



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 22-Nov-2022 | Report No: PIDC34733



BASIC INFORMATION

A. Basic Project Data

Country Jamaica	Project ID P179642	Parent Project ID (if any)	Project Name Kingston Waterfront Improvement Project (P179642)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date May 25, 2023	Estimated Board Date Jun 12, 2023	Practice Area (Lead) Urban, Resilience and Land
Financing Instrument Investment Project Financing	Borrower(s) Jamaica	Implementing Agency Jamaica Social Investment Fund (JSIF)	

Proposed Development Objective(s)

Revitalize Kingston's downtown waterfront area, improve economic development opportunities, and enhance the institutional capacity to enable future private sector-led redevelopment.

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	40.00
Total Financing	40.00
of which IBRD/IDA	40.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	40.00
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Environmental and Social Risk Classification
Substantial

Concept Review Decision
Track I-The review did authorize the preparation to continue



B. Introduction and Context

Country Context

- 1. Prior to the economic contraction caused by the COVID-19 pandemic, Jamaica had been emerging from a prolonged period of low growth.** Jamaica's economic growth had been anemic for decades, averaging less than one percent per year, and was recorded as the lowest in Latin America and the Caribbean (LAC). Successive International Monetary Fund (IMF) programs between 2013 and 2019 helped restore macroeconomic stability. The fiscal accounts recorded an annual average primary surplus of over 7 percent of GDP in 2013-2019. In turn, the public debt stock decreased to 94.7 percent of GDP in 2019 from 146 percent in 2013. Unemployment fell to a historic low of 7.2 percent in 2019, with a sharp increase in female employment. Inflation averaged 3.9 percent in 2019, slightly below the central bank target range of 4-6 percent. The favorable turnaround in the country's macroeconomic situation was also reflected in the local stock exchange, the Jamaica Stock Exchange, which was rated as the world's best-performing stock index in 2018. By 2019, rating agencies Standard and Poor's Global Ratings, Fitch Ratings, and Moody's Corporation upgraded the country's sovereign rating to B+, B+, and B2, respectively. The Government's successful effort to consolidate its fiscal balances spans two political administrations. It remains anchored in a social partnership (the Economic Program Oversight Committee) involving stakeholders from public, private, and civil society. The steadfast implementation of sound policy reforms strengthened the economy and allowed for more broad-based reforms to enhance the country's ability to withstand shocks.
- 2. In 2020, the COVID-19 pandemic led to a contraction of real GDP by a record 10 percent, and the near closure of most tourism-related activities depressed the income of more than 40 percent of the country's workforce.** The COVID-19 pandemic led to a significant decline in the net external demand and private consumption, which resulted in a 10 percent drop in real GDP. Real GDP expanded by 4.6 percent in 2021 due primarily to the gradual re-opening of the tourism sector supported by robust growth in the agriculture sector. Real GDP is expected to gradually recover to pre-pandemic levels over the medium-term. Real GDP growth is expected to average 2.1 percent between 2022-24. Agriculture and tourism will remain key drivers of growth and will be supported by mining and quarrying given the planned reopening of a major alumina plant in the fourth quarter of 2022. On the demand side, growth will be driven by private consumption, net exports and investments including several public infrastructure projects. Inflation is expected to continue to accelerate in 2022, before falling over the medium term. Remittances should remain robust, albeit less than in 2021, supporting household consumption. Despite the COVID-19 shock, the macroeconomic policy framework remains sound.
- 3. Poverty in Jamaica declined in the three decades prior to the COVID-19 pandemic.** The official poverty rate measured using the national poverty line declined by 17.4 percentage points from 1990 to 2019. The largest reduction was achieved prior to the Global Financial Crisis (GFC), with poverty declining from 28.4 percent in 1990 to 9.9 percent in 2007. The poverty rate in 2018 was 12.6 percent, the lowest recorded in 10 years. Inequality is moderate, as measured by the consumption-based Gini coefficient which has fluctuated between 35 and 42 over the



last three decades. Progress on human capital development has been impressive with a life expectancy of 76, above the regional average. In the first year of the COVID-19 pandemic, its economic impacts likely reversed years of poverty reduction as people lost jobs and dropped out of the labor market, with household welfare losses manifesting through reductions in labor income. In addition, the pandemic led to significant impacts through learning losses, with implications for future productivity growth. The expansion of the existing conditional cash transfer program helped protect and promote the welfare of the poor and vulnerable. Nevertheless, accelerating and sustaining economic growth are critical to achieving lasting poverty reduction and shared prosperity in Jamaica.

- 4. Jamaica is highly exposed to natural disasters and climatic shocks that are expected to intensify and that pose substantial macroeconomic and development risks.** Jamaica is the third most exposed country in the world to multiple hazards, with over 96 percent of the country's gross domestic product (GDP) and population at risk from two or more hazards. Jamaica is highly exposed to tropical cyclones, earthquakes, droughts, floods, and landslides, which occur frequently and at varying intensities. These events pose a significant threat to Jamaica's macroeconomic outlook: Between 1993 and 2003, 26 natural disasters have resulted in total losses of US\$2.22 billion, or 1.5 percent of Jamaica's average annual GDP over the period, the same amount as the total GDP growth during the period. The World Bank (WB) estimates that, under current temperatures, Jamaica's contingent liabilities related to tropical cyclones and floods average US\$121 million annually (J\$17 billion) or 0.8 percent of 2020 GDP. This is equivalent to 1.9 percent of total government expenditures in 2020. Contingent liabilities for events occurring in the once-in-50 years to once-in-100 years range between 7.34 and 12.0 percent of Jamaica's 2020 GDP. Approximately 90 percent of the country's US\$14 billion GDP is produced within coastal zones, exposing its tourism industry, manufacturing and agriculture assets to more frequent and intense climate shocks (USAID 2017). The average damaging hurricane reduces Jamaican per capita consumption by approximately 1.1 percent; more destructive events can cause reductions multiple times this amount.

