Report Number : ICRR0021144

1. Project Data

Project ID P105122	**Project Name** JM Rural Economic Development Initiative	
Country Jamaica	**Practice Area(Lead)** Agriculture	
L/C/TF Number(s) IBRD-77690	**Closing Date (Original)** 31-Jul-2016	**Total Project Cost (USD)** 17,500,000.00
Bank Approval Date 03-Sep-2009	**Closing Date (Actual)** 31-Jul-2017	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	15,000,000.00	0.00
Revised Commitment	14,732,354.81	0.00
Actual	14,732,354.81	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
Francesco Cuomo	J. W. van Holst Pellekaan	Christopher David Nelson	IEGSD (Unit 4)

2. Project Objectives and Components

a. Objectives

The project development objective (PDO) for the Rural Economic Development Initiative (REDI) in Jamaica was "to improve market access for micro and small-scale rural agricultural producers and tourism product and service providers", as stated in the Loan Agreement (page 6).

b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Will a split evaluation be undertaken?

No

d. Components

Component 1: Rural Subprojects in Agriculture and Rural Tourism (appraisal cost: US$14.18 million, actual cost: US$13.61 million). The component financed two types of subprojects, namely to support revenue generating activities in agriculture and tourism (Type A), and to provide critical infrastructure, marketing and management support services in the agriculture and tourism sectors (Type B).
Component 2: National Technical Assistance and Capacity Building (appraisal cost: US$1.25 million, actual cost: US$0.69 million). The PAD anticipated that there would be 12 capacity building interventions designed to improve the capabilities of key national institutions responsible for assisting rural enterprises. The reason for the 45% reduction in cost (US$560,000) was not explained in the ICR, although US$400,000 were reallocated from this component to project management (component 3) in 2015.
Component 3: Project Management (appraisal cost: US$2.03 million, actual cost: US$2.26 million). The reasons for the increased cost were not explained in the ICR. The objective of this component was to finance project management, technical expertise, annual audits and other project operating costs. The reasons for the increase was unclear.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project cost: At appraisal the project was estimated to cost US$17.5 million, while at project close the actual total cost was US$16.6 million. The reason for this 5% decrease was not explained in the ICR.
Financing: At appraisal, the World Bank was expected to finance US$15 million of the total estimated project cost of US$17.5 million (86%). At project close, after a small restructuring, the World Bank had financed US$14.7 million (89% of actual total project cost) and beneficiaries financed US$0.96 million (6% of total project cost), which was 48% of the appraisal estimate of US$2 million.
Borrower Contribution: The Government of Jamaica was expected to finance US$0.5 million (3% of total project cost at appraisal). At project close, the Government of Jamaica financed US$0.9 million (5% of total project cost at the project's close).
Dates: The project was approved on September 3, 2009, and was expected to close on July 31, 2016. The actual closing date was July 31, 2017. The project was restructured twice, in 2015 and 2016. Changes concerned PDO indicators, reallocation of funds and an extension of project closing date as requested by the Government of Jamaica to "complete its investments into agriculture and tourism sub-projects, and a reallocation of proceeds to ensure proper resources for project management during the additional period." (Project Paper, Summary of Changes)
Restructuring: Two level 2 restructurings were approved in September 2015 and July 2016. The first restructuring reallocated US$400,000 from component 2 to component 3 to strengthen the Project Implementing Unit (PIU) in the implementation agency, including the hiring of a Community Tourism Specialist, a Monitoring & Evaluation Specialist, an international consultant to assist with the preparation of Business Plans, and a Site Supervisor. This restructuring also revised PDO outcome indicators 2 and

3 to better capture sustainability in time (PDO indicator 2) and access to markets (PDO indicator 3). The second restructuring extended the project's life by one year, from July 2016 to July 2017, as per Government request and involved a reallocation of funds (US$350,000) from component 1 to component 3 to ensure appropriate staffing in the PIU (Restructuring Paper 2015, pages 5-7, Restructuring Paper 2016, pages 5-6). The revision of indicators in the first restructuring resulted in no material change in the level of ambition expected. Therefore the project's restructuring did not trigger a split rating.

3. Relevance of Objectives

Rationale

Relevance of objective at approval. The project objective was highly relevant to the country strategy at approval. Accelerating inclusive economic growth and improving human development and opportunity were two of the three pillars of the 2005 World Bank country assistance strategy (CAS). Specifically, the CAS identified "improving rural roads and irrigation infrastructure, storage, brokering commercial partnerships between merchants, hotel chains or agro-processors and farmer associations, contract farming and other contractual relationships that add rural value and increase competitiveness" as key elements of the Government rural strategy, and points out how at the time linkages in the tourism sector and rural areas were not fully exploited (CAS 2005, para 88). At the same time, the Government's medium-term policy framework also referred to agriculture and tourism as two key sectors that would contribute to environmental sustainability, and identified inappropriate agricultural practices as generators of "negative impacts including deforestation, soil erosion, pollution, and dwindling marine resources", while inappropriate management of solid and liquid waste was identified as the cause of environmental degradation and a challenge to the development of the tourism sector, due to flooding and pollution of beaches (CAS 2005, para 64).

