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Chairman of the  
Jamaica Social  
Investment Fund

## Background

The Social Agenda outlined by the Government of Jamaica in 1995 cites the eradication of poverty and the facilitation of social development as the highest priorities. That year the National Poverty Eradication Programme (NPEP) was initiated to co-ordinate programmes and streamline resources being channelled towards poverty alleviation.

In keeping with its social agenda under the NPEP, the Jamaica Social Investment Fund (JSIF) was established to provide critical social and economic infrastructure to the most underserved communities across the island. The Fund was originally envisioned to be a four-year project, however, with the provision of subsequent funding, the project has now been extended to 2007.

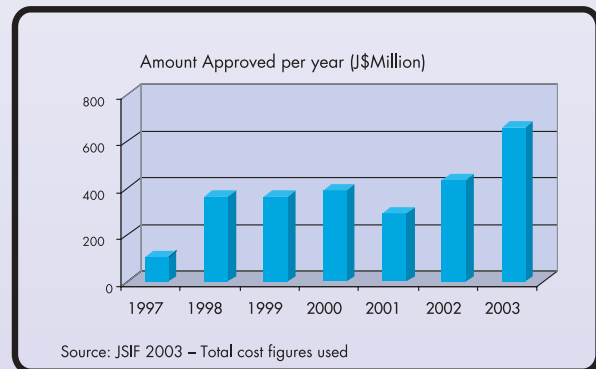
Over the past seven years, JSIF has addressed some of the development priorities of the poorest communities in Jamaica. These projects have primarily involved the development of social and economic infrastructure, such as schools, rural farming roads, health centres and multi-purpose community facilities.

To date the Fund has received over 3000 requests for assistance in communities across Jamaica. In responding to these requests, the Board of Directors of the Fund has approved 562 projects to date representing an investment of J\$2.68 billion. Of this number more than 410 projects have been completed valued at over J\$1.7 billion.

Projects have been implemented in every parish and the Fund has brought benefits to more than 1.1 million citizens including vulnerable groups such as the disabled and the elderly.

The Fund has continued to leverage its comparative advantage in community driven development to deliver socio-economic facilities to the poor. This is illustrated in Figure 1, where financing for approved sub-projects has increased significantly since the start of the Fund.

Figure 1 – Annual JSIF Investments in Sub-Projects 1997-2003



## Highlights For The Year

### Performance

The year 2002/3 saw a renewed focus on building and sustaining partnerships in order to effect the successful implementation and ensure the sustainability of all JSIF sub-projects. In all, 90 sub-projects were approved during the year valuing approximately J\$660 million.

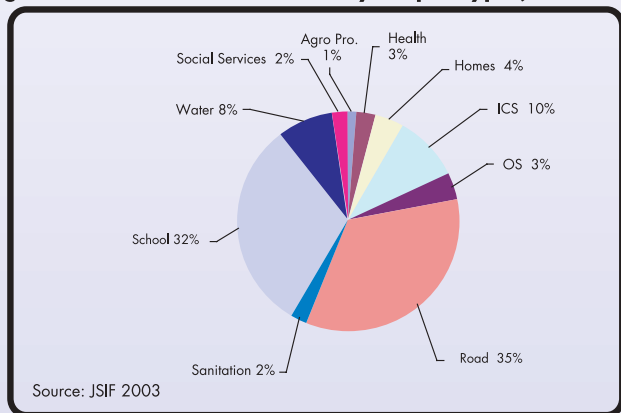
### Socio-Economic Investment in Communities

The shift away from a solely economic interpretation of development has meant that national poverty alleviation efforts now also engage the social concerns of the poor. The JSIF's sub-project menu is therefore designed to address the socio-economic demands of poor communities.

Over the years JSIF has modified this menu to accommodate new demands made by

communities or to address gaps between research and direct experiences in poverty alleviation. To date, approximately 67% of JSIF resources have been allocated to the construction, expansion and equipping of schools as well as the construction and rehabilitation of rural feeder roads (see Figure 2). For the 2002-03 year, approximately J\$291.7m was committed for schools and J\$302.7m for roads.

**Figure 2 – Total JSIF Investments by Project Type (1997-2003)**



### Youth Development

A group that JSIF has assisted consistently is the country's youth. Since inception, more than \$1 billion dollars has been invested in youth development programmes including education, training and counselling. For the 2002-3 year, 64 projects were approved which will have a direct impact on youth in targeted areas. The allocation for these projects is J\$316 million, which is about 50% of the total investment approved for the year.