Sectoral and Institutional Context

- 5. Rapid urbanization in Jamaica has led to uncontrolled and unplanned settlement patterns, resulting in significant deficits in infrastructure and services and territorial inequalities.** The effects of industrialization and economic restructuring set in motion the country's urbanization in the late colonial period. The movement of rural migrants to cities in search of better opportunities and jobs led to a burgeoning of squatter communities island-wide that expanded into unplanned urban districts and quickly resulted in over-populated towns and urban centers throughout Jamaica in the second half of the 20th century¹. Inadequate physical planning and oversight contributed to urban sprawl, dilapidated housing, and environmental degradation, as well as regionally unbalanced development that is concentrated around the capital city. According to UN Habitat, as of 2018, 59.6 percent of Jamaica's urban population lives in informal settlements or slum-like conditions, and/or lacks adequate housing and/or access to basic services². Though rural-urban migration remains a factor, intra-metropolitan migration emerged as a key feature of migratory flows in urban areas. Today, urban settlements in Jamaica are characterized by the movement of higher income groups into closed residential/gated communities, and an increased concentration of low-income groups in

¹ Office of Housing and Urban Programs; *Urbanization in the Caribbean: Prospects & Management Priorities: Jamaica Case Study*. USAID, 2018

² Data.unhabitat.org



deteriorated areas of the city, such as Downtown Kingston³. This spatial segregation has undermined traditional societal integration mechanisms in education, health, and culture, fueling social and economic inequities in the country.

6. **Around 25 percent of the country's population live in Kingston and St. Andrew, and most development is concentrated in and around the Kingston Metropolitan Region.** Kingston is the largest English-speaking city of the Caribbean. It is the smallest of the fourteen parishes in Jamaica, and the most densely populated. Kingston is a city constructed based on a historic grid plan laid out in 1693, whose urban core traces the waterfront of one of the world's largest natural harbors. The historic roads, lanes and squares outlined in this original plan and forming what today is known as Downtown remain clearly recognizable to the present day. The waterfront to the southern end of Downtown spans around a mile in breadth and was substantially transformed in the late 1960s, when the original finger piers and warehouses of the area were dismantled and the modernist skyline and streetscape that we see today was built. As the city expanded and Kingston's built-up area sprawled inland, Downtown Kingston, including its port and waterfront, has become peripheral and declined in importance as the city's main urban function.
7. **Kingston faces significant challenges in terms of social deprivation and exclusion, including in areas within and adjacent to its urban core.** About 69,000 poor people (representing about 20 percent of Jamaica's poor) reside in the Kingston Metropolitan Area, constituting a poverty rate of about 9.2 percent⁴. The city is socially segregated and marked by the distinction between uptown (which is largely upper or middle class) and downtown (which is lower class and houses the city's poorer, inner-city communities), a spatial separation which has its origins in the colonial time. Inner-city communities, of which there are 14 in the Downtown area, continue to face significant social and economic challenges including high levels of crime, poverty and unemployment, and dilapidated infrastructure. Unemployment levels in Downtown Kingston are 36 percent⁵. The majority of households report public safety issues, including the presence of gangs, derelict building and overgrown lots and the lack of streetlights⁶. The presence of multiple low-income communities in Downtown Kingston that form a perceived "belt" of insecurity between uptown Kingston and the waterfront area, has constrained development of Downtown and held urban residents back from enjoying the Kingston waterfront.
8. **Kingston has low levels of urban livability and high levels of risk.** Urban quality of life and competitiveness depends in large part on having equitable access to shared, open spaces and streets. A functioning network of open public spaces and streets creates the setting for formal and informal economic and social activities, recreation, and livelihoods, particularly for the urban poor. In Kingston, the share of the urban area allocated to open public space is only 1.8 percent, significantly below the recommended 15-20 percent⁷. Taken together, the share of urban areas allocated to streets and open public space in Kingston is only 11.3 percent, compared to a recommended 45-50 percent to ensure the effective and equitable functioning of the city. Moreover, the lack of an integrated urban

³ Carol Archer, Rainford Wilks, Jasneeth Mullings, Lieth Dunn, Mona Sue H. 2018. *An Overview of Urban & Regional Planning; Urban Renewal and Sustainable Development in Jamaica: Progress, Challenges and New Directions*; <https://www.intechopen.com/chapters/62248>

⁴ The national poverty line in 2018 was JM\$206,329 per adult equivalent for the Greater Kingston Metropolitan Area, JM\$ 196,640 for other urban, and JM\$183,104 for rural areas. *Data based on analysis conducted for the Systemic Country Diagnostic 2022*

⁵ Downtown Urban Profile, summary developed for the project by the Jamaica Social Development Commission

⁶ *ibid*

⁷ [Data.unhabitat.org](https://data.unhabitat.org)



mobility framework and the heavy reliance on single-passenger vehicles results in high congestion and elevated levels of air pollution⁸. UN Habitat estimates that only 53 percent of the population live within convenient walking distance (500 or 1000m) to low or high-capacity public transport systems⁹. In a country in which 75 percent of households do not own a car, the lack of equitable access to efficient, safe, affordable public transportation is critical. Moreover, many poor urban settlements in Kingston are built in areas unsuitable for housing construction, increasing exposures to natural hazards and climate risks. In Kingston and St. Andrew alone, approximately 50 percent of squatter settlements reside within 100 meters of a waterway¹⁰. A rapid flood risk assessment conducted for the proposed Project suggests that more than a quarter of the city is exposed to pluvial flood hazard. Moreover, average summer land surface temperatures across Kingston reach 39.5 degrees, which are potentially dangerous heat levels particularly for vulnerable populations and will require targeted infrastructure investments to reduce the urban heat island effect¹¹. Poor communities and squatter settlements are particularly exposed to risks, as they are most likely to be located on cheaper land highly exposed to natural hazards, and in homes that are informally constructed and not resistant to shocks including floods and overheating.

