



**Jamaica-World Bank Group
Country Partnership Strategy, 2010-2013**

Consultations Report

**JULY 6 - 8, 2009
KINGSTON, JAMAICA**

ABBREVIATIONS

BITU	Bustamante Industrial Trade Union
CARICOM	Caribbean Community
CIDA	Canadian International Development Agency
CPS	Country Partnership Strategy
DFID	UK Department for International Development
EC	European Community
EPA	European Economic Partnership Agreement
GOJ	Government of Jamaica
IDA	International Development Association
IDB	Inter-American Development Bank
IDP	International Development Partners
IFC	International Finance Corporation
IICA	Inter-American Institute for Cooperation on Agriculture
IMF	International Monetary Fund
JCTU	Jamaica Confederation of Trade Unions
JLP	Jamaica Labour Party
MP	Member of Parliament
MIGA	Multilateral Investment Guarantee Agency
MTF	Medium Term Socio-Economic Policy Framework
NGO	Non-Governmental Organizations
PATH	Program of Advancement Through Health and Education
PAHO	Pan-American Health Organization
PAYE	Pay As You Earn
PIOJ	Planning Institute of Jamaica
PNP	People's National Party
PSOJ	Private Sector Organisation of Jamaica
REDI	Rural Economic Development Initiative
ROSE II	Reform of Secondary Education II
SME	Small and Medium Enterprise
UAWU	University and Allied Workers' Union
UNAIDS	The Joint United Nations Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USAAW	Union of Schools, Agricultural and Allied Workers
USAID	United States Agency for International Development
WB	World Bank

ACKNOWLEDGEMENTS

A number of colleagues helped to organize a series of seven consultations in Kingston, Jamaica. The World Bank and the International Finance Corporation wish to acknowledge the excellent logistical and other support provided individually and collectively by these colleagues which contributed to an effective and rich discussion on the development challenges of Jamaica and a proposed strategy for Bank Group support to the country.

The consultation with the private sector was organized by Sandra Glasgow, Chief Executive Officer (CEO) and Yvette Evans-Coombs, Executive Assistant to the CEO of the Private Sector Organization of Jamaica. The consultation with senior government officials was organized by Winsome Miller, Acting Manager, Multilateral Financing Unit; Cavon White, Senior Project Economist; Angella Sayle, Secretary; and Pauline Grant, Secretary, of the Planning Institute of Jamaica. The consultation with members of the Parliament were organized by Heather E. Cooke, Clerk to the Houses (Senate & House of Representatives); Tashawna Alcock, Public Relations Officer and André Jones, Orderly at the Houses of Parliament. The consultation with the trade unions was organized by Lloyd Goodleigh, President; Wayne Jones, General Secretary; Veronica Thompson, Office Manager; and Suzette Brown, Office Assistant of the Jamaica Confederation of Trade Unions.

The other three consultations with youth, international development partners and the civil society were organized by the World Bank Jamaica office, particularly, Althea Spence, Juliet Williams, Moses Linton and Pollyanna McHargh-Scott.

Professor Trevor Monroe of the University of the West Indies (Mona) was the Facilitator at each of the consultation except for the consultation at Gordon House, seat of the national Parliament, which was facilitated by the Speaker of the House, Delroy Chuck.

This document was formatted by Juliet Williams.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	i
I. Background and Context	1
II. Structure and Content of Consultations	1
Box 1. Schedule of Consultations	1
III. Highlights of Consultations	2
<i>A. Senior Government Officials</i>	3
Box 2. Government Officials	4
<i>B. Other IDPs</i>	7
Box 3. Other International Development Partners	7
<i>C. Trade Union Leaders</i>	9
Box 4. Participating Trade Union Leaders	9
<i>D. Civil Society Leaders</i>	10
Box 5. Participating Civil Society Leaders	11
<i>E. Parliamentarians</i>	14
Box 6. Members of Parliament and Senators	15
<i>F. Youth Leaders</i>	16
Box 7. Participating Youth Leaders	16
<i>G. Private Sector Leaders</i>	20
Box 8. Participating Private Sector Leaders	20

ANNEX

Annex 1: *Draft* Jamaica-World Bank Group **Country Partnership Strategy:**
Stakeholder Consultations

EXECUTIVE SUMMARY

1. **Background and Context.** The World Bank and the International Finance Corporation undertook seven consultations on the draft Jamaica-World Bank Group Country Partnership Strategy (CPS) in Kingston, Jamaica, with key stakeholders during July 6 –8, 2009. The new strategy will guide support from the Bank Group during 2010-2013.
2. The purpose of the consultations were for the Bank to learn: (i) whether the diagnosis is correct; (ii) what are the priority areas for Bank support; (iii) what are the areas in which the Bank can improve its effectiveness; (iv) what is the Bank Group’s competitive advantage; and, (v) in which ways the identified priorities can be harmonized with the efforts of other development partners.
3. **The consultations were well attended in general, elicited stimulating discussion, serious concern about ongoing challenges and animated brainstorming about creative approaches and possible solutions to challenges.** A total of 116 Jamaican leaders of their respective professions and representatives of other International Development Partners (IDPs) participated at these consultations. Among the stakeholders were thirty-one Parliamentarians including the Speaker of the House, the President of the Senate, Ministers and Opposition Spokespersons; twenty-nine senior government officials including permanent secretaries; seventeen leaders from the private sector; twelve trade union leaders; thirteen leaders from the civil society organizations; eight youth leaders; and six representatives of the other IDPs.
4. **The six top priority areas identified by the stakeholder groups for Bank Group support are:** (i) debt and fiscal sustainability (Parliamentarians, private sector and other IDPs) which is necessary to achieve economic stability and the fiscal space needed to undertake critical public sector investment in support of higher level of development; (ii) crime and violence (youth, private sector and civil society), which deters productive investment and growth; it is a cause and result of the low level of development progress since the 1970s; (iii) environment and disaster management (trade union, government officials and Parliamentarians), which impacts directly the well being of citizens and fiscal stability through higher costs of rehabilitation and recovery programs after major disasters; (iv) rural development (trade union, government officials and Parliamentarians), which is critical to reduce the rural-to-urban drift and the relatively higher incidence of poverty in the rural areas; (v) human capital development (youth, trade union and Parliamentarians), which is critical to improving Jamaica’s competitiveness; and (vi) cost of energy (private sector and government officials), which is critical to improve citizens’ welfare and competitiveness. *The stakeholders also highlighted need for effective leadership (private sector and government officials) in the country to provide policy direction, and prioritization of government policy and programs (civil society and other IDPs) to make optimal use of limited financial and human resources for best outcome.*

I. Background and Context

1. The World Bank and the International Finance Corporation undertook seven consultations on the draft Jamaica-World Bank Group Country Partnership Strategy (CPS) in Kingston, Jamaica, with key stakeholders during July 6 –8, 2009. The new strategy will guide support from the Bank Group during 2010-2013. The three Bank Group institutions active in Jamaica are: the World Bank (the International Bank for Reconstruction and Development, also known as the IBRD), the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA).
2. The purpose of the consultations were for the Bank to learn: (i) whether the diagnosis is correct; (ii) what are the priority areas for Bank support; (iii) what are the areas in which the Bank can improve its effectiveness; (iv) what is the Bank Group’s competitive advantage; and, (v) in which ways the identified priorities can be harmonized with the efforts of other development partners.
3. The draft CPS broadens potential Bank support compared with the last four-year country strategy, which ended on June 30, 2009. The last strategy focused mostly on human development, including support for the conditional cash transfer known in Jamaica as the Program of Advancement through Health and Education (PATH) and projects in inner-city communities. The Bank considers it important to continue this focus, in addition to the work it has started on fiscal and debt sustainability issues in 2009, and to address more directly the growth agenda through approaches to improve competitiveness and skills development. The IFC will deepen engagement with the private sector and collaborate with the Bank to strengthen synergies, with a particular focus on the regulatory and private-public partnership issues.

<u>Box 1. Schedule of Consultations</u>	
<u>Monday July 6</u>	
9 – 11.30 a.m.	Government Representatives
12 – 2.30 p.m.	International Development Partners
5.30 – 7.00 p.m.	Trade Union Leaders
<u>Tuesday July 7</u>	
10 – 11:30 a.m.	Civil Society Representatives
12 – 2.00 p.m.	Parliamentarians
3.30 – 5.00 p.m.	Youth Representatives
<u>Wednesday July 8</u>	
8.30 – 10.00 a.m.	Private Sector Representatives

II. Structure and Content of Consultations

4. A total of 116 Jamaican leaders of their respective professions and representatives of other International Development Partners (IDPs) participated at these consultations. Among the stakeholders were thirty-one Parliamentarians including the Speaker of the House, the President of the Senate, Ministers and Opposition Spokespersons; thirty senior government officials including permanent secretaries; seventeen leaders from the private sector; twelve trade union leaders; thirteen leaders from the civil society organizations; eight youth leaders; and, six representatives of the other IDPs.
5. The consultations were organized with support from the government and private organizations. The national umbrella trade union organization, the Jamaica Confederation of Trade Unions, organized the consultations with the union leaderships. The Private Sector Organisation of Jamaica (PSOJ) organized the consultations with the private sector leaders. The Planning Institute of Jamaica (PIOJ) organized the consultations with senior government officials. In an unprecedented gesture, the Speaker of the House and the President of the Senate arranged for a special joint meeting of Parliamentarians as a committee for the purpose of consultation on the draft strategy. The broadcast and print media were present at Gordon House, the national Parliament building, for the consultation with the Parliamentarians and provided wide coverage on television and on radio news, talk shows and about 30 articles in print media in Jamaica and

internationally. The Bank organized the other three consultations with leaders from youth and civil society organizations as well as with other IDPs.

