



Project Completion Report (PCR)

Project Name: Agricultural Support Services Program

Country: Jamaica

Sector/Subsector: Agriculture

Original Project Team: Principal Author and Members: Gabriel Montes (RE3/EN3), Project Team Leader; Hernán Aspiazu (RE3/EN3); Javier Cayo (LEG/OPR); Cesar Falconi (RE3/EN3); Steven Stone (COF/CJA); and Giovanna Mahfouz, who was in charge of document production.

Loan Number (s), TC(s): JA0111

QRR Date: January 14, 2011

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PCR Team: Edwin Mateo Molina (RND/CJA); and Gabriel Montes Consultant (INE/RND).





Acronyms and Abbreviations

ADO	Agribusiness Development Office
ADU	Agribusiness Development Unit
ARDD	Agricultural Research and Development Division
ASSP	Agricultural Support Service Program
ASSPPF	Agricultural Support Service Productive Project Fund
CARICOM	Caribbean Community
EU	European Union
GOJ	Government of Jamaica
GDP	Gross Domestic Product
HPPP	High Payoff Productive Projects
IDB	Inter-American Development Bank
LAC	Latin American and the Caribbean
LAMP	Land Management Program
MOAF	Ministry of Agriculture and Fisheries
MOH	Ministry of Health
NWSW	New World Screw Worm
PIOJ	Planning Institute of Jamaica
PPMR	Project Performance Monitoring Review
PIU	Program Implementation Unit
PQ/PI Unit	Plant Quarantine/Plan Inspection Unit
PSC	Program Steering Committee
RADA	Rural Agricultural Development Authority
SIT	Sterile Insect Technique
TRC	Technical Review Committee
USA	United States of America
WB	The World Bank
WTO	The World Trade Organization
\$JA	Jamaican Dollar Currency



Basic Information

BASIC DATA (Amounts in US\$)

PROJECT NO: JA-L0111	TITLE: Agricultural Support Services Program
Borrower: Government of Jamaica	Date of Board Approval: Nov-29-2000
Executing Agency (EA): Ministry of Agriculture	Date of Loan Contract Effectiveness: Feb-21-2001
Sector: Agriculture and Rural Development	Date of Eligibility for First Disbursement: July-13-2001
	Months in Execution:
	<ul style="list-style-type: none"> from Approval: 105 from Contract Effectiveness: 97
Lending Instrument:	Investment
Original Date of Final Disbursement:	Feb-21-2005
Current Date of Final Disbursement:	Sep-30-2009
Cumulative Extension (Months):	56
Original Loan Amount(s)	US\$22,000,000.00
Current Amount	US\$17,800,000.00
Pari Passu (if applicable):	70/30
Were funds redirected away from [] or to [] this Project?	N/A
Poverty Targeted Investment (PTI):	No
Social Equity (SEQ):	No
Environmental Classification: A, B, or C	
Disbursements	Amount to date: US\$ 17,468,002.99 (98.13%) Local Counterpart: US\$ 7,411,600.00 (30%)
Total Project Cost (Original Estimate):	US\$22,000,000.00 (See note below).
On Alert Status	N/A
Is project currently designated "on alert" by PAIS: Yes/No	No
If yes then why is the project on alert (DO , IP Ratings and/or relevant PAIS indicators):	No
<p>Note: The original amount was US\$22.0 million, with local counterpart contribution of US\$9.5 million. In November 2004, as part of a rescoping exercise, the Bank and the GOJ agreed to cancel US\$4.2 million of loan resources and reduce the counterpart obligation by US\$1.9 million.</p>	

Summary Performance Ratings				
DO	Highly Probable (HP)	[X] Probable (P)	Low Probability (LP)	Improbable (I)
IP	Very Satisfactory (VS)	[X] Satisfactory (S)	Unsatisfactory (US)	Very Unsatisfactory (VU)
SU	Highly Probable (HP)	[X] Probable (P)	Low Probability (LP)	Improbable (I)

[Type text]



Project Context

a. Political, social and economic context at the time the Project was approved

At the time of project approval, the loan proposal described the agricultural situation in the following terms: “The agricultural sector is central to Jamaica’s economy and the lives of its people. Although accounting for only 8.0 percent of GDP, this per cent rises to 16 percent when food processing, beverages, and tobacco output are added. Currently, the sector accounts for almost one- fifth of all merchandise exports. In addition, it has been estimated that the domestic foods crop sub-sector produced approximately US\$400 million at farm gate prices. Almost a third of the Jamaican population lives in rural areas and agriculture employs a quarter of the total labor force (270,000 people). The incidence of poverty is high and sixty per cent of the poor reside in rural areas”.

On the other hand, the agricultural exports traditionally have been dominated by a small number of crops: sugar, bananas, coffee and citrus, which accounted for almost 16% of exports in 1996, while processed foods, beverages and tobacco comprised an additional 14%. Sugar has been the main agricultural export, with an annual value of US\$100 million in the late 1990s and banana has been the second largest one with an annual value of US\$45 million. A large part of the sugar exports are sold under the preferential arrangements of the Lome Convention. The challenges faced by Jamaican agriculture are highly influenced by the effects on food markets of the globalization process that has taken place since the late 1980’s. Trade liberalization led to the fall of import duties from rates as high as 200% to a maximum of 40% for agricultural goods. In 1992 Jamaica adopted the Caribbean Common Market (CARICOM)’s Common External Tariff for all goods, with the exception of a few agricultural products. In 1995 Jamaica became a member of the World Trade Organization (WTO), which made it subject to the agreements and provisions established by the organization.

Only 10 percent of the farmland under cultivation is irrigated and it includes mainly sugarcane, pastures, vegetables, tobacco, orchards and aquaculture in five southern parishes. Much of the public irrigation infrastructure needs rehabilitation, and the irrigation technology is outdated. Almost half of all agricultural producers are dedicated to yams production, intermixed with some cocoa, coffee, peppers, pumpkins and red peas. These small farm units are largely found in upland areas, with half of Jamaica’s land area on slopes of 20 degrees or more that could result in significant land erosion. The high transaction costs from stamp duties and transfer tax results in a disincentive to transfer or register the land.

