The World Bank in Jamaica

Supporting Development Opportunities for All
The partnership between the World Bank (also known as the International Bank for Reconstruction and Development - IBRD) and Jamaica has been a long and fruitful one. Jamaica and the World Bank have worked together since the island gained its independence in 1962.

As an organization which provides assistance to developing countries, the Bank’s broad goal is to help reduce poverty across the world. Here in Jamaica, support provided by the Bank over the years has aimed at doing just that.

In working with Jamaica, the World Bank has supported education, health, agriculture, telecommunications, the development of infrastructure, private sector development, small scale enterprise development in the island and much more.

The World Bank group in Jamaica supports work in rural and urban areas, with the private and public sector and with a wide range of stakeholders in order to ensure its assistance meets the needs of Jamaica and Jamaicans.

The World Bank has provided, and continues to provide, Jamaica with loans, grants and technical assistance all aimed at reducing poverty, improving living standards and increasing opportunities for the growth and development of all Jamaicans.

Currently there are seven World Bank projects and ten grants being implemented or in the pipeline.

Two other members of the World Bank Group work in Jamaica:

- The International Finance Corporation (IFC), which provides investments and advisory services to build the private sector in developing countries, works with Jamaica in a number of areas including the development and expansion of the Montego Bay Airport and the privatization of Air Jamaica.

- The Multilateral Investment Guarantee Agency (MIGA), which promotes foreign direct investment into developing countries, works in a number of areas in Jamaica, especially the tourism, financial services and power sectors.
The World Bank’s program of work with Jamaica is guided by a Country Partnership Strategy. This strategy was developed in consultation with country authorities, civil society organizations, development partners and other stakeholders in Jamaica.

The Strategy has the country’s own vision for development, outlined in Jamaica’s own development plans, as its starting point. The strategy outlines the World Bank’s program of support to be given to Jamaica, based on these development plans as well as on the Bank’s advantage in certain areas, compared to other development agencies working in the country. It promotes collaboration and cooperation with Jamaica’s other donor partners.

Jamaica’s current partnership strategy runs from 2010 to 2013 and focuses on four main areas:

- Supporting economic stability through fiscal and debt sustainability
- Promoting inclusive growth by supporting programs that strengthen human capital, prevent crime and violence and promote rural development
- Promoting sustained growth by improving competitiveness
- Strengthening governance by developing a bipartisan governance and anti-corruption strategy for selected public institutions
Current World Bank Projects in Jamaica:

1. The Inner City Basic Services Project (US$29.3 million) seeks to improve the social, economic and physical conditions in 12 inner city communities by providing access to roads, potable water, sanitation, solid waste management services, roads and community-based services.

   The project also supports crime and violence reduction and prevention programs in order to enhance public safety in these communities.

2. The Hurricane Dean Emergency Recovery Project (US$10 million) aims to restore access to schools, health centers and critical feeder roads for selected communities that were affected by Hurricane Dean and to strengthen government's ability to respond to natural disasters.

3. The Social Protection Project (US$40 million) seeks to strengthen the country's social insurance and social assistance system and is a follow-up to an earlier loan that supported the establishment of the program for Advancement through Health and Education (PATH).

5. The Rural Economic Development Initiative (REDI) (US$15 million) aims to stimulate rural economic growth through financing rural subprojects that support revenue generating activities in agriculture and tourism. Critical infrastructure, marketing and management subprojects in these sectors are also planned.

6. The Early Childhood Development Project (US$15 million) co-fines implementation of Jamaica’s National Strategic Plan for Early Childhood Development by improving services for young children and their parents.

7. The Education Transformation Capacity Building Project (US$16 million) supports the implementation of the national Education System Transformation Program (ESTP).

