

Managing Director's Report

Background



Scarlett Gillings, CD

In 1994, the Government of Jamaica stated its commitment to eradicate poverty through the promotion of social and economic development for its most underserved citizens.

The vehicle for this transformation was the National Poverty Eradication Programme (NPEP), initiated in 1995 with the guiding principles of Integration, Partnership, Community-Based Participation and Sustainability. In 1996, the Jamaica Social

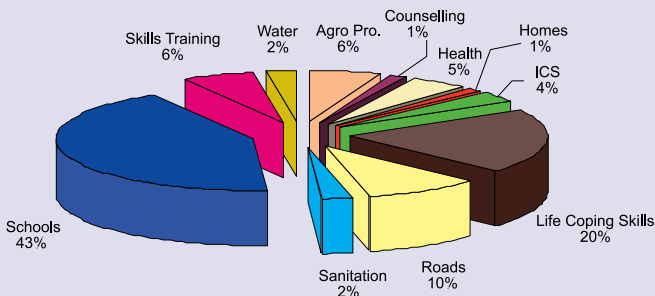
Investment Fund (JSIF) was established as a key component of the NPEP. The main focus of the JSIF was the provision of critical social and economic infrastructure for Jamaica's underserved communities.

The Fund was originally envisioned to be a four-year project, but through subsequent funding from the Government of Jamaica, the International Bank for Reconstruction and Development (IBRD), the European Union (EU), the Caribbean

Table 1 – Approved JSIF Investments for 2005/2006

FUNDING AGENCY	NUMBER OF APPROVED SUB PROJECTS	APPROVED INVESTMENT (J\$)	APPROVED COMMUNITY CONTRIBUTION (J\$)
EU/PRP	1	17,804,685	5,643,092
GOJ	30	252,868,236	66,927,387
WB/NCDP	33	254,256,353	34,988,540
TOTALS	84	524,929,274	107,559,019

Approved Project Types 2005 / 2006



Completed Project Types 2005 / 2006

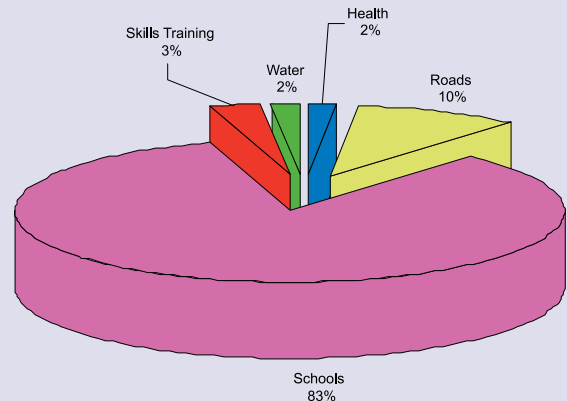


Table 2 – Completed Sub-Projects for 2005/2006

FUNDING AGENCY	NUMBER OF COMPLETED SUB-PROJECTS	APPROVED INVESTMENT (J\$)	COMMUNITY CONTRIBUTION (J\$)
EU/PRP	7	83,270,121	21,103,934
WB/NCDP	44	169,202,403	18,881,936
BNTF	7	83,270,121	21,103,934
GOJ	4	59,886,790	2,653,347
TOTALS	62	395,629,435	63,743,151

Development Bank (CDB), the Department for International Development (DFID), the Governments of Japan and the Netherlands and the Organisation of Petroleum Exporting Countries (OPEC), was able to operate for an additional 6 years. However, consequent to the signing of a US\$29.3 million IBRD loan to fund the Inner City Basic Services Project (ICBSP), the life of the Fund has been extended to 2011.

The Year in Review

Performance: 2005/2006 saw the JSIF playing a facilitating role in helping communities to manage the full implementation of their projects, by providing training to communities and giving technical supervision to these projects.