Food Safety is a rising concern among Jamaican authorities. The indiscriminate use of a variety of agro-chemicals, veterinary pharmaceuticals and other products increases the risk of unsafe food. The country is free of animal diseases such as Foot and Mouth Disease, African swine fever and Hog Cholera. Efforts should be put in place to keep the country free of these diseases, as it gives Jamaica an advantage in opening markets, compared to other countries in the area.

Context during execution



There were several events during the implementation of the program such as: fiscal constraints, natural disasters, depreciation of the Jamaican dollar and finally the food price hikes.

Fiscal Constraints: During the period 2003-2005, Jamaica was affected by fiscal constraints and the compression of the GOJ capital expenditure programs. This situation obliged the GOJ to restructure the IDB portfolio, canceling a total of US\$ 49.79 million from the portfolio, 8.4% of which were from ASSP. This situation affected the implementation pace of the program due to limited allocation of resources which prevailed during this period and beyond.

Natural Disasters: During the period 2000-2008, Jamaica was affected by 15 natural events (hurricanes, droughts) of different intensity inflicting severe economic losses and damages not only to infrastructure but to the agricultural sector. Many beneficiaries of ASSP were affected specifically by hurricane Ivan (2004) where total losses to the agricultural sector were estimated to be around US\$ 350.0 Millions. Other important events in 2006 and 2008 also caused important damages to farmers served by ASSP, which affected production and productivity.

Devaluation of Jamaican dollar: The exchange rate at the time of the Program approval was \$J 44.6/US\$1 in November 2000, whereas in 2009 the exchange rate was \$JA 88.70/US\$1, representing a depreciation of 100% in a period of 9 years. This has allowed to expanding the financing of additional activities with strong local components.

Food price crisis: Jamaica is still a vulnerable country in terms of its dependency to import foods. In 2008, imports were estimated at US\$850.0M. The food crisis has been valued as an opportunity to revamp the agricultural sector in Jamaica. As a positive signal, it has been observed a policy shift of the government to place emphasis to food security matters and a general awakening of the importance of the agricultural sector. The MOAF has undergone a major restructuring exercise with the assistance of ASSP, in key areas like research, marketing, extension services and farmer's organization, public-private partnership and access to land and credit. Whilst, it is too early to evaluate the benefits of these endeavors, it represents a good opportunity to modernize the agricultural sector in Jamaica.

Farm size structure: According to the 2007 Agriculture Census, the agriculture sector covers about 325,810 hectares of production. This represents a decline of 81,624 hectares since the 1996 Census. The number of farms increased from 187,191 in 1996 to 228,683 in 2007, indicating an average farm size of 1.4 hectares, down from 2.2 hectares in 1996. This is a new reality facing the agriculture sector in Jamaica which undoubtedly, affects the effectiveness of delivering adequate agricultural support services.

How did this context change and how was the project execution and its ability to achieve its development results affected?

Clearly, the main factor that affected the timely execution of the Program was Fiscal Constraints. The project implementation was affected as fiscal space provided by GOJ did not reflect the Program's needs as established in the annual operating plans, extending the disbursement deadline initially to February, 2008 and later on to September, 2009 (technically the program ended in September 2009, but the financial closure was in December 2010 due to delays in the presentation of the Audited Financial Statements). Delays in procurement also were a major factor. The Bank facilitated (2006) the ex-post review method for procurement of works, goods and consultancies with value less than US\$ 80,000, which to some extent speeded the process below this threshold, yet internal procurement procedures hampered project implementation. Also, it is relevant to mention that agricultural programs, require greater time span to be implemented, compared to other investment program (e.g. infrastructure), as the former requires a great level of time for pre activities, organizing the farmers, training, changing behaviors and adopting new technologies.



As per other factors, the food price crisis represented an opportunity to focus in the agricultural sector. The GOJ saw this program as a flagship at the MOAF, spearheading the changes and adjustment of the sector.

The termination of the preferential access to EU markets of the principal commodities exported by Jamaica has obliged GOJ to focus production in supplying the local market as a priority and then the regional markets. This policy change is creating opportunities to develop the agricultural sector in a more comprehensive manner which include land and financial markets, research, extension services, improvement of productive assets, and overall, looking at the sector as a business that could contribute to expanding employment opportunities and reducing poverty.

As natural disaster is concerned, it has provided the GOJ with the opportunity to undertake in depth studies to introduce agriculture weather risk insurance with participation of the World Bank and the Bank. This financial instrument will be operative in a pilot basis during 2010.

Project Description

Development Objective(s)

As stated in the Logical framework the development objective was defined as: “To increase the incomes of agricultural producers and exporters”. The purpose was: “To enhance the competitiveness of Jamaican agriculture in domestic and global markets”.

Annex A, states that the objective of the Project was “to enhance the competitiveness of the Borrower’s agriculture in domestic and global markets, making a substantial contribution to the goal of increasing the incomes of agricultural producers.

The Logical Framework and the PPMR were structured as a Program in which an objective is defined for each component. The PPMR development objective is consistent with the description stated in the loan document. This PCR includes as Annex 4 an electronic file with a comprehensive list of outputs which are not included nor in the PPMR neither in this PCR, as it is too large. The Final Evaluation Report is included as annex 4.

Components

Component 1: Strengthening the delivery of agricultural support services

This component was intended to develop a critical capacity for delivery of effective agricultural support services, including agricultural extension, research, marketing and strategic information, to producers and exporters. These services should increase productivity by 30% over the four year program period. The current system was to be improved by introducing five Agribusiness Development Units (ADUs) to link agricultural services providers with producers, establish a fund to partially finance services supplied by selected providers, organize and train farmers, and improve facilities and train technical personnel. At the end of the third year of the program the Project Implementation Unit should have initiated the negotiation with the service providers the transfer of the ADUs to the private sector, where feasible.

Component 2: Strengthening and consolidating agricultural and food safety services

This component intended to improve the effectiveness of the animal health, plant health, and food safety systems to protect domestic consumers from illness, and domestic production from disease



and contamination, and ensure that Jamaica's exports meet international standards. Concomitantly the GOJ must develop adequate policies, update legislation and install the required coordination mechanisms. In addition, Component 2 was intended to allocate resources to hire, and train additional personnel, acquire field and laboratory equipment, upgrade the infrastructure of laboratories and control pests, implement surveillance programs and update methodologies and information systems.

