: 18 (2019)</i>	Lending: Closed Education Transformation Capacity Building (P107407; FY10-15) Lending: Pipeline Access to Finance for MSMEs & Housing (P152307; FY18) Financed by Grants: Ongoing PHRD Disability (P144263; FY14-18) Knowledge/ASA Poverty & Gender (P150356; FY14) Diagnostic of Young Jamaicans (P149830; FY15) Next Generation (P151130; FY13-FY15) Education Knowledge Exchange Malaysia (P107407; FY15)

		ECD Impact Evaluation (P158022; 2015-2016)
		<u>IFC</u> Investment in energy (FY12) Potential education, energy, and wastewater treatment operations. Portfolio of energy operations
<i>Objective 3c. Improve institutional capacity to plan for and respond to climate change events and natural disasters</i>		
CPF Indicators	Supplementary Indicators	WBG Program
<p>3.4 Increase meteorological data management capacity</p> <p><i>Baseline:</i> network and infrastructure obsolete (2013) <i>Target:</i> network and infrastructure upgraded (end 2018)</p> <p>3.5 New Building Act passed giving legal effect to the adapted building codes of the International Code Council system. <i>Target:</i> 2018</p>		<p>Lending: Ongoing Disaster Vulnerability Reduction (P146965; FY16-FY22)</p> <p>Financed by Grants: Ongoing Improving Climate Data and Information Management (P129633; FY16-FY21)</p> <p>Financed by Grants: Pipeline Promoting Community-based Climate Resilience in the Fisheries Sector (FY18)</p> <p>Financed by Grants: Closed Community-based Landslide Risk Reduction Project (P116471; FY10-16)</p> <p><u>Knowledge/ASA</u> Assessment and Economic Valuation of Coastal Protection (P146965; FY16-19) Developing Disaster Risk Management Strategy in Education (P146965; FY16-FY19) Strengthening Disaster Risk Management and Climate Resilience (P146965; FY15-FY18) Strengthening the Implementation and Enforcement of the Jamaican Building Code (FY16)</p>

ANNEX 2. CHANGES TO ORIGINAL CPS RESULTS MATRIX

Original Objective Indicators	Modified Outcome Indicators	Comments
Pillar 1: Public Sector Modernization		
Original Outcome 1: Strengthened government capacity to manage debt, the public pension system, and public sector investment program		
<i>Reformulated as Objective 1: Strengthen public finance and debt management, and public administration performance</i>		
<p>Employee social security contributions are introduced and homogenized across the Civil Service</p> <p><i>Baseline:</i> Cost of public pensions is 1.5% of GDP (2013) <i>Target:</i> Cost of public pensions is maintained at 1.5% of GDP (2017)</p>	<p><i>Revised as supplemental indicator</i> New Public Pension bill introducing employee contribution to keep cost of public pension at 1.5% of GDP is passed <i>Target:</i> 2017</p>	<p><i>Indicator moved to supplemental to reduce key indicators. Will continue to be monitored.</i></p>
<p>Unified procedures for the governance of all public investments, irrespective of source of funding and origin, are in place</p> <p><i>Baseline:</i> no unified procedures (2014) <i>Target:</i> unified procedures in place (2016)</p>	<p>Revised indicator: Operationalize Public Investment Management System (PIMS) to track, prioritize, monitor, and evaluate execution of projects</p> <p><i>Baseline:</i> 0 (2013) <i>Target:</i> 80 percent of projects (2016)</p>	<p><i>Indicator revised to better capture the result: the PIMS indeed unifies procedures for public investments</i></p>
<p>The Debt Management Branch (DMB) is restructured and trained.</p> <p><i>Target:</i> end 2015</p>	<p>Revised indicator: The Debt Management Branch (DMB) is restructured, personnel trained, and domestic and foreign debt consolidated database is in place <i>Target:</i> end 2015</p>	<p><i>Indicator revised and consolidated with indicator on domestic and foreign debt. See below</i></p>
<p>Domestic and Foreign Debt consolidated database in place</p> <p><i>Target:</i> end 2015</p>	<p><i>Revised indicator – see above</i></p>	<p><i>Indicator revised and consolidated with indicator on restructuring of the debt management branch. See above.</i></p>

