



Project Completion Report

Programmatic Policy-Based Loan

PCR

Project Name: Human Capital Protection Program I and II

Country: Jamaica

Sector/Subsector: Social Investment

Original Project Team: Leslie Stone (SCL/SPH), Donna Harris (SPH/CJA), Isabel Nieves (SCL/SPH), Luis Tejerina (SPH/CES), Guadalupe Bedoya (consultant), Diego Buchara (LEG/SGO), Martha Guerra (SCL/SPH), Janet Quarrie (CCB/CJA), Juan Pedro Schmid (CCB/CJA), Emmanuel Abuelafia (CCB/CCB) and Tashna Silburn (research fellow)

Loan Number(s), TC(s): 2299/OC-JA and 2519/OC-JA;
TCs: JA-T1048 and JA-T1046

Project Number(s): JA-L1020 and JA-L1031

QRR Date:

Final Approval Date of PCR:

PCR Team: Leslie Stone (SCL/SPH), Donna Harris (SPH/CJA), Isabel Nieves (SCL/SPH) and Guadalupe Bedoya (consultant)



Acronyms and Abbreviations

BIS	Beneficiary Identification System
BOJ	Bank of Jamaica
CCT	Conditional Cash Transfer
CHP	Child Health Passport
FY	Fiscal Year
ESTP	Education System Transformation Program
GDP	Gross Domestic Product
GoJ	Government of Jamaica
IMA	Independent Macroeconomic Assessment
IMF	International Monetary Fund
JA	Jamaica
LAC	Latin American and the Caribbean
MFI	Multilateral Financial Institutions
MLSS	Ministry of Labor and Social Security
MOE	Ministry of Education
MOFPS	Ministry of Finance and Public Service
MOH	Ministry of Health
MTF	Medium Term Socio-Economic Policy Framework
PATH	Program of Advancement through Health and Education
PBL	Policy Based Loan
PIOJ	Planning Institute of Jamaica
PMT	Proxy Means Test
SBA	Stand-By Agreement
SFP	School Feeding Program
SLC	Survey of Living Conditions
SSN	Social Safety Net
TC	Technical Cooperation
TWG	Technical Working Group



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I. Basic Information

BASIC DATA (\$100,000,000)

HUMAN CAPITAL PROTECTION PROGRAM I (US\$50,000,000) AND II (US\$50,000,000)

PROJECTS: JA-L1020 and JA-L1031

LOANS: 2299/OC-JA and 2519/OC-JA

Borrower: Government of Jamaica

Executing Agency (EA): Planning Institute of Jamaica (PIOJ)

Sector: Social Investment

TITLE: Human Capital Protection Program I and II

Date of Board Approval: Feb-17-2010 and Mar-22-2011

Date of Loan Contract Effectiveness: Feb-18-2010 and Mar-25-2011

Date of Eligibility for First Disbursement: Feb-18-2010 and Mar-25-2011

Months in Execution

* **from Approval:** 19 (UP TO SEP-17-2011)

* **from Contract Effectiveness:** 19 (UP TO SEP-17-2011)

Disbursement Periods

Original Date of Final Disbursement: Mar-25-2011

Current Date of Final Disbursement: Mar-25-2011

Cumulative Extension (Months): 0

Environmental Classification: Requires no environmental safeguard classification according to the environmental and safeguard compliance policy (OP-703)

On Alert Status: No

Summary Performance Ratings

DO	<input type="checkbox"/> Highly Probable (HP)	<input checked="" type="checkbox"/> Probable (P)	<input type="checkbox"/> Low Probability (LP)	<input type="checkbox"/> Improbable (I)
IP	<input type="checkbox"/> Very Satisfactory (VS)	<input checked="" type="checkbox"/> Satisfactory (S)	<input type="checkbox"/> Unsatisfactory (US)	<input type="checkbox"/> Very Unsatisfactory (VU)
SU	<input type="checkbox"/> Highly Probable (HP)	<input checked="" type="checkbox"/> Probable (P)	<input type="checkbox"/> Low Probability (LP)	<input type="checkbox"/> Improbable (I)



II. The Project

a. Project Context

Macroeconomic Context: Jamaica (JA) has faced important economic challenges during the last years, including persistent negative economic conditions and a high level of public indebtedness. The already low-performing economic growth in Jamaica—compared to the average in Latin America—turned and remained negative for three consecutive years since the end of 2007. The global economic crisis, the persistent occurrence of hurricanes, and the increase in the price of commodities largely contributed to this situation. These events worsened the public debt situation to a critical point in 2010 when it reached around 140% of the Gross Domestic Product (GDP), with interest payments accounting for around one third of public spending. Several instruments were put in place by the Government of Jamaica (GoJ) to confront the crisis, including operations to reduce the debt service, a Stand-By Arrangement (SBA) signed in 2010 with the International Monetary Fund (IMF) for US\$1.3 billion (10.7% of GDP), and arrangements with the multilateral financial institutions (MFIs) including the IDB, to assist JA in bridging the financing gap. Macroeconomic conditions started to show signs of recovery in 2011 but they are still weak and JA continues to face serious challenges in terms of its public finances. The Planning Institute of Jamaica (PIOJ) stated there was an upturn in the Jamaican economy for the last quarter of 2011, with real GDP growth of 1.7%, the first positive figure since 2007. However, the fiscal situation continues to be weak due to the GoJ's limited room of action to control spending and limited scope to further increase revenues.

Social Context: During the last decade the GoJ has kept its commitment to improve the Social Safety Net (SSN) through a series of reforms and expansion of its programs. However, as a result of the negative economic conditions within the past three years, JA has lost some of the social gains attained in prior years. The most salient indicator of this situation is the poverty rate that, after decreasing from 19.7% in 2002 to 9.9% in 2007, reversed to 12.3% in 2008 and 16.5% in 2009, hitting hardest the rural areas, the young, the elderly and workers in the informal sector. The Government has yet to release the official poverty figures for 2010 but unofficial estimates suggest that it has increased to around 20%. The effect of the crisis on poverty has been somewhat ameliorated by the protection of strategic social spending, including spending on PATH. A simulation of the welfare impacts of PATH suggests that in 2009 the overall poverty rate would have been around 0.5 percentage points higher without the program. Results from the simulation also suggested that the rate of food-poverty, that is, the percentage of people who do not reach the minimum nutritional requirements, would have been around 0.8 percentage points higher without the program (around 5.7%), which would have represented around 16% more food-poor people had PATH not been in place. These figures should be taken with caution as the economic crisis reached its peak in 2009 and therefore it was more difficult for the cash benefit to help people reach the poverty line threshold during that year (the GDP fell by -2.7%). Even though the larger and differentiated 2009 cash payments may not have pushed more households out of poverty, it constituted an important and stable source of income during the crisis, representing around 7% of the mean pre-transfer household consumption for PATH beneficiaries, and 12.3% for households in the poorest quintile.

Political Context: The GoJ has confronted important political pressures due mostly to the deteriorating economic conditions and high levels of unemployment and crime— issues that dominated the public debate during the project's implementation period. The unemployment rate increased from 9.8% in 2007 to 11.4% in 2009 and 12.4% in 2010. The rate of major crimes (murders and gang related violence) increased 61% between 2007 and 2009 (from 271 to 437 per 100,000). During the first quarter of 2011 unemployment started showing signs of improvement decreasing 0.6 percentage points compared to the same quarter of the previous year (from 13.5% to 12.9%). However, the rate remains at a historically high level. Crime and violence started to show signs of improvement since 2010, with the rate of major crimes decreasing to 4020 incidents in 2011 down from 4729 in 2010, a trend that seems to continuing 2012. However, in spite of these positive



signs, economic and crime conditions have yet to show sustained improvement. The political situation continues to be tense even under the new Government that was elected based on the December 2011 elections. Pressures from diverse groups continue due to uncertainty with an IMF agreement, delayed budget for the fiscal year 2012/13 and weak macroeconomic situation. The expectation is that the new PNP administration under Portia Simpson-Miller will continue the major reforms that the former administration had commenced. In addition, discussions with the IMF on a potential new program have been initiated. The new government announced its commitment to continue work on the Tax Policy Reform. However, this area continues to receive significant attention, principally from special interest elements of the private sector, some of whom support reform while others seek to protect their preferred status. Following the agreement to settle the public sector wage dispute, the ruling administration faces serious challenges to meet its medium term fiscal targets and to reduce debt in a substantial manner over the medium term. The unclear medium-term framework also led to the delay in the SBA reviews that eventually will result in the expiry of the SBA in May 2012 without any review since January 2011. In addition, some of the electoral promises of the new government could have adverse fiscal consequences and require complementary measures.

Under this context the GoJ requested and received financing from the Bank to protect public non-salary spending on social safety net programs and improve efficiency and effectiveness of key social programs, which aimed to support the most vulnerable. In the midst of the challenges laid out previously, and despite a slow economic recovery, the GoJ remains committed to the strategic priorities of protecting social spending and improving efficiency and effectiveness of key social programs with the ultimate goal of reducing poverty and developing human capital. However, the current challenges and the uncertainty related to the global economy put the GoJ in a difficult situation to protect social spending and may require additional support to avoid further worsening of social conditions while the economy recovers and the fiscal situation stabilizes.

b. Project Description

i. Development Objectives

The general objectives of the Human Capital Protection Program series were to: (i) protect basic health, education and safety net spending during the economic downturn; and (ii) improve effectiveness of reforms to key safety net programs to reduce vulnerability of the poor.