9. **Despite improvements in public safety, perceptions of crime and violence remain sticky and deter the development of urban areas associated with criminal activity.** Jamaica remains the country with the highest homicide rate in the LAC region, with 47 homicides per 100,000 inhabitants in 2020/2021. Violent crime is mainly fueled by gang violence and gang activities and tends to be concentrated in inner-city communities, with the main victims and perpetrators of violent crimes being young men between the ages of 16 and 24. While crimes were previously concentrated in the Kingston metropolitan area, official crime data by division show they are now more dispersed geographically, especially in sub-urban areas¹². Women tend to feel more at risk in the public space than men, preventing them from fully accessing and benefiting from the social and economic opportunities of the city. According to crime victimization surveys conducted by the Government, church is the place that the highest proportion of men and women felt safe in, followed by home and personal vehicles. While the proportion of males and females who felt safe at home were similar, a higher percentage of men felt safer in the public space, including in markets, parks, using an ATM on the street or in a bar and club¹³. The proposed Project will seek to address this identified gap in the way that men and women enjoy and make use of the public space by targeted investments and design decisions.
10. **The decline of Downtown Kingston and the historic urban core along the Kingston waterfront has long been a concern for local and central government administrations and the private sector.** The marginalization of the city center and its waterfront reflects the polarization that was taking place in post-independence Kingston, the withdrawal of the upper and middle classes from contact with Downtown and the concentration of commercial development in New Kingston or “uptown”. Cognizant that pockets of distressed and decaying areas in the center of the capital city would weaken the city’s (and the country’s) image, livability and productivity, successive administrations have tried to regenerate the waterfront, revitalize underused and underutilized land, and attract

⁸ 20.6 µg/m³ according to data.unhabitat.org

⁹ <https://unhabitat.org/wcr/>

¹⁰ <https://www.jamaicaobserver.com/columns/the-beginning-of-the-end-of-squatting-part-2/>

¹¹ Data based on a rapid risk assessment conducted for the Project by the City Resilience Program

¹² Harriot Anthony and Marlyn Jones. 2016. *Crime and Violence in Jamaica*. IDB Series on Crime and Violence in the Caribbean. Technical Note. IDB-TN-1060

¹³ Ministry of National Security and Statistical Institute of Jamaica. 2019. *Jamaica National Crime Victimization Survey 2019 Report*.



private sector development. A major transformation of the area was initiated in the late 1960s, with the construction of multiple high rises that replaced the commercial bustle of the original waterfront district. It was at this time that government buildings (including the National Gallery of Jamaica), the 388-room Oceana Hotel, an apartment complex, shopping arcades and Ocean Boulevard, the main road along the waterfront, were built. The original vision for the redevelopment of the area was revisited in subsequent decades, and incremental improvements were pursued to increase foot traffic and incentivize private sector development in what could be the city's prime real estate. However, lack of consistent leadership, a weak institutional framework, and the absence of an anchor investment to signal to the private sector Government commitment and resolve, have held back the development of the area.

11. **Limited national and municipal planning capacities, overlapping responsibilities and the absence of a clear regulatory framework constrain the definition and implementation of a clear development vision for the city.** Land use planning in the country is highly fragmented, with overlapping and competing roles and functions shared amongst more than 20 Government agencies, and governed by more than 103 pieces of planning-related legislation¹⁴. Most of the institutions involved in the planning process are characterized by inadequate capacity, a shortage of trained and technical staff and inadequate financial resources to effectively carry out their regulatory or executive functions. The absence of a lead planning agency has undermined the ability of Government to formulate a coherent vision for the city's development that could generate the buy-in and confidence of the private sector. For example, for Downtown Kingston alone, more than ten masterplans have been developed over the past 25 years, all with limited execution. Another area of concern relates to the lengthy development approval processes which can span several years, and the high level of building and subdivision violations that suggest that squatters as well as developers tend to by-pass the planning system¹⁵. The current Government is committed to streamlining the institutional framework related to urban and land use planning, as laid out in the Vision 2030 Jamaica National Development Plan, and to address the main bottlenecks that have prevented the revitalization of strategic areas.
12. **The Government of Jamaica has pursued urban renewal in an integrated way, focusing on improving economic opportunities, the physical environment and building social capital.** Over the past two decades, the Government of Jamaica has pursued programs to enhance the human, social, economic, and environmental development of inner-city communities in a holistic model with the objectives of expanding access to basic services, fostering economic development and improving safety and perception of safety, including with World Bank support. The Community Renewal Program was launched in 2012 to strengthen the most vulnerable and volatile communities in Jamaica through a multisectoral approach including addressing issues of governance and leadership; social cohesion and transformation; safety and justice; physical transformation; socio-economic development; and youth development. Interventions included the Inner City Basic Services for the Poor Projects and the Integrated Community Development Project implemented with World Bank support.
13. **Kingston has a significant opportunity to put in place a program for the urban transformation of strategic areas.** The Government of Jamaica is fully committed to revitalizing Kingston as Jamaica's economic capital through a multipronged strategy to unlock the vibrancy and latent economic value of the city. The Government's vision for the redevelopment of Downtown Kingston is set out in the Downtown Kingston & Port Royal Redevelopment Plan, which seeks to create high-quality spaces to attract visitors to the Kingston Waterfront; reinforce the city's position as a

¹⁴ Vision 2030 Jamaica National Development Plan – Urban Planning and Regional Development Sector Plan

¹⁵ *ibid*



hub for local and regional business; and promote a “mixed-use, 24-7 hours environment conducive for living, doing business, working, shopping and entertainment”¹⁶. This vision is aligned with the Kingston and St. Andrew Corporation Sustainable Development Plan 2005-2025 which also seeks to promote growth, broad-based employment, improve living conditions and sustainable management of the natural, cultural and built environment. Under this framework, the Government is focusing on three development poles: i) the modernization of National Heroes Park to accommodate the new Houses of Parliament and a Government campus consisting of approximately eight ministries and agencies of Government, a new national museum, public green space and mixed-use development (*under construction*); ii) the regeneration of the Market Commercial and Business District to the North of the waterfront area and Project Site; and iv) the revitalization of the Downtown Waterfront which is the focus of the proposed Project. Additionally, the Government seeks to address key infrastructure issues in Downtown Kingston including water and sanitation¹⁷, and public transportation, where the focus will be on upgrading north-south corridors, providing effective connections between Heroes Park and the waterfront, and developing the city’s transit centers and terminals.

