PUBLIC
SIMULTANEOUS DISCLOSURE

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

JAMAICA

MODIFICATION PROPOSAL OF THE SUPPORT FOR THE HEALTH SYSTEMS STRENGTHENING FOR THE PREVENTION AND CARE MANAGEMENT OF NON-COMMUNICABLE DISEASES PROGRAMME

(JA-L1049) (4668/OC-JA)

AND COMPLEMENTARY NON-REIMBURSABLE INVESTMENT FINANCING PROJECT SPECIFIC GRANT

(JA-G1005)

PROPOSAL TO MODIFY RESOLUTION DE-92/18 AND LOAN CONTRACT 4668/OC-JA

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CONTENTS

ANNEXES	
Annex I	Development Effectiveness Matrix (DEM) - Summary
Annex II	Results Framework (additional financing)
Annex III	Fiduciary Arrangements

REQUIRED ELECTRONIC LINKS (REL)	
REL#1	Pluriannual Execution Plan (PEP) and Annual Operational Plan (AOP)
REL#2	Monitoring and Evaluation Arrangements
REL#3	Environmental and Social Management Report (ESMR)
REL#4	Procurement Plan

OPTIONAL ELECTRONIC LINKS (OEL)	
OEL#1	Analysis of Project Cost and Economic Viability
OEL#2	Communication and Visibility Plan
OEL#3	EU-CIF Fiche (Application Form)
OEL#4	Request from Beneficiary
OEL#5	Bibliographic References
OEL#6	Project Operation Manual
OEL#7	Safeguard Policy Filter (SPF) and Safeguard Screening Form (SSF)

ABBREVIATIONS	
ACR	Ambulatory Care Ratio
AED	Accident and Emergency Department
ALOS	Average Length of Stay
AOP	Annual Operating Plan
BFHI	Baby-Friendly Hospital Initiative
BOR	Bed Occupancy Rate
CCM	Chronic Care Model
DALY	Disability-Adjusted Life Years of Life Lost
EA	Executing Agency
ECHO	Extension for Community Healthcare Outcomes
EDGE	Excellence in Design for Greater Efficiencies
EU-CIF	European Union Caribbean Investment Facility
FCTC	Framework Convention on Tobacco Control
GDP	Gross Domestic Product
GOJ	Government of Jamaica
IDB	Inter-American Development Bank
IGR	Investment Grant
IS4H	Information Systems for Health
JHLS	Jamaica Health and Lifestyle Survey
MND	Mental and Neurological Disorders
MOFPS	Ministry of Finance and the Public Service
MOHW	Ministry of Health and Wellness
NCD	Non-Communicable (Chronic) Disease
NHF	National Health Fund
NSPMH	National Strategic Plan on Mental Health
NPAI	National Plan of Action for IS4H
NSAP-NCD	National Strategic and Action Plan for the Prevention and Control of Non-Communicable Disease
OC	Ordinary Capital
PAGODA	Pillar Assessed Grant or Delegation Agreement
PAHO	Pan American Health Organization
PBP	Programmatic Policy-Based Loan
PEP	Project Execution Plan
PEU	Programme Executing Unit
PIOJ	Planning Institute of Jamaica
PMR	Project Monitoring Report
POM	Programme Operating Manual
THE	Total Health Expenditure
UNOPS	United Nations Office for Project Services
WHO	World Health Organization
YLL	Years of Life Lost

PROJECT SUMMARY

JAMAICA

MODIFICATION PROPOSAL OF THE SUPPORT FOR THE HEALTH SYSTEMS STRENGTHENING FOR THE PREVENTION AND CARE MANAGEMENT OF NON-COMMUNICABLE DISEASES PROGRAMME (JA-L1049) (4668/OC-JA) AND COMPLEMENTARY NON-REIMBURSABLE INVESTMENT FINANCING PROJECT SPECIFIC GRANT (JA-G1005)

Financial Terms and Conditions			
Beneficiary:		Jamaica	
Executing Agency:		Ministry of Health and Wellness (MOHW)	
		Project Specific Grant (PSG)	**Health Systems Strengthening for the Prevention and Care Management of NCD Programme**
Disbursement period:		4 years	5 years
Approval Currency:		Euro	U.S. Dollar
Source:		European Union Caribbean Investment Facility (EU-CIF)	IDB (Ordinary Capital)
Amount:	**Euros**	10,200,000[(a)]	
	U.S. Dollars	11,424,000[(b)]	50,000,000
Total Modified			61,424,000

Project at a Glance

Project Objective/Description: This proposal to modify the Support for the Health Systems Strengthening for the Prevention and Care Management of Non-Communicable Diseases (NCD) Programme (4668/OC-JA) incorporates complementary financing provided by the European Union. The general objective of the complementary financing is to contribute to the improvement of the health of Jamaica's population, while the specific objectives are to: (i) improve the quality of primary care provided through health centres in the catchment areas of the hospitals selected for IDB investments, and (ii) increase patient adherence to NCD management protocols. The original objective of the Support for the Health Systems Strengthening for the Prevention and Care Management of NCD Programme remains to contribute to the improvement of the health of Jamaica's population by strengthening comprehensive policies for the prevention of NCD risk factors and improved access to an upgraded and integrated primary and secondary health network in prioritized areas with an emphasis on chronic disease management, that provide more efficient and higher quality care.

Special Contractual Conditions prior to the first disbursement of the financing: The Executing Agency will provide evidence to the Bank's satisfaction of: (i) the update of the POM for the Support for the Health Systems Strengthening for the Prevention and Care Management of Non-Communicable Diseases (NCD) Programme to incorporate the terms and conditions for the execution of this IGR in accordance with the those previously agreed upon between the MOHW and the Bank; and (ii) that the IDB and EU have entered into a project specific grant for the transfer of the EU-CIF resources (¶5.5).

Exceptions to Bank Policies: (i) two exceptions to Bank's Policies for the procurement of goods and works financed by the IDB (GN-2349-9) and Policies for the selection of consultants financed by the IDB (GN-2350-9) already approved under the 2015 EU-IDB Framework Agreement (GN-2610-2, ¶4.13 and ¶4.14) will apply (¶5.6); and (ii) an additional partial exception to such Bank procurement policies is requested for approval to be able to recognize EU's restrictive measures (¶5.8).

Strategic Alignment						
Challenges[(c)]:	SI	☑	PI	☐	EI	☐
Cross-Cutting Themes[(d)]:	GD	☑	CC	☐	IC	☑

[(a)] Grant resources to be provided by the EU are subject to availability and approval by the EU. The funds will be administered by the Bank through a Project Specific Grant (PSG) according to Document SC-114 and under the terms of the 2015 "Framework Agreement between the Bank and the European Commission" (GN-2605-2). As contemplated therein, the commitment from the EU will be established through a separate contribution agreement (Delegation Agreement). EU resources will be available for disbursement once the Delegation Agreement has been signed between the EU and the Bank and the funds from the EU are received by the Bank. The Bank will charge an administrative fee (2% of the PSG amount) upon the Bank's receipt of the first payment instalment. All references in this document to the 2015 EU-IDB Framework Agreement shall be deemed to have been made, as applicable, to any amendment and/or reinstatement of such framework agreement that the EU and IDB may enter into, in force as of the date of signature of the Delegation Agreement.

[(b)] The exchange rate used on August 6, 2019 was 0.89 Euro to one US Dollar. The EU PSG contribution payments will be made in Euros (€), and immediately converted to US Dollars when received by the Bank's Finance Department. The Finance Department will inform the Project Team of the exchange rate at which each contribution is converted.

[(c)] SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).

[(d)] GD (Gender Equality and Diversity); CC (Climate Change and Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. COMPLEMENTARY EUROPEAN UNION FINANCING FOR THE SUPPORT FOR THE HEALTH SYSTEMS STRENGTHENING FOR THE PREVENTION AND CARE MANAGEMENT OF NON-COMMUNICABLE DISEASES (NCD) PROGRAMME

1.1 On November 14, 2018, the Board of Directors of the Inter-American Development Bank (IDB) approved a hybrid operation for Jamaica consisting of a programmatic policy-based loan (JA-L1080, 4669/OC-JA) and a specific investment loan (JA-L1049, 4668/OC-JA) for US$50 million each that together comprise the "Support for the Health Systems Strengthening for the Prevention and Care Management of Non-Communicable Diseases (NCD) Programme." The current document proposes the approval of a non-reimbursable investment operation ("Investment Grant operation", "IGR" or this "Operation") to complement this programme, for EUR (€) 10.2 million (approximately US$11.424 million) to be granted by the European Union Caribbean Investment Facility (EU-CIF).[1]

1.2 The policy-based and investment loans and the IGR all contribute to increase capacity for NCD control and treatment in priority health services networks consisting of hospitals and their associated health centres. While the policy-based loan concentrates on the reduction of NCD risk factors in general, the investment loan focuses on strengthening health services for NCD clinical management. During the July 22-24, 2019 mission, the government requested that the Bank reallocate loan resources (US$9.5 million) originally earmarked for upgrading ten health centres (subcomponent 1.1), which will now be financed with the IGR, to expand the infrastructure and equipment upgrade at three hospitals. The reassignment of the loan resources to the hospitals (subcomponent 1.2) will allow for more complete renovation and improvement of services, considering that the initial resources assignment met only a limited portion of the infrastructure and equipment renovation needs (¶3.2 and Table 4.3).

II. BACKGROUND, DESCRIPTION AND CURRENT STATUS OF LOAN 4668/OC-JA

2.1 **Health Conditions and NCD Risk Factors.** Jamaica has 2.8 million inhabitants, and the country is experiencing lower population growth and population aging characteristic of an advanced demographic transition. The elderly (65 years and over) represented 9.3% of the population in 2015, and this proportion will reach 22.0% by 2050. The health status of Jamaica's population has risen steadily; for example, infant mortality declined from 30.9 deaths per 1,000 live births in 1990 to 16.6 in 2016. Jamaica has a higher life expectancy (74.6 years) than Guyana (67.7 years), Suriname (71.3 years), and Trinidad and Tobago (73.0 years).[2]

2.2 With the progress in controlling infectious disease and improving maternal and child health, the country has experienced an epidemiological transition and now faces the challenges posed by NCDs, such as cardiovascular diseases, cancers, chronic respiratory diseases and diabetes. In 2016, NCDs accounted for 8 of the 10 leading causes of death and represented 85% of all deaths (22,034), compared

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[1] The EU-CIF is a European Union regional financing blending facility aimed at mobilizing resources for development projects by combining grants from the European Development Fund with other resources, such as loans, to leverage additional financing and achieve investments in infrastructure.

