DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

JAMAICA

REACTIVATING KEY PRODUCTIVE SECTORS FOR GROWTH POST-HURRICANE MELISSA

(JA-T1251)

PROJECT DOCUMENT

This document was prepared by the project team consisting of: Team Leader: Taitt, Nayaatha (PTI/CTI); Alternate Team Leader: Grant, Kayla Sharee (PTI/CTI); Attorney: Stello, Luis Francisco (LEG/SGO); Centeno Lappas, Monica Clara Angelica (LEG/SGO); Team Members: Barrios Bastardo Andreina Del Carmen (PTI/CTI); Duncan Anya Francene (CCB/CJA); Ho Lung, Jodi (CCB/CJA); Medina Vasquez Exequiel Enrique (PTI/CTI); Morales Reina, Genesis Del Carmen (PTI/CTI).

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PROJECT SUMMARY

Operation Type:	Technical Cooperation
Sector:	PRIVATE FIRMS AND SME DEVELOPMENT
Subsector:	ENTERPRISE DEVELOPMENT, CLUSTERS AND INNOVATION
TC Taxonomy:	Client Support
Project Number under the Operational Support Taxonomy:	N/A
Technical Responsible Unit:	PTI/CTI-Competitiveness, Technology, and Innovation Division
Unit with Disbursement Responsibility (UDR):	CCB/CJA-Country Office Jamaica
Executing Agency:	Inter-American Development Bank

PROJECT OBJECTIVE

To strengthen the policy and strategic planning framework for economic recovery, sustainable growth, and productivity in Jamaica. The specific objectives are to: (i) strengthen the strategic framework for identifying and prioritizing interventions to support economic recovery and sustainable growth; and (ii) strengthen the strategic framework for enhancing productivity and competitiveness in Jamaica's manufacturing sector.

FINANCIAL INFORMATION

Financing Type	Fund	Amount in US$
TCN - Nonreimbursable	P3B - OC SDP Pillar 3 - Productive Development and Innovation through the Private Sector	110,000
	Total IDB Financing	**110,000**
	Counterpart Financing	**0**
	Total Project Budget	**110,000**

Donors:	N/A
Disbursement Period:	24 months
Execution Period:	24 months

ADDITIONAL FINANCIAL INFORMATION

N/A

I. Justification and Objective

1.1 **Diagnostic.** Jamaica's economic growth performance has been characterized by significant volatility over recent years, reflecting persistent structural weaknesses in the economy. Real Gross Domestic Product (GDP) growth increased by 1.8 percent in 2019, contracted by 8.3 percent in 2020, rebounded to 2.7 percent in 2023, and slowed to -0.5 percent in 2024. This volatility is underpinned by weak productivity performance. Total Factor Productivity (TFP) remained virtually unchanged between 2003 and 2023, indicating limited improvements in the economy's capacity to generate sustainable productivity-driven growth. The persistence of low productivity growth reflects a combination of structural factors, including competitiveness constraints, limited technology adoption and diffusion, evolving workforce and skills requirements, institutional bottlenecks, and the need to better align growth policies and interventions with emerging economic, technological, social, and environmental trends.

1.2 These structural challenges are compounded by Jamaica's high vulnerability to climate-related shocks. Hurricane Melissa, which made landfall in October 2025 as a Category 5 hurricane, caused estimated damage and losses of US$12.2 billion. The disaster resulted in significant downward revisions to economic growth projections and highlighted the extent to which climate shocks can disrupt productive activity, damage infrastructure and productive assets, and undermine long-term growth prospects. The increasing frequency and intensity of climate-related events underscore the importance of integrating resilience considerations into growth planning, infrastructure development, productive sector strategies, and broader economic policymaking.

1.3 Jamaica has previously undertaken efforts to address these challenges through the Growth-Inducement Strategy for Jamaica in the Short and Medium Term (2012), which identified seven pillars for growth, including international competitiveness, business network development, public sector transformation, asset mobilization, resilience, urban development, and crime reduction. Recognizing the need to assess progress and refine priorities, the Growth Inducement Programme (GIP) Secretariat undertook a substantive review between September 2017 and March 2018, five years after the publication of the original Strategy. The assessment examined the implementation and effectiveness of selected growth-enhancing initiatives and provided recommendations on how Jamaica could further advance its growth agenda.

