DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

JAMAICA

SUPPORT FOR SKILLS DEVELOPMENT FOR STRATEGIC JAMAICAN INDUSTRIES.

(JA-T1267)

PROJECT DOCUMENT

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JAMAICA SUPPORT FOR SKILLS DEVELOPMENT FOR STRATEGIC JAMAICAN INDUSTRIES. JA-T1267		
PROJECT SUMMARY		
Operation Type:	Technical Cooperation	
Sector:	SOCIAL INVESTMENT	
Subsector:	HUMAN RESOURCES & WORKFORCE DEVELOPMENT	
TC Taxonomy:	Operational Support	
Project Number under the Operational Support Taxonomy:	JA-L1091	
Technical Responsible Unit:	SCL/SPL-Social Protection and Labor Markets Division	
Unit with Disbursement Responsibility (UDR):	SCL/SPL-Social Protection and Labor Markets Division	
Executing Agency:	Inter-American Development Bank	
PROJECT OBJECTIVE		
The objective of this technical cooperation is to support the preparation and execution of the JA-L1091 project, which aims to foster the development of key strategic economic sectors in Jamaica. The specific objectives are: (i) to improve Technical and Vocational Education and Training (TVET) system's capacity to align workers´ skills with the three prioritized industries' requirements; and (ii) to improve the country's capacity to increase exports and attract Foreign Direct Investment (FDI) in manufacturing and logistics.		
FINANCIAL INFORMATION		
Financing Type	**Fund**	**Amount in US$**
TCN - Nonreimbursable	P3E - OC SDP Pillar 3 - Social Protection and Human Capital Development	175,000
	Total IDB Financing	**175,000**
	Counterpart Financing	**0**
	Total Project Budget	**175,000**
Donors:	N/A	
Disbursement Period:	36 months	
Execution Period:	36 months	
ADDITIONAL FINANCIAL INFORMATION		
N/A		

I. JUSTIFICATION AND OBJECTIVE

1.1 **Diagnostic.** Over the past decade, Jamaica has made notable progress on economic stabilization and reform. As a small open economy, Real Gross Domestic Product (GDP) growth averaged a little over 1.0% from 2000 to 2024, undergoing several economic shocks during that period. Since 2013, the Government of Jamaica has implemented fiscal, monetary, and structural reforms, guided by International Monetary Fund adjustment programmes and with financial and technical support from the Bank, that stabilized the economy. These reforms improved Jamaica's fiscal performance, creditworthiness, and financial buffers which helped cushion the pandemic's impact: real GDP fell 10% in 2020 but rebounded quickly supported by tourism recovery and pre-crisis fiscal and external buffers. Jamaica was on track to reduce its debt ratio to approximately 60% in 2025; however, Hurricane Melissa (Category 5, October 2025) caused an estimated US$12.2 billion in damage —equivalent to 56.7% of GDP— disrupting this trajectory and exposing the country's vulnerability to climate-related shocks. Jamaica's multi-layered disaster risk financing framework (DRF) represents nearly US$800 million yet covers less than 10% of Hurricane Melissa's estimated losses.

1.2 **Main problem, determinants and project scope. Jamaican economy lacks diversification, making it vulnerable to external shocks.** Vision 2030 Jamaica includes 31 sector plans across key economic, social, environmental and governance priorities.[1] Economic sectors in Vision 2030 were selected for current and future economic relevance. "Services" - the focus of 4645/OC-JA stands out, as does tourism, responsible for one-third of total output. Despite record arrivals in 2023, tourism is vulnerable to natural disasters and external shocks. In preparation for natural disasters, and amid the damages caused by Hurricane Melissa in 2025, Jamaica developed a multi-layered DRF representing almost US$800 million. However, the DRF represents less than 10% of total damage and losses. Thus, attracting investment and diversifying the economy is critical for further inclusive growth. The Government of Jamaica has prioritized and developed plans for the logistics, manufacturing, and construction sectors which accounted for 28.2% of GDP and 21% of employment in 2023. Progress will have a demonstration effect for other Vision 2030 sectors, building on the successful implementation of skills development interventions in the services and tourism sectors supported under 4645/OC-JA, which have already shown the effectiveness of this approach. In this context, developing skilled workers to support productive sector development is a priority for the Government of Jamaica. To advance this agenda, it has created the Human Employment and Resource Training/National Service Training Agency Trust (HEART/NSTA Trust) as a statutory agency of the Ministry of Education, Skills, Youth and Information (MoESYI). The development of the economic sectors of logistics, manufacturing and construction in Jamaica faces several challenges related to the following key determinants:

[1] Vision 2030 is Jamaica's first long-term development plan, covering the 2009-2030 period. It provides a framework for engaging Jamaicans and development partners in achieving sustainable and inclusive development and realizing the national vision of making Jamaica the place of choice to live, work, raise families and do business.