Component 3: Financing selected activities in high payoff productive

The purpose of this component was to increase competitiveness and profitability of Jamaican agricultural producers and exporters. Specific productive projects in different rural areas that address new development opportunities in non-traditional agricultural sectors was to be developed. This component intended to complement the strengthening of agricultural support services delivery by allocating resources to the "Agricultural Support Services and Productive Projects Fund" (ASSPPF), with two lines of financing: (i) resources to contract extension, sanitary services, land regularization services, credit access advice, marketing, adaptive research services, from private providers; and (ii) grants to finance eligible activities in a productive project up to an amount of US\$300.000. The beneficiaries, eligible activities, grant size, cost sharing, the processing of projects and the monitoring and evaluation systems are included in the Operating Regulations.

Quality –At- Entry Review (if applicable) N/A

Quality-At-Entry Review			
Highly Satisfactory (HS)	[S] Satisfactory (S)	Unsatisfactory (U)	Very Unsatisfactory (VU)

Results
Outcomes

ACHIEVEMENT OF DEVELOPMENT OBJECTIVES (DO)

Development Objective(s) (Purpose)	Key Outcome Indicators			
Component 1	Planned Outcomes			Outcomes Achieved
	Baseline	Intermediate	EOP	
1.1 At least 2/3 of producers of priority commodities (i.e. roots/tubers, fish, goat, herb/spices, papaya and other fruits, plantains and selected vegetables) who declare that agricultural support services are relevant and provided on a timely basis (%)	24	85 (2/21/07)	88 (9/30/09)	88 (9/30/09)
1.2 Producers of priority commodities increase their share in the cost of the agriculture services they are provided (%)	76	92 (2/21/07)	97 (9/30/09)	97 (9/30/09)
Component 2				
2.1.1 Jamaica has effective animal health surveillance and established an animal identification system	0	0 (2/21/07)	1 (9/30/09)	1 (9/30/09)
2.1.2. No foreign animal diseases are introduced to Jamaica, or if a foreign animal disease is introduced, it is eradicated rapidly.	0	0 (2/21/07)	0 (9/30/09)	0 (9/30/09)
2.2.1 Reduction in rejection of agriculture exports due to pest/pesticide contamination	168	61 (2/21/07)	56 (9/30/09)	56 (9/30/09)
2.2.2 No foreign plant diseases are introduced to Jamaica, or if a foreign plant disease is introduced, it is eradicated or contained rapidly	0	2 (2/21/07)	2 (9/30/09)	2 (9/30/09)
2.3.1 Improved surveillance system for food safety.	0	0 (2/21/06)	1 (9/30/09)	1 (9/30/09)
2.3.2 Effective response to avoid or minimize hazards from food borne illness.	0	1 (2/21/06)	1 (9/30/09)	1 (9/30/09)
2.3.3 Risk assessment and management capabilities implemented.	0	1 (2/21/06)	1	1 (9/30/09)
2.3.4 Food safety education programs implemented, thus meeting high standards of food safety and raising public awareness.	0 (9/30/09)	1 (2/21/06)	1 (9/30/09)	1 (9/30/09)
Component 3				
3.1 New domestic and overseas market opportunities opened for beneficiaries in domestic hotels, food chains, processing firms and supermarkets.	Not available			
3.2 Increased value of products sold by beneficiaries to export markets and to domestic, food chains, processing firms and supermarkets	11,307 (9/30/09)	23,359 (2/21/06)	31,800	31,800 (9/30/09)
3.3 Higher profitability of agricultural producers and exporters over time due to new opportunities increased quality and consistency of the supply (US\$)	Not available			Not available
Classification: "P "				

Reformulation.

N/A



PPMR Retrofitting. Indicate if and when the PPMR was retrofitted and explain any changes resulting from this exercise.
N/A

Summary Development Objective(s) Classification (DO):

Classification: "P"

➤ Briefly justify DO classification, based on degree to which planned targets were met, explaining the differences between planned and achieved outcomes as well as any other relevant factors. Include references to evidence that can support these results.

Timely provision of relevant services was instrumental in improving the quality of farmers' commodities, facilitating the adoption of new applicable technologies, improving production and productivity, reducing cost of production, and increasing sales volume (increased marketable yield) and revenues (values).

All beneficiaries of component 1 paid their 10% contribution for consultation (services) approved under the ASSPPFL

Improved institutional capacity facilitated by the ASSP; this included but were not limited to:

- Established agreed coordination mechanisms among the participating agencies
- Facilitated personnel (staff) employment, training and development
- Provided improved equipment and facilities (laboratory upgrades; MIS systems – hardware + software etc)

The interventions of the ASSP over the period have provided support in a number of critical areas and have facilitated and or improved the activities of the participating agencies. Staff training have allowed for the strengthening of the capability of the PQ/PI Unit to execute its mandate. Farmers' training allowed farmers to improve their farming operations through implementing measures to mitigate the effects of pests and diseases. The upgrading of facilities and provision of information technology and other office equipment have allowed for better communication and coordination amongst agencies as well as better customer service through reduced waiting times and timely responses.

Indicator 3.2, is not available.

Indicator 3.3 is expressed in income. Records were not kept to measure this indicator.

Overall, it can be ascertain that ASSP, to some extent assisted the MOAF to switch from a paternalistic institution to a more prone institution inclined to promote private businesses. This might be seen as a very important contribution compared to increasing production and productivity, due to the limited resources of the Program. Although, it was proved the difficulties to introduce policy changes, specifically in the area of food safety.

Country Strategy. Given the results described above, briefly discuss how the project contributed to the Bank's strategy in the country.

In the agricultural sector the Bank, supports program that will contribute to solving the main constraints that the country faces in its pursuit of increased competitiveness and reduced poverty in rural areas, namely lack of irrigation, secure land tenure and effective agriculture support services. The objectives of this project are fully consistent with the priorities set out in the Bank's Country Paper.