[2] See: The World Bank Indicators Data: https://data.worldbank.org/indicator.

to 78.6% in 1990. The leading causes for morbidity measured with Disability Adjusted Life Years (DALYs) are NCDs.[3]

2.3 NCDs are caused by four modifiable risk factors: (i) tobacco use; (ii) excessive alcohol consumption (which also increases risk for developing mental and neurological disorders–MND); (iii) a sedentary lifestyle; and (iv) unhealthy dietary habits. Tobacco consumption contributes to high blood glucose levels, hypertension and abnormal lung function, leading to all major NCDs. According to the 2015 Jamaica Survey of Living Conditions (JSLC), men smoke at much higher rates than women (22% and 3%). Overall, 5.1% of the global burden of disease and injury is attributable to alcohol.[4] The 2007-8 Jamaica Health and Lifestyle Survey (JHLS) showed that 65% of the population aged 15 to 74 currently used alcohol [2]. The alcohol-attributable death rates in 2012 were 23.7 and 9.1 per 100,000 population, for men and women, respectively.

2.4 Unhealthy eating habits and lack of exercise are key risk factors leading to obesity, hypertension, high blood glucose and abnormal blood lipids, proximate causes of NCDs. Breastfeeding and the proper introduction of complementary foods in the baby's first two years foster healthy growth and improve cognitive development, and may have longer-term health benefits, like reducing the risk of becoming overweight or obese and developing NCDs. Furthermore, exercise contributes to the prevention of hypertension, overweight, and obesity, and is associated with delay in the onset of dementia and improved mental health. According to the JHLS, over 70% of men engage in moderate to high levels of physical activity, compared to only 38% of women. Over 75% of Jamaicans ages 15-74 consumed one or more bottle or glass of sweetened beverage per day, and less than 2% of individuals were meeting the recommended daily intake of fruits and/or vegetables.

2.5 **Health Services Delivery Challenges.** Jamaica's public national health system strives to provide universal coverage and access, but it struggles to deliver effective financial protection and quality services. The Ministry of Health and Wellness (MOHW) operates over 300 health centres and 24 hospitals. The National Health Fund (NHF) subsidizes drug costs for the elderly and NCD patients. Since 2008 there have been no user fees, which increased demand on a strained system and negatively impacted the quality of services [3]. As a result, the population, including the poor, often purchase private sector services. However, much of this cost is paid out-of-pocket (24% of Total Health Expenditure—THE), since only 19% of the population has private insurance[4].

2.6 Although Jamaica could improve its health system efficiency,[5] THE has remained relatively low and stagnant at 4%-6% of GDP, with the government portion never exceeding 56%. Recurrent costs consume most of the MOHW annual budget, and capital projects, only around 3% (US$15-18 million). The MOHW assigns few

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[3] See Institute for Health Metrics and Evaluation – Jamaica.

[4] Alcohol consumption differs from other preventable NCD risk factors because it also causes acute health problems, such as injuries and disability, and death, resulting from violence and road collisions. Approximately 25% of deaths within 20-39-year-old persons are alcohol-attributable [1].

[5] In a recent health sector efficiency study [5], Jamaica ranked consistently as a frontrunner for population health outcomes and access indicators given its level of inputs.

resources for corrective and preventive maintenance of equipment and infrastructure.[6]

2.7 Primary care in Jamaica currently appears unable to properly screen and refer patients to higher levels of care and manage less complex conditions, which in turn exacerbates existing issues in secondary and tertiary care. Although physical accessibility is adequate[7] and Jamaicans evaluate public primary care better than their counterparts in several other countries of the region, almost 60% of patients bypass health centres to visit the hospital Accident and Emergency Departments (AED) for conditions requiring only routine primary care,[8] and this generates overcrowding and longer waiting times.[9] In addition, rates of hospital admissions and readmissions for avoidable NCD complications are high.[10] Inpatients with primary-care sensitive conditions result in an inefficient allocation of hospital resources, and limited clinic capacity reduces the possibility to manage these cases as outpatients. Certain hospital wards show Bed Occupancy Rates (BOR) over the recommended safe limit of 85% and longer than desired Average Lengths Stays (ALOS). General hospitals outside the capital have lower Ambulatory Care Ratios (ACR),[11] for example, 17.0% in the Northeast, compared to the Southeast that contains Kingston (27.9%). This disequilibrium in outpatient care could be addressed by strengthening services of the general hospitals in the regions.

2.8 In addition to the ambulatory services, there is a strong need to expand and improve hospital inpatient care. Based on factors including population demand, network role,[12] and physical needs assessment, the MOHW identified five hospitals for potential upgrading, and of these, three[13] are especially strategic to relieve the overflow of demand to Kingston/St. Andrew. In these hospitals the BOR on the general medicine and surgery wards is consistently above the 85% threshold. Reducing the hospitals' long ALOS could help alleviate the high BOR, increase efficiency, and benefit patients with lower acquired infection rates and less functional loss [12]. Around one-third of the medical equipment at the priority facilities should be replaced or discarded, and significant additional equipment is necessary [13]. The hospitals' infrastructure requires interventions to improve operations and patient and health worker safety [14]. Construction of extra ward space and expansion and/or addition of buildings would help ameliorate critical problems.

2.9 To improve linkages between primary and hospital care, it is necessary to establish better referral and cross-referral and treatment protocols, and care or discharge

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6 In 2017/18, only US$6.7 million, around 1.4% of total recurrent expenditure in health.

7 The average distance to reach a health centre is 3.1 kilometres and the maximum is 14.6 kilometres [6].

8 Initiatives to upgrade centre infrastructure, equipment, personnel, and working hours have resulted in increased use by the public, and this operation supports this model of service improvement [7,8].

9 Average waiting time at public hospitals was 4.7 hours in 2015 according to the JSLC [10].

10 Kingston Public Hospital has readmission rates of 17%-34%, with hypertension and diabetes among the leading causes [9].

11 The ACR by health region is the ratio of total ambulatory cases presenting at hospital to the total population.

12 A hospital network reorganization could imply a reformulation of the number of beds per type of service per the expected number of discharges, closure of departments or clinical units that duplicate services or have low production, reallocation of services from one hospital to another, and role re-specification among facilities [11].

13 The three hospitals (Spanish Town Hospital, St. Ann's Bay Hospital, and May Pen Hospital, included in the investment loan) are in three separate parishes (of Jamaica's total of 14 parishes), whose population is 942,000 persons, amounting to around 35% of the country's population. The hospitals are strategically located in urban centres on the country's main transportation arteries.

pathways. Although the MOH conducted a pilot project of the Chronic Care Model (CCM) (Wagner model), it did not assess the results or expand this approach. An audit of the MOHW's management of diabetes [15] substantiated the poor application of clinical guidelines for case management: of sampled patients, 63% had not had glucose tests, while over 75% and 85% had not been referred to a nutritionist/dietician or for eye exams or mental health consultation. These measures can prevent or delay complications and associated costly treatments, such as dialysis and amputations. Similar situations exist with other NCDs; for example, hypertension control in the Western region has been consistently below the 51% goal.

2.10 Access to timely and high-quality health information remains a problem in Jamaica. The existing paper-based system is outdated, and health facilities have limited storage capacity, making security and safety of patient records a major issue.[14] Currently, Jamaica's health information system needs to focus on key foundational areas, such as formal governance structure, design of system architecture, definition of a data dictionary, and adoption of international standards for patient privacy, interoperability and disease classification.

2.11 **Policies to reduce NCD risk factors and improve early detection and clinical management.** In the context of the Global Action Plan for the Prevention and Control of NCDs[15] 2013-20 and its updates, the WHO has identified a list of "best buys" and other cost-effective interventions to address NCDs and risk factors, as well as clinical diseases management.[16] The MOHW is adapting and implementing best-buys, which constitutes a strategic component of the policy-based loan.

2.12 Jamaica has met some of its obligations under the Framework Convention on Tobacco Control (FCTC). However, to address current gaps, the IDB policy-based loan promotes a comprehensive tobacco control legislation relating inter alia to the regulation of price and related measures as well as prohibition of advertising and sponsorship. Similarly, the GOJ will improve strategies for the prevention and control of harmful alcohol consumption. A National Alcohol Policy being developed under the policy-based loan will address insufficient restrictions on advertisement, promotion and sponsorship, and labelling, as well as inadequate limitations on physical availability and pricing.

2.13 With support from the policy-based loan, the GOJ is strengthening policies to reduce unhealthy dietary habits and to encourage physical activity. It is developing a National Infant and Young Child Feeding Policy that promotes proper breastfeeding practice and compliance of maternal and child health services with the Baby Friendly Hospital Initiative (BFHI).[17] In addition, the MOHW announced a ban on sugar-sweetened beverages in public schools. Forthcoming school nutrition policies include the promotion of healthy eating habits, physical activity, and age-appropriate health check-ups through the Jamaica Moves at School Initiative.

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14 National Health Information System Strengthening and e-Health Strategic Plan, page 6.
15 http://www.who.int/nmh/events/ncd_action_plan/en/.
16 https://ncdalliance.org/sites/default/files/resource_files/WHO-NMH-NVI-17.9-eng.pdf.
17 http://www.who.int/nutrition/topics/bfhi/en/.

2.14 The policy-based loan includes a condition for the development of a CCM Concept Paper and Policy for risk factor reduction, early detection, treatment, diagnosis and support for cardiovascular disease, diabetes, cervical, breast, prostate and colorectal cancer, depression and asthma. Similarly, the policy-based and investment loans require the development of screening guidelines for primary health care to promote early detection of the common NCDs and guidelines for the nutritional management of obesity, diabetes, hypertension and cancer in health facilities.

2.15 The GOJ is committed to the objectives of the WHO Mental Health Action Plan and agreed to the policy goal of developing its own National Strategic Plan on Mental Health (NSPMH). The NSPMH will strengthen leadership and governance in mental health, as well as promotion, prevention, rehabilitation and management measures. Additionally, the GOJ plans to continue restructuring mental health services away from long-term hospital stay and towards community-based residential living facilities and general health care settings that include short-stay inpatient and outpatient care services.

2.16 The policy-based loan involves Information Systems for Health (IS4H) as a key area of support with the creation of a National Plan of Action for IS4H (NPAI) to provide foundational elements including interoperability standards to facilitate patient tracking, a referral system, modules to support NCD self-management and follow-up appointments, and TeleMedicine and TeleHealth initiatives. The investment loan provides financing to support the plan's implementation.