6. Each consultation featured the same agenda. Welcome and Opening Remarks were followed by a Power Point presentation of the main features of the draft CPS by Badrul Haque, World Bank Special Representative in Jamaica. Participants then responded to the presentation including identification of issues and offered their suggestions for World Bank support. Each session, except for the consultation in the Parliament, was summarized and an outline of next steps was provided. Professor Trevor Munroe served as Facilitator at all consultations except for the consultation in the Parliament, which was chaired by Hon. Delroy Chuck, Speaker of the House of Representatives.
7. The power point presentation focused on Jamaica's current socio-economic status and the principal development challenges faced by the country (Annex 1). The main aspects of the 2005-2009 World Bank Group programs in Jamaica and the draft CPS for 2010-2013 were highlighted. The draft strategy provided for continuation of many of the previous strategies, but laid new emphasis on supporting economic stability and promoting inclusive and sustainable growth. The Bank's proposed strategy for effective partnerships with other international donor agencies was also outlined. It was noted that the draft strategy had been aligned with the government's *Vision 2030* development strategy and the first of the three year medium-term frameworks accompanying this vision.
8. Seven development challenges were identified: (i) improve fiscal & debt sustainability; (ii) strengthen human capital; (iii) strengthen non-human competitiveness; (iv) prevent crime and violence; (v) promote rural development and reduce vulnerability; (vi) foster good governance and anti-corruption strategies; and (vii) improve environment and disaster management. To motivate discussions, Badrul Haque posed the following questions: Is the Jamaican economy adequately mitigated from the impact of the global crisis? Are the recent social gains adequately protected? Do you agree with the identified medium-term development challenges? Is the proposed partnership appropriate given the government Vision 2030, the Medium-Term Socio-economic Framework (MTF), the development challenges and fiscal constraints? Is there any other important matter not in this partnership strategy and not being supported by other IDPs?
9. Yvonne Tsikata, Country Director, headed the World Bank team at the consultations, welcomed participants, explained Bank policies and plans and thanked the stakeholders for their input. The Bank was also represented by Stephen Brushett, Lead Transport Specialist; David Warren, Human Development Sector Leader; and Cynthia Hobbs, Senior Education Specialist. Mr. Pierre Nadji, Senior Strategy Officer, and Kalim Shah, Representative-designate of the IFC, participated at the private sector consultation.

III. Highlights of Consultations

10. The consultations ranged from one and a half to two and a half hours each, and were well attended in general, elicited stimulating discussion, serious concern about ongoing challenges and animated brainstorming about creative approaches and possible solutions to challenges. The character of each discussion reflected the different perspectives of the various stakeholder groups.
11. The six top priority areas identified by the stakeholder groups for Bank Group support are: (i) debt and fiscal sustainability (Parliamentarians, private sector and other IDPs) which is necessary to achieve economic stability and the fiscal space needed to undertake critical public sector investment in support of higher level of development; (ii) crime and violence (youth, private sector and civil society), which deters productive investment and growth; it is a cause and result of the low level of development progress since

the 1970s; (iii) environment and disaster management (trade union, government officials and Parliamentarians), which impacts directly the well being of citizens and fiscal stability through higher costs of rehabilitation and recovery programs after major disasters; (iv) rural development (trade union, government officials and Parliamentarians), which is critical to reduce the rural-to-urban drift and the relatively higher incidence of poverty in the rural areas; (v) human capital development (youth, trade union and Parliamentarians), which is critical to improving Jamaica's competitiveness; and (vi) cost of energy (private sector and government officials), which is critical to improve citizens' welfare and competitiveness. *The stakeholders also highlighted need for effective leadership (private sector and government officials) in the country to provide policy direction, and prioritization of government policy and programs (civil society and other IDPs) to make optimal use of limited financial and human resources for best outcome.*

12. Additionally, it should be noted that certain groups focused more on issues directly relevant to their members. Namely, the private sector leaders focused on increasing competitiveness, the trade union leaders on improved social equity and youth leaders on an effective voice for young people in governance.

A. Senior Government Officials

13. Turning to specific discussion with each stakeholder group, the first consultation was with *senior government officials* and they highlighted four priority themes in their discussion. These are: (i) the need to substantially reduce the high cost of energy, give greater emphasis to the problem of out-of-school or 'unattached' youth as this cross-cuts all issues, and better understand the dynamics of rural poverty levels to improve competitiveness and prospects for accelerated development; (ii) the need for improved environment and disaster management in the country to ensure greater fiscal stability; (iii) the social capital — the need to get a better understanding of why Jamaica ranks so low on "social trust" since effective outcomes depend greatly on it; and (iv) the importance of effective leadership to ensure consistently high and positive results. See Box 2 for a list of stakeholder participants.
14. **Barbara Scott**, Director, External Cooperation Management Unit of the PIOJ opened the consultation by praising the long and fruitful relationship, which continues to exist between the Bank and Jamaica, and the invaluable technical advice and building of social capital that the country has enjoyed through that relationship. As an example, she mentioned the conditional cash transfer program, PATH, which has proved to be a successful investment that has gone well beyond the financial impact provided.
15. **Wesley Hughes**, Director-General, PIOJ, also added his own welcome and emphasized that Jamaica's structural challenges are real and fundamental. In his view, a primary challenge to economic progress is the energy supply and the cost of energy. The second is the need for a wide range of reforms, especially reform to the tax system to ensure that the country has a targeted tax strategy and mechanisms for its achievement. Further, despite the success of PATH, that program's provisions were still insufficient for children going to school from the targeted households and for those not affected by school and health needs. He also felt it was essential to prioritize *vis-à-vis* the capacity problem that constrained moving forward — for example, limited resources and insufficient availability of high quality/high policy time due to competing, concurrent demands. What was possible, however, was removal of systemic 'bottlenecks' and doing many things differently.

16. There were lively discussions after the power point presentation. On *education*, there was concern that

Grade 9 was a ‘cut-off’ point for a large number of students for many reasons, not least being insufficient access to secondary school places. **Gertrude McKenzie**, Acting Assistant Chief Education Officer in the Ministry of Education, responded with information on the movement towards a competency-based transition policy, a space audit report being studied; and the incremental movement underway towards only two types of formal education: primary and secondary. **Barbara Scott** pointed out that the World Bank had said “No” to constructing schools, but lack of sufficient school places remained a very critical issue. It was suggested by others that refurbishing sanitary facilities and the like, at dilapidated schools built from as far back as the 1930s, was also a pressing need.

17. **Other participants** urged that, in addition to skills training, it was essential to provide now for delivery of remedial and life skills education to a much greater number of “unattached youth” and others in dire need of that type of training. Such training, delivered through non-traditional mechanisms and an increased number of delivery points, would go a far way towards reducing the current high incidence of crime and violence. The focus on early childhood education was all very well, but there was significant concern about those already out of the school system, and those who would come out in the next two or three years ill-equipped for functioning in the modern economy. Also mentioned was the need for harmonization of the traditional education system with the national training agency’s provisions and entry requirements.

Box 2. Government Officials		
<i>Name</i>	<i>Title</i>	<i>Organization</i>
Major (Rtd.) Richard Reese	Permanent Secretary	Ministry of National Security (MNS)
Monica Brown	Program Development Specialist	MNS
Dr. Wayne Henry	Senior Advisor to the Minister of Finance & the Public Service	Ministry of Finance & the Public Service (MOF&PS)
Pamella McLaren	Senior Director, Debt Management Unit	MOF&PS
Gertrude McKenzie	Acting Asst. Chief Education Officer for Policy Analysis Research and Statistics	Ministry of Education
Scarlette Gillings	Managing Director	Jamaica Social Investment Fund
Zuliekha Budhan	Principal Director of Planning Policy and Development	Ministry of Agriculture & Fisheries
Collette Roberts-Risden	Director of Social Security	Ministry of Labour & Social Security (MLSS)
Errol Miller	Chief Technical Director	MLSS
Dunstan Bryan	Project Director PATH	MLSS
Dr. Dyna Morris	Senior Director of Development Planning, Policy & Strategy Division	Office of the Prime Minister (OPM)
Cheronne Allen	Senior Director of Business Development Policy Division	OPM
Sancia Templer	Chief Technical Director, Planning & Development Division	OPM
Howard Lynch	Director, Policy Planning and Development	Ministry of Health
Marcia Forbes	Permanent Secretary	Ministry of Energy & Mining (MEM)
Fitzroy Vidal	Energy Engineer	MEM
Reginald Budhan	Permanent Secretary	Ministry of Industry, Commerce & Investment (MICI)
Peter Gordon	Economist	MICI
Dr. Wesley Hughes	Director General	Planning Institute of Jamaica (PIOJ)
Leila Palmer	Director, Planning Development Unit	PIOJ
Barbara Scott	Director, External Cooperation Management	PIOJ
Claire Bernard	Director, Sustainable and Regional Planning	PIOJ
Winsome Miller	Acting Manager, Multilateral Financing	PIOJ
Sophia Whyte-Givans	Advisor and Researcher to the Director General	PIOJ
Dr. Christine Clarke	Technical Coordinator for Research and Modelling	PIOJ
Charles Clayton	Consultant, Planning Development	PIOJ
Elizabeth Emanuel	Sustainable Development Specialist, Planning Development	PIOJ
Antonette Richards	Sociologist/Economist, Social Policy Planning and Research	PIOJ
Steven Kerr	Manager, Human Development Unit	PIOJ

