

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**JAMAICA**

**PROGRAM SKILLS DEVELOPMENT FOR GLOBAL SERVICES IN JAMAICA**

**(JA-L1079)**

**PROJECT PROFILE**

This document was prepared by the project team consisting of: Fernando Pavon, Project Team Leader (LMK/CJA); Krista Lucenti, alternate team leader (INT/TIN); Raquel Fernández (SCL/LMK); Eugenia de Diego (SCL/LMK); Takiyah De Four (CCB/CTT); Ethel Muhlstein (SCL/LMK); Margie-Lys Jaime (LEG/SGO); Montserrat Bustelo (SCL/GDI); Rochelle Samuels (CCB/CJA); Anaitee Mills (CSD/CCS); Rene Herrera (CJA/FMP); and Naveen Jainauth-Umrao (CJA/FMP). Double booking operation: LMK & TIN.

Under the Access to Information Policy, this document is subject to Public Disclosure.

## PROJECT PROFILE

### JAMAICA

#### I. BASIC DATA

<b>Project Name:</b>	Skills Development for Global Services	
<b>Project Number:</b>	JA-L1079	
<b>Project Team:</b>	Fernando Pavón, team leader (CJA/LMK); Krista Lucenti, alt. TL (INT/TIN); Raquel Fernández (SCL/LMK); Eugenia de Diego (SCL/LMK); Takiyah De Four (CCB/CTT); Ethel Muhlstein (SCL/LMK); Margie-Lys Jaime (LEG/SGO); Monserrat Bustelo (SCL/GDI); Rochelle Samuels (CCB/CJA); Anaitee Mills (CSD/CCS); René Herrera (CJA/FMP); and Naveen Jainauth-Umrao (CJA/FMP). Double-booking operation: LMK & TIN.	
<b>Borrower:</b>	Jamaica	
<b>Executing Agency:</b>	Ministry of Economic Growth and Job Creation through <b>Jamaica Promotions Corporation (JAMPRO)</b>	
<b>Financial Plan:</b>	IDB (Ordinary Capital):	US\$15,000,000
	Total:	US\$15,000,000
<b>Safeguards:</b>	Policies triggered:	B.01; B.02; B.03; B.07; and B.17
	Classification:	C

#### II. GENERAL JUSTIFICATION AND OBJECTIVES

- 2.1 In spite of an economic stabilization since 2013, Jamaica's growth remains weak, estimated at 1.6 percent for FY2017/18.<sup>1</sup> As a small, open economy, Jamaica depends on exports, especially on tourism services. Additionally, foreign direct investment (FDI) at 6% of GDP in 2016<sup>2</sup> is below the 10% achieved in 2008.<sup>3</sup> Reflecting the weak economic performance, the unemployment rate remains at 11.3% (July 2017), still well-above the pre-2008 crisis level of 9.4%<sup>4</sup> and youth unemployment is even higher at over 30%.<sup>5</sup> Moreover, labor productivity declined 0.02% per year for 2008-2013.<sup>6</sup> Consequently, finding new sources of growth, economic diversification and employment is an imperative. In this regard, the global services sector represents an opportunity<sup>7</sup>. To support its development, this operation will contribute to increase the supply of talent that meets sector needs and promote investment attraction.

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<sup>1</sup> IMF, SBA second review, November 2017.

<sup>2</sup> Jamaica Trade Summary 2016 Data (World Bank, 2016).

<sup>3</sup> WITS database, <https://data.worldbank.org/indicator/BX.GSR.CCIS.ZS>.

<sup>4</sup> IADB Country Strategy for Jamaica (2016-2021) and STATIN (2017).

<sup>5</sup> Statistical Institute of Jamaica (2017).

<sup>6</sup> Ministry of Labour and Social Security (2015).

<sup>7</sup> [Loungani et al \(2017\)](#) find a positive correlation between annual growth in total employment and annual growth in services exports (2010-2014). They also show that services jobs tend to pay higher wages than those in manufacturing (in OECD countries, wages are 84% higher in services than in manufacturing).

