

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

JAMAICA

AGRICULTURAL COMPETITIVENESS PROGRAMME

(JA-L1012)

LOAN PROPOSAL

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ELECTRONIC LINKS	
Required	
1.	Annual Operations Plan (POA) and Detailed Procurement Table http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35331301
2.	Monitoring & Evaluation Arrangements http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35324386
3.	Procurement and Financial Management Arrangements http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35333412
4.	Environmental and Social Management Report (ESMR) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35330382
Optional	
1.	ASSP's External Final Evaluation http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35324388
2.	Programme's Execution Mechanism http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35324389
3.	Project Risk Management Framework and Mitigation Plan http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35324390
4.	Results Matrix – Full Version: Outcomes, Results and Products http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35324392
5.	MOAF's Institutional Analysis (SECI) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35324395
6.	AIC's Institutional Analysis (SECI) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35324394
7.	Competitiveness of Jamaican Agriculture http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35332172
8.	Jamaica Export Refusal due to SPS http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35332166
9.	Component 1 : Development of Farm to Market Linkages http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35330361
10.	Component 2 : Food Safety Management Control System http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35330363
11.	Component 3 : Agroprocessing Value Chain Development http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35330365
12.	Financial and Economic Evaluation http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35330370
13.	Operations Manual of the Programme (OMP) http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35332564
14.	Detailed Budget http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35332185

ABBREVIATIONS

ACP	Agricultural Competitiveness Programme
AGI	Acute Gastrointestinal Illness
AI	Avian Influenza
AIC	Agro-Investment Corporation
ASSP	Agricultural Service Support Programme
BSE	Bovine Spongiform Encephalitis
EU	European Union
FMD	Foot and Mouth Disease
GAP	Good Agricultural Practices
GDP	Gross Domestic Product
GoJ	Government of Jamaica
HACCP	Hazard Analysis and Critical Control Points
IICA	Inter-American Institute for Cooperation in Agriculture
IRR	Internal Rate Return
ITC	International Trade Centre
JAMPRO	Jamaica Promotions Corporation
LAC	Latin American Countries
MOFPS	Ministry of Finance and the Public Service
MOAF	Ministry of Agriculture and Fisheries
NES	National Export Strategy
NPV	Net Present Value
OC	Ordinary Capital
OIE	World Organization for Animal Health
OMP	Operations Manual of the Programme
PAHO	Pan-American Health Organization
PIOJ	Planning Institute of Jamaica
PIU	Programme Implementation Unit
PMR	Project Monitoring Report
POs	Producer Organizations
PPPs	Public Private Partnerships
PSC	Programme Steering Committee
PVS	Performance, Vision and Strategy Evaluation Tool
RADA	Rural Agricultural Development Authority
SECI	Institutional Capacity Evaluation System
SPS	Sanitary and Phytosanitary Services

PROJECT SUMMARY
JAMAICA
AGRICULTURAL COMPETITIVENESS PROGRAMME
(JA-L1012)

Financial Terms and Conditions			
Borrower: Government of Jamaica		Amortization Period:	25 years
		Grace Period:	5 years
		Disbursement Period:	5 years
Executing Agency: Ministry of Agriculture and Fisheries (MOAF), through the Agro-Investment Corporation (AIC)		Supervision and Inspection Fee	*
Source	Amount	Interest Rate:	LIBOR-based
Bank - Ordinary Capital (OC)	\$15,000,000	Credit Fee:	*
		Currency:	Single Currency Facility - US dollars-
Total	\$15,000,000		
Project at a Glance			
<p>Project objective/description: The general objective of the programme is to increase the competitiveness of the agricultural sector in Jamaica through the following specific objectives: (i) increase the capacity of small and medium size farmers to access national and international markets; (ii) increase the performance of the country's food quality and safety management systems; and (iii) foster the development of agricultural and agro-processing value chains. The programme includes the following components: (i) market access and market linkages development to support MOAF's strategic priorities for market development and the strengthening of Producer Organizations (POs) and vertical integration in clusters; (ii) food quality and safety management systems with reference to food safety, plant health and animal health; and (iii) agribusiness value chain development, which includes the implementation of pilot value chain projects.</p>			
<p>Special contractual clauses: Conditions prior to first disbursement: (i) the MOAF and AIC have entered into a subsidiary agreement for purposes of administering the resources and carrying out the activities of the programme; (¶3.1); (ii) the Operations Manual of the Programme (OMP) has been approved by the Executing Agency and entered into effect (¶3.4); (iii) the Programme Implementation Unit (PIU) has been established and its key personnel, including the Programme Director, the three component Coordinators and the Financial Administrative/Accounts Officer, hired (¶3.3); and (iv) the Programme Steering Committee (PSC) has been established and its members appointed (¶3.4).</p> <p>Condition prior to the disbursement of Bank resources for the Food Safety Subcomponent: The Food Safety Policy has been duly approved by Cabinet (¶1.25).</p> <p>Special disbursement: Once the Loan Contract has been entered into effect, and the borrower has complied with the conditions prior to first disbursement set forth in Article 4.01 of the General Conditions of the Loan Contract, The Bank may disburse to the borrower up to the amount of seventy thousand dollars (US70,000) chargeable to the resources of the financing for the hiring of the Programme Director, the three component coordinators and the financial administrative/accounts officer.</p>			
Exceptions to Bank policies: None			
Project qualifies for: SEQ[X] PTI [X] Sector [X] Geographic [] Headcount []			

(*) The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the applicable provision of the Bank's policy on lending rate methodology for ordinary capital loans. In no case will the credit fee exceed 0.75% per annum or the inspection and supervision fee exceed, in a given six-month period, the amount that would result from applying 1% to the loan amount divided by the number of six-month periods included in the original disbursement period.

I. DESCRIPTION AND RESULTS MONITORING

A. Background, issues and justification

1. Agricultural sector performance

- 1.1 Agriculture's contribution to the overall economy has steadily declined over time, (30% between 1996 and 2007) but the sector remains an important contributor to the Gross Domestic Product (GDP), foreign exchange, employment, and rural life in Jamaica. Agriculture output represents about 5% of GDP and contributes 5.7% of total export earnings (2008). Traditionally, the sector has been dominated by export crops, mainly sugar cane, banana, coffee, and citrus. However, over the past five years, non-traditional crop exports such as pumpkin, hot peppers, and sweet pepper, have increasingly gained market share. The main domestic crops include vegetables, jam, legumes, fruits, plantain, roots and tubers, cereals and condiments. The sector accounts for 19.7% of the total employed labor force in the country and it is comprised mainly of small and medium size farmers with five hectares or less, representing 85% of total agricultural holdings. The agricultural sector is still associated with rural poverty in Jamaica, as more than two-thirds of the country's poverty map is concentrated in rural areas.
- 1.2 The evolution in agricultural growth can be explained in part by the behavior of agricultural exports. During the early 2000s the sector experienced the phasing out of some preferential trade arrangements¹, which together with a sharp appreciation of the real exchange rate resulted in a contraction of the sector. As a result, traditional agricultural exports such as sugar, banana, coffee and citrus have had a disappointing performance over the last few years. These exports reached a peak of US\$335 million in 2007 (a 15 % increase compared to 2003), but then plummeted in subsequent years. The sector's growth was further weakened in 2007 and 2008 by natural disasters and external shocks. During 2008, agricultural GDP rate of growth was -5.1% due to the adverse impact of Hurricane Dean.
- 1.3 Recently, however, exports of non-traditional agricultural products have emerged with good competitive prospects. These exports are led by yam, followed by papaya. The latter is a relatively new development and involves both large-scale production and contractual linkages with small farmers, which may serve as a useful model for improved farm-to-market linkages for other products. In fact, the Planning Institute of Jamaica (PIOJ) and the MOAF reported that agriculture was the leading growth sector during 2009. MOAF reported that the sector expanded, in nominal terms, at rates of 16%, 22.3% and 20.6% during the first three trimesters of 2009, compared with 2008. According to the PIOJ the sector expanded about 10% overall.

¹ These traditional exports have been affected by changed trading relationships with the European Union, which have had a disastrous impact on the banana and sugar industries. Coffee, however, remains a major export.

- 1.4 In this context, the Government of Jamaica (GoJ) has prioritized a market driven and export led strategy to foster the agricultural sector, which is also consistent with the notion of a strong long term relationship between the GDP growth and export performance. In fact, [Jamaica's Agricultural Competitiveness Sector Note](#) reports an elasticity estimate of 0.84 for the period 1980-2006, meaning that a 10% of growth in exports can lead to an 8.4% GDP growth. This strategy, however, will not be sustainable unless Jamaica overcomes structural barriers to competitiveness, in particular its low rate of growth in total factor productivity (0.2% between 2001 and 2006), which is smaller than most Latin American countries. According to the sector note, labor productivity is also lower in Jamaica than in other Caribbean countries and it stagnated during the present decade. The prospects for growth in the sector depend chiefly on effectively addressing competitiveness bottlenecks. According to the International Trade Centre's General Index Ranking of Export Performance (ITC), between 2004 and 2008, Jamaica's ranking in terms of competitiveness in the agro-exporting sector fell from 122 to 129 in fresh food and from 93 to 96 in processed foods, among 180 countries.