Among the Youth Development Projects implemented was the Jamaica Values and Attitudes (JAMVAT) Project for Tertiary Students. This is a national initiative launched by the Prime Minister to increase access to tertiary education for persons who may not be eligible for student loans and therefore not able to afford institutional fees.

JAMVAT will contribute to breaking 'the cycle of poverty' as students from poor families will have the chance at higher education, thus qualifying for better, higher-paying jobs. JAMVAT is ideally poised to contribute to the building of social

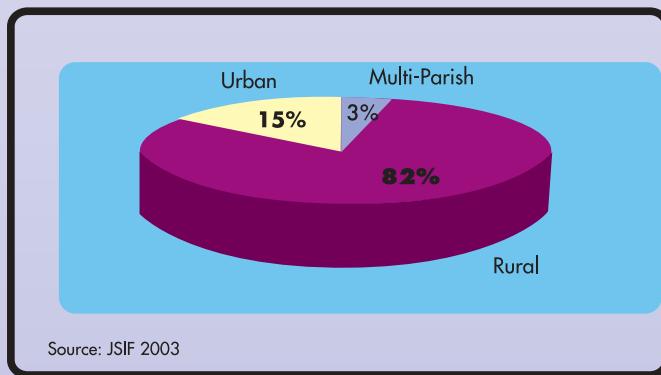
capital nationwide because it will allow students to complete their education and it exposes its participants to volunteerism, helping them to become more socially aware.



### Rural Development

The Planning Institute of Jamaica's (PIOJ) Economic and Social and Survey (2002) indicates that the incidence of rural poverty continues to be higher than that of the KMA and Other Town categories. Accordingly, the JSIF continues to invest heavily in rural poor communities as seen in Figure 3. In the 2002-03 year, J\$623.6m was approved for social and economic infrastructure and services in rural areas while J\$33.9m was approved for urban based projects.

**Figure 3 – JSIF Investments by Location 1997-2003**



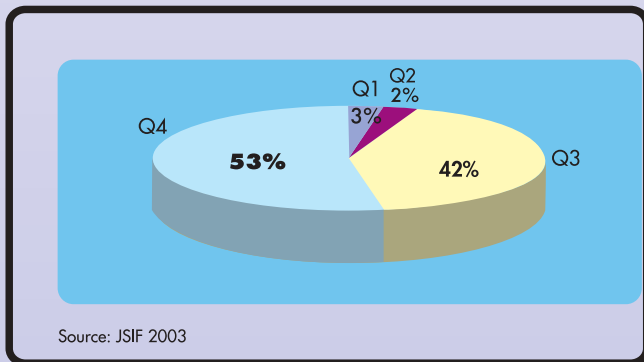
### Inner-city Development

Inner-city communities in Kingston and other major urban areas continue to experience difficult living conditions. To date, the JSIF has approved approximately J\$450M for investments in inner city communities, given the demand for social and economic infrastructure in these areas. In 2002-3, approximately J\$34M was approved for inner-city projects. The major types of JSIF investments to date include organisational strengthening, schools, integrated community spaces and life coping skills.

### Targeting the Poor

JSIF's strategy for addressing some of the most pressing needs of the poorest communities is informed partly by the national and sectoral policies of the GOJ. Given its demand driven philosophy the Fund relies on community groups to analyse their situations and determine what their most important socio-economic needs are. Specifically, JSIF targets communities that have been ranked as the poorest based on the PIOJ Poverty Map<sup>1</sup> as well as parishes identified as poorly developed in the annual Survey of Living Conditions (SLC). In 2002-03, J\$623.6m was approved for projects in communities ranked as quartile 3 and 4. These quartiles represent the poorest communities in Jamaica. As illustrated in Figure 4, JSIF almost exclusively addressed the needs of quartile 3 and 4 communities in 2002-03.

