



United Nations Development Programme
Country: Jamaica

STRATEGIC FLEXIBLE FUNDING FACILITY

Project Document

Brief Description

The UNDP along with other donor partners seeks to support the Government of Jamaica in meeting its development goals by establishing a facility for responding to strategic short-term development needs. Some donor resource contributions to this facility have been earmarked specifically for use by the Government of Jamaica (GoJ) for Debt Sustainability Analysis and Debt Management Initiatives. This facility involves a two year umbrella project cycle and seeks to satisfy the need for a flexible high impact strategic funding instrument.

Programme Period:	<u>2 Years</u>
Key Result Area (Strategic Plan)	
Atlas Award ID	00063208
Start date:	December 2008
End Date	December 2010
Management Arrangements:	Local Project Advisory Committee

Total resources required:	\$US1,000,000
Total allocated resources:	
o UNDP	\$US300,000
o DFID	£ 300,000
Unfunded budget:	\$150,000
In-kind Contributions	

Agreed by (Government)

Agreed by (DFID):

Agreed by (UNDP):

I. OBJECTIVE

In keeping with the United Nations Development Assistance Framework (UNDAF) and the results of the Common Country Assessment (CCA), the UNDP would like to support the Government of Jamaica in meeting the Millennium Development Goals (MDGs) and the national development goals. This will be assisted through the creation of a donor trust fund facility under a UNDP administered umbrella project for responding to strategic short-term development needs with flexibility. This facility is expected to have high impact and a quick turn-around time for well-defined short-term interventions. Such assistance will be available to Government agencies, NGOs and academic institutions for the development and execution of high-quality research and analysis, across various sectors.

II. SITUATION ANALYSIS

Jamaica is a Small Island Developing State (SIDS), in a state of transition. The country is ranked among the middle-income countries, but is at the lower end of that ranking. The population at the end of 2005 was 2,660,700, with a growth rate of 0.5%. The country is currently at an advanced stage of demographic transition, which manifests itself in a declining 0-14 age group, an increasing working-age population (15-64), and an increase in the 65+ age group. These factors have contributed to the declining rate of natural increase which is currently 11.1 per thousand.

As a SIDS, Jamaica is particularly vulnerable to the effects of globalization, which, coupled with a high rate of HIV/AIDS, a high level of indebtedness, an inflation rate of 16.8 %¹ in 2007 and limited real economic growth of 0.9%² in the financial year 2007/08, places the country in a difficult position. Currently, economic growth continues to be significantly stymied by a combination of factors, which include the residual effects of Hurricane Ivan in 2004, Hurricanes Dennis and Emily in 2005, Hurricane Dean in 2007, Tropical Storm Gustav in 2008 and the existing global financial and food crises.

The 2006 Jamaica Survey of Living Conditions (JSLC) indicated that in 2006 the incidence of poverty nationally was 14.3%, showing little change when compared with 14.8 % for 2005. However, over the past 10 years, poverty levels have declined substantially. From 1992 to 2006, the poverty level declined from 35.2% to 14.3%, a drop of 20.9%. Today, an individual is deemed to be in poverty if he/she earns or consumes less than seventy-four thousand, three hundred and forty-nine dollars and seventeen cents (\$74,349.17) per year. A family of five is assumed to be in poverty if that family earns or consumes less than two hundred and eighty-one thousand, and ninety-three cents (\$281,000.93) per year.

The annual JSLC divides the country into three regions namely, Kingston Metropolitan Area (KMA), Other Towns, and Rural Areas. The 2006 JSLC shows the incidence of poverty i.e. the proportion of those in each regional population living in poverty as follows: KMA, 9.4%; Other Towns, 9.2%, and Rural Areas, 19.8%. It is important to note that since the Government began the publication of annual data on poverty, Rural Areas have consistently had the highest incidence of poverty. Rural Areas account for 65.7% of those in poverty while Other Towns and KMA account for 13.1% and 21.2% respectively.

According to the Economic and Social Survey of Jamaica (2007), an examination of the sectoral performance showed that agricultural output declined by 5%, manufacturing and

¹ Statistical Institute of Jamaica, *Jamaica Statistics* <http://www.statinja.com/stats> (accessed September 1, 2007)

² Ministry of Finance and the Public Service, *Jamaica Memorandum on the Budget 2008/09*, http://www.mof.gov.jm/budget_memo/docs/2008/20080416-jbm-0809.pdf (accessed September 1, 2007)

processing grew by 0.9%, construction grew by 5.4%, services grew by 1.9 %, tourism grew by 0.2 %, and the financial sector grew by 3.9%.

As at 2007, the labour force increased by 0.7 %, and 77.8 % of the 3-24 age group were enrolled in educational institutions. There is continued focus on raising awareness about HIV and AIDS, and there is increased collaboration with international partners to stem the unacceptably high level of crime.

