



**JAMAICA: FOUNDATIONS FOR COMPETITIVENESS AND GROWTH PROJECT**  
**Loan No.:8408-JM**

**Assignment Title: Jamaica's Limestone Industry Value Chain Development**  
**Reference No. (as per Procurement Plan): FCG/CON/049**

**Terms of Reference**

**1. BACKGROUND**

***1.1. Country Background***

Jamaica has large quantities of high quality limestone reserves with deposits that are close to the surface, making this mineral easy and less expensive to mine than others. The variety of limestone existing in Jamaica includes the soft/powdery and hard/crystalline varieties that form marble, dolomite, aggregates and marl.

Despite the country's enormous 150 billion metric tons of world class high quality limestone resources, of which a minimum of 50 billion metric tons is estimated to be recoverable, the Jamaican limestone industry is underperforming and in need of immediate intervention. The underperformance originates primarily from the fact that the major limestone products are low value-added aggregates for the construction industry.

Jamaica's [Draft] Minerals Policy, which was developed in 2008, recognizes the need for a cohesive management and development of the sector based on its potential to impact the economy. The policy proposes legislative changes and outlines strategies that will allow both public and private entities to work together to maximize the value of Jamaica's mineral assets. The policy states that: "Jamaica has a range of commercially exploitable minerals, including a wide variety of limestones, hard volcanic rocks, bauxite, marble, base and precious metals, sand and gravel. These minerals are of major significance to Jamaica's economic development, particularly their contribution to the national economy, their impact on, and linkages with other sectors, and their overall contribution to GDP."<sup>1</sup>

The Jamaican economy has been experiencing negative/and or low growth for several years. It is deemed that given the value of the limestone industry worldwide and the extent of limestone available locally, the development of a value chain for the industry will increase Jamaica's share in the global limestone industry. Hence, development of the industry will contribute to the growth and expansion of the economy. It is that JAMPRO now seeks to conduct a feasibility study on the limestone sector's value Chain.

***1.2. Current situation in the sector***

As of February 2016, production of limestone has been supported by 77 licensed limestone quarry operations in all parishes except for St. Thomas. The bulk of these operations are in the parish of St. Catherine, which has 14 current licensed operators. Despite the abundance of quarries across the island, many are operating under capacity and engaging in secondary operations for survival. Some of these quarries have vast reserves of high grade deposits available to them.

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<sup>1</sup> [http://nepa.gov.jm/documents/NATIONAL\\_MINERALS\\_POLICY\\_DRAFT\\_JULY\\_2008.pdf](http://nepa.gov.jm/documents/NATIONAL_MINERALS_POLICY_DRAFT_JULY_2008.pdf)  
The policy was slated to be submitted to Parliament by the end of 2017.

Opportunities therefore exist for investment in the upgrade of facilities to produce limestone value added products which can be packaged and containerized for export and in the production of derivatives for import substitution and export to the Americas. Current exports of limestone from Jamaica are primarily to the Americas through the Caribbean, USA, Chile and Venezuela. Even though exports peaked in 2013, with 188 million kilogrammes valued at US\$2.5 million shipped to 8 countries across the region, Jamaica remains way below its capacity to increase earnings from limestone due to the lack of a strategic structure for the industry.

A report titled, “Market Assessment and Design and Implementation of a Marketing Initiative for Limestone and Its Derivatives” was completed in 2013 and serves as a guide to investment and export opportunities that could emerge from limestone. This initiative provides useful background data for the current exercise.

Table 1: Jamaica's Top Importing Partners of Limestone flux; limestone and other calcareous stone 2011-

Countries	Exported quantity (Kilograms) 2011	Exported quantity (Kilograms) 2012	Exported quantity (Kilograms) 2013	Exported quantity (Kilograms) 2014	Exported quantity (Kilograms) 2015
<b>Total</b>	128,510,550	81,655,824	188,978,833	165,795,492	157,639,366
<b>United States of America</b>	128,401,000	49,500,000	143,643,906	124,371,000	157,091,000
<b>Guyana</b>	-	-	45	21,045	271,650
<b>Trinidad and Tobago</b>	22,500	110,412	45,112,525	111,215	150,992
<b>Barbados</b>	87,050	20,412	195,432	102,700	88,454
<b>Grenada</b>	-	-	42	-	20,600
<b>Saint Lucia</b>	-	-	-	-	13,500
<b>Spain</b>	-	-	-	2,400	-
<b>Suriname</b>	-	-	-	260,000	-
<b>Belgium</b>	-	25,000	-	-	-
<b>Chile</b>	-	32,000,000	-	40,925,000	-
<b>Dominica</b>	0	-	23,394	-	-

2015

### *1.3. Project Description: World Bank Foundation for Competitiveness & Growth Fund (FCG)*

The Government of Jamaica has secured a loan from the World Bank to finance a project entitled Foundations for Competitiveness and Growth (FCG). The overall objective of the project is to strengthen the business environment in Jamaica for private sector investment by promoting broad-based private sector-led growth, improving the investment climate, modernizing infrastructure and logistics, as well as enhancing entrepreneurship and competitive industries. The initiatives under the project are expected to strengthen the enabling environment for private sector competitiveness to help Jamaica unleash its potential for productivity and growth.

**The project is designed to enable private sector-led growth in the Jamaican economy, in an inclusive and sustainable way.** To achieve this impact, a range of interlinked constraints inhibiting private sector growth must be collectively addressed. Key regulatory barriers must be removed and competition incentives enhanced to facilitate new productivity enhancing investments. Large strategic investments must be attracted to inject capital, modern technologies and further supply chain opportunities into the economy. SMEs require capabilities upgrading and finance support to be able to expand operations and increase employment.