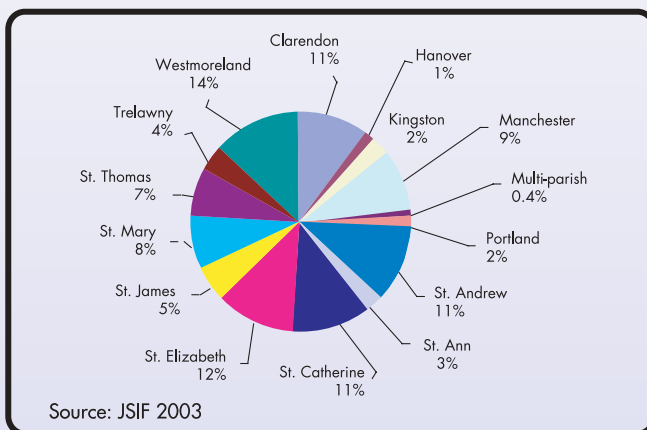
**Figure 4 – JSIF Investments by Quartile – 2002/03**



1. An indicative guide derived from national data collected in 1991 used to rank levels of poverty in communities. There are four poverty quartiles (1-4) where 1 is least poor and 4 is most poor.

At the same time, the Fund's targeting strategy also incorporates information from the SLC on parishes with the highest incidence of poverty. This year, there was a reduction in the number of projects approved in the KMA region, reflecting our focus on the poorer and more rural parishes.

**Figure 5 – Distribution of JSIF Sub-Projects by Parish (2002/03)**



### Mobilising Resources for Community Development

The JSIF receives funding from several sources including the Government of Jamaica (GOJ) and international funding agencies. Initial funding was received through a US\$20 million loan agreement between the GOJ and the World Bank. This helped to leverage assistance from other institutions. Thus, the Fund has continued to mobilise resources to further our efforts to create conditions for community development. In 2002, the GOJ secured a further US\$15 million from the World Bank to finance the National Community Development Project (NCDP).

The GOJ officially launched the NCDP in February 2003 with JSIF serving as the implementing agency. The funding will be used to implement development projects in very poor communities, which will provide basic services and temporary employment opportunities.

As part of the continued collaboration between the World Bank and the Government of Jamaica, the Managing Director of the World Bank, Mr.

Shengman Zhang visited Jamaica in July. Mr. Zhang was in the island to meet with Government Officials to discuss the Bank's support for development programmes and poverty alleviation initiatives in Jamaica. During his three-day visit he toured a number of projects implemented by JSIF.

Among them were the Denham Town Community Centre in West Kingston and the Davis Primary School in St. Catherine. Mr. Zhang's tour also included visits to the Foundation for International Self-Help (FISH) Health Centre and the Centre for HIV/AIDS Research, Education and Service (CHARES) in Papine, St. Andrew.



**Mr. Shengman Zhang (front centre) Managing Director of the World Bank and Ms. Caroline Anstey, the newly appointed Director for the World Bank's Caribbean Country Management Unit, toured JSIF's projects during a recent visit to Jamaica. They were accompanied by JSIF's Chairman, Dr. Wesley Hughes (far right) and Managing Director, Mrs. Scarlette Gillings.**

The European Union (EU) together with the GOJ has provided funding for The Poverty Reduction Programme (PRP), which is scheduled to run from September 2001 until December 2005. The PRP will improve living conditions by providing access in poor communities to quality basic infrastructure and services, especially in the field of sanitation, water and health. The PRP also seeks to encourage the participation of CBOs and individuals in their own development

by enabling them to better respond to the needs of their communities. The total amount of the grant allocated through the PRP is 6 million Euros<sup>2</sup>. This includes Funding for social and economic infrastructure projects and technical assistance.

In addition, a new grant will be funded by the Canadian International Development Agency (CIDA) but will be administered under the Caribbean Development Bank's (CDB) Basic Needs Trust Fund (BNTF). The BNTF was formulated by the CDB and it aims to support efforts to provide primary health care, basic education, and water and sanitation. The amount of the grant is US\$2.86million.

### Total Funding Received

As at July 2003, total funds received amounted to J\$2,503m (see Table 1). For the year 2002-03, the Fund received J\$293.6m. Of this amount, 60% was received from the CDB and 26% from the GOJ.