	<p>Added indicator: Incorporation of performance-based budgeting in MDAs</p> <p><i>Baseline:</i> 0 (2014) <i>Target:</i> 10 MDAs (2019)</p>	<p><i>Indicator added to reflect scope of evolving support provided under the Bank program to ministries, departments, and agencies in implementing a results-based budget framework</i></p>
<p>Original Outcome 2: Improved performance of public administration institutions critical to private sector development <i>Outcome Merged with reformulated Objective 1</i></p>		
<p>Number of product certifications and inspections for imports and services reduces</p> <p><i>Baseline:</i> approximately 350 (January 2014) <i>Target:</i> reduction by 35% (end 2016)</p>	<p>Dropped indicator</p>	<p><i>Indicator dropped to reduce indicators and to focus on key CPS level indicators. This will continue to be monitored at the project level.</i></p>
<p>PPP institutional framework in place <i>Baseline:</i> no institutional framework (2014) <i>Target:</i> PPP unit in DBJ is operational and the Project Preparation Facility for PPP is in place (end 2016)</p>	<p>Revised as supplemental indicator PPP Unit in DBJ is operational and the Project Preparation Facility for PPP is in place <i>Target:</i> 2016</p>	<p><i>Indicator moved to supplemental to reduce key indicators and shows progress towards achieving revised Objective 1. Target has been achieved.</i></p>
<p>Pillar 2: Enabling Environment for Private Sector Growth</p>		
<p>Original Outcome 3: Improved business conditions and access to credit, in particular for MSMEs <i>Reformulated as Objective 2: Enhanced business environment and entrepreneurship</i></p>		
<p>Improving the time for a company to register, obtain a construction permit, and pay taxes</p> <p><i>Baseline:</i> time for construction permit, 135 days (DB 2014) <i>Target:</i> 90 days end-2015</p>	<p>Revised indicator: Improve the business regulatory environment *as measured by select Doing Business Indicators</p> <p><i>Baseline:</i> 135 days to obtain construction permit (DB 2014) <i>Target:</i> 90 days (DB 2019)</p> <p><i>Baseline:</i> 6 days to register a company (DB 2014)</p>	<p><i>Indicator revised to reflect new target date and capture the larger scope of assistance and results</i></p>

	<p><i>Target: 3 days (DB 2015)</i></p> <p><i>Baseline: 36 tax payments per year (DB 2014)</i> <i>Target: 24 tax payments per year (DB 2017)</i></p>	
<p>IFC/IBRD SME loans disbursed and TF guarantees issued: <i>Baseline: 0 (2013)</i> <i>Target: \$120 million (by end 2017)</i></p>	<p>Revised indicator, converted to as supplementary indicator: Increase access to finance for SME * as measured by volume of SME loans disbursed</p> <p><i>Baseline: 0 (2013)</i> <i>Target: \$120 million (2019)</i></p>	<p><i>Indicator revised as a supplemental indicator and to reflect new target date.</i></p>
	<p>Added Indicator: Number of entrepreneurs who have received digital, mobile and climate incubation support: Baseline (2014): 0 Target (2019): 3,000 entrepreneurs of which 30 percent are women</p>	<p><i>Indicator added to better reflect the wider scope of entrepreneurship support under the project and to align with the revised Objective 2.</i></p>
<p>Original Outcome 4: Modernized and increasingly diversified energy sector and transport infrastructure <i>Reformulated as Objective 3: Modernize and increase diversification of energy sector and transport infrastructure capacity</i></p>		
<p>IBRD/IFC New generation capacity constructed and/or rehabilitated <i>Baseline: 0</i> <i>Target: 292 MW (end 2018)</i></p>	<p>Revised indicator: IBRD/IFC Percentage of generation capacity from renewable energy sources: Baseline: 5 percent (2014) Target: 15 percent (end 2019)</p>	<p><i>Indicator revised to better reflect impact of the support to diversification objective.</i></p>
<p>IFC Baseline: Trans-Jamaica highway serves 1 million passengers per year (2012) Target: Trans-Jamaica toll road serves 2 million passengers per year (end 2016)</p>	<p>Revised indicator: IFC Increase capacity of select transport infrastructure</p>	<p><i>Indicator revised and consolidated to reflect changes in unit tracked, the new target end date, addition of airport infrastructure and to clarify units of measurement.</i></p>

<p>Norman Manley International Airport expanded and renovated, passenger service capacity increased to 1.5 million per year</p>	<p><i>Baseline:</i> traffic of 1 million per month (Trans-Jamaica road; 2013), and 1.5 million passengers per year (NMIA; 2013)</p> <p><i>Target:</i> traffic of 2 million per month (Trans-Jamaica road; 2018), and 1.66 million passengers per year (NMIA; 2019)</p> <p>Merged indicator – see above</p>	<p>Indicator merged with indicator related to increasing capacity of infrastructure and baseline and targets have been defined accordingly.</p>
<p>Original Outcome 5: Enhanced technological adoption, improved skills mix, and fostered investments in high potential sectors <i>Merged into the reformulated Objective 2 (see above)</i></p>		
<p>Number of agricultural MSME producers trained on food safety compliance with focus on exports</p> <p><i>Baseline:</i> 0 (2013) <i>Target:</i> 1,500 (end 2016)</p>	<p>Dropped indicator</p>	<p>Indicator dropped to reduce indicators and to focus on key CPS level indicators. This will continue to be monitored at the project level.</p>
<p>Number of supported agricultural MSME producers that market products through formal agribusiness channels</p> <p><i>Baseline:</i> 0 (2013) <i>Target:</i> 2500 (end 2016)</p>	<p>Revised indicator: Increased number of MSME producers that market products through formal channels <i>Baseline:</i> 0 (2013) <i>Target:</i> 2,500 (2018)</p>	<p>Indicator revised and broadened beyond agribusiness to capture the wider market as supported within the program. In keeping with the reformulation of the objective, this indicator now supports objective 2. The target has also been revised to account for the new target date.</p>
<p>Mobile and climate innovation incubators established with regional presence functioning</p> <p><i>Baseline:</i> 0 (2013) <i>Target:</i> 2 (end 2015)</p>	<p>Revised indicator, converted to supplemental indicator under the reformulated objective 2 Establish innovation incubators. <i>Baseline:</i> 0(2013) <i>Target:</i> 2 (end 2015)</p>	<p>Indicator revised to better reflect the wider scope of incubators supported under the CPS. Currently 2 incubators have been established and over 4,000 people have received capacity-building support. The indicator has also been converted to a</p>