2. The main challenges for agricultural competitiveness

- 1.5 To increase competitiveness across major foreign exchange earnings sectors such as agriculture, the government's medium term framework identifies the need of promoting increased productivity, developing high quality production standards, strengthening export capacity, building vertical and horizontal clusters and networks, and improving the appropriate legislative frameworks. In this context, the MOAF has identified that some of the most critical challenges are associated to two factors: (i) the development of farmers' organizations and market linkages; and (ii) agricultural health and food quality. Those challenges are described below.
- 1.6 **Farmers' organizations and agricultural markets.** Farmers' organizations in Jamaica are generally weak. There are examples of few larger farmer associations that operate well in the shared use of farm equipment for operations such as tillage, cultivation and harvesting and have some coordinated procurement and marketing capacities. Nevertheless, Producer Organizations (POs), as they are known, are few and insufficiently managed. Recently, the Rural Agricultural Development Authority (RADA) has stepped up its registration of farmers and organized them into approximately 826 producer marketing organizations, which are community based organizations that facilitate farmer's access to information and marketing technical support. This effort is still under development and requires significant strengthening.
- 1.7 Although Jamaica suffers constraints in agricultural production for a wide variety of products, there are some products, such as peppers, yams and sweet potatoes, for which supply can often exceed demand. The problem in the case of these crops relates to market access. To compete in US and Canadian markets Jamaica's exporters and farmers will have to meet increasingly demanding

standards in terms of product quality. Certification is likely to become an increasing requirement as will traceability. Likewise, farmers are not well positioned to access growing domestic market niches in the fast food and restaurant sector, modern supermarkets and hotels. In fact, recent estimates suggest that the demand for food products in tourism sector is equivalent to 18% of Jamaica's fish market, 24% of the carrot market, 20% of tomato and 25% of the watermelon markets. However, farmers have struggled to supply the country's hotels for a variety of reasons including production seasonality, inconsistent supply, inability to meet quality requirements, and lack of knowledge of hotel requirements.

- 1.8 In general, farmers are poorly linked to markets and are thus unable to fully take advantage of market opportunities that exist. Poor linkages result from lack of suitable information about markets and buyers; lack of critical mass among POs to achieve economies of scale; poor market infrastructure particularly for post-harvesting handling; and poor communication within value chains. In fact, the development of value chains is constrained by weak linkage of agro-processing enterprises with: (i) farmers, since contract farming and vertical integration arrangements are seldom existent, (ii) consumers, because of informal retailing and weak organized retail chains, (iii) service providers (research, extension, finance), because of limited access channels; and (iv) international markets, because of the absence of proper certification, quality assurance systems and inadequate marketing and export supporting infrastructure.
- 1.9 **Agricultural health and food quality systems.** Agricultural health and food quality systems directly affect the competitiveness of the agricultural sector, including its export possibilities. In the case of crops, Jamaica has suffered the introduction of several pests and diseases that have affected their production: the Moko disease destroyed a large acreage of bananas; the lethal yellowing disease devastated the coconut industry; the introduction of Pink Hibiscus Mealybug and the Red Palm Mite in 2007 destroyed agricultural crops and led to loss of farmer's income. While Jamaica is free of other plant diseases (Med fly, Giant African Snail and Papaya Mealy Bug), this status has not been certified by the corresponding international bodies. Similarly, in the case of livestock, Jamaica is free of Foot and Mouth Disease (FMD), Avian Influenza (AI) and Bovine Spongiform Encephalitis (BSE), but this status has not been certified by the World Organization for Animal Health (OIE). Jamaican export products have experienced impaired market access due to problems associated with pesticide residues, plant pests, food hygiene facilities, and food additives and contamination. In fact, [Jamaica Export Refusal's](#) reports show that there have been several instances of export consignments being rejected on quality grounds.
- 1.10 Although MOAF's institutional capacity to perform its monitoring, control and eradication functions has improved with Bank support (¶1.13), the country still lacks an integrated agricultural health and food safety system supported by an adequate policy and legal framework. In addition, three challenges remained to be faced as highlighted by the results of the Inter-American Institute for

Cooperation in Agriculture (IICA)'s [Performance, Vision and Strategy Evaluation Tool](#), carried out in Jamaica in 2008, and which measures in a percentage scale from 0 to 100 (best) the quality of its Sanitary and Phytosanitary Services (SPS). First, human, financial and physical capabilities were graded at a level of 41% due to the lack of updating of staff and technical resources assigned to SPS, Second, capacity to access international markets is graded at 49% due to the need to complete the revision of regulatory norms and harmonize them with international standards. Third, although quarantine and inspection services are at an acceptable level, the overall level of authority and technical capacity was estimated below 60% by a SWOT exercise given that permanent services of surveillance of pests, diseases and food borne illnesses are not updated and consolidated, laboratories are not integrated and lack quality assurance, and risk analysis has not been established

- 1.11 Similar challenges are observed in the veterinary services based on the results of [OIE's Performance of Veterinary Services](#) methodology carried out in Jamaica in 2006. In a scale from 1 to 5 (best), human and financial resources were graded at 2.0, due to the lack of qualified personnel among professional positions and poor capabilities to improve the infrastructure or operations of veterinary services. Likewise, an average level of 1.37 was given to overall technical authority and capability due to inadequate laboratory disease diagnosis, risk analysis, epidemiological surveillance, early detection and emergency response. Finally, access to markets received an average level of 1.56 due to lack of implementation of regulations, capability to negotiate or approve equivalence or other sanitary agreements with other countries, traceability, transparency, and zoning. Recommendations in both IICA and OIE's reports to improve both SPS and veterinary services have been taken into account by the proposed programme.

3. Strategic priorities for the Government of Jamaica

- 1.12 The Agriculture Sector Plan completed in 2009, as a strategic priority area of the Vision 2030 Jamaica-National Development Plan, highlights the issues discussed above and the need to address market access objectives and the modernization of the MOAF to reach the goals of Vision 2030. During the medium term, the GoJ is seeking to increase the contribution of the agricultural sector to economic growth by integrating agricultural production into higher levels of the value chain. This strategy considers a structural shift from staple to high-value crops and a greater focus on supply chain arrangements, linking production and markets, and creating stronger incentives for private sector participation. These strategic priorities are further reinforced by the recent National Export Strategy (NES), which calls to increase the competitiveness of the agriculture and agribusiness sector as a necessary condition to penetrate export markets. The NES features as its main policy instruments the use of Public Private Partnerships (PPPs) and the development of value chains and trade support networks.

4. The role of the Bank and other multilateral and bilateral agencies

- 1.13 The proposed programme expands the results obtained by the Agricultural Support Service Programme (1283/OC-JA), approved by the Bank in 2000. With disbursements ended in 2009, the operation contributed to establish the basis for the main services offered by the MOAF, the executing agency (i.e., research, information, plant health, animal health and food safety). The [ASSP's Final Evaluation](#) concludes that the following main outputs were achieved: (i) the establishment of a fund to support a grant mechanism for innovative initiatives, which benefitted over 1,200 farmers; (ii) the strengthening of the infrastructure for agricultural research and the regional offices of RADA; (iii) the development and dissemination of agricultural technologies and market information and intelligence; (iv) the strengthening of the coordination mechanisms and institutional capacities in animal and plant health and food safety through training, methodologies, updated infrastructure and equipment for the different laboratories and quarantine stations providing services to over 60,000 commercial farmers; (v) the training of about 6,900 farmers in pesticide and pest management and trace back procedures; (vi) the training of over 2,000 representatives of small and medium enterprises in Hazard Analysis and Critical Control Points (HACCP) and other quality control protocols; and (vii) the financing of 24 productive projects directly benefitting 307 farmers and 1,615 agro-processing workers.
- 1.14 This new proposed programme will be guided by important lessons learned from ASSP, which include: (i) the need to allocate services and resources based on competitive and transparent eligibility and cost recovery criteria; (ii) the need to strengthen the development of institutional and management capacities along the entire value chain; (iii) the need to build and legalize strong POs, clusters and develop strong linkages among value chain participants; (iv) the need to strengthen public private partnerships to leverage financially viable investments and infrastructure to access national and international markets; and (v) the importance to construct a base line and monitoring and evaluation system to measure results. The proposed programme also benefits from conclusions and orientations derived from the public support estimates study finance by the Bank, which uses an OECD methodology to analyze and dimension the scale, composition and effectiveness of fiscal support to the agricultural sector.
- 1.15 Likewise, the programme complements as well the ongoing National Irrigation Development Programme (1562/OC-JA), which aims to increase high payoff agriculture and farmer's income, as well as on-going Multilateral Investment Fund operations in agriculture. Also, in designing the programme, the experiences of several bilateral and multilateral initiatives have been taken into account, which include: (i) the World Bank's Rural Economic Development Initiative; (ii) The Caribbean Development Bank's Agriculture Sector line of credit through the Development Bank of Jamaica; (iii) the United States Agency for International Development's support to improve the quality of information collection through the project "Marketing and Agriculture for Jamaican Improved Competitiveness"; (iv) the European Union's (EU) financing of the banana and sugar sectors, as well

as climate change and food security, and (v) EU support of the formation of clusters through the Private Sector Development Programme. Other important partners include IICA, Food Agriculture Organization and Canadian International Development Agency.