2.17 **Investment in health services improvement for NCD management.** The MOHW has undertaken the development of a new Primary Care Model. This model in summary establishes three levels of health centres: Community, District and Comprehensive. It defines the scope of services that will be provided in primary care and the essential benefit plan based on the life course approach. The model acknowledges the integrated service delivery network and streamlines the provision of service with the patient as the central focus. The model provides for quality service through an expanded and highly skilled workforce from both primary and secondary care visualizing technology to improve information sharing and learning. Central to the new model will be the access to a higher level of care in 130 strategically placed health centres that are targeted to be upgraded to provide comprehensive services based on present and predicted epidemiological trends and that will offer more responsive, resolutive and appropriate to the needs of the population. In 2015 the MOHW initiated a project in eight health centres to extend opening hours, types of services, and the physical capacity to attend patients. In hospitals affiliated with these centres, it improved AED services and reduced patient waiting times by standardizing and computerizing patient flow to triage, increasing physical capacity for waiting and triage, and establishing customer service areas [8]. The MOHW recommended strengthening additional centres in each hospital's area of influence to properly absorb AED referrals, an approach being incorporated into this EU-CIF non-reimbursable investment financing operation.

2.18 MOHW also realizes that it must invest in hospital diagnostic and clinical capacity to complete the spectrum of NCD management and control from primary and secondary prevention through treatment. It commissioned the United Nations Office for Project Services (UNOPS) to undertake a pre-investment study of five

strategic hospitals and present options for services configurations under a network approach. This work served as the basis to select three hospitals for upgrading in the programme under the IDB investment loan.

2.19 The NSAP-NCD calls for developing and/or updating guidelines for screening and controlling NCDs and risk factors, as well as improving patient self-management. To increase the use of evidence-based protocols and care pathways by health sector professionals, it is important to make them available in user-friendly formats and to provide training in their application [17]. Jamaica has also employed the Chronic Care Passport [18] on a pilot basis and plans to deploy it and the CCM more extensively to encourage patient empowerment and self-involvement in care. The programme, through the investment loan, has incorporated these approaches.

2.20 The WHO advocates IS4H as part of the Package of Essential Noncommunicable (PEN) Disease Interventions for Primary Health Care in Low-Resource Settings. Also, health information technology has produced mortality rate reductions for complex patients that require cross-specialty care coordination and extensive clinical information management in hospital settings[18] [19] and improvements in resource allocation efficiency[19] [21]. Mobile health (mHealth) tools,[20] such as text messages, medication reminders, and symptom monitoring, and Telehealth, or the remote diagnosis and treatment through telecommunications, present possibilities to improve the effectiveness and efficiency[21] of NCD management [23]. The MOHW developed the 2014-2018 NHIS Strengthening and e-Health Strategic Plan with the vision of "a single electronic health record for every person." Progress with plan activities include pilots of an Electronic Patient Administration System (ePAS). Other eHealth initiatives include the e-triage module of the ePAS implemented at the Bustamante Hospital for Children, which decreased waiting times. The MOHW also implemented Extension for Community Healthcare Outcomes (ECHO) tele-mentoring for HIV treatment implemented at several treatment centres. The IDB investment loan and the IGR operation support key actions of the NPAI.

2.21 **Implementation status of hybrid operation.** The GOJ fulfilled all the contractual conditions for the programmatic policy-based loan (JA-L1080, 4669/OC-JA), and the IDB disbursed the full US$50 million on December 17, 2018. Regarding the investment loan (JA-L1049, 4668/OC-JA), the GOJ signed the loan contract on December 7, 2018 and fulfilled eligibility for disbursement conditions on May 6, 2019. Subsequently, the IDB made a first disbursement (funds advance) of investment resources for US$500,000 on June 12, 2019. The investment loan has two components: (1) Organization and consolidation of integrated health services networks (US$40,155,000); (2) Improvement of management, quality and efficiency of health services (US$7,500,000); and an allocation to support programme administration and evaluation (US$2,345,000). In the investment loan Component 1, the PEU is nearing conclusion of the procurement processes for the development of health facility construction designs and plans. Regarding

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18 Health information systems may improve clinical practice by reducing staff errors, improving automated harm detection, monitoring infections more effectively, and enhancing the care continuity during physician handoffs.

19 Conservative estimates suggest if the United States healthcare system were interoperable, at least US$77 billion would be saved annually [20].

20 Mobile telephone subscriptions are high in Jamaica (115 per 100 inhabitants).

21 For example, blood pressure control consultations by way of 10-15 emails and/or phone calls can occur across weeks and the cost is approximately 29% of the cost of in-person acute care [22].

Component 2, there has been progress in the implementation of the procurement process for the contracting of consulting services in activities relating to health informatics, including interoperability standards, system architecture, governance structure, patient privacy norms, and electronic health record parameters.

2.22 **Bank experience and lessons learned.** Prior to the Support for the Health Systems Strengthening for the Prevention and Care Management of NCD Programme, Jamaica had not implemented a loan operation in the health sector within 15 years, but the Bank currently supports a variety of initiatives through Technical Cooperation (TC) projects. For example, the Strengthening Health Systems in Jamaica project (ATN/OC-14953-JA) supported strategic planning, the primary care renewal process, and financing strategy development. The Energy Management and Efficiency Programme (3877/OC-JA) aims at implementing energy conservation methods in Government facilities, including four hospitals.[22] The principal lesson derived from the Bank's experience in the health sector relates to the need to establish strong capacity for project management within the MOHW, and this is addressed both through the investment loan PEU and additional TC resources that were mobilized to support programme preparation and implementation (Improvement to Health Service Delivery (ATN/OC-16573-JA) and Strengthening Health Services Delivery in Jamaica (ATN/OC-16789-JA). Furthermore, the programme incorporates recommendations from the Health and Nutrition Sector Framework (GN-2735-7) regarding: (i) the adoption of a service delivery approach built around primary care that stresses health prevention (components 1 and 2 of non-reimbursable investing financing operation); (ii) the streamlining of hospital functions and their integration in care networks (Component 1 of investment loan and non-reimbursable investment operation); (iii) the careful incorporation of information and communication technologies to promote efficiency in care provision and health worker training (Component 2 of investment loan); and (iv) the need to increase capacity for the maintenance and sustainability of health infrastructure (Component 1 of investment loan).

III. DESCRIPTION AND RATIONALE FOR THE PROPOSED CHANGE

3.1 **Proposal.** The EU-CIF financing will provide complementary resources for the "Support for the Health Systems Strengthening for the Prevention and Care Management of NCD Programme," aimed at infrastructure works in ten health centres to consist of the construction of new health centres as well as the upgrading of the infrastructure in select health centres. The EU-CIF financing will also provide resources for the purchase of new equipment at ten health centres located in the catchment areas of three priority hospitals and improving health issues communication and visibility with patients and the public. The investments will raise the diagnostic and screening capability as well as the clinical and resolutive- capacity of health centres. This will allow for more early detection and better management of the chronic disease burden and a reduction in the rate of avoidable hospitalizations.

[22] Seven additional hospitals will undergo deep energy efficiency retrofits with European Union Caribbean Investment Facility (EU-CIF) grant funding (GRT/ER-16412-JA), including St. Ann's Bay and Spanish Town Hospitals.

3.2 As a result of the additional financing from the European Union, the investment loan (4668/OC-JA) will be modified to reallocate resources originally assigned for the upgrading of the ten health centres, which will now be financed by the EU-CIF, to increase the funds available for infrastructure improvement and medical equipment renewal at the three hospitals. The original cost estimates for construction and equipment needs for the hospitals calculated during programme preparation were substantially higher than the available investment loan amount, and the increased allocation will permit a more comprehensive intervention and expansion of services. Specifically, additional loan resources will allow for the implementation of phase II of the Spanish Town Hospital upgrade, which includes new facilities for clinical services (pharmacy and laboratory), ambulatory services (endoscopy and haemodialysis), logistic services (kitchen, laundry, morgue, waste, and cleaning), and hospitalization units.

3.3 Raising the level of complexity of services and the installed capacity to provide them at the centres and their reference hospitals through the combined interventions of the IGR and investment loan should generate a more rational and efficient utilization of resources at both types of facilities, since the hospitals will be less burdened by primary care patients and will be able to utilize their assets on treatment of acute cases in their more resource-intensive environment.

3.4 **Programme strategy.** The Government of Jamaica (GOJ) developed the National Strategic and Action Plan for the Prevention and Control of Non-Communicable Disease (NSAP-NCD), which is consistent with the WHO's Action Plan on NCDs. Its priority areas are to: (i) reduce exposure to modifiable NCD risk factors and promote health throughout the lifecycle; and (ii) strengthen and reorient health systems to address prevention and control of NCDs through people-centred primary health care and universal health coverage. The IDB hybrid operation, as well as the EU-CIF non-reimbursable investment operation, are completely aligned with the NSAP-NCD.

3.5 **Strategic alignment.** As with the investment loan, the IGR interventions are consistent with the Update of the Institutional Strategy (UIS) 2010-2020 (AB-3008) and are strategically aligned with the development challenge of Social Inclusion and Equality, by improving access to health care services. The operation is also aligned with the cross-cutting themes of: (i) Gender Equality and Diversity, by increasing women's access to health services for diseases that affect them disproportionately;[23] and (ii) Institutional Capacity and Rule of Law, by improving the quality of public health services. The operation will contribute to the Corporate Results Framework (CRF) 2016-2019 (GN-2727-6) by expanding the number of beneficiaries receiving health services. It is aligned with the Health and Nutrition Sector Framework's (GN-2735-7) priority to ensure that all people have timely access to quality health services. Furthermore, it coincides with the objective of the IDBG Country Strategy with Jamaica 2016-2021 (GN-2868) to improve the public health system, achieving results in terms of increasing the usage of primary care facilities and reducing NCD risk factors and disease burden.

3.6 **Donor coordination.** For the hybrid loan and the IGR, the IDB is working closely with the Pan American Health Organization (PAHO) regarding NCD policy

[23] The overall NCD prevalence among women is 33.25% compared to 20.44% among men. The prevalence of priority NCDs by sex will be monitored in the results matrix.

measures and information systems for health. Also, the Bank drew on the experience of the European Union, which is financing a €22 million programme to improve maternal and neonatal health care services in Jamaica.

3.7 The MOHW has developed a ten-year Strategic Plan for the Health Sector: Vision for Health 2030 with inputs financed by the IDB (ATN/OC-14953-JA). This plan sets out the goals and health outcomes that the MOHW, working with other Ministries and stakeholders and the population at large, is committed to achieve by 2030. It responds directly to the Vision 2030 Jamaica National Development Plan, and it is fully aligned to the long-term vision and outlook for health expressed in its goals and principles. There are six strategic goals: (i) Safeguarding access to equitable, comprehensive an quality health care; (ii) The stewardship capacity of the MOHW is strengthened to improve leadership and governance to achieve universal access to health and universal health coverage; (iii) Increased and improved health financing with equity and efficiency; (iv) Ensuring human resources for health in sufficient number and competencies, committed to the mission; (v) Social participation and inter-sectoral collaborations to address the social determinants of health; and (vi) Making reliable and modern infrastructure available for health service delivery.