Relevance of objective at project end. The project was highly relevant to the National Development Plan (Vision 2030), in which the government outlines its plan for agricultural transformation to invest in rural communities, create strong linkages with other sectors and emphatically repositions the sector in the national economy to focus on production of high value commodities "through a sustained, research oriented, technological, market driven and private sector-led revolution" and its tourism priorities to "achieve greater inclusiveness to counter the development of tourism as an enclave industry and to widen the share of benefits derived from the industry by local residents and communities" (Vision 2030, pages 204, 230). While a new World Bank Country Partnership Strategy for the FY18-FY21 period is not available yet, the project objective remained highly relevant to the last CPS for FY14-FY17. Sustainable and inclusive growth were the two main overarching goals of the CPS. Specifically, the project objective was highly relevant to achieve "Enhanced technological adoption, improved skills mix, and fostered investments in high potential sectors" under pillar 2 Enabling Environment for Private Sector Growth (CPS FY14-FY17, para 44). Weak business environment, limited technological innovation and inadequate skills supply impede competitiveness and business expansion were identified in the last CPS (FY14-FY17) as major challenges, and the WBG strategy focused on improving the enabling environment, with particular attention to "industry level interventions aimed at removing gaps in the value chain" (CPS FY14-17, para 53). Analytical work conducted by the Bank identified tourism, agribusiness and logistics (amongst others) as potential sources of increased competitiveness, jobs, and growth in Jamaica (CPS FY14-17, para 53). **Conclusion**: Relevance of objectives is rated high given that the development objective was clearly highly relevant to the Bank and national development strategies at project approval and when it closed, addressing market access in two high potential sectors identified as key sources of economic growth and competitiveness.

Rating

High

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

To improve market access for micro and small-scale rural agricultural producers

Rationale

Constraints to the analysis of efficacy of this objective

- While the ICR provided information on some project achievements, much more information was provided in the "Rural Economic Development Initiative Final Evaluation Report" (independent report prepared by an external consultant firm) which pre-dated the ICR but was only explicitly referred to in Annex 6 of the ICR.
- This objective refers to market access for micro and small-scale rural agricultural producers, which were not the units of account used to measure the project results. The units of account for measuring results were rural enterprises, whose members were micro and small-scale rural agricultural producers.
- This Review therefore cannot assess or validate the achievement of this objective on the basis of information in the ICR.

Outputs

- 63 rural agricultural enterprises were established and corresponded to 4,617 micro and small-scale rural agricultural producers (ICR, Annex 4, Table 1).
- The project financed investments to improve the supply chain (including greenhouses, drip irrigation etc.) to help rural enterprises produce potentially marketable products.
    - 56 agriculture infrastructure subprojects were financed, which directly benefitted 4,617 farmers (members of the rural enterprises). Specifically, the project assisted 40 enterprises to finance the construction of farming/production infrastructure, and 16 agro-processing centers. The production infrastructure subprojects included 20 greenhouses, 9 drip-irrigation subprojects, 4 ginger shade

houses and 4 subprojects which focused on capacity building/provision of equipment (REDI Final Evaluation Report , page 24).

- 58 enterprises were upgraded to satisfactory environmental standards and industry operations (145% of revised target, 116% of original target) (ICR, Intermediate Results Indicator 1.6). Compliance with environmental standards was a key issue for local produce to replace imports and accessing new markets, such as hotels and supermarkets (ICR. para 47).