Externalities

The main externality was to show to the GOJ and the MOAF, that a business based approach was possible in the Agricultural Sector; farmers' organizations and enterprises were developed. In the Food safety field it is possible that food base diseases were avoided and the "Jamaican Brand" was strengthened in international markets.

Outputs

IMPLEMENTATION PROGRESS (IP)

IMPLEMENTATION PROGRESS (IP)	
Components (Outputs):	Key Output Indicators:



1. Component 1 Agricultural Support Services	Planned Outputs			Outputs Achieved EOP
	Baseline*	Intermediate	EOP	
1.1 Agricultural support services delivery system improved, established and operating (five ADO hired).	0	4 (2/21/06)	5 (9/30/09)	5 (9/30/09)
1.2 Fund for agricultural support services procurement established and operating (US\$M).	0	1,0 M (2/21/06)	0.746M (9/30/09)	US\$0.746M (9/30/09)
1.3 Field offices of ARDD and RADA upgraded (4)	0	4 (2/21/06)	5 (9/30/09)	5 (9/30/09)
1.4. 1,250 producers trained.	0	1285 (2/21/06)	1584 (9/30/09)	1584 (9/30/09)
Total cost of Component 1: US\$3,868,000 Counterpart: N/A IDB Disbursement: US\$ 4,924.7 IDB Disbursement: 103%	* (if applicable)			
Classification: “S”				
Briefly explain differences between planned and actual outputs (if applicable).				
<ul style="list-style-type: none">➤ Willingness of farmers to participate in training activities and adopting new technologies.➤ Public relation and communication campaign on ASSP’s mandates to farmers.➤ Final beneficiaries also received grant funding under component 3 for the financing of their HPPP➤ Beneficiaries of agricultural services investment of own resources – time, capital (mandatory, prior payment by final beneficiaries of 10% for services costs supplied under component 1).➤ Beneficiaries participated in the selection of business service providers under component 1.➤ Available pool of public and private business service providers willing to work at reasonable rates with the rural poor.➤ 56 contracts for supply of services to final beneficiaries completed.➤ It can be noted that the fund alluded in indicator 1.2, only used 75% of the allocated resources, due to several reasons as for example, the devaluation of the local currency. The component did deliver more than it was expected.				
Restructuring. Indicate if this component was restructured (date of approval by Manager). Briefly discuss the consequences of these changes. N/A				



Component 2 <i>2.1. Animal Health Sub-component</i>	Planned Outputs			Outputs Achieved EOP
	Baseline*	Intermediate	EOP	
2.1.1 Animal health policy expanded, clarified, updated and adopted	0	1 (2/21/06)	1 (9/30/09)	1 (9/30/09)
2.1.2 Legislation developed, updated and enacted	0	0 (2/21/06)	0 (9/30/09)	0 (9/30/09)
2.1.3 Facilities improved	0	2 (2/21/06)	3 (9/30/09)	3 (9/30/09)
<i>2.2 Plant Health Sub-Component</i>				
2.2.1 plant health policy updated, approved and operating	0	0 (2/21/06)	1 (9/30/09)	1 (9/30/09)
2.2.2 Coordination mechanism reviewed, streamlined and strengthen	0	1 (2/21/06)	1 (9/30/09)	1 (9/30/09)
2.2.3 Facilities refurbished and established	0	1 (2/21/06)	5 (9/30/09)	5 (9/30/09)
<i>2.3 Food Safety Sub-Component</i>				
2.3.1 Coordinating mechanism implemented	0	1 (2/21/06)	1 (9/30/09)	1 (9/30/09)
2.3.2 Legislation developed, updated and enacted	0	0 (2/21/06)	0 (9/30/09)	0 (9/30/09)
Total cost of Component 2: US\$3,530,000 Counterpart: N/A IDB disbursement: US\$2,768,958.24 IDB Disbursement: 78 %	* (if applicable)			
Classification: S Briefly explain differences between planned and actual outputs (if applicable).	<p>➤ Improved institutional capacity was facilitated by the ASSP; this included but were not limited to:</p> <ul style="list-style-type: none"> ○ Established agreed coordination mechanisms among the MOAF, MITEC; and MOH; ○ Facilitated personnel (staff) employment, training and development; ○ Provided improved equipment and facilities (laboratory upgrades; MIS systems – hardware + software etc) <p>➤ Increased sampling and reporting frequency for disease occurrences;</p> <p>Jamaica has made significant strides in relation to the implementation of Sanitary and Phytosanitary (SPS) measures for the protection of human, animal and plant health in keeping with the WTO/SPS Agreement. The Government established a Notification/Enquiry Point to inform all signatories of newly appointed SPS measures through an internet-based system. Jamaica's SPS enquiry point is located in the Ministry of Agriculture where they prepare SPS notifications for</p>			



	transmission to the SPS notification point located in the Ministry of Foreign Affairs.		
<i>3. Component 3 Financing Selected activities in high payoff productive</i>	Planned Outputs Baseline* Annual/Intermediate EOP		Outputs Achieved EOP
3.1 Establishment of Productive Projects Fund (US\$M).	0	4.0M (2/21/06) 4.0M (9/30/09)	3,855,924 (9/30/09)
3.2 Productive Projects operating mechanism established and made operational	0	One (2/21/06) One (9/30/09)	One (9/30/09)
3.3 (30) Productive Projects approved, financed and implemented	0	24 (2/21/06) 30 (9/30/09)	24 (9/30/09)
Total cost of Component 2: US\$ 4,945,000 Counterpart: US\$ 810,000 IDB: US\$ 4,135,000 IDB Disbursement: US\$ 3,855,924.13 IDB: 78 % Classification: « S »	* (if applicable)		



Briefly explain differences between planned and actual outputs (if applicable).

Initially the fund was US\$5,153M, but with partial loan cancellation it was reduced to US\$4.135M. Twenty seven (27) high productive projects were approved by the Technical Review Committee and the Project Steering Committee. Twenty four (24) were effectively implemented, with a total value of US\$3,885.9 M. During the final evaluation of the Program, it proved to be difficult to measure the impact of these projects. Nevertheless, it can be ascertain that most of them had a spin off in the sector in general. The ASSP intervention in the pig, sheep and hot pepper industries, have had a positive impact on production in terms of quantity and quality of product available.