- 2.2 **Global services are a fast-growing segment of exports with significant potential for Jamaica.** Global services, which includes Information Technology Enabled Services (ITeS), are services that have been transformed by information and communications technology, enabling them to be digitized, codified and fragmented, and undertaken at any distance from the core business and final customer. This includes a wide range of services: accounting and finance, business process outsourcing (BPO), legal process outsourcing, animation, gaming, architectural drafting, and health-record transcription. ITeS spending is set to grow 4% in 2017 to US\$931 billion, with an increase of 5.3% in 2018 to reach US\$980 billion.<sup>8</sup> The global market for the BPO industry alone is projected to reach US\$262.2 billion by 2022, an increase of 74.8%.<sup>9</sup>
- 2.3 **Jamaica's share of global services in total exports is growing, with positive projections for domestic employment.** In 2014, Jamaica's total service exports were US\$2.8 billion, an increase of 22% since 2005.<sup>10</sup> Of these, 3.7% were global services;<sup>11</sup> up from 0.4% in 2005.<sup>12</sup> According to JAMPRO, the BPO industry alone is estimated at US\$323 million in exports annually and is growing faster (20%) than other sectors.<sup>13</sup> Regarding job creation, employment in the industry grew from approximately 14,000 persons in 2014 to over 22,000 in 2016 (57% growth) - the highest for any economic sector within the last decade.<sup>14</sup> Employment projections are estimated at 50,000 full-time employees in the next 3-4 years in BPO,<sup>15</sup> with the industry moving towards IT-intensive applications (digital) and higher value-added services.<sup>16</sup>
- 2.4 Despite its potential to compete globally and meet current and future demand, [Jamaica's Global Services Sector \(GSS\)](#) must address two challenges:
- 2.5 **First, the country suffers from an inadequate and limited talent pool, a consequence of two factors: (i) at the systemic level, the [skills development system](#) suffers from low capacity to deliver job readiness skills; and (ii) at the sector-specific level of the GSS, there is a limited supply of relevant training programs, which results in an inadequate inventory of qualified talent for the industry.** Regarding the skills development system, as stated by employers, there is a lack of job-readiness skills<sup>17 18</sup> in the

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<sup>8</sup> UNCTAD (2017). ICT services, which include communication services exports, grew by 40% between 2010-2015.

<sup>9</sup> Heart-Trust/NTA (2017b) and Global Industry Analysts, Inc. (2017).

<sup>10</sup> [IMF Trade in Services Database](#) (2017).

<sup>11</sup> Ibid.

<sup>12</sup> Loungani et al (2017).

<sup>13</sup> JAMPRO. IT/BPO sector (unpublished).

<sup>14</sup> Heart-Trust/NTA (2017c).

<sup>15</sup> Ferrari (2017) and Heart-Trust/NTA (2017b).

<sup>16</sup> Ibid. Value-added refers to activities in Finance and Accounting, Human Resources, Health, or Legal Process Outsourcing, which are currently provided by fewer than one-fifth of companies in Jamaica.

<sup>17</sup> Heart-Trust/NTA Sector Studies - Creative Industry (2017d), Energy (2015), Tourism (2016b) & Business Process Management (BPM) (2017c), elaborated with stakeholder surveys across different sectors share common findings: Employers indicated among reasons for difficulty to fill occupational areas the lack of relevant employability skills and poor mind-set.

<sup>18</sup> These include basic literacy, numeracy and computing skills as well as soft skills like multitasking, service orientation, work ethic. According to McKinsey's 2017 report "Jobs Lost, Jobs Gained: Workforce Transitions in a Time of Automation" the skills required for future workers will demand more social and emotional skills, and more advanced cognitive capabilities such as logical reasoning and creativity.

pool of graduates from the formal education system.<sup>19</sup> In 2016, out of 34,486 students sitting the Caribbean Secondary Education Certificate (CSEC) examinations, only 25.2% attained five or more subjects including Mathematics and English, which would allow them to enter the world of work.<sup>20</sup> At the same time, Jamaica's technical and vocational education system, mainly led by HEART-Trust/NTA, Jamaica's National Training Agency, has been unable to compensate for this deficit. One of the causes has been the lack of capacity to systematically identify and respond to the job-readiness skills needs of the industries. Additionally, mechanisms to ensure the quality of training are weak. This includes poor training provider performance management,<sup>21</sup> inadequate methodologies for delivering and assessing workplace learning,<sup>22</sup> and suboptimal assessment and certification processes to monitor learning outcomes,<sup>23</sup> as underscored by sector studies commissioned by Heart-Trust/NTA.<sup>24</sup> These also emphasize the need to enhance quality assurance mechanisms to ensure the delivery of skills necessary for a dynamic, technology- and increasingly service-oriented labor market.

- 2.6 Regarding the sector-specific needs of the GSS, current training offerings will not meet existing and future skills needs, particularly for more IT-intensive and value-added services. In 2016-2017 certification in BPO programmes island-wide were 6,223, well-under the projected needs of 12,500 trained and certified persons per year.<sup>25</sup> With current levels of trained workers, the BPO industry will meet only 30% of total demand in the next 4 years.<sup>26</sup> Moreover, industry leaders recommend that at least 40% of training prepares students for higher value added jobs.<sup>27</sup> Regarding relevance of training, there is a lack of industry-specific and cognitive skills.<sup>28</sup> Given the trend towards digitization and increased investment in ITeS, firms will increasingly need employees comfortable with IT applications for services exports.