<p>Number of youth graduating from academic digital, animation, or ICT-related programs</p>	<p>Dropped Indicator</p>	<p><i>supplemental indicator under the reformulated objective 2.</i></p>
<p><i>Baseline:</i> no bachelor or Masters degrees on animation; 75 participants in the UWI short course per year (2014) <i>Targets:</i> a bachelor’s degree is in place and offered in at least 1 educational institution (end 2016); 300 graduates per year in the UWI short course, of which at least 25 percent are female (end 2015)</p>		<p><i>Degree programs started during the CPS cannot be attributed to the program; the program supports certification training which is adequate and accepted for employment by the industry. Currently 439 students have been certified. The indicator has been dropped, however certification training will continue to be monitored at the project level.</i></p>
<p>IFC Local Currency bond is issued to finance new investments in high-potential sectors such as ICT, logistics, and agribusiness</p>	<p><i>Dropped indicator</i></p>	<p>Dropped indicator: <i>Local currency bond to be pursued when J\$ pipeline developed. The development and issuance of bonds is dependent on market conditions and demand for Jamaican dollar instruments. It is not anticipated that a bond will be developed in the next two years</i></p>
<p><i>Baseline:</i> 0 (2013) <i>Target:</i> 3 (end 2017)</p>		
<p>Pillar 3: Improving Social and Climate Resilience</p>		
<p>Original Outcome 6: Strengthened social protection programs and improved institutional capacity for their management <i>Reformulated as Objective 4: Strengthen social protection programs and improved institutional capacity for their management</i></p>		
<p>Number of people with improved coverage, adequacy, and targeting of social assistance programs targeted to poor and most vulnerable</p>	<p>Revised indicator: Improved targeting and adequacy of social assistance programs</p>	<p>Indicator revised <i>to reflect government change in strategy from expansion of the program to improved targeting, adequacy of benefit and transitioning to employment, new target dates defined</i></p>
<p><i>Baseline:</i> 418,000 people (2013) <i>Target:</i> 520,000 people (2016)</p>	<p>Adequacy of benefit: average monthly benefit size for school-aged children (grades 1 to 13) <i>Baseline:</i> J\$ 1,160 (2013) <i>Target:</i> increased by no less than 50% (2018)</p>	
	<p><i>Steps to work is implemented and beneficiaries participate in employment activities:</i> <i>\baseline: xxx</i> <i>Target: xxx</i></p>	

	<p>Supplemental indicator added: PATH Graduation Strategy approved. <i>Target: 2017</i></p>	<p><i>Supplemental indicator added to monitor progress towards improved targeting of the PATH program.</i></p>
<p>Original Outcome 7: Increased opportunities for poor and vulnerable <i>Reformulated as Objective 5: Increase opportunities for the poor and vulnerable</i></p>		
<p>Steps to Work is implemented and number of beneficiaries participating in employment activities <i>Baseline: 0 (2013)</i> <i>Target: 1,000, of which at least 50% are female (2016)</i> <i>Current (2017): 400, of which 90 percent are female</i></p>	<p><i>Consolidated into the revised indicator on improved social protection – see above</i></p>	<p><i>Indicator consolidated into indicator 3.1 of reformulated objective 5, to support improved targeting and adequacy of social assistance programs.</i></p>
<p>Number of households with access to water, electricity, and regular solid waste collection <i>Baseline: 60,000 (2013)</i> <i>Target: 140,000 (end 2016)</i></p>	<p>Revised indicator: Increase access to basic services in targeted vulnerable communities *as measured by the number of persons with access to water, electricity, roads, drainage</p> <p><i>Baseline: 60,000 (2013)</i> <i>Target: 85,000 (2019)</i></p> <p>Supplementary indicator added: Targeted vulnerable communities with regular solid waste collection <i>Baseline: 0 (2013)</i> <i>Target: 18 (2019)</i></p>	<p><i>Indicator revised to include planned works in roads and drainage improvement and to separate solid waste management as a supplementary indicator. Final target value has also been revised, to align with the project's expected closing date and implementation period, which goes beyond the original CPS period. Finally, the revision also reflects the new target date for the CPS</i></p> <p><i>Indicator added to monitor progress towards renewal for targeted communities, which was originally measure in the access to basic services indicator but separated as the units of measurement differ.</i></p>
<p>Original Outcome 8: Improved institutional capacity to plan and respond to climate change events and natural disasters <i>Reformulated as Objective 6: Improve institutional capacity to plan for and respond to climate change events and natural disasters</i></p>		