1.3 **Strategic sectors face skills shortages.** Despite low unemployment (3.3% in 2025), 55% of the employed workforce has no formal qualifications, limiting firms' growth. Difficulties in recruiting skilled labor arise from multiple constraints. First, **misalignment between skills development and the country's growth strategy** persists, despite Vision 2030 Jamaica, and sectoral plans. Second, **lack of involvement of employer in the skills development system** limits **identification of emerging occupations and** reduces incentives to **invest in training**. These constraints weaken the training ecosystem's ability to deliver skills aligned with industry needs. Although HEART/NSTA Trust provides training through Enhanced Job Readiness (EJR), On-the-Job Training (OJT), and Apprenticeships, programmes remain insufficiently aligned, limiting outreach to inactive populations and contributing to shortages driven by lack of locally trained professionals and poor training quality.

1.4 **Limited capacity to attract Foreign Direct Investment (FDI) and increase exports in manufacturing and logistics sectors.** Jamaica has been successful in attracting FDI flows and promoting exports in Tourism and Global Services; however, new dynamic engines of growth must be prioritized. The country has potential to become a continental logistics hub and a regional light manufacturing powerhouse. Transport represents 11% of GDP and Manufacturing around 9%, yet further growth through the external sector is required. Key constraints include limited capacity of Jamaica Promotions Corporation (JAMPRO) compared to global best practices, and limited services and opportunities for Small and Midsize Enterprises (SMEs) seeking to export. Notwithstanding, JAMPRO's ExportMax has shown strong results across cohorts, supporting export growth and first-time exporters.

1.5 **Lack of efficient systems to produce strategic data.** The absence of mechanisms to collect, track and analyze strategic data constrain decision-making for skills development and FDI attraction, including identifying gender and disability status. While the DoBusiness portal provides information on investment opportunities in the main economic sectors, gaps remain regarding information for the Construction sector, data comparability, and disaggregated data on human capital needs, affecting skills alignment and investment appeal.

1.6 **Request.** The Government of Jamaica requested technical assistance from the Inter-American Development Bank (IDB) to support country's economic diversification and the development of strategic economic sectors through skills development to ultimately improve productivity levels, as reflected in the corresponding letter of request included in Annex I. The project will support work by HEART/NSTA Trust, JAMPRO, and industry associations related to Manufacturing, Construction and Logistics which are critical players in Jamaica's skills and investment ecosystems.

1.7 **Objective.** The objective of this technical cooperation (TC) is to support the preparation and execution of the loan JA-L1091 "Skills Development for Strategic Jamaican Industries". The specific objectives are: (i) to improve Technical and Vocational Education and Training (TVET) system's capacity to align workers´ skills with prioritized industries' requirements; and (ii) to improve the country's capacity to increase exports and attract FDI in manufacturing and logistics.

1.8 **Description of the associated Loan.** The Government of Jamaica has requested the support of the Inter-American Development Bank (IDB) to finance the operation JA-L1091 "Skills Development for Strategic Jamaican Industries", which is currently under preparation and is expected to be approved in September 2026. The general objective is to foster the development of key strategic economic sectors, particularly manufacturing, logistics, and construction. The specific objectives of JA-L1091 are: (i) improve the TVET system's capacity to align workers' skills with the requirements of three prioritized industries' requirements; and (ii) strengthen the country's capacity to increase exports and attract FDI in the manufacturing and logistics sectors.

1.9 The operation is structured as an Investment Loan and is organized around three components aligned with its development objectives: (i) development and implementation of the National Skills Strategy; (ii) design and implementation of Jamaica's strategy to increase investment and promote exports in the logistics and manufacturing sectors; and (iii) promotion of responsive and informed decision-making in strategic sectors.

1.10 While the overall objective of JA-L1091 is to foster the development of key strategic economic sectors in Jamaica —particularly manufacturing, logistics, and construction —this TC focuses specifically on strengthening the technical, institutional, and operational capacities of HEART/NSTA Trust and JAMPRO to support skills development, investment promotion, export growth, and evidence-based decision-making in strategic sectors.

1.11 The implementation of the operation requires a series of technical and analytical inputs, including the development of an industry-specific skills strategy, a blueprint for an online market promotion platform, a digital transformation roadmap for HEART/NSTA Trust, and capacity-building activities to strengthen the production and use of strategic data. This TC will support the preparation and implementation of these inputs.