5. Programme conceptualization and alignment with Bank's Country Strategy

- 1.16 The programme has been designed to address low levels of productivity and competitiveness that restrict the growth possibilities of the sector by addressing the two challenges for agricultural competitiveness identified in Section 2. In the case of farmers organizations and agricultural markets, the programme emphasizes the strengthening of POs and their arrangement into clusters and seeks to develop formal horizontal linkages with other stakeholders of the respective value chain. It is expected that the successful development of cluster and value chains should facilitate the delivery of technical assistance, the training in managerial technologies, access to information, the adoption of national and international sanitary and phytosanitary standards, access to finance, efficient utilization of marketing facilities, and farmer's capacity to negotiate in better terms with hotels, restaurants, retailers, agribusinesses and exporters.
- 1.17 In the case of the agricultural health services, the programme interventions will build upon the progress made under ASSP to develop an integrated system supported by a National Food Safety Policy and Legislation, systematic planning, and operational capacity at national and parish levels. These interventions will seek: (i) improving IICA's and OIE's performance indexes; (ii) obtaining formal recognition of free status of major exotic diseases (FMD, BSE, AI) from OIE and maintaining it over time; (iii) obtaining certification of free status of important pests and plant diseases (Med Fly, Giant African snail, and Papaya Mealy bug) and maintaining over time; (iv) reducing the number of Food Borne Illnesses outbreaks and cases and the number of refusal and interceptions of exported food and fresh products; (v) increasing the public awareness of agricultural health and food safety problems and regulations; and (vi) updating and harmonizing the domestic regulations with the guidelines of the international organizations as OIE, International Plant Protection Convention, and CODEX Alimentarius.
- 1.18 **Country Strategy.** This programme is consistent with the objective to create enabling conditions for increased private sector investments and PPPs schemes specified in the 2006-2009 Country Strategy, which was updated in 2010. The loan is also identified in the 2010 Country Programme Document.
- 1.19 Likewise, the programme is consistent with the institutional strategy outlined on the Report on the Ninth General Increase in the Resources of the Bank (AB-2764). The programme contributes to the sector priority Protect the Environment, Respond to Climate Change, Promote Renewable Energy and Ensure Food Security by enhancing agriculture productivity in Jamaica. In addition, the proposed programme supports the Bank's Results Framework: 2012-2015 by contributing to reach the output of farmers with access to improved agricultural

services and investments, as well as the target on poverty reduction and equality enhancement as it is an operation that supports smallholder agricultural production.

B. Objectives and components

- 1.20 The general objective of the programme is to increase the competitiveness in the agricultural sector through the achievement of three specific objectives: (i) increase the capacity of small and medium size farmers to access national and international markets; (ii) increase the performance of the country's food quality and safety management systems; and (iii) foster the development of agricultural and agro-processing value chains:
- 1.21 **Component 1. Market access and market linkages development (US\$1.8 million).** This component promotes economies of scale and increased capacity among organized farmer's to access domestic and international markets. To this end, two strategic areas of interventions are proposed:
- 1.22 Supporting MOAF's strategic priorities for market development: Comprises specialized services in the following areas: (i) knowledge and training related to market requirements demanded by local and international markets; (ii) product-level capacity building activities to link organized farmers with the hotel industry, supermarkets, and fast food restaurants; (iii) market linkage activities and training for supplying the US, UK, and Canadian markets; (iv) capacity building on certification, traceability, grades, and standards; and (v) strengthening of RADA's to provide continuous support to the POs on market linkages. The execution of these activities will be linked to the sequence of activities in the other two components of the programme.
- 1.23 Strengthening POs and vertical integration in clusters: Following a mapping and competitiveness-based selection criteria, selected POs or other eligible organized group will receive the following support: (i) training in group dynamics to strengthen PO's management and leadership capacities; (ii) training through Farmer Fields Schools on good agricultural practices; (iii) linking POs to clusters through specific cluster development activities; (iv) legal assistance and cluster registration; and (v) strengthening of RADA's extension work. This component will be complemented by resources to be provided under Component 3 for financing eligible supporting investments through a competitive investment grant mechanism. Up to US\$500,000 will be earmarked for eligible cluster-support investments, which may include the construction or rehabilitation on a small scale of common marketing infrastructure (e.g. post-harvesting, sorting, storage, and packaging), and the provision of relevant and required management services. The infrastructure/facilities would be provided at the cluster level on a cost-sharing or "in-kind" contribution basis. The capacity building activities in this component are designed not only to transmit knowledge to the POs but also to foster RADA's staff capacity to replicate such activities in the long-run.

- 1.24 **Component 2. Food quality and safety management systems (US\$5.5 million).** The objective of this component is to establish an Agricultural Health and Food Quality Management System that will contribute to the improvement of the competitiveness of Jamaican Agriculture and the health status of the human population, through the production of safe and good quality agricultural products and food for domestic consumption and exports.
- 1.25 The component's activities will be executed through **three subcomponents: Food Safety, Plant Health and Animal Health.** In each case, the investments to be financed include: (i) staff training; (ii) updating and refurbishing the infrastructure of laboratories, quarantine stations, control places and local offices; (iii) strengthening of the surveillance, quarantine, risk analysis, inspection, registration, control and quality assurance systems, Good Agricultural Practices (GAP), good manufacturing practices, HACCP, and sanitary standard; (iv) information and communication systems; (v) effective traceability systems; (vi) education and public awareness campaigns; (vii) laboratory and office equipment; and (viii) harmonization of regulations according to international agreements on sanitary and phytosanitary measure standards. These investments will increase physical, financial and human capacities of country systems and will improve the PVS indexes for Jamaica described previously. Given the importance of the Food Safety Policy and Legislation for the implementation and development of the system a condition prior to the disbursement of the Food Safety Subcomponent's resources will be that the Food Safety Policy has been duly approved by Cabinet.
- 1.26 **Component 3. Agribusiness value chain development (US\$4.9 million).** This component promotes the integration of stakeholders (farmers, farmers' organizations and agribusiness) into value chains; and seeks to leverage greater levels of private investments in the sector. The proposed strategy is to initiate five pilot experiences of end-to-end value chains that have the potential to make an important difference in the food production and marketing process in Jamaica, based on a careful process of agribusiness value chain selection and a thoughtful competitiveness analysis of nontraditional Jamaican agriculture and livestock subsectors. A preliminary screening based on existing studies point to a potential chain sample, to be confirmed through a competitiveness study, comprising peppers, honey, sheep, pineapple, papaya and meat processing, among others.
- 1.27 The component is structured into three set of activities: (i) the development of competitive agribusiness value chains, which includes a competitiveness study and assessment of value chains; the selection process of value chains and viable PPPs schemes, the design of a value chain strategic plan, the hiring of value chain managers, and the set up of a competitive investment grant mechanism to finance eligible projects along the value chain; (ii) the implementation of at least five pilot PPPs for innovative value chain projects based on public call for proposals, which includes financing of engineering and technical designs, environmental due diligence, financial and economic feasibility analysis, and the actual implementation of eligible investments; (iii) the institutional strengthening of

AIC, for carrying out AIC's overall management responsibilities of the component. The value chain strategy of the component will cover the full range of activities required to bring a product or support service from its conception to its end market. Programme resources will be assigned on the basis of financial, economic and social criteria defined in the Operations Manual of the programme, including requirements to leverage finance ratios to maximize private investments under the PPPs scheme, which will address pre-and post harvesting needs, such as: facilities for storage, packaging, agro-processing, among others.

- 1.28 PPPs potential beneficiaries and partners include organized farmers/growers, producer organizations, partnership/ proprietary firms, and wholesale companies. The partner could also be a consortium of entrepreneurs from agri-business, cold chain, logistics, warehousing, agro-infrastructure and related background. The eligibility criteria of Private Partners should include, among others, the following: (i) to be participant of the respective Value Chain; (ii) to have at least five years of experience as an important participant in one or more links of the value chain; (iii) to meet with the financial requirements, established by the PPPs design; including requirements for leasing agreements. Investment resources will be administered and procured by the programme's executing unit on the basis of agreed business plans.