ANNEX 3. PROGRESS TOWARD CPS OUTCOMES

Development Results	Indicators	Progress as of FY14
Theme 1: Public Sector Modernization		
Objective: Improving Fiscal and Debt Management		
Outcome 1: Strengthened government capacity to manage debt, the public pension system, and public sector investment program	<p>Employee social security contributions are introduced and homogenized across the Civil Service</p> <p><i>Baseline:</i> Cost of public pensions is 1.5% of GDP (2013) <i>Target:</i> Cost of public pensions is maintained at 1.5% of GDP (2017) <i>Current:</i> 1.57% of GDP (2016) Achieved</p>	<p>Pension Bill was passed by House on April 4, 2017 and is now pending discussion in the Senate. A cornerstone of the reform is the introduction of an employee contribution, which is expected to reduce the budgetary impact of public employees' pensions. The Bank supported preparation of the White Paper on Public Sector Pension Reform and the Pension (Public Service) Bill.</p>
	<p>Unified procedures for the governance of all public investments, irrespective of source of funding and origin, are in place</p> <p><i>Baseline:</i> no unified procedures (2014) <i>Target:</i> unified procedures in place (2016) Achieved</p>	<p>Public Investment Management Secretariat set up and operational in 2016. To date, 96 projects have been included in the PIMS, of which 9 are being considered for PPP.</p>
	<p>The Debt Management Branch (DMB) is restructured and trained</p> <p><i>Target:</i> end 2015 Achieved</p>	<p>Restructuring of the Debt Management Unit, and its conversion into the DMB, is complete, and support on revisions to the regulatory framework on debt has been concluded.</p>
	<p>Domestics and Foreign Debt consolidated database in place</p> <p><i>Target:</i> end 2015 Achieved</p>	<p>The consolidated database was set up and the DMB is now capable of closely monitoring public and foreign debt.</p>

Objective: Improving Public Administration Performance		
Outcome 2: Improved performance of public administration institutions critical to private sector development	<p>Number of product certifications and inspections for imports and services reduces</p> <p><i>Baseline:</i> approximately 350 (January 2014) <i>Target:</i> reduction by 35% (end 2016) Not achieved</p> <p>PPP institutional framework in place <i>Baseline:</i> no institutional framework (2014) <i>Target:</i> PPP unit in DBJ is operational and the Project Preparation Facility for PPP is in place (end 2016) Achieved</p>	<p>No reduction in the number of inspections yet. However, work in identifying overlaps was conducted and reduction of inspections is expected within two years. The Bank continues to provide advice and technical assistance: (i) to the legislative review of all border agencies; (ii) for the implementation of border agencies reforms (review of licenses and permits, tariff classification, risk management, post-clearance audit, appeals, advanced rulings, and public-private dialogue mechanisms); and (iii) for the establishment of a national trade portal (NTP).</p> <p>The PPP institutional framework is established and additional capacity building for the Project Preparation Facility's personnel is ongoing.</p>
Theme 2: Enabling Environment for Private Sector Growth		
Objective: Improving the Business Environment		
Outcome 3: Improved business conditions and access to credit, in particular for MSMEs	<p>Improving the time for a company to register, obtain a construction permit, and pay taxes</p> <p><i>Baseline:</i> time for construction permit, 135 days (DB 2014) <i>Target:</i> 90 days (end-2015) Not Achieved</p> <p><i>Baseline:</i> time for a company to register, 6 days (DB 2014) <i>Target:</i> 3 days (end-2015) Achieved</p> <p><i>Baseline:</i> 36 tax payments per year (DB 2014) <i>Target:</i> 24 tax payments per year (end-2016) Achieved</p>	<p>For 2 consecutive years Jamaica was among the top 10 economies showing the most notable improvement in performance on the indicators (2015 and 2016 DB Report). Jamaica made dealing with construction permits easier by implementing a new workflow for processing applications; further efforts to streamline are ongoing and the Government anticipates achieving the target of 90 days. Jamaica made starting a business easier by launching an electronic interface between the Companies Office and the Tax Administration.</p>