3.8 **Climate financing.** The health centre infrastructure financed with this IGR will comply with EDGE (Excellence in Design for Greater Efficiencies) standards, which seek to achieve 20 percent efficiencies in the use of energy and water and embodied energy in materials compared to a base case building. The EDGE approach helps to determine the most cost-effective options for designing "green" within a local climate context, and it can be used for new construction, existing buildings and major retrofits. To ensure adequate design, expertise in EDGE certification or similar should be considered as a plus in the terms of reference for contracting the firm to prepare the building designs. It is estimated that 90% of the total new IGR resources (which correspond to US$10.080 million of grant resources to be invested in the renovation of the health centers) will finance climate change mitigation activities, according to the joint MDB approach on climate finance tracking. These resources contribute to the IDB Group's goal of increasing the project financing relating to climate change to 30% of all operations approved by the end of 2020.[24]

A. Objective, Components and Cost

3.9 **Objective.** This proposal to modify for the Support for the Health Systems Strengthening for the Prevention and Care Management of Non-Communicable Diseases (NCD) Programme (4668/OC-JA) incorporates complementary financing provided by the European Union. The general objective of the complementary financing is to contribute to the improvement of the health of Jamaica's population, while the specific objectives are to: (i) improve the quality of primary care provided through health centres in the catchment areas of the hospitals selected for IDB investments; and (ii) increase patient adherence to NCD management protocols. The original objective of the Support for the Health Systems Strengthening for the Prevention and Care Management of NCD Programme remains to contribute to the improvement of the health of Jamaica's population by strengthening

[24] This estimation only applies to JA-G1005 resources, excluding the administrative fee.

comprehensive policies for the prevention of NCD risk factors and improved access to an upgraded and integrated primary and secondary health network in prioritized areas with an emphasis on chronic disease management, that provide more efficient and higher quality care.

3.10 **Component 1. Organization and consolidation of integrated primary health services networks (€9.947 million, equivalent US$11.141 million).** This component will finance primary health care services improvement in the catchment areas of three priority hospitals.[25] Specifically, it will provide for infrastructure works in a total of 10 health centres which will include the construction of new health centres, as well as the remodelling, and expansion of infrastructure in selected health centres.[26] It will also provide for the supply of new medical equipment for these facilities.[27] These investments will concentrate on strengthening the health centres in health promotion and disease prevention, diagnostic and screening capability, and clinical and resolutive capacity. This will allow for more early detection and better management of the NCD burden and a reduction in the rate of avoidable hospitalizations. Concomitantly, the IDB investment programme will provide resources for the upgrading and expansion of three hospitals selected on criteria relating to strategic role in the national hospital network, supply/demand gap, and physical needs. The combined IDB and EU-CIF interventions will allow for a more rational utilization of health sector resources and will facilitate the more efficient distribution of cases according to complexity, with health centres and clinics attending to primary care patients while hospitals concentrate more exclusively on the higher complexity cases.

3.11 **Component 2. Health education, communication and visibility plan regarding NCDs (€0.053 million, equivalent US$0.059 million).** The programme will employ mobile health (mHealth) to improve communication within the area of intervention of Component 1. mHealth tools, such as text messages, medication reminders, symptom monitoring, educational resources, and facilitated patient-provider communication can improve treatment adherence among low-income groups and the elderly. These methods have been shown to raise patient confidence and facilitate better management of NCDs. Regarding risk factors, the programme will support the institutionalization of information, communication and behavioural change interventions, including social marketing, related to nutrition and physical activity. The activities will be co-financed by the IDB loan[28] and will incorporate provisions for the visibility of EU investments (OEL#2).

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25 Spanish Town Hospital, St. Ann's Bay Hospital, and May Pen Hospital.

26 The infrastructure works will consider the possibility of incorporating measures for energy and water efficiency as well as natural disaster resiliency (PAHO and DFID standards).

27 The health centres attend to a population of approximately 340,000 persons and provide preventive and curative services, including NCD clinics. On average, each of the centres receive around 20,000 visits annually, which is expected to increase by up to 50% after the investments in service improvement. This would help alleviate the pressure of non-urgent visits to the emergency departments of the regional hospitals as well as the reference hospitals in Kingston by patients from the large, underserved populations in three parishes of the country's interior.

28 The main source of resources for the activities of this component derive from the IDB investment loan, and the funds from this component of the current operation emphasize EU visibility.

B. Key Results Indicators

3.12 The key results indicators of the overall programme will track progress in controlling prevalence of diabetes and hypertension as well as premature mortality associated with NCDs; and in achieving Jamaica´s targets related to the prevalence of risk factors (obesity), the clinical management of NCDs (awareness and control) and the functioning of the chronic care model within the health networks approach at the health centre (access to care with the visits to population ratio; proper management of NCDs) and hospital level (readmission rates and timely access to accident and emergency services when required). These indicators measured at the appropriate level will indicate the combined results of the investment (IDB investment loan and EU-CIF non-reimbursable financing) and policy components of the programme.[29] The indicators relating to products in the results matrix are specific to the IGR. Impact and results indicator goal values of the hybrid operation were estimated to reflect policy and investment interventions related principally to improving service quality and efficiency and are not expected to vary significantly with the reallocation of investment loan resources to phase II of the Spanish Town Hospital upgrades that involves mainly support services.

3.13 **Economic analysis.** The strategies promoted in this operation are based on the evidence on the effectiveness of the WHO Best Buys against NCDs, the Integrated Health Services Networks approach and the CCM. The Economic Analysis (OEL#1) for the EU-CIF financing quantifies the incremental benefits derived from the programme's investments in terms of efficiency gains from the reduction of avoidable hospitalizations; productivity gains from the reduction in morbidity and mortality associated with the adopted care model; and benefits from the implementation of the care pathways within the CCM. The analysis quantifies DALYs that can be saved by the implementation of investments in a context of integrated health networks, analysing the increase in effective coverage and the time it takes to materialize the results. In the baseline scenario, with conservative assumptions in terms of the effectiveness of the interventions, over a four-year horizon and using a discount rate of 3%,[30] the benefit/cost ratio range is 1.14. Likewise, sensitivity analyses show that the benefit/cost ratio is higher than one even in less favourable scenarios. The economic rate of return of the project is estimated at 38%.

IV. Financing Structure and Main Risks

A Financing Instruments

4.1 The hybrid structure of the IDB loans, which involves a combined policy and investment approach, was chosen as the best option to confront Jamaica's NCD crisis. The policy measures in the programmatic operation address the NCD risk factors and promote early detection and adequate clinical management of these diseases. The investment loan, in turn, will finance the strengthening of hospital services for NCD care; the adoption of innovative technologies in a national

[29] See OEL#3 EU-CIF Fiche for detailed indicator and budget information. Reporting will occur for all indicators.

[30] As discussed in the analysis, the WHO recommends using 2% as discount rate for health projects. The sensitivity analyses use values from 2% to 9%.

electronic health records platform, mHealth and telehealth initiatives; and the completion and implementation of the NPAI. Finally, this IGR will provide funding for the upgrading of the equipment and infrastructure of primary health care centres in the hospitals' area of influence. These investments will allow the government to enhance the quality of NCD prevention, management and treatment in three integrated public health service networks.

4.2 The IGR's total cost is €10.2 million (inclusive of fees) equivalent to US$11.424 million, using the exchange rate 0.89€/US$ used on August 6, 2019. This is an IGR operation with funds to be provided by the EU-CIF.[31] The EU-CIF contribution payments for this IGR will be made in Euros and immediately converted to US Dollars when received by the Bank's Finance Department, which will then inform the Project Team of the applied exchange rate.[32] The disbursement period will be four years (48 months), a timeframe that encompasses all activities considered in the Pluriannual Execution Plan (PEP) applying estimated parameters for all procurement and implementation processes.

Table 4.1. Investment Grant (EU-CIF) - Budget (millions)

Category	Euro	US$ equivalent
Component 1: Organization and consolidation of integrated primary health services networks[33]	9.947	11.141
Component 2: Health education, communication and visibility plan regarding NCDs	0.053	0.059
Bank Administrative Fee[34]	0.200	0.224
TOTAL+FEE[35]	**10.200**	**11.424**

[31] By means of a project specific grant, EU-CIF will transfer the funds to the Bank, as administrator subject to the Framework Administrative Agreement between the European Union and the IDB dated June 10, 2015 (the "EU-IDB Framework Agreement"). This Agreement amends, supplements and interprets the EU standard contractual conditions, known as the Pillar Assessed Grant or Delegation Agreement (PAGODA), to adapt them to the specificities of the IDB. Approved by document GN-2610-2, it determines the applicability of certain procurement rules as well as additional rules on eligibility of expenses, budget modification, reporting and the integration of a communications and visibility plan, among others. The Bank will then transfer them to the Beneficiary by means of a non-reimbursable financing agreement.

[32] Final resources in US$ will be dependent on the exchange rate of the date when the resources are received by the Bank and converted into US$. If a significant adverse fluctuation in the exchange rate reduces the amount of US$ in this budget, the programme activities will be decreased appropriately, and the budget will be adjusted accordingly by the project team, in consultation with the EU. If at the end of the programme there is a positive uncommitted and unspent balance related to the EU-CIF resources, such amounts shall be returned by the EA to the Bank, so the Bank transfers such amounts back to the European Commission.

[33] The investment loan provides US$40,155,000 in its Component 1 for health facility upgrading (infrastructure and equipment).

[34] The EU-CIF administrative fee represents 2% of requested IGR amount with a minimum cap of €200,000, as agreed in the EU-IDB Framework Agreement.

[35] Monitoring, evaluation, audit and PEU personnel, among other items, will be financed through the investment loan.

Table 4.2. Investment Grant (EU-CIF) - Disbursements (€)

Concept	2020	2021	2022	2023	TOTAL
Components	53,000	3,444,000	3,528,000	2,975,000	10,000,000
EU-CIF Administrative Fee	200,000				200,000
TOTAL	253,000	3,444,000	3,528,000	2,975,000	**10,200,000**
%	2.5	33.8	34.6	29.1	100

4.3 Table 4.3 shows the budget for the modified investment loan (4668/OC-JA), including the complementary financing from the EU.