C. Results framework and indicators

- 1.29 The programme will contribute to increase the competitiveness position of participant farmers by inducing greater productivity and management capacities to access national and international market. Table I-1 summarizes some of the key results indicators for the programme. Detailed indicators are provided as an electronic link in Annex II ([Results and Product Matrix](#)).

Table I-1: Sample of Key Results Indicator from the Results Matrix

Indicator	Expected target at the end of the programme
Improvement in ITC General Index Ranking of Export Performance in fresh and processed food.	Improve 9 positions in fresh and 6 positions in processed.
Percentage change in income of organized farmers due to expanded market linkages.	>=10% per farmer as average income of target group. Measures the differences between beneficiaries with a control group.
Performance Index of the food safety system as measured by IICA/PAHO/PVS methodology.	Performance Index of the food safety system increased as measured by IICA/PAHO/PVS methodology: 2012 above 60%; 2015 above 70%.
Percent of refusals and interceptions of exported food products to the US .	50% reduction in refusals with non-decreasing exports.
Internationally recognized free status of Medfly, Giant African Snail and Papaya Mealy Bug.	Free status established and maintained of Medfly, Giant African Snail and Papaya Mealy Bug.
Free status of FMD, Bovine Spongiform Encephalitis and AI recognized by OIE.	Free status of FMD, BSE and AI established, maintained and recognized by OIE.
Increase in sales of prioritized end-to-end pilot value-chains.	30% increase in sales for each of the 5 prioritized value-chains.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Cost and financing

- 2.1 The budget for the programme is US\$15 million to be financed by the single currency facility of the Bank's Ordinary Capital resources. The breakdown of costs is described in the programme budget summary below:

Table II – 1: Programme Budget Summary (US\$ million)

Categories/Year	IDB	Total	%
I. ADMINISTRATION AND SUPERVISION	1.3	1.3	8.5%
A. Programme Implementation Unit	1.3	1.3	8.5%
II. DIRECT COSTS	12.7	12.7	84.7%
A. Component 1: Market access and market linkages	1.8	1.8	12.4%
B. Component 2: Food Quality and Food Safety Systems	5.5	5.5	36.4%
C. Component 3: Agribusiness Value Chain Development	4.9	4.9	32.5%
D. Institutional Strengthening of AIC	0.5	0.5	3.4%
III. CONCURRENT COSTS	0.2	0.2	1.2%
A. Monitoring and Evaluation	0.2	0.2	1.2%
IV. CONTINGENCIES	0.8	0.8	5.6%
Total	15.0	15.0	100.0%
Percentage	100.0%	100.0%	

- 2.2 The proposed disbursement period is five-years according to the following disbursement schedule: 10%, 27%, 33%, 20% and 10%, for year 1 through year 5, respectively.

B. Economic viability

- 2.3 A cost-benefit analysis was performed to measure the rate of return on each of the components. Estimated benefits were based on: (i) increasing farmers' income as a result of increased competitiveness and productivity; (ii) avoided losses associated to classical swine fever, bovine brucellosis and bovine tuberculosis; (iii) avoided losses from controlling the Mediterranean fruit fly, giant African snail, and papaya mealy bug; (iv) avoided losses from reducing food borne illness, and refusals of Jamaica exports; and (v) increasing farm and agribusiness income as a result of proposed PPPs investments. On the cost side, all project investments costs have been taken into account, including operation and maintenance, PIU, Monitoring and Evaluation and AIC's institutional strengthening costs. Net incremental benefits were calculated over a 10-year project horizon. The analysis yielded an economic Internal Rate of Return (IRR) of 42%, with a Net Present Value (NPV) at a discount rate of 12% of US\$14.9 millions. Table II-1 contains a summary of the results. Further details of the economic analysis are provided as an electronic link in the [Economic Evaluation](#).

Table II-2: Summary of Economic Viability Indicators

	ECONOMIC		FINANCIAL	
	IRR (%)	NPV US\$ Millions	IRR (%)	NPV US\$ Millions
Total Project	42%	14.9	41%	14.4
Component 1	68%	1.0	68%	1.1
Component 2				
Sub-component animal health	35%	4.7	36%	4.9
Sub-component plant health	55%	0.4	74%	0.4
Sub-component food safety health	59%	2.3	53%	2.1
Component 3	30%	1.8	20%	1.1

C. Environmental and social safeguard risks

- 2.4 This operation does not present significant environmental and social risks. On the contrary, a number of positive benefits are explicitly promoted, which include: (i) the need to ensure food safety, animal health and plant health considerations that require meeting environmentally sound standards; and (ii) the active promotion of GAP, certified organic products; water and energy efficiency, and pollution control measures. The programme will finance small scale physical investments to support cluster development and value chains. The PIU will ensure that the Environmental and Social Management Report (ESRM) is included as an annex of the programme’s Operations Manual to be approved by the Bank, with the provisions that both the national and the Bank’s environmental safeguards will be met. The ESRM identifies specific mitigation activities in compliance with OP 703, in particular related to environmental assessment requirements, consultations, supervision, and pollution abatement. To ensure that these investments are environmentally sound, the ESRM include the following considerations: (i) all projects will meet a selection and evaluation criteria based on social and environmental sustainability; and (ii) any environmental measure that will be required to mitigate negative environmental impacts will be budgeted.
- 2.5 The PIU will be responsible for following up on all social and environmental issues of the programme and will ensure that the programme promotes climate change mitigation and adaptation measures; adopts risk management measures to reduce vulnerability to natural disasters in line with OP-704; and promotes the active role of women as beneficiaries of the programme.

D. Fiduciary risks and other issues

- 2.6 An institutional evaluation of the MOAF and the AIC was conducted through the application of the [Institutional Capacity Evaluation System](#) (SECI) methodology. For the MOAF, the results of the SECI determined a satisfactory level of development and an associated low risk level, reflected in the existence of adequate administrative, procurement and financial systems, as well as accounting procedures and internal and external controls in accordance with GoJ norms and regulations. In the case of AIC, the results of the SECI determined a medium level of development associated with a medium level of risk, reflecting the need to

support a number of institutional strengthening activities incorporated in the programme, in particular in the areas of integrated financial administration, fiduciary and internal control, and monitoring capabilities. These, activities, among others, are incorporated in the programme, as described in detail in its Implementation Plan.

- 2.7 The [risk assessment of the programme](#) was undertaken utilizing the methodology “Risk Management in Projects with Sovereign Guarantee”. The results of the various categories show low to medium risk levels and include the current budget constraints of the GoJ which require the specific allocation of fiscal space for the programme within the fiscal spending targets for 2010 and 2011 and the need for the GoJ through the Ministry of Finance and the Public Service (MOFPS) and MOAF to continue with its budget support to AIC, until it reaches financial sustainability in the medium-term. In this regard, the MOFPS has reiterated its full financial support to the programme. Also, a number of mitigating actions are incorporated in the risk mitigation matrix to address these and other technical risks during execution.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Programme execution and administration

- 3.1 The executing agency of the programme will be the MOAF, through the AIC, which will have all the administrative, operative and technical responsibilities for the implementation of the programme. For this purpose, the MOAF and AIC will enter into a “Subsidiary Agreement” which will have to reflect all necessary provisions as to guarantee that the implementation of the activities of the programme are carried out in accordance with the conditions and provisions set forth in the loan contract. **The MOAF and AIC have entered into a subsidiary agreement for purposes of administering the resources and carrying out the activities of the programme, will be a condition prior to the first disbursement of the loan.**
- 3.2 AIC is an entity formed from the conversion of the name of the Agricultural Development Corporation to AIC, which functions as MOAF’s business facilitation department and has overall responsibility for agricultural investment promotion and facilitation, and project and market development. The corporate governance structure of AIC comprises a Board of Directors with public and private sector participation, which guides the overall strategic direction and actions of the AIC. The strengths of AIC with respect to the execution of the present programme lie in, among others: (i) its mandate and objectives as MOAF’s business facilitation department with overall responsibility for agricultural investment promotion, and project and market development, directly consistent with the overarching objectives of the programme (ACP); (ii) the presence of personnel capabilities and internal administrative and internal procedures with respect to planning, programming, financial administration and