III. STRATEGY

This initiative will take the form of a donor funded umbrella project operating on a two year cycle. During each two year cycle a flexible and uncommitted pool of funds will be made available for utilisation by eligible applicants, to address emergent issues that require prompt policy response based on research and analysis in key areas linked to national development and UNDP practice areas. It will encompass appropriate small projects that can be subsumed under the following general areas:

- poverty
- environment and vulnerability
- governance, security and justice

Funds provided by the Department for International Development (DFID) under this facility (as per Administrative Arrangement dated December 10, 2008) are earmarked exclusively for use in the GoJ's debt sustainability analysis and debt management related initiatives. The granting of any request for funds from these earmarked funds requires that DFID participates in the approval and monitoring of that project.

Local Project Advisory Committee (LPAC) will be established to assist in the selection of the projects to be funded under this initiative. Every effort will be made to ensure that, where possible, these projects complement and add value to existing programmes and activities. This funding document will be signed by the Government of Jamaica and UNDP, and will describe the activities, budget, outputs, and outcomes of the technical cooperation between the UNDP and the Government of Jamaica.

Criteria

Under this facility eligible applicants include Government agencies, registered NGOs and academic institutions. In keeping with the objectives identified in the Country Programme Outline (CPO), the UNDAF and the MTF, a proposal must meet the following four (4) criteria if it is to be considered for funding:

- a) It must address a problem that is perceived by the Government and the development community as requiring immediate and strategic attention (e.g. timely intervention to scale-up or implement an existing project).
- b) It must have clearly specified outcomes that are demonstrably consistent with Government's strategic priority and the UNDAF in the particular area of focus.
- c) The applying organization must presently have the capacity to implement the project; that is, it should have the requisite staff, expertise, and systems to carry out the project.
- d) The proposal should not exceed one hundred thousand US dollars (US\$100,000), but under special cases where a strong case for variance exists, the upper limit could be increased.

Proposals for the procurement of equipment conferences and travel are specifically excluded under this initiative. Proposals for the funding of training will not be considered except where it is proven to be strategic in nature.

IV. RESULTS AND RESOURCES FRAMEWORK

Technical assistance will be provided in any of the areas indicated in the strategy section above, but given the fact that the funding facility is responsive and the projects will vary, it is not possible to specify the outputs and activities, work plan and budget until each project proposal is being evaluated. However, it can be stated that the expected outcome, is improvement in the quality of life for Jamaicans, and progress in achieving the development targets set by the government in the specific area that each project seeks to address (see attached table).

Intended Outputs	Output Targets	Activities	Time Frame	Inputs		
				Responsibility	Cost US\$	Funding Source
1. Signed Funding Agreement	Signed funding agreement	<ul style="list-style-type: none"> • Draft ProDoc developed • ProDoc reviewed and signed off by GoJ and UNDP • Approval by LPAC • Funding agreement signed 	December 2008	UNDP GoJ Other Donors	\$300,000 - \$700,000	UNDP(TRAC) Donor Funds - DFID (£300,000)
2. Clear Rules of Operation	Process and Procedure documents and forms	<ul style="list-style-type: none"> • Rules governing eligibility and application procedures developed • Internal Processes and Procedures developed • Forms developed • Monitoring Framework developed • Rules, Forms, Process and Procedures reviewed and signed off 	November 2008	UNDP GoJ Other Donors		
3. Fully Operational Funding Facility (disbursement of funds to eligible projects)	Improved capacity for response to emergent needs with high impact funding	<ul style="list-style-type: none"> • Proposals/Applications submitted • Proposals/Applications reviewed • Proposals/Applications Approved or Declined • Funds disbursed for successful projects 	December 2008– December 2010	GoJ LPAC		

V. MANAGEMENT ARRANGEMENTS

The intent is to create a funding process that is fast, flexible and simple. Applications for project funding must be no longer than 4 pages, including a log frame and budget. The application will be provided by the Reporting Agency. The applicant will receive a response within twelve (12) work days of submission. The Reporting Agency for this funding initiative is the Planning Institute of Jamaica (PIOJ). A UNDP chaired Local Project Advisory Committee (LPAC) will be established by UNDP to review applications and will consist of the following:

- i) A representative from the PIOJ
- ii) A representative from UNDP
- iii) A technical advisor from a local university or NGO as appropriate
- iv) A representative from DFID (for debt management related projects funded from dedicated funds provided by DFID)

LPAC meetings must be scheduled and concluded within 2-6 working days of the receipt of the application.

A typical LPAC for projects that are **not** funded from donor resources earmarked for debt management will consist of representatives from the UNDP, PIOJ and a technical advisor from a local university/NGO respectively. The quorum for this LPAC consists of:

1. the chair and
2. any one of the other 2 members where the other representative is invited but unable to attend the scheduled meeting.