As per the pig industry, the table below shows that there was no importation of hams in 2007 and 2008 and no importation of bacon in 2008

Quantity of Ham and Bacon Imported (2005-2008)

Product	2005	2006	2007	2008	2009
Ham (kg.)	45,479	5,965	Nil	Nil	Nil
Bacon (kg.)	0	6,831	95	Nil	11

As per hot pepper production, the availability of adequate and consistent supplies of suitable raw material has often been cited as one the main constraints to the development of the food processing industry. Through the intervention of the ASSP production of hot peppers has increased by 114% between 2001 and 2009, which satisfies the local demand.

Estimate of Hot Pepper production (2001 – 2009)

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009
Quantity (tons)	4926	4444	5595	4610	5722	7440	6596	5338	10565

Source: Data Bank & Evaluation Division, Ministry of Agriculture & Fisheries

As per the sheep industry, the project was developed to address the unsatisfied demand for mutton (sheep meat) particularly for the high value cuts required in the hospitality industry. The increase in sheep slaughtered as shown in the table below is an indication that more animals have become available and demand for the various cuts that are produced is increasing.

Quantity and Weight of Sheep slaughtered (2004-2008)

Sheep Slaughtered 2004, 2006, 2008			
	2004	2006	2008
No. sheep slaughtered	437	498	1,877
Weight of animals slaughtered (kg.)	9,362	8,384	25,872

Source: Source: Data Bank & Evaluation Division, Ministry of Agriculture & Fisheries

Imports of mutton (sheep meat) declined from 3,795,268 kg in 2005 to 2,590,638 kg in 2009.

Interesting to note that the Bank supported the Project Implementation Unit, with a consultant that conducted an analysis of the private sector contribution to the financing of the approved projects, which was to be recognized as local counterpart as stated in the loan contract (Section 1.04). The PIU did not registered this contribution and a reconstruction effort was done analyzing six projects. It was found that for each US dollar of project costs, one US dollar was contributed by the private sector.

On the other hand, it is clear that the original amount of the fund was oversized. Even though, the amount was reduced in US\$ 1.0 M, the amount used represented 93% of the budget. Factors such as, recurrent losses due to extreme natural events and praedial larceny; the market structure, where intermediaries capture the economic benefits; and lack of access to credit, land ownership structure, could cited as constraints in not generating major interest in agriculture. All these factors are being dealt with, by the current authorities.



Restructuring. Indicate if this component was restructured (date of approval by Manager). Briefly discuss the consequences of these changes.

N/A

US\$1.0 M. was cancelled from the original amount.

Summary Implementation Progress Classification: “S”

Project Costs (See Annex 1)

Total Project Cost - Planned (US\$000)	Total Project Cost - Actual (US\$000)	% Difference
22,000,000	17,468,002.99	79%

Analysis of Critical Factors in Project Implementation

Availability of funds: One of the important assumptions as stated in the original logical framework for all the three components were “funds available as planned”. As already mentioned above, the country faced serious fiscal constraints during the period 2002-2005 which originated in restrictions to capital expenditures in programs and thus, affecting the allocation of resources to the program. Cancellations of resources were a major decision taken by the GOJ and the Bank. Due to the slow pace in program execution, a decision was taken to extend the disbursement period.

Discussion of assumptions for Component 1: Strengthening the delivery of agricultural support services: Aggregated data of the Mean Production Volume of Major Export Crops (tons) shows significant reductions. In fact, agricultural production in 2007 constituted only 73.7% of the 1996 level. The major causes are linked to several factors, beyond the scope and/or control of the project and are related, among others to: 1) weather conditions: Jamaica was affected in 2004 by Ivan and Charley, Dennis and Wilma in 2006 and Dean in 2007 with losses estimated in the order of JA\$13.47 billion in damages to the agricultural sector; 2) low investment programs to compensate trade liberalization.

At the farmers level the beneficiaries of ASSP, show increases in production and productivity as revealed in the indicators shown in Component 3, but the scale of the intervention do not influence the aggregated data at the national level. What seems clear is that expanding key projects (e.g. sheep, hogs, bee, and hot pepper) could contribute significantly in improving particular commodities and certain regions of the country. .

In Subcomponent Animal health, the assumption considered the losses that could occur if the present rates of prevalence of bovine brucellosis and bovine tuberculosis increase without the project. Also, the losses that could occur if the New World Screw Worm (NWSW) would re-enter the country without the project. The benefits in all these cases correspond to the value of the avoided losses. The fourth source of benefits examined is the higher price that could be obtained if the Queen Conch (*Strombus gigas*) could be exported to the European Union, (EU) instead of USA.

Discussion of assumptions for subcomponent Animal Health: Based on report from the World Organization for Animal Health (OIE), Jamaica is free of reportable animal diseases. No brucellosis and tuberculosis in bovine population have been reported.

Jamaica continue to have in place a rigorous NWSW control program, based on the Sterile Insect Technique (SIT) as opposed to a method based largely on chemical insecticides. No major losses



caused by this insect are reported. In regard to Queen Conch (*Strombus gigas*) the Fisheries Division report exports aggregated data of mollusk and crustaceous up to 2001.

For plant health the assumption was that the program will reduce the probability of entrance of the Pink Mealy-bug to the country. The other assumption is that the program will reduce the fumigation costs of yams exported to the USA, and it will also reduce the amount of yam export losses due to nematodes.

Discussion of assumption for Subcomponent Plant Health: An outbreak of the Pink Hibiscus Mealy bug (*macronellicoccus hirsutus*) was reported in June, 2007 but the outbreak was contained within the boundaries of Portland parish. Now the pest has mainly affected hosts located in urban residential areas. Pests' surveillance has been effective to detect and contain plant diseases and pests. As per reduction of fumigation costs of yams exported to the USA, this cannot be ascertained as no statistics are available.

In the case of food safety two sets of assumptions were analyzed. The first is related to the potential impact on tourism expenditure that the high attack rate of traveler's diarrhea (23.6%) could originate. The second refers to the outbreaks investigation costs that could be saved with the program's activities.

Discussion of assumption for Food Health: No diarrhea outbreaks that have affected tourists have been reported.