- The project also financed 11 technical assistance programs (including trainings) in agriculture and 7 in agriculture and tourism. The trainings within the technical assistance were conducted by consulting companies (REDI Final Evaluation Report, page 38).
  - Eight of the 11 agriculture sector TA sub-projects supported additional infrastructure or capacity building to various sector areas, such as enhancing food safety in ginger shade house sub-projects, capacity building of Jamaica Exporters Association to facilitate marketing for farmers, capacity building and equipping of the Ministry of Industry, Commerce, Agriculture and Fisheries (MICAF) specifically on enhancing the fish cold chain supply and food safety, infrastructure to facilitate National Food Safety Compliance for the export market (pilot project), equipping National Irrigation Council, upgrading of pig rearing sub-projects with bio-digesters, and equipment for seven Rural Agricultural Development Authority (RADA) agro-processing facilities (REDI Final Evaluation Report, page 37).
  - Four sub-projects supported organizational strengthening and enterprise development, such as business development plans, mentoring and the preparation of monitoring reports.
- The project also provided capacity building to several national organizations, including industry associations and the Rural Agricultural Development Authority, to provide ongoing technical assistance to rural enterprises after subproject completion and, thus, continue supporting linkages between rural enterprises with local tourism industry operators (i.e. hotels)
  - Food safety and good agricultural practices trainings were provided to 160 staff of the Ministry of Industry, Commerce, Agriculture and Fisheries and the Ministry of Finance as well as to 200 exporters and agro-processors in order to ensure access to the international markets following the US Food and Drug Administration 2012 Food Safety Modernization Act (REDI Final Evaluation Report, page 44).
  - The trainings financed by the project led to the Rural Agricultural Development Authority (RADA) extension officers reaching 98 extension areas around the country and about 5,000 farmers by 2015 (REDI Final Evaluation Report, page 44).
  - A survey was performed to understand the impact of capacity building activities and disseminated to 35 key stakeholders in these organizations, and results show that respondents were satisfied with the quality and topic of the assistance provided (REDI Final Evaluation Report, page 57-58).

Outcomes

- As discussed, the achievement of the focal elements of the PDO cannot be assessed directly because there was no information in the ICR on the distribution of the benefits to individual micro and small-scale rural agricultural producers arising from the improved market access of enterprises. According to the Bank's project team, the matter of distribution of profits is essentially internal to the rural enterprises. If profits were not distributed (as a “dividend”) it remained in the enterprise as an asset. The project team reported that individual farmers contributed 30% of their income to help sustain enterprise operations, which implies a redistribution of 70 percent of the partnership profit margin to members (micro and small-scale rural agricultural producers).

- Results from a beneficiary survey conducted through site visits during the preparation of the REDI Final Evaluation Report showed overwhelming perception that the project was beneficial to the respondents and their household (91%, n=68), as well as relevant to the community (93%, n=68) (REDI Final Evaluation Report, Annex 8, page 15-16). The survey was administered to 70 individuals in 26 site visits. 84% of respondents (59) were part of agricultural rural enterprises and 16% (11) in tourism producer groups.
- The following questions were asked in the beneficiary survey: (a) opinion on the REDI application process; (b) satisfaction with the time taken to approve your application (request for funding); (c) satisfaction with the time taken to disburse the funds approved to your sub-project; (d) views on the REDI programme reporting process; (e) satisfaction working with REDI programme staff; (f) benefits to you/your family; (g) relevance of the project to the community; (h) overall, satisfaction with the REDI programme/sub-project.
- The achieved levels of increased revenue and production were generated by the project financed investments and technical assistance, which supported the production of new products and linkages to new markets (REDI Independent End-of-Project Evaluation Report, page 26-27; ICR, PDO Indicator 3).
  - The three major purveyors - the Glastonbury Purveyor Co, Al Golaub and Sons (the largest purveyor in the country), and Everything Fresh Ltd. - purchase REDI produce that in turn is sold to large hotels/resorts through bi-monthly or tri-monthly auctions. Investments in infrastructure and assistance in linking with new markets was instrumental to achieve this results. (REDI Final Evaluation Report, page 38)
  - Improved production technologies (e.g. greenhouses and drip irrigation) resulted in increased crop diversification, which facilitated linking rural enterprises to the demands of new buyers (i.e. Jamaican ginger) (REDI End-of-Project Evaluation Report, 29).
  - In addition, while a full evaluation of trainings wasn't performed, a survey of participants in the training activities found that participants believed participation in the training resulted in changes in practices (89%), improved provision of business services (86%) and reach to clients (73%). Response rate was 50% (17 out of 35), and although the responses were from eight organizations, more than 50% of the responses were from RADA and Scientific Research Council(REDI Final Evaluation Report, page 57-58).

Conclusion: The evidence regarding outcomes is focused on rural enterprises as unit of account but the distributional benefits from increased market access to micro and small-scale rural agricultural producers were not tracked. There is, however, considerable evidence that the project contributed to improved market access for rural enterprises and that the benefits arising from improved market access of rural enterprises were distributed to some extent to individual micro and small-scale rural agricultural producers, namely members of rural enterprises.