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<sup>19</sup> Global Competitiveness Index (2017-2018). Achievement and quality of higher education and training in Jamaica ranks 72 out of 137, significantly below other GSS key players in the region, like Chile (26), Costa Rica (31), Trinidad and Tobago (37), and Uruguay (53).

<sup>20</sup> Ministry of Education Statistics Unit (2016). Most surveyed companies indicated this level of education (secondary approved) as the minimum requisite for an entry-level position, Ferrari, (2017)

<sup>21</sup> Duncan (2017) and Way (2017). As illustrated by the lack of proper mechanisms to assess training institutions, such as risk assessments.

<sup>22</sup> Way (2017). Recommendations for strengthening workplace learning include enhancing on-the-job assessment and result-oriented evaluations.

<sup>23</sup> Way (2017). Assessment and certification processes are outdated and mainly manual, hindering qualification portability. There is a lack of competent assessors for emerging industries.

<sup>24</sup> Heart-Trust/NTA sector studies - (2015), (2016b), (2017c), (2017d). - share common recommendations: evaluate program offerings and adjust to respond to the training needs of the industry; increase the number of persons employed in the industry with certification; provide accreditation of training programs to comply with global standards; and ensure, through assessment, that students/trainees are equipped with certain skills.

<sup>25</sup> Heart-Trust/NTA (2017).

<sup>26</sup> Ferrari (2017).

<sup>27</sup> Heart-Trust/NTA (2017c).

<sup>28</sup> Heart-Trust/NTA, 2017b. Accent neutralization, information technology, analytical skills, knowledge of intellectual property rights and copyrights, knowledge of web design and multimedia design software, analytical and statistical skills, knowledge of software used within the Industry among others.

- 2.7 **Second, at the *investment attraction and promotion level*, efforts are focused on one segment – BPO– with less emphasis on higher value-added services and digitization.**<sup>29</sup> To adapt to sectoral trends and meet growth and employment targets, Jamaica should address: (i) limited availability of competitive space for GSS operators,<sup>30</sup> (ii) sub-optimal institutional framework;<sup>31</sup> (iii) an outdated regulatory framework and vision for digitization and development of new segments;<sup>32</sup> and (iv) a poor perception of the GSS industry, affecting attrition rates.<sup>33</sup>
- 2.8 **Objectives.** The overall objective is to foster the development of strategic economic sectors, such as GSS, through increasing the pipeline of talent and strengthening the investment ecosystem. Specifically, the objectives are: (i) improve the capacity of the skills development system to provide quality training; (ii) to improve human capital and generate quality employment opportunities in the GSS; and (iii) to increase exports and FDI in the GSS. This operation proposes the following components:
- 2.9 **Component 1. Enhancing Capacity of the Skills Development System (US\$2,250,000).** It will support the strengthening of the skills development system through improved delivery of job readiness skills and enhanced quality to boost productivity across strategic sectors.<sup>34</sup> The following will be financed: (i) review of the design and delivery of short-term general skills/job-readiness training and processes by HEART-Trust/NTA for entry-level positions, including gender-sensitive considerations;<sup>35</sup> <sup>36</sup> (ii) training trainers in targeted services sectors for job-readiness delivery<sup>37</sup>; (iii) strengthened monitoring and evaluation systems; (iv) modernization of and development of new tools for skills assessment; and (v) enhanced certification processes (ensure skills portability).
- 2.10 **Component 2. Skills Development Programs for GSS (US\$5,800,000).** It will support skills development programs to meet the immediate and future skills

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<sup>29</sup> JAMPRO's outsourcing strategy does not mention GSS digital or value-added subsectors; rather a BPO attraction program was prioritized. Regarding digitization, no strategy exists. To achieve the Government's aim to increase the share of activities that are higher up the value chain (distribution to 60% BPO to 40% KPO by 2020), it is expected to introduce new areas, such as medical transcription and coding, as well as to encourage enhanced training in existing services that are likely to be affected by more advanced IT enterprise planning and software development (Heart-Trust/NTA, 2017b).

<sup>30</sup> Interim physical space for firm establishment when entering Jamaican market.

<sup>31</sup> In 2017, JAMPRO was ranked 7<sup>th</sup> of 10 Investment Promotion Agencies in LAC according to total amount of investment and number of investments.

<sup>32</sup> Ferrari (2017). Outsourcing firms are looking for cloud-based platforms, new digital processes and Big Data analytics. Automation will threaten lower skilled jobs in GSS.

<sup>33</sup> Heart-Trust/NTA, 2017b: Poor perception of BPM jobs has affected attrition since a job in BPM is not seen as a career.

<sup>34</sup> Strengthening of the skills development system will be led by HEART-Trust/NTA and NCTVET, the body responsible for ensuring the quality of training nationally. This will benefit its network of community colleges, universities and other private/public sector training providers across Jamaica. Furthermore, it will support the current merger within the Skills Development System (2.5 and 2.6 of Annex).