In component 3, the benefits of the productive project component were estimated assuming a 50% increase in the net incomes of 1,500 farmers and their families at the end of the implementation period of four years. No data is available to ascertain this assumption.

Legislation and policy approval: The logical framework established as an assumption that policy proposal on plant health, animal health and food safety issues were to be proposed for Cabinet approval. Also different pieces of legislation, regulations and standards requiring Parliament approval were to be approved on time. Several instruments were approved but others are still pending decision at the Minister and Cabinet level. In 2002, and in keeping with the loan terms, Cabinet approved the Cost Recovery for Services provided by different departments of MOAF; Food Safety Policy and Legislation. ASSP assisted the MOAF in the preparation of the National Food Safety Policy, which underwent an extensive consultation process island wide. As part of these efforts the Food Safety Secretariat, was established integrating four different Government Institutions. As of November, 2009 the Food Safety Policy was introduced for Cabinet consideration. This Policy recognizes that in order to effectively manage Jamaica's food safety program, there is the need to undergo a program of legislative reform as it applies to food safety matters to address the overlaps and gaps in service delivery and to ensure that adequate coordinating mechanisms are in place. Whilst, ASSP funded the preparation of umbrella legislation, the results were under discussion at the MOAF for the corresponding actions. The Food Safety Secretariat is operational, but it is widely recognized that due to the importance of Food Safety as a national policy, Jamaica needs to move forward to put in place a Food Safety Agency using a two year phase approach. These are critical issues that needs additional support in future programs.

Procurement: The program included hundreds of goods, works and consultancy items in the procurement plan that proved to be difficult to follow and to implement. During the midterm evaluation it was agreed to move to an ex-post review for those processes whose value were equal or less than US\$80,000 which hopefully would have facilitated and speed the process by eliminating the continuous Bank's review and non objection. Even though this new system was put in place, local approval requirements of procurement processes were always time consuming, which in many cases could take 12 months or more to conclude. For processes over the threshold requiring Bank's no objection proved to be a cumbersome and time consuming process. It is worth saying that the Program was executed under the old procurement policies. It is recognized though, that the PIU staff in charge of procurement had an outstanding performance in handling



procurement matters, as shown in the different ex post review reports. No major problems were encountered in the application of the procurement policies.

Borrower/Executing Agency Performance

Executing arrangements: In an overall context, the implementation arrangements were adequate during the implementation of the program. The PIU was well staffed and demonstrated good understanding of the agricultural policies, and were adaptive under a changing environment in the agricultural sector. It was critical having retained the same staff during the life of the program, as it guaranteed continuity of the actions. This situation contrast with instability of PIU staff in other LAC countries. The Program Steering Committee (PSC), also was instrumental in the decision making process having approved the investment projects in a timely manner. The external audits did not report any major problem and as per procurement process, two ex-post evaluations were carried out and in both cases no major problem were reported.

Borrower/Executing Agency

Classification: "S"

Bank Performance

The Bank performance was adequate. During project implementation only three Administration Missions were recorded, including the midterm evaluation. Originally it was recognized that due to the complexity of this program, periodical evaluation missions were estimated to ensure satisfactory completion and to verify compliance with agreed measures. Also, it is worth mentioning that in a period of 9 years, there were seven sectoral specialists in charge of the operation giving a turn out period of one specialist each 15 months which is high for Bank's standards.

Bank Performance

Classification: "S"

Sustainability (Analysis of Critical Factors)

Program Benefits: Economic benefits were estimated, based on several assumptions. For Component 1, the assumption is that priority commodities production would increase 7% per year over the four-year project period, compared with 0.7% without the Project.

Cost Recovery: Cabinet approved the Cost Recovery for Services provided by different departments of MOAF. For the period 2003-2008 a total of \$JA 247,859,073.14 was collected. The following MOAF units were charging fees for the services they provided: Research and Development Division, Plant Quarantine /Produce Inspection Unit, Rural Physical Planning Unit, Fisheries Division and the Veterinary Services Division. As per irrigation Projects, a mechanism was approved for repayment of a portion of the capital cost and guarantying that each user would cover the operation and maintenance cost. It is worth saying that the irrigation schemes financed through the program were small systems whose investment value ranges from US\$ 5,000 to US\$ 48,000 (one). There were nine (9) irrigation projects financed through the Fund.

As per cost recovery of capital investment (e.g. irrigation system- Component 3). Even though there were established cost recovery regulations, for the most part, there was a general inability to collect these costs from final beneficiaries due to several issues. The main reasons were failure to market the higher percentages of their output under the established, negotiated marketing agreements per HPPP, hence, the inability of HPPP management to withdraw cost recovery expenses from sales revenue.



Government Commitment. The recent decision to merge the ASSPFL with the Agriculture Development Corporation into a new entity called Agro Investment Corporation is a clear expression of the GOJ decision to internalize the main ASSP's results. This new entity will be strengthened by the new program (JA-L1012) to be financed by the IDB and expected to be approved in 2010.

Future Operation Plan: Actions should address the following: 1) Strengthening of the new Agro Investment Corporation; 2) continuation in the provision of technical services to the beneficiaries by RADA; 3) Consolidation of the efforts made in the animal, plant health and food safety area and having Jamaica fully compliant with national and international standards; 4) support for the implementation of a parametric weather based agricultural insurance. In regard to Monitoring and Evaluation, the MOAF has agreed to conduct an ex-post evaluation by September 30, 2012.

Potential Risks

Financing agriculture: The sustainability of the project outcomes is dependent on the GOJ's ability to continue to finance agricultural support services to private farmers and working capital. Also, it depends on the private sector being able to take services provision with its own resources. Sustainability could be negatively affected if the GOJ continues to experience fiscal difficulties thus affecting their annual subvention to agriculture. The Ministry of Agriculture and Fisheries has undergone a restructuring process, which included strengthening of RADA to provide extension services to farmers. The number of extension agents has been more than doubled. Also, the MOAF is placing much emphasis to support farmer's organization in market research and providing online market information and prices. The GOJ has requested the Bank to obtain additional financing to expand ASSP to improving productive infrastructure, and specifically consolidating the value chain of the most important commodities. The new project should build from the lessons learnt of ASSP.