1.4 Since then, however, significant changes have occurred in the domestic and global environment with implications for the Strategy's core growth pillars. Technological advances associated with digitalization, artificial intelligence, automation, and data-driven business models are reshaping competitiveness and business networks; climate change and increasing disaster risks are heightening the importance of resilience and adaptation investments; evolving global value chains and geopolitical shifts are altering opportunities for trade, investment and asset mobilization. These developments affect not only economic performance, but also social inclusion, institutional effectiveness, infrastructure needs, and environmental sustainability. Nearly a decade after the last comprehensive review, there is a need to reassess Jamaica's growth priorities, constraints, and opportunities to ensure that growth strategies and interventions remain evidence-based, forward-looking, climate-resilient, and aligned with current and emerging realities.

1.5 At the sectoral level, these productivity and competitiveness challenges are particularly evident within the manufacturing sector. The sector remains a key component of the national economy, accounting for approximately 9.5 percent of GDP and generating export earnings of US$800 million in 2025, of which 44 percent is made up of refined oil[1]. Manufacturing plays an important role in employment creation, investment, export diversification, and the development of linkages across the wider economy. However, the sector continues to face constraints related to productivity growth, cost competitiveness, workforce capabilities, market access, and the adoption and diffusion of advanced technologies. These challenges are becoming increasingly significant as global manufacturing evolves toward more digital, technology-intensive, resource-efficient, and climate-resilient production systems. While Jamaica's National Five-Year Manufacturing Growth Strategy for Jamaica (2020–2025) provided a framework for strengthening the sector through initiatives related to competitiveness, cluster development, market access, partnerships, and capacity building, the strategy is reaching the end of its implementation period and does not fully reflect recent technological developments, evolving global market conditions, climate resilience imperatives, or emerging opportunities for technology-driven and sustainable industrial transformation.

1.6 As a result, Jamaica faces a dual challenge: ensuring that national growth priorities remain aligned with a rapidly evolving economic, social, technological, and climate context, while strengthening the competitiveness and resilience of key productive sectors that can drive future growth. Addressing these challenges requires both an updated understanding of the economy's growth priorities and a renewed focus on strengthening the competitiveness and resilience of manufacturing as a key driver of productivity growth, exports, and economic transformation through technology adoption, digital transformation, and sustainable production practices.

1.7 **Request.** The Government of Jamaica (GoJ), through the Ministry of Finance and the Public Service (MOFPS), has requested the Bank's support to strengthen the strategic policy and planning frameworks that guide economic growth, productivity, and manufacturing competitiveness. As part of the annual dialogue between the Bank and the Government of Jamaica to establish the operational program, this operation has been selected for processing and approval.

1.8 **Objective.** The general objective of this TC is to strengthen the policy and strategic planning framework for economic recovery, sustainable growth, and productivity in Jamaica. The specific objectives are to: (i) strengthen the strategic framework for identifying and prioritizing interventions to support economic recovery and sustainable growth; and (ii) strengthen the strategic framework for enhancing productivity and competitiveness in Jamaica's manufacturing sector.

1.9 **Complementarity.** The proposed TC complements the Bank's broader portfolio supporting productivity, competitiveness, resilience, and sustainable economic

[1] Statistical Institute of Jamaica.

growth in Jamaica. It complements the Bank's work to strengthen Jamaica's trade, investment, and Micro, Small, Medium Enterprises (MSMEs) policy framework through the TCs *Strengthening Trade and Investment through Strategic Policy Initiatives and Special Economic Zones* (ATN/OC-21729-JA; ATN/OC-21730-JA; ATN/OC-22388-JA). It also builds on the Bank's longstanding support for Jamaica's innovation and productivity ecosystem through *Support to Jamaica's Innovation Ecosystem for Promoting Innovative Firms* (ATN/CO-17246-JA; ATN/OC-15695-JA), Strengthening the *Intellectual Property Ecosystem to Increase Innovation, Competitiveness and Growth in Jamaica* (ATN/CO-17021-JA), *Improving Competitiveness of the Jamaica Castor Bean Cluster* (ATN/CO-17079-JA), *the Boosting Innovation, Growth and Entrepreneurship Ecosystems Programme* (4860/OC-JA; GRT/ER-19124-JA)[2], *Developing Skills Strategies for an Enhanced Skills Ecosystem for Strategic Jamaican Industries* (ATN/TV-19915-JA), *and Promoting Competitiveness and Sustainable Development in Jamaica* (ATN/OC-21877-JA).