During this period, 46 projects were approved under the Community Based Contracting modality, where JSIF acted as the



Table 3 – Approved and Completed Sub-Projects by Parish (2005/2006)

Parish	Approved Projects	Completed Projects
Clarendon	4	6
Hanover	3	3
Kingston	6	3
Manchester	5	6
Portland	1	3
St. Andrew	18	10
St. Ann	5	1
St. Catherine	11	4
St. Elizabeth	6	5
St. James	3	3
St. Mary	4	6
St. Thomas	6	1
Trelawny	6	1
Westmoreland	4	10
Multi Parish	2	0
TOTALS	84	62

facilitator and provided training in project management, procurement, accounting & book keeping and leadership skills. The estimated cost of these projects is J\$142.4 million. JSIF also continued project implementation using the traditional method, whereby the Fund is responsible for all aspects of the sub-project – communities are given less responsibility and emphasis is on collaboration, consultation and information-sharing with them. 38 such sub-projects were approved, reflecting an estimated investment of J\$489.6 million.

In total, 84 sub-projects were approved for implementation at an estimated cost of J\$632 million for 2005/2006. In addition, 62 sub-projects were completed this year, bringing to 614 the number of sub-projects completed since inception to date.

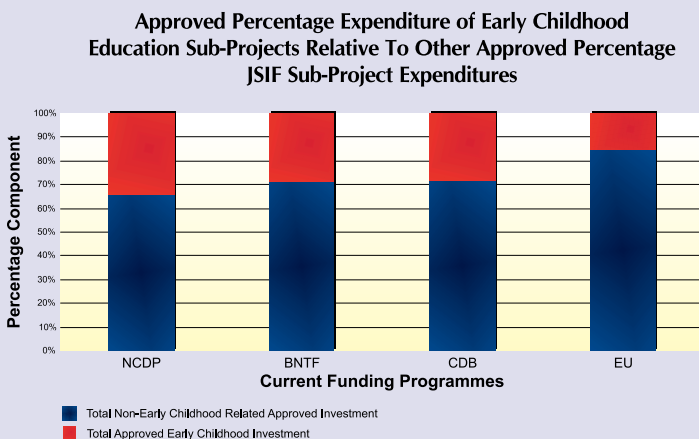
Focus On Education

Yearly budgetary commitments of the JSIF during our ten years of operation have included significant investments in education and more so early childhood education.



Children at the Bethel New Testament Basic School playing after the banding over ceremony.

This is as a result of the increased awareness and acceptance that early childhood education plays a vital role in providing the foundation for the academic and social development of the child.



As at March 2006, the JSIF Board of Directors has approved approximately J\$997.4 million for early childhood educational sub-projects, or 26% of our total approved sub-project expenditure since inception. This allocation covers 223 sub-projects, 172 of which have been completed at an estimated cost of J\$660 million. These projects have directly benefited approximately 37,930 children. For the year under review, we approved 25 projects for early childhood institutions and completed 17.

Notable Projects Approved Or Completed For 2005 / 2006

Portmore Park: West Bank Multipurpose Sports Complex Construction (St. Catherine) European Union

- The project was made possible by a grant of J\$15.8 million from the European Union under its Poverty Reduction Programme (PRP) and involves the construction of a mini football field and park, an events/meeting and storage area changing rooms and a perimeter wall for crowd control and asset management purposes.



The completed court at the Portmore Park - West Bank Multipurpose Sports Complex

- The completed complex offers a sporting and recreational area for more than 1000 youths, specifically at-risk adolescents from the West Bank and Portmore Park communities who now have an opportunity to engage in organized and character-building activities through sport and recreation.
- The project was supervised by the community.

Accompong Road Rehabilitation (St. Elizabeth)

Government of Jamaica

- The project will involve the rehabilitation of 3 km of roadway leading into the Maroon Community of Accompong. The rehabilitated road will provide improved access for the 840 residents, including farmers, taxi operators, school children and the elderly, to goods and services as well as give the residents improved access to markets and employment opportunities outside of the community.
- Funding to undertake this project is being provided by the Government of Jamaica at an estimated cost of J\$19.6 million.
- This project gave the JSIF the opportunity to assist in the improvement of the tourism product offered by the Maroons of Accompong.



The existing Accompong road that is to be rehabilitated through funding from the Government of Jamaica.

- The land on which the new school is sited was contributed by a family who purchased the land with personal funds and donated it as part of the community contribution for the project.