<p>Outcome 4: Modernized and increasingly diversified energy sector and transport infrastructure</p>	<p>IFC SME loans disbursed and TF guarantees issued: <i>Baseline:</i> 0 (2013) <i>Target:</i> \$120 million (end 2017) <i>Current (2017):</i> \$36 million <i>Partially Achieved</i></p> <p>IBRD/IFC New generation capacity constructed and/or rehabilitated <i>Base line:</i> 0 <i>Target:</i> 292 MW <i>Current (end 2016):</i> 190 MW <i>Partially Achieved</i></p> <p>IFC <i>Baseline:</i> Trans-Jamaica highway serves 1 million passengers per year (2012) <i>Target:</i> Trans-Jamaica toll road serves 2 million passengers per year (end 2016) <i>Not Achieved</i></p>	<p>The National Commercial Bank of Jamaica (NCB) received a \$30-million IFC trade line of credit to guarantee \$81.5 million trade funding to SMEs in multiple export and import sectors such as agriculture, electronics, and transportation. IBRD also financed a line of credit (LoC) through DBJ for on-lending to approved financial institutions (AFIs) for loans to SMEs. There is currently an increased demand in the market for \$J liquidity, improving the take up of the credit line. J\$873 million (\$7.86 million) has been made available to DBJ, of which J\$684 million (about \$6 million) has been disbursed to clients. Significant progress toward achieving this indicator is expected in 2018.</p> <p>IFC funded 36 MW greenfield BMR Jamaica wind facility, which was unable to sell electricity to Jamaica Public Service project because of extant Offshore Financial Centre issues. Progress is also being made with approximately 90 MW coming on line from grid-tied wind and solar photovoltaics. An additional 150 MW of renewables is currently being tendered, which would bring the total renewable energy installed capacity to approximately 300 MW.</p> <p>IFC contributed equity representing \$4.6 million for the construction of 10.5 kilometers of new road on Highway 2000 operated by Trans-Jamaican Highways. The target was not achieved because there was only a 12 percent increase in vehicular traffic because of the macroeconomic crisis and a protracted operationalization period. It is expected that over the next two years this will increase as the economy rebounds.</p>
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	<p>IFC Norman Manley International Airport expanded and renovated, passenger service capacity increased to 1.5 million per year <i>Not Achieved</i></p>	<p>Progress has been delayed as the initial divestment process was unsuccessful. The tender process restarted in February 2017 with the issuance of the prequalification process. The winning bidder is expected to be selected by end of 2017.</p>
Objective: Fostering Entrepreneurship, Skills and Innovation		
<p>Outcome 5: Enhanced technological adoption, improved skills mix, and fostered investments in high-potential sectors</p>	<p>Number of agricultural MSME producers trained on food safety compliance with focus on exports <i>Baseline: 0 (2013)</i> <i>Target: 1,500 (end 2016)</i> <i>Current (end 2016): 3,500</i> <i>Achieved</i></p> <p>Number of supported agricultural MSME producers that market products through formal agribusiness channels <i>Baseline: 0 (2013)</i> <i>Target: 2,500 (end 2016)</i> <i>Current (end 2016): 1,100</i> <i>Partially Achieved</i></p>	<p>3,500 producers have been trained and 200 are already exporting. Seven incubator and processing facilities were developed to provide community-based agro-processors with access to good agricultural practices, certified facilities, and equipment, training, product development, and marketing support to strengthen their ability to enter new markets and improve their profitability.</p> <p>1,100 supported producers are already marketing products through formal agribusiness channels. Agricultural productivity was increased by the introduction of greenhouse technologies and enhanced market linkages. Eight clusters of 20 greenhouses and 12 community greenhouses with 160 farmers now produce 762 tons of cash crops annually, benefiting 500 households. Drip irrigation technology and water storage was introduced for more than 1,000 farmers operating 254 hectares of farmland, which has translated into at least a 60 percent increase in production capacity. It is expected that support to the agricultural producers will increase through support under the Jamaica Foundations for Competitiveness and Growth Project—specifically, the Jamaica Business Fund (JBF) will finance matching grants and technical assistance to upgrade the capabilities of SMEs in specific eligible supply chains to meet the purchasing needs of large buyers. Contribution will also be made by the IFC’s Jamaica Coffee Revival and Jamaica Sauces & Spices, which seeks to increase the range, productivity, and/or volume of Jamaican food exports, based on MSMEs</p>

accessing new market opportunities and/or producing value-added products.

Mobile and climate innovation incubators established with regional presence functioning

Baseline: 0 (2013)

Target: 2 (end 2015)

Current (2017): 2

Achieved

Under EPIC, CMIP and CCIC established in Jamaica has regional implementing agencies for 14 Caribbean countries. As of Jan 2017, CCIC created 58 jobs and CMIP created 258 jobs. Jointly, the CMIP and CCIC have commercialized 44 products and provided 275 entrepreneurs (107 women) with received incubation support and capacity-building services. This indicator is revised to reflect all incubation services, including Start-up Jamaica, which provides support to tech entrepreneurs.

Number of youth graduating from academic digital, animation, or ICT-related programs

Baseline: no Bachelor or Masters degrees in animation; 75 participants in the UWI short course per year (2014)

Targets: a bachelor's degree is in place and offered in at least 1 educational institution (end 2016); 300 graduates per year in the UWI short course, of which at least 25 percent are female (end 2015)

Current (2017): 0

Not Achieved

WBG does not support the formulation of the degree programs by the University of the West Indies and as such this indicator is not relevant to the CPS. Support under the project focuses on certification training, which is well accepted for employment in the animation industry. To date, 182 people participated in the Edna Manley College of Visual and Performing Arts, University of Technology, UWI CARIMAC, Excelsior Community College, and Heart Trust/NTA Vocational Training Institute tertiary programs. This indicator is significantly revised to reflect the training program delivered with support of the WBG.

IFC

Local Currency bond is issued to finance new investments in high potential sectors such as ICT, logistics, and agribusiness

Baseline: (2013): 0 (2013)

Target: 3 (end 2017)

Current (2017): 0

Not Achieved

Market conditions were not favorable for a local currency bond during the CPS period and it is not expected that bonds will be feasible in the next two years because of the limited Jamaican dollar investment project pipeline. This indicator has been dropped.

