

Overall Rating
C

A Foundation for Sustained Growth



42 Jamaica
North Coast Development Project

Contributing to an increase in tourists through the infrastructure development of major tourist destinations in the north

Loan Amount/Disbursed Amount 8.606 billion yen/8.599 billion yen
Loan Agreement October 1991
Terms & Conditions Interest rate 3.0%,
 Repayment period 25 year (grace period 7 years), General untied
 March 2002
Final Disbursement Date
Executing Agency National Water Commission (<http://www.nwcjamaica.com>)
 National Works Agency (<http://www.nwa.gov.jm>)
 Port Authority of Jamaica (<http://www.portjam.com>)



Project Objectives

The objective of this project was to develop and improve the water and sewerage, roads, drainage channels, and ports of Jamaica's main tourist areas of Montego Bay, Ocho Rios, and Negril, attaining an increase in tourist numbers and the ability to deal with this increase, and thereby contributing to the region's economic growth and improvement of residents' living environment.

Effectiveness & Impact

Rating **a**

Through the implementation of this project, the water and sewerage facilities that were developed in the Negril area, which had an initially planned water supply volume of 4.3imgd* (approximately 20,000 tons/day) two years after project completion, had a water supply volume of 4.2imgd in 2003, a result nearly according to plans. However, the non-revenue water rate was observed at the high level of 57% in 2005. After implementation of this project, on the roads developed between Negril and Montego Bay (approximately 71km), one-way travel time had been reduced by one hour.

Since the sewerage facilities developed in Montego Bay started operations (in 1999), the population with treated wastewater has increased; however, at 14%, the level of penetration is lower than the national average (approximately 20%). Regarding the Montego Bay Drainage and Flood Control Project, more than 80% of households responding to a beneficiary survey indicated a reduction in damage from flooding. Regarding the Ocho Rios Port Expansion Project, the number of cruise ships calling on the port is generally increasing and the project is considered to have had an effect on tourism development. The three areas covered by this project show strong growth in the number of tourists (1.559 million people in 1998 to 2.14 million people in 2004). Due to the sudden increase

of tourists since project conclusion (2002), this project was evaluated as having supported regional economic growth through the tourism industry. Therefore, the implementation of this project has been largely achieved its objectives, and effectiveness was highly satisfactory.

* 1 imgd (imperial million gallon per day) = 4,546 tons/day

Relevance

Rating **a**

Both at the time of appraisal and the time of ex-post evaluation, the implementation of this project has been highly relevant with national policies.

Efficiency

Rating **c**

This project greatly exceeded the planned period and expenses. (approximately 220% and 238% of initial plans, respectively) Therefore, the evaluation for efficiency is low.

Sustainability

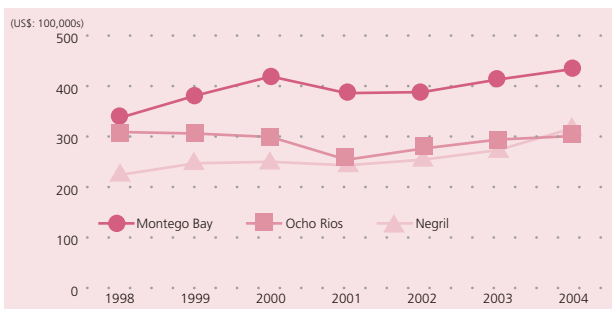
Rating **b**

The executing agency has slight financial problems. However, it is appropriately performing the maintenance of water supply facilities, wastewater treatment facilities, and paved roads that were developed by this project. Sustainability of this project is moderate.

Conclusion, Lessons Learned, Recommendation

In light of the above, the rating for this project is generally high. As a recommendation, the non-revenue water rate should be reduced and policy should be adopted to strengthen the financial aspect of the executing agency.

Changes in foreign currency earnings from tourism in the three project areas



Third-Party Opinion

This project responded to the needs of residents and tourists, and it contributed to shortened travel times between tourist locations, reduced flood damage, improved water and sewerage services, and increased tourist numbers.

Name of specialist: Mr. Michael Witter (academia)
 Senior Lecturer and Head of the Department of Economics at the University of the West Indies. Specialty is economics.