Members of the LPAC who are unavailable for the scheduled meeting time may participate via a conference call, video conferencing or other electronic means of communication.

A typical LPAC for projects that **are** funded from donor resources earmarked for debt management will consist of three 3-4 members representing UNDP and the relevant donor(s) from whose resources the assistance is being sought respectively. The quorum for this LPAC consists of:

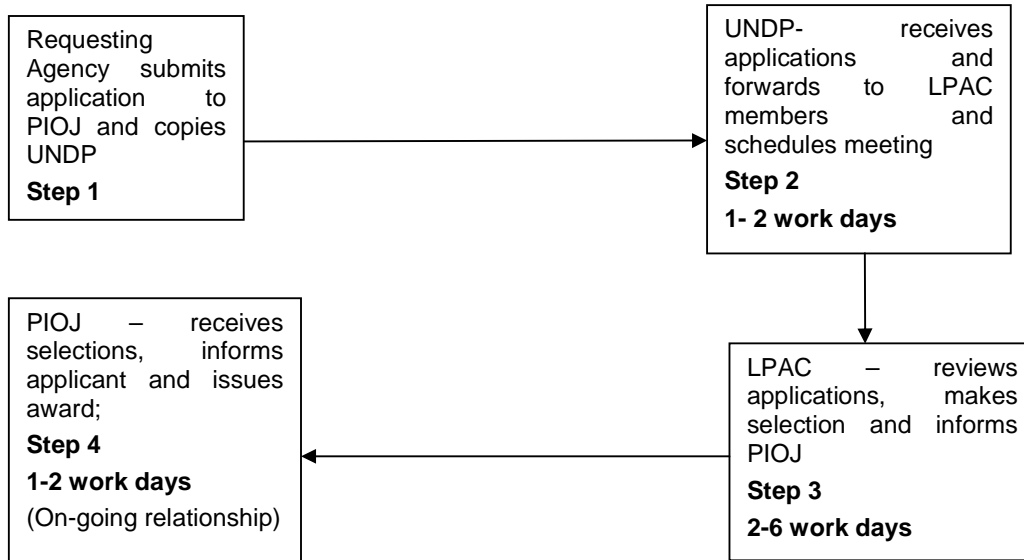
1. the chair
2. the respective donor representative(s)

Members of the LPAC who are unavailable for the scheduled meeting time may participate via a conference call, video conferencing or other electronic means of communication.

The applicant will submit the proposal for “fast-track” funding to the PIOJ copied to the UNDP. The UNDP will transmit the application to the relevant LPAC for review. The LPAC will make the selection and forward the approved projects to the PIOJ for the award to be processed and issued. The allotted time for the entire process is a maximum of 12 work days. In order to save time, electronic transmission of documents and information followed by hard copies should be utilized. A flow chart showing the approval process is attached.

An agency that is applying for funding under this initiative is expected to obtain prior approval from the appropriate section of the Government. Should an agency that is represented on the LPAC be an applicant for funding, the representative must recuse himself/herself from the decision-making process when that particular application is being considered.

Flow Chart Showing the Project Approval Process



VI. MONITORING FRAMEWORK AND EVALUATION

The PIOJ (along with representatives from the relevant ministry where necessary) will monitor the implementation process, provide regular updates to UNDP and carry out an output evaluation of each project. Periodic reviews of the implementation process and the output of each project may also be carried out by the donors in a timeframe stipulated during the application and approval process. The UNDP and other donors will perform a joint impact evaluation at the end of the two year cycle. The project will be monitored as follows:

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated and regularly updated by reviewing the external environment that may affect the project implementation.
- A project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events
- A bi-annual progress report will be produced (every 6 months) by the reporting agency for submission to the donors

Annually

An annual project review shall accompany the bi-annual progress report during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

VII. LEGAL CONTEXT

This project document shall be the instrument referred to as such in Article 1 of the Standards Basic Agreement between the Government of Jamaica and the United Nations Development Programme, signed by the parties in 1976. The host country implementing agency shall for the purpose of the Standard Basic Assistance Agreement refer to the government co-operating agency described in that agreement. The following types of revisions may be made to this project document with the signature of the UNDP Resident Representative only provided she is assured that the other signatories of the project document have no obligations to the proposed changes:

- a) Revisions in or additions of any of the annexes of the project documents
- b) Revisions which do not involve significant changes to the immediate objectives, outputs or activities of the project, but are caused by re-arrangement of inputs already agreed to or by cost increases due to inflation; and
- c) Should there be a Mandatory Annual Revision required which would re-phase the delivery of agreed project inputs, or reflect increased expert or other costs due to inflation, or take into account agency expenditure flexibility.