Table 4.3. Modified Budget - US$ (millions)

Components	4668/OC-JA		JA-G1005	Total Modified
	Original	Modified		
Component 1: Organization and consolidation of integrated health services networks	40.155	40.155	11.141	51.296
Subcomponent 1.1 Strengthening primary care	9.500	0	11.141	11.141
Subcomponent 1.2 Increasing the capacity and efficiency of hospital services	30.655	40.155	0	40.155
Component 2: Improvement of management, quality and efficiency of health services	7.500	7.500	0.059[(a)]	7.559
Programme administration and evaluation	2.345	2.345	0	2.345
EU-CIF Administrative fee	0	0	0.224	0.224
TOTAL	**50.000**	**50.000**	**11.424**	**61.424**

(a) The health education, communication and visibility plan regarding NCDs financed by the IGR complements resources for the social marketing campaign in component 2 of the investment loan.

B Environmental and Social Safeguard Risks

4.4 According to the Environment and Safeguards Compliance Policy (OP-703) this operation was classified as Category “C”, since the social and environmental negative risks and impacts generated by the upgrading of ten primary health care centres are minimal. This classification is consistent with the evaluation of this type of infrastructure completed during the preparation of the operation JA-L1049 (4668/OC-JA) in 2018. The infrastructure works will be carried out on the sites of existing health centres and on government owned lots.

C Fiduciary Risk

4.5 As indicated in the Fiduciary Arrangements, the overall fiduciary risk of the hybrid operation’s investment component, which was evaluated using the Institutional Capacity Assessment System methodology, is deemed to be medium-high. This evaluation applies equally to the additional IGR. The risk of weak financial management and procurement capacity in the MOHW (medium-high) has been mitigated by the recruitment of qualified procurement and financial management specialists for the PEU. Furthermore, the risk that programme fiduciary staff are unfamiliar with IDB procurement, disbursement, and financial reporting procedures (medium) and procurement and execution rules set forth in the EU-IDB Framework Agreement dated June 15, 2015 (GN-2605-2), will be addressed through capacity building and training provided by the IDB. Additionally, training material on EU requirements is available through the Office of Outreach and Partnerships. The institutional evaluation indicates that the MOHW will have the capacity to execute the programme once the PEU is established and the risk mitigation measures are implemented.

D Other Key Issues and Risks

4.6 A risk analysis workshop was held with relevant stakeholders to identify risks associated with the institutional challenges of the MOHW, and to establish the most efficient way to structure the PEU. The workshop identified the following main risks relating to public management and governance (and their mitigation measures): (i) lack of knowledge transfer from PEU to MOHW resulting in a lack of institutional strengthening (medium-high, PEU terms of reference must incorporate knowledge transfer); (ii) development of an unrealistic PEP timeline leading to work delays (high, receive input from multiple stakeholders to ensure a realistic PEP timeline); (iii) perception of inequity between MOHW and PEU staff as a result of differential salary scales (medium-high, develop operational chart to outline governance structure, role and function of PEU in relation to wider MOHW functions and sensitize staff); (iv) low perception of ownership within the MOHW reducing the possibility of achieving programme objectives (medium-high, high level sponsorship and internal promotion of the project); (v) little information sharing among the PEU, MOHW, MOFPS and IDB resulting in low-quality products (medium-high, establish communication plan among relevant actors with monitoring mechanisms); and (vi) potential incompatibility in health information systems between primary and secondary health facilities and the MOHW (medium, contract system development to ensure compatibility). Participants agreed that the most appropriate PEU model to mitigate these risks would be the hiring of individual consultants in an integrated PEU with loan financing. The PEU would be coordinated by a focal point appointed by the MOHW with a Steering Committee with high-level management and monitoring functions composed of MOHW executives.

4.7 **Sustainability.** To correct the situation of chronic under maintenance of equipment and provide for the sustainability of programme investments, IDB investment loan resources ($640,000) have been allocated to several concrete actions: (i) corrective maintenance on the hospital and health centre medical equipment; (ii) preventive maintenance; and (iii) technical assistance in the design of a long-term equipment maintenance programme.

V. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of Implementation Arrangements

5.1 **Beneficiary and EA.** The Beneficiary of this IGR Operation will be Jamaica and, as is the case of the investment loan for the Support for the Health Systems Strengthening for the Prevention and Care Management of Non-Communicable Diseases (NCD) Programme, the EA will be the MOHW through the PEU. The PEU will be responsible for the programme's administration, including planning, budgeting, accounting, procurement, application of social and environmental safeguards, monitoring, and reporting regarding progress on programme implementation. The PEU includes a project manager and specialists in civil engineering, health informatics, procurement, financial management, monitoring and evaluation, as well as project support staff.[36] Specialized external consulting services will be contracted by the PEU with IDB investment loan

[36] Project support staff, as needed and adequately justified, could include secretarial assistance, driver, etc.

resources for the preparation of infrastructure renovation and building plans, supervision of construction, and development of technical specifications for medical equipment procurement. Technical and fiduciary staff from the MOHW will work closely with PEU specialists so that the MOHW benefits from knowledge transfer and capacity strengthening.

5.2 Specific responsibilities of the PEU entail all activities necessary for programme execution, including: (i) serving as project liaison with the Bank; (ii) preparing, submitting, and implementing the Annual Operating Plans (AOP) and financial plans; (iii) drawing up budgets and disbursement requests; (iv) preparing and updating the Pluriannual Execution Plan (PEP), AOP, Procurement Plan (PP), Risk Matrix (RM), and the Project Monitoring Report (PMR); (v) financial administration of the programme according to accepted accounting principles and presenting audited financial statements; (vi) carrying out procurement processes that result in the timely acquisition of high quality products and that comply with both the policies of the Bank, EU, and those of the Government of Jamaica; (vii) ensuring the consistent alignment of programme activities with expected results as well as periodic data collection to enable the monitoring of the indicators included in the Results Matrix; and (viii) presenting semi-annual progress reports.

5.3 A Steering Committee has been established to guide and monitor programme implementation, including the achievement of goals set in the IDB policy-based and investment loans and the EU-CIF grant. The Committee is composed of high-level authorities from the Jamaican government from the Ministries of Health, Education, Finance and Public Service, the National Health Fund, and other relevant agencies; and will include as non-members IDB and EU representatives; and, delegates from collaborating international organizations such as PAHO. This will allow for the continuation of the coordination initiated during the programme preparation phase. The Committee meets at least once per quarter and additionally as needed when important issues arise for decision-making.

5.4 **Programme Operating Manual.** The policies, procedures, rules, and detailed responsibilities of the PEU during programme execution will be defined in the Programme Operating Manual (POM), which will set forth standards and guidelines for the EA regarding all areas of programme implementation, including programming, execution and financial plan, fiduciary arrangements, monitoring and reporting, among others. The POM will also describe the roles and means of coordination among the MOHW, MOFPS, and the Planning Institute of Jamaica (PIOJ)[37], particularly regarding assigning budget space, accompanying programme implementation, and processing potential adjustments to activities and goals. It will also establish the composition, structure and procedures of the Steering Committee. The POM will incorporate all necessary provisions relating to EU-CIF requirements.

5.5 **Special contractual conditions prior to the first disbursement of the financing: The Executing Agency will provide evidence to the Bank's satisfaction of: (i) the update of the POM for the Support for the Health Systems Strengthening for the Prevention and Care Management of Non-Communicable Diseases (NCD) Programme to incorporate the terms and conditions for the execution of this IGR in accordance with those previously agreed upon**

[37] The PIOJ oversees the implementation of IDB financed operations.

between the MOHW and the Bank; and (ii) that the IDB and EU have entered into a project specific grant for the transfer of the EU-CIF resources. The first condition is necessary to ensure that the POM provides the guidelines for the execution of this operation, including specific EU requirements and the conditions applicable to this operation. The second condition is necessary, given that the Bank will not have availability of the EU resources until such a project specific grant agreement between the EU and the Bank is signed.

5.6 **Procurement.** The PEU will apply the Policies for the Procurement of Works and Goods Financed by the Bank (GN-2349-9) and the Policies for the Selection and Contracting of Consultants Financed by the Bank (GN-2350-9), in addition to the dispositions contained in the Fiduciary Agreements and Arrangements based on the fiduciary context of the MOHW as revealed through the institutional analysis exercise. In addition, during the execution of the programme, the following two exceptions to Bank procurement policies already approved under the 2015 EU-IDB Framework Agreement (GN-2610-2, ¶4.13 and ¶4.14) will apply: (i) all procurement processes financed with resources from the non-reimbursable investment operation will be open to suppliers, consultants, contractors and service providers from IDB member countries and, also, from countries recognized by the European Union as eligible (countries listed in the annex to the "Practical Guide to Contract. Procedures for EU External Actions"); and (ii) the beneficiary shall retain relevant documentation during project implementation for a period of at least five years from the last disbursement date.

5.7 As with the investment loan, for the IGR, the Bank will permit the use of the Jamaican Procurement Sub-system of Limited Tender/Restricted Bidding for all contracts below the Bank's threshold for Price Comparison (shopping) for works (US$150,000) and goods and non-consulting services (US$25,000). The Bank will exercise ex ante supervision of the procurement processes for the first of each type of acquisition for works and goods, all consultancies, and any that involve international competition.

5.8 **Exception to Procurement Policies.** An additional partial exception to the Bank's Policies for the procurement of goods and works financed by the IDB (GN-2349-9) and Policies for the selection of consultants financed by the IDB (GN-2350-9) is requested for approval to be able to recognize EU's restrictive measures. The EU restrictive measures imply that no support or economic resources are to be made available, directly or indirectly, to or for the benefit of entities, individuals or groups of individuals subject to restrictive measures and identified in a list available at www.sanctionsmap.eu.[38] This eligibility requirement implies a modification to the eligibility requirements contained in the Bank's procurement policies.[39] Similar exceptions related to sanctions lists of co-financiers were approved by the Board of Executive Directors in the context of financing provided by the European Investment Bank for operations in Haiti (4618/GR-HA), Ecuador (2882/OC-EC), Colombia (4572/OC-CO) for the Metro of Bogota and Barbados (4865/OC-BA).

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[38] The EU Restrictive Measures support specific EU Common Foreign and Security Policy objectives or UN Security Council Resolutions, which are not equivalent to prohibited practices. It should be noted that the Bank is currently negotiating a new Framework Agreement with the EU which will contain a similar provision regarding EU restrictive measures. This new requirement stems from the EU Financial Regulation in force as of August of 2018.

[39] Paragraphs 1.8 and 1.11 of GN-2349-9 and GN-2350-9, respectively.