**Table 1 – Receipts by Funding Source as at (June) 2003 – J\$**

Funding Source	2002/2003	Receipts to date 2003
World Bank	-	778,092,443
World Bank II	28,500,000	28,500,000
Inter-American Development Bank	2,716,932	409,180,878
Government of Jamaica	77,107,169	510,459,674
Government of the Netherlands	-	106,173,380
Department for International Development	-	30,453,644
Organisation of Petroleum Exporting Countries	-	89,085,868
Caribbean Development Bank	177,239,262	463,315,881
European Union	-	33,800,000
Community Contribution	8,059,055	54,239,758
<b>Total</b>	<b>265,122,418</b>	<b>2,474,801,526</b>

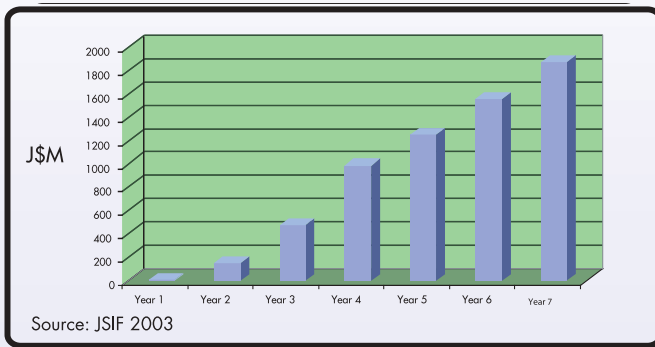
Source : JSIF 2003

### Total Disbursements

To date J\$1,909m has been disbursed by the Fund on sub-projects. At the same time J\$599m has been disbursed for administrative expenses. This gives a sub-project to administrative ratio of 76:24. During the 2002-03 year, J\$315.8m was disbursed on sub-projects. This represents a consistent increase each year as illustrated in Figure 6.

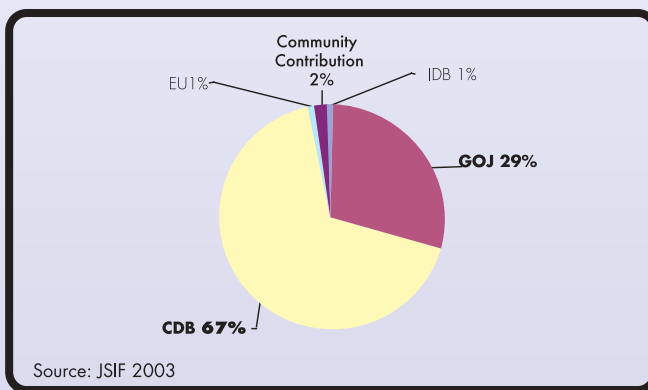
2. Current exchange rate is about J\$60 to 1 Euro

**Figure 6 – Annual Sub-Project Disbursements 1997-2003 (Cumulative)**



Total expenditure for the 2002-03 year was financed mainly through funding from the CDB and the GOJ as seen in Figure 7 below.

**Figure 7 – Total Expenditure by Funding Source (2002/03)**



## Strategic Alliances for Community Development

The establishment of partnerships is a critical component of our strategy for fulfilling our mandate. Ensuring that our key partners are involved throughout the project cycle of any intervention will help to secure its sustainability in the future. Partnership reduces the likelihood of duplication of effort and facilitates a more effective utilisation of scarce resources. It also allows organisations to take advantage of existing expertise and experience. To this end, the Fund has endeavoured to forge partnerships at several levels.

Firstly, there is the community level where the Fund works closely with CBO's. In most cases, it is the CBO that is the sponsor for a JSIF funded project and therefore has a critical role in all aspects of the project from design to completion. In some cases, their input has resulted in reduced project costs through their knowledge of local issues.

Secondly, JSIF works with several government agencies, line-ministries and NGO's as part of a concentrated effort to reduce poverty in Jamaica. A pivotal partner in this group is the Social Development Commission (SDC). Whereas, both organisations are concerned with community development in Jamaica, the SDC is more programme based compared to the Fund's project focus. A partnership between these two organisations was only natural and it has in fact evolved over the years. During this time both the SDC and the JSIF have worked hand in hand in community development and this partnership will continue to ensure that our combined efforts remain effective.

Coming out of this collaboration was the Community Based Organisation Leadership Strengthening Project. This was a pilot project developed to strengthen 118 existing Community Development Committees (CDC's) in all 14 parishes through training in leadership, communication and planning. The SDC and other training institutions implemented the project.

The capacity of the SDC generally and its Community Development Officers (CDO's) specifically have been enhanced as approximately 100 CDO's have been provided with appropriate training by a consortium of trainers headed by Management Institute of National Development (MIND) in a number of areas including training adults and participatory methodologies

The project involved the collaboration of the JSIF, SDC, MIND, and British Department for International Development (DFID) in the funding and implementation of the CBO Leaders Training Programme.