The lack of land titles also still poses risks in sustaining the benefits, in terms of lack of collateral to accessing financing for agricultural investments. The LAMP program now fully financed through the GOJ, is vigorously undertaking land regularization activities island wide. However, with the present financial resources and the existing backlog (400,000 titles), a substantial number of years are needed to solve the problem.

Farmer's organization. Jamaica has a long standing culture of individualism and the risk of farmer organization disintegration is real. The authorities have come to realize that farmer organization is instrumental to receiving adequate services from the government. The MOAF is implementing a registration system that will provide the necessary services. ASSP beneficiaries are registered and are receiving the services through RADA.

Risk to natural disasters. Jamaica is in the Atlantic hurricane belt and consequently is subject to recurrent natural events that infringe losses to the agricultural sector. This was demonstrated during the implementation of the program. Currently, the Bank and the World Bank are carrying out a feasibility study to implement an Agricultural Weather Based Risk Insurance, which will enable the farmers to be compensated for these losses. A pilot project is set to begin in 2010.

Institutional Capacity

The basic operational structures for ASSP's execution, including the mechanisms for coordination, communication and decision making included:

The Executing Agency/The Project Implementation Unit (PIU)
The Project Steering Committee
The Technical Review Committee
Mechanisms for Program Execution



Generally, the ASSP's operational structures, including the mechanisms for coordination, communication and decision making, were timely created and organized in full compliance with the stipulations of the IDB Loan Proposal. The operational functionality of the organizational structures and executing mechanisms were found to be very satisfactory to excellent.

The PIU was created to coordinate the implementation of the new and transitional model for agricultural support services (from purely public and supply driven, to mostly private and demand driven). The PIU's central structure consisted of a Director and five technical units, one for each of the components, one financial/administrative unit. Four ADUs were created to function regionally from RADA and ARRD offices. These ADUs also responded to the Director, but functionally their work and results were monitored by the heads of the technical units for Components 1, 2 and 3, which included activities to be carried out by the ADOs.

In addition, as part of the decision taken to extend the program for the period 2008-2009, the Bank approved an exit plan for ASSP which included provision to sustain the results over the extended period and beyond. The actions included the incorporation of five ADOs and six Investment Officers to strengthen the new focus of the MOAF in expanding business opportunities, and providing adequate extension services. The personnel were absorbed in the MOAF budget. Finally, the Agriculture Support Service Program Fund Limited (ASSPFL), was merged with the Agricultural Development Corporation, and created the Agro Investment Corporation a Government owned company, with responsibilities of promoting investment in the agricultural sector.

Sustainability Classification SU:

Classification: "P"

Information on Results

The baseline was not available during Project execution. In 2007 the MOAF Data Bank Unit was delegated to conduct the study as recommended in the Midterm Evaluation Report. Specifically for Component 3, the results of this study have been considered of limited usefulness when the 2001 situation is reported. The drawback of the study is that no control groups were used for the collection of comparative data, nor did it use secondary data, and farmers had difficulties in reconstructing the information as it was six years before.

A second attempt was made to report basic data for Component 3, and a survey was carried out. For Component 1 and 2, there was also an evaluation and the reported outcomes are based on secondary data. As per outputs, Annex 4 provides a detail list of the outputs as requested in the Logical Framework.

Future Monitoring and Ex-Post Evaluation

The ex-post evaluation shall be prepared in accordance with the following methodology: the information to be used shall refer to the specific areas of the project. The ex-post evaluation shall be done using a methodology similar to that used in the ex-ante analysis of the project and shall include an analysis of: i) cost-benefit; ii) distributive impact; iii) other socio-cultural effects.

Lessons Learned

Project Duration and Implementation Timetable



The project duration was originally projected for only four (4) years, which was too short for a “first-time” project of such national significance, possessing diversified and complex outputs to be achieved. It is fairly typical in a project of this nature, and where the program was “totally new – starting from scratch”. It takes at least one to two years to move from start-up activities (establishing the PIU; fulfilling conditions prior to first disbursement, standardization and approval of operational protocols, reaching farmers organization, conducting feasibility studies, etc.) before progressing into full implementation phase. Furthermore, it was too optimistic to expect that issues relating to food safety issues could have been finalized within the original four year period given the global context, national policy coordination mechanisms; legal issues, and the collaboration required across at least three government ministries in each sub-component.

Project monitoring and evaluation

Project monitoring should be based on baseline data, expected outcomes and benchmarks established previous to loan approval, or at least are established in the first semester of project implementation. Additionally, there must be a training component to the staff that will be dedicated in the compilation, analysis and reporting of data. Project monitoring activities should be explicitly integrated with the project management functions; with a dedicated, functionally equipped (human resource, equipment and facilities) monitoring unit for the program.

Midterm evaluation is of limited usefulness when there is no a baseline study. Also, a well designed monitoring component should carefully analyze the need to make greater use of a records keeping system and be combined by a well designed survey scheme.

Other lessons

Establishment of target groups. The selection criteria for beneficiaries of the investment projects were rather too general and benefits were ripped by beneficiaries that were not in need of technical assistance or to grants, as they already had access to the financial market. The criteria included: association of producers, processors, exporters, processing firms, supermarket chains. In future programs, criteria to access project grants should include stricter rules, for instance, if the potential beneficiary already has established relations with the local banking community.

Competitive mechanism to assign resources. The projects financed under component 3 were promoted by its own merits or were induced. This may lead to favoritism as it has happened in other related projects elsewhere. The alternative should be the use of a competitive mechanism to assign the project funds. In this way, each project will be evaluated by its own merit where adequate counterpart financing should be part of the criteria and, also, its potential contribution to improving the agriculture sector.

Value chain approach. The project fell short in terms of addressing the problems only at the producer level and not the whole chain from producers to final consumers. The lack of clearly defined marketing strategy obliged most of producers to sell to higglers and intermediary merchants who ripped the benefits. This was a constant complain during the exit workshop. New programs should have a more integrated approach introducing the concept of food value chain.