5.9 **Disbursement and financial management.** The disbursement period for the IGR resources is four years (48 months) from the signature date of the non-reimbursable investment financing operation agreement. The Bank will provide an advance of funds according to programme liquidity needs substantiated by its current and anticipated commitments for a period of not less than 90 days and not more than 180 days. The PEU will control the utilization of the advance of funds and limit expenditure to planned and eligible activities, and it will maintain records of financial transaction in accordance with Bank fiduciary policies. When 70% of the advance of funds has been spent, according to EU guidelines, the PEU may submit a justification of expenditures for review by the Bank and request a new disbursement.

5.10 **Auditing.** The PEU will be responsible for submitting the following documents to the Bank: (i) Annual Audited Financial Statements (AFS) of the programme, to be submitted within 90 days after the close of each fiscal year; and (ii) final audited financial statements, to be submitted within 90 days after the final disbursement date of the programme.[40] The audit of the programme activities and financial statements must be conducted by an independent external audit firm acceptable to the Bank and contracted by the EA with resources from the investment loan. Audits will be performed in compliance with the Bank's guidelines (OP-273-12) and terms of reference for external audit.

B. Summary of Arrangements for Monitoring Results

5.11 **Monitoring.** The monitoring of this IGR will follow the dispositions of the Monitoring and Evaluation Plan and will employ the following standard Bank instruments: (i) PEP and AOP; (ii) PP; (iii) Result Matrix; (iv) PMR; and (v) audited financial statements. Semi-annual progress reports will be presented by the EA, through the PEU, within thirty (30) days after the end of the corresponding semester and should include a description of the physical and financial execution of activities in the corresponding period as well as the relevant issues relating to implementation, risks, mitigation measures, and environmental and social safeguards. Based on the semi-annual progress reports, an annual report will be prepared consolidating all information collected during the year, including AFS, disbursement requests, the management declaration, the PEP, AOP and PP and in accordance with EU reporting requirements.

5.12 **Evaluation.** An evaluation will measure the impacts attributable to this operation using the method of "differences in differences," which compares treatment and control units using data from before and after the programme implementation. In this case, the main comparison will be between the primary health care centres and their associated hospitals targeted by the investments with similar centres in neighbouring parishes, using instruments to measure access to care and quality of service at the health centres, as well as information on wait time and referrals to and from the AEDs at the hospital level. Financing for the evaluation is included in Component 3 of the investment loan (JA-L1049, 4668/OC-JA).

[40] The Bank will submit the annual AFS to the EU within 120 days of the close of each fiscal year and the final AFS, within 120 days of the final disbursement date.

VI. PROJECT TEAM RECOMMENDATIONS

6.1 Based on the information in this document, and in light of the fact that the complementary financing was not specifically envisaged in the loan proposal for 4668/OC-JA originally approved by the Bank's Board of Executive Directors; that said financing will be administered by the Bank through a PSG; and that modifications need to be made to the loan 4668/OC-JA as a result of that financing, the project team recommends that the Board of Executive Directors, based on the provisions of document DR-398-18 (Regulations of the Board of Executive Directors of the Inter-American Development Bank) and paragraph 6 of document CS-3953-4 (List of Matters that Can be Considered by the Board via Short Procedure), approve by short procedure the modifications described in this document, and that it approve the resolution attached to this document, with a view to amending Resolution DE-92/18 of November 14, 2018 and complementing the financing envisaged therein with the additional financing from the EU.

6.2 The team also recommends that the Board authorize the President of the Bank or such representative as he shall designate, in the name and on behalf of the Bank: (i) to take the necessary actions for the Bank to administer the complementary financing of up to €10,200,000 provided by the European Union, which includes the Bank's administrative costs, as established in this document; (ii) to enter into such agreement or agreements as may be necessary with Jamaica, as beneficiary, for the purpose of granting it the complementary financing chargeable against the EU contribution, with a view to executing the activities envisaged in this document; and (iii) to take such additional steps as may be necessary for execution of the programme chargeable to the resources of the complementary financing under item (i) of this paragraph 6.2.

SUPPORT FOR THE HEALTH SYSTEMS STRENGHTENIG FOR THE PREVENTION AND CARE MANAGEMENT OF NON-COMMUNICABLE DISEASES PROGRAMME (JA-L1049)

SUPPLEMENTARY FINANCING PROJECT SPECIFIC GRANT

EUROPEAN UNION CARIBBEAN INVESTMENT FACILITY (EU-CIF) PROGRAMME TO STRENGTHEN PRIMARY CARE FOR THE PEVENTION AND CARE MANAGEMENT OF NON-COMUNICABLE DISEASES (JA-G1005)

This proposal aims to modify the Support for the Health Systems Strengthening for the Prevention and Care Management of Non-Communicable Diseases Programme (4668/OC-JA) by incorporating supplementary financing provided by the European Union Caribbean Investment Facility through a project specific grant (JA-G1005).

DEM Score: SPD has reviewed the complementary financing proposal and has concluded that the proposed modification to 4668/OC-JA does not affect its evaluability. Therefore, the DEM matrix of the original operation and its score remain valid.

Evaluability Assessment Note

Program Logic:

The general objective of the supplementary financing is to contribute to improve the health of Jamaica's population. The specific objectives are: (i) improve the quality of primary care provided through health centers in the catchment areas of the hospitals selected for IDB investments, and (ii) increase patient adherence to Non-Communicable Diseases (NCD) management protocols.

The project proposal presents a solid diagnosis of the problems to be addressed, as well as evidence of the relevance of NCD in the context of Jamaica and its associated risk factors. However, insufficient evidence of the effectiveness of the specific proposed infrastructure interventions was provided in regard to the specific objective of improving the quality of care.

The results matrix adequately reflects the vertical logic of the program and includes SMART indicators at the level of impacts, outcomes and outputs. Supplementary funding will cover the cost of investments defined in subcomponent 1.1 of the loan operation. Funds originally earmarked for this purpose will be reallocated to subcomponent 1.2. Thus, indicators and targets of the loan operation will not be affected at the results level.

Economic Analysis:

The economic evaluation presents a rate of return of 38% and is based on a cost benefit analysis where program's costs are compared with benefits derived primarily from the reduction of avoidable hospitalizations and productivity gains from the reduction in morbidity and mortality associated to NCD. Note, however, that CBA estimated benefits and projected changes in outcome indicators in the RM are not fully aligned.

Evaluation and Monitoring Plan:

The M&E plan proposes to monitor RM indicators through information from administrative records of national information systems, specific thematic surveys and project audit information. The proposal includes a quasi-experimental impact evaluation where outcomes in treatment health centers will be compared with outcomes in control centers, before and after the program.

Development Effectiveness Matrix		
Summary		
I. Corporate and Country Priorities		
1. IDB Development Objectives	**Yes**	
Development Challenges & Cross-cutting Themes	**-Social Inclusion and Equality -Gender Equality and Diversity -Institutional Capacity and the Rule of Law**	
Country Development Results Indicators	**-Maternal mortality ratio (number of maternal deaths per 100,000 live births) -Beneficiaries receiving health services (#)***	
2. Country Development Objectives	**Yes**	
Country Strategy Results Matrix	**GN-2868**	**Improve the Public Health System: Increase the usage of primary care facilities; Reduce the disability-adjusted life years lost due to NCDs;Reduce the prevalence of adult risk factors.**
Country Program Results Matrix	**GN-2915-2**	**The intervention is included in the 2018 Operational Program.**
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		**Evaluable**
3. Evidence-based Assessment & Solution	**10.0**	
3.1 Program Diagnosis	**3.0**	
3.2 Proposed Interventions or Solutions	**4.0**	
3.3 Results Matrix Quality	**3.0**	
4. Ex ante Economic Analysis**	**9.0**	
4.1 Program has an ERR/NPV, or key outcomes identified for CEA	**3.0**	
4.2 Identified and Quantified Benefits and Costs	**3.0**	
4.3 Reasonable Assumptions	**1.0**	
4.4 Sensitivity Analysis	**2.0**	
4.5 Consistency with results matrix	**0.0**	
5. Monitoring and Evaluation	**10.0**	
5.1 Monitoring Mechanisms	**2.5**	
5.2 Evaluation Plan	**7.5**	
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood	**Medium**	
Identified risks have been rated for magnitude and likelihood	**Yes**	
Mitigation measures have been identified for major risks	**Yes**	
Mitigation measures have indicators for tracking their implementation	**Yes**	
Environmental & social risk classification	**B**	
IV. IDB´s Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	**Yes**	**Financial Management: Budget, Treasury. Procurement: Information System, Price Comparison.**
Non-Fiduciary	**Yes**	**Monitoring and Evaluation National System.**
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	**Yes**	

Note: (*) Indicates contribution to the corresponding CRF's Country Development Results Indicator.

(**) The efficiency analysis corresponds only to the benefits and costs of the investment operation. □

Evaluability Assessment Note:

The program's objective is to improve the health of Jamaica's population by strengthening comprehensive policies for the prevention of NCDs risk factors and for the implementation of a chronic care model with an improved access to strengthened and integrated services.

The project presents a good description of the problems to be addressed supported by contextualized evidence of the burden of disease associated with NCDs in Jamaica and its main risk factors. Also, the description presents evidence of the challenges of the health sector to improve the efficiency in NCDs prevention and treatment. The proposed solutions in the policy-based and investment components complement each other adequately and present a clear vertical logic. The Results Matrix reflects this vertical logic, incorporating expected results that reflect both components of the operation and output and outcome indicators that are SMART.

The economic analysis considers only the benefits and costs of the investment component and presents a rate of return of 18%. It is noted, however, that some benefits considered, although they could be attributable to the proposed interventions, are not included in the vertical logic of the program (particularly those derived from improvements in sexual and reproductive health and child health).

The project includes a quasi-experimental impact evaluation that will contribute to evaluate the effectiveness of the program on some expected results and to inform the attribution analysis.

□

RESULTS FRAMEWORK

Project Objective:	This proposal to modify the Support for the Health Systems Strengthening for the Prevention and Care Management of Non-Communicable Diseases (NCD) Programme (4668/OC-JA) incorporates complementary financing provided by the European Union. The general objective of the complementary financing is to contribute to the improvement of the health of Jamaica's population, while the specific objectives are to: (i) improve the quality of primary care provided through health centres in the catchment areas of the hospitals selected for IDB investments; and (ii) increase patient adherence to NCD management protocols.