- procurement in compliance with GoJ regulations; and (iii) its proven knowledge of Bank norms and procedures and fiduciary responsibilities based on the participation of its personnel in the ASSP, previously financed by the Bank.
- 3.3 A Programme Implementation Unit (PIU) will be established within AIC. The PIU will be adequately staffed with the necessary number of consultants throughout the five-year estimated execution period of the programme including: (i) a Programme Director who will act as chief of the PIU; (ii) three component Coordinators; (iii) a Financial Administration/Accounts Officer; (iv) a Procurement Support Officer; and (v) one Administrative Assistant. The responsibilities of AIC and the corresponding activities of the PIU will include coordination, planning and monitoring, financial and administration, and technical functions. **The establishment of the PIU and its key personnel, including the Programme Director, the three component Coordinators and the Financial Administrative/Accounts Officer, hired will be a condition prior to the first disbursement of the loan.**
- 3.4 A Programme Steering Committee (PSC) will be established by the GoJ to provide the necessary strategic direction, policy and inter-agency coordination between the various actors with mandate and responsibilities in the ACP. The PSC will be chaired by the Permanent Secretary of the MOAF and will include representatives of key specialized and strategic areas of MOAF; AIC; MFPS; PIOJ; Ministry of Health; Ministry of Industry, Investment and Commerce; JAMPRO; and Jamaica Exporters Association. **The establishment of the PSC along with the designation and appointment of its members will be a condition prior to the first disbursement of the loan.** The detailed [Execution Mechanism](#) for each of the three components, including responsibilities and procedures, are presented as electronic link. Also, the [OMP](#) provides detailed information about technical and financial procedures to assign resources and support investments in each of the components. **The approval of the Operations Manual of the Programme (OMP) by the executing agency and its entry into effect will be a condition prior to the first disbursement of the loan.**
- 3.5 Procurement for the programme will be carried out in accordance with the Policies GN-2349-7 and GN-23450-7 of July 2006, as well as with the provisions established in the loan contract and its procurement plan. The procurement plan for the first 18 months of project, summarized in the [Procurement and Financial Management Arrangements](#), indicates the procedure to be used for the procurement of goods, the contracting of works or services, and the method of selecting consultants, for each contract or group of contracts. It also indicates cases requiring prequalification; the estimated cost of each contract or group of contracts; the requirement for prior or post review by the Bank; and estimated dates for the publication of specific procurement notices and completion of the contracts included in this project. Other specific procurement arrangements are detailed in the Procurement and Financial Management Arrangements of this POD. The procurement plan will be updated annually or as needed or required by the Bank.

- 3.6 Financial management will be carried out within the framework of Bank Policies OP-273-1 and OP-274-1. The [Procurement and Financial Management Arrangements](#) provides the details about financial management arrangements/requirements based on the assessed institutional capacities of MOAF and AIC. Liquidity will be provided to the project via the disbursement method called Advances. These Advances must be justified within 180 days or when 80% of the resources have been expended. The review method for disbursements recommended for the first 12 months of execution is Ex-Ante. A decision will be taken at the end of 12 months of execution on graduation to the Ex-Post review modality. Annual audits will be required for the project and AIC. The audit of the projects will be conducted by the Auditor-General of Jamaica and those related to AIC by a firm of independent auditors selected and hires by AIC.

B. Monitoring and evaluation

- 3.7 The Executing Agency will be responsible for developing a monitoring system for gathering and maintaining data related to the different indicators included in the Results Framework (Annex II). Through the programme's monitoring system, the Executing Agency will submit to the Bank annual reports describing the physical progress of the programme, the progress made with respect to the indicators measured during the period covered by the Results Matrix, the status of applicable environmental and social mitigation measures, lessons learned, and any other information required to ensure the successful implementation of the programme. The programme's monitoring system will identify also critical events and risks for the project. Annual reviews will be carried out by the PIU with the support of the Data Bank and Evaluation Division of the MOAF on the basis of monitoring and procurement reports, the Project Monitoring Report (PMR), and other relevant documentation for project execution. Following the [Monitoring and Evaluation Plan](#), an evaluation mechanism to measure result indicators and the specific benefits achieved by each of the components will be established, for which there is a specific budgetary allocation in the programme. For Components 1 and 3, the evaluation system will be based on a counterfactual scenario, identifying a control group of representative producers. The information will be generated by survey techniques. The first round of surveys will be developed as part of the first 18 months action plan, to establish the appropriate baseline. For Component 2, the evaluation methodology will be based on OIE and IICA's evaluation tools to measure gains in the level of efficiency in services. The Databank and Evaluation Division under the MOAF, which has the experience and capacity for the task, will be responsible to carry out the baseline surveys and follow up evaluation activities.

**Development Effectiveness Matrix
Summary**

Indicator	Score	Maximum Score
<i>I. Strategic Relevance</i>	High-Low	
1. IDB Strategic Development Objectives	6.5	10
Country Diversification	2.0	2
Corporate Initiatives	2.5	2.5
Harmonization and Alignment	0.0	3.5
Beneficiary Target Population	2.0	2
2. Country Strategy Development Objectives	0.4	10
Country Strategy Sector Diagnosis	0.0	6
Country Strategy sector objective & indicator	0.4	4
<i>II. Development Outcomes - Evaluability</i>	Highly Satisfactory	
3. Evidence-based Assessment & Solution	10.0	10
4. Evaluation & Monitoring Plan	5.8	10
5. Cost-Benefit or Cost-Effectiveness	10.0	10
6. Risks & Mitigation Monitoring Matrix	10.0	10
<i>III. IDB's Role - Additionality</i>		
7. Additionality	10.0	10
Technical Assistance provided prior the project	3.0	3
Improvements in management of financial, procurement, monitoring or statistics internal controls	4.0	4
Improvements in environmental, health and labor performance	3.0	3

I. Strategic Relevance: This operation is implemented in Jamaica, a country group C located in the Caribbean. The program has subcomponents that mitigate climate change and all projects will have to meet a selection criteria for environmental sustainability. The program is therefore consistent with Climate Change Initiatives. By focusing on small and medium size farmers in rural areas, it sectorally targets poverty. The program is not directly aligned with the Country Strategy sector objectives and indicators, but is consistent with those objectives through the specific actions it takes within the agricultural sector.

II. Evaluability: The program has a good diagnosis which identifies main deficiencies and their magnitudes. There is a monitoring and evaluation plan which identifies responsibilities, means of verification and frequency of measurement for each and every indicator. Different components of the program are monitored in an appropriate manner and include quasi-experimental approaches in some cases. The results matrix includes appropriate indicators at each level. There is a detailed cost-benefit analysis. The program is rated B for risks. It has identified the principal environmental and social risks, as well as mitigation measures required.

III. Additionality: The program is expected to improve the governments support to the agricultural sector. The program is also expected to improve the monitoring and evaluation of government agricultural projects.

RESULTS MATRIX
(REDUCED VERSION, ONLY OUTCOMES AND IMPACTS)
 (For full version click here – [Results Matrix: Outcomes, Results and Products](#))

Project Goal	To Increase the competitiveness of the agricultural sector in Jamaica through the following specific objectives: (i) increase the capacity of small and medium size famers to access national and international markets; (ii) increase the performance of the country's food quality and safety management systems; and (iii) foster the development of agricultural and agro-processing value chains.		
Expected Global Impacts Indicators	Base Line	Total End of Program	Comments and Verification
Total Factor Productivity (TFP) growth of Jamaican Agriculture	1961-2007: 2.0% (*)	2.5% increase in TFP in the Jamaica Agriculture 2011-2015	(*) Total global increase for Jamaica, 0.4% annual growth, based on Ludena 2010 . <i>Means of Verification:</i> Use MOAF data on production, yields, prices and costs of production for every year 2010-2015
Net Exports Value (Exports-Imports) in fresh and processed food	US\$ -290 millions in fresh; US\$ -405 millions in processed (2008)	-260 US\$ 30 million in fresh food net exports, and -US\$ 380 in processed food	Source: ITC database for each year. <i>Means of Verification:</i> Compare performance with similar countries
Position in ITC General Index Ranking of Export Performance in fresh and processed food	129 in fresh food, 96 in processed food	120 in fresh food and 90 in processed food	Source: ITC database for each year. <i>Means of Verification:</i> Compare evolution of ranking with similar countries

Component 1: Market Access and Market Linkages Development								
Component objective: To promote economies of scale and increased capacity among organized farmer's to access domestic and international markets								
Impact Indicators	Base Line	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	End of Project	Comments and Verification
Level of Average Income of farmers	US\$ 5,379 average income of target group (*)			The difference between the change in average income of beneficiary farmers and the change in average income of non beneficiary farmers is greater than 1.07		Differences between beneficiaries and control group greater than 1.17%	17% increase in average farmer income for beneficiaries	(*) Expenditure Survey from Statistical Institute of Jamaica. <i>Means of Verification:</i> Baseline and Final Surveys ad hoc for Impact Evaluation. Use control group.
Outcome Indicators								
1. Proportion of targeted farmers selling to national and international dynamic markets	10% selling to dynamic national and international markets			25%		10%	35%	<i>Means of Verification:</i> Baseline Survey and Final Survey, use Control Group.
2. Number of PO legally established, working together and providing supplies inside prioritized value-chains	0			10	20	20	50	<i>Means of Verification:</i> Program Implementation Unit annual reports. RADA and MOAF reports
3. Number of farmers benefited by gender	0			Female: 375 Male:875		Female 1,500 Male: 3,500	Female 1,500 Male: 3,500	<i>Means of Verification:</i> Program Implementation Unit annual reports. RADA and MOAF reports