Theme 3: Social and Climate Resilience

Objective: Enhancing Resilience and Reducing Socioeconomic Vulnerabilities

<p>Outcome 6: Strengthened social protection programs and improved institutional capacity for their management</p>	<p>Number of people with improved coverage, adequacy, and targeting of social assistance programs targeted to poor and most vulnerable</p> <p><i>Baseline:</i> 418,000 people (2013) <i>Target:</i> 520,000 people (end 2016) <i>Current (Q2, 2017):</i> 358,171 people Not Achieved</p>	<p>An evaluation of the PATH program called for shifting the focus from further extension of coverage, to the strengthening targeting and effectiveness. A Graduation strategy and regular eligibility certification will ensure that beneficiaries who are not eligible exit the program. At the same time, effectiveness of the program will be strengthened by: (i) a formula for increasing the benefit for beneficiaries; and (ii) increasing the number of school meals for beneficiaries (from 3 days a week to 5 days a week). The indicator is changed to reflect the changes.</p>
<p>Outcome 7: Increased opportunities for poor and vulnerable</p>	<p>Steps to Work is implemented and number of beneficiaries participating in employment activities</p> <p><i>Baseline:</i> 0 (2013) <i>Target:</i> 1,000, of which at least 50% are female (2016) <i>Current (2017):</i> 400, of which 90 percent are female Partially Achieved</p> <p>Percentage of children enrolled in early childhood institutions that have a permit to operate</p> <p><i>Baseline:</i> 53 (2013) <i>Target:</i> 65 percent (end 2017) <i>Current (2017):</i> 67 percent Achieved</p>	<p>The Steps to Work program is being implemented and beneficiaries participate in employment activities. Due to delays, the numbers are lower than expected. Also, delays in the implementation of the MIS made detailed reporting a challenge. Once the MIS is set up (about mid-CY 2017), the indicator will be reported regularly, and coupled with the implementation of the graduation strategy, the target will be achieved.</p> <p>This is in keeping with the Government’s strategy to strengthen early childhood organizations. Sustainability will continue to be monitored throughout the CPS period.</p>

	<p>Number of households with access to water, electricity, and regular solid waste collection <i>Baseline:</i> 60,000 (2013) <i>Target:</i> 140,000 (end 2016) <i>Current (2017):</i> all 18 targeted communities have regular solid waste collection <i>Not achieved</i></p>	<p>Significant process has been achieved in solid waste management in targeted communities. In all the communities Environmental Wardens were trained and are in place; 55 skips and 2,281 bins were provided to sort waste and encourage recycling. Most of the work in communities was focused on preparatory activities (scoping demands in each community, engaging citizens through a participatory approach, tendering for and preparing engineering designs, etc.). The first packages of heavier infrastructure works are expected to be contracted by July 2017; therefore, increased access to water and electricity will materialize within the next few years. This indicator is modified to reflect delays on access to services and a separate indicator is added to better capture the results in solid waste management.</p>
Objective: Increasing Resilience to Climate Change and Natural Disasters		
<p>Outcome 8: Improved institutional capacity to plan and respond to climate change events and natural disasters</p>	<p>National climate data gathering network/infrastructure of the Meteorological Services, Jamaica (MSJ) upgraded <i>Baseline:</i> network and infrastructure obsolete (2013) <i>Target:</i> network and infrastructure upgraded (end 2016) <i>Not achieved</i></p> <p>Sectoral management plans which consider disaster risk reduction and/or climate change and use data from the MSJ <i>Baseline:</i> 0 (2014) <i>Target:</i> 3 sectoral plans (2017) <i>Current (2017):</i> 0 sectoral plans <i>Not Achieved</i></p>	<p>Delays were experienced but progress is being made. To date, a power usage audit was completed for both MSJ and Water Resource Authority, and both MSJ and WRA have been outfitted with a stand-by generator. Other critical activities to upgrade the national climate network/infrastructure are ongoing: (a) the weather radar has been procured and installation is expected in early 2018; (b) the structural evaluation of the radar support tower is ongoing; (c) development of updated and down-scaled high-resolution climate change scenarios is ongoing; (c) location of the new sea level tide gauge is identified.</p> <p>The WBG program is not directly supporting the development of sectoral management plans; this indicator is dropped.</p>

ANNEX 4. FINDINGS OF THE COUNTRY OPINION SURVEY

From June to September 2016, 244 stakeholders of the WBG in Jamaica were invited to provide their opinions on the WBG's work in the country by participating in a country opinion survey. A total of 91 stakeholders, including representatives from the Government, civil society organizations, the media, academia/research institutes/think-tanks, and the private sector, participated in the survey (with a response rate of 37 percent).

It is noteworthy that the 2016 respondents were less familiar with the WBG than those in FY13, suggesting that the Survey reached a wider range of respondents, not just those within the Bank's "inner circle." This helps provide a fuller picture of the views of opinion leaders, including those who are more distant from the WBG yet still have influence on the public debate and discourse about the development environment in Jamaica.

Overall context: The survey findings suggest a major shift in opinion leaders' views of Jamaica's current status and its development priorities. A high level of optimism is reported in the survey, with more than 60 percent of respondents believing that Jamaica is headed in the right direction (less than 20 percent of stakeholders said so in FY13). In FY13, stakeholders placed great emphasis on jobs, education, and governance. In 2016, crime and violence stood out as the most critical development priority in the country (47 percent of FY16 respondents said this compared to 17 percent in FY13), followed by growth and jobs.