<sup>35</sup> Given that boys and young men underperform in education (drop-out rates in grades 10-11 are 12.2% for males and 10.3% for females and net enrollment rates in secondary are lower for males vs. females - 74.2% vs. 81.8% Ministry of Education, 2015/2016), young males that have dropped out of school could receive a more targeted intervention of job-readiness modules.

<sup>36</sup> Update of existing job-readiness modules and teacher training to benefit the GSS and other industries.

<sup>37</sup> Instructor-training for TVET system teachers for delivery of job-readiness modules (soft, socio-emotional skills).

needs of the GSS: (i) establishment of an industry-led body<sup>38</sup> to help identify skills needs, set standards, and chart career pathways;<sup>39 40</sup> (ii) delivery of short-term certified on-the-job training;<sup>41 42</sup> (iii) longer-term apprenticeships for upskilling;<sup>43</sup> and (iv) creation of a platform<sup>44</sup> to guide prospective employees and employers<sup>45</sup>.

- 2.11 **Component 3. Global Services Sector Ecosystem (US\$5,330,000).** This component will create an enabling ecosystem for existing and future GSS firms, including: (i) a Business Process Reengineering (BPR) of the sector to map and optimize the processes governing and the institutions involved in the GSS;<sup>46</sup> (ii) strengthened Investment Promotion Agency (IPA) through a revitalized value proposition (including sub-sectors), promotion and branding campaign and an investor aftercare program;<sup>47</sup> (iii) development of value-added niches;<sup>48</sup> (iv) attendance at and hosting of international and regional investment targeting events;<sup>49</sup> (v) optimization of the regulatory and incentives framework to increase the global competitiveness of the GSS; (vi) retrofitting of an existing space to

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<sup>38</sup> The Business Process Industry Association of Jamaica (BPIAJ) could serve as a platform. The industry-led body will provide input to the training ecosystem (technical education & universities) to gain insights on sector trends, existing and emerging skills that are in demand, and design programmes to address the industry needs accordingly (climate change considerations to be supported).

<sup>39</sup> World Bank (2010). The ITeS sector has been shown to create employment opportunities for women - in the Philippines, 65% of the total professional technical workers in ITeS are women and in Ireland, 70%. In both cases, women account for a greater number of high-paying jobs than in most other sectors of the economy.

<sup>40</sup> Singapore, #3 in the Global Competitiveness Report (2017-2018), leading the Higher education and training pillar (WEF, 2017), has developed Skills Framework to provide key information on sector and employment, career pathways, occupations/job roles, as well as existing and emerging skills required for the occupations/job roles.

<sup>41</sup> Garcia & Bafundo (2014). Shorter term courses include Finishing Schools, industry-specific short-term non-formal training programs complementing fundamental skills from formal academic institutions.

<sup>42</sup> GoJ to subsidize for new employees and active requiring upskilling (5,000-7,000 est. beneficiaries/year over 4 years) as an investment incentive to promote establishment and retention of firms. Training in programming will be included.

<sup>43</sup> Quintini and Manfredi (2009). Evidence indicates that countries with skills development programs such as apprenticeships have lower rates and duration of youth unemployment. Studies show that students in Switzerland who opt into apprenticeship/vocational training over general education on average attain higher lifetime earnings. Hanushek, et al. (2011) and McKinsey (2017). In this operation, training providers include HEART-Trust/NTA, universities and colleges, particularly for non-entry level positions.

<sup>44</sup> The platform aims to help individuals make well-informed choices in education, training and careers.

<sup>45</sup> Serving as a tool to guide specific groups such as encourage young males to better understand the sector and its employment prospects and career progression. For employers, to promote to post vacancies to promote the recruitment of women in upper level positions to tackle gender imbalances.

<sup>46</sup> Business Process Reengineering (BPR) is defined as a "fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical measures of performance such as cost, quality, service and speed" (Michael Hammer, Harvard Business Review, 1990). In this case, it would involve an analysis and redesign/optimization of workflow within and between the public and private sector agencies (e.g. HEART-Trust/NTA, JAMPRO, Port Authority of Jamaica and the BPIAJ) involved in the Global Services sector. Each individual agency would implement recommendations.

<sup>47</sup> The average return of LAC export and investment promotion agencies is US\$70 per dollar invested (Lederman, Olarreaga & Paton, 2006). Companies benefitting from these programs have a positive and sustainable impact through the diversification of their exports and new market access (Volpe, 2010).

<sup>48</sup> Strategy should include FDI attraction, diversification of current foreign operations, and development of local MSME service exporters. Ferrari (2017).

<sup>49</sup> In Costa Rica, events such as O2LAC attracted over 950 participants, hosted 3,200 1-on-1 business meetings and generated more than \$82 million in closed and expected business deals.

create an incubator to attract GSS firms to Jamaica<sup>50</sup>; and (vii) an awareness campaign to increase attractiveness of the sector.