Component 2: Food Safety Management Control System								
Component objective: To establish an Agricultural Health and Food Quality Management System that will contribute to the improvement of the competitiveness of Jamaican Agriculture and the health status of the human population, through the production of safe and good quality agricultural products and food for domestic consumption and exports.								
Impact Indicators	Base Line	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	End of Project	Comments/Verification
1. Number of outbreaks and cases of foodborne illnesses	9 outbreaks and 253 cases of foodborne illnesses in 2009*		7 outbreaks and 200 cases of foodborne illnesses			4 outbreaks and 125 cases of foodborne illnesses	4 outbreaks and 125 cases of foodborne illnesses	*Likely an underestimation of 70% in the reporting of food borne diseases at Base Year, A range [9-23] for outbreaks and [253-783] for cases of foodborne illnesses will be adjusted for undernotification. <i>Means of Verification:</i> Ministry of Health
2. Number of outbreaks in tourist sector	8 outbreaks in 2009 *		5			2	2	Likely an underestimation of 50% in the reporting of food borne diseases at Base Year. Actual system in operation * range (8 to 16) to correct undernotification <i>Means of Verification:</i> Ministry of Health
3. Ratio of the export food products refused to the US in quantity related to total export to the US in fresh food and processed foods.	** Number of refusals 242 fresh food and 247 processed foods US border detentions. Base Line indicator to be calculated.		15% reduction			50% reduction	50% reduction	**Sources: FDA database, INtradeBID, Jamaica's Trade in Ethnic Foods and Other Niche Products the Impact of Food Safety and Plant Health Standards. The World Bank. ARD. 2005. The percentage of the exports refused (by the quantity exported) should be calculated at year 1 and year 5

Outcome Indicator								
1.Number of commercial farmers benefited by the strengthening of the Food Safety Management Control System by gender	0		Female: 68,400 Male: 159,600			Female: 68,400 Male: 159,600	Female: 68,400 Male: 159,600	This component provides public services to overall farmers (228,000 Source: Census 2007). <i>Means of Verification:</i> Program Implementation Unit annual reports.
Subcomponent 2.1: Food Safety System								
Objective: Integrated Food Safety Services organized, supported by a national Food Safety Policy and Legislation, with operational and institutional capacity achieved at national and parishes level								
Outcome Indicators	Base Line	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	Total End of Project	Comments/Verification
1. Annual Level of the Performance Index of Food Safety System as Measured by IICA/PAHO/PVS	year 2010: below 60%		index above 60%		index above 70%		above 70%.	A PVS assessment should be made at year 1 and year 5 <i>Means of Verification:</i> IICA/PAHO/PVS information
2. Level of Consumers' awareness of food safety issues from Low to High levels	Low awareness			Medium awareness		High awareness	High consumer awareness	<i>Means of Verification:</i> Survey on consumer awareness at years 3 and 5
3. Phytosanitary (PH) and food safety (FS) export protocols for nontraditional products /developed and approved	0			5		5	10	<i>Means of Verification:</i> Annual report from sanitary authorities

Subcomponent 2.2: Plant Health								
Objective: Enhanced Plant Health Service operational and institutional capacity achieved at different levels (national and parishes).								
Outcome Indicators	Base Line	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	Total End of Program	Comments/Verification
1. Annual level of Performance Index as Measured by IICA PVS and IPPC/PCI methodology increased Enhanced Plant Health Service operational and institutional capacity achieved at different levels (national and parishes).	Performance Index as Measured by IICA PVS and IPPC/PCI methodology at year 2010: below 60%			Index above 60%		Index above 80%	Performance of the services increased (Above 80%) as measured by the IICA PVS and IPPC/PCI methodologies	OIE/PVS evaluation
2. Number of Established and maintained free status recognized by trading partners (medfly, giant African snail and papaya Mealy bug)	0 Free status recognized by trading partners			1 free status recognized		2 free status recognized	3 Free status established of medfly, giant African snail and papaya mealy bug as recognized by trading partners	<i>Means of Verification:</i> IPPC annual publication and Annual report from sanitary authorities
Subcomponent 2.3: Animal Health								
Objective: Animal health services operational and institutional capacity achieved at different level (national and parishes).								
Outcome Indicators	Base Line	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	Total End of Project	Comments/Verification
Performance Index of the animal health system enhanced as measured by OIE/PVS Animal health services operational and institutional capacity achieved at different level (national and parishes).	Performance Index as measured by OIE/PVS at year 2010: below 60%			Index above 60%		Index above 80%	Performance Index of the animal health system enhanced as measured by OIE/PVS (Above 80%)	OIE/PVS evaluation

Number of Established and maintained free status of major exotic diseases recognized and certified by OIE (FMD, AI and BSE) established and maintained	0 free status recognized			1 free status recognized		2 free status recognized	Free status of major exotic diseases maintained, and recognize and certified by OIE (FMD, AI and BSE)	A PVS assessment should be made at year 1 and year 5
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Component 3: Agribusiness value chain development								
Component objective: to promote the integration of stakeholders (farmers, farmers' organizations and agribusiness) into value chains and to seek to leverage greater levels of private investments in the sector								
Impact Indicator	Base Line	End of Year 1	End of Year 2	End of Year 3	End of Year 4	End of Year 5	Total End of Program	Comments/Verification
Number of new jobs created in prioritized Value-Chains	0			300		700	1000	Competitiveness study and Final Evaluation to estimate new employment in value-chains
Outcome Indicators								
1. Increase 1.5 to 1 Leverage of public and private investment in target value chains.	Current leverage 1 to 1			1.2 to 1		1.5 to 1	1.5 to 1 leverage	Contracts for private investments and monitoring reports from value-chain managers
2. Percentage of increase in value of sales for each prioritized end-to-end pilot value-chains at competitiveness study Increased (VCh)		0	0	15%		15%	30% increase in sales for each of the 5 prioritized value-chains	Baseline: competitive studies must assess sales for selected chains at initial year. Final evaluation: based on value-chain managers

Procurement Action Plan for the period of 18 Months 2011-2012								
Description of the Contract and Estimated Cost of Procurement	Procurement Method	Estimated Contract Cost	Review (Prior or Post)	Source of Financing and Percentage		Pre-Qualification (Yes/No)	Estimated Dates	
				IDB (%)	Local (%)		Publication of Specific Procurement Notice	Completion of Contract
Component 1: Support to famers' access to markets								
GOODS								
1. Equipment Farmer Fields School	Shopping	10,000	Post	100%	0%	No	1Q11	3Q11
2. Training Materials Farmer Field School	Shopping	20,000	Post	100%	0%	No	1Q12	4Q15
3. Publication of 4000 8 page leaflets on Post-Harvest Handling	Shopping	10,000	Post	100%	0%	No	1Q12	4Q15
4. Video on Post Harvest Handling	NCB	10,000	Post	100%	0%	No	1Q12	4Q15
5. Post harvest kits for marketing extension officers	NCB	33,800	Post	100%	0%	No	1Q11	3Q11
6. Laptops	NCB	75,000	Post	100%	0%	No	1Q11	3Q11
CONSULTING SERVICES								
1. Contract with consultant to carry out group dynamics training	QCNI	60,000	Post	100%	0%	No	1Q11	4Q15
2. Recruitment of 1 national consultant to conduct and report on FFS	QCII	192,000	Post	100%	0%	No	1Q11	4Q15
3. Recruitment of 1 international consultant to conduct and report on FFS	QCII	40,000	Post	100%	0%	No	1Q11	4Q15
4. International Agribusiness and marketing consultant	QCNI	40,000	Post	100%	0%	No	1Q11	4Q15
5. Export development: study and market linkages activities and training	QCBS	536,900	Post	100%	0%	No	1Q11	4Q14
6. Studies and capacity building/market linkage activities on domestic market opportunities	QCBS	270,000	Post	100%	0%	No	1Q11	4Q14
7. Consultant hired for computer programming support	QCNI	50,000	Post	100%	0%	No	1Q11	4Q12
NON-CONSULTING SERVICES								
1. Marketing/Neg Skills Workshop	QCNI	20,000	Post	100%	0%	No	1Q12	4Q15
2. Group Dynamics Training	Shopping	100,000	Post	100%	0%	No	1Q12	4Q15
3. Sensitization and cluster formation workshops for 100 Pos/d	Shopping	29,000	Post	100%	0%	No	1Q11	4Q15
4. Training workshop in leadership and organization skills of 20 clusters	Shopping	100,000	Post	100%	0%	No	1Q11	4Q15
5. Annual Budget for Promotion activities	Shopping	25,000	Post	100%	0%	No	1Q11	4Q15
6. Cluster Coordination	QCNI	126,000	Post	100%	0%	No	1Q11	4Q15
7. Three-day residential training courses x 30 people	Shopping	18,500	Post	100%	0%	No	1Q11	4Q12
OTHER SERVICES								
DSA and Fuel for RADA extension Officers	QCNI	7,200	Post	100%	0%	No	1Q11	4A12
Subtotal		1,773,400						
Component 2: Implementation of quality and safety management systems								
FOOD SAFETY								
GOODS								
1. Prepare and distribute educational materials on food safety	Shopping	20,000	Post	100%	0%	No	1Q11	4Q15
CONSULTING SERVICES								
1. Hire Legal consultant to prepare reglamentation of the food Policy	QCNI	8,000	Post	100%	0%	No	1Q11	3Q11
2. Hire national consultant for orgnization of planning unit and strategic food safety plan	QCNI	4,000	Post	100%	0%	No	1Q11	4Q11
3. Hire International Consultant to prepare eval study and proposal of food safety lab network	QCII	10,000	Post	100%	0%	No	1Q12	4Q12
4. Hire Int. Consultant to design active surveillance food safety microbiological studies	QCII	10,000	Post	100%	0%	No	1Q12	4Q12
5. Hire Int. Consultant to design active (samplings) surveillance residue studies	QCII	20,000	Post	100%	0%	No	1Q12	4Q13