1.12 **Complementarity.** This TC complements ATN/TV-19915-JA, which also supports JA-L1091. While ATN/TV-19915-JA focuses on expanding demand-driven training through the National Skills Strategy and Sector Skills Councils, this TC strengthens the technical, institutional, and operational capacities of HEART/NSTA Trust and JAMPRO. It also builds on prior IDB support for skills development (4645/OC-JA), investment promotion (ATN/OC-19774-JA), SME growth (4860/OC-JA), and competitiveness (ATN/OC-21877-JA, ATN/OC-21285-JA, ATN/OC-21729-JA). The TC will finance strategic tools, institutional strengthening, digital modernization, and capacity-building activities required to enhance implementation capacity and support the successful execution of JA-L1091.

1.13 **Strategic Alignment:** The TC is consistent with IDB Group's Institutional Strategy: Transforming for Scale and Impact (CA-631) and aligns with the objective of reducing poverty and inequality by fostering the development of strategic economic sectors through improved skills and increased exports. It is also aligned with the operational focus: (i) institutional capacity, rule of law and citizen security; (ii) social protection and human capital development; and (iii) productive development and innovation through the private sector. It is also consistent with the Education and Skills Development Thematic Framework Document (GN-3012-7) by promoting access to high-quality and relevant learning opportunities and Integration and Trade Sector Framework Document by promoting high-quality trade promotion and investment services. The TC aligns with IDB Group Country Strategy with Jamaica (2022-2026) (GN-3138), through objective 2.3 “strengthen social protection and labour”, and with One Caribbean's (GN-3201-5) by addressing one of the structural barriers in private sector to accelerate the digital transformation: skills gaps. It also enhances sustainable development and improves productivity through private sector engagement by strengthening capacity and resources available to JAMPRO to attract, facilitate and retain sustainable investment. An expected spillover will contribute to achieving other Sustainable Development Goals (SDG) 8 Decent Work and Economic Growth via youth skills development. This TC is also aligned to the Sector Framework on Social Protection and Poverty (GN-2784-12) by ensuring social protection interventions are implemented smoothly and include new components to better contribute to environmental conservation and climate adaptation.

1.14 This TC is in line with the New Ordinary Capital Strategic Development Program (OC-SDP) (GN2819-25), under Pillar 3 –Social Protection and Human Capital Development, which supports initiatives aimed at improving access to social protection, reducing inequality, and promoting labor inclusion for vulnerable groups in the region.

II. COMPONENTS

2.1 **Component 1: Development and implementation of the National Skills Strategies (US$100,000.00).** This component will improve the technical, institutional, and operational capacities of HEART/NSTA Trust to support activities related to improving the skills development system (TVET) to align workers’ skills with the prioritized industries’ requirements. It will finance: (i) developing of an industry-specific skills strategy in the construction sector to support the alignment of workforce with its current and future needs; (ii) training and assistance to strengthen operational and managerial capacities related to the development and implementation of the National Skills Strategy.

2.2 **Component 2: Design and implementation of Jamaica’s Strategy to increase investment and promote exports in Logistics and Manufacturing (US$30,000.00).** This component will improve the technical, institutional, and operational capacities of JAMPRO to support the enhancement of Jamaica’s capacity and tools to attract foreign investment and support SMEs direct and indirect exports in the targeted sectors. It will finance: (i) development of a blueprint for an online market promotion platform to improve SME visibility in regional and global markets; and (ii) training and technical assistance to strengthen institutional capacity for the development, coordination, and implementation of Jamaica’s investment and export promotion strategy for Logistics and Manufacturing.

2.3 **Component 3: Promoting responsive and informed decision-making in strategic sectors (US$45,000.00).** This component will support both components 1 and 2 through a data driven process to improve the technical, institutional, and operational capacities of HEART/NSTA Trust to support the generation of information for decision-making, and the technical, institutional, and operational capacities of JAMPRO in expanding Jamaica's capacity to attract foreign investment and increase exports. It will finance: (i) development of a digital transformation roadmap for HEART/NSTA Trust service provision; and (ii) design and implementation of capacity building activities delivered to strengthen the production and use of strategic data under components 1 and 2. This TC is also aligned to the Sector Framework on Social Protection and Poverty (GN-2784-12) by ensuring social protection interventions are implemented smoothly and include new components to better contribute to environmental conservation and climate adaptation.

2.4 **Expected Results** It is expected that, upon completion of the CT, HEART/NSTA Trust and JAMPRO will have strengthened institutional capacity to support skills development, investment promotion, export growth, and evidence-based decision-making in strategic economic sectors by the development and adoption of strategic instruments related to skills strategies, export and investment promotion and production and use of strategic data developed and adopted to support the implementation of JA-L1091.