EXPECTED IMPACT[1]

Indicators	Unit of measure	Baseline	Baseline Year	Goal	Goal Year	Means of verification	Comments
Premature mortality rate for cardiovascular disease (male)	Deaths/ 100,000 inhabitants	189.9	2014	186.7	2023	Register General's Department Statistics Statistical Institute of Jamaica	ICD-10: I00-I99; population 30-69 years **Pro-gender; gender tracking**
Premature mortality rate for cardiovascular disease (female)		126.1		124.0			ICD-10: I60-I69; population 30-69 years **Pro-gender; gender tracking**
Premature mortality rate for diabetes mellitus (male)		65.1		64			ICD-10: E10-E14; population 30-69 years **Pro-gender; gender tracking**
Premature mortality rate for diabetes mellitus (female)		70.2		69			ICD-10: E10-E14; population 30-59 years **Pro-gender; gender tracking**
Prevalence of diabetes mellitus for age group 15+years (male)	% of the population in each age group with the disease	9.0	2017	9.0	2023	Jamaica Health and Lifestyle Survey (JHLS)	Follow up will be done with JHLS-IV **Pro-gender; gender tracking**
Prevalence of diabetes mellitus for age group 15+years (female)		14.6		14.6			

[1] For all impact and outcome indicators, the baseline and target will be confirmed in technical workshops. Impact indicators refer to the national population. Goals for impact indicators are sometimes equal to or slightly less than baseline values given the trends in the increase in their values. For example, the prevalence of hypertension among males 15+ rose from 25.5% in 2007/08 to 31.7% in 2017 (Jamaica Health and Lifestyles Survey II and III). In some of these cases, the data requirements for detecting statistically significant changes may be prohibitive in terms of sample sizes.

Indicators	Unit of measure	Baseline	Baseline Year	Goal	Goal Year	Means of verification	Comments
Prevalence of hypertension for age 15+years (male)		31.7		31.2			
Prevalence of hypertension for age 15+years (female)		35.8		35.2			
Prevalence of obesity among girls, 13-15 years	%	10.3	2017	10.3	2023	Global school-based student health survey (GSHS)	**Pro-gender; gender tracking**
Prevalence of obesity among boys, 13-15 years	%	9.9	2017	9.9	2023		

EXPECTED OUTCOMES[2]

Indicators	Unit of measure	Baseline Value	Baseline Year	Goal Value	Goal Year	Means of verification	Comments
Average number of visits per patient with diagnosis of diabetes, hypertension and hypertension/diabetes to curative clinics (target health centres)	#	3.8	2016	4	2023	Monthly Clinic Summary Report	
% of women age 15-74 years with hypertension that have their blood pressure controlled (national population)	%	33.1	2017	33.6	2023	JHLS	The survey diagnoses persons with hypertension and asks if they are aware of their condition

[2] For all impact and outcome indicators, the baseline and target will be confirmed in technical workshops and as more recent information becomes available (for example the third wave of the JHLS.

Indicators	Unit of measure	Baseline Value	Baseline Year	Goal Value	Goal Year	Means of verification	Comments
% of men age 15-74 years with hypertension that have their blood pressure controlled (national population)	%	26.0	2017	26.5	2023	JHLS	and if they are undergoing treatment for such condition. **Pro-gender; gender tracking**
% of patients with diabetes/ hypertension that were treated according to management protocols (target health centres)	%	0	2018	25	2023	Annual project audit	Baseline and goal to be adjusted at first annual audit
Health centre diabetes patients with annual HbA1c glucose exam (target health centres)	%	37	2017	45	2023	Annual project audit: sample medical records review	Baseline and goal to be adjusted at first annual audit
Patients with category 5 Emergency Severity Index Triage rating in AED (target hospitals)	%	40	2017	20	2023	Ministry of Health E-triage system	Baseline and goal to be adjusted during e-triage implementation
Readmission rates for diabetes and hypertension (target hospitals)	%	25	2017	23	2023	Patient medical chart audit	Baseline and goal to be adjusted after first audit

OUTPUTS

Outputs/Products	Unit of measure	Baseline Value	Baseline Year	Year 1	Year 2	Year 3	Year 4	End of project	Means of verification	Comments
Component 1: Organization and consolidation of integrated primary health services networks										
Health centres with infrastructure upgrades completed	Health centre	0	2019	0	3	4	3	10	Project implementation audits	The construction supervision firm will emit reports regarding construction according to approved building plans

Outputs/Products	Unit of measure	Baseline Value	Baseline Year	Year 1	Year 2	Year 3	Year 4	End of project	Means of verification	Comments
Component 1: Organization and consolidation of integrated primary health services networks										
Health centres with new medical equipment supplied	Health centre	0	2019	0	3	4	3	10	Project implementation audits	MOHW will produce completed checklists for each health facility regarding the distribution and installation of medical equipment
Component 2: Health education, communication and visibility plan regarding NCDs										
Design of the mHealth and EU visibility campaign and tools, approved by MOHW	Document	0	2019	1	0	0	0	1	Project implementation audits	MOHW will emit an authorization of approval of the document before campaign implementation

FIDUCIARY ARRANGEMENTS

Country:	Jamaica
Project:	Support for the Health Systems Strengthening for the Prevention and are Management of Non-Communicable Diseases Programme (JA-G1005)
Executing Agency:	Ministry of Health and Wellness (MOHW)
Fiduciary Team:	Naveen Umrao; Rene Herrera; Leon Ferguson; and Martin Nesbeth

I. EXECUTIVE SUMMARY

1.1 The fiduciary execution evaluation of the programme was performed using the PACI questionnaire methodology, as well as through a series of meetings and discussions with the team that concluded with a Risk Management Workshop. The relevant documentations included those provided by the Ministry of Health. These reflected the current Public Financial Management, (PFM systems) in Jamaica. Primarily based on a lack of familiarity by the MOHW in the execution of large Bank financed operations, lack of capacity of its technical personnel and a lack of coordination among the various entities, the evaluation indicates that the programme has a **medium-high fiduciary risk**. In light of this, it is believed that the MOHW, with the establishment of the Programme Executing Unit (PEU), now has the capacity to execute the programme.

1.2 The Government of Jamaica continues, with assistance from major donors, to address key improvements to its fiduciary systems. The donor community is committed to working with the GOJ to determine the extent to which the country fiduciary systems can be used for the administration of donor-financed projects.

1.3 Currently, the portfolio of the Bank is managed through the establishment of special project execution units for most of the projects accompanied with the Bank' close operational supervision. At the country's fiduciary management level, the employment of Financial Management Information System (FMIS) is implemented for treasury and financial administration, while the FINMAN system is used for accounting purposes. Given that at this junction, the National Systems are not integrated, and possess setbacks such as dual currency reporting, it is recommended that the PEU will utilize an accounting software, which satisfies the financial administration requirements of the Bank. Regarding the country's procurement systems, the Bank has approved the use of the Jamaican Procurement Sub-system of Limited Tender/Restricted Bidding, for all contracts for works below the Bank's threshold for Price Comparison (up to US$150,000) and contracts for goods and non-consulting services that fall within the Bank's threshold for the said method (US$25,000).

1.4 The programme, totalling €10.2 million from the European Union Caribbean Investment Facility (EU-CIF), does not include local counterpart.

II. FIDUCIARY CONTEXT OF THE EXECUTING AND IMPLEMENTING AGENCIES

2.1 The MOHW has set up a PEU responsible for programme implementation. Further, a Steering Committee composed of MOHW executives with the requisite high-level management and monitoring functions has been formulated to guide the PEU.

2.2 MOHW is a public entity and so is subjected to the Financial Administration and Audit Act (FAAA) for financial management, with its allocations being approved in the National Estimates and further its receipt and expenditure subject to an annual audit by the Supreme Audit Institution, (SAI) of Jamaica.

2.3 Overall, the PACI and accompanying analyses reveals that MOHW does not have the sufficient familiarity and experience in executing a large Bank funded operation, inter-agency coordination challenges and a lack of technical capacity are also evident. These risks can then be translated to the MOHW having a medium-high level of risk associated with its execution of the operation. A general description of the fiduciary context includes the following:

1. The Financial Management Information System (FMIS) and FINMAN currently used by MOHW will not be able to satisfy some of the key functionality requirements of the Programme;

2. Lack of fiduciary technical capacity to administer the effective execution of the operation; and

3. Lack of procedure manuals that are aligned to the Fiduciary policies and procedures of the Bank.

III. Evaluation of Fiduciary Risk and Mitigation Actions

3.1 The overall fiduciary risk of the programme is deemed to be medium- high. There were a few risks identified which are outlined below along with their respective risk rating and mitigation measures.

Risk	Risk Rating	Mitigation Measures
If timely financial information for decision making is unavailable, programme implementation may suffer delays.	Low	Procurement and implementation of an Accounting software to satisfy IDB's requirements for programme financial reporting. **Responsible party**: PEU/Borrower **Timeline for implementation:** Prior to 1st disbursement
If there is weak financial management and procurement capacity in the MOHW, the programme execution could incur delays.	Medium-High	The Procurement Specialist and Financial Specialist personnel are suitably skilled and have been recruited and assigned to the programme in a timely manner. **Responsible party**: PEU/Borrower **Timeline for implementation**: Fulfilled
If programme fiduciary staff are unfamiliar with IDB and EU procurement, disbursement, and financial reporting procedures.	Medium	Create capacity within the PEU through in-house training in IDB's and EU 's procurement and financial management procedures and requirements. **Responsible party**: IDB **Timeline for implementation**: During programme design and throughout programme execution.

IV. Aspects to be considered in the Agreement

4.1 To facilitate the negotiation of the operation, outlined below are agreements and requirements which will be incorporated into the special conditions:

1. **Rate of Exchange Agreed with the Executing Agency**. For purposes of the justification of expenditures to the Bank (including reimbursement/recognition of expenditures, and local counterpart) the equivalent amount to be reported in the project or disbursement currency will be determined using the effect exchange rate used to convert the funds denominated in the project's currency to the local currency.

2. **Financial Statements and Reports**. *Annual Audited Financial Statements (AFS)* for the programme will be required, beginning with the fiscal year in which the first project expenditures were incurred. The AFSs are to be submitted to the Bank within 90 days after the close of each fiscal period, in addition to Final Audited Financial Statements, which are due for submission to the Bank within 90 days of the close (last disbursement date) of the programme. The AFS should report on the overall programme, in the expressed currency of the Loan. The Audited Financial Statements of the programme should include, in addition to the basic financial statements an internal control report. A Bank approved/eligible independent external audit firm must conduct the audit.

V. REQUIREMENTS AND AGREEMENTS FOR EXECUTION OF PROCUREMENT

5.1 **Procurement Execution**. Procurement for the proposed project will be carried out in accordance with the Policies for the Procurement of Works and Goods Financed by the Inter-American Development Bank (GN-2349-9) of March 2011, and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-9) of March 2011, with the provisions established in the Agreement and the procurement plan.