The objective of the Education Transformation Capacity Building Project is to build the capacity of the emerging key agencies: the National Education Inspectorate (NEI), the Jamaica Teaching Council (JTC), the Regional Education Authorities (REA), and the National Education Trust.
The World Bank provides and manages grants as well as loans to Jamaica. Current grant support for projects which are under implementation and in the pipeline includes:

- The Japan Social Development Fund Community Crime and Violence Grant to reduce crime and violence in targeted communities

- Civil Society Fund (CSF) Small Grant for Boys out of Risk projects being implemented by local Non-Governmental Organizations and Community-Based Organizations

- The Japan Social Development Fund Community Based Landslide Risk Management Grant to promote disaster preparedness and risk reduction in four communities

- A capacity building grant for support to the Statistical Institute of Jamaica (STATIN)

- A Regional Market Based Agriculture Risk Management grant

- An Institutional Development Fund grant towards a project to enhance accountability and transparency in public institutions

- The Japan Social Development Fund grant to expand PATH benefits to an additional 10,000 persons with physical disabilities and elderly persons

- A grant which will support the assessment of the economic and social impact of Fiscal Reforms in Jamaica

- The European Union Tropical Storm Gustav Recovery Grant

- The UK/DFID enhancing Institutional Capacity and Communication Grant
For almost 50 years, the Bank has been working with the people and government of Jamaica towards the country's economic and social development. A look at the Bank’s work with Jamaica since Independence reveals some of the key projects which the island was able to implement with the World Bank’s technical and financial support.

The World Bank and Jamaica - The 1960s

In 1962 Jamaica achieved full independence from Britain. The 1960s were a period of rapid industrialization and economic growth for the new nation. The island was the world's leading exporter of bauxite, which generated a significant percentage of Jamaica's export earnings. In 1965 when the first loan agreement with independent Jamaica was signed, the exchange rate stood at JA$1.00 to US$1.40.

In this period of rapid growth and development, the World Bank provided Jamaica with funding for a number of activities, including projects which:

- Improved Jamaica's road network, expanding the road from Kingston to Spanish Town into a four-lane highway and improving the Moneague to Crescent Park Road (1965).

- Constructed Junior Secondary Schools, expanded teacher training colleges and the Jamaica School of Agriculture and expanded the capacity of the then College of Arts, Science and Technology (CAST) now University of Technology (UTech) (1966).

- Expanded and improved the Jamaica Telephone Company’s telephone, telex and telegraph services (1967)

Jamaica Telephone Company function to mark the introduction of Telex services in Jamaica, 1964. Later, the World Bank Telecommunications Development Project supported the JTC's expansion for five years (1967-1971) which included plans to provide additional automatic telephones, install a new automatic telex exchange in Kingston and extend telex services to Jamaica’s tourist and industrial districts.
The 1970s were a time of significant social change in Jamaica with passage of legislation which established a national minimum wage, maternity leave with pay, the Status of Children Act and a national literacy agency, among other initiatives. At the same time growing urbanization, the oil crisis and the worldwide recession of that period resulted in serious social and economic challenges for a nation in its second decade of independence.

The currency unit was officially changed from the pound (£) to the dollar (J$) in September, 1969. At the time of change-over the Jamaican pound was officially valued at J$ 2.0 or US$ 2.40. The average exchange rate in 1971 stood at J$0.77 to US$1.00.

During the 1970s the World Bank support to Jamaica included assistance to:

- Improve education by increasing the number of Junior Secondary Schools and Comprehensive Secondary Schools and establishing vocational training centers (1971)
- Improve the island’s road network under two highway projects which covered road improvement and maintenance (1973,1974).
- Increase the capacity of Jamaica’s two international airports and support the establishment of the Airports Authority of Jamaica (1974)
The 1980s saw increased attempts to integrate Jamaica into the global economy. Policies focused on trade liberalization, increased foreign investment and structural adjustment of the economy. In 1983 there was 77 percent devaluation of the Jamaican currency. The average exchange rate for 1989 was J$5.77 to US$1.00. During the 1980s the World Bank funding to the Jamaica Government included assistance to:

- Build the Human Employment and Resource Training (HEART) program to expand vocational training opportunities to Jamaican youth (1981)
- Develop the Kingston Free Zone facility to promote exports, generate foreign exchange earnings and create employment opportunities (1982)
- Recover through emergency reconstruction efforts after the devastation of Hurricane Gilbert (1988)

HEART celebrates its 5th anniversary at Runaway Bay St Ann in 1987. Tourism Minister Hugh Hart addresses the gathering. The World Bank’s Third Education (Technical and Vocational) Project assisted the Government of Jamaica to establish the HEART hotel skills training academy at Runaway Bay St Ann and the HEART agricultural skills training academy in Ebony Park.