18. On *energy*, **Fitzroy Vidal**, Senior Energy Engineer in the Ministry of Energy and Mining, repeatedly stressed the urgent necessity of reducing the high cost of energy and improving supply reliability to support poverty reduction and growth objectives: “If we give energy issues the priority they deserve then all of the other priority areas will be positively affected naturally.” Thus, he considered it more appropriate if it was listed as a specific initiative under the ‘promoting inclusive and sustained growth’ pillar highlighted in the presentation. Making reference to the limited success of some of the limitations that prevent greater success of some of the targets previously established, he questioned, “What are some of the limitations that prevented greater success in achieving those targets?” He suggested that limitations in technical and institutional capacity should be addressed as a priority and also urged that there should be more focus on setting targets with timely implementation of interventions.
19. On *rural poverty*, **Wesley Hughes** cautioned that in attempts to solve the issue of rural poverty, it should be recognized that this was now a post-commodity development era. Realistically, the same structure of agricultural production could not continue to be supported; the old ways of producing and marketing the traditional crops had become outmoded and could not be resuscitated without transforming the intellectual and technical context. Justification for increased investment would have to rest on the creation of new ways of producing value. **Fitzroy Vidal** added that more could be done to strengthen infrastructure in rural Jamaica to prevent rural-to-urban drift.
20. With respect to poverty and/or unemployment, others pointed to the small earning power of the poor—which adversely increased the population dependency ratio, and the present dismal economic plight of the asset rich and cash poor elderly.
21. On *social context*, **Scarlette Gillings**, Managing Director of the Jamaica Social Investment Fund, supported the comments of previous speakers, adding that she saw three areas as being most in need of attention: housing, building social capital, and unemployment. She suggested that measures should be considered for: (i) integrating increased employment opportunities with projects for infrastructure improvement; (ii) helping the poor with more housing; and (iii) building trust for social transformation.
22. **Wayne Henry**, Senior Advisor to the Minister of Finance and the Public Service, amongst others, felt that the modern level of socialization was at the heart of the competitiveness, and spoke in support of the importance of one or more of the following: (i) working to transform people’s minds by instilling new attitudes and social values; (ii) adopting a community-based approach to socio-economic development, to empower community members to ‘buy-in’/’own’ the growth agenda and to take shared responsibility for transformation of their communities; (iii) adding proper squatter management as a distinct focus to reduce vulnerability to crime and violence, maintain public order, promote inclusive and sustained growth and support rural development; and (iv) strong institutional leadership for fixing social problems.
23. Speaking on the issue of human capital development, **Sancia Templer**, Chief Technical Director, Planning and Development Division in the Office of the Prime Minister, was of the view that a lot of what had to be done would need private sector partnerships, so that private, voluntary expertise could be brought in to assist government efforts.
24. On *building institutional capacity*, **Marcia Forbes**, Permanent Secretary at the Ministry of Energy and Mining, urged that there be wider dialogue on how to fast-track projects, including ways to “ramp up capacity” within the public sector.
25. On *environment and disaster management*, **Elizabeth Emanuel**, Sustainable Development Specialist in the Planning Development Unit at the PIOJ, advocated preparation of a “risk profile” that showed linkages between all socio-economic sectors. In her opinion, there should also be a more coherent process to give greater focus to renewable energy sources.

26. On *small business sector*, **Reginald Budhan**, Permanent Secretary in the Ministry of Industry, Commerce and Investments, said there should be greater emphasis on small to medium sized enterprises (SMEs), which needed support. It was vital to ensure that they too enjoyed some relief from the disadvantages of the cross-cutting constraints they currently experienced.
27. On *programming*, **Leila Palmer**, Director of Plan Development Unit at the PIOJ, praised the Bank's presentation, its good situational analysis, and its close alignment with government strategy "to keep our eyes focused on the long term." She realized there were a number of Bank programs proposed or ongoing, but wondered how quickly new programs could come "on board" to ensure timely and desired impacts in the targeted areas. It seemed to her that few were slated for 2010, and she wondered if program implementation could be speeded up. As an example, she cited the Agriculture Review scheduled for 2013, which she felt ought to be moved forward. There was currently a lot of optimism in that sector and it would be good to explore early the potential areas in which there was a way forward.
28. She also endorsed addressing the issue of out-of-school boys as a priority, noting that recently there had been more than 2,000 young people who could not be placed in the World Bank supported "Steps to Work" program because of their low educational functionality. There was little to help persons like them who have fallen out of the educational system.
29. **Other persons** expressed a desire to see the Bank roll out the proposed projects earlier, particularly that for "Crime and Violence" in 2012. It was strongly suggested that the World Bank should get together again with PIOJ to determine final scheduling so that resources could be put within a timeframe in which the start of positive outcomes from the initial investments could be seen more quickly.
30. Responding to the foregoing comments, **Badrul Haque** said that several of the Bank's planned initiatives for 2010-2013 were geared to many of the issues raised, and added that the IFC would do a lot more regarding SMEs. He later added that some of the studies mentioned in the Indicative Program were structured to fit into the Crime & Violence Project and would be undertaken in the next year. The purpose of that timing was to provide information useful for other donors to identify what they would choose to support with their resources. He added that the World Bank provided only a small part of external financial aid to Jamaica (approximately 5%), but it would be working closely with other development partners (e.g., on co-financing and SWAs) to minimize the burden on the local Civil Service.
31. On *social capital and trust*, **Yvonne Tsikata** added that the issue of building social capital and social trust was embedded in other aspects of what the World Bank was doing. Nevertheless, at least one participant maintained that trust building should initially be addressed as a distinct national issue before it was mainstreamed into more general activity. Dr. Tsikata agreed that there was need for the Bank to look again at the growth issues to better target its interventions. Special attention would be given to reviewing the question of rural livelihoods and, more seriously, to better identifying why rural poverty had not declined significantly.

B. Other IDPs

32. Consultation with the other IDPs followed an earlier brainstorming on May 29, 2009 at which the following representatives participated: Akiko Fujii (Deputy Resident Representative, UNDP), Dr. Karen Hilliard (Mission Chief, USAID), Helen Jenkins (Head of Economic and Social Development Section, EC Delegation), Mariam Maluwa (Country Director, UNAIDS), and Dr. Ernest Pate (Representative, PAHO). On the draft CPS consultation, representatives of the other *International Development Partners*: (i) had concern with government priorities – “everything seems to be a priority and, therefore, nothing is a priority”. They expressed the view that the government needs support with prioritization; (ii) felt the coordination among IDPs has been taking place very well in some sectors but this needs to be generalized to all sectors; (iii) expressed the view that the clutch of issues around debt and fiscal liability management requires considerable focus and support; and (iv) felt social development in the country is being marginalized too much: for example, health and maternal mortality need to be more central to government policies and programs (Box 3).

33. On *effective prioritization*, **Minh Pham**, UN Resident Coordinator and UNDP Resident Representative, and **Gerard Johnson**, IDB Country Representative, introduced the point that more effective prioritization was needed at the national level, noting that in addition to having too many objectives, the Medium Term Framework needed price tags if prioritization was to be effective. There was wide agreement on this. **Miriam Maluwa**, UNAIDS Country Coordinator, said: “There is a lot you are trying to do, maybe too much. You need to revisit Vision 2030 to identify fewer priorities Our concern with Vision 2030 is that it is not really tackling issues (such as) social sector growth, development issues, and health has completely fallen off the map... And there are issues nobody wants to talk about, for example, the informal sector.” **Cynthia Currie**, IICA Representative, endorsed the view that the “wish list” needed price tags, and suggested the World Bank could help with that. **Trevor Munroe** asked if there was any methodology that could help to facilitate the government to prioritize more effectively. **Gerard Johnson** responded: “Where they put their money is where their focus is. If you could get the Ministry of Finance to work more with the other ministries.”

Box 3. Other International Development Partners		
<i>Names</i>	<i>Titles</i>	<i>Organization</i>
Gerard Johnson	Country Representative	IDB
Minh Pham	UN Resident Coordinator & UNDP Resident Representative	UNDP
Robert Fuderrich	Country Representative	UNICEF
Miriam Maluwa	Country Coordinator	UNAIDS
Cynthia Currie	Representative	IICA
Dr. Gillian Smith	Deputy Representative	FAO

34. **Miriam Maluwa** saw the need for better coordination at the Ministry of Finance, again deploring that “everything is priority.” She said it would be helpful if the IDPs could take on the responsibility to “seriously crystallize the priorities.”

35. On *IMF*, **Minh Pham** asked how an agreement between Jamaica and the IMF would change the Bank’s operations in Jamaica. **Yvonne Tsikata** said the Bank would stay on course, and that IMF support might mean less need for budgetary support from the Bank, freeing up some available funds.