14. **Public and private collaboration is key for the sustainable revitalization of the Kingston waterfront.** Momentum has been building in recent years with the relocation to Downtown Kingston of private sector corporations, including Digicel Caribbean and GraceKennedy Limited, and public sector entities such as the Ministry of Foreign Affairs and Foreign Trade. The revitalization is expanding with the rehabilitation of a hotel at the waterfront, the recently completed waterfront revetment and promenade to the east of the proposed Project site, the emergence of an arts district supported by the local NGO “Kingston Creative”, and the restaurants and entertainment hot spots along the waterfront. An increasing number of events organized formally and informally along the waterfront also points to increased interest and willingness of residents to make use of the area. The Government’s commitment to address crime and violence through community-based programs, undertake critical infrastructure upgrades (through upgrading the city’s water supply and sewer network) and provide the upfront costs of an iconic anchor investment through this proposed Project is meant to provide the physical conditions and enabling environment for subsequent investments in the area.

15. **The social, economic, and environmental value of well-designed and well-maintained public spaces that are responsive to diverse community needs and can catalyze subsequent public-private development in the surrounding areas is well documented**¹⁸. Numerous examples across the world show how public spaces can improve city livability and competitiveness by improving public safety, citizen inclusion, and health outcomes while also attracting entrepreneurs and a talented workforce who value vibrant public spaces. Public spaces have also shown to increase business sales, land and property values, and municipal revenues¹⁹ and to enhance urban resilience by

¹⁶ Urban Development Corporation. 2013. *Downtown Kingston & Port Royal Redevelopment Plan*

¹⁷ National Water Commission. Master and Development Plan Stud – Water and Wastewater Downtown Kingston, November 201

¹⁸ Kaw, Jon Kher; Lee, Hyunji; Wahba, Sameh. 2020. *The Hidden Wealth of Cities : Creating, Financing, and Managing Public Spaces*. Washington, DC: World Bank. © World Bank.

¹⁹ For example, in Seoul, the creative reuse of abandoned railway infrastructure land to create the Gyeongui Line Forest Park led to a doubling of adjacent local businesses, with average monthly sales increasing by 150 percent and property values within a year of project completion twice the average increase in other neighborhoods; in Tbilisi, Georgia, rental prices and property values along the rehabilitated and pedestrianized Aghmashenebeli Avenue doubled within a period of two years, consequently raising property tax revenues from commercial establishments adjacent to the rehabilitated street.



reducing the negative effects and costs resulting from disasters such as flooding²⁰. Urban regeneration reduces carbon emissions and air pollution through urban sprawl controls and infill developments and provides an opportunity to introduce green solutions and retrofits. The IPCC estimates that a reduction of urban emissions by 25% by 2050 could be achieved by promoting dense, compact urban development. Greening public spaces in cities also helps provide outdoor comfort for people and promote health and well-being by mitigating urban heat island in hotter climates like Jamaica's. The value created by urban regeneration also enables cities to mobilize the critical private finance needed for infrastructure, through the strategic application of Land Value Capture instruments. Urban regeneration projects can have positive social impacts, especially if the government and project sponsors proactively plan for complementary and/or concurrent interventions to empower existing residents and small-business owners to reap the benefits of increased economic activity; the expansion of housing options at multiple price points, additional green and civic spaces that serve the existing community as well as anticipated future residents and workers. Finally, public parks and open spaces play a critical role in social interaction and recreation. Creating an iconic public space that helps rebranding the city as an attractive destination for adventure, culture and city tourists can unlock enormous economic benefits for the country²¹.

Relationship to CPF

16. **The Kingston Waterfront Improvement Project will build on the successful activities completed under previous World Bank Projects.** These include, most importantly, the Jamaica Disaster Vulnerability Reduction Project (P146965), which supported the construction of a promenade and rock revetments along the Downtown Kingston waterfront and adjacent to the proposed Project site, which the proposed Project will seek to connect to in order to create a contiguous pedestrian waterfront corridor; the Integrated Community Development Project (ICDP, 2014 – 2021) and the Inner City Basic Services for the Poor Project (ICBSP, 2005 – 2013), which together benefited 30 inner-city communities. The proposed Project will resume the urban regeneration effort along the Downtown Kingston waterfront and combine it with targeted interventions to maximize the benefits of the proposed Project for communities in the surrounding areas, building on interventions and activities that have proved successful in the previous Projects.
17. **The Project is well aligned with the objectives of the World Bank Group's Jamaica Country Partnership Strategy (CPS) for FY14-FY17** (Report No. 85158-JM) as revised by the CPS Performance and Learning Review (PLR) (Report No. 112663-JM) both of which are anchored to Jamaica's long-term national development plan, "Vision 2030 Jamaica." The Systematic Country Diagnosis, October 2022 will provide the analytical underpinning for the new CPS 2023 – 2027 which will be delivered in 2023. The proposed Project objectives are specifically aligned with Pillar III of the CPS on Social and Climate Resilience, focused on expanding the range of financial instruments available to the GOJ to respond to climate change events and natural disasters, thereby building greater financial, social, fiscal, economic growth, and physical resilience. The proposed Project will also help to achieve sustainable economic growth and contribute to Jamaica's efforts to achieve a greener, more resilient, and inclusive development.

²⁰ in Colombo, Sri Lanka, an economic analysis conducted for the Beddagana Wetland Park revealed that the total wetland benefits including flood protection are annually worth up to US\$66 million to the Colombo Metropolitan Region.

²¹ A recent World Bank analysis revealed that found that generating US\$10,000 in a local economy takes approximately 96 cruise-tourists, 9 package tourists, or 4 nature travelers, pointing to the importance of diversifying Jamaica's tourism offer.