- 2.12 **Others.** Budget for the Project Execution Unit (PEU), Audits/contingencies are US\$1.5 million and US\$120,000 respectively for US\$15 million investment loan with an execution period of 5 years.
- 2.13 **Expected Results:** (i) Enhanced skill development system through optimized quality assurance; (ii) increased number of qualified workers to meet current and future needs of the GSS; and (iii) increase in FDI and number of firms in the GSS, expansion of existing firms' activities into higher value-added services, and increased exports in the GSS.
- 2.14 **Beneficiaries:** (i) high school graduate job seekers 17 years or older and school leavers at least 20 years or older;<sup>51</sup> (ii) active employees within the GSS; (iii) micro, small and medium enterprises (MSMEs) and GSS outsourcing firms; and (iv) government institutions and private sector associations.
- 2.15 **Strategic Alignment.** This operation is aligned with the priorities of the GoJ in its medium-term socio-economic policy framework 2015-2018: (i) the development of human capital; and (ii) economic stability, growth and employment (Vision 2030 National Development Plan) and with the National Policy on Work on its focus on the development of individuals in labor and growth areas, such as BPO. Lastly, it is aligned with the National Export Strategy 2015-2019 – to grow the ITeS sector by 15% per annum with focus on the higher value-added areas and to add 18,000 new jobs by 2019.
- 2.16 The program aligns with: (i) IDB Institutional Strategy 2010-2020 (AB-3008), productivity and innovation and economic integration; (ii) IDBG Country Strategy with Jamaica (2016-2021) (GN-2868) - increase private sector productivity and growth and reinforce human capital protection and development; (iii) the "Strategy on Social Policy for Equity and Productivity" (GN-2588-4) and "Support to Competitive Global and Regional Integration" (GN-2565-4); and (iv) the Labor Sector Framework Document (GN-2741-7) and the Integration and Trade Sector Document (GN-2715-6).

### III. TECHNICAL ISSUES AND SECTOR KNOWLEDGE

- 3.1 The Executing Agency (EA) will be the Ministry of Economic Growth and Job Creation through a PEU within JAMPRO that will coordinate with HEART-Trust/NTA and the BPIAJ.
- 3.2 A Technical Cooperation (*Implementation Support for Skills Development for Global Services*, JA-T1151) for US\$300,000 is being prepared to support the design and early implementation of critical activities oriented to supporting the

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<sup>50</sup> A space will be identified in existing training or government buildings. Likely to be facilities on Port Authority of Jamaica managed properties.

<sup>51</sup> This age range is intended to target individuals who have already completed upper secondary school (average of 17 years of age) or school leavers above 20 years of age so as to not discourage secondary school completion.

skills development programme for GSS in Jamaica. Its main objective is to strengthen the institutional capacity of JAMPRO for the preparation and implementation of skills development programme for GSS.

- 3.3 Potential risks include: (i) delayed training delivery due to increased demand and capacity constraints; (ii) coordination challenges among government entities; (iii) insufficient data for monitoring and evaluation; and (iv) lack of experience of the EA with Bank procedures.
- 3.4 **Sector Knowledge.** The IDB has been supporting the GoJ through operations Citizen Security and Justice Programme (3191/OC-JA), Support to Jamaica Social Protection Strategy (3565/OC-JA) both promoting employability and human capital accumulation, New Employment Opportunities for Youth, NEO-Jamaica (MIF-ATN/ME-15283-JA) and Support for the Strengthening of Active Labor Market Policies in Jamaica (ATN/OC-15819-JA).<sup>52</sup> The financing of the Tholons IT-BPM GSS Sector Analysis (2014, update 2017) and dissemination.<sup>53</sup>

#### IV. ENVIRONMENTAL SAFEGUARDS AND FIDUCIARY SCREENING

- 4.1 This operation is a Category "C" (Environment and Safeguards Policy OP-703) because infrastructure works to be financed are restricted to the retrofitting of existing spaces, hence environmental and social impacts are expected to be none or minimal. See Annex III.

#### V. OTHER ISSUES

- 5.1 **Retroactive financing.** The Bank may retroactively finance up to US\$3 million (20% of loan) incurred by the Borrower on or after the approval date of this project profile and prior to the approval of the Loan Proposal by the Board of Executive Directors, if it satisfies requirements set out in the loan agreement. No expenditures incurred more than 18 months prior to the loan approval date are to be recognized.

#### VI. RESOURCES AND TIMETABLE

- 6.1 The Proposal for Operation Development (POD) distribution to QRR is expected on June 22, 2018. Approval by the Board expected on September 26, 2018. Resources for project preparation are estimated to be US\$129,875. Staff time for project preparation will be 1.75 FTEs.