36. On *agriculture*, **Cynthia Currie** said that agriculture was being touted by the Jamaican government as the “engine of growth,” but noted problems facing the sector: praedial larceny, more crime in rural areas, and deplorable farm roads. According to her, even if productivity was to be increased, there would be the problem of not understanding the market place. She asked if the Bank could help with the government’s agricultural strategy, to look at what was really needed. **Gillian Smith** suggested that both the Ministry of Agriculture and Fisheries and the IDPs would benefit from a better communication and coordination efforts among the IDPs to minimize duplication of assistance. According to her, the Ministry often contributed to duplication by making a broadcast request for assistance to which more than one IDP

sometimes responded. Also, there are sometimes disconnect between the policy level of Ministry and the implementing personnel.

37. On *fiscal and debt servicing*, **Gerard Johnson** saw a challenge with lack of fiscal space, although he said it was a bigger issue than that. He said half of the IDB's portfolio was in trouble in view of fiscal space: "If you are constantly in election mode, it is very hard to achieve any meaningful reform." Regarding fundamental changes, he wondered if there was enough focus, manpower and money. **Minh Pham** said 54 cents out of every dollar went to debt servicing and a significant amount of the balance into salaries, leaving 10-15 cents in the dollar to apply to real programs. Asking how to create fiscal strength, he suggested looking first at fiscal space and debt management, next at competitiveness/under-competitiveness and tax reform, then at youth unemployment -- "a good solid tripod for development." He commented that dealing with debt was part of growth strategy, and identified corruption, violence and the tax system as growth components. However, he said, "I don't believe you can simply grow yourself out of debt." **Yvonne Tsikata** said that part of the reason the government's indebtedness was an issue was that a lot of the debt was commercial and expensive. An important strategy would have to be, therefore, changing the character of the debt.
38. On *IDP coordination*, **Miriam Maluwa** noted that effective prioritization would need to precede the IDPs organizing themselves effectively and establishing relevant entry points. **Yvonne Tsikata** outlined the Bank's approach and noted that agriculture was an area of huge priority. She stressed, however, that the economy had shifted; it was transforming into a service economy before our eyes, and that IDPs' contributions needed to tie into where the economy was going. **Cynthia Hobbs** described productive coordination between IDPs working in education, with meetings every few weeks, overlapping meetings with the Ministry of Education. She also pointed out a recent decision about collaboration between the Bank and the IDB, to use one operational manual and one accounting system. **Minh Pham** reported that all the IDPs working in Jamaica had come together in 2008 and created five committees: Education, Food Security (Agriculture), Violence and Crime, Debt and Growth, and Disaster Risk Management. The objective was to come together to share solutions and to pick areas of support very strategically consistent with the government's Medium Term Framework.
39. On *health and maternal mortality*, **Robert Fuderich**, UNICEF Country Representative, said that if more effort was not given to efforts to lower the maternal mortality rate then Jamaica would not make any progress towards achieving the Millennium Development Goal (MDG) 5.
40. On *education*, **Cynthia Currie** noted that youth unemployment in rural areas, and the drift of youth to urban areas, was complicated by the fact that many of these youngsters were not just unemployed, but were also unemployable. **Robert Fuderich** said the quality of education of a system that is allowing so many students to complete primary school despite the fact that they still cannot read needs attention.
41. On *crime and violence*, **Robert Fuderich** felt the dramatic issues received too much focus at the expense of the root causes, such as social exclusion, access to quality education and poverty profiles of the people perpetuating the crimes. "We are trying to fix the car when we should have been changing the oil all along the way." He saw as non-negotiable priorities, health, maternal health and quality education.
42. Finally, on the *power point presentation*, the participants were in general agreement with what was presented, and raised serious concern about the challenges to be overcome. **Cynthia Currie** seemed to reflect the mood of the group when she said that after viewing the challenges she "needed a stiff drink" and didn't know where to start.

C. Trade Union Leaders

43. The Jamaica Confederation of Trade Unions organized the consultation with the *trade union leaders*. The stakeholders: (i) expressed the view that social equity is in a real crisis — the social ‘safety net’ should be expanded to protect the ‘working poor’ and others whose real income was being devastated by redundancies, ‘temporary’ plant closings, and the like; (ii) considered tax reform was a major issue, as the collection base had to be considerably broadened to increase Government’s revenue for carrying out its growth agenda and wanted assurances that social equity will be ensured; (iii) viewed rural development and disaster risk insurance as of considerable interest, particularly to those who represented the agriculture labor force. There was also the feeling that greater stress should be placed on the development of human capital; (iv) questioned whether substantial amounts of loans and grants were getting to their primary targets; and, (v) expressed the view that an over-arching issue was the reliability of data, as these indicators were essential for determining evidence-based priorities (Box 4).

44. On *social welfare*, **Lambert Brown**, President of the University and Allied Workers Union (UAWU), said it seemed an alarming percentage of the workforce was functionally illiterate. However, his main concern was what was being done for the ‘working poor’ since the poorest of the poor depended on the ‘working poor’. He called for a research/tracer study on how effective redundancy and severance payments had been in maintaining or improving the socio-economic status of persons who had received such payments on termination of their employment.

Box 4. Participating Trade Union Leaders		
<i>Name</i>	<i>Title</i>	<i>Organization</i>
George Fyffe	General Secretary	Bustamente Industrial Trade Union (BITU)
Kavon Gayle	President	BITU
Harvel Brown	President	Union of Schools, Agricultural and Allied Workers (USAAW)
Keith Comrie	General Secretary	USAAW
Marva Phillips	Vice President	Trade Union Congress
Barry Dawes	Director	Trade Union Congress
Dorian Dixon	Immediate Past President	Jamaica Teachers Association (JTA)
Ray Howell	Asst. General Secretary	Jamaica Confederation of Trade Unions (JCTU)
Clifton Grant	Vice President	University and Allied Workers Union (UAWU)
Lambert Brown	President	UAWU
James Francis	President	United Union of Jamaica
Wayne Jones	General Secretary	JCTU

45. On *education*, **George Fyffe**, General Secretary of Bustamente Industrial Trade Union (BITU), endorsed the proposals for addressing the issues of praedial larceny and adverse weather insurance, particularly for banana growers to keep them in business. He asked what plans existed to improve the PATH benefits and called for the expansion of the Education Transformation Project. He expressed concern that although many programs had been attempted to aid the education sector, many ceased before any real adjustment had been achieved. Many school plans were still well below minimum acceptable standards, and much of what had transpired had been only ‘window dressing’ in his opinion. Education, he felt, should be targeted on a system-wide basis to achieve real change and sustainability.

46. On *effectiveness of World Bank assistance*, **Dorian Dixon** from the Jamaica Teachers Association (JTA), pointed out that standardization of the Reform of Secondary Education (ROSE) Projects curriculum and provision of adequate institutional support had not been consistent and nor was Grade 9 a benchmark of any real significance.

47. Questions raised by **Ray Howell** of the Jamaica Confederation of Trade Unions (JCTU) were: (i) How has the World Bank managed the impact of its assistance? How does the Bank ensure that funds expended really reach their primary targets? (Case cited concerned abuses related to the procurement system); (ii) When is the World Bank going to have Labor as part of its success in monitoring the effect of its support to Government? and (iii) What is the Bank expecting to happen about, say, tax reform? **Lambert Brown**

saw the reliability of data, e.g., productivity trends, as “an over-arching issue” since, in several instances, the available data are conflicting or inexplicable. **James Francis**, President of the United Union of Jamaica, voiced his impression that the World Bank was walking “very gingerly.” Rights of workers were not fairly taken care of, and the factors retarding broadband access had not been elaborated on.

48. On *tax reform*, several comments including that of **Wayne Jones**, General Secretary of the JCTU, related to the fact that only about a third of the labor force pay income tax through PAYE, which meant that the government was not getting the type of revenue it needed to increase its spending. The point emphasized was the urgent need to look at the tax system. As one speaker put it, “It strikes me that the Bank can do more to bring about some sense of urgency to dealing with the well-known fact by government, economists and others that government needs to increase revenue. And to do that we have to expand attention to those persons who are not paying PAYE.” Another significant comment regarding the urgent need for tax reform was that less leakage and more inflows would also improve equity.
49. On *consultations with Labor*, **Trevor Munroe** suggested that, to the extent that the IDPs sought to develop a harmonized approach, the World Bank could be the catalyst for institutionalizing consultations with Labor.
50. On *risk insurance*, much interest was expressed in the proposal for risk insurance *vis-à-vis* the plight of the ‘working poor,’ the rise in redundancies, decline of the bauxite/alumina, sugar and banana industries and the fact that, if the country was devastated by another hurricane, it would not be able to afford to repair the damage.
51. *Responding to questions*, **Yvonne Tsikata** said that the World Bank endeavored to do what it could afford to do as effectively as possible, and would be working with its partners’ help in that regard as it went forward. Unfortunately, the needs were huge. Often the Bank used a pilot project to test the feasibility of a program approach, then scaled it up when it was certain that it would work well to achieve the stated objectives.
52. **Badrul Haque** also responded to the participants’ questions and comments. He said that “Development is our business, and our goal is to help the country develop.” The Bank had been working with the government on tax reform and social protection programs for some time. Among other things, it had supported the introduction of a ‘Welfare to Work’ component, which was mostly to help people living in a PATH-benefit household, through training, to become self-supporting. The purpose of the present consultation exercise was to help the Bank to narrow down the critical areas the Bank could support.
53. He also mentioned that ROSE II had been planned as a fairly substantial program but, because of the reality of the debt-to-GDP ratio, contractions to the program had been unavoidable. Also, an emergency loan has been made, through the JSIF, to the Government for repairing schools and roads damaged in recent hurricanes including in rural areas. The World Bank is also exploring with the government how parametric risk insurance could best be put in place to protect agriculture interests. A variety and full range of instruments was needed, as there was no single answer for the protection of all risks. There was also the necessity of convincing financial markets that this type of insurance can be viable for them.