Young women are trained as machine operators in the garment industry, as part of the Government’s economic thrust under the Structural Adjustment program. These women would have worked in the garment construction and assembly factories in facilities like the Kingston Free Zone which the World Bank supported under its Kingston Free Zone Project.

Prime Minister Edward Seaga officially launches the Human Employment and Resource Training (H.E.A.R.T.) program in 1982 before a packed National Arena including over 6,000 trainees registered in the program.
The 1990s saw Jamaica’s efforts to cope with globalization and the effects of structural adjustment. A crisis in the local financial sector was addressed through the state’s interventions to assist local financial institutions and new regulatory structures were developed to prevent a recurrence of this crisis. The average exchange rate for 1999 was J$39.20 to US$1.00.

During the 1990s Jamaica, with the help of the World Bank, was able to undertake a number of projects, including interventions to:

- Restructure secondary education to improve access to and the quality of education at grades 7-9 through the Reform of Secondary Education (ROSE) program (1993)
- Develop the Jamaica Social Investment Fund (JSIF) to mobilize and channel additional assistance to the poor and promote services and infrastructure to poor communities (1996)
- Improve the efficiency of financial and human resource management in the government sector for an improved civil service (1991)
In spite of modest long-term growth, Jamaica has made substantial progress in poverty reduction since it began monitoring living conditions in 1988 with the technical and financial support of the World Bank.

The country has also made remarkable progress in the areas of financial sector reform and reform of the social sectors including safety nets, HIV/AIDS prevention and control, and education. Despite impressive achievements however, the country is confronted by serious social issues including high levels of crime and violence and high unemployment. The country’s indebtedness is another pressing challenge.

The World Bank in Jamaica remains committed to Jamaica’s economic and social development and to helping the government and people of Jamaica to address these challenges in effective and sustainable ways.

Under the leadership of the new Country Director, Ms. Yvonne Tsikata, the Bank’s engagement with Jamaica was enhanced, starting in 2008. This included the upgrading of the World Bank office in Jamaica with the assignment of a Special Representative, Mr. Badrul Haque to the island, as well as achieving greater coordination with other international development partners, an enhanced program of both lending and technical assistance and greater presence on the ground with World Bank and International Finance Corporation (IFC) representatives.

The Jamaica-World Bank Group Country Partnership Strategy for 2010-2013 is closely aligned with the government’s development priorities.

The World Bank has helped the Jamaican government prepare a prospectus on fiscal and debt sustainability. A US$100 million loan was approved in January 2009 and another US$200 million loan was approved in February 2010, following the approval of an IMF program that included the execution of a domestic debt exchange. The debt exchange program, which involved the entire domestic debt (US$701 billion), concluded on February 24, 2010 with a participation rate of 99.2 percent. This initiative is expected to generate interest savings of at least 3 percent of GDP and a 70 percent reduction in the amount of maturing debt over the next three years.

The Bank also supported amendments to legislation which enabled Government to formulate and implement a Fiscal Responsibility Framework which should improve governance and increase transparency in government.

The World Bank is committed to providing continued support to the people of Jamaica and to the country’s social and economic development.
THE WORLD BANK

For further information about the World Bank and its work in Jamaica, contact

The World Bank
Courtleigh Corporate Centre
Third Floor
6 St. Lucia Avenue
Kingston 5
Jamaica

Tel: (876) 960-0459/62
Fax: (876) 960-0463

You may also visit our country website:
www.worldbank.org/jm

Photo credits: The Gleaner Company Ltd.
Jamaica Social Investment Fund
HEART Trust NTA
World Bank