The specific objectives were to: (i) continue protecting non-salary spending on health, nutrition, early childhood, education and the social safety net; and (ii) advance safety net reforms via: (a) improved targeting and efficiency of safety net programs; (b) expand coverage of the CCT program, while introducing recertification and graduation procedures; and (c) continue support to innovative programs that protect vulnerable groups.

The same components were maintained throughout the two loans in the programmatic series aiming at providing continuity towards achievement of the general objectives.

ii. Project Description

Component 1: Macroeconomic Framework and Policy Letter. The objective of this component was to maintain an appropriate macroeconomic framework that was consistent with the objectives of the programs and the Policy Letter. Loan disbursement was conditional on maintenance of a sound macroeconomic framework based on the results of the November 2010 Independent Macroeconomic Assessment (IMA) carried out by the Bank.

The objective of this component was maintained the same throughout the two loans in the programmatic series (See Annexes II and III).



The GoJ complied with all conditions for the loan disbursement (See Annexes III and IV).

Component 2: Protecting Basic Health, Education and Safety Net Spending. This component aimed to ensure continued funding of social services for the poor in a context of strong fiscal adjustment driven by the effects of the crisis. Public non-salary expenditure on key services that either accumulate human capital or cover vulnerable populations were protected, particularly: (i) preventive health and nutrition for women and children; (ii) early child development; (iii) primary, secondary and special education; (iv) PATH; and (v) the SFP.

The overall objectives of this component remained the same throughout the two loans in the programmatic series (See Annexes II and III).

The GoJ complied with all conditions for the loan disbursement (See Annexes IV and V).

Some modifications were introduced in the policy measures of component 2 of the second loan (JA-L1031), as compared to the first loan (JA-L1020) approved in February 2010, in order to support the GoJ's ability to address the challenges of maintaining execution levels of approved budgets to be consistent with the agreement with IMF to increase PATH spending (see Annexes II and III).

Component 3. Advancing Social Safety Net Reforms. This component aimed to advance reforms of key SSN programs.

The overall objective of this component was maintained throughout the two loans in the programmatic series. However, some particular policy measures were added or extended in this second loan in order to complement and deepen the measures started in the first loan (See Annexes II and III).

Some key products and results achieved under this component include: (i) Cabinet has approved two social policies, one that adopts a mechanism to review and adjust the benefit levels of the cash grants of the CCT program, PATH, to maintain their real values and a second that expands coverage of the School Feeding Program's (SFP) benefits to students from PATH households attending preprimary public schools; (ii) the first independent assessment of the effectiveness of the targeting instrument used by PATH to select eligible households has been completed, providing the Borrower with evidence to guide decisions regarding adjustments to the instrument; (iii) the results of the first recertification exercise of PATH beneficiaries was completed and allows the Borrower to update the beneficiary roster and inform the formulation of a graduation procedure; and (iv) the Child Health Passport (CHP), a comprehensive record keeping tool of social services provided to infants and young children, has been adopted by the Borrower, with coverage of the 2010 birth cohort reaching 38%.

c. Quality-At-Entry Review: Not applicable

III. Results

a. Outcomes

ACHIEVEMENT OF DEVELOPMENT OBJECTIVES (DO)		
Development (Purpose)	Objective(s)	To protect basic health, education and safety net spending during the economic downturn, and improve effectiveness of reforms to key safety net programs to reduce vulnerability of the poor
1. Poverty headcount does not deteriorate further Classification: P		



Key Planned Outcome Indicators		Outcomes Achieved
<u>Baseline</u> 1.1 16.5% (2009)	<u>End of Project</u> 1.1 16.5% (2012)	1.1 No new data available The 2010 official poverty figures have yet to be published by the GoJ
2. Nutrition, health and education indicators remain stable or improve 2.1. Nutrition: Chronic malnutrition rate in children 0 to 5 years defined as percentage of children below -2 SD of the median of the reference population of height- for-age (Z-score) is at most the same as the baseline 3.7% (2007 JSLC) 2.2 Health: Infant mortality (under 1) rate per thousand live births is at least the same as the baseline 26/1000 (2005 UNICEF) 2.3 Education: Net enrollment rates do not drop below baseline levels (i) pre-primary (for children 3-5 years): 92% (2007 JSLC) (ii) primary (for children 6-11 years) and secondary (for youth 12-14 years): 78% (2007 JSLC) Classification: P		
Key Planned Outcome Indicators		Outcomes Achieved
<u>Baseline</u> 2.1 3.7% (2007) 2.2 26/1000 (2005) 2.3 (i) 92% (2007) (ii) 78% (2007)	<u>End of Project</u> 2.1 3.7% (2012) 2.2 26/1000 (2012) 2.3 (i) 92% (2012) (ii) 78% (2012)	2.1 No new data available 2.2 26/1000 (2005-2009, UNICEF). The 2011 MICS4 data are not yet 2.3 (i) 94.4% (2009, JSLC) (ii) primary (6-11 years) 93.7% (2009, JSLC) secondary (12-14 years) 80.2% (2009, JSLC)
Reformulation N/A		
PPMR Retrofitting N/A		
Summary Development Objectives Classification (DO):		
<input type="checkbox"/> Highly Probable (HP) <input checked="" type="checkbox"/> Probable (P) <input type="checkbox"/> Low Probability (LP) <input type="checkbox"/> Improbable (I)		
There is preliminary data to analyze the education indicators but new information regarding poverty, nutrition and infant mortality has yet to be published by their primary sources. Based on the information available, the outcomes are likely to be achieved. The main argument to support this projection stems from the fact that the economic crisis peaked in 2009 and the economy has now started to show signs of recovery. Despite facing the worst period in 2009, the educational outcomes exceeded the targets, which give us reason to believe the other targets may also be achieved. The timing of the Bank's financing was crucial at an important moment for Jamaica in which GOJ is committed to protecting human capital while stabilizing its financial situation.		
Country Strategy. The project contributed to one of the three priority areas of the Bank's strategy in the country ii) getting a better value for public expenditures (quality-price ratio). The third component of the project, advancing in social safety net reforms, helped improve the efficiency of public expenditures and provided a 'better value for public resources' by addressing issues related to targeting of PATH beneficiaries and beneficiaries of the school feeding program. The project may also have contributed to the following priority area in the Bank's strategy: "promoting and facilitating private sector development", through the first component of the project, by maintaining an appropriate macroeconomic framework, which may have facilitated private sector development by promoting economic stability.		

b. Externalities

There were no unintended consequences.

c. Disbursements

DISBURSEMENT TRANCHES				
Tranches	Amount (US\$000)	Expected Date	Actual Date	Waiver Granted Yes/No
I	50,000	Feb-19-2010	Mar-31-2010	No
II	50,000	Mar-31-2011	Mar-31-2011	No



d. Outputs

IMPLEMENTATION PROGRESS (IP)			
Thematic Areas/Components:	Key Conditionalities/Output Indicators		
1. Macroeconomic Framework	<u>Outputs Planned</u> Maintaining an appropriate macroeconomic policy framework congruent with the program’s objectives and in accordance with the provisions of the Policy Letter		<u>Outputs Achieved</u> According to the latest Independent Macroeconomic Assessment (IMA), Jamaica has maintained an appropriate macroeconomic framework, within the restrictions that the country faces. JA has adopted an ambitious medium-term strategy to address the challenging economic and fiscal situation and has also demonstrated a strong commitment with the IMF’s SBA, complying with the first three reviews up until
	Briefly explain differences between planned and actual outputs (if applicable). [*] N/A		
2. Protection of Social Sector Spending <u>Classification:</u> HS	<u>Outputs Planned</u> The outputs planned were related to protecting non-salary spending on key social programs in order to ensure functioning of essential services in health, nutrition, early childhood and education.		<u>Outputs Achieved</u> The GOJ complied with all the conditions associated with the outcomes to protect spending on social programs. All planned outputs
	<u>JA-L1020</u> FY 2009/2010 approved budget is not less than FY 2008/2009 realized expenditures on non-salary activities for: primary health care and nutrition, early childhood development, and primary, secondary and special education.	<u>JA-L1031</u> FY 2010/2011 approved budget is at least 95% of FY 2009/2010 approved budget on non-salary activities for: primary health care and nutrition, early childhood development, and primary, secondary and special education FY 2009/10 realized expenditures are at least 90% of FY 2009/10 approved budget on non-salary activities for: primary health care and nutrition, early childhood development, primary, secondary and special education.	In particular, the conditions attached to the outcomes allowed for achieving the goals of protecting spending on the select programs (essential services in health, nutrition, early childhood and education) through two mechanisms: First, designing conditions for these programs based on <i>original approved</i> government budget across fiscal years, which looked at planned budget figures. Second, designing conditions to compare <i>realized</i> expenditures with planned budget. The ' <i>realized/actual</i> expenditures' category considers both efficiency in spending and also ex-post adjustments to original approved amounts. For the select programs (essential services in health, nutrition, early childhood and education) non-salary approved and realized budgets were between 88% and 95% of the previous year's budget. In the case of PATH, both approved budget and realized expenditures increased between 20% and 25% across the fiscal years due to the Program
	FY 2009/2010 approved budget for School Feeding Program is not less than FY 2008/2009 realized expenditures on non-salary activities.	FY 2009/10 realized expenditures are at least 88% of FY 2009/10 approved budget on non-salary activities for: the School Feeding Program.	