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<sup>52</sup> Financed Finishing Schools design proposal, study tour (Uruguay), and assessment of HEART-Trust/NTA's current apprenticeship offer and quality assurance processes.

<sup>53</sup> [Works Cited](#).



CONFIDENTIAL

<sup>1</sup> The information contained in this Annex is confidential and will not be disclosed. This is in accordance with the "Deliberative Information" exception referred to in paragraph 4.1 (g) of the Access to Information Policy (GN-1831-28) at the Inter-American Development Bank.



## Safeguard Policy Filter Report

### Operation Information

Operation		
JA-L1079 Skills Development for Global Services in Jamaica		
Environmental and Social Impact Category	High Risk Rating	
C	{Not Set}	
Country	Executing Agency	
JAMAICA	JA-MEGJC - Ministry of Economic Growth and Job Creation)	
Organizational Unit	IDB Sector/Subsector	
Sovereign Guaranteed Ops	VOCATIONAL AND WORKFORCE TRAINING	
Team Leader	ESG Primary Team Member	
FERNANDO YITZACK PAVON	{Not Set}	
Type of Operation	Original IDB Amount	% Disbursed
Loan Operation	\$15,000,000	0.000 %
Assessment Date	Author	
2 Jan 2018	ethelm Project Assistant	
Operation Cycle Stage	Completion Date	
ERM (Estimated)	17 Jan 2018	
QRR (Estimated)	29 Mar 2018	
Board Approval (Estimated)	{Not Set}	
Safeguard Performance Rating		
{Not Set}		
Rationale		
{Not Set}		



## Safeguard Policy Filter Report

### Potential Safeguard Policy Items

[No potential issues identified]

### Safeguard Policy Items Identified

#### B.1 Bank Policies (Access to Information Policy– OP-102)

The Bank will make the relevant project documents available to the public.

#### B.2 Country Laws and Regulations

The operation is expected to be in compliance with laws and regulations of the country regarding specific women's rights, the environment, gender and indigenous peoples (including national obligations established under ratified multilateral environmental agreements).

#### B.3 Screening and Classification

The operation (including [associated facilities](#)) is screened and classified according to its potential environmental impacts.

#### B.7 Supervision and Compliance

The Bank is expected to monitor the executing agency/borrower's compliance with all safeguard requirements stipulated in the loan agreement and project operating or credit regulations.

#### B.17. Procurement

Suitable safeguard provisions for the procurement of goods and services in Bank financed operations may be incorporated into project-specific loan agreements, operating regulations and bidding documents, as appropriate, to ensure environmentally responsible procurement.

### Recommended Actions

Operation has triggered 1 or more Policy Directives; please refer to appropriate Directive(s). Complete Project Classification Tool. Submit Safeguard Policy Filter Report, PP (or equivalent) and Safeguard Screening Form to ESR.

### Additional Comments

[No additional comments]



## Safeguard Screening Form

### Operation Information

Operation		
<b>JA-L1079</b> Skills Development for Global Services in Jamaica		
Environmental and Social Impact Category	High Risk Rating	
C	{Not Set}	
Country	Executing Agency	
JAMAICA	JA-MEGJC - Ministry of Economic Growth and Job Creation)	
Organizational Unit	IDB Sector/Subsector	
Sovereign Guaranteed Ops	VOCATIONAL AND WORKFORCE TRAINING	
Team Leader	ESG Primary Team Member	
FERNANDO YITZACK PAVON	{Not Set}	
Type of Operation	Original IDB Amount	% Disbursed
Loan Operation	\$15,000,000	0.000 %
Assessment Date	Author	
2 Jan 2018	ethelm Project Assistant	
Operation Cycle Stage	Completion Date	
ERM (Estimated)	17 Jan 2018	
QRR (Estimated)	29 Mar 2018	
Board Approval (Estimated)	{Not Set}	
Safeguard Performance Rating		
{Not Set}		
Rationale		
{Not Set}		

### Operation Classification Summary

Overriden Rating	Overriden Justification
{Not Set}	{Not Set}
Comments	
{Not Set}	



## Safeguard Screening Form

### Conditions / Recommendations

No environmental assessment studies or consultations are required for Category "C" operations.

Some Category "C" operations may require specific safeguard or monitoring requirements (Policy Directive B.3). Where relevant, these operations will establish safeguard, or monitoring requirements to address environmental and other risks (social, disaster, cultural, health and safety etc.)

The Project Team must send the PP (or equivalent) containing the Environmental and Social Strategy (the requirements for an ESS are described in the Environment Policy Guideline: Directive B.3) as well as the Safeguard Policy Filter and Safeguard Screening Form Reports.