1.10 The operation further complements the Bank's work on disaster risk management, climate adaptation, and green growth, including *Support for the Formulation and Implementation of the Program for the Strengthening of Disaster Risk Management and Climate Change Adaptation Governance* (ATN/MD-16760-JA; ATN/OC-16761-JA), *Strengthening the National Quality Infrastructure for Competitiveness and Green Growth in Jamaica* (ATN/OC-21285-JA), *and Fiscal Policy for Climate Change in Jamaica* (ATN/FC-21151-JA). By integrating resilience and sustainability considerations into national growth and manufacturing policy frameworks, the TC contributes to the Bank's objective of fostering a more productive, competitive, resilient, and sustainable Jamaican economy through stronger policy, institutional, and strategic frameworks that support long-term economic growth, industrial transformation, and private sector development.

1.11 **Strategic Alignment.** This TC is aligned with the three objectives of the IDB Group Institutional Strategy 2024-2030: Transforming for Scale and Impact (CA-631): (i) Bolstering sustainable regional growth; (ii) Addressing climate change; and (iii) Reducing poverty and inequality. It is further aligned with the following areas of operational focus: (i) Productive development and innovation through the private sector; (ii) Biodiversity, natural capital and climate action; and (iii) Institutional capacity, rule of law and citizen security. Consistent with these priorities, the TC will strengthen the policy and institutional foundations for sustainable economic growth, productivity, manufacturing competitiveness, innovation, and climate resilience through the preparation of updated national growth and manufacturing strategies, implementation roadmaps, and results-based monitoring frameworks. The operation is also aligned with the Innovation, Science, and Technology Sector Framework Document (GN-2791-13), particularly *Line of Action 3*, *Foster an enabling environment for private investment in innovation and connectivity*, by promoting technology-, and innovation-driven approaches to productivity, industrial upgrading, and manufacturing competitiveness. Furthermore, the TC is fully aligned with the Ordinary Capital Strategic Development Program (OC SDP) – Pillar 3: Productive Development and Innovation through the Private Sector (P3B), approved under GN-2819-25, by providing assistance for policy reforms

[2] Approved for USD 25,000,000.00 in 2019. In Implementation.

that support productivity growth and innovation. The support for policy reforms generated under this TC will complement ongoing and future technical assistance and lending operations in Jamaica, reinforcing the Bank's programmatic approach to strengthening the policy and institutional frameworks that support private sector development.

1.12 This TC is also aligned with the IDB Group Country Strategy with Jamaica 2022–2026 (GN-3138), particularly Strategic Area 1: Reactivating the Productive Sector for Sustainable Growth and the expected result of *Increased access to credit for MSMEs*, by updating Jamaica's Growth-Inducement Strategy to identify and prioritize growth-enhancing interventions and strengthening the competitiveness and resilience of the manufacturing sector through technology adoption, digital transformation, and sustainable production practices. Also, it contributes to the cross-cutting themes of *Climate Change* and *Institutional Capacity and Rule of Law*, in particular the expected results of *Avoided associated CO2 emissions* and *Improved government effectiveness by strengthening the quality of public service,* through the integration of results-based policy frameworks and climate resilience considerations into national growth planning strategies.

1.13 The TC builds on previous national initiatives, including the GIP and the National Five-Year Manufacturing Growth Strategy (2020–2025), which reflect Jamaica's ongoing efforts to strengthen productivity, competitiveness, resilience, and sustainable economic growth. Both are aligned with Jamaica's principal strategic planning frameworks, including Vision 2030 Jamaica and the Medium-Term Socio-Economic Policy Framework (MTF) 2024–2027.