Annexes:

1. Project Cost Table by Component and by Funding Source (Planned and Actual)

Loan 1283/OC-JA Agricultural Support Services - Cost Table

(As of December 2010)

Items	Total Project Cost-Planned			Total Project Cost - Actual			Variance - Actual as Percentage of Original Budget			
	Bank	GOJ	Total	Bank	GOJ	Total	Bank	% of Planned	GOJ	% of Planned
1. Administration & Supervision	2,680.0	252.0	2,932.0	3,212.1	0.0	3,212.1	532.10	120%	-252.00	0%
1.1 - Administration and Supervision	2,430.0	252.0	2,682.0	3,069.0	0.0	3,069.0	639.00	126%	-252.00	0%
1.2 - Project Preparation Facility (PPF)	250.0		250.0	143.1		143.1	-106.9	57%		
2. Direct Costs	11,445.0	810.0	12,255.0	11,549.5	893.0	12,442.5	104.5	101%	83.0	110%
2.1 - Support Services	3,780.0		3,780.0	4,924.7		4,924.7	1,144.7	130%		
2.2 - Health & Food Safety	3,530.0		3,530.0	2,768.9		2,768.9	-761.1	78%		
2.2.1 - Animal Health	1,374.0		1,374.0	1,075.7		1,075.7	-298.3	78%		
2.2.2 - Plant Health	1,200.0		1,200.0	1,278.4		1,278.4	78.4	107%		
2.2.3 - Food Safety	956.0		956.0	414.8		414.8	-541.2	43%		
2.3 - Productive Projects	4,135.0	810.0	4,945.0	3,855.9	893.0	4,748.9	-279.1	93%	83.0	110%
3. Concurrent Costs	0.0	5,466.0	5,466.0		6,238.7	6,238.7			772.7	114%
3.1 - Incremental Staff Hiring		3,787.2	3,787.2		2,709.2	2,709.2			-1,078.0	72%
3.2 - Maintenance of Investments		785.0	785.0		60.4	60.4			-724.6	8%
3.3 - Transportation		645.0	645.0		787.8	787.8			142.8	122%
3.4 - Services		158.0	158.0		2,521.8	2,521.8			2,363.8	1596%
3.5 - Publications		36.0	36.0		37.7	37.7			1.7	105%
3.6 - Meetings		54.8	54.8		121.8	121.8			67.0	222%
4. Contingencies	513.0	841.0	1,354.0	0.0	0.0	0.0				
4.1- Contingencies	513.0	841.0	1,354.0	0.0	0.0	0.0				
5. Financial Costs	3,162.0	231.0	3,393.0	2,763.0	280.0	3,043.0	-399.0	87%	49.0	121%
5.1 - Interest	2,942.0		2,942.0	2,697.0		2,697.0	-245.0	92%		
5.2 - Credit Fee		231.0	231.0		280.0	280.0			49.0	121%
5.3 - Credit Supervision	220.0		220.0	66.0		66.0	-154.0	30%		
Total	17,800.0	7,600.0	25,400.0	17,524.6	7,411.7	24,936.3	-275.4	98%	-188.3	98%
	70%	35%		70%	30%					

- 463.70


Note: The original loan amount was \$22 million, with local counterpart contribution of \$9.5 million. In November 2004, as part of a rescoping exercise, the Bank and the GoJ agreed to cancel \$4.2 million of loan resources, and reduce the counterpart obligation by \$1.9 million.

Source: Audited Financial Statements as at 30 September 2010, LMS-1, IDB Finance Department, and Report on Private Sector Contributions compiled by consultant Christine Chambers.

2. [Report of the Exit Workshop \(August 26, 2009\)](#)



3. Borrower Evaluation

	Inter-American Development Bank Project Completion Report – 2006 PCR Borrower Evaluation
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Project Name: AGRICULTURAL SUPPORT SERVICES PROJECT	
Executing Agency: MINISTRY OF AGRICULTURE AND FISHERIES	
Borrower: GOVERNMENT OF JAMAICA	
Date of Project Approval: November 29, 2000	Date of Contract Effectiveness: February 21, 2001
Date of Borrower Evaluation: November 24, 2009	Actual Date of Exit Workshop: August 25, 2009

Borrower Project Performance Ratings			
<u>Probability on achieving its development objective (s):</u>			
<input checked="" type="checkbox"/> Highly Probable (HP)	<input type="checkbox"/> Probable (P)	<input type="checkbox"/> Low Probability (LP)	<input type="checkbox"/> Improbable (I)
<u>Project Implementation:</u>			
<input checked="" type="checkbox"/> Highly Satisfactory (HS)	<input type="checkbox"/> Satisfactory (S)	<input type="checkbox"/> Unsatisfactory (US)	<input type="checkbox"/> Very Unsatisfactory (VU)
<u>Sustainability of Project Results:</u>			
<input type="checkbox"/> High Probable (HP)	<input checked="" type="checkbox"/> Probable (P)	<input type="checkbox"/> Low Probability (LP)	<input type="checkbox"/> Improbable (I)
<u>Comments:</u>			

Bank Performance
Please rate the Bank's overall performance during project preparation and execution. Factors to be considered include the extent to which the Bank facilitated a <u>participatory project design</u> , proposed <u>adequate technical solutions</u> to the problems identified, and <u>responded to the needs</u> of the Borrower (timeliness, selection of instrument type) as well as <u>technical assistance</u> (including informal and formal training) to Executing Agency, <u>timeliness</u> of Bank response and the Bank's <u>flexibility</u> to respond to emergency situations during project implementation. Your comments will be incorporated unedited into the PCR.
<input type="checkbox"/> Highly Satisfactory (HS) <input checked="" type="checkbox"/> Satisfactory (S) <input type="checkbox"/> Unsatisfactory (US) <input type="checkbox"/> Very Satisfactory (VU)
<u>Comments:</u>



Borrower Performance

Please rate your own overall performance during preparation and execution.

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

Comments:

Additional Suggestions for Improving Bank Performance

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

The main challenge was in relation to the almost annual change of the Bank's supervisory/responsible officer which resulted in delays during the transition period as each new incumbent went through the 'learning curve'.

4. Others (Please list)

[Comprehensive List of Program Outputs based on the Logical Framework](#)

[External Final Evaluation](#)