Grant's Pen Urban Access Roads Rehabilitation (St. Andrew) World Bank



Left: One of the four roads before rehabilitation



Right: A section of a road in the Grants Pen community after rehabilitation

- Following a request by the Barbican / Grants Pen Upliftment Movement for funding to rehabilitate four roads in the communities, approval was granted for the project at a cost of J\$8.3 million.
- The project complements the work of organizations such as AMCHAM in Grants Pen and gives the residents easier access to their communities and essential services such as fire and the police as well.
- The project was implemented by the community with JSIF acting as facilitator, and when completed will benefit some 200 families.
- **This year JSIF's Board approved 20.25 KM of rural and urban access roadway for rehabilitation**

Arcadia Basic School Construction and Equipping (St. Thomas) Basic Needs Trust Fund

- In improving facilities for the staff and students at the Arcadia Basic School, the JSIF Board of Directors approved J\$11.3 million through the Basic Needs Trust Fund for the construction of a 2-classroom building with kitchen and sanitary facilities for approximately 50 children.



The newly constructed Arcadia Basic School nears completion

Montpelier Basic School Construction (St. Elizabeth) Digicel Foundation

- Continuing with our thrust for partnerships with the private sector, the JSIF once again collaborated with the Digicel Foundation in the construction of the Montpelier Basic School at a cost of J\$10.88 million.



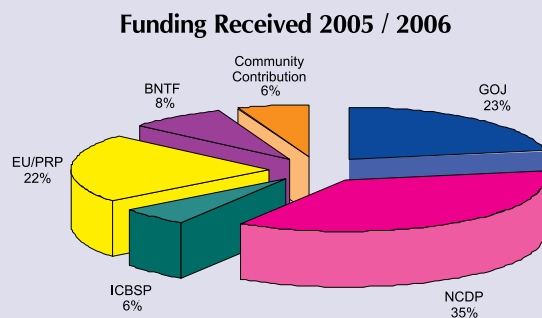
A labourer prepares the site for the relocation of the Montpelier Basic School

- The Digicel Foundation funded the construction of the basic school with the JSIF providing the technical expertise.
- When completed, this school will benefit approximately 90 students.

Mobilising Resources for Poverty Alleviation

The JSIF received funding from several sources during 2005/2006 including the Government of Jamaica (GOJ), the World Bank under the National Community Development Project (NCDP) and the Inner City Basic Services Project (ICBSP), the European Union under its Poverty Reduction Programme (PRP), the Caribbean Development Bank / Canadian International Development Agency (CDB/CIDA) under the Basic Needs Trust Fund (BNTF) and contributions from beneficiary communities. The receipts are as follows:

- J\$185,639,684 was received from the GOJ
- J\$298,597,873 was received under the NCDP
- J\$45,681,472 was received under the ICBSP
- J\$180,857,697 was received under the PRP
- J\$64,738,730 was received under the BNTF
- J\$47,885,000 was received as a community contribution



Other Activities Undertaken During The Year

Caribbean Catastrophe Risk Insurance Facility (CCRIF)

Following the devastation caused by natural disasters in the Caribbean in 2004 and the active hurricane season predicted for 2005, governments of six CARICOM countries (namely Antigua & Barbuda, Dominica,

Grenada, St. Kitts, St. Lucia, St. Vincent & the Grenadines and Jamaica) approached the IBRD for assistance in gaining access to affordable and effective disaster risk financing arrangements.

The Government of Japan responded to a request by the IBRD by providing a grant of US\$1.8 million under its Policy and Human Resource Development (PHRD) Fund. The Grant Agreement was signed in January 2006 and the funds will be used to finance preparatory activities, including feasibility studies, relating to the implementation of the project which aims at assisting the participating governments to strengthen their capacity to manage and transfer large risk exposures resulting from catastrophic events.



Left to Right: Mr. Colin Bullock, Financial Secretary, Mrs. Scarlett Gillings, CD, Managing Director of JSIF, Dr. the Hon. Omar Davies, Minister of Finance & Planning, Mr. Kazumi Maruoka, Councillor at the Japanese Embassy and Dr. Wayne Henry, World Bank Liaison Officer at the signing of the US\$1.8 M grant for the Caribbean Catastrophe Risk Insurance Facility. The Government of Japan provided the funds.