D. Civil Society Leaders

54. In the consultation with the *civil society leaders*, they: (i) viewed as urgent the need to stabilize the economy, to arrest decline, before economic growth can be achieved. In this context, they saw urgent need to address the high incidence of crime and violence and strengthen the country’s institutional

capacity especially with respect to controlling crime and violence; (ii) considered an urgent need in the country to prioritize policy actions. There is a sense that the country wants to do everything, and end up doing nothing, or doing everything less than the country ought to be able to do. Therefore, in this and other process of consultation (government, stakeholders and the Bank), and in the Medium-Term Framework, priorities need to be more clearly set out; (iii) emphasized the importance of assimilating lessons learned. If the country does the same thing, with slight variations -- that have been done for the past 35 years – the country will end up with the same results with slight variations. Lessons must be learned, applied and more profound studies undertaken of those areas which remain unclear, for example, lack of national progress over 35 years despite high investment ratios; (iv) emphasized inclusion. Forms of growth, forms of stabilization, whether economic or social, which maintain existing hierarchies in the education, justice and almost every system, are designed to fail, particularly in the current context. The building of inclusion and the growth of trust in society almost go hand in hand; and (v) expressed the view that politics and governance in Jamaica is as much a part of the problem as a part of the solution. Clearly, the interrelationship cannot be ignored. However, the governance structures that divide, and which reinforce the strength of the criminal enterprises in the communities have to be transformed if the country is to achieve development goals (Box 5).

55. On lack of *progress nationally*, **Diana McCaulay**, Chief Executive Officer of the Jamaica Environment Trust, noted that the presentation highlighted very little progress in Jamaica over the past 35 years, despite a great deal of intervention. She asked if any analysis had been done of this. Several others also saw this as a serious issue, and called for a study to be done. **Morin Seymour**, Executive Director of the Kingston Restoration Company, noted:

“Dianna put her finger on the problem we are facing in Jamaica. Why is it, notwithstanding all the inputs, we are not going forward.” He listed five things for consideration as the Bank goes into a new program: (i) a more aggressive effort to reinforce community policing efforts to remove the weapons from schools; (ii) focus on reducing the stratification in the education system by providing remedial training and vocational opportunities for students who do not matriculate from the traditional high schools; (iii) support opportunities to allow those at the bottom of the economic ladder to receive targeted skills and business development training, as well as access to micro-financing; (iv) tackle the political parties about rooting out corruption, and reinforce the rule of law, that applies regardless of political affiliation; and (v) look at the transportation system. He said: “we need light rail for moving people around and to stop spending money importing buses... which get destroyed in a week. Also to get our railway system up, to move goods ... more cost effectively and save our road surfaces.”

Box 5. Participating Civil Society Leaders		
<i>Names</i>	<i>Title</i>	<i>Organizations</i>
Morin Seymour	Executive Director	Kingston Restoration Company
Dr. Elizabeth Ward	Chairman	Violence Prevention Alliance
Dorothy Whyte	Chief Executive Officer	Women’s Research Resource Centre
Donna Parchment	Executive Director	Dispute Resolution Foundation
Lorna Peddie	Project Officer	People’s Action for Community Transformation
Omar Lammie	Project Officer	Youth Opportunities Unlimited
Dr. Carolyn Gomes	Executive Director	Jamaica for Justice
Kurt Schmick	Executive Administrator	Citizens Action for Free and Fair Elections
Gary Harriott	Chairman	Jamaica Council of Churches
Dr. John Rapley	President	Caribbean Policy Research Institute
Dr. Patricia Anderson	Prof. of Sociology, Psychology & Social Work	University of the West Indies
Dr. Anthony Harriott	Prof. of Political Sociology	University of the West Indies
Diana McCaulay	Chief Executive Officer	Jamaica Environment Trust

56. On *coping with recession*, **John Rapley**, President of the Caribbean Policy Research Institute, felt that from the point of view of businesses, the country was fairly resilient, but coping with the recession at the lower end of the income distribution ladder would pose a huge challenge and require a Herculean effort.

He felt the success/sustainability of any policy reform would depend on ordinary citizens feeling they would be protected from the worst losses.

57. On *inclusion and trust*, **Donna Parchment**, Executive Director of the Dispute Resolution Foundation, seconded the objective of inclusive development referred to in the Bank's presentation, making special reference to existing centralization in Kingston of decision making, by so called 'bigger heads' regarding national development.
58. **Carolyn Gomes**, Executive Director of Jamaica for Justice, noted that points made by Donna, Morin, and others had been made many times before, were true and that people were aware of them. She stressed that development had to be about people and their buy-in to the society being developed: "We can be building inner cities until we are stupid, if we are not fixing the school system that has 50 children in a classroom, we will be continuing to make ghettos because we will be continuing to turn out a labor force that can't read and write and cannot engage in its own community development." She called for restoration of trust, for nation building to be for all Jamaicans, and for resources, including those of "the 20% that have the money" to be put towards equalizing the playing field.
59. **Omar Lammie**, Project Officer of Youth Opportunities Unlimited, agreed with Carolyn, pointing to the concept of there being "two Jamaicas," and the need to revoke this concept. He expressed concern that despite the work of his organization and other NGOs in the so-called inner city communities, the desired results were not being seen.
60. **Donna Parchment** said the issue of trust tied back to the issue of inclusion she had raised earlier: "We are not making decisions by consensus, by discourse, by a path that broadly speaking, Jamaicans support. But we are trying to make decisions by force, essentially." She noted with irony the recent designation of Jamaica as the world's "third happiest country" by the Happy Planet Index published by Britain's New Economics Foundation, and said she believed her colleagues present shared her not so happy feelings, "just seeing the weight of impossibility that we seem to be faced with."
61. On *crime and violence, and corruption*, **Elizabeth Ward**, Chairman of Violence Prevention Alliance, noted that the issue of crime and violence was pervasive, and that if prevention was not seen as part of the work of all sectors, no program efforts would make a difference. She pointed out that in building safe, violence free communities several ingredients were vital: the role of the family, the educational system, the justice system, environmental issues and issues of sustainable development. She added: "What I think happens right now is, we do individual projects... and unfortunately, the guys are shooting between the projects. And, really we are not harnessing the potential of the people, to be able to be part of that change process and to contribute to that safe, violence-free development." **Donna Parchment** added that the profile of arrested persons, including literacy levels cited in the Bank's presentation, tie to an issue about power and wondered if Jamaica was heading to a situation where marginalized people created their own illegal power.
62. **Trevor Munroe** noted that expenditure on inner-city rehabilitation and community upgrading without cutting the link between organized crime and the public procurement system, the political system, and without dealing with extortion, which is now big business, would only result in strengthening organized crime and threatening the viability of the state. He made this intervention in support of Morin's point about the political parties and the need to root out corruption, and saw this as perhaps the main challenge facing any kind of development process at this time.
63. **Dorothy White**, Chief Executive Officer of Women's Research Resource Centre, reiterated that "It is our people who have the potential for growth. Unfortunately, they don't recognize this because they have been kept divided by our politicians in particular ... And, I think until our politicians are honest, you can't

be talking about reducing crime on the face of it, while behind you is the thing that causes young people, particularly men, to be at each other.” She added women formed 50 percent of the population, and Jamaica was a matriarchal society. Women needed to understand they had a critical role in crime reduction, and should not support their men folk in criminal activities.

