

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	JAMAICA/CCB - Caribbean Group
▪ TC Name:	Financing Solutions for Social Housing in Jamaica
▪ TC Number:	JA-T1185
▪ Team Leader/Members:	ANGANU, JAIWATTIE (IFD/CMF) Team Leader; PORRAS HERRERA, FANNY ELIANA (IFD/CMF); SAMUELS, ROCHELLE KAYE (CCB/CJA); MARQUEZ, CLAUDIA (IFD/CMF); MARTINEZ LOPEZ, CYNTHIA GUADALUPE (IFD/CMF); DE LA TORRE ORTIZ, SAHARA LUISA (IFD/CMF); CHONA, GILBERTO E. (CSD/HUD); FOSTER, ALISON SHELLEY (CCB/CJA)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	03 Jun 2021
▪ Beneficiary:	The Ministry of Housing, Urban Renewal, Environment and Climate Change (MHURECC)
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$150,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	30 months
▪ Types of consultants:	Individuals
▪ Prepared by Unit:	IFD/CMF - Connectivity Markets and Finance Division
▪ Unit of Disbursement Responsibility:	CCB/CJA - Country Office Jamaica
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality ; Institutional capacity and rule of law

### II. Objective and Justification

- 2.1 The TC's objective is to assist the Government of Jamaica to develop a policy framework and action plan for urban renewal and propose strategies in relation to affordable financing solutions for sustainable low-income households, treating with social housing; and to facilitate the revision of the Housing Public-Private Partnership Policy (HPPP). To achieve this objective, this Technical Cooperation will specifically review all the existing policies (including the new Squatter Policy that is being developed and the draft National Housing Policy and Implementation Plan for Jamaica) and develop a National Urban Renewal Policy and Action Plan and come up with financing solutions for low-income housing for the underserved including the use of public-private partnership and guarantee instruments.
- 2.2 In Vision 2030 Jamaica recognizes that housing is an important component of the economic and social development of the country. It is an important part of national infrastructure and pivotal to social development, national competitiveness, and economic growth. It is proposed that, by the year 2030, every Jamaican will be living in a well-constructed dwelling unit that is safe, sanitary, and affordable and in an inclusive and aesthetically pleasing community. This is also in keeping with the UN's Sustainable Development Goal (11) which calls sustainable urbanization, integrated and sustainable human settlement planning and management in all countries. The Ministry of Housing, Urban Renewal, Environment and Climate Change

(MHURECC) is responsible for forging of partnerships between state and non-state players, Ministries, Departments and Agencies (MDAs) in connection with all housing matters in Jamaica. The housing partners who continue to work closely with the Ministry in carrying out its mandate as regards to housing include the National Housing Trust, the Housing Agency of Jamaica Limited, the Jamaica Mortgage Bank and an NGO, Food for the Poor Jamaica, amongst others. The MHURECC wants to ensure that national policies exist which will ensure that all stakeholders are working towards the same objectives. A National Squatter Policy is being developed by the Ministry now which will deal with the squatters and illegal occupation of land. There is a Draft National Housing Policy of 2019 which will provide the overarching framework of the Housing sector in Jamaica when approved. However specific urban renewal policy and an action plan to deal with urbanization and low-income financing for affordable housing solutions in Jamaica remain unattended. Together these policies and intervention will support a comprehensive housing framework for Jamaica. Government has since requested the Bank to support the institutional strengthening of the MHURECC in the development of an urban renewal policy and action plan and develop affordable financing solutions which can be utilized in the Jamaican market. To achieve the objective of the project, this TC will build upon IDB's work in the housing sector and financing models for housing solutions across the region. It is also aligned with the Capital Markets and Financial Institutions Division (IFD/CMF) with the enhancing access to finance, developments of housing finance and private public partnerships. This TC will also build on our prior work in Jamaica (4115/OC-JA, 3121/CH-JA, 3122/CH-JA) to promote access to finance and productive credit for MSMEs while expanding the knowledge and expertise of using guarantee products with the local financial institutions and the Development Bank of Jamaica.

### III. Description of Activities and Outputs

- 3.1 **Component I: Component 1: Urban Renewal Policy and Action Plan** . This Component will develop an urban renewal policy for Jamaica and an accompanying action plan for implementation. The proposed activities will undertake this work via a study and survey where necessary; and also, will be done in close collaboration of the work being done by the Ministry on the Squatter Policy and the Draft National Housing Policy of 2019. This component will address the the human capital, the environmental and policy gaps as well as the cultural enterprise side of things.
- 3.2 **Component II: Component 2: Low-income housing financial solutions** . This component will strengthen Ministry's ability to provide affordable financing solutions for low-income households in keeping with Goal 11 of the UN's SDG. Also, will: (i) examine the housing solutions that prevail in Jamaica; (ii) come up with financing models to treat with low income and social housing solutions, including private public Partnership models; (iii) develop a strategy to treat with social housing; and (iv) review and make recommendations for the revision of the Housing HPPP.

### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1: Urban Renewal Policy and Action Plan	US\$70,000.00	US\$0.00	US\$70,000.00
Component 2: Low-income housing financial solutions	US\$80,000.00	US\$0.00	US\$80,000.00
<b>Total</b>	<b>US\$150,000.00</b>	<b>US\$0.00</b>	<b>US\$150,000.00</b>

### V. Executing Agency and Execution Structure

- 5.1 The TC will be executed by the IDB through its Connectivity, Markets and Finance Division (CMF/CJA).
- 5.2 The Planning Institute of Jamaica has submitted a formal request for this TC dated August 19, 2020. The Ministry of Housing, Urban Renewal, Environment and Climate Change by email dated November 30, 2020 has requested that the IDB be the Executing Agency of the Technical Assistance to efficiently complete the procurement process which can experience lengthy delays and also because of a lack of execution capacity of the Ministry, given that they have no prior experience in implementing a Bank's program. The IDB's execution should: (i) ensure that the TC and program objectives are met quicker; and (ii) enhance local institutional capacity while supporting coordination among the various stakeholders. The administrative and technical supervision of the proposed technical assistance program will be under the responsibility of CMF/CJA.

## **VI. Project Risks and Issues**

- 6.1 This TC could have some potential risks: (i) a delay in the implementation of the changes in the areas involved at the operations level; and also (ii) changes in priorities of the MHURECC and Government of Jamaica, over their programs impacting upper management's commitment with this TC.

## **VII. Environmental and Social Classification**

- 7.1 The ESG classification for this operation is "undefined".