	FY 2009/2010 approved budget for the PATH program's conditional cash grants increased by 25% above the FY 2008/2009 realized expenditures for conditional cash grants.	FY 2010/2011 approved budget for non-salary activities of the School Feeding Program is at least 112% of FY 2009/2010 approved budget. FY 2010/2011 approved budget for the PATH program's conditional cash grants is at least 120% of the FY 2009/2010 approved budget for conditional cash grants.	expansion.
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Briefly explain differences between planned and actual outputs (if applicable).

[*] N/A

3. Advancing Social Safety Net Reforms <u>Classification:</u> HS	<u>Outputs Planned</u>		<u>Outputs Achieved</u>
	The outputs planned were related to i) Improve Targeting of Safety Net Programs, ii) Expand Coverage and Review Benefits Levels, and ii) Support Innovative Programs to Protect Vulnerable Groups		The GOJ complied with all the conditions related to the outputs to advance social safety net reforms. All planned outputs were achieved before disbursement.
	<p><u>JA-L1020</u></p> <p>Improve Targeting of Safety Net Programs The number of registered elderly PATH beneficiaries is maintained at 45,000.</p> <p>The SFP uses PATH registration as the targeting mechanism to allocate individual feeding subsidies to schools at primary and secondary education levels</p> <p>Expand Coverage and Review Benefits Levels PATH increases coverage to 290,000 registered beneficiaries, excluding Poor Relief, per Cabinet approval.</p> <p>Study design initiated on</p>	<p><u>JA-L1031</u></p> <p>Improve Targeting of Safety Net Programs The number of registered elderly PATH beneficiaries is at least 50,000</p> <p>First draft of report with preliminary results of assessment of PMT's targeting performance completed.</p> <p>First recertification completed of PATH households with children who have been in the program since 2002 through 2004 for at least four years.</p> <p>Independent operational and financial assessment of school-level use of feeding subsidy for PATH primary and secondary school-age beneficiaries performed and recommendations incorporated as procedures in an updated section on 'PATH nutritional support' in the SFP's Operations Manual, approved by the MOE's Chief Education Officer.</p>	<p>The outcomes achieved increased coverage and contribute to improve the targeting of PATH, SFP and other programs attending vulnerable populations.</p> <p>Particular advances have been supported in terms of assessment and recertification of beneficiaries of PATH, the review of PATH cash transfer benefits, the expansion of coverage of the SFP to pre-primary students, and other programs to attend vulnerable populations such as Steps-to-Work and the Child Health Passport. Additionally, the project completed the review and design of an information</p>



	<p>mechanisms and procedures to expand SFP coverage of PATH students attending pre-primary public schools (infant schools and infant departments).</p>	<p>Expand Coverage and Review Benefits Levels</p> <p>PATH increases coverage to 320,000 registered beneficiaries, excluding Poor Relief.</p> <p>Mechanism to review and adjust benefits given to PATH beneficiaries has been developed and approved by Cabinet</p> <p>Policy defined and approved by Cabinet to expand SFP coverage of PATH students attending pre-primary public schools (infant schools and infant departments).</p>	
	<p><u>JA-L1020</u></p> <p>Support Innovative Programs to Protect Vulnerable Groups</p> <p>At least 3,000 age-eligible members of PATH households registered in Steps-to-Work pilot program.</p> <p>To formalize inter-institutional arrangements, memoranda of Understanding signed between MLSS and at least the following partners: JFLL, HEART, JBDC.</p> <p>Child Health Passport content (including services such as immunization, well-baby care, growth promotion and other nutrition interventions as well as number and periodicity of well-baby visits) agreed upon by MOH Nutrition Unit, MOH Family Health Department and Early Childhood Commission.</p>	<p><u>JA-L1031</u></p> <p>Support Innovative Programs to Protect Vulnerable Groups</p> <p>At least 2,500 registered and age-eligible members of PATH households are enrolled in or have completed support programs offered by Steps-to-Work partners.</p> <p>Second-year Memoranda of Understanding signed between MLSS and at least the following partners: JFLL, HEART, JBDC.</p> <p>Effective coverage of at least 20% of 2010 birth cohort with Child Health Passport.</p> <p>Operational evaluation of the roll- out and application of the Child Health Passport initiated</p>	



	Ministry of Education commits to: (i) perform an independent operational audit of the feeding subsidy for PATH students using terms of reference previously agreed with the Bank; and (ii) use the results of the audit to: (a) inform the design of a management information system to monitor the use of the feeding subsidy for PATH students; and (b) guide the preparation of a section of an operations manual for the SFP dealing with the management of the feeding subsidy for PATH students, in order to ensure that PATH students are effectively being provided a subsidized meal at school on an established regular basis and in a way that protects confidentiality.	Definition of system requirements completed for the design of a specific module of a management information system on the feeding subsidy for PATH.	
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Summary Implementation Progress Classification:

[*] Highly Satisfactory (HS) [] Satisfactory (S) [] Unsatisfactory (U) [] Very Unsatisfactory (VU)

IV. Project Implementation

a. Analysis of Critical Factors

- During both project design and implementation a critical factor was external conditions affecting how the GoJ managed its internal fiscal and economic situation. The difficult fiscal situation remained the biggest risk to the sustainability of the PATH program and a major impediment to further progress on reforms to School Feeding Program.¹
- Despite the tight fiscal situation, the GOJ demonstrated its commitment to the PATH program, as evidenced by the budget increases to PATH and the school feeding program during the programmatic loan period.

b. Borrower/Executing Agency Performance

- An important element for inter-agency collaboration is that of having a respected lead/coordination agency that can play the role of champion and chief negotiator for change. The PIOJ played a significant role as head of the Inter-sectoral Steering Committee to oversee both the loan and technical cooperation implementation. While coordinating multi-sectoral/agency reforms can slow down implementation, the PIOJ through its role as head of the Steering Committee demonstrated its leadership in coordinating in a timely manner the technical and political aspects of the key reforms.
- Both loans were fully disbursed immediately after approval given that all policy conditions were met prior to loan approval. The successful implementation of the SSN reforms undertaken by this program within the initial and agreed timeline is a reflection of both: (i) good inter-agency collaboration on multi-sectorial reforms that affect a common

¹ Since the 2007/08 school year, the GoJ has financed a targeted feeding subsidy through the SFP for students whose family are beneficiaries of PATH. These students are eligible to receive a free meal at school on a daily basis.



beneficiary population; and (ii) realistic program design and policy targets and commitment at all levels to the reforms. The success of the inter-agency collaboration has depended upon a good propensity for working together and an accountability structure (mainly, reporting to PIOJ and higher levels within the ministries).

- High quality work of the counterpart teams was another key element to achieve the reform agenda.

Borrower/Executing Agency

[*] Highly Satisfactory (HS) [] Satisfactory (S) [] Unsatisfactory (U) [] Very Unsatisfactory (VU)

c. Bank Performance

Please refer to Annex V for detailed information.

Bank Performance

[] Highly Satisfactory (HS) [] Satisfactory (S) [] Unsatisfactory (U) [] Very Unsatisfactory (VU)

V. Sustainability

a. Analysis of Critical Factors

The GOJ has demonstrated commitment to the reforms as evidenced by the fact that they have met all the policy conditions in both loans JA-L1020 and JA-L1031. The reforms to the SSN, which started in 2000, have continued even in the face of a change in political administration. In addition, despite limited fiscal space and budget cuts, PATH received budget increases in FY2009/2010 and FY2010/2011. Notwithstanding, the latest IMF review remains ongoing and inconclusive.

Expenditure on SSN and basic education and health programs should be maintained in the context of the protracted fiscal crisis.

The reform momentum should be maintained given the government's commitment to the process in the original analysis of the SSN system; a matrix of objectives and reform items was prepared. This first and second program of the reforms addressed many of the most pressing requirements, but could not tackle in every area. Therefore, it is important that the focus on ongoing reforms, on adequately addressing the needs of vulnerable groups, and on improving program efficiency and outcomes continue.

b. Potential Risks

The program outcomes are satisfactory and based on progress to date in meeting the performance indicator targets, it is expected that all of the key performance indicator targets will be achieved by end of 2011. This reflects the high level of ownership within the Government to most of the core aspects of the reform.

The difficult fiscal situation is the biggest risk to the sustainability of the PATH program and may be a major impediment to further progress on the reform of the School Feeding Program (SFP).

While it has not been a problem to date, within the context of the extremely difficult macroeconomic situation, there is some risk that the Government will find it difficult to maintain the real value of the cash transfer benefit for the fully expanded program (360,000 persons) despite the mechanism to update the value of the benefits. As described in section II a. the fiscal situation continues to be weak fiscal situation puts at risk GOJ's ability to increase benefit levels.