**Mrs. Vivienne Williams-Thompson, Social Development Manager (JSIF) with a graduate of the CBO Leadership Project.**

The JSIF/SDC partnerships have been generally strengthened as a result of JSIF's supporting role in enhancing the SDC's ability to build community capacity. Social capital has also been built as teamwork has generally fostered group cohesion among community persons as well as networking or bridging between CBO leaders in different communities. In addition, community leaders, CDC's and fledgling CDC's are now equipped with strategic planning skills, understand the role of communities in the local development process and are able to articulate the consensus of communities at the Parish Development Committee (PDC) level.

The JSIF's involvement in the Citizens Security and Justice Programme (CSJP) is another example of a strategic move by the Fund to engage in a partnership that seeks to complement the resources of the organizations involved. The CSJP is a US \$20 million project being funded by the Inter-American Development Bank (IDB) and executed by the Ministry of National Security.

The Ministry acknowledged the comparative advantage of the JSIF in implementing economic and social infrastructure in poor communities and sought our assistance in implementing the Community Action

component of the CSJP. A Memorandum of Understanding (MOU) signed with the Ministry in October 2002, gave the JSIF responsibility for the rehabilitation of critical infrastructure in nine inner-city communities.



**JSIF's Managing Director, Ms. Scarlette Gillings with Permanent Secretary in the Ministry of National Security Mr. Gilbert Scott (left) and the CSJP's Project Manager Mr. Simeon Robinson at the signing of the Memorandum Of Understanding on the Citizens Security and Justice Programme.**

### **Sustainability and Maintenance**

One of the challenges, which the Fund has faced over the years, has been the issue of sustainability and maintenance of projects post-implementation. With this in mind, the JSIF hosted a series of forums in July 2003, with its key national partners representing major project sectors such as health and sanitation, roads and water. The purpose of these meetings was to explore ways of sharing resources and experiences in implementing projects at the community level. Through these workshops, the Fund will revamp or compose new memoranda of understanding with its partners, thereby producing concrete mechanisms for improved collaboration.

### **External Linkages**

#### **Regional Workshop of the Social Network of Latin America and the Caribbean (RED Social)**

As part of our efforts to enhance alliances with our regional counterparts, we were proud to have hosted the regional workshop of the Social Network of Latin America and the Caribbean in February 2003. The Network is comprised of

approximately 40 governmental organizations involved in poverty alleviation in the 32 member countries across the region.

Over 45 participants from 22 countries attended the three-day workshop, which was held in Ocho Rios. Those in attendance included top-level government officials from the region and observers from relevant local and international organizations involved in poverty eradication and community development. The central theme was, "Poverty Eradication: Responding to Basic Needs or Community Development?"

Coming out of this workshop, it was recommended that social investment funds should seek to increase collaboration with state agencies, civil society and private sector entities. Also highlighted was the need to give greater focus to issues of sustainability. This is an area that has always been of paramount concern to JSIF and we were commended for having made strides in this regard. Another recommendation is for social investment funds in the region to take Local Government Reform efforts into consideration when developing aspects of community programmes. A comprehensive report was produced that will be disseminated to partners throughout the region and globally.



**Participants at the RED Social Workshop, Ocho Rios, Jamaica.**



**MSIF's Executive Director, Mr. Boris Popadiuc and Director of Finance and Administration, Ms. Iulia Burunciuc (right) paid a courtesy call on Minister of State in the Ministry of Finance Senator Deika Morrison (left). Ms. Scarlette Gillings served as the host.**

### **Moldova Study Tour**

A six-member delegation from the Social Investment Fund of Moldova, spent nine days in the island in November 2002 to examine and learn from the "best practices" JSIF. The high-level contingent included Executive Director Boris Popadiuc as well as the Director of Community Development Ms. Ludmilla Malcoci and the Director of the Micro Project Department, Mr. Alexandru Ursul.

The Moldavians came to examine JSIF's methodologies in implementing community based development initiatives and the Organisation's processes for empowering communities and promoting partnership with local and central government, the private sector, NGOs and donor agencies. The itinerary included visits to various JSIF projects across the island as well as meetings with JSIF's management team and project officers.

### **Organisational Development**

In recognition of the fact that our status as a short-term organisation has now been shifted, the Fund continues to reorganise itself to meet the challenges of its new thrust. Firstly, we have continued to recruit well-qualified

employees including an Operations Manager, other staff members with skills critical to the Organisation's focus and a new Social Development Manager.