### Summary of Impacts / Risks and Potential Solutions

### Disaster Risk Summary

Disaster Risk Level

**C**

Disaster / Recommendations

{Not Set}

### Disaster Summary

Details

{Not Set}

Actions

Operation has triggered 1 or more Policy Directives; please refer to appropriate Directive(s). Complete Project Classification Tool. Submit Safeguard Policy Filter Report, PP (or equivalent) and Safeguard Screening Form to ESR.

## **SOCIAL AND ENVIRONMENTAL STRATEGY**

### **A. Environmental impact**

The program includes the retrofitting of existing infrastructure to build an incubator near Kingston. The objective is to attract and facilitate micro-multinationals investment in Jamaica and create a facilitative startup framework. It is not estimated that this activity will produce negative environmental impacts of any kind. According to the directives of the Environmental and Safeguards Compliance Policy (GN-2208-20 and OP-703), this operation is classified as Category C.

### **B. Social impact**

This operation is estimated to have favorable effects on employability and productivity. Specifically, this program is geared towards improving the skills of the workforce and the skills development ecosystem, and it will encourage labor insertion. This will be done through the provision of training and employment services, private sector engagement in workforce development, and the enhancement of the quality assurance mechanisms of the skills development system.

### Index for Completed and Proposed Sector Work

Theme	Description	Date	Reference
	1. Five-Year National Strategy for the Development of Jamaica's Outsourcing Industry	2015	<a href="http://jis.gov.jm/media/2015-Ministry-Paper-38-outsourcing.pdf">http://jis.gov.jm/media/2015-Ministry-Paper-38-outsourcing.pdf</a>
	2. 5 in 4. Economic Growth Council. Call to Action.	2016	<a href="http://mfaft.gov.jm/wp/wp-content/uploads/2017/01/EGC-Initiatives.pdf">http://mfaft.gov.jm/wp/wp-content/uploads/2017/01/EGC-Initiatives.pdf</a>
	3. Engine of Growth?: The Caribbean Private Sector Needs More Than an Oil Change	2016	<a href="https://publications.iadb.org/handle/11319/7997?locale-attribute=es&amp;">https://publications.iadb.org/handle/11319/7997?locale-attribute=es&amp;</a>
	4. Achieving the Growth Target of 200,000 New Jobs in the Jamaican BPO Sector in Three Years	2017	N/A
Labour	5. The Sector Framework Document (SFD) for Labour (GN- 2741-7).	2016	<a href="http://www.iadb.org/document.cfm?id=40727242">http://www.iadb.org/document.cfm?id=40727242</a>
	6. González-Velosa, Ripani, Rosas-Shady. How can Job Opportunities for Young People in Latin America be improved? IDB, WAPES, OECD.	2012	<a href="#">Technical Note IDB TN-345</a>
	7. Alaimo et al. Jobs for Growth. IDB.	2015	<a href="#">Jobs for Growth</a>
	8. González-Velosa and Rucci. Methods to anticipate skills demands. IDB.	2016	<a href="#">Technical Note IDB-TN-954</a>
	9. Labour Market Trends and Prospects for Employment Opportunities in Jamaica. Ministry of Labour and Social Security.	2015	<a href="http://www.lmis.gov.jm/common/ViewDocument/7d997c21-1ebb-41e6-966e-bd08117f4d4b">http://www.lmis.gov.jm/common/ViewDocument/7d997c21-1ebb-41e6-966e-bd08117f4d4b</a>
	10. National Labour Market Survey 2017: A Guide to Employment Opportunities in Jamaica.	2017	<a href="http://www.lmis.gov.jm/common/ViewDocument/518e8201-c536-4daf-b54e-213e37586fb3">http://www.lmis.gov.jm/common/ViewDocument/518e8201-c536-4daf-b54e-213e37586fb3</a>
	11. Fazio, M.V; Fernández, R.; and Ripani, L. Apprenticeships for the XXI Century: A Model for Latin America and the Caribbean?	2016	<a href="https://publications.iadb.org/handle/11319/7855">https://publications.iadb.org/handle/11319/7855</a>
	12. 2015-2016 Heart Trust/NTA Annual Training Report	2016	N/A
	13. Proposed sector work: in-depth assessment of Heart-Trust/NTA's processes contemplating their current merger to have more detailed information about the following processes: curricula development, training assessments, certification, supervision and monitoring. The assessment should contemplate current standards (number steps in the process and duration).	2018	2Q 2017
	14. David Way. Strengthening Jamaica's Apprenticeship Program: apprenticeships 2.0 Proposal Document. Washington DC.	2017	N/A