Rating
Substantial

Objective 2

Objective

To improve market access for tourism product and service providers in Jamaica

Rationale

Outputs

- There were eleven subprojects which were selected for implementation, of two types: nature tourism and culture/arts and crafts.
  - 11 subprojects were initially selected and designed to finance the construction of public bathrooms, collection and out of view disposal of solid waste, construction of simple craft markets, equipment for satellite based internet access, trail development, signage, rehabilitation of public attraction (ICR, para 24, annex 4 table 1).
  - According to the REDI Final Evaluation Report, the Project Implementation Unit revisited all the initial sub-projects and decided to focus its effort on only 7 Community Tourist Enterprises (CTEs) of the initially 11 identified (REDI, Final Evaluation Report, page 35). The project also provided training on tour guiding, coxswain training, community tourism awareness, as well as first aid and CPR.
  - 1,572 beneficiaries benefitted from training in community tourism and 218 benefitted from a mix of training in agriculture and tourism (ICR, annex 4, table 1).
- Through technical assistance, the project supported the development of policies to integrate community tourism into Jamaica’s “traditional” tourism sector.
  - The National Community Tourism Policy & Strategy, a community toolkit, a community tourism portal and new Jamaica Community Experiences brand and logo were developed (ICR, para 29).
  - REDI supported the Ministry of Tourism to conduct a Tourism Demand Study
- The project also helped establish the Jamaica Community Experiences brand, as well as a development of community tourism portal (www.moretojamaica.com), where five Community Tourist Enterprises and their services are promoted.

Outcomes

- All sub-projects are currently operating at below capacity or not yet operational (REDI Final Evaluation Report, page 35). The REDI final evaluation report states that there were "progressive increases in tourist traffic which lead to increased income (although not to self-sustainable levels)."
  - With the support of REDI, two tourism enterprises were linked with two downstream buyers. Treasure Beach Women’s Group was able to enter into an agreement with the Sandals Foundation and sell its flagship product, a starlight candle holder (REDI Final Evaluation Report, page 36). The Rastafari Indigenous Village (RIV) was linked with cruise ship tour operators, however RIV is currently operating at sub-optimal levels due to issues in implementing the business plan (REDI Final Evaluation Report, page 35).
  - All community tourism enterprises still lacked adequate promotion/arrangements with hotels and

cruise ship operators (REDI Final Evaluation Report, page 37).

Conclusion: The available evidence relevant to this sub-objective does not support the claim in the ICR of substantial achievements in terms of improved market access. The extent to which this sub objective was achieved is therefore rated Modest.

Rating
Modest

Rationale
Assessment of overall efficacy:

- The discussion above addressed achievements by sectors separately, but the ICR does provide an aggregate assessment of achievement. It reports that, as a result of the project, 86 rural enterprises or producer groups have accessed new markets (110% of target) and 64 enterprises offered new or improved products and services (160% of target) (ICR, PDO Indicator 3; ICR, Intermediate Results Indicator Component 1).
- This assessment has focused on agricultural enterprises, which represent 85% of subprojects. Based on information from the beneficiary survey and the Bank's project team, the project (through the rural enterprises) indirectly improved the market access of micro and small-scale rural agricultural producers. Therefore, despite a modest achievement on improving market access for tourism product and service providers because subprojects were operating below capacity, the overall efficacy of the project is rated Substantial.

Overall Efficacy Rating
Substantial

5. Efficiency

To evaluate the efficiency of this project, one needs to consider what aspects of project activities were amenable to an evaluation of efficiency. There were four elements: the efficiency by which the subprojects that received financial support were identified, the efficiency with which rural enterprises used the received funding, the efficiency of the training component, and the overall administrative efficiency of the project.
Efficiency of the processing and implementation of subprojects. The selection and implementation of subprojects were not performed efficiently compared to expectations at appraisal:

- It should be noted that, according to the ICR, more complex and expensive projects to support critical infrastructure were financed compared to the original design, but the overall number of subprojects financed was reduced during the 2015 restructuring (ICR, paras 22-24). The decision to focus on more complex projects was driven by higher performance of these projects observed during Mid Term Review, and this affected the eligibility criteria for the third call for proposals, which selected 45 subprojects out of 97 total.

- The selection process was lengthy and much slower compared to expectations at appraisal, due to unexpected inadequate performance by the consulting firms hired to assist rural enterprises with their business plan submission, small size of the JSIF team (with only 4 full time staffers), implementation delays (i.e. land leases) and more complex projects (REDI Final Evaluation Report, page 12).
- A total of 546 applications were received over three calls for proposals, mostly for agricultural sub-projects (74%). 446 applications were rejected, 5 were ineligible, and 97 were approved (REDI Final Evaluation Report, page 10). In the operating manual, the processing time from application to approval was expected to take between 4 to 6 months at design; the timeframe for implementation was not to exceed 12 months. Instead, on average, the time to have an application considered and approved took ~10 months (between 1.5 and 2 times expected duration) and implementation took ~24 months (twice the expected duration) (REDI Final Evaluation Report, page 11-12).