II. COMPONENTS

2.1 **Component I. Identifying Short- to Medium-Term Strategic Priorities to Support Economic Recovery and Sustainable Growth (US$55,000)**.

a. This component aims to strengthen the strategic framework for economic recovery and sustainable growth in Jamaica over the short- to medium-term. To achieve this, the component will finance an individual consultancy, implemented over a twelve-month period under the coordination of the IDB in close collaboration with the Planning Institute of Jamaica (PIOJ).

b. The activities to be performed will include: (i) reviewing the existing Growth-Inducement Strategy and related national policies, strategies, and implementation frameworks; (ii) analyzing Jamaica's current growth performance, structural constraints, and emerging opportunities; (iii) undertaking horizon scanning, foresight analysis, and international benchmarking to identify future growth opportunities and risks; (iv) conducting stakeholder consultations with representatives from the public and private sectors, academia, civil society, and development partners; (v) preparing an updated Growth-Inducement Strategy, including strategic priorities, policy recommendations, an implementation framework, and a results-based monitoring and evaluation framework; and (vi) supporting outreach, validation, and dissemination activities to promote adoption of the updated Strategy.

c. The expected outputs include: (i) an updated Growth-Inducement Strategy; (ii) a results-based implementation and monitoring framework; (iii) stakeholder consultation and validation reports; and (iv) dissemination materials, including a policy brief and presentation.

2.2 **Component II. Updating Strategic Frameworks for Productivity and Competitiveness (US$55,000).**

a. This component aims to strengthen the strategic framework for improving productivity and competitiveness in Jamaica's manufacturing sector. To achieve this, the component will finance an individual consultancy, implemented over a twelve-month period under the coordination of the IDB in close collaboration with the Ministry of Industry, Investment and Commerce (MIIC).

b. Activities to be performed will include: (i) reviewing the existing Manufacturing Growth Strategy and other relevant national policies, strategies, and implementation frameworks; (ii) analyzing the performance, structure, constraints, and opportunities of Jamaica's manufacturing sector and key subsectors; (iii) assessing current and emerging national, regional, and global trends affecting manufacturing competitiveness through horizon scanning, foresight analysis, and international benchmarking; (iv) conducting stakeholder consultations with manufacturers, industry associations, government agencies, academia, business support organizations, and development partners; (v) preparing an updated

Manufacturing Growth Strategy, including strategic priorities, policy recommendations, an implementation framework, and a results-based monitoring and evaluation framework; (vi) developing an Industry Transformation Roadmap for one priority manufacturing subsector; and (vii) supporting outreach, validation, and dissemination activities to promote adoption of the updated Strategy and Roadmap.

c. Expected outputs include (i) an updated National Five-Year Manufacturing Growth Strategy for Jamaica; (ii) an Industry Transformation Roadmap for one priority manufacturing subsector; (iii) a results-based implementation and monitoring framework; (iv) stakeholder consultation and validation reports, and dissemination materials, including a policy brief and presentation.

2.3 **Expected Results**. This TC is expected to strengthen Jamaica's strategic policy and planning framework for sustainable economic growth, productivity, and manufacturing competitiveness. Expected results include: (i) improved identification and prioritization of growth and competitiveness interventions; (ii) enhanced strategic planning and evidence-based decision-making; (iii) strengthened implementation and monitoring of growth and competitiveness initiatives; and (iv) strengthened collaboration among government, the private sector, academia, and other stakeholders in the development and implementation of growth and competitiveness policies.

2.4 **Beneficiaries.** The direct beneficiaries of the TC are the PIOJ and the MIIC. The final beneficiaries are the Jamaican private sector and the broader economy, which are expected to benefit over the medium to long term from improved policy and strategic planning that supports sustainable economic growth, productivity, and manufacturing competitiveness.

III. BUDGET

3.1 **Budget.** The indicative budget of the TC will be US$110,000 to be financed by Pillar 3 Productive Development and Innovation through the private sector (P3B). There is no local counterpart funding, and the disbursement period will be 24 months.

Components	P3B-OC	Total
Component 1: Identifying Short- to Medium-Term Strategic Priorities to Support Economic Recovery and Sustainable Growth	55,000	**55,000**
Component 2: Updating Strategic Frameworks for Productivity and Competitiveness	55,000	**55,000**
Total	**110,000**	**110,000**

IV. EXECUTION STRUCTURE

4.1 **Executing Agency.** The TC will be executed by the Inter-American Development Bank (IDB) through the Competitiveness, Technology and Innovation Division (PTI/CTI), and in coordination with the Country Office of Jamaica (CCB/CJA). The project collaborating entities will be the PIOJ and the MIIC. PIOJ will lead technical coordination for Component 1, while MIIC will lead technical coordination for Component 2. Both institutions will work closely with the IDB throughout implementation to facilitate stakeholder consultations, review deliverables, provide technical oversight, and ensure alignment with national priorities. This is based on a request by the beneficiaries, in accordance with the Bank's Technical Cooperation Policy (GN-2470-2) and the Procedures for the Processing of Technical Cooperation Operations and Related Matters (OP-619-4).