The SFP reform also suffers from very low priority within a very large agenda of reform and quality improvements within the Ministry of Education. The recent divestment of the School Feeding Program's Nutribun factory and the likely upcoming decentralization of the School Feeding Program within the MOE's Education Transformation reforms may pose additional challenges to the overall SFP reforms supported in this programmatic series.



c. Institutional Capacity

Another important aspect for a reform of this nature is the continuity of the majority of staff within the different agencies, due to the strong civil service in Jamaica. While this, in some contexts, can be an impediment to change given the strong bureaucracies, it has been important for the reform as most of the same professionals have been involved from the start of the design of the reform and throughout its implementation to date.

The PIOJ played an anchoring role in the design and implementation of the inter-sectorial and inter-agency reform. The PIOJ led/coordinated the initial Technical Working Group, to monitor and review implementation progress, seek to identify and trouble shoot bottlenecks, sign off on technical issues and those with policy implications. The TWG has been an important vehicle for seeking solutions to obstacles, building ownership of the reform and following up on reform aspects that were facing delays.

The PIOJ provided the secretariat for the planning of the reform and was responsible for bringing all members together to discuss the issues. The PIOJ carried out research, helped manage consultancies, prepared documentation on the planning activities, and interfaced with the stakeholders through stakeholder consultations and with the international agencies. From the participation of other agencies in the preparatory activities, the collaborative process worked well. This was partly due to the fact the lead/coordinating agency (PIOJ) is well respected and has derived legitimacy both from its mandate, as well as from its history and experience of leading/coordinating the national policy planning process.

Sustainability Classification **SU:**

[] Highly Probable (HP)	[*] Probable (P)	[] Low Probability (LP)	[] Improbable (I)
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VI. Monitoring and Evaluation

a. Information on Results

The project contained result matrices for each of the tranches, which included the activities and policy conditions to be implemented in each component. For the first component, Macroeconomic Framework, the data used to monitor project results were contained in the Independent Macroeconomic Assessments completed by the IDB. For the conditions related to the second component, Protection of Social Sector Spending, the information used to monitor project results came from pre-audited expenditures and the budget approved by the Parliament provided by JA's Ministry of Finance. Part of this information needed to be provided by the related Ministries because the conditions were at different levels of disaggregation than the ones reported in the official budget reports. For the third component, Advancing Social Safety Net Reforms, the data to monitor the results came from the Ministry of Labor and Social Security (MLSS), the Ministry of Health (MOH) and the Ministry of Education (MOE).

The data to monitor the outcomes comes from UNICEF MICS and the Jamaican Standard of Living Conditions surveys. In terms of assessing the level of leakage of key social safety net programs (as well as distribution across quintiles), the Government collects the data through the regularly conducted Survey of Living Conditions. While an ex-post evaluation was not mandated for this PBL, the World Bank did include funding for an impact evaluation of the PATH program in its investment loan. Given the fact that the latter operation has a longer implementation period, the impact evaluation will essentially provide an ex-post assessment of one core aspect of the IDB-supported Social Safety Net Reform.

The funding provided through the parallel TCs (JA-T1046 and JA-T1048) was a key to carrying out the studies, stakeholder consultations, data collection and technical assistance required to implement many aspects of the reform.



Coordination between the IDB and WB both in design and implementation was important for achieving outputs and outcomes. Both agencies' operations have similar outcome targets, and the Impact Evaluation currently underway will support evaluation of results from both projects. The IDB's PBL complemented the WB's investment loan.

b. Future Monitoring and Ex-Post Evaluation

According to the Results Matrix and Matrix of Indicators the outcomes and outputs should be monitored in 2012. The particular outcomes to be monitored include the poverty rate, malnutrition rate in children 0 to 5 years, infant mortality rate and net enrollment for pre-primary (children 3-5 years) and primary (children 6-11 years), which are expected to be at least at the same levels of 2009. Data pertaining to these indicators will be accessed from sources such as the Jamaica Statistical Agency, PIOJ and the Ministry of Health, sources that have a good track record for providing reliable data. Further evaluation on the results of the policies implemented under the two loans will be conducted during 2012 as well as an ex post assessment of the cost benefit analysis that was generated for the second loan, JA-L1031.

As part of the evaluation an ex-post cost-benefit analysis will be undertaken and data on Jamaica will be collected to this effect. The ex post cost-benefit analysis will be financed by JA-T1048 and will be completed in 2012 to inform further intervention by the Bank in the sector.

VII. Lessons Learned

Some aspects that were critical to the success of the project include:

- Continued engagement with GOJ through ongoing activities including execution of 2 large TCs, dialogue with PIOJ and line ministries has been important for execution of the loan program.
- Presence of our SPH specialist in the Kingston office has helped maintain dialogue and support.
- An important element for inter-agency collaboration is that of having a respected lead/coordination agency that can play the role of champion and chief negotiator for change. In this case, the PIOJ, played that critical role.

Some aspects that slowed down the process and could be improved include:

The overall modernization and transformation of the Ministry of Education has impacted the efforts to modernize the School Feeding Program. The proposed new structure of the transformed Ministry - a Central Policy Ministry and a Department of School Services with regional branch offices has not clearly delineated the operations of the School Feeding Program.

Secondly, while the Ministry is convinced of the need to transform the School Feeding Program, the previous Government's decision to divest the services of the Nutrition Products Limited that has responsibility for the snack component of the Program, stymied the planned TC activities. The new administration has since reversed this decision pending clear direction on the way forward. This has now introduced delays on the transformation of the SFP.

Project start up and procurement procedures further impacted the implementation of the TC.

One limitation during execution stemmed from the difficulty to directly estimate the budget data related to the conditions of Government spending on Primary Health Care (Nutrition, Prevention, Immunization, Maternal and Child Health). The MOH budget is not disaggregated by budget category at the national level, but rather by Region. This led to difficulty when trying to calculate expenditures by category/area, which may also be a bottleneck to general policy/planning by area.



Annexes:

Annex I.	Borrower Evaluation
Annex II.	Results Matrix and matrix of Indicator (JA-L1020 & JA-L1031)
Annex III.	Policy Matrix (JA-L1020 & JA-L1031)
Annex IV.	Exit Workshop Minutes
Annex V.	Disbursement Eligibility Report (JA-L1020 & JA-L1031)

IDBDocs # 35074118 – JA-L1020 – [Policy Compliance Matrix](#)



Inter-American Development Bank
Project Completion Report - PCR
Borrower Evaluation

Project Name: Human Capital Protection Programme I and II (JA-L1020) (JA-L1031)

Executing Agency: Planning Institute of Jamaica (PIOJ)

Borrower: Inter-American Development Bank

Date of Borrower Evaluation:

Expected Date of Exit Workshop:

Borrower Project Performance Ratings

Probability on Achieving its Development Objective(s):

☒ Highly Probable (HP) ☐ Probable (P) ☐ Low Probability (LP) ☐ Improbable (I)

Project Implementation:

☐ Highly Satisfactory (HS) ☒ Satisfactory (S) ☐ Unsatisfactory (US) ☐ Very Unsatisfactory (VU)

Sustainability of Project Results:

☒ Highly Probable (HP) ☐ Probable (P) ☐ Low Probability (LP) ☐ Improbable (I)

Comments:

GoJ has maintained its commitment to expenditures in the PATH programme as well as to continue supporting ongoing Reforms of the Social Safety Net systems.

Borrower Performance During Project Execution

Please rate your own performance during Project Execution:

☒ Highly Satisfactory (HS) ☐ Satisfactory (S) ☐ Unsatisfactory (US) ☐ Very Unsatisfactory (VU)

Comments:

The GoJ was highly responsive to the requests of the Bank in terms of reporting and required documents

Bank Performance During Project Preparation

Please rate the Bank's performance during project preparation. Factors to be considered include the extent to which the Bank facilitated a participatory project design, proposed adequate technical solutions to the problems identified, and responded to the needs of the Borrower (timeliness, selection of instrument type).

☒ [X] Highly Satisfactory (HS) ☐ [] Satisfactory(S) ☐ [] Unsatisfactory (US) ☐ [] Very Unsatisfactory (VU)

Comments:

In terms of design, the Bank approached the project as an avid facilitator to a country owned project. The Team was highly responsive and participatory throughout the process. They provided their technical expertise in line with the vision of the country, which is always conducive to the development of an effective and executable project.

Bank Performance During Project Supervision

Please rate the Bank's overall performance during project supervision. Factors to be considered include technical assistance (including informal and formal training) to Executing Agency, timeliness of Bank response and the Bank's flexibility to respond to emergency situations during project implementation.

☐ [] Highly Satisfactory (HS) ☒ [X] Satisfactory (S) ☐ [] Unsatisfactory (US) ☐ [] Very Unsatisfactory (VU)

Comments:

Following the disbursement of the funds, the Bank continued its dialogue with GoJ via technical assistance as it relates to Social Safety Net Systems

Additional Suggestions for Improving Bank Performance

Additional comments/suggestions for improving Bank performance in the future.