64. **Gary Harriott**, Chairman of Jamaica Council of Churches, saw the major problem as the effectiveness of Jamaica’s institutions responsible for controlling crime. He pointed out that before the problem could be managed, it first had to be brought under control: “We need, maybe we have it already, a clear strategy for making the institutions for law enforcement, the justice system, more effective. I think we need a strategy for change and for making the whole system more effective, which is different from a diagnostic report. And, then secondly to act on that strategy.” Linked to the law enforcement and crime prevention and control, he cited the link between youth deprivation and youth unemployment and violent crime, and called for programs specifically targeting youth, slums and the institutions of law enforcement.
65. On *national debt*, serious concern was expressed by **Omar Lammie**, **Donna Parchment** and **Diana McCauley**. **Donna Parchment** asked for clarification on the statement that about 80 percent of Jamaica’s debt was held by Jamaicans. If that was so, she wondered whether those were good arrangements from a government point of view. She also asked about the scope for reducing the debt burden. **Yvonne Tsikata** noted that the profile of Jamaica’s debt and the reason the debt burden was so high, was largely due to very high borrowing of commercial funds. The profile of Jamaica’s debt was therefore not only very costly but also very short term. She felt that part of what the Jamaican Government wanted was to stretch out the debt.
66. On *energy*, **Omar Lammie** asked why Jamaica had such a large energy bill when it was a tropical country with lots of sunshine, and called for exploring other sources of energy, apart from costly oil.
67. On more *effective prioritization*, **Diana McCauley** noted she had been a part of the Vision 2030 team, but had withdrawn as she felt too many things were being treated as priorities, at the risk of achieving nothing. She noted: “The thing in Jamaica that we have not ever managed to do successfully is to really sit down and decide precisely what is going to be the basis of our economic strategy. Because I do not believe in a small island like Jamaica we can do every possible thing.” Queried on her priorities for national economic activity at this time, she cited tourism, if properly done – noting that despite successful “branding” of Jamaica’s tourism product, tourism development so far had been fundamentally and disastrously flawed, destroying things of value and marginalizing people. She felt that tourism, if properly done, could be more sustainable than bauxite or limestone mining; that small scale agriculture might be profitable and might feed into the tourism industry.
68. On *environment*, **Diana McCauley** said the environment was seen in Jamaica as separate from the country’s total development; it did not permeate decision making, and was actually seen as anti-development. Environmentalists were regarded as “wackos,” and the link between paying attention to the environment and disaster management was completely unappreciated. She advised anyone doing a study on the environment in Jamaica to dust off the 1987 study done by USAID, as nothing had changed. Another speaker suggested the situation had worsened, and she answered that there was no data to support that, or to support concerns about air quality, or sewage in our rivers and waters – “You are essentially going to find the same conclusion that the 1987 study made, which is that we think there is a big problem, but there is really no data, and what we need is some data.”
69. On *IMF program*, **Patricia Anderson**, Professor of Sociology, Psychology and Social Work at the University of the West Indies, Mona Campus, asked if a cross conditionality existed between the IMF and the World Bank, and if the possible upcoming agreement between the Jamaican Government and the IMF would affect any planned World Bank programs. She was assured by **Yvonne Tsikata** that no such cross

conditionality existed, and that an agreement between the IMF and the Jamaican Government would have a minimal effect on the Bank's programs.

70. On the ability of the Bank to support Jamaica with its current challenges, **Diana McCauley** questioned whether the World Bank really had the appropriate tools for the Jamaican situation. **David Warren** responded that while the Bank's tools could not solve all the problems of Jamaica or any other country, it did have tools it could bring, and a fair amount of flexibility in how it could change its tools and in the way it could approach operations. He said the Bank's current work was generally more programmatic, rather than projectized operations, and was more focused on outputs.
71. On the *presentation*, all comments were positive. The statement that 3% of taxpayers paid 80% of the taxes was queried by **Donna Parchment**, and **John Rapley** noted that it should be 80% of income tax, not of all taxes. **Badrul Haque** confirmed that this was so.

E. Parliamentarians

72. The largest group consulted was the *Parliamentarians* (Box 6). Their top five development priorities were the need to: (i) relieve the debt burden of Jamaica; (ii) foster human capital development, especially in rural areas and for women in particular; (iii) establish an effective justice system; (iv) meet law enforcement challenges as it is critical to development; and (v) improve environment and disaster management as a pre-condition for economic stabilization and growth.
73. On *debt burden*, **Hon. the Dr. Kenneth Baugh**, Foreign and Trade Minister and the Deputy Prime Minister, noted that a fundamental problem is that measures that have worked in other countries have not worked here. Borrowing money to pay debt, and borrowing money for social services, is an untenable situation. "We must have measures from our debtors that discount debt." (Ecuador's action in that regard was cited as an extreme, but not recommended, as an example of 'a way out'.) In this economic crisis, when the burden is on the poor and working class citizens, to what extent does the World Bank see debt relief for heavily indebted middle-income countries as a possibility? A search for a solution is needed urgently. **Yvonne Tsikata** responded that indebtedness is a worrying reality not only to Jamaica, but also for the other English-speaking Caribbean. The World Bank is not one of Jamaica's principal creditors. Most of Jamaica's current debt is held by Jamaicans at home and abroad (even debt denominated in US dollars), and there is no secondary market for that debt. Even if all the existing debt was immediately wiped out, without certain structural and financial management changes, funds for disaster mitigation and contingent financing for disaster recovery, the negative national debt situation would very likely soon recur.
74. On *human capital*, **M.P. Maxine Henry Wilson** looked at the human capital side of things as well, as that is also a significant cause of low economic growth. She asked if the Bank could say whether there is a cost-cutting strategy that will affect support for female unemployment, youth and education. **Badrul Haque** responded that there have been, and will be, specific projects and grants in the area of human development, youth and women. As an example, he mentioned the Rural Economic Development Initiative (REDI) project currently under development where greater weights would be given to youth and female applicants. Moreover, the new partnership strategy is to work with other donors to identify those areas in which the Bank may have limited financial resources, but a comparative advantage in terms of available expertise. The Bank can pilot projects, which can be scaled up by other IDPs.

75. On *effective justice system*, **M.P. Gregory Mair** noted that the CPS does not sufficiently highlight the fact that an effective and efficient justice system is vital to building trust and social capital. **Badrul Haque** responded that other agencies, e.g. USAID, CIDA, DFID, are already deeply involved in the justice arena, and so in order to bring resources to other critical areas the Bank will not focus on the justice system directly.

76. On *lack of growth*, **Hon. Karl Samuda**, Minister of Industry, Commerce and Investment and the General Secretary of the Jamaica Labour Party, noted that “in considering what things are at the heart of what is causing growth to continue to elude us, I have concluded that bureaucracy is the most oppressing element.” He asked if there is room for the World Bank to assist by providing compensation and retraining for those made redundant due to efforts to reduce the size of government bureaucracy. **Yvonne Tsikata** responded that the World Bank does not provide structural adjustment loans any more, though there is provision for ‘public sector strengthening’ initiatives. Everything that the Bank does is at the request of a government, so that the Bank supports actions that governments have already taken or want to take.

77. **Dr. Peter Phillips, M.P.**, asked why Jamaica has failed so badly to grow over the last 30 years. “We need to identify the issues that are critical determinants of growth. Absence of trust is a critical, tangible impediment to growth. What are the critical institutional factors that will enable us to overcome that? Resources are urgently needed to rapidly develop our education and criminal justice systems for that and other socio-economic benefits.” **Yvonne Tsikata** responded that this year’s *Country Economic Memorandum* will look at this issue in more depth and seek definitive answers to such questions as, ‘Are we looking at GDP correctly?’ For instance, the economy would be larger if informal economy figures were included. Certain issues, e.g. fall in productivity, natural disasters, will also be looked at more deeply in terms of how data are aggregated, and the like. If the high incidence of crime and violence, and their associated costs, could be drastically reduced, then there would be significant increase in annual GDP growth rate.

Box 6. Members of Parliament and Senators		
<i>Names</i>	<i>Title</i>	<i>Party</i>
Delroy Chuck	Speaker, House of Representatives	
Oswald Harding	President of the Senate	
Dr. Kenneth Baugh	Member of Parliament (MP), Minister of Foreign Affairs and Trade, and Deputy PM	Jamaica Labour Party (JLP)
Andrew Gallimore	MP, Minister of State	JLP
Laurence Broderick	MP, Minister of State	JLP
Tom Tavares-Finson	Senator	JLP
Warren Newby	Senator	JLP
Gregory Mair	MP	JLP
Taron Peralto	MP	JLP
Shahine Robinson	MP, Minister of State	JLP
Ronald Thwaites	MP	People’s National Party (PNP)
Robert Montague	MP, Minister of State	JLP
Ian Hayles	MP, Spokesperson on Investment and Development	PNP
Dr. Fenton Ferguson	MP, Spokesperson on Investment and Development	PNP
Dr. Morais Guy	MP	PNP
Noel Arscott	MP, Spokesperson on Environment, Science and Technology	PNP
Maxine Henry Wilson	MP	PNP
Basil Waite	Senator, Spokesperson on Education	PNP
Karl Samuda	MP, Minister of Industry, Commerce and Investment	JLP
Dr. St. Aubyn Bartlett	MP	JLP
Dr. Christopher Tufton	MP, Minister of Agriculture	JLP
Ronald Robinson	Senator	JLP
Joseph Hibbert	MP	JLP
Fitz Jackson	MP	PNP
Mike Henry	MP, Minister of Transport and Works	JLP
Natalie Neita-Headley	MP, Spokesperson on the Public Service	PNP
Michael Peart	MP, Spokesperson on Mining	PNP
Dr. Peter Phillips	MP, Spokesperson on National Security	PNP
Sharon Hay Webster	MP	PNP
Pearnel Charles	MP, Minister of Labour and Social Security	JLP
Lisa Hanna	MP, Spokesperson on Information, Youth and Culture	PNP

78. On *law enforcement*, **Hon. the Dr. Kenneth Baugh** asked to what extent is there a willingness to provide for support to improve the capability of Jamaica’s law enforcement agencies. **Yvonne Tsikata** responded that the World Bank cannot directly support law enforcement agencies. It may be possible for other agencies such as the IDB to do direct financing.
79. On *global warming and disaster management*, **Hon. the Dr. Kenneth Baugh** further noted that given the clear and present danger of global warming and climate change, and Jamaica’s recent weather history, a mitigating loan structure is urgently needed. **Badrul Haque** responded that the World Bank has specific projects and grants for disaster management. A number of things are already being done in Jamaica, or are going forward in collaboration with other partners – for example, more comprehensive disaster insurance for agricultural crops.