2.5 **Beneficiaries.** The direct beneficiaries of this TC are HEART/NSTA Trust, JAMPRO, and the industry associations of the manufacturing, construction, and logistics sectors. Through this TC, these institutions will receive technical assistance, institutional strengthening, and tools to align workers' skills with the prioritized industries' requirements and to strengthen the country's capacity to attract foreign direct investment and promote exports. The indirect beneficiaries will be the workers and firms in the three prioritized sectors reached through the associated operation (JA-L1091).

III. BUDGET

3.1 **Budget.** The total cost of this TC is US$175.000, financed by the P3E - OC SDP Pillar 3 - Social Protection and Human Capital Development fund, as established in document GN-2819-25, with no local counterpart funding. These resources will finance individual consultants and consultancy firms.

Budget in US$		
Components	**Fund Code: P3E - OC SDP Pillar 3 - Social Protection and Human Capital Development**	**Total**
Component 1: Development and implementation of the National Skills Strategy	US$100,000.00	**US$100,000.00**
Component 2: Design and implementation of Jamaica's Strategy to increase investment and promote exports in Logistics and Manufacturing	US$30,000.00	**US$30,000.00**
Component 3: Promoting responsive and informed decision-making in strategic sectors	US$45,000.00	**US$45,000.00**

Total	**US$175,000.00**	**US$175,000.00**

IV. EXECUTION STRUCTURE

4.1 This TC will be executed by the IDB, based on a request by the Government of Jamaica, in accordance with the Bank's TC Policy (GN-2470-2) and the Procedures for the Processing of TC Operations and Related Matters (OP-619-4), through the Social Protection and Labor Markets Division (SCL/SPL). This arrangement is based on the Bank's experience and capacity in executing this type of project, as well as its ability to recruit highly qualified consultants who can provide substantial added value (OP-1385-4). In addition, the Bank has greater opportunities to leverage tools and mechanisms for the transfer of lessons learned from other countries and to organize activities that promote the exchange of best practices from within and outside the region. For this reason, the Bank will supervise the consulting services, while the beneficiary will have the opportunity to provide technical input on the consultants' deliverables and reports. Such inputs will be consultative and non-binding, and responsibility for the selection, contracting and supervision of consultants, as well as the acceptance of their deliverables, will remain with the Bank. Coordination mechanisms will be established to ensure close collaboration with the beneficiary throughout the implementation process.

4.2 **Procurement.** All procurement to be executed have been included in the Procurement Plan (Annex IV) and will be hired in compliance with the applicable Bank policies and regulations, including: (a) Hiring of individual consultants, as established in the regulation on Complementary Workforce (AM-650); (b) Hiring of consulting firms for services of an intellectual nature according to GN-2765-4 and its associated operating guides (OP-1155-4); and (c) Hiring of logistics services and other services other than consulting, according to the policy GN-2303-28.

4.3 **Execution and Disbursement Period.** The estimated execution and disbursement period will be 36 months.

4.4 **Financial Management.** The financial management of the operation will be governed by the provisions established in the Financial Management Guidelines for IDB Financed Projects (GN-2811-1). Since the IDB will act as the executing agency, and in accordance with GN-2811-1, financial audit reports will not be required, and therefore no external audit services will be contracted. There are no prior disbursement conditions, nor is any reimbursement of expenses anticipated.

4.5 **Monitoring, Reporting, and Supervision.** The Bank will supervise the consulting services, and the beneficiary may provide technical input to the consultancy reports. SCL/SPL will be responsible for disbursement. The overall supervision of the TC will be under the responsibility of the designated Team Leader and the project team from SCL/SPL. The project team will be responsible for preparing and submitting project reports through the Technical Cooperation Monitoring and Reporting System (TCM) in Convergence, in accordance with the provisions of the Grants and Co-financing Management Unit (ORP/GCM) as established in the OP-1385-4 policy.

V. POTENTIAL RISKS

5.1 A potential risk to the implementation of this TC is limited coordination, responsiveness, or participation among HEART/NSTA Trust, JAMPRO, industry associations, and other relevant stakeholders in identifying and validating sector needs. This could result in incomplete or delayed information and technical input, which could, in turn, affect the timely preparation of TC's deliverables and implementation of its activities. To mitigate this risk, the IDB will promote regular stakeholder meetings, in coordination with the IDB Country Office in Jamaica, to review progress, facilitate the timely exchange of information, and identify and address emerging coordination or information gaps.

5.2 **Intellectual Property.** The knowledge products generated under this TC will be the property of the Bank and may be made available to the public under a Creative Commons IGO 3.0 license. However, at the specific request of the beneficiaries and in accordance with the provisions of document AM-331, the intellectual property rights to such products may also be licensed through specific contractual agreements to be drafted with the guidance of the Legal Department.

VI. EXCEPTIONS TO BANK POLICIES

6.1 This TC does not anticipate any exceptions to Bank Policies.

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. Hence, 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