Annex II – Results Matrix and Matrix of Indicator (JA-L1020 & JA-L1031)

RESULTS FRAMEWORK AND MATRIX OF INDICATORS Human Capital Protection Program

Program Objectives	The Program aims to: (i) protect basic health, education and safety net spending during the economic downturn; and (ii) improve the effectiveness of reforms to important social safety net programs.
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Outcome Indicators	Base Level	Target Level for 2012	Observations
1. Poverty headcount does not increase.	1.1 9.9% (2007 JSLC) 1.2 14.3% (2006 JSLC)	1. 14.3%, same as 2006 base level	Target will be measured through collection of periodic JSLC data.
2. Nutrition, health and education indicators remain stable or improve.	2.1 Nutrition: % under 5's height for age Z-score - 2SD: 3.7% (2007 JSLC) 2.2 Health: Infant mortality: 26 per thousand births (2005 MICS). 2.3 Education enrollment rates: pre-primary (among children 3-5 years) = 92%; primary (among children 6-11 years) & secondary (among youth 12-14 years) = 78% (2007 JSLC for all figures).	2.1 same as base level 2.2 same as base level 2.3 same as base level	Targets will be measured through collection of JSLC or other periodic measurements with national representativeness (MICS).

Component 2: Protect basic health, education and safety net spending

Objectives by Component	Output Indicators	Baseline	Targets		
			Year 1: 2009/10	Year 2: 2010/11	Observations
Protect spending on key social programs in order to ensure functioning of essential services in health, nutrition, early childhood and education.	FY 2009/10 approved budget is not less than FY 2008/9 executed budget for: (i) Primary health care & nutrition (ii) Early childhood development (iii) Primary, secondary and special education	Actual FY 2008/09 budget execution (i) J\$355.76 million (ii) J\$1.25 billion (iii) J\$5.23 billion	Approved FY 2009/10 budget not less than base figures	Approved FY 2010/not less than executed budget for Year 1	
	FY 2009/10 approved budget is not less than FY 2008/9 executed budget	Actual FY 2008/09 budget execution = J\$1.59 billion	Approved FY 2009/10 budget not less than base	Approved FY 2010/11 not less than	Output for year 2 will be an approval equivalent to no

	for School Feeding Program		figures	executed budget for Year 1	less than 2009/10 execution levels
	FY 2009/10 approved budget is 25% higher than FY 2008/09 executed budget for PATH cash grants	Actual FY 2008/09 budget execution = J\$2.14 billion	Approved FY 2009/10 budget equals base figure + 25 percentage points	Approved FY 2010/11 is 25% higher than executed budget for Year 1	
	Intermediate Indicators	Baseline	Targets		
			Year 1: 2009/10	Year 2: 2010/11	Observations
	XX number of beneficiaries covered by the combined programs of Jamaica's Safety Net.	1. 261,000 students benefiting from the cooked lunch feeding program (2008 SFP Unit); 2. 260,000 PATH registered beneficiaries received at least one payment of a cash grant, excluding Poor Relief	1. Coverage levels for SFP remain stable. 2. Coverage levels for PATH increase by 30,000 registered beneficiaries above base year.	1. Coverage levels for SFP remain stable. 2. Coverage levels for PATH increase by 30,000 registered beneficiaries above Year 1.	
Component 3: Improve effectiveness of safety net reforms					
Objectives by Component	Output Indicators	Baseline	Targets		
			Year 1: 2009/10	Year 2: 2010/11	Observations
Improve Targeting of Safety Net Programs	Head count of elderly PATH beneficiaries remains stable or increases	Headcount for 2008/09 = 45,000 elderly	Same as base figures	Headcount increases to 50,000	Note that maintaining the base rate is a real increase due to natural attrition (deaths) in this age group.

	SFP uses BIS targeting mechanism to allocate individual feeding subsidies to primary and secondary schools	xx% targeting effectiveness	Targeting effectiveness is greater than xx%	Targeting effectiveness is greater than Year 1 figures	Use of BIS data is defined as using PATH registration list. Targeting effectiveness = amount allocated per school/[number of PATH beneficiaries per school x amount of subsidy]
Expand Coverage and Increase Benefits	Coverage of PATH beneficiaries increases	Dec. 2008 base = 260,000 registered beneficiaries, excluding Poor Relief	Base plus 30,000 additional registered beneficiaries, excluding Poor Relief	Year 1 plus 30,000 additional registered beneficiaries, excluding Poor Relief	Registered is defined as having received at least one payment of a cash grant.
	Review benefit levels of PATH cash transfers	No review done.	No review done.	Review of benefit levels and submission made to Cabinet for revision of per capita benefits.	
	Extend coverage of SFP feeding subsidy to PATH students at pre-primary level	Zero coverage	Study design initiated (TOR completed) on mechanisms and procedures to expand SFP to pre-primary levels	Policy defined and submitted to Cabinet to expand SFP coverage to PATH pre-primary students	Pre-primary students defined as 3-6 years olds attending early childhood institutions.
	Intermediate Indicators	Baseline	Targets		
			Year 1: 2009/10	Year 2: 2010/11	Observations
	XX number of beneficiaries covered by the combined programs of Jamaica's Safety Net.	261,000 students benefiting from the cooked lunch feeding program (2008 SFP Unit);	Same as base level for SFP; 290,000 PATH registered beneficiaries,	Same as base level for SFP; 320,000 PATH registered beneficiaries,	

		260,000 PATH registered beneficiaries, excluding Poor Relief	excluding Poor Relief	excluding Poor Relief	
Support Innovative Programs to Protect Vulnerable Groups	Steps-to-work pilot program implemented	No pilot, no beneficiaries	5000 age-eligible members of PATH households registered in pilot program	Process evaluation of pilot program initiated	
	Inter-institutional coordination for Steps-to-work pilot program strengthened	No formal inter-institutional arrangements	MoUs signed between PATH and at least: JFLL HEART JBDC JADA	PATH beneficiaries enrolled in programs offered by Steps-to-Work partners	
	Health, nutrition and ECD services for young children provided by health establishments integrated, ensured and verified	No instrument to promote, ensure and verify delivery of integrated of services	Content of child health passport instrument formally agreed upon by Early Childhood Commission and MOH's Nutrition Unit and Family Health Department	20% of 2010 birth cohort have child health passports with data	
	Use of SFP feeding subsidy for PATH beneficiaries used more effectively	No data being generated to monitor effectiveness	MOE agrees to conduct periodic, independent operational audits of the number and types of meals received by PATH beneficiaries	1. MOE agrees to at least one reform of SFP program 2. At least 3 pilots to improve meal quality and periodicity, meal options and SFP management unit's institutional capacity are underway	Definition of periodic TBD, depending on cost of audits and funding source. Independent means external.

RESULTS FRAMEWORK AND MATRIX OF INDICATORS (JA-L1031)

Program Objectives	The objectives of the overall Human Capital Protection Program series are to: (i) protect basic health, education and safety net spending during the economic downturn; and (ii) improve the effectiveness of reforms to key safety net programs to reduce vulnerability to the poor. The specific objectives of this operation are to: (i) continue protecting non-salary spending on health, nutrition, early childhood, education and the Social Safety Net (SSN); and (ii) advance safety net reforms via: (a) improved targeting and efficiency of safety net programs, (b) expanded coverage of the Conditional Cash Transfer (CCT) program while introducing recertification and graduation procedures; and (c) continued support to innovative programs that protect vulnerable groups.
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Expected Results	Indicators and baseline values	Target Level for End of 2012	Observations
1. Poverty headcount does not deteriorate further.	1.1 National Poverty Rate Baseline: 16.5% (2009 JSLC)	1. At least 16.5%, same as 2009 base level	Sources: 2009 Jamaica Survey of Living Conditions (JSLC) 2010 JSLC 2011 JSLC 2012 JSLC All are published yearly by the Statistical Institute of Jamaica (STATIN) and the Planning Institute of Jamaica (PIOJ).
2. Nutrition, health and education indicators remain stable or improve.	2.1 Nutrition: Chronic malnutrition rate in children 0 to 5 years defined as percentage of children below -2 SD of the median of the reference population of height- for-age (Z-score) Baseline: 3.7% (2007 JSLC) 2.2 Health: Infant mortality rate per thousand live births Baseline: 26/000 (2005 MICS). 2.3 Education: Net enrollment rates: (i) pre-primary (for children 3-5 years) Baseline: 92% (2007 JSLC) (ii) primary (for children 6-11 years) and secondary (for youth 12-14 years) (2007 JSLC) Baseline: 78% (2007 JSLC).	2.1 At least same as base level 2.2 At least same as base level 2.3 At least same as base level	Sources: Nutrition: JSLC 2007 JSLC 2010 JSLC 2012 Results of the analysis of JSCL data will be obtained from WHO's Global Data Base on Child Malnutrition and Growth: www.who.int/nutgrowthdb Infant Mortality: Jamaica Multiple Indicators Cluster Survey (MICS) 2005 MICS 2010 MICS 2015 Surveys are conducted every five years and published jointly by STATIN and UNICEF Education: JSLC 2007 JSLC 2010 JSLC 2012