Economic growth has become a significantly more important issue this year than reported three years ago. It is not only seen as a top development priority but also one of the two greatest contributors to poverty reduction in Jamaica (along with job creation, which is also related to growth). A plurality of respondents (46 percent) also believes that consistent economic growth best illustrates how shared prosperity can be achieved in the country, an interesting shift from FY13.

Operating on the ground: Views about the way the WBG engages on the ground remain overall positive. The Bank is regarded as a long-term partner, respectful, open, honest, and effective at collaborating with the Government. Stakeholders also recognize the effectiveness of the WBG's work in institutional capacity building, implementation support, and monitoring and evaluation. Relatively lower ratings (although not low) are associated with the Bank's flexibility and speed. "WBG processes being too slow" is ranked as the second greatest weakness of the WBG by stakeholders. This is true even among opinion leaders who have worked with the institution.

Results and effectiveness: Survey data indicate clearly that stakeholders regard the Bank as highly effective in FY16 in areas they value the most. Compared to the results in FY13, the Bank received significantly higher ratings this year for its effectiveness in economic growth, crime and violence, job creation, and governance in Jamaica.

Knowledge and financial services: The Bank's financial resources are highly appreciated, as a plurality of respondents (52 percent) indicates that the Bank's greatest value to Jamaica is its financial resources. In addition, three out of ten survey respondents say that the Bank should offer

more innovative financial products in order to make itself of greater value in Jamaica. When it comes to the WBG's knowledge work, this year's respondents consult the Bank's knowledge work and activities significantly more frequently than three years ago, with one-third of them accessing WBG knowledge services on a monthly basis.

Collaboration with non-state actors: Survey data show that there is a clear call for increased WBG collaboration with actors beyond the Government. A plurality of stakeholders thinks that the Bank's greatest weakness in Jamaica is not working enough with partners outside of the Government. Four out of ten respondents (a plurality) believe that the Bank needs to reach out to groups outside of Government in order to be of greater value in the country.

Communication: It is important to note that pluralities of respondents in 2016 prefer to receive information from the WBG at seminars and conferences, and significantly fewer respondents (28 percent) prefer to use the WBG websites than in 2013 (64 percent). While local newspapers and the Internet continue to be stakeholders' primary sources for information about development issues in Jamaica, social media emerged as another important source for such information (jumping from 2 percent in FY13 to 26 percent in FY16).

ANNEX 5. WORLD BANK GROUP PORTFOLIO

IBRD ACTIVE PORTFOLIO AS OF APRIL 25, 2017

Proj ID	Project Name	Date, Board App	Rev Closing	Proj Age in Yrs	Lst DO	Lst IP	Net Comm Amt (\$m)	Tot Disb (\$m)	Tot Undisb Bal (\$m)	% Disb
P095673	JM Early Childhood Develop Project	05/13/2008	09/28/2018	8.9	S	S	26.93	23.07	3.86	85.7
P112780	JM Energy Security & Efficiency Enhancement	03/10/2011	10/31/2017	6.1	MS	MS	15.00	13.70	1.30	91.3
P105122	JM Rural Economic Development Initiative	09/03/2009	07/31/2017	7.6	S	S	15.00	14.15	0.85	94.4
P146688	JM Strategic Public Sect Transformation	07/07/2014	01/31/2020	2.8	MS	MS	35.00	5.35	29.65	15.3
P105024	JM Social Protection	05/13/2008	03/30/2018	8.9	MS	MS	80.00	70.77	9.23	88.5
P146460	JM - Integrated Community Development. Project	03/14/2014	05/01/2020	3.1	MS	MS	42.00	5.40	36.60	12.9
P146965	JM Disaster Vulnerability Reduction	02/10/2016	06/30/2022	1.2	S	S	30.00	0.24	29.77	0.8
P148013	JM Youth Employment Digital Anima	07/18/2014	01/31/2020	2.7	MU	U	20.00	1.79	18.21	9.0
P147665	JM Foundations for Competitiveness & Growth	07/25/2014	06/30/2020	2.7	MS	MS	50.00	11.56	38.44	23.1
							313.93	146.03	167.90	46.8

SUMMARY OF ADVISORY SERVICES AND ANALYTICS, FY14-17

Ongoing Advisory Services and Analytics

Expected Delivery Fiscal Year	Task ID	Task Name	Product Line
2017	P156928	Jamaica Health Public Expenditure Review	ESW
2018	P158022	30-year Follow-up Jamaica ECD Study	IE
2017	P158963	Jamaica Operational Support	TA
2018	P159232	Strengthening Jamaica's SP System	TA
2018	P163306	Jamaica NSWMA Pre-feasibility Study	AA

Advisory Services and Analytics Delivered under the CPS, FY14-17

Fiscal Year Delivered	Task ID	Task Name	Task Type
2014	P125627	JM Youth Empowerment via ICT Solutions	TA
	P150356	JM Poverty & Gender	TA
	P144757	Jamaica: ROSC - Accounting and Auditing	ESW
2015	P132345	JM Public Finance PKS (Debt & Fiscal)	TA
	P144182	JM TF PPP Program Support JIT	TA
	P146170	Jamaica PFM Enhancement	TA
	P149830	Diagnostic of Young Jamaicans	TA
	P151130	JM NextGeneration II	TA
	P153752	Jamaican Logistic Hub	TA
	P149283	Jamaica - Financial Sector Assessment Program	ESW
2016	P149316	Jamaica JIT: Trade as Driver for Growth	TA
	P153825	JM RAS - Code of Conduct	TA
	P154564	JM RAS Financial Inclusion Strategy	TA
2017	P154667	Jamaica - PCG Scheme Assessment	TA

