

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	JAMAICA/CCB - Caribbean Group
▪ TC Name:	Support to the Ministry of Agriculture of Jamaica to Update Sector Policies and Investment Plans and for Project Preparation
▪ TC Number:	JA-T1158
▪ Team Leader/Members:	Hector Valdes (CSD/RND) Team Leader; Carmine Paolo de Salvo (CSD/RND) Alternate Team Leader; Sherries Ruddock (CCB/CJA); Elizabeth Chavez (CSD/RND); Yuri Chalkalall (CSD/RND); Pilar Jimenez (LEG/SGO); Rene Herrera (VPC/FMP)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Increasing Agricultural Competitiveness - JA-L1083 - Preparation
▪ Date of TC Abstract:	07 Feb 2018
▪ Beneficiary:	Jamaica, Ministry of Agriculture, Industry, Commerce and Fisheries (MICA F)
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$350,000.00
▪ Local counterpart funding:	\$ 0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals
▪ Prepared by Unit:	Env, Rural Dev & Disaster Risk
▪ Unit of Disbursement Responsibility:	Infrastructure & Energy
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality ; Productivity and innovation ; Environmental sustainability

II. Objective and Justification

- 2.1 Support the Ministry of Industry, Commerce, Agriculture and Fisheries (MICA F) to: (a) assess sector policy and develop performance-based model policies; (b) review Agro-parks performance as well as further develop Agro-park related model strategies and plans; and (c) inform and prepare the design for successor Agro-park or other relevant sector investments.
- 2.2 Agriculture plays an important socioeconomic role in Jamaica. In 2016, the sector's contribution stood at 8% of GDP, employing approximately 18% of the economically active population. Spatially, 77% of the total productive agricultural land is occupied by small farmers with plot sizes of 2 hectares or less. The country has an agricultural trade deficit. While agri-food has accounted for a significant share of export earnings, imports of livestock-based staples exceed the combined earnings from coffee, banana and sugar.
- 2.3 The sector is highly vulnerable to climate variability and change. In 2014, direct sector losses from hurricanes over the preceding 25 years were quantified as standing at JMD \$25 billion —approximately USD \$220 million. Other restrictions to sector growth acceleration in Jamaica include limited technical innovation, insufficient qualified human resources, insufficient irrigation and roads infrastructure, lack of farmer collateral required for access to credit, incidence of pests and diseases, and low levels of small-farmer organization and linkages to markets.

- 2.4 In its national development planning (Vision 2030), the Government of Jamaica (GoJ) prioritizes a goal of economic prosperity and identifies an internationally competitive agriculture sector as an important contributor for securing this goal. The long-term sectoral vision is one of dynamic transformation via research, technological, market and private sector interventions, and the revitalization of rural communities. The development of Agro-parks has also been identified as a key strategy. This initiative includes strengthening marketing structures, establishing model farms, improving farm roads and irrigation, and adopting sanitary and phytosanitary (SPS) quality management systems and standards.
- 2.5 An IDB investment loan of USD\$15M was approved in 2010 (the Agricultural Competitiveness Programme - ACP; JA-L1012) and aimed at increasing farmers access to markets. Re-scoped in 2013 at the request of the GoJ, the operation has provided support for the development of four Agro-parks and it was part of various growth-enhancing reforms recommended under an International Monetary Fund Extended Fund Facility program. As re-scoped, JA-L1012 is specifically aligned to key lines of action in IDB's Sector Framework Document for Agriculture (2013) relating to the provision of infrastructure and agricultural services as public goods, as well as product quality, food safety, and value chain strengthening, and improved access to markets for small producers. After an extension, the operation will be finalized in May 2018.
- 2.6 The GoJ is keen to consolidate, strengthen, and avoid the loss of current implementation momentum and project execution capacity accumulated through the existing Agro-park initiative. Consequently, a request to the IDB for a follow-on operation to ACP was formally confirmed as a priority for the period 2018/19 to 2019/2020 from the Ministry of Finance and the Public Service (MoFaPS). Notably, the GoJ, via the MICAF, is keen on the development of SPS capacities as part of an overall strategy for improving competitiveness, adding value, and building resilience to climate change. In addition, this TC will support the GoJ to develop a formal Agro-Park Model strategy and plan, review Agro-parks performance, and prepare the design of a relevant, viable successor investment operation, to be approved before 2019.