Component 2: Protection of Social Sector Spending					
Objectives by Component	Output Indicators	Baseline	Targets		Observations
			Year 1: 2010/11	Year 2: 2011/12	
Protect spending on key social programs in order to ensure functioning of essential services in health, nutrition, early childhood and education.	FY 2010/11 approved budget is at least 95% of FY 2009/10 approved budget on non-salary activities for: (ii) Primary health care & nutrition (ii) Early childhood development (iii) Primary, secondary and special education	Approved FY 2009/10 budget (April 01, 2009) (i) J\$559 million (0.05% of GDP) (ii) J\$1.6 billion (0.15% of GDP) (iii) J\$5.59 billion (0.51% of GDP)	Approved FY 2010/11 non-salary budget is at least 95% of approved FY 2009/10 budget.	Approved FY 2011/12 non-salary budget is at least the same as FY 2010/2011 approved budget.	Please see the Monitoring and Evaluation Plan for details on sources and periodicity of data collection and analysis.
	FY 2009/10 realized expenditures are at least 90% of FY 2009/10 approved budget on non-salary activities for: (i) Primary health care and nutrition, (ii) Early childhood development (iii) Primary, secondary and special education.	Approved FY 2009/10 budget (April 01, 2009) (i) J\$559 million (0.05% of GDP) (ii) J\$1.6 billion (0.15% of GDP) (iii) J\$5.58 billion (0.52% of GDP)	FY 2009/10 Realized non-salary expenditures (as at March 31, 2010) are at least 90% of approved figures for the baseline period. (i) J\$503 million (ii) J\$1.44 billion (iii) J\$5.022 billion	FY 2010/11 Realized non-salary expenditures (as at March 31, 2011) are at least 92% of approved figures for FY 2010/2011	
	FY 2009/10 realized expenditures are at least 88% of FY 2009/10 approved budget on non-salary activities for: the School Feeding Program.	Approved FY 2009/10 budget (April 01, 2009) J\$2.4 billion (0.22% of GDP)	FY 2009/10 realized expenditures (as at March 31, 2010) are at least 88% of FY 2009/10 approved budget J\$2.16 billion	FY 2010/11 realized expenditures (as at March 31, 2011) are at least maintained at 88% of FY 2010/11 approved budget	
Ensure the poor are protected by an effective social safety net during an economic	FY 2010/11 approved non-salaried budget is at least 112% of FY 2009/10	Approved FY 2009/10 budget (April 01, 2009)	Approved FY 2010/11 budget is at least 12%	Approved FY 2011/12 budget is at least the same as FY 2010/11	The targeted increases over the baseline for year 1 are primarily to

downturn.	approved budget for School Feeding Program.	J\$ 2.4 billion (0.22% of GDP)	higher than the baseline figure. J\$2.69 billion	approved budget.	respond to the agreement with the IMF and to cover cost of expanded PATH coverage to 320,000 in FY 2010/2011, taking into account the inflation.
	FY 2010/2011 approved budget for the PATH program's conditional cash grants is at least 120% of the FY 2009/2010 approved budget for conditional cash grants.	Approved FY 2009/10 budget = J\$2.7 billion (0.25% of GDP)	Approved FY 2010/11 budget is at least 20% higher than the baseline figure. J\$3.24 billion	Approved FY 2011/12 is increased over the FY's 2010/2011 approved budget to account for inflation and to cover the amount required to cover the needs of the new beneficiaries	
	Intermediate Results	Baseline	Targets		
			Year 1: 2010/11	Year 2: 2011/12	Observations
	Number of beneficiaries covered by PATH increases.	a. 290,000 PATH registered beneficiaries received at least one payment of a cash grant, excluding Poor Relief (PATH, 2010) b. 189,000 students benefiting from the PATH feeding subsidy (2009) c. Head count of elderly PATH beneficiaries is 45,000 (FY 08/09) d. No pre-primary school students formally covered by PATH feeding subsidy	a. Coverage levels for PATH increase to 320,000 registered beneficiaries b. Coverage levels for PATH feeding subsidy remain stable i.e. 189,000 c. 50,000 d. Cabinet approves a policy for the expansion of the PATH feeding subsidy to pre-primary students in public schools	a. Coverage levels for PATH increase to 330,000 registered beneficiaries, net of graduation b. Coverage levels for PATH feeding subsidy increase to 220,000 c. Same as year 1 d. The SPF covers PATH students in at least 25% of pre-primary public schools (infant schools and infant departments) with the PATH feeding subsidy	a. Registered is defined as having received at least one payment of a cash grant. b. Note that maintaining the base rate is a real increase due to natural attrition (deaths) in this age group. d. Pre-primary students defined as 3-6 years olds attending early child education institutions
	Number of pre-primary school students from PATH households covered by PATH feeding subsidy increases.				

Component 3: Advancing Social Safety Net Reforms					
Objectives by Component	Output Indicators	Baseline	Targets		
			Year 1: 2010/11	Year 2: 2011/12	Observations
Improve Targeting of Safety Net Programs	SFP uses targeting mechanism to allocate the PATH feeding subsidy to individuals in primary and secondary schools	0 % individual targeting	Targeting mechanism and procedures included in the SFP's operations manual approved by the MOE's Chief Education Officer.	At least 70% of PATH primary and secondary students on PATH's registration roster are individually targeted to receive at least one free meal per week.	
Expand Coverage and Review Benefit Levels	Periodic reviews of per capita benefit levels of PATH cash transfers in place	No mechanism in place for automatic revisions of per capita benefit levels.	Cabinet approves a mechanism to review and adjust benefit levels.	Mechanism to review benefit levels implemented and operational in FY 2012/2013.	
Support Innovative Programs to Protect Vulnerable Groups	Steps-to-work pilot program implemented	3, 000 age-eligible members of PATH households are registered	a. At least 2,500 of registered beneficiaries are enrolled in or have completed specific support programs offered by Steps-to-Work partner institutions. b. Draft report of operational evaluation completed.	Updated Steps-to-Work program's Operations Manual approved by MLSS's Permanent Secretary, including measures to improve its: (i) operational efficiency (administrative costs per person completing program); and (ii) inter agency collaboration, such that the operational gaps identified by the evaluation are addressed.	
	Instrument created to: (i) coordinate services to young children in health, nutrition and early childhood development in health centers; (ii) ensure	Child Health Passport designed. Content of instrument formally agreed upon by Early Childhood	20% of 2010 birth cohort have child health passports with data.	80% of 2011 birth cohort have child health passport with data.	

	that they receive the respective services; and (iii) serve as a means of verification for receipt of these services.	Commission and MOH's Nutrition Unit and Family Health Department			
	MIS developed and implemented to support effective monitoring and evaluation of the SFP.	No MIS system in place to support M & E of SFP	System design requirements completed for MIS module.	The SFP has an MIS module to manage and monitor number of free meals per PATH student per week and month financed by the PATH feeding subsidy, that is functional and in use.	

ANNEX III-POLICY MATRIX FOR THE TWO OPERATIONS IN THE PROGRAMMATIC SERIES

The objectives of the overall Human Capital Protection Program series are to: (i) protect basic health, education and safety net spending during the economic downturn and (ii) improve effectiveness of reforms to key safety net programs to reduce vulnerability of the poor.

Specific Objectives	Policy conditions for the 1 st programmatic loan (JA-L1020) (2299/OC-JA)	Policy conditions for the 2 nd programmatic loan (JA-L1031)
I. Macroeconomic Framework		
Maintain a stable macroeconomic framework.	1.1 The Borrower shall maintain an appropriate macroeconomic policy framework congruent with the program's objectives and in accordance with the provisions of the Policy Letter.	1.1 The Borrower shall maintain an appropriate macroeconomic policy framework congruent with the program's objectives and in accordance with the provisions of the Policy Letter.
II. Protection of Social Sector Spending		
Protect spending on key social programs in order to ensure functioning of essential services in health, nutrition, early childhood and education.	2.1 FY 2009/2010 approved budget is not less than FY 2008/2009 realized expenditures on non-salary activities for: primary health care and nutrition, early childhood development, and primary, secondary and special education.	2.1 FY 2010/2011 approved budget is at least 95% of FY 2009/2010 approved budget on non-salary activities for: primary health care and nutrition, early childhood development, and primary, secondary and special education.
	2.2 None.	2.2 FY 2009/10 realized expenditures are at least 90% of FY 2009/10 approved budget on non-salary activities for: primary health care and nutrition, early childhood development, primary, secondary and special education.
	2.3 None.	2.3 FY 2009/10 realized expenditures are at least 88% of FY 2009/10 approved budget on non-salary activities for: the School Feeding Program.
Ensure the poor are protected by an effective social safety net during an economic downturn.	2.4 FY 2009/2010 approved budget for School Feeding Program is not less than FY 2008/2009 realized expenditures on non-salary activities.	2.4 FY 2010/2011 approved budget for non-salary activities of the School Feeding Program is at least 112% of FY 2009/2010 approved budget.
	2.5 FY 2009/2010 approved budget for the PATH program's conditional cash grants increased by 25% above the FY 2008/2009 realized expenditures for conditional cash grants.	2.5 FY 2010/2011 approved budget for the PATH program's conditional cash grants is at least 120% of the FY 2009/2010 approved budget for conditional cash grants.