18. **The proposed Project will be consistent with the existing development agendas, primarily the UN Sustainable Development Goals and Jamaica’s Vision 2030 National Development Plan.** The National Development Plan, “Vision 2030” prepared by the Planning Institute of Jamaica embodied wide consultation with all major stakeholders. Vision 2030 envisioned that by 2030, Jamaica will have a vibrant and sustainable economy, society, and environment; a high level of human capital development; greater opportunities and access to these opportunities for the population; and a high level of human security. The fifteen national outcomes identified in Vision 2030 relate to the urban renewal strategy. More specifically, outcomes 13, 14, and 15 speak to sustainable management and use of environmental and natural resources by integrating environmental issues with economic and social decision-making policies and processes. “Vision 2030” highlights sustainable urban development as a key outcome in striving for a healthier environment. To address both urban development challenges and those relating to crime and violence, Vision 2030 outlines specific strategies for issues on efficient planning systems, urban renewal, and affordable shelter, while also prioritizing the reduction of involvement of young people in crime, instilling a culture of law, and restoring public trust in protective services. In addition to Vision 2030, there are several legislative and policy frameworks to influence the sustainable urban development agenda. This includes legislation and regulation such as the Local Improvements and Communities Amenities Act (LICA), the Housing Act and the 2019 draft Housing Policy, among others.
19. **The proposed Project is aligned with the WBG’s Latin American and Caribbean (LCR) Regional Strategy.** The LCR 2019 strategy emphasizes the risks and vulnerabilities of the Caribbean region to natural disasters and climate change and the need for greater focus on building 360-degree resilience. The strategy includes a pillar on building resilience that includes managing climate and social risks and managing fiscal and financial risks to which this Project is directly related. Building resilience will also be prominently featured in the new LCR strategy (currently under preparation) to support the implementation of the LCR Climate Action Plan 2021-2025.
20. **Further, the proposed Project aligns with the World Bank’s Mobilizing Finance for Development (MFD) agenda,** which seeks to prioritize opportunities to mobilize private and other external finance. Neither public resources nor Official Development Assistance (ODA) will be sufficient to finance Sustainable Development Goals (SDGs) or country climate commitments. Progress toward these goals will require substantial financing beyond that which Multilateral Development Banks (MDBs) or other official creditors can provide. To remove constraints to private financing, and encourage private financiers to support development goals, in 2015, MDBs committed to a revised financing framework unlocking, leveraging, and catalyzing more public and private financial flows. This framework, aimed to increase financing from a broader array of private sources than has been attained, which includes capital markets, institutional investors and businesses. Implementing such a framework has become more urgent in the wake of the pandemic, as the COVID crisis has put extraordinary demands on fiscal resources. This proposed project aligns with these goals in that Bank resources are proposed to be deployed strategically to address constraints to private investment.

C. Proposed Development Objective(s)

PDO: Revitalize Kingston's downtown waterfront area, improve economic development opportunities, and enhance the institutional capacity to enable future private sector-led redevelopment.

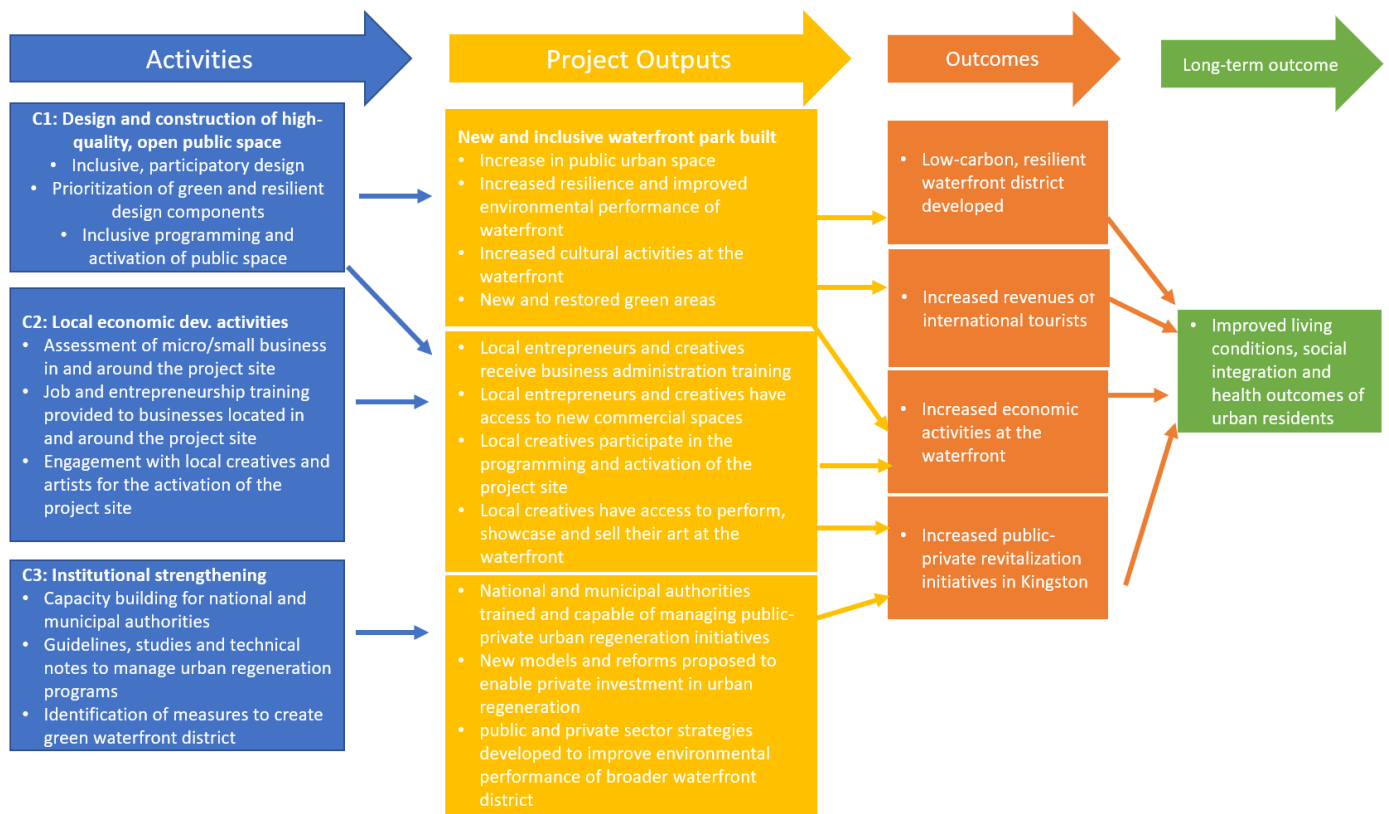


PDO Level Indicators

The key PDO level results indicators for the proposed Project are the following:

- (i) Number of average daily visitors to improved public space, percentage of whom are women;
- (ii) Increase in women and girls’ perception of safety to access and enjoy the improved public space;
- (iii) Increase in economic activity in and around the project site;
- (iv) Reforms implemented supporting private sector development (CI)

B. Key Results



Problem statement: Lack of public spaces and urban decay undermine living conditions, social integration and private investment in Jamaica’s capital.

Critical assumptions: National and municipal authorities will collaborate to ensure efficient and effective implementation and maintenance of the proposed Project investments; Project implementing agencies have adequate Project management and technical capacity and knowledge to implement Project activities.

D. Concept Description

21. The proposed Project aims to accelerate the regeneration of Downtown Kingston through the transformation of the Downtown waterfront into a world-class public space that will serve the community and will be explicitly



designed to lever future investments by the private sector in urban development in the adjacent areas. Embedded in a long-term vision of urban revitalization, key investments by the public sector in the urban core, where pockets of under-utilized land or dilapidated urban fabrics exist, will act as catalyst to unlock land values, generate private sector interest, and reverse decade-old processes of urban flight from the Downtown areas towards other areas of the city and suburbs, and in the long term, transform the city. Importantly, the investments and activities financed under the proposed Project will improve urban quality of life; provide sustainable livelihoods and economic development opportunities; and build the institutional capacity of the local and national authorities to manage urban regeneration efforts in collaboration with the private sector.

22. **The proposed Project will maximize the climate mitigation and adaptation potential of the waterfront regeneration.** The Government is committed to a vision of a green and resilient waterfront park and district that could be a model for the wider region. In particular, the proposed Project will finance the creation of a waterfront park that prioritizes reuse of existing materials; use of low-carbon materials for construction; and nature-based solutions for flood mitigation and heat reductions. The proposed Project will also support the identification of green solutions in the existing and new developments adjacent to the project site, including energy-efficient and resilient building retrofits; the installation of cool and green infrastructure; waste reduction and on-site renewable energy generation, with a view to attaining relevant green building and neighborhood certifications. The proposed Project will be assessed to ensure its alignment to the Paris Agreement pending finalization of the methodology of this assessment by the Climate Change Group and OPCS.
23. **The proposed Project will help create the physical, social and institutional conditions to catalyze private sector led development.** The public investment supported by the proposed Project will facilitate and provide the framework for subsequent private investment in the area which is expected to substantially outweigh the original public sector contribution. The impact of public investments in urban infrastructure and public spaces to stimulate follow-on private investment, including in new and expanded businesses and nearby properties, and leading to rising property values and tax revenues for city administrations, has been widely demonstrated²². The proposed Project will support the government in identifying practical strategies to tap into and leverage private capital and expertise, including the identification of the optimal business model for the identified redevelopment sites, and the appropriate roles of the public sector and private sector given the capacity, complexity of the redevelopment, and the assets in question.
24. **The proposed Project will support a phased approach to redevelop the waterfront district to generate momentum and support for the proposed Project's overall vision.** Many successful experiences globally with taking a public-private approach to urban regeneration have demonstrated the importance of “phasing” their interventions and investments -- combining action today with an overarching long-term vision, and a flexible strategy that can adjust with changing market conditions. Given fiscal constraints and limited public resources, private investment in the urban built environment is critical to urban regeneration. But to leverage private investment and simultaneously maximize the public benefits of a public-private approach to urban regeneration requires a systemic and phased approach that, from the outset, aims to balance these two complementary objectives. Moreover, building the capacity – and the institutional framework and governance mechanisms – to allow for public sector authorities to operate in the best interest of the public while negotiating with private developers requires dedicated effort before transactions become fully mature. In this context, the proposed Project will i) support strategies for the immediate

²² A 2008 European Central Bank study concluded, for example, that public investment has a significant “crowding-in effect on private investment” in eight of seventeen countries analyzed. The IMF (2015) also conducted a country-specific analysis on India concluding that there is “evidence for a positive and significant crowding in of private investment by public sector investment: a one rupee increase in public investment crowds in private investment by 0.30, 1.24, and 1.07 rupees after four, eight, and twelve quarters, respectively.”



activation of the proposed Project site during the design and preparation phase; ii) finance the catalytic public sector investment to transform the waterfront into a high quality, public space and park area (Component 1); and iii) build the institutional capacity for the public to effectively manage follow on private investment in the adjacent neighborhood in line with the Government's vision of creating a vibrant, mixed-use and sustainable Downtown Kingston.