TA = Technical Assistance ESW = Economic and Sector Work IE = Independent Evaluation
 AA= Advisory Services and Analytics

SUMMARY OF ONGOING TRUST FUNDS

Project ID	Trust Fund	Proposal Approval	Grant Closing	Amt. (\$000)
P144263	Jamaica Social and Economic Inclusion of Persons with Disabilities*	02/19/2013	08/14/2017	2,897.79
P151302	Promoting Community-based Climate Resilience in the Fisheries Sector	08/25/2014	06/30/2021	460.00
P146965	Jamaica - Strengthening Disaster Risk Management and Climate	01/15/2015	01/20/2018	644.92
	Jamaica Strengthening Public Investment Management (PIM)	02/09/2015	03/31/2017	1,252.61
P147665	Support for Competitive Industries in Jamaica	04/10/2015	08/31/2017	525.00
P148013	KWBP	05/20/2015	09/30/2017	600.00
P129633	Improving Climate Data and Information Management*	06/01/2015	04/30/2021	6,800.00
P151302	Promoting Community-based Climate Resilience in the Fisheries Sector*	07/14/2015	07/22/2018	125.00
P146688	Jamaica Enhancing Public Investment Management and Results*	12/02/2015	12/30/2016	1,594.89
P146965	Developing Disaster Risk Management Strategy in Jamaica's Education Sector	04/15/2016	04/08/2019	500.00
P159232	Strengthening Jamaica's Social Protection System for Disaster	04/15/2016	12/18/2017	430.00
P158022	ECD Impact Evaluation (30 years)	05/05/2016	06/30/2018	400.00
P146965	Assessment and Economic Valuation of Coastal Protection	11/28/2016	04/30/2019	400.00
P163306	Pre-feasibility study for NSWMA	02/13/2017	11/30/2017	98.30
	Total			16,630.21

*Recipient-Executed Trust Fund

IFC ACTIVE PORTFOLIO

MIS

International Finance Corporation

Report Run Date: 05/01/2017

Statement of IFC's Committed and Outstanding Portfolio

Amounts in US Dollar Millions

Accounting Date as of : 03/31/2017

Page 1

Region(s): Latin America and the Caribbean
Country(s) : Jamaica

Commitment Fiscal Year	Institution Short Name	LN Cmt'd - IFC	LN Repayment - IFC	ET Cmt'd - IFC	QL + QE Cmt'd - IFC	GT Cmt'd - IFC	RM Cmt'd - IFC	ALL Cmt'd - IFC	ALL Cmt'd - Part	LN Out - IFC	ET Out - IFC	QL + QE Out - IFC	GT Out - IFC	RM Out - IFC	ALL Out - IFC	ALL Out - Part
2015	BMRJ	9.75	0.25	0	0	0	0	9.75	0	9.75	0	0	0	0	9.75	0.00
2015	CH Kingston Ltd	5.34	0	1.07	0	0	0	6.41	0	5.34	1.07	0	0	0	6.41	0.00
2014	Facey Group	0	0	20.00	0	0	0	20.00	0	0	20.00	0	0	0	20.00	0.00
2011/ 2003	JPS Co.	11.67	18.33	0	0	0	0	11.67	0	11.67	0	0	0	0	11.67	0.00
2005/ 2006	Jamaica Energ...	4.73	15.27	0	3.15	0	0	7.88	11.82	4.73	0	3.15	0	0	7.88	11.82
2009/ 2013/ 2006/ 2002	MBJA Limited	10.42	39.20	0	0	0	0.56	10.98	4.50	10.42	0	0	0	0	10.42	4.50
2006/ 2014/ 2017/ 2015/ 2016	NCBJ	0	14.12	0	0	6.35	0	6.35	0	0	0	0	6.35	0	6.35	0.00
2011	TJH	49.99	3.58	1.50	0	0	6.26	57.74	0	49.99	1.50	0	0	5.68	57.16	0.00
2011	WKPP	8.26	4.49	0	7.50	0	0	15.76	25.33	8.26	0	7.50	0	0	15.76	21.58
Total Portfolio		100.15	95.25	22.57	10.65	6.35	6.82	146.54	41.65	100.15	22.57	10.65	6.35	5.68	145.40	37.90

MIGA ACTIVE PORTFOLIO

Management Sector	Contract	Effective Date	Expiry Date	Investor Name	Project Name	Risk Covers	Gross Exposure (\$USD)
FINCAP	06585-01	09/14/2005	09/13/2020	The Bank of Nova Scotia	The Bank of Nova Scotia Jamaica Limited	TR;EXP;BOC	14,313,262
FINCAP	08127-01	02/28/2007	02/27/2022	The Bank of Nova Scotia	The Bank of Nova Scotia Jamaica Limited	TR;EXP;BOC	18,715,000
Grand Total	2 Contracts						33,028,262