When it comes on stream, the facility will allow Caribbean governments to purchase insurance policies against detrimental natural disasters. Based on its track record and transparency in managing funds, JSIF was asked to be the implementing agency to procure and manage the contracts for the consultancies to carry out the related studies. To date, the JSIF has procured two major contracts with consultants to develop a risk model and risk financing strategies for the Facility. The creation of this CCRIF is to be used as a pilot for a broader programme covering the needs of small states in the Pacific and other regions.

The Way Forward

As we celebrate our tenth anniversary, we acknowledge that in spite of the many contributions made by the JSIF toward the alleviation of poverty, there is still much work to be done. Our continued existence beyond the intended life of the Project denotes the confidence that our partners have in the ability of the JSIF to effectively execute its mandate.

Residents of Flankers, one of communities that will benefit from the Inner City Basic Services For the Poor Project.



The Inner City Basic Services Project Holistic Community Development

Having completed the design phase of the Inner City Basic Services Project (ICBSP), in February 2006, the JSIF and the government of Jamaica successfully negotiated a US\$29.3 million loan with the IBRD. This amount will be complemented by GOJ counterpart funds of US\$3.5 million.

The US\$32.8 million project aims to improve access to basic services, namely clean water, sanitation, road infrastructure, solid waste management and related community-based services in targeted underserved inner city communities.

Following a prioritization exercise, a total of 12 inner city communities were identified in the parishes of Kingston, St. Andrew, St. Catherine, Clarendon and St. James in which to implement the ICBSP.

Implementation of the ICBSP in the targeted communities is slated to begin in June 2006 and is expected to benefit over 13,000 households in these communities. As we chart a course for the way forward, it is intended that the implementation of the ICBSP will be complemented with interventions focusing on rural development with an emphasis on banana and sugar producing communities.

The Creation of New Partnerships

The JSIF continues to believe in, and advocate for strong partnerships with other stakeholders including the private and the public sectors, in order to streamline and enhance our ability to

offer services to as many Jamaicans as possible.

The Inner City Basic Services Project has resulted in the formation of new partnerships between the JSIF and several entities such as the National Solid Waste

His Worship Councillor, Dr. Andrew Wheatley, Mayor of Spanish Town, signing the MOU for the ICBSP between the JSIF and the St. Catherine Parish Council



Table 4 - Beneficiaries Under ICBSP

Parish	Community	Population	Households
Kingston and St. Andrew	Whitfield Town	21,650	4,330
	Passmore Town/Brown's Town (Dunkirk)	5,982	1,196
	Federal Gardens (in Trench Town)	2,391	478
	Jones Town	13,011	2,602
Subtotal Kingston and St. Andrew		43,034	8,606
St. Catherine	Tawes Pen	1,822	364
	Africa/March Pen	3,254	651
	Central Village (Andrew's Lane, Big Lane, Detroit and Little Lane)	5,816	1,171
	Shelter Rock (Dempshire Pen/Jones Pen)	2,772	554
	Lauriston	356	71
Subtotal St. Catherine		16,599	3,320
Clarendon	Bucknor/Rectory Lands	1,150	230
Subtotal Clarendon		1,150	230
St. James	Flankers	7,148	1,430
Subtotal St. James		7,148	1,430
Total		66,472	13,301

Management Authority (NSWMA), the Rural Electrification Programme (REP), the Jamaica Public Service Company (JPS) and the National Water Commission (NWC). In addition, we have strengthened our partnership with the Social Development Commission (SDC) and with the Parish Councils under whose responsibility the targeted communities fall.

We are delighted to be celebrating our tenth year in operation. I would like to offer my heartfelt thanks to our stakeholders, our partners in the government, non-governmental organisations and the private sector, our donor agencies and the JSIF Board of Directors, Management and Staff for another year of dedicated hard work.

We look forward to continuing our efforts in the fight against poverty in Jamaica.

Scarlette Gillings, CD
Managing Director
September 1, 2006