Project components

25. **Component 1: Green, resilient and inclusive waterfront.** This component will finance the transformation of the Kingston Waterfront into an open, high-quality public space, through the pedestrianization of Ocean Boulevard and the installation of a set of adaptable amenities to attract residents and tourists (see Annex 1 for map of the proposed Project site). The aim is to design and build a new and inclusive civic space along the water that provides a venue for public visual and performing arts programs; becomes a model for climate-smart and resilient infrastructure and education; and generates income-generating opportunities for small vendors and local businesses. The public space will provide year-round, family friendly use and programming that will generate revenue to support operations and maintenance and allow the greatest variety of uses by all people. The waterfront park will be specifically designed to spark private sector-led urban development in residential, retail, and services in the surrounding Downtown Area.
26. **The waterfront improvement will be designed to optimize social inclusion and jobs, gender impacts, and environmental performance.**
- **Social Inclusion and jobs.** Extensive public and community consultation will ensure that the design of the public space will meet the aspiration of a diversity of Kingstonians and bring together residents that tend to gather in segregated, informal spaces of the city. Through participatory design workshops, the proposed Project will create ownership amongst Kingstonians of the new park and ensure the incorporation of their vision of and ideas for the new public space from the beginning. This is particularly important as the Waterfront Park will have to overcome perceptions of crime and insecurity associated with Downtown Kingston. The proposed Project will create employment opportunities during the construction of the park space, the operation and maintenance, as well as by providing better facilities for small vendors in and around the Project site and capacity building (through Component 2) to improve their product offering.
 - **Gender.** The park design will be based on a truly participatory and inclusive design process that explores and attends to the experiences and uses of the city from the perspective of all citizens, including the most disadvantaged groups such as women, girls, sexual and gender and other minorities as well as at-risk (male) youth from inner-city communities²³. By doing so, the Project seeks to address an identified gender gap in the perception of safety in the public space (see paragraph 9) which disadvantages girls and women in their full enjoyment of the city. Targeted surveys will be carried out amongst (anticipated) beneficiaries of the waterfront park to identify constraints and barriers that may prevent girls and women to take advantage of the redeveloped space, in order to include targeted investments, design and activities to attract them as primary future users of the site. Gender-inclusive urban design elements include improved lighting and clear unimpeded sight lines to improve safety and perception of safety; universal accessibility; restrooms; playgrounds; shaded resting areas etc.
 - **Climate-smart and resilient design.** The construction of the space will adhere to high resource efficiency standards, green construction processes, high energy efficiency or zero carbon building standards, as well as onsite renewable energy generation. The infrastructure investment will include the extension of the coastal protection measures implemented under the WB-financed Disaster Vulnerability Reduction Project, and prioritize

²³ <https://openknowledge.worldbank.org/handle/10986/33197>



Nature Based Solutions, green infrastructure, indigenous vegetation and educational sites that raise awareness about coastal resilience and stormwater surges and the ecological and symbolic significance of Kingston's natural harbor. The waterfront park will connect to the waterfront promenade developed along Port Royal Road to create a contiguous recreation corridor. The proposed Project aims to assess and calibrate the carbon impact of proposed design solutions from the early stages of planning, with a view to including optimal design options, land uses, structural systems and landscape and façade materials. Finally, the proposed Project will support ongoing activities to address the solid waste problem at the Kingston Harbor, in particular the Jamaica Plastic Waste Removal technical assistance supported by ProBlue which looks at improving the evidence and stakeholder understanding of marine litter prevention strategies in Jamaica, with a view to preparing a pilot operation to install in-stream waste removal architectures in the main gully adjacent to the proposed Project site (Barnes Gully) which could serve as a demonstration project for the city and the wider region and be financed under the Project.

27. **Component 2: Sustainable Livelihoods Support Programs.** The activities under this component are designed to enable vendors and entrepreneurs located at the waterfront and/or the commercial district to the North of the proposed Project site, to benefit from the revitalization of the waterfront district. A particular emphasis will be placed on assessing the situation and needs of female entrepreneurs and business owners. The proposed Project will finance the following activities: i) mapping of existing vendors (informal and formal) in and around the proposed Project site; ii) allocation of business development grants for selected entrepreneurs, micro and small enterprises to respond to the economic opportunities unlocked by the proposed Project; iii) training and capacity building to strengthen micro-enterprises and facilitated linkages with microfinance institutions; and iv) targeted programs to include at-risk youth as beneficiaries and participants in the programming and activation of the public space financed under Component 1.

28. **This component will also support a deep community engagement process throughout the proposed Project cycle.** The community/stakeholder engagement process will be designed to i) generate interest and ownership amongst community members and residents about the waterfront redevelopment; ii) elicit community views and contributions during the visioning and design process of the waterfront redevelopment, to ensure that the design concept responds to the experiences and uses of a wide diversity of Kingstonians and addresses any fears or concerns the community has about the proposed redevelopment; and iii) create an inclusive activation and programming concept of the waterfront redevelopment that draws on the creative and entrepreneurial potential of local residents and businesses. Creative industries can have unique and transformative impact on cities through their ability to improve urban quality of life and amenities, the jobs they generate for urban populations, including women, youth and other marginalized groups; and their impact in terms of social inclusion and social network formation²⁴. In Jamaica, approximately 20 percent of employed people ages 15-29 work in the creative industries²⁵ – this is particularly significant in that the youth unemployment rate in Jamaica is particularly high at 18.9 percent and it is estimated that more than two-thirds of youth aged 18-20 in the poorest 40 percent of households were neither in school nor working. The Project will develop strategies to include young entrepreneurs and at risk youth through programming of events and cultural activities at the waterfront and Downtown Kingston, including training and access to practice and performance spaces.

²⁴ <https://documents1.worldbank.org/curated/en/104121621556036559/pdf/Cities-Culture-Creativity-Leveraging-Culture-and-Creativity-for-Sustainable-Urban-Development-and-Inclusive-Growth.pdf>

²⁵ https://www.unesco.org/en/articles/jamaica-track-creative-economy-act-protect-and-support-its-cultural-and-creative-industries?TSPD_101_R0=080713870fab20004be71fdc7722e1eb1332fac63e1c6ca5bf1646e8b9c145e6ec85c8908bc114bb0892b79bf314300094e56694958de24d3efe016ef3673cd448f49d91d08e4b5f703da85440e0e05b24d6a69690b3fe55a9f55a85d4afde44