Efficiency with which rural enterprises used the funding. While rural enterprises arguably used the funding efficiently, the use of funds was only as a proxy for the efficiency with which micro and small-scale rural agricultural producers (the focus of the project) used the funding. The ICR does not consider the counterfactual which would assess the benefits of improved market access to micro and small-scale producers that did not become member of rural enterprises.

- The ICR considered a sample of 12 projects to evaluate the financial returns of the investment project portfolio (12%), after excluding the technical assistance subprojects as well as two investment projects considered outliers because their rates of return were considered exceedingly high. This sample was not randomly selected but chosen as “representative”. It was also chosen to represent both older and newer projects, including the seven main types of subprojects and highlighting tourism and agriculture according to their weight in the portfolio (10 agriculture and 2 tourism subprojects). The Bank's project team explained that random selection would not have been possible due to different implementation status and sector of the rural enterprises. While this strategy is acceptable, it is unclear to IEG why random selection could not have been performed with stratification according to implementation status and sector.
- Of these twelve projects, at the time of the ICR, three projects were either operating at a loss or with internal rates of return (IRR) below 4%, two had an IRR between 5% and 9% and seven are operating at or above capacity (returns of 10% or above) (ICR, para 33). Best performing projects were honey-bottling project, the vegetables marketing cooperative, and the cocoa drying enterprise (ICR, Annex 4 para 10).

Efficiency of training programs. The evidence for the quality and efficiency training and capacity building programs is weak as an evaluation of these trainings was not performed. Despite missing an evaluation, the project tried to show efficiency in trainings through two means: indicators in the ICR, and a survey of key stakeholders among producers organizations, public and research organizations that received these trainings.

- The survey of 35 key stakeholders who received technical assistance trainings under component 2 reported by the REDI Final Evaluation Report (50% response rate), provided partial insight on these trainings. According to participants in the survey, the capacity building provided under the project has resulted in changes of practices (89%), improved provision of business services (86%) and higher reach to clients (73%). In addition, participants believed the trainings were well designed (94%), useful in the topics covered (100%), of appropriate level of quality (93%), and contributed to increases in knowledge (87%) and skills (74%), and 82% of participants stated that they applied the knowledge and skills gained from the assistance provided (REDI Final Evaluation Report, pages 57-58).

Administrative efficiency. The project had high administrative costs. They increased from US$2.03 million at appraisal to US$2.26 million at closing (11% of actual total project costs) driven by the extension of the closing date. There was a 1-year delay in the project due to unexpected challenges in a new approach covering two sectors (ICR, para 16). According to the project team this delay was due to unexpected lack of capacity in the implementing agency (JSIF), which had to build capacity for an unfamiliar project type delivery in two sectors (Agriculture and Tourism).

Conclusion: While rural enterprises used the funds efficiently, the process to select subprojects was weak, a formal analysis of efficiency of trainings was not performed and the project incurred high administration costs (above 10% of actual total project cost). The efficiency of rural enterprises is not fully relevant to the project development objective. in addition, there was no consideration in the ICR of the counterfactual, namely the market access achieved by micro and small-scale agricultural producers who did not become members of rural enterprises. On balance, the project's efficiency is therefore rated Modest.

Efficiency Rating
Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	39.00	0 ☐Not Applicable
ICR Estimate	✓	13.85	0 ☐Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

Considering the project's high relevance of objectives, substantial efficacy (because of the substantive achievements of rural enterprises in improving market access for their members) and modest efficiency (driven by scarce and mixed evidence of an efficient achievement of the project's outcome), the project's overall outcome is rated Moderately Satisfactory.

a. **Outcome Rating**
Moderately Satisfactory

7. Risk to Development Outcome

High Risk to Development Outcome. As the ICR points out, there is a high risk to development outcome, which is dependent on (a) how will rural enterprises be able to maintain their market access and (b) how the government agencies will be able to support new rural enterprises to upgrade their standards and enter new markets (ICR, para 63). PDO Indicator 2 (number of participating rural enterprises functioning as legally registered entities one year after they started operations) was an effort to track sustainability for the sub-investments. This Review considers there were two problems with it: (a) one year is too short a time period to really understand whether enterprises that were established with the support of this project would be able to maintain them after project close; and (b) while this indicator achieved its revised target (53 enterprises at project end against a revised target of 44), it did not achieve its initial target of 56 enterprises being active after one year of operations. The ICR provided no logical rationale for the revision of the target to 44. It is also clear that the emphasis in this analysis of risk to development outcome is solely on the rural enterprises.

Risk mitigation activities. While in the ICR, there is no mention of risk mitigation activities to ensure sustainability for the rural enterprises of improved market access after project close, the Bank project team advised that "The project design's focus on the enterprises (rather than on individual farmers) was considered a risk mitigating feature". A follow--up project with the Government of Jamaica is currently envisaged to further improve its ability in this new area of working with the private sector for the JSIF and other government entities that participated in the project. This was also confirmed to IEG by the Bank's project team, which stated that, based on discussions held on a second phase, it will focus on addressing sustainability through more capacity building at the level of the JSIF and other national institutions (e.g. RADA).