III. Advancing Social Safety Net Reforms

A. Improve Targeting of Safety Net Programs

<p>Improve PATH targeting of the elderly living alone.</p> <p>Improve overall targeting of the PATH program.</p>	<p>3.1 The number of registered elderly PATH beneficiaries is maintained at 45,000.</p>	<p>3.1a The number of registered elderly PATH beneficiaries is at least 50,000.</p> <p>3.1b First draft of report with preliminary results of assessment of PMT's targeting performance completed.</p> <p>3.1c First recertification completed of PATH households with children who have been in the program since 2002 through 2004 for at least four years, including an analysis of the proportion of households that fall around the cut-off point of the PMT.</p>
<p>Improve targeting of School Feeding Program's feeding subsidy for PATH students.</p>	<p>3.2 The SFP uses PATH registration as the targeting mechanism to allocate individual feeding subsidies to schools at primary and secondary education levels.</p>	<p>3.2 Independent operational and financial assessment of school-level use of feeding subsidy for PATH primary and secondary school-age beneficiaries performed and recommendations incorporated as procedures in an updated section on 'PATH nutritional support' in the SFP's Operations Manual, approved by the MOE's Chief Education Officer.</p>

B. Expand Coverage and Review Benefits Levels

<p>Increase coverage of PATH conditional cash transfer program.</p>	<p>3.3 PATH increases coverage to 290,000 registered beneficiaries (registered defined as having received at least one payment of a cash grant), excluding Poor Relief, per Cabinet approval.</p>	<p>3.3 PATH increases coverage to 320,000 registered beneficiaries (registered defined as having received at least one payment of a cash grant), excluding Poor Relief.</p>
<p>Review per capita benefits to PATH beneficiaries in light of financial crisis.</p>	<p>3.4 None.</p>	<p>3.4a Mechanism to review and adjust benefits given to PATH beneficiaries has been developed</p> <p>3.4b Mechanism to review and adjust benefit levels has been approved by Cabinet</p>
<p>Extend coverage of School Feeding Program feeding subsidy to PATH students at pre-primary level.</p>	<p>3.5 Study design initiated on mechanisms and procedures to expand SFP coverage of PATH students attending pre-primary public schools (infant schools and infant departments).</p>	<p>3.5 Policy defined and approved by Cabinet to expand SFP coverage of PATH students attending pre-primary public schools (infant schools and infant departments).</p>

C. Support Innovative Programs to Protect Vulnerable Groups

<p>Implement pilot of Steps-to-Work Program for PATH beneficiaries aged 15-64.</p>	<p>3.6 At least 3,000 age-eligible members of PATH households registered in Steps-to-Work pilot program.</p>	<p>3.6a At least 2,500 registered and age-eligible members of PATH households are enrolled in or have completed support programs offered by Steps-to-Work partners.</p>
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		3.6b The operational evaluation of Steps-to-Work pilot program initiated.
Formalize inter-institutional arrangements between Steps-to-Work and its partners (Jamaica Foundation for Lifelong Learning, Human Employment and Resource Training, Jamaican Business Development Corporation, and National Youth Service) to prioritize participation of beneficiaries.	3.7 To formalize inter-institutional arrangements, memoranda of Understanding signed between MLSS and at least the following partners: JFLL, HEART, JBDC.	3.7 Second-year Memoranda of Understanding signed between MLSS and at least the following partners: JFLL, HEART, JBDC.
Create an instrument to: (i) coordinate services for young children in health, nutrition and early childhood development in health centres; (ii) ensure they receive the respective services; and (iii) serve as a means of verification for receipt of these services.	3.8 Child Health Passport content (including services such as immunization, well-baby care, growth promotion and other nutrition interventions as well as number and periodicity of well-baby visits) agreed upon by MOH Nutrition Unit, MOH Family Health Department and Early Childhood Commission.	3.8a Effective coverage of at least 20% of 2010 birth cohort with Child Health Passport. 3.8b Operational evaluation of the roll- out and application of the Child Health Passport initiated.
Support for School Feeding Program Reform.	3.9 Ministry of Education commits to: (i) perform an independent operational audit of the feeding subsidy for PATH students using terms of reference previously agreed with the Bank; and (ii) use the results of the audit to: (a) inform the design of a management information system to monitor the use of the feeding subsidy for PATH students; and (b) guide the preparation of a section of an operations manual for the SFP dealing with the management of the feeding subsidy for PATH students, in order to ensure that PATH students are effectively being provided a subsidized meal at school on an established regular basis and in a way that protects confidentiality.	3.9 Definition of system requirements completed for the design of a specific module of a management information system on the feeding subsidy for PATH.

Annex IV
JA-L1020 and JA-L1031 – Human Capital Protection Programme I and II
Minutes of Exit Workshop
December 13, 2011

In attendance were:

Allison Cross – JFL
Maureen Samms-Vaughn – UWI
Pauline Samuda – MOE
Barbara Allen – MOE
Dunstan Bryan – MLSS
Amsale Maryam – CONSOC
Donna Harris – IDB
Leslie Stone – IDB
Isabel Nieves – IDB
Janet Quarrie – IDB

A) General Overview

The first programmatic series of the Human Capital Protection Programme involved two Loans, namely JA-L1020 and JA-L1031. The objective of the first loan (JA-L1020) was to help preserve recent gains in poverty reduction and reduce vulnerability of the poor during a time of economic downturn, specifically in the areas of basic health, education and safety net spending, while the second loan (JA-L1031) was to continue protecting non-salary spending on health, nutrition, early childhood, education and the social safety net. These loans were disbursed in tranches of US\$50 million each during 2010 and 2011. The programme is to embark on a new programmatic series of three loans, the first being JA-L1037, which is scheduled for disbursement in June 2012.

According to the Bank's requirements, a Project Completion Report is to be prepared once a series of programmatic loans have come to an end. An Exit Workshop is also required to be held to review the draft PCR.

The Exit Workshop to review the draft PCR for JA-L1020 and JA-L1031 was held on December 13, 2011. The discussion revolved around the Child Health Passport, problems encountered during implementation, lessons learnt, among others. Comments are to be provided by MOE and MLSS on the report. Following are main highlights from the meeting:

B) Page 13 of PCR - Child Health Passport

Dr. Maureen Samms-Vaughn gave an update on the status of Child Health Passport. The birth cohort for the period January to December 2010 was originally projected to be used for the issuing of the passport; however, the passport was implemented in September 2010. The distribution has been going well so far; however, no accurate information is available on its utilization. A survey is required for screening and it is recommended that the existing sample of the Child Cohort Study (ATN/JF-12312-JA) be used for the screening. The Child Cohort Study is focusing on children born between July to September 2011. The study has identified 90% of deliveries and interviewed 9,600 women and 3,000 fathers. It is proposed that babies born in July 2011 be used for the screening which is about 3,000. There is an overall amount of 9,000 children in the study.

Screening of babies should identify developmental delays and the recommended stages are 9 months, 18 months and 30 months. It is recommended that we look at: (a) Keeping track of the services given to children and the agencies giving these services; (b) Family risk – family need support; and (c) Immunization. The family risk screening tool is not yet completed. There are three outcomes: (1) Family need additional support; (2) Family need additional support at community level; and (3) Family need additional support that cannot be provided at community level but need referral outside the community (e.g. in cases of domestic violence and teenage pregnancy).

Going forward, the following assessments are to be completed: (a) Screening; (b) Family risk; (c) Nutrition and (d) Immunization.

C) Page 14 – Analysis of Critical Factors in Implementation

There are a few externalities that were mentioned which positively impacted the programme:

- 1) Collaboration between the Early Childhood Commission (ECC) and the Ministry of Health (MOH) was established from the start and this led to a more smooth implementation process. This collaboration led to sustainability of the project as MOH accepted ownership.
- 2) The Ministry of Education will be able to utilize the information in the passport.

The ECC is assisting the MLSS with identifying students in basic schools that are not in government schools. Professor Samms-Vaughn met with Mr. Denzel Thorpe to see how best they can assist in identifying the families. There are 4,000 students in infant schools and infant departments that are to be added to PATH list. MOE is working with the ECC to obtain the names. MLSS is to identify the ones on the PATH programme. Only 2,000 of the 4,000 can be accounted for.

The following factors were identified in implementation:

- 1) Weaknesses in coordination between PATH and PATH database, ECC and SFP. PATH database is not conducive to sharing information with the infant school and infant departments. The Bank was unable to pay feeding subsidies for 19,000 students as the information was not available on where they are located.
- 2) Difficulty in expending budget from SFP due to estimate of 220,000 students. The SFP is still arriving at a figure of 185,000. SFP has asked PATH to review the way they arrive at the number of students. MLSS advised the meeting that information provided to MOE is not being updated frequently. The list that is originally compiled at the beginning of the school term is smaller than 220,000; however, there is usually a lag between when planning and implementation take place. The budget call goes out from the Ministry of Finance (MOF) in August of each year and the budget is submitted by January of the following year to MINFIN. This gap was not taken into consideration as a deflator factor should have been taken into consideration (normal attrition and addition).
- 3) The matrix target individuals from PATH; however, it was noted that PATH is unable to assist the SFP with individual identification numbers and as such this is posing a major problem for the SFP MIS. This issue was later clarified by Dunstan, who advised that an identification number is available to each family member and these will be forwarded to the SFP.