29. **Component 3: Institutional Strengthening.** This component will build the foundations for future private sector investments by improving technical capacity, institutional arrangements, decision making, planning and capacity to execute on the vision of revitalizing downtown Kingston. More specifically, the component will strengthen the institutional capacity needed to implement public and private collaboration efforts related to sustainable urban development. The Government seeks to attract private investors for the development of under-utilized plots of land adjacent to the waterfront in a medium- to long-term revitalization initiative of the Waterfront “district”. The goal is to support the Government to leverage public and private resources in the most effective manner.
30. **This component will include targeted technical assistance to leverage the potential of the waterfront redevelopment** including, but not limited to: (i) technical assistance to relevant Government agencies to develop and manage public-private partnerships in the implementation of urban regeneration processes, in particular related to appropriate land value capture instruments; the negotiation of transaction structures and the selection of development partners, with a view to developing underutilized land adjacent to the waterfront; (ii) developing a sustainable operation and maintenance plan for the waterfront park, based on international best practices and international and local examples of successful public space management and maintenance models; (iii) analytical studies and advisory services for the creation of a Business Improvement District or similar entity run by private sector and civil society stakeholders, drawing on international best practices; (iv) analytical studies and technical assistance to improve energy efficiency, install off-grid renewable energy generation, capture rainwater runoff, create green or cool roofs to mitigate urban heat, with a view of enhancing the potential of the waterfront as the Caribbean’s first green district; and (v) support to align institutional, private sector, community and other stakeholders around a medium- to long-term redevelopment vision.
31. **Component 4: Project Management.** This component will support the administrative management of the Project by JSIF and implementing partners through, but not limited to, (a) a project coordinator; (b) financial management (FM) and procurement specialists to carry out the fiduciary aspects of the Project, including audits; (c) monitoring and evaluation (M&E) specialists; (d) technical experts needed for project preparation and implementation (including E&S management and social protection specialists); and (e) technical focal points in UDC. JSIF will coordinate the provision of training and workshops and manage the financing of necessary goods, equipment, and operating costs, including costs associated with convening and reporting to different Government stakeholders.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

32. The Project's Environmental and Social Risk Classification (ESRC) is Substantial.



The conceptual design options include different potential redevelopment scenarios, including (i) Scenario 1 | minimal redevelopment: improvement of current development; no new vertical construction takes place; (ii) Scenario 2 | small-scale redevelopment: new development takes place but not significant (e.g. two additional residential or hotel buildings and ground floor retail); (iii) Scenario 3 | high-density/large scale redevelopment: transformative investments and construction take place to transform and revitalize the area. The study on conceptual design will be finalized after the project approval. However, considering the current available information, the environmental risk classification is Substantial under the World Bank Environmental and Social Framework based on the location, type, sensitivity, and scale of project intervention, nature and magnitude of potential E&S risks and impacts, and client capacity and ownership.

33. The project area is urbanized and may be considered a brownfield redevelopment. The possible project environmental risks under Component 1 include negative effects typical of civil works associated with sea defense and road improvements (noise, dust, water quality, solid and liquid waste, stormwater runoff, and turbidity) and worker health and safety. **The social risk classification** of the project is Substantial. The project will finance civil works under Component 1. The activities under Component 2 are designed to enable vendors and entrepreneurs located at the waterfront and/or the commercial district to the North of the proposed Project site, to benefit from the revitalization of the waterfront district and will support a deep community engagement process throughout the proposed Project cycle. While the project is expected to bring positive benefits to both the Kingston waterfront and the surrounding communities, there are social risks related to its implementation. Based on the project concept, potential social risks include risks of social exclusion, safety, and security, economic and physical displacement, interactions between contractor(s) and the public, traffic management, and risks related to chance findings of cultural heritage in the project area. Social exclusion was a topic that came up regularly during the first preparation mission of the Project. JSIF, UDC, and other stakeholders all expressed how important it is for the communities around the project not to be excluded from the design and implementation. These persons often feel excluded from decisions, development, and improvements because they are often not consulted. The implications of this are far-reaching and include implications for safety and security. If socially included, it is believed that the members of the surrounding communities will ensure that users of, for example, the park are kept safe, thus contributing to reducing crime-related activities and the endeavor's social sustainability. A robust Stakeholder Engagement Plan (SEP) will be designed and undertaken very early during project preparation. Both the JSIF and the UDC will have to receive sensitization on the ESF.
34. The Project will be required to develop, disclose, and consult the Environmental and Social Commitment Plan (ESCP) and the Stakeholder Engagement Plan (SEP) with its Grievance Mechanism (GM) before project appraisal. The SEP will address the inclusion of vulnerable groups in the consultation process undertaken very early during project preparation. Consultations to be undertaken during project preparation will ensure differentiated measures for vulnerable and disadvantaged individuals and groups to be consulted and their input integrated into project design. From the early stage of project preparation, there will be a feedback mechanism for vulnerable and disadvantaged groups, so that, where feasible, their concerns will be integrated into Project design. Also, the initial environmental and social documents to be prepared (Environmental and Social Management Framework (ESMF), Stakeholder Engagement Plan (SEP), and Labor Management Procedures (LMP) will include an examination of the dimensions of vulnerability, in particular concerning direct and indirect impacts, which will feed into project design, and into the design of subproject activities. In addition, the project will prepare an initial environmental and social review document covering the E&S setting of the proposed sites, possible environmental and social issues, and outlines of the E&S instruments to be prepared during the project implementation phase. Although the specific instruments will be confirmed during project preparation, the project will require, an Environmental and Social Impact Assessment (ESIA) with Environmental and Social Management Plan (ESMP) and possibly a Resettlement Action Plan (RAP), as



there might be some economic displacement during civil works. In addition, a Labor Management Procedure (LMP) will be prepared for the project. The timing to prepare the environmental and social (E&S) instruments will be discussed during the project preparation and will be included in the ESCP. However, the relevant instruments to be prepared before initiating the bidding process. The initial E&S risk review document, developed during project preparation, will also include capacity gap analysis and cover the scope of work for additional E&S staff/consultant required to successfully implement E&S risk management. The technical assistance under Component 3 may include TA activities of type 3 (strengthening borrower capacity) according to the 2019 OESRC Advisory Note on Technical Assistance and the Environmental and Social Framework. The requirements set out in paragraphs 14–18 of ESS1 will be applied to TA activities as relevant and appropriate to the nature of the risks and impacts. The timing to prepare the environmental and social (E&S) instruments will be discussed during the project preparation and will be included in the ESCP. The Bank will review the Environmental and Social Risk Classification (ESRC) on a regular basis throughout the project life cycle to ensure it continues to accurately reflect the level of risk the project presents.

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