8. Assessment of Bank Performance

a. Quality-at-Entry

Project Design

- The results framework presented considerable shortcomings as it did not address how financial gains by rural enterprises would benefit micro and small-scale rural agricultural producers, as evidenced in Section 4, Objective 1. The core weakness was that project activities and outputs were not linked to the PDO.
- While the plan to finance rural enterprises was intended to improve the supply chains and the ability of rural enterprises to enter new markets either through standards upgrading or new products was sound, it was not relevant to the project development objective because how potential financial gains achieved by

rural enterprises would trickle down to micro and small-scale rural agricultural producers was not explained.
- The project financed a full-time M&E Officer to strengthen JSIF's regular M&E staffing, and this led to improved M&E capability within JSIF to address potential issues in JSIF's limited M&E capacity, which revolved around routine monitoring of ongoing project activities and outputs (ICR, para 49; PAD, para 48).
- The PAD included and addressed several lessons learned from other, similar projects financed by the Bank and its development partners (PAD, para 32).

M&E design

- As a consequence of the shortcomings in the results framework, the M&E was designed using rural enterprises as unit of account, and measured financial benefits to rural enterprises. As already discussed, this was not relevant to the PDO, which explicitly refers to micro and small-scale rural agricultural producers as the project beneficiaries.
- The PDO and intermediate indicators reported in the ICR did not provide enough details to link outputs to outcomes, even in the case of rural enterprises. This issue was resolved by the REDI Final Evaluation Report which does provide adequate evidence.

Mitigation of risk to development outcomes

- There were no clear risk mitigation activities to address the strong risk to development outcome of how (a) rural enterprises and micro and small-scale rural agricultural producers would maintain their market access; and (b) how the government agencies would be able to support new rural enterprises to upgrade their standards and enter new markets after the Bank financing ceases.
- According to the Bank project team, "the project design's focus on the enterprises (rather than on individual farmers) was considered a risk mitigating feature" of the project.

Other issues:

- The project was highly relevant to Bank and Government strategies, and remained relevant at project close.
- Weak buy-in of stakeholder agencies other than JSIF (Ministry of Tourism and Ministry of Agriculture) and procedural misalignment was not foreseen. A better allocation of time and strategy to achieve these stakeholder agencies buy-in could have been imagined (ICR, Annex 5, page 47).
- According to the ICR, too many small contracts coupled with a fragmented procurement strategy represented a heavy workload for the implementing agency (ICR, para 56).

Conclusion: There were considerable shortcomings in the project's quality at entry because (a) project activities and outputs were linked in the results framework to strengthening rural enterprises rather than to the achievement of the PDO, namely improving market access for micro and small-scale rural agricultural producers, (b) M&E used PDO indicators focused on rural enterprises and did not measure benefits arising from improved market access to micro and small-scale rural agricultural producers, and (c) risk mitigation activities were inadequate to address the risk of how micro and small-scale rural agricultural producers would maintain their improved market access in the future without support from the project. Therefore, Quality at Entry is rated Moderately Unsatisfactory.

Quality-at-Entry Rating
Moderately Unsatisfactory

b. Quality of supervision

- The Bank's project team failed to resolve the irrelevance of the results matrix and M&E design to the project development objective; nor did it consult with the Government during supervision on the need to amend the PDO to align it with the existing results matrix.
- With the Bank’s support, JSIF was able to make various structural changes required to involve the private sector, both on the demand and supply sides.
- The Bank team had observed that sub-projects that received only limited TA tended to have a lower survival rate or limited improvement in market access. This led to JSIF systematically contracting the service of specialized technical assistance providers which in turn led to subprojects with clearer vision and sustainability plans, and stronger contractual arrangements with wholesalers.
- More project funds for rural agricultural enterprises were allocated to Type B projects when they proved to be more successful
- Training provided by World Bank staff on Financial Management (FM) issues such as the use of International Financial Reporting Standards. Effective financial management arrangements and financial reporting on the subprojects meant that JSIF was able to provide timely reports as well as timely external audits (ICR, para 57).

Conclusion: Despite the Bank's inaction vis a vis the Government on the lack of alignment between the PDO to the results framework, supervision missions by the Bank made positive contributions to project implementation and the quality of supervision is therefore rated Moderately Satisfactory.