D) Page 13 of PCR – Support Innovative Programs to Protect Vulnerable Groups

Dr. Allison Cross updated the meeting on the Steps to Work programme which is geared to older family members in PATH households. Initially, only six (6) parishes were involved in the Steps to Work programme; now the programme is in all parishes. The programme is a bit disorganized as persons will walk in from the PATH programme at intervals during the school year. The Jamaica Foundation for Lifelong Learning (JFLL) is experiencing bottleneck in obtaining references for students. Students at the Grade 9 level are able to access the HEART programme. It was pointed out that HEART/JFLL are to merge under the Public Sector Rationalization Programme.

E) Page 12 of PCR – Strengthening of SFP's monitoring and evaluation capacity

The sample in the first phase of the study on "Strengthening SFP monitoring and evaluation capacity" that was conducted by Christine Powell was small. As such the second phase was expanded into a larger sample. Information on the second phase is not forthcoming from Dr. Powell to assist with the trialing exercise currently being conducted by the SFP. It was pointed out by Dr. Samuda that there is a lack of capacity to do the trialing as some schools are experiencing major difficulties in completing the forms as some persons cannot send attachment with an email. Persons are not computer literate in the schools.

F) Page 13 of PCR – Independent Operational Audit

The TWG sent comments on the draft Terms of Reference for the consultant to develop the MIS. There is an issue identifying an IT person to revise the PATH BMIS.

The meeting was informed by Dr. Samuda that the link between PATH and SFP has been developed and accepted and specifications developed. The RFP has been published and the development of system will be financed with resources from the MOE. The system will be used to test the link by March 2012.

G) Divestment of Nutrition Products Limited

Component 2 of the School Feeding Programme (JA-T1046) was to define the changes that must be introduced to the SFP's snack component in order to improve its efficiency and the nutritional content of the snacks, which includes doing an assessment of the Nutrition Products Limited. Based on a decision made the Minister of Education to divest the entity, an Enterprise Team was formed to look at the entity and come up with recommendations for improvement. The meeting was advised that the committee is at the stage of developing Request for Proposals. A daily nutritional requirement for students at different ages is currently being done by MOH.

H) Problems being experienced

There are a number of challenges that were identified during the meeting that were being experienced by the GOJ:

- 1) A figure of 4,000 students was signed off as the number of students in infant schools and infant department; however, only 2,000 can be accounted for.
- 2) The non-reporting of students moving from primary to secondary school by parents has resulted in some students being removed from the list of eligible beneficiaries.
- 3) School feeding will not be able to target students at the individual level until the problem of obtaining identification numbers for each student from MLSS is resolved.

I) Lessons Learnt

- 1) The capacity of PATH to carry out social work functions is inadequate. Currently, there is one social worker for every 3,000 students. System is to be improved to make it more effective.
- 2) The new loan should define the objective of the subsidy.
- 3) There was a bottleneck at the SFP as adequate information from PATH to target students was not available.
- 4) Coordination between project team needs to take place not only at the lower level but also at the higher level.
- 5) List from MLSS will always be historical. Database has to be implemented so that the system can be updated on a daily basis.
- 6) MIS link to be continued under the new programmatic series.

J) Follow up:

- 1) Written comments on the PCR are to be provided by Dunstan and Helen by Wednesday, December 21, 2011.
- 2) Donna is to follow up with Easton Douglas at PIOJ regarding the revised TOR for consultant to develop MIS.
- 3) There is a Nutrition Strategy for children 4-6 years that is being done by the ECC. Dr. Samms Vaughn is to share information with the team. Support from the TC (JA-T1048) is to be looked at as well.
- 4) A copy of the draft Terms of Reference for the evaluation of Child Health Passport is to be submitted by the Bank to Dr. Samms-Vaughn for review.
- 5) A meeting is to be held with Dr. Christine Powell regarding the second phase of the consultancy on strengthening SFP monitoring and evaluation capacity.

Prepared by:

Date:.....

Reviewed by:.....

Date:.....



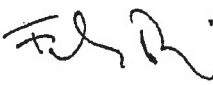
MEMORANDUM

File Classification: PO-JA-L1020-Disb
IDBDocs #35074118

SCL/28/2010

Date: February 19, 2010

To: Gerard Johnson
Representative, CCB/CJA

From: Ferdinando Regalia 
Chief, SCL/SPH

Subject: **JAMAICA. Loan Contract No. 2299/OC-JA "Human Capital Protection Programme". Compliance with the General Conditions and the Special Conditions prior to the sole disbursement of the resources of the Financing up to US\$50 million.**

On February 17, 2010 the Board of Executive Directors of the Inter-American Development Bank (the Bank) approved by Resolution DE-13/10, a US\$50 million loan, chargeable to the Single Currency Facility of the Ordinary Capital resources of the Bank, to the Government of Jamaica (GOJ) to finance the Human Capital Protection Programme (hereinafter referred to as "the Programme"). On February 18, 2010 the GOJ and the Bank signed the loan contract (Loan Contract No. 2299/OC-JA) for the above mentioned operation, which entered into effect on the same date.

The goal of this Programme is to help preserve recent gains in poverty reduction and reduce vulnerability of the poor during a time of economic downturn. Specifically, the Programme aims to: (i) protect basic health, education and safety net spending during the economic downturn; and (ii) improve the effectiveness of reforms to important social safety net programs.

The Project Team Leader concludes that the Government of Jamaica, as Borrower, has complied with the General Conditions precedent to the only disbursement of the resources of the Financing in accordance with the provisions set forth in Articles 4.01 and 4.03 of the General Conditions, as follows:

- (a) *The Bank shall have received one or more well-founded legal opinions which establish, with citations of the pertinent constitutional, legal, and regulatory provisions, that the obligations undertaken by the Borrower in this Contract, and those of the Guarantor, if any, in the Guarantee Contract, are valid and*

enforceable. Such opinions shall also refer to any other legal question that the Bank may reasonably deem relevant.

Condition Complied. By official letter dated February 18th, 2010, the Senior Assistant Attorney General, Mr. Hugh M. Salmon on behalf of the Government of Jamaica submitted the original signed copy of the Legal Opinion from the Attorney Generals' Chambers indicating that the terms and conditions set forth in the Loan Contract constitute a valid and binding legal obligation to the Borrower.

- (b) *The Borrower, directly or through the Executing Agency, if any, shall have designated one or more officials to represent it in all acts relating to the implementation of this Contract and shall have furnished the Bank with authentic copies of the signatures of said representatives. Should two or more officials be designated, the designation shall indicate whether such officials may act separately or must act jointly.*

Condition Complied. By official communication dated February 18th, 2010, the Honourable Minister of Finance, Mr. Audley Shaw, submitted a Certificate of Authorized Representatives guaranteeing the due authority of the representatives to act jointly and severally on its behalf on the purposes relevant to the Agreement to sign applications for the withdrawal of the proceeds from the Agreement.

- (c) *The Borrower or Executing Agency shall have presented to the Bank information regarding the special banking account in which the Bank shall deposit the disbursements of the Financing.*

Condition Complied. The Ministry of Finance under cover of an official letter dated February 18th, 2010 and signed by Mrs. Rose Lemonious-Stewart, for the Financial Secretary submitted a copy of the letter from the Bank of Jamaica, confirming the opening of a Special Account (Account Name: Bank of Jamaica Account # 36046756 - Intermediary Bank Citibank N. A, 111 Wall Street, New York, NY - 10048ABA 021000089) for the deposit of the resources of the Financing.

- (d) *The Borrower, or the Executing Agency, if any, shall have submitted in writing a disbursement request in accordance with the terms and conditions established in Article 4.03(a) hereof;*

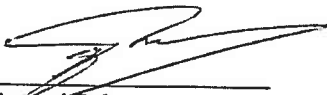
Condition Complied. The Ministry of Finance, on February 18th, 2010 submitted an official request for the disbursement of the Financing for US\$50,000,000.00, signed by authorized signatories Rose Lomonious-Stewart, Unit Director, and Ida Ormsby, Director – financial disbursement.

Pursuant to the Operations Administration Manual, OA-423 "Table of Authority for the Administration of Operations with Sovereign Guarantee – Policy Based Loans" (sections I.A.3. and D), the Project Team Leader concludes that the GOJ has adequately complied with the conditions precedent to the only disbursement of the resources of the Financing established in Section 3.03 of the Special Conditions and in Article 4.01 of the General Conditions of Loan Contract No. 2299/OC-JA, entered into between the GOJ and the Bank on February 18, 2010, according to the detailed report attached hereto as the Annex.

Annex:

Report on the compliance with the Special Conditions Precedent to the Only Disbursement of the Resources of the Financing.

Approved


Gerard Johnson
Representative, CCB/CJA

cc: Kei Kawabata, Manager SCL/SCL
Dora Currea, General Manager CCB/CCB
Laura Profeta, LEG/SGO
Carlos Herrera, FIN/FSV
Ferdinando Regalia, SCL/SPH
Michael Nelson, CCB/CCB
Diego Buchara, LEG/SGO
Team members