5.2 With the introduction of non-reimbursable resources from the EU-CIF to the programme, the procurement of all works, goods, services and consultancy services for activities and contracts under the programme initiated after the signature of the respective non-reimbursable agreement (Delegation Agreement) between the Bank and the Borrower will be open, both to Bank Member Countries, and to the European Union list of eligible countries published in the European Commission website as an annex to its "Practical Guide to Contract Procedures for EU External Actions".

1. **Procurement of Goods, Works, and Non-Consulting Services**: The procurement plan of the programme covering the first 18 months of project execution, will indicate the procurement method to be used for the procurement of Goods, the contracting of Works and Non-Consulting Services.

2. **Procurement of Consulting Services**: The procurement plan of the programme covering the first 18 months of project execution, indicates the selection method to be used for the contracting of Consultancy Services. The Borrower is responsible for preparing and implementing the project, and therefore for preparing the TORs, short lists, selecting the Consultants, and awarding and subsequently administering the contract, with Bank supervision.

3. **Selection of Individual Consultants**: Individual Consultants shall be selected through comparison of qualifications of at least three candidates among those who have expressed interest in the assignment or have been approached directly by the Borrower. Individual Consultants may be selected on a sole-source basis with due

justification in exceptional cases. This will be carried out in accordance with Section V (Selection of Individual Consultants) of GN-2350-9 paragraphs 5.1-5.4.

4. **Use of Country Procurement Systems**: The Bank has approved the use of the Jamaican Procurement Sub-system of Limited Tender/Restricted Bidding, for all contracts for works below the Bank's threshold for Price Comparison (up to US$150,000) and contracts for goods and non-consulting services that fall within the Bank's threshold for the said method (US$25,000).

5. **Publication**: The procurement procedures, including advertising, shall be in accordance with these Policies for the eventual contracts to be eligible for Bank financing.

Country Threshold Table (US$) www.iadb.org/procurement

International Competitive Bidding Threshold *		National Competitive Bidding Range ** (Complex Works and non-common goods)		Consulting Services
Works	Goods	Works	Goods	International Short List
≥1,500,000	≥150,000	150,000 – 1,500,000	25,000 -150,000	≥200,000

* When procuring simple works and common goods and their amount is under the International Competitive Bidding thresholds, Shopping may be used.

** When procuring complex works and non-common goods with amounts under the NCB range, Shopping shall be used.

5.3 **Procurement Plan (PP)**. The procurement plan 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. The procurement plan will be posted on the Bank's website and will be updated annually or whenever necessary, or as required by the Bank).

5.4 **Procurement Supervision**. The supervision method for procurement execution will be established ex ante until the PEU has gained experience observing and executing Bank policies, procedures, and use of standard bidding documents. The ex post modality may be recommended by the Procurement Specialist to the Team Leader in accordance to outcomes of supervision visits, if appropriate evidence is presented to demonstrate capacity to perform under the ex post supervision modality. Supervision visits will be performed, at least, every 12 months and as indicated in the project supervision plan.

5.5 **Records and Files**. All records and files will be maintained by the PEU, according to EU-CIF requirements, and be kept for up to five (5) years beyond the end of the operation's execution period.

VI. FINANCIAL MANAGEMENT

6.1 **Programming and Budget**. Annually, the PEU will prepare estimates in the required format for the review and approval by the Permanent/Cabinet Secretary, which will be included in the Ministry's overall budget estimates. The estimates will consider the total cost

of financing required for execution of the programme. The budget is presented to Parliament before the close of the fiscal year, April 1 to March 31, of the following year. Any additional funding or fiscal space requirement can be done by way of a Supplementary Budget.

6.2 The Borrower has committed to allocate, for each fiscal year of project execution, adequate fiscal space to guarantee the unfettered execution of the project; as determined by normal operative instruments such as the Annual Operating Plan, the Financial Plan, and the Procurement Plan.

6.3 Even though no counterpart resources are contemplated in the original project budget, the Borrower will undertake to provide all required resources for the total and effective completion of the project activities.

6.4 **Accounting and Information Systems**. Project accounting will be performed using an approved accounting software package, in accordance with the Financial Administration and Audit Act, FAAA, IDB's financial management requirements and the modified cash basis of accounting, which is a comprehensive basis of accounting other an International Financial and Reporting Standards (IFRS). It is expected that the accounting system will facilitate the recording and classification of all financial transactions, provide information related to: planned vs. actual financial execution for the project and the financial execution plan for the next 180 days that will be attached to each request for Advance of Funds.

6.5 **Disbursements and Cash Flow**.

- The Advances of Funds method is the primary method of the provision of finance for the execution of the operation, and these advances will be deposited into a dedicated account;
- The PEU commits to maintain strict control over the utilization of the Advance to ensure the easy verification and reconciliation of balances between the Executing Agency's records and IDB records (WLMS1).
- According to EU-CIF policies, only those expenditures that have incurred after the signature of the delegation agreement will be eligible.
- The project will provide adequate justification of the existing Advance of Funds balance, whenever 70% of said balance has been spent, according to EU guidelines. Advances will normally cover a period not exceeding 180 days and no less than 90 days. The following disbursement methodologies will be used for the programme:
    - Reimbursement of Payments Made
    - Direct Payment to Supplier (for large foreign payments)
    - Advance of Funds (to facilitate the day to operations)
- Generally, supporting documentation for Justifications of Advances and Reimbursement of Payments Made will be kept at the office of the PEU.

6.6 **Internal Control and Internal Audit**. The management of the project, at the level of both the MOHW, EA and/or the PEU, will assume the responsibility for designing and implementing a sound system of internal controls for the project. These internal controls and procedures will be detailed in the Programme Operations Manual.

6.7 **External Control and Reports**. For each fiscal year during project execution, MOHW will be responsible to submit Audited Financial Statements for the project. These Financial Statements will be audited by an independent external audit firm approved by the Bank and are due no later than 90 after the fiscal year ends. A final AFS is to be submitted to the Bank within 90 days from the date of last disbursement.

6.8 **Financial Supervision Plan** Financial Supervision will be developed based on the initial and subsequent risk assessments carried out for the project. Financial, Accounting and Institutional Inspection visits will be performed at least once per year, covering, among other things, the following topics:

a) Review of the bank reconciliations and other internal control matters related to financial management and efficient execution; Review of compliance with the Programme Operations Manual.
b) Conducting Ex Post Reviews, inclusive of supporting documentation for Advances and Justifications.

6.9 **EU access to project documents**. The Bank will allow the EC, OLAF33 and the European Court of Auditors to conduct on-the-spot checks on the use made of EU contributions on the grounds of supporting accounting documents and any other documents related to the financing of the programme. These desk-reviews and on-the spot checks can occur at the Bank's offices and the Executing Agency. The European Commission shall inform the Bank of the planned on-the-spot missions by agents appointed by the European Commission in due time in order to ensure that adequate procedural matters are agreed upon in advance, and the Bank will communicate to the EA. These verification visits may be conducted at Bank offices or the EA offices.

6.10 **Execution Mechanism**. The MOHW has set up a PEU for the programme. The PEU has three (3) strategic positions: one Programme Director/Manager, one Procurement Specialist and one Financial Specialist. The Programme Director/Manager will ensure smooth day-to-day operations of the programme. The POM further describes the recommended PEU composition and their responsibilities. Specific PEU duties include: (i) preparation of semi-annual progress reports; (ii) preparation, and implementation of the Annual Operating Plans (AOP); (iii) preparation of budgets, and disbursements; (iv) preparation of the Procurement Plan; (v) financial administration of the programme according to accepted accounting principles and presenting audited financial statements; (vi) ensuring the quality and efficacy of procurement processes and their compliance with both the policies of the Bank and that of the GoJ; (vii) ensuring the consistent alignment of expected programme results with day-to-day programme implementation as well as continuous data collection to enable the measurement of the indicators included in the Results Matrix; and (viii) being programme liaison with the Bank.

Support for the Health Systems Strengthening for the Prevention and Care Management of Non-Communicable Diseases Programme

JA-G1005

CERTIFICATION

I hereby certify that this operation will be authorized for financing through a Project Specific Grant (PSG) administration agreement or agreements for an amount of up to **EUR10,200,000 (USD11,424,000 equivalent)** to finance the activities described and budgeted in this document.

Donor's commitment does not have validity until the PSG administration agreement between the IDB and the donor is agreed upon and signed for this operation. Therefore, this certification will remain conditional until the corresponding PSG administration agreement or agreements are signed and effective.

Certified by: *(Original Signed)* 10/30/19

Sonia M. Rivera — Date

Chief
Grants and Co-Financing Management Unit
ORP/GCM

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/19

Jamaica. Modification of the Support for the Health Systems Strengthening for the Prevention and Care Management of Non-Communicable Diseases Programme (JA-L1049) (4668/OC-JA) and Complementary Non-Reimbursable Investment Financing GRT/ER-_____-JA

WHEREAS:

The European Union has approved complementary investment financing for the execution of the Support for the Health Systems Strengthening for the Prevention and Care Management of Non-Communicable Diseases Programme (the "Program"), a hybrid program approved by the Board of Executive Directors of the Inter-American Development Bank (the "Bank") by Resolutions DE-92/18 and DE-93/18, of 14 November 2018; and

The complementary investment financing was not foreseen in the original formulation of the Program; therefore, it is necessary to amend Resolution DE-92/18 which approved the investment financing of the Program.

The Board of Executive Directors

RESOLVES:

1. To approve an amendment to Resolution DE-92/18 to include the complementary investment financing to be granted by the European Union, and a modification to the Program in accordance with the provisions contained in Document PR-____.

2. That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank: (i) to enter into such agreement or agreements with the European Union as may be necessary to receive and administer resources of up to the amount of €10,200,000, subject to the terms of the Framework Administrative Agreement between the European Union and the Bank dated June 10, 2015, or any amendment or reinstatement of such framework agreement, in accordance with the provisions contained in Document PR-____; (ii) to enter into such agreements as may be necessary with Jamaica, as beneficiary, to grant it a non-reimbursable investment financing, which complements the investment financing approved by Resolution DE-92/18, to cooperate in the execution of the Program; and (iii) to take such additional measures as may be pertinent for the execution of the Program.

3. That the authorization granted in paragraph 2(ii) above will only be effective once the Bank and the European Union have entered into the corresponding agreement or agreements to which reference is made in paragraph 2(i) above.

(Adopted on _____ 2019)