Quality of Supervision Rating
Moderately Satisfactory

Overall Bank Performance Rating
Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design
According to the PAD, JSIF was responsible for collecting baseline data as well as keeping track of progress made in the Project and updating information on indicators (PAD, para 47-48). At project end, JSIF and grant recipients were to conduct a final evaluation of subproject design and implementation, an external independent mid-term review and final review to assess achievement of the PDO (PAD, para 52). The mid-term review was

to be conducted at the end of the second year of implementation by an external consultant (PAD, Annex 3 para 6). The same arrangement was envisaged for the final evaluation, which was expected to "focus on the same issues as the midterm evaluation, as well as it will examine impact and sustainability of results and provide recommendations for follow up activities" (PAD, Annex 3 para 7).
This Review has highlighted the following issues with the design of M&E for this project:

- The M&E design was not relevant to the project development objective as it focused on the achievements of rural enterprises, and not on the micro and small-scale rural agricultural producers who were the intended beneficiaries of the project. Secondly, it did not show how the financial benefits stemming from the achievements of rural enterprises would have benefitted individual micro and small-scale rural agricultural producers.
- Even though the project's design to establish rural enterprises was well thought through and the respective indicators were outcome oriented, the M&E framework suffered from being too aggregated and did not show how project activities supported rural enterprises in achieving the reported outcomes. In fact, the project did not plan to collect disaggregated outputs and outcomes by rural enterprise sector (agriculture vs. tourism), products through which rural enterprises achieved increased market access nor investment financed (i.e. cold storage).
- Although the project focused on rural enterprises, the monitoring system reported on direct beneficiaries (such as farmers) and indirect beneficiaries. It was unclear from the results framework how direct and indirect beneficiaries were counted. Interviews with the Bank's project team clarified that direct beneficiaries were members of the rural enterprises.

b. M&E Implementation

M&E was implemented by JSIF as planned at the design stage (ICR, para 49). Beneficiaries themselves reported on business performance through a data collection liaison appointed by rural enterprises and a Monitoring and Evaluation Specialist from JSIF maintained communication with the groups’ data collection liaison and other members of the leadership team (ICR, para 49-50). M&E reports were prepared bimonthly, covering key aspects such as milestone achieved and difficulties, and the project management team issued reports to the World Bank and JSIF every six months (ICR, para 50). According to design, at the end of project, JSIF and grant recipients carried out a final evaluation of subproject design and implementation to document lessons learned for future subprojects and external independent final review was also conducted according to design (ICR, para 51).
The main shortcoming of M&E implementation was that, despite two restructurings, indicators were not amended to focus on the achievements (improved market access) of micro and small-scale rural agricultural producers, and therefore the recorded results were not relevant to the project development objective.

c. M&E Utilization

According to the ICR, the M&E system was used to inform various changes in JSIF’s original cumbersome processes and to restructure the project after mid-term review by the Bank's team (changing the share of type A and B project, shifting some of component 1 and component 2 fund allocations to component 3, and the extension of the closing date (ICR, para 52).

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards

This was a Category B project. At approval, four safeguards were triggered: Environmental Assessment (OPBP 4.0 1), Natural Habitats (OP/BP 4.04), Pest Management (OP 4.09) and Forests (OP/BP 4.36) (PAD, para 69). While the ICR explicitly states compliance with safeguards concerning environmental assessments and physical cultural resources, it does not make references to compliance with respect to natural habitat and forests. Subsequent interviews with the Bank's project team clarified that the project complied with all safeguards.

- Regarding environmental safeguards, the ICR concludes that risks were managed appropriately through the application of a certified environmental management system standard (ISO14001). The ISO 140001 is an international standard that specifies requirements for an effective environmental management system and requires that an organization considers all environmental issues relevant to its operations (para 55). The ICR also attributes country-wide improvements in pest management practices to the training in pest management and food safety but the evidence that supports this conclusion is missing (para 55).
- There were other risk mitigation practices, such as the introduction of good agricultural practice and water conservation through the financing of drip systems for small farming, cooperative effort with the Jamaica Bauxite Institute to reclaim mine pits and the incorporation of bio-digesters for pollution prevention in model pig-rearing facilities (ICR, para 55).
- According to the project team, Forests safeguards was triggered (OP/BP 4.36) as a precaution at approval, but not during implementation, and therefore the ICR does not report on this matter.

b. Fiduciary Compliance

Procurement

- According to the ICR, procurement performance was appropriate and according to Bank guidelines throughout project implementation (para 56). The Bank carried out five ex post reviews and reviewed 71 out of 217 contracts, concluding that procurement was being conducted in compliance with the Loan Agreement, procurement guidelines, and agreed procurement plans. All contracts signed under the project were of small value, and many of them were for the procurement of similar items for different communities.