Theme	Description	Date	Reference
Productivity	15. Human Factors Affecting Productivity in Jamaica: Technical Report on Preliminary Findings.	2016	<a href="https://www.researchgate.net/publication/299604127_Human_Factors_Affecting_Productivity_in_Jamaica_Technical_Report_on_Preliminary_Findings">https://www.researchgate.net/publication/299604127_Human_Factors_Affecting_Productivity_in_Jamaica_Technical_Report_on_Preliminary_Findings</a>
	16. Duncan, A. Productivity and Progression – Options for Enhanced Employer Engagement in Skills and Apprenticeships in Jamaica.	2017	N/A
Private Sector	17. Caribbean Region Quarterly Bulletin. Private Sector Development in the Caribbean. 2017.	2017	<a href="https://publications.iadb.org/handle/11319/8210">https://publications.iadb.org/handle/11319/8210</a>
	18. Ruprah, I. and Sierra, R. Engine of Growth? The Caribbean Private Sector Needs More than an Oil Change.	2016	<a href="https://publications.iadb.org/handle/11319/7997?locale-attribute=es&amp;">https://publications.iadb.org/handle/11319/7997?locale-attribute=es&amp;</a>
Country Strategies	19. The IDB Country Strategy with Jamaica 2016-2021 (GN-2868)	2016	<a href="http://www.iadb.org/document.cfm?id=40713849">http://www.iadb.org/document.cfm?id=40713849</a>
	20. Country Program Evaluation Document 2017	2016	<a href="#">Jamaica Program Evaluation Document 2017</a>
	21. Vision 2030 Jamaica. National Development Plan.	2009	<a href="http://www.vision2030.gov.jm/National-Development-Plan">http://www.vision2030.gov.jm/National-Development-Plan</a>
	22. Medium Term Socio-Economic Policy Framework 2015-2018. Achieving Inclusive Growth and Sustainable Development.	2015	<a href="http://www.nationalplanningcycles.org/sites/default/files/planning_cycle_repository/jamaica/mtf_2015_-_2018_-_final_draft_-_december_31_2015_-_rev_2.pdf">http://www.nationalplanningcycles.org/sites/default/files/planning_cycle_repository/jamaica/mtf_2015_-_2018_-_final_draft_-_december_31_2015_-_rev_2.pdf</a>
	23. Concept Paper National Policy on Work Jamaica	2017	N/A
Bank Strategies	24. Report on the Ninth General Increase in the Resources of the Inter-American Development Bank	2010	<a href="#">GCI-9</a>
	25. Update to the Institutional Strategy 2010-2020, Partnering with Latin America and the Caribbean to Improve Lives	2015	<a href="#">Update Institutional Strategy</a>
	26. Strategy on Social Policy for Equity and Productivity (GN-2588-4)	2011	<a href="http://www.iadb.org/document.cfm?id=35802223">http://www.iadb.org/document.cfm?id=35802223</a>
	27. Sector Strategy to Support Competitive Global and Regional Integration (GN-2565-4)	2011	<a href="http://www.iadb.org/document.cfm?id=35824823">http://www.iadb.org/document.cfm?id=35824823</a>
Trade and Integration	28. Odyssey in International Markets: An Assessment of the Effectiveness of Export Promotion in Latin America and the Caribbean	2010	<a href="http://www.iadb.org/en/research-and-data/odyssey-in-international-markets-an-assessment-of-the-effectiveness-of-export-promotion-in-latin-america-and-the-caribbean,3023.html">http://www.iadb.org/en/research-and-data/odyssey-in-international-markets-an-assessment-of-the-effectiveness-of-export-promotion-in-latin-america-and-the-caribbean,3023.html</a>
	29. Jamaica IT-BPM Sector Analysis- Tholons	2016	N/A
	30. Jamaica: IT - BPO and Digital	2015	<a href="http://www.jamaicatradeandinvest.org/sites/default/files/sites/default/files/presentations/Tholons%20-%20Jamaica%20Strategy_2017.pdf">http://www.jamaicatradeandinvest.org/sites/default/files/sites/default/files/presentations/Tholons%20-%20Jamaica%20Strategy_2017.pdf</a>
	31. The Integration and Trade Sector Document (GN-2715-2)		<a href="http://www.iadb.org/document.cfm?id=40394209">http://www.iadb.org/document.cfm?id=40394209</a>
Other	32. Business Process Management Sector Study Heart Trust/NTA	2017	N/A



Theme	Description	Date	Reference
	33. Understanding the Impacts of FDI Promotion: Policies and Micro Channels, IDB INT/INT (ESW RG-E1484)	2016	N/A
	34. Impact Evaluation of ConnectAmericas as an Export Promotion Tool (ESW RG-K1460)		N/A
	35. Ferrari & Couto. Support for the Design of Finishing Schools for Global Services in Jamaica.	2017	N/A
	36. Proposed Study: gender Analysis for Industry	2018	N/A

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<sup>1</sup> The information contained in this Annex is confidential and will not be disclosed. This is in accordance with the "Deliberative Information" exception referred to in paragraph 4.1 (g) of the Access to Information Policy (GN-1831-28) at the Inter-American Development Bank.