F. Youth Leaders

80. The **youth leaders**: (i) almost unanimously agreed that human capital development and crime and violence are the main challenges. Meeting the former must involve education that break down barriers between academic and skills based orientations/training, and it must be technologically sophisticated and relevant to the young; (ii) believe prevention of crime and violence cuts across many other dimensions; (iii) expressed hope for unattached youth because of Citizens Security and Justice Program and HEART/NTA, which were seen as positive initiatives. The former should be expanded and the later protected; and (iv) want to be institutionally linked into the process of participation, consultation and impacting the governance system (Box 7).

81. On *lack of national progress*, **Gregory Simms**, Chairman of the Jamaica Youth Advocacy Network, put forward what he termed a culturally appropriate dissection of Jamaica’s problems, relating to a basic interpretation of the country’s culture: “Why is it that we have so many initiatives made over so many years and they continue not to yield the sort of success we want? Because they ignore what the Jamaicans are, in terms of relating to our expression in the arts and sports or music, what is it that we communicate through that sort of media. It is very complex, and I think we all have to fit this in terms of the whole new globalization, post-modernistic constructs that we are dealing with in terms of young people in particular.”

Box 7. Participating Youth Leaders		
<i>Name</i>	<i>Title</i>	<i>Organization</i>
Tamian Beckford	Jamaica Representative	CARICOM Commission on Youth Development
Kemisha Kelly	Immediate Past President	National Students’ Council
Gregory Simms	Chairman	Jamaica Youth Advocacy Network
Andre Stephens	President	National Students’ Council
Shawn McGregor	Project Manager	Reaching Individuals through Skills and Education (RISE)
Vishwanauth Tolan	President	University of the West Indies Guild of Students
Ryan Davis	President	University of Technology (UTECH) Students’ Union
Shakisha Cowan	Vice President	UTECH Students’ Union

82. On *effective prioritization*, **Shawn McGregor**, Project Manager of Reaching Individuals through Skills and Education (RISE), expressed concern “that we are spreading ourselves too thin,” and felt Jamaica should zero in on preventing crime and violence. This was seen by many other youth representatives as a major issue. **Kemisha Kelly**, Immediate Past President of National Students’ Council, saw crime and violence as the first priority and the development of human capital as the second. She said she disagreed with Shawn McGregor’s comment about “spreading ourselves too thin” as the issues identified were key challenges to Jamaica’s development. Also, she wanted the programs developed to be sustainable after the World Bank’s support was finished. **Gregory Simms** seconded the point about sustainability.

83. On *healing divisions and inclusion*, **Gregory Simms** called on young people to “form a coalition among ourselves” to heal divisions, in a Jamaica separated by class, gender and politics. He saw the first step as moving towards a more bi-partisan approach in terms of political development and appreciation.
84. On *protecting social gains and moving towards fiscal sustainability*, **Tamian Beckford**, Jamaica Representative of CARICOM Commission on Youth Development, expected that Jamaica’s impending return to the IMF would likely result in cuts to social programs. He felt that the HEART/NTA training programs should be protected by arranging for the organization to generate income and so require less government financing. He believed HEART’s existing resources such as human resources, financial and mechanical services could be marketed to the public. He also proposed that now that Jamaica was part of the European Economic Partnership Agreement (EPA), with duty-free, quota-free access to the European market, countries like China, which did not have this facility, could be invited to set up industrialized zones (but not free zones) in Jamaica. If 75 percent of the product was produced in Jamaica, it could be shipped to the EU, under the EPA. Jamaica could earn some income, gain employment for workers (with local minimum wages/standards) and develop its capabilities.
85. In a written submission later, **Tamian Beckford** also called for eating more locally produced food to cut the food bill; investing in large scale farming of marketable organic products; a rigid energy cost saving program of rewiring and implementing a solar/movement sensor lighting system in government buildings. He wanted those not working to be forced to maintain themselves, instead of being supported by taxpayers, and felt government needed to focus more on sustainable development of human capacity than on the next election, so that political tribalism could stop. He saw crime and “investment blockage due to attractiveness” as the country’s major challenges.
86. On *rural development*, **Vishwanauth Tolan**, President of the University of the West Indies Guild of Students, felt that a lot of emphasis should be placed on rural education and that rural youth lacked access to technology – computers, use of the Internet, etc. **Kemisha Kelly** supported this, but wanted rural youth to know there was no problem in focusing on agriculture, noting that the stigma against skill based work in Jamaica included agriculture.
87. On *education*, **Vishwanauth Tolan** believed the challenge of Jamaica’s highly illiterate work force reflected the need for additional support for education. For example, the provisions of lunch money, without which many parents do not send their children to school, and the provision of text books. **Ryan Davis**, President of the University of Technology Student’s Union, seconded this point.
88. **Kemisha Kelly** thought interventions to deal with illiteracy in the adult workforce now would be difficult, but applauded current Ministry of Education efforts to deal with illiteracy at primary school level.
89. **Gregory Simms** asked if an examination of what went wrong in the education system was needed. This, from two perspectives: was the education product relevant, and was it appropriate to the interests of the majority? Apart from differences in interests due to class divisions, “what are we offering across all levels, from basic schools up to tertiary, is it what we really want to study? And, the individuals that are being trained as educators, are they being trained in what we want to learn, and how to deliver it? Do the methods being used in first world states apply to us?”
90. **Shakisha Cowan**, Vice-President of the University of Technology Students’ Union, lamented the fact that the education system was turning out graduates with little ability to analyze, to do simple logic, from primary to tertiary levels. She believed this failure of the system was related to the GSAT (Grade Six Achievement Test) system which had replaced the Common Entrance Exam as a gateway to the

secondary school system: “We have forced our children to literally swat facts, and after swatting at the primary level, we go to the CXC (Caribbean Examination Council, secondary level examinations) which is very easily ‘swattable’... When we reach the tertiary level ... the basic standard of communication (for entrants) is in such a state it puts everything back.”

91. **Shakisha Cowan** felt that JAMAL (Jamaica Adult Literacy Foundation - now the Jamaica Foundation for Lifelong Learning, JFLL) - had great potential and wanted to see it “rise again.” She felt HEART (Human Employment and Resource Training Trust) was providing a great service, which the country could not afford to lose in any way. She felt the work attitudes of HEART graduates with skills training were generally superior to those of university graduates, and warned that education relevant to human resource development was about more than grades: “There is that growth of a human being that must happen during your entire education process... it is sad to walk out of a university with a piece of paper and not an education.” She also noted: “When you graduate from primary school you must be able to speak standard English. Yes, Patois is our natural language, but we start school early enough to learn standard English and use it for our education. It will benefit us, not only throughout that education, but it will affect us being able to compete globally, and without being able to compete globally, there’s no point in having an education system at all.”
92. **Kemisha Kelly** agreed that university education should not be just about getting a degree, stressing that not only were there important skill sets which some graduates lacked, but that many who got lower grades might have excellent leadership qualities and interpersonal skills. She deplored the high cost of tertiary education, and the high grades required of scholarship winners.
93. On *crime and violence*, **Gregory Simms** was concerned about the geography and location of inner city communities, which he said were closely connected to “the rule of slave houses.” He felt these communities should be relocated, but also deplored the use of high rise solutions which did not work. He called for better living conditions for the people, spacious and good looking, which he felt would address the “mentality.” He posed the question, regarding young people involved in gang related and other criminal lifestyles, “Do they see a problem with the way they are living? I think this is an issue... these same young people are so cloaked by their existence, a young generation, not too mature right now, that they have created a certain type of living and identity that is Jamaican, that is not very appropriate.” **Shawn McGregor** answered: “... no, they are NOT comfortable, going to schools with one parent, going to sleep without eating – nobody can be comfortable in those circumstances knowing that there’s another existence out there.”
94. **Kemisha Kelly** felt youngsters from inner city communities could benefit from a change of environment for a while. She said she had attended a boarding school, and had seen positive effects on several young women from the inner city areas.
95. On *unattached youth*, **Trevor Munroe** invited more perspectives by the youth representatives on the issue of unattached youth, following on Gregory’s point that whereas others believed that many of these youth had a problem, they themselves did not necessarily think so, but regarded the way they were living as normal. **Andre Stephens**, President of the National Student’s Council, said there were a lot of unattached youth in the secondary education system, because the system only facilitated those with academic aptitude. Those otherwise inclined were excluded and isolated, and would drop out of school, go into the community, and be influenced/recruited by the dons (influential criminal leaders). The dons would give them guns to commit robberies for them, set them up selling drugs, and provide (attractive but negative) role models for the youth. In his view, “They (unattached youth) go into the community and they hear what they want to hear. They classify it as positive, and they think their condition is fine, because they can get their money, they can get their clothes. They can get all these things, they have all the women. It’s easy for them. So, basically as Gregory says, they probably don’t think that they are in a

problem, because while they are making the money, they just get rich and happy.” He felt the World Bank could assist by ensuring that the education system became “much more work friendly,” producing graduates who would be resources for the labor force.