4.2 **Execution Justification.** In accordance with Annex II, Section II.C.2.2 of the *Operational Guidelines for the Processing of Technical Cooperation Operations (OP-619-4)*, Bank execution is justified on institutional capacity grounds. The requesting entities have limited technical and operational capacity to directly contract, manage, and supervise the specialized consulting services required to duly and timely execute the activities contemplated under the TC. Bank execution will facilitate timely access to the specialized expertise required, while supporting effective coordination, technical quality assurance, and consistency across the two components. Bank execution is further supported by the Bank's technical expertise and experience in Jamaica and the region in designing and implementing similar technical assistance related to economic growth, productivity, competitiveness, private sector development, and sector-level policy and strategic planning, as well as its ongoing policy dialogue with the relevant government institutions. This experience positions the Bank to effectively manage the proposed technical work and ensure coordination and complementarity with related Bank-supported initiatives. The TC will be executed and disbursed by the Bank over a 24-month period in accordance with the output indicators established in the Results Matrix (Annex II).

4.3 **Procurement.** All procurement to be executed under this Technical Cooperation have been included in the Procurement Plan (Annex IV) and will be hired in compliance with the applicable Bank policies and regulations as follows: (a) Hiring of individual consultants, as established in the regulation on Complementary Workforce (AM-650) and (b) Contracting of services provided by consulting firms in accordance with the Corporate procurement Policy (GN-2303-33) and its Guidelines. PTI/CTI will be responsible for: (i) preparing the Request for Proposal for the studies and technical work necessary to structure the project; (ii) selecting and hiring consultants to provide the necessary services; and (iii) managing the execution and delivery of consulting services.

4.4 **Execution and Disbursement Period.** The execution and disbursement period will be 24 months.

4.5 **Monitoring, Reporting, and Supervision.** This TC will be monitored and supervised by the Team Leader assigned by the Bank's Competitiveness, Technology, and Innovation Division (PTI/CTI). The Bank will coordinate with the PIOJ, MIIC, and other relevant stakeholders in the execution of consultancy services outlined in the procurement plan and conduct monthly meetings to identify problems or potential risks, provide feedback, and ensure alignment with the broader goals of the TC.

V. POTENTIAL RISKS

5.1 There are several potential risks identified. First, the limited availability or engagement of key stakeholders during the consultation and validation process has been identified as a high-likelihood, medium-impact risk that could affect the quality, relevance, and ownership of the updated strategies and delay implementation. To mitigate this risk, PIOJ and MIIC will support early identification and mobilization of relevant stakeholders, while consultations will be scheduled sufficiently in advance and targeted outreach will be undertaken where necessary. These measures are expected to reduce participation constraints, facilitate timely access to relevant stakeholders and information, and ensure that key perspectives are incorporated throughout the preparation and validation of the strategies, thereby strengthening their relevance and ownership. Second, a shift in government priorities represents a medium-likelihood, high-impact risk that could affect project continuity. To mitigate this risk, the technical work will be anchored in Jamaica's established long-term national development priorities and policy frameworks, with continued engagement of PIOJ, MIIC, and other relevant institutions throughout execution. This approach is expected to promote institutional ownership beyond individual stakeholders or short-term priorities and maintain the relevance of the strategies in the event of changes in leadership or policy emphasis, thereby supporting continuity and subsequent uptake of the TC's recommendations.

5.2 **Intellectual Property.** Any knowledge products generated within the framework of this TC will be the property of the Bank and may be made available to the public under a Creative Commons license. However, upon request of the beneficiary, the intellectual property of said products may also be licensed and/or transferred to the beneficiary through specific agreements.

VI. EXCEPTIONS TO BANK POLICIES

6.1 N/A.

VII. ENVIRONMENTAL AND SOCIAL ASPECTS

7.1 This TC is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).

REQUIRED ANNEXES:

- Annex I: Request from Client
- Annex II: Results Matrix
- Annex III: Terms of Reference
- Annex IV: Procurement Plan