Financial Management

- At the approval stage, the PAD identified several actions to mitigate financial management risks including accounting for full staffing of the JSIF project management team, revisions of the Operations Manual to address financial appraisal and supervision concerns and financial reports on subprojects (paras 61 and 71). These included, inter alia, the set-up of the accounting system's chart of accounts; the methodology for allocating general administrative cost amongst all projects managed by JSIF; the treatment of foreign exchange movement; and having adequate oversight of the auditing and financial reporting process (ICR, para 57).
- According to the ICR, JSIF had an established Financial Management (FM) system that satisfactorily covered the needs of the Project, including those for subprojects. Training provided by Bank FM staff on FM related issues such as the preparation of interim unaudited financial reports, financial management arrangements and financial reporting on the subprojects led JSIF to be able to provide timely reports as well as timely external audits (para 57).
- The Bank's project team stated that the final audit received after completion of the ICR was unqualified. External auditors initially issued qualified opinions (with exception) on JSIF's project financial statements for the year ended March 31, 2017 because of issues in accounting for beneficiaries' contributions (ICR, para 58).

c. Unintended impacts (Positive or Negative)

- The ICR claims support of inclusion of women and youth in economic activities (para 38). This analysis remains shallow and is not differentiated by looking at economic performances of rural enterprise by gender.
- The ICR claims institutional strengthening of JSIF in working with the private sector (para 40-41), and suggests more integrated cooperation between JSIF and "private sector representatives [...] drawn from the private micro-finance sector, commercial banks and private businesses" (para 40).

d. Other

---

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Moderately	There is not enough evidence

		Satisfactory	to support a Satsfactory rating because of this Review's modest rating of efficiency.
Bank Performance	Satisfactory	Moderately Satisfactory	At entry, the results matrix did not show how inputs and outputs resulted in achieving the objective of improved market access for micro and small-scale rural agricultural producers resulting, inter alia, in a moderately unsatisfactory rating for quality at entry. Supervision was rated moderately satisfactory and therefore consistent with OPCS/IEG harmonized guidelines, the overall rating of Bank performance is Moderately Satisfactory.
Quality of M&E	Substantial	Modest	M&E suffered from design flaws regarding the lack of relevance of the results matrix to the project development objective that were not addressed during implementation.
Quality of ICR		Modest	---

12. Lessons

The following is a summary of key lessons from the ICR that this Review considered were highly relevant to this and similar operations:

- **Technical assistance, implementation support of sub-projects, facilitation of contractual arrangements are critical elements for linking enterprises to markets.** Enterprises that received only limited capacity building, particularly at the beginning of project implementation, tended to have a lower success rate. JSIF contracted the service of specialized technical assistance providers which systematically resulted in stronger enterprises, with a clear vision and sustainability plans, and strong contractual arrangements with wholesale buyers.
- **Leadership needs to delegate responsibilities among core managers to ensure continuity, in case leadership needs to be replaced.** Leadership and judicious delegation were found to be important in organizing groups for sub-project development and implementation in this project. Often leadership is concentrated in a single person, with few others knowing or understanding the business and being able to step in. In this project, when a leader of one of the rural enterprises passed away and another relocated to a different country, the groups and the sub-projects collapsed or performed well below the level achieved under

long standing leaders because those leaders had not engaged others through delegation.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR quality is rated modest, because of a number of shortcomings in the presentation, analysis and evidence:

- The ICR does not present systematic evidence to claim that the project development objective was achieved. While there are some examples of anecdotal evidence (see for example para 25), the only indication of outputs is the table in paragraph 24 and Table 1 in Annex 4. Furthermore, particularly for sub-objective 1, there was significant evidence concerning the extent to which the objectives were achieved in the REDI Final Evaluation Report. It is unclear the extent to which the REDI Final Evaluation Report was used in the ICR analysis.
- The ICR is not candid in presenting the evidence, particularly when the evidence was missing or unclear. For example, the ICR suggested the design was strong, but then also highlighted the restructuring with more focus on Type B projects was a successful move (ICR, para 22, 61).
- There are inconsistencies at several points in the numbers that the ICR uses in terms of number of projects. For example, para 24 accounts for 10 Agriculture technical assistance subprojects, 9 mixed and two in tourism. Table 1 Annex 4 reports 11 Agriculture technical assistance, 8 mixed and 2 in tourism. Another example is the computation of direct and indirect beneficiaries, which are estimated to ~52,000 in paragraph 4 in Annex 4, "over 53,000" in footnote 29 Annex 4 and 53,608 in para 21. In this specific instance, it is also unclear how the ICR arrived at the conclusion that "33,800 rural residents benefitted/are expected to benefit indirectly from the training and capacity building provided to staff of the Rural Agricultural Development Authority and Tourism Product Development Company (TPDCo).

a. Quality of ICR Rating

Modest