96. **Ryan Davis** agreed with Andre Stephens, calling for high schools to provide skills training for “those who could not manage academic subjects”. However, **Kemisha Kelly** agreed with this in principle but objected to the term “could not manage” as perpetuating a stigma against skills based work. She called for holistic development for people to be globally competitive. Specifically, she wanted it to be mandatory for high and other secondary schools to provide technical subjects such as agriculture, cosmetology, food and nutrition. This would include the training of enough teachers to deliver such subjects.
97. **Vishwanauth Tolan** recalled the Hope Project last year, in which he and **Kemisha Kelly** had been involved, where tertiary students taught CXC classes for free to inner-city students every weekend. “There were students at this CXC program, who before coming, used to fire guns, they were in gangs. These students were about 19 years old when they came to the classes. When you sat down and spoke with them, you found they had talked with a couple of people who had come into the community and they just said, ‘Let’s give the schoolwork thing a chance.’ So, what that showed me was that a little mentoring, a little guidance went so far for them. So what the World Bank could do to assist in this area now, I would say invest in outreach activities in inner city communities. And, I believe that the university is a good way to go (through) because as young people, it’s kind of easier for us to relate to students, talking to them as an educated university student, especially an educated university student coming from a very humble background, you can do a lot for them.”
98. **Shawn McGregor** shared experiences as a resident of the inner city, and as one who saw the growth of the crack cocaine business in the inner city, witnessed a series of men growing rich off of it, to the point where “the definition of success was to achieve a Benz, to have a big house on the hill and to have many girls around you, and to wear a big chain around your neck.” The past 10-15 years had seen a decline in the profits because the number of sellers outstripped the number of buyers of crack cocaine, and as a result, a number of his colleagues had been asking him to help them get jobs.
99. He cited the Citizens Security and Justice Program (CSJP) as an initiative which was using many of the strategies called for by the youth representatives, and which was making a positive contribution in the area of unattached youth. He had recently attended the graduation of 200 young men from an 8 month CSJP skills training program. Testimonials by the students, he said, revealed that a number had been “hard core ‘shottas’, hard core gun men who had been sent out to commit crimes.”
100. They had been effectively reached by the CSJP skills training program because it provided a number of support facilities in addition to skills training. One was a stipend adequate for bus fare and lunch (compared to what he described as a totally inadequate stipend offered by HEART). A second was remedial education, without which 90 percent of the young men would not have been able to achieve HEART certification.
101. Life skills training was another important component of the training, including basic communication, conflict resolution and people skills – all sadly lacking in the way inner city youths are typically raised and operate.
102. **Trevor Monroe** asked whether the unattached youth give up the gun for the computer. **Shawn McGregor**: “A lot of them will... One of the realities is, none of them have a gun, the guns are centrally owned, the situation in the inner city is that the guns are owned by the dons. There’s no gun play where there’s no war...They stand on the corner and they smoke marijuana and they talk... The primary thing is

that they want to earn an income, to provide. Many of them are ‘baby fathers’. Many of them have parents who aren’t working. They want to provide for their family and to change their living conditions.”

103. On *governance and youth apathy*, **Kemisha Kelly** said young people did not know what was going on in politics and did not understand what was going on in governance, and as a result cared about neither. Apparently civics was not reaching all school children as she said the subject was not taught to her in school. She felt that the Youth Parliament staged by the National Centre for Youth Development should be held on an ongoing basis instead of once per year, and asked the World Bank to consider supporting such a project. She felt this was important because “answers to the problems facing Jamaica do not only reside in the present politicians we have, who a lot of the times are so far removed from the youth issues.”
104. Finally, members of the group said the consultation time was too short, and **Kemisha Kelly** asked the World Bank to bring back the youth for further consultation.

G. Private Sector Leaders

105. The *private sector leaders* (Box 8): (i) highlighted their chief priority as the need to achieve positive change in Jamaica’s debt portfolio and fiscal sustainability; (ii) emphasized the need for exemplary leadership critical to building trust and social partnerships from present low levels; and (iii) strongly urged the need for increasing marketplace competitiveness through facilitation of: (a) easier access to affordable expansion of financing, (b) reduced energy costs and (c) reduction in crime and violence.

106. **Kalim Shah**, Representative-designate of the International Finance Corporation (IFC) in Jamaica, spoke briefly on that organization’s role as the private sector arm of the World Bank Group. He said that IFC

sought, among other things, to finance businesses in member countries through the co-operation of commercial banks that were willing to arrange loans with a higher risk profile and much longer-term financing, than they would normally consider favorably. Factors influencing intervention decisions would include how well the proposed projects related to: (i) improvement of the business and investment environment; (ii) development of financial markets, including building capacity of enterprises to go to the market; (iii) infrastructure improvement or expansion; (iv) transport and logistics; (v) tourism; and (vi) climate change responses (e.g., energy cost reduction/renewable energy).

Box 8. Participating Private Sector Leaders		
<i>Names</i>	<i>Title</i>	<i>Organization</i>
Joseph Matalon	President	Private Sector Organization of Jamaica (PSOJ)
Nicholas Scott	President	PSOJ
Sandra Glasgow	Chief Executive Officer	PSOJ
Colin Steele	Member, Economic Policy Committee	PSOJ
Keith Collister	Member, Economic Policy Committee	PSOJ
Roger Hinds	President	Shipping Association of Jamaica
Jason Morris	Senior Investment Strategist	Jamaica Money Market Brokers
Edward Chin-Mook	President	Businesses Association of Jamaica
Richard Byles	President	Sagicor Life
Omar Azan	ent	Jamaica Manufacturers’ Association
Imega Breese McNab	Executive Director	Jamaica Manufacturers’ Association
Minna Israel	President & Country Head	RBTT Bank Jamaica Ltd
Duane Thomas	Vice President	Young Entrepreneurs’ Association
Anya Schnoor	Chief Executive Officer	DBG Investments
Brenda Cuthbert	Chief Executive Officer	Jamaica Employers’ Federation
Michael Lumsden	President	Jamaica Exporters’ Association
Prunella Vassell	Council Member	Institute of Chartered Accountants of Jamaica

107. On *building manufacturing capacity*, **Omar Azan**, President of Jamaica Manufacturers’ Association, asked what was the outlook regarding building the manufacturing capacity of Jamaica. “How are we

going to build capacity and compete on the basis of the commercial banks' 30% loan rate?" **Edward Chin-Mook**, President of Small Business Association of Jamaica, observed that the private sector has been 'sleeping,' so productivity has been low overall. There have been individual efforts made, but the sector has not locked into a country strategy, and not enough attention has been given to the 'value chain.' He inquired if the Bank can guide the private sector to look at development in a coordinated, holistic way.

108. **Minna Israel**, President of RBTT Bank Jamaica Ltd., observed that any growth is contingent on raising financing. Supportive of new emphasis on financial stability, and partnerships, she asked if there is a cap on level of financial support that the World Bank will provide for Jamaica. **Yvonne Tsikata** responded that Jamaica will get at least the same amount of budgetary support as it received in the previous year. However, the World Bank would have to do its own independent macroeconomic assessment before such budgetary support is made available. **Badrul Haque** noted that the IFC can also mobilize additional resources for investment such as in education through public-private partnership efforts.
109. On *national debt*, **Nicholas Scott**, Vice President of the Private Sector Organization of Jamaica (PSOJ), observed that reduction of the national debt is the contextual factor requiring the most urgent attention. "If we don't get that right, nothing will go right." **Michael Lumsden**, President of Jamaica Exporters' Association, noted that the debt problem overshadows and restrains the country's ability to do anything else. Priority attention must also be given to the cost of funds available for business development: "Who should carry the risk of lower rates and development of special instruments?" **Keith Collister** noted that the issue of the debt is critical, but the real issue is that Jamaica has developed a money market, shadow-banking system that issues US dollar instruments internationally. The private sector has no capital and so it cannot grow. He asked if there is an intervention planned to support this? "What support will be given that would allow us some room to grow and get past the massive mismatch that has been allowed to develop? Where are you going with your development banking?"
110. **Yvonne Tsikata** noted that the national debt situation is a very complex and sensitive issue. Much of Jamaica's debt is not multilateral, and there is no active secondary market for the existing debt. On funding for businesses, the Bank's "Articles of Agreement" did not allow for direct loans to individual agencies, but financial support can be extended in specified ways to central government for particular, mutually agreed purposes. However, there has to be sufficient fiscal space to accommodate such government financial commitments.
111. On *trade development*, **Roger Hinds**, President of the Shipping Association of Jamaica, observed that his organization believes there is opportunity to build a trade facilitation platform, which could increase taxation revenues and provide scope for additional small business services. It is working with other interested bodies (e.g., Customs) to design how that initiative would work. Would there be support for such an industry? **Pierre Nadji** responded that IFC plans to work with commercial banks to provide technical business assistance and allied funds to enable them to build capacity for moving 'down market' with supportive business initiatives, including opportunities presented by the regional market.
112. On *priorities*, **Colin Steele**, member of Economic Policy Committee of PSOJ, thought energy and crime and violence are important priorities. **Badrul Haque** emphasized the need to focus on increasing competitiveness with urgency, of which energy is an important element. In conjunction with the government and IFC, the Bank is developing specific energy-related programs for additional generation capacity, demand side management and improving efficiency. **Kalim Shah** observed that depending on the degree of commercial risk, there is a lot of room in IFC's portfolio to still give support — particularly on the gas/energy side including diversification to reduce vulnerability to oil crises.

113. On *law enforcement*, **Sandra Glasgow**, Chief Executive Officer of PSOJ, observed that a reported problem is the throughput number of policemen on active duty, and the infrastructure available for training seems to be a limiting factor to the number of recruits that can be trained in any one year. She asked if there is scope for some World Bank support in this area.