Description of the Contract and Estimated Cost of Procurement	Procurement Method	Estimated Contract Cost	Review (Prior or Post)	Source of Financing and Percentage		Pre-Qualification (Yes/No)	Estimated Dates	
				IDB (%)	Local (%)		Publication of Specific Procurement Notice	Completion of Contract
6. Hire Int. Consultant to prepare a proposal of modernized integrated approach for food safety inspection and registration system	QCII	10,000	Post	100%	0%	No	1Q12	4Q12
7. Hire National Consultant to prepare and update operation and procedures manual	QCNI	4,000	Post	100%	0%	No	1Q12	4Q12
8. Hire national consultant to design and execute food safety educational campaign	QCNI	4,000	Post	100%	0%	No	1Q12	4Q12
9. Conduct performance evaluation using IICA/FAO methodologies	QCNI	20,000	Post	100%	0%	No	1Q11	4Q11
10. Elaborate Standard Operating Procedures and manuals and Lab QA manual for ISO17025	QCNI	16,000	Post	100%	0%	No	1Q12	4Q15
11. Hire temporary personnel to increase laboratory confirmation of FBI cases.	QCNI	36,000	Post	100%	0%	No	1Q12	4Q15
12. Hire temporal personnel for active surveillance studies	QCNI	48,000	Post	100%	0%	No	1Q12	4Q15
NON-CONSULTING SERVICES								
1. Hold workshops with stakeholders to review implementation of Food Safety Policy	Shopping	4,000	Post	100%	0%	No	1Q11	3Q11
2. Hire temporal staff to support initial operation of Food Safety Authority (FSA)	QCNI	36,000	Post	100%	0%	No	1Q11	4Q13
3. Hold workshops to promote the FSA as coordinating mechanism (3 days)	QCNI	4,000	Post	100%	0%	No	1Q11	4Q13
4. Prepare and execute implementation plan, budget and operational manuals	QCNI	12,000	Post	100%	0%	No	1Q11	4Q15
5. Hold workshops for the preparation and evaluations of the strategic Plan	Shopping	9,000	Post	100%	0%	No	1Q11	4Q13
6. Prepare and execute research projects on food safety priority needs (need Technical FS committee approval)	Shopping	15,000	Post	100%	0%	No	1Q11	4Q11
7. Hold consultation on the requirements for inspection, regulation and certification of slaughter houses	QCNI	6,000	Post	100%	0%	No	1Q12	4Q13
8. Hold training plan for stakeholders (food producers, processors, handlers) /a	Shopping	48,000	Post	100%	0%	No	1Q12	4Q15
9. Conduct food safety awareness survey and campaign	Shopping	40,000	Post	100%	0%	No	1Q12	4Q15
10. Organize and execute workshops to promote the NAHFSCC as a part of the FSA	Shopping	9,000	Post	100%	0%	No	1Q11	4Q14
11. Organize and execute workshops to promote the National Codex Committee as a part of the FSA	Shopping	6,000				No	1Q12	4Q13
12. Organize and execute workshops to promote food safety aspects in exportation agreements	Shopping	30,000	Post	100%	0%	No	1Q11	4Q15
13. Food Safety risk analysis	Shopping	20,000	Post	100%	0%	No	1Q12	4Q15
OTHER SERVICES								
1. Organize the Food Safety Week	Shopping	25,000	Post	100%	0%	No	1Q11	4Q15
2. Jamaica representative to attend the international meeting of the Codex Committee on Pesticide Residue (CCPR) held	Shopping	20,000	Post	100%	0%	No	1Q11	4Q15
3. MOH staff participation in international meetings	Shopping	20,000	Post	100%	0%	No	1Q11	4Q15
Subtotal		514,000						
ANIMAL HEALTH								
GOODS								
1. Purchase diagnostic kits for surveillance (FMD, BSE, AI, CSF, NCD, Brucellosis)	NCB	225,000	Post	100%	0%	No	1Q11	4Q13
2. Subscription on journals and publications on RA	Shopping	300	Post	100%	0%	No	1Q11	4Q15
CONSULTING SERVICES								
1. Contract 1 Traceability legal consultant	QCNI	10,000	Post	100%	0%	No	1Q11	4Q11
2. Conduct performance evaluation using OIE/PVS methodologies	QCNI	20,000	Post	100%	0%	No	1Q12	4Q12
3. Contract 1 Consultant for preparation and evaluations the AH Strategic Plan	QCNI	8,000	Post	100%	0%	No	1Q12	4Q12
4. Contract a consultant to review and update the procedures for monitoring animal diseases and food safety	QCNI	10,000	Post	100%	0%	No	1Q11	4Q11
5. Hire a consultant to review and update the surveillance system of animal health and develop manuals	QCNI	10,000	Post	100%	0%	No	1Q11	4Q11
6. Contract international consultant to design active surveillance studies for the main exotic animal disease FMD, BSE, A	QCII	10,000	Post	100%	0%	No	1Q12	4Q12
7. Hire temporal staff to epidemiological surveillance	QCNI	50,000	Post	100%	0%	No	1Q11	4Q15
8. Carry out Risk Assessment study for the main exotic diseases	QCNI	12,000	Post	100%	0%	No	1Q12	4Q15
9. Carry out Risk assessment study for the recognition of free status of diseases such as brucellosis, tuberculosis, clas	QCNI	12,000	Post	100%	0%	No	1Q12	4Q15

Description of the Contract and Estimated Cost of Procurement	Procurement Method	Estimated Contract Cost	Review (Prior or Post)	Source of Financing and Percentage		Pre-Qualification (Yes/No)	Estimated Dates	
				IDB (%)	Local (%)		Publication of Specific Procurement Notice	Completion of Contract
10. Contract consultant to update and harmonize norms and regulations with international standards	QCNI	10,000	Post	100%	0%	No	1Q12	4Q12
11. Consultant to organize and prepare protocols for animal diseases risk analysis	QCNI	10,000	Post	100%	0%	No	1Q12	4Q12
NON-CONSULTING SERVICES								
1. Implement workshops to review proposal of Animal Health Policy /a	Shopping	8,000	Post	100%	0%	No	1Q11	4Q12
2. Implement workshops for the preparation and evaluations of the strategic Plan /b	Shopping	8,000	Post	100%	0%	No	1Q12	4Q12
3. Organize and execute workshops on epidemiological surveillance /f	Shopping	12,000	Post	100%	0%	No	1Q11	4Q14
4. Organize and execute workshop to revise and update procedures and manuals /g	Shopping	4,000	Post	100%	0%	No	1Q11	4Q14
5. Design of active surveillance studies to confirm animal health status of diseases not present in Jamaica	Shopping	50,000	Post	100%	0%	No	1Q11	4Q15
6. Develop education campaigns aimed at maintaining the country diseases free status by preventing exotic diseases	NCB	60,000	Post	100%	0%	No	1Q12	4Q13
7. Hold workshops /k (norms and regulations)	Shopping	4,000	Post	100%	0%	No	1Q12	4Q12
8. Update and operate Traceability system in coordination with Plant Health and Food Safety with all cattle identified/re	Shopping	6,000	Post	100%	0%	No	1Q11	4Q12
9. Prepare and execute training plan for professionals and farmers /n	Shopping	2,000	Post	100%	0%	No	1Q11	4Q12
10. Carry out Workshops and establish partnerships with private professionals and stakeholders to publicize the scope	Shopping	2,000	Post	100%	0%	No	1Q11	4Q11
Subtotal		543,300						
PLANT HEALTH								
CONSULTING SERVICES								
1. Conduct performance evaluation using IICA/FAO methodologies	QBS	20,000	Post	100%	0%	No	1Q11	4Q11
2. Revise pest identification and disease diagnosis procedures	QBS	20,000	Post	100%	0%	No	1Q12	4Q12
3. Establish quality control system for PH laboratories (2011-2015)	QCNI	4,000	Post	100%	0%	No	1Q11	4Q11
4. Establish plant pest lab network	QCNI	30,000	Post	100%	0%	No	1Q11	4Q14
5. Hire international consultant to revise/establish surveillance protocols for quarantine pests	QCII	10,000	Post	100%	0%	No	1Q11	4Q11
6. Hire consultant to assist in the preparation of necessary studies needed for Med fly free status recognition	QCNI	20,000	Post	100%	0%	No	1Q12	4Q12
7. Hire international consultant to assist in the preparation of necessary studies needed for thrips palmi survey	QCII	20,000	Post	100%	0%	No	1Q11	4Q11
8. National consultant for inspection/ registration protocol revised, updated and operational with updated procedures and	QCNI	4,000	Post	100%	0%	No	1Q12	4Q12
9. Hire national consultant for 6 months to develop, produce and disseminate manuals and protocols on GAP for major non-traditional products (Ginger, sorrel, Hot Peppers, Sweet Potatoes, Dasheen and Yams and Irish potato)	QCNI	24,000	Post	100%	0%	No	1Q11	4Q11
NON-CONSULTING SERVICES								
1. Hold one day workshop for the preparation of strategic plan	Shopping	2,000	Post	100%	0%	No	1Q11	3Q11
2. Stakeholders workshop for implementation planning /a	Shopping	8,000	Post	100%	0%	No	1Q11	4Q12
3. Perform interlab tests	QCNI	7,500	Post	100%	0%	No	1Q11	4Q14
4. Pest surveillance training	QCNI	8,000	Post	100%	0%	No	1Q11	4Q11
5. Med Fly Surveillance	QCNI	40,000	Post	100%	0%	No	1Q11	4Q13
6. Establish agreement with APHIS/PPQ for the use of sterile Med flies from Mexico or Guatemala in the eventuality of p	FBS	150,000	Post	100%	0%	No	1Q11	4Q14
7. Organize Public education programme on quarantine issues to be implemented	Shopping	40,000	Post	100%	0%	No	1Q11	4Q14
8. Develop public awareness campaigns on the need to maintain Jamaica free of quarantine pests	Shopping	50,000	Post	100%	0%	No	1Q11	4Q15
9. Prepare and broadcast TV, radio, newspaper, fliers, outdoors	Shopping	75,000	Post	100%	0%	No	1Q11	4Q14
10. Organize and carry-out 3 workshops for 30 people each in Kingston and major production/export parishes	Shopping	6,000	Post	100%	0%	No	1Q11	4Q14