III. Description of Activities and Outputs

- 3.1 Component 1: Sector Policy Assessment & Definition of Performance-Based Models. This component will develop a sector policy scan, specific policy reviews and studies of the development constraints for the sector. These will include but not be restricted to considerations of competitiveness; value chain development and sustainability; export growth and promotion; climate change vulnerabilities and risks; the current role of and potential for further incubating micro, small and medium enterprises; status of agricultural credit; and SPS systems. The component will include a review of relevant MICAF policies, as well as an analysis of government-provided agricultural services, with a focus on identifying potential legal and institutional framework updates required to facilitate production and investment growth. Identification of existing or high-potential agricultural value chains—e.g. the domestic poultry industry—and an analysis of the possible role of government in defining and incentivizing performance-based management of those value-chains will also be carried out.
- 3.2 Component 2: Development of Agro-Park Strategy and Plan. This component will formally articulate a time-bound, Jamaica-specific Agro-Park Strategy and Plan. This will require consultation with key stakeholders as well as a careful review of prevailing concepts, initiatives, and global typologies. It will include a review of the progress, performance, and preliminary results of existing Agro-Park investments that will serve as bases for the development of the Agro-Park Strategy and Plan. The Strategy and Plan should define vision, current functional status, gaps and opportunities, clear objectives, targets and performance indicators as well as the enabling milestone

interventions and actions required to achieve a sustainable, private sector-led model—or other performance-oriented modality of operation.

- 3.3 Component 3: Preparation and Design of JA-L1083. Considering the findings and recommendations of the previous Components, this component will finance key inputs for the design of the new follow-on operation (JA-L1083) and will include analyses of: i) technical viability and design of proposed interventions; ii) ex-ante carbon footprint balance estimations; iii) environmental and social impacts; iv) ex-ante economic analysis; v) institutional capacity; and vi) monitoring and evaluation plan. Specific attention will be directed to the feasibility of more explicit linkages to the Jamaica tourism supply chain.
- 3.4 **Component I: Sector policy assessment and definition of performance-based models.** This component will develop a sector policy scan, specific policy reviews and studies of the development constraints for the sector. These will include but not be restricted to considerations of competitiveness; value chain development and sustainability; export growth and promotion; climate change vulnerabilities and risks; the current role of and potential for further incubating micro, small and medium enterprises; status of agricultural credit; and SPS systems.
- 3.5 **Component II: Development of Agro-Park Strategy and Plan.** This component will formally articulate a time-bound, Jamaica-specific Agro-Park Strategy and Plan. This will require consultation with key stakeholders as well as a careful review of prevailing concepts, initiatives, and global typologies. It will include a review of the progress, performance, and preliminary results of existing Agro-Park investments that will serve as bases for the development of the Agro-Park Strategy and Plan.
- 3.6 **Component III: Preparation and design of JA-L1083.** This component will finance key inputs for the design of operation JA-L1083.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Sector policy assessment and definition of performance-based models	\$ 130,000.00	\$ 0.00	\$ 130,000.00
Development of Agro-Park Strategy and Plan	\$ 45,000.00	\$ 0.00	\$ 45,000.00
Preparation and design of JA-L1083	\$ 175,000.00	\$ 0.00	\$ 175,000.00

V. Executing Agency and Execution Structure

- 5.1 This TC will be executed by CSD/RND.
- 5.2 This is due to the timing of the implementation and the technical expertise needed for the supervision. The implementation will however be coordinated by MICAFA and MoFaPS. Reports and products will be reviewed by MICAFA, MoFaPS and the Bank.

VI. Project Risks and Issues

- 6.1 There is a risk of lack of technical capacity among the national and local level stakeholders as it relates to data collection for the technical studies. This risk is mitigated by the Bank execution, which will advise on specific terms of reference, contribute to technical monitoring and supervision, and review reports for timely execution.

6.2 There is also a risk that the Government of Jamaica changes priorities and decides to cancel or postpone a follow-on operation to JA-L1012. This risk would only affect Component 3 and is being mitigated through a continued dialogue of the Bank with governmental authorities.

VII. Environmental and Social Classification

7.1 The ESG classification for this operation is "undefined".