Social development is inherent to the establishment of the Fund. This renewed focus on social development is in an effort to ensure that in delivering services and providing vulnerable communities with social and economic infrastructure, the social mandate of the Fund is fulfilled.

Secondly, we have begun to implement changes in our working processes in keeping with the procedures outlined in the new operations manual. This manual was developed to enable the Fund to effectively implement the NCDP.

## Methodologies for the Future

Where JSIF makes an intervention, we seek to leave an impact on the community. Such an impact comes through an increased ownership of the community development process by the community. Ownership of the process will transfer the skills, knowledge and experience to the community that will ultimately lead to their empowerment. This is the underlying theme of the concept of Community Driven Development (CDD), which forms the backbone of the NCDP.

With CDD, development projects will be initiated by the communities and must form part of a larger development plan. A particularly exciting element of CDD is the utilisation of Community Based Contracting (CBC).

### Community Based Contracting (CBC)

CBC seeks to allow communities greater autonomy over their own development by giving them responsibility for the management and execution of the project, that is, acting as the contractors for the project. This approach seeks to enhance the capacity of communities to identify their physical and socio-economic needs, prioritize those that are the most important and identify possible sources of funding. CBC seeks to give the beneficiaries an enhanced role in this process through greater control over the resources for their subprojects, as they will be responsible for procurement and contracting of small works. This will be done through the formation of Project Management

Committees. They will share the responsibility for the monitoring and reporting of projects with the JSIF. The JSIF is utilizing this methodology because of its potential for improving operational efficiencies, greater transparency and accountability, improved governance and for the capacity building and empowerment of the community members.

The EU/GOJ funded Poverty Reduction Programme (PRP) is piloting community-operated water supply and other projects using the CBC approach. About 15 projects from inner cities and rural areas have been selected using this approach, three water supply, two sanitation, ten school and one road rehabilitation project, where the values of the of the CBC component range from J\$3 to 12 million. One major requirement for the selection in the pilot was the availability of a strong CBO, which have demonstrated their capacity by the implementation of similar community projects or skilled persons in the CBO. Learnings from these pilots will be used to implement more community projects of this type in the future.

### Holistic Community Development

This concept will be the basis for a pilot project funded by the Caribbean Development Bank. The main feature of this model is the execution of multiple sub-projects within one community. These sub-projects will address the prioritised needs of a community and by complementing each other will provide a more comprehensive solution to their developmental problems. The initial programme, which is slated for Hanover, will seek to disburse US\$1 million in 3 to 4 communities. The selected communities will have a quartile four poverty ranking, exhibit strong community organisation and they should have defined geographical boundaries. In addition, the pilot will involve greater collaboration on the ground with stakeholders from the private sector and local government. This pilot is expected to provide learnings that will inform national approaches to community development.

### Increased Community Contribution

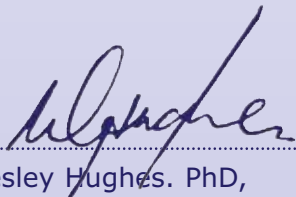
Under the NCDP, JSIF will also be requiring a larger percentage of the project cost to be undertaken by the beneficiaries. Previously, the Fund had required any group seeking funding

for project implementation to make a contribution of at least 5% of the total project cost. Now, community groups will be expected to make a contribution of at least 11%.

We anticipate that an increased community contribution will ultimately serve to enhance the sustainability of our interventions. Our experience has shown that the more a community invests in a project, the greater their sense of ownership of the facility. Therefore, our move to have communities more involved in project design and implementation will result in more sustainable interventions.

As a result, the JSIF expects the implementation of the NCDP to reinforce our partnerships with local communities. At the same time we will continue to strengthen existing links with Government Agencies, NGOs, Funding Agencies, Private Sector entities and any other organisations committed to relieving poverty and developing the nation. Ultimately, we feel that the NCDP will be an effective component of the JSIF's contribution to poverty alleviation in Jamaica.

On behalf of the Board of Directors, let me extend commendations to the Management and Staff of the JSIF for another year of dedicated service. I urge you to apply the same level of diligence as we move into a new phase in our operations. The alleviation of poverty remains a challenging undertaking, but I am confident that the JSIF Team is more than equal to the task.



Wesley Hughes. PhD,  
Chairman

Dated this 14th day of August, 2003