Description of the Contract and Estimated Cost of Procurement	Procurement Method	Estimated Contract Cost	Review (Prior or Post)	Source of Financing and Percentage		Pre-Qualification (Yes/No)	Estimated Dates	
				IDB (%)	Local (%)		Publication of Specific Procurement Notice	Completion of Contract
Subtotal		538,500						
Component 3: Promotion of private investments in competitive, sustainable enterprises								
AGROPROCESSING VALUE CHAIN DEVELOPMENT								
CONSULTING SERVICES								
1. Raking of agriculture and livestock subsectors	QBS	30,000	Post	100%	0%	No	1Q11	4Q11
2. Value chain analyses and strategic plan preparation	QCNI	108,000	Post	100%	0%	No	1Q11	4Q14
3. Agri-business value chain managers	QBS	540,000	Post	100%	0%	No	1Q11	4Q15
4. Grant adjudication process	FBS	42,000	Post	100%	0%	No	1Q12	4Q15
5. Contracting of specialized studies for designing the required facilities	QBS	50,000	Post	100%	0%	No	1Q12	4Q14
6. Contracting project feasibility study of processing and marketing facilities	QBS	80,000	Post	100%	0%	No	1Q12	4Q14
7. Contracting due diligence for selection process of private partner	QCNI	50,000	Post	100%	0%	No	1Q12	4Q14
NON-CONSULTING SERVICES								
1. Technical Seminar-Conference	Shopping	40,000	Post	100%	0%	No	1Q11	4Q13
2. Public information events	Shopping	20,000	Post	100%	0%	No	1Q11	4Q13
3. Value Chain Stakeholders Workshops	Shopping	57,600	Post	100%	0%	No	1Q11	4Q14
Subtotal		1,017,600						
INSTITUTIONAL STRENGTHENING OF AGRO-INVEST COOPERATION								
GOODS								
1. Server	Shopping	5,000	Post	100%	0%	No	1Q11	4Q11
2. Desktops	Shopping	15,000	Post	100%	0%	No	1Q11	4Q11
3. Accounting software	Shopping	30,000	Post	100%	0%	No	1Q11	4Q11
4. Printers	Shopping	4,000	Post	100%	0%	No	1Q11	4Q11
5. Color printer	Shopping	2,000	Post	100%	0%	No	1Q11	4Q11
6. Xerox	Shopping	2,000	Post	100%	0%	No	1Q11	4Q11
7. Network and connectivity	Shopping	5,000	Post	100%	0%	No	1Q11	4Q11
8. Computer peripherals	Shopping	1,000	Post	100%	0%	No	1Q11	4Q11
CONSULTING SERVICES								
1. International consultancy: integrated financial management systems	QCII	20,000	Post	100%	0%	No	1Q11	4Q11
2. National consultancy: integrated financial management systems	QCNI	4,000	Post	100%	0%	No	1Q11	4Q11
3. Study of AIC's cost recovery and financial sustainability	QCNI	15,000	Post	100%	0%	No	1Q12	4Q12
4. Study to design operational processes of AIC	QCNI	20,000	Post	100%	0%	No	1Q12	4Q12
SALARIES								
1. Hire Agroprocessing and Marketing Specialist	QCNI	140,000	Post	100%	0%	No	1Q11	4Q15
2. Hire economic evaluation specialist	QCNI	45,000	Post	100%	0%	No	1Q11	4Q13
3. Hire environmental evaluation specialist	QCNI	45,000	Post	100%	0%	No	1Q11	4Q13
4. Hire a competitiveness assessment specialist	QCNI	150,000	Post	100%	0%	No	1Q11	4Q14

Description of the Contract and Estimated Cost of Procurement	Procurement Method	Estimated Contract Cost	Review (Prior or Post)	Source of Financing and Percentage		Pre-Qualification (Yes/No)	Estimated Dates	
				IDB (%)	Local (%)		Publication of Specific Procurement Notice	Completion of Contract
Subtotal		503,000						
PROJECT IMPLEMENTATION UNIT								
GOODS								
1. Desktops	Shopping	19,500	Post	100%	0%	No	4Q10	2Q11
2. Laptops	Shopping	4,500	Post	100%	0%	No	4Q10	2Q11
3. Printers	Shopping	3,500	Post	100%	0%	No	4Q10	2Q11
4. Computer peripherals	Shopping	700	Post	100%	0%	No	4Q10	2Q11
5. Furniture	Shopping	6,000	Post	100%	0%	No	4Q10	2Q11
6. Data display	Shopping	500	Post	100%	0%	No	4Q10	2Q11
SALARIES								
1. Programme coordinator	QBS	240,000	Post	100%	0%	No	4Q10	4Q15
2. Programme coordinator component 1	QBS	180,000	Post	100%	0%	No	4Q10	4Q15
3. Programme coordinator component 2	QBS	180,000	Post	100%	0%	No	4Q10	4Q15
4. Programme coordinator component 3	QBS	180,000	Post	100%	0%	No	4Q10	4Q15
5. Procurement officer	QBS	180,000	Post	100%	0%	No	4Q10	4Q15
6. General accountant	QBS	150,000	Post	100%	0%	No	4Q10	4Q15
7. Administrative support	QBS	75,000	Post	100%	0%	No	4Q10	4Q15
OPERATIONAL COSTS								
1. Utilities	Shopping	30,000	Post	100%	0%	No	4Q10	4Q15
2. Supplies	Shopping	30,000	Post	100%	0%	No	4Q10	4Q15
Subtotal		1,279,700						
MONITORING & EVALUATION								
CONSULTING SERVICES								
1. One full-time external consultant	QCNI	125,000	Post	100%	0%	No	4Q10	4Q15
1. one national consultant hired for 2 months for programming	QCNI	8,000	Post	100%	0%	No	4Q10	2Q11
3. Consultant for baseline design and implementation	QCNI	4,000	Post	100%	0%	No	4Q10	2Q11
OTHER SERVICES								
1. DSA and fuel allowances for MOA officers (Baseline services for 1000 farmers)	Shopping	20,000	Post	100%	0%	No		
Subtotal		157,000						
CONTINGENCIES - PHYSICAL								
		144,779						
TOTAL		6,471,279						

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/10

Jamaica. Loan ____/OC-JA to the Government of Jamaica
Agricultural Competitiveness Programme

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Government of Jamaica, as Borrower, for the purpose of granting it a financing to cooperate in the execution of an agricultural competitiveness programme. Such financing will be for an amount of up to US\$15,000,000 from the Single Currency Facility of the Ordinary Capital resources of the Bank, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on _____ 2010)