The proposed multi-pronged programmatic approach outlined below is needed to effectively address these interlinked constraints. An appropriate governance structure has been designed to implement this operation, led by the Planning Institute of Jamaica (PIOJ) as the one central Executing Agency with technical support from JAMPRO and the Development Bank of Jamaica (DBJ) as Lead Coordinating Agencies (LCAs).

## **2. Objective(s): The Main Objective of the Assignment**

Against the background of Jamaica's [Draft] National Minerals Policy, the broad aim of this exercise is to identify the potential markets and project opportunities for limestone to buildout and monetize the industry by creating the structures to facilitate value-added processes and products, therein.

Specifically, the objectives are to:

- Develop a Feasibility Study for Jamaica's Limestone Value Chain which will result in a clear direction for the development of the industry based on domestic and overseas opportunities for investment and export of value-added products from limestone including:
  - Industry map
  - Distribution channels
  - Competitive positioning and
  - Identification and development of Value-added limestone products for immediate conversion

## **3. Expected Results**

A value chain analysis identifying Jamaica's requirements and opportunities for developing competitive advantage(s) in the global limestone industry

- A comprehensive report based on a value chain analysis including a map of the global limestone industry opportunities identified for investment
- Identify opportunities for investment (mining, production, export of value added products)
- Prepare investment packages featuring value-added product profiles to be used as collateral material to promote the sector

## **4. Scope of Services, Tasks (Components) and Expected Deliverables**

- 4.1. Review previous relevant studies, reports and policies, as well as existing legislation to inform validation of the current situation in the industry and consult with relevant bodies who regulate and/ or monitor mining/minerals in Jamaica including but not limited to the Jamaica Bauxite Institute (JBI) and the Ministry of Transport and Mining (MTM) and the Mines and Geology Division (MGD)
- 4.2. Prepare a map of the global limestone industry and an analysis of the current situation of Jamaica's industry vis-à-vis the global industry, including through a benchmark analysis
- 4.3. Value Chain analysis to identify a clear value chain that will allow for the further integration of Jamaica's limestone industry into the global industry - identifying the global and local drivers in the industry

- 4.4. Identify the structures and processes required by stakeholders (government and private sector) to build out the limestone value chain for producing value-added limestone, including recommended legislative/regulatory amendments
- 4.5. Identify Jamaica's competitive advantage where this exists (highlighting the segments where Jamaica is not holding significant market and why)
- 4.6. Identify the potential for Special Economic Zones (SEZ) around limestone value-added production
- 4.7. Prepare a SWOT analysis of Jamaica's current position for processing value-added limestone
- 4.8. Provide a 10-year forecast of overall expected exports from Jamaica based on current products/market profile, assuming the environment and structures for limestone production will be in place to facilitate consistent output/increase
- 4.9. Assess the registered quarries/limestone producers and indicate the capacity needs to produce raw limestone to meet the manufacturing demands for each value-added product highlighted
- 4.10. Identify the macro investment required for supporting the development of the industry as per the value-chain outlined
- 4.11. Identify the specific value-added products for development based on supply of inputs and potential markets and advise JAMPRO and Stakeholders of the six (6) most viable value-added products with description from the list of possible products for packaging.
- 4.12. Development of six (6) packages which must have full product description and specific information on market opportunity (local and international). Specifically, each draft package content must include:
 

*Product description; Technology and Equipment required for production of each product; Processes involved in producing the products for promotion; Financial requirements for the investments (including cashflow statements); Markets for the respective products and entry requirements, where applicable; Viable Leads – those potential investors whose proposed ventures meet Jamaica's strategic objectives for developing the sector (investment and or export, where applicable)*
- 4.13. Final Packages and relevant PowerPoint Presentation/s highlighting the key points of the study (including the SWOT analysis for Board Room presentation to relevant stakeholders and prospective investors)

## **5. Team Composition & Qualification Requirements for the Key Experts**

### **1. Team Leader**

This project has both a technical and marketing component that will require expertise in both areas identified under: (2) Technical Expert and (3) Marketing Expert. However, the Team Leader should possess the key research and project management skills and experience required to undertake the consultancy, while coordinating the required inputs from the other experts. In this regard, the team leader must possess the following qualifications:

- A postgraduate degree in Business or Social Sciences in a related area
- At least 10 years' experience conducting feasibility studies, with at least 5 years' experience in industry analysis and value chain development

- At least 10 years' experience working on similar projects in the Caribbean and /or wider North American and/or Latin American region
- Experience working with the mining and minerals industry
- Experience working with both the Public and Private sector in developing strategic plans
- Demonstrable track record in meeting deliverables and deadlines for similar projects
- Proven expertise in financial analysis and financial modelling
- Excellent project management skills
- Training in project management would be an asset
- Excellent communication skills

## **2. Technical Expert: Technical Consultant in Geology (Mining and Minerals)**

The key expert must possess the following qualifications:

- A postgraduate degree in Earth Sciences, Geology, Mining or similar degree, with experience in value chain analysis and development
- At least 5 years' experience conducting studies in the minerals and mining industry (particularly non-metallic minerals)
- At least 5 years' experience working on similar projects in the Caribbean and /or wider North American and/or Latin American region
- Experience working with both the Public and Private sector in developing strategic plans in a relevant sector
- Demonstrable track record in meeting deliverables and deadlines for similar projects
- Knowledge of urban /rural planning would be an asset

## **3. Marketing Expert**

The key expert who will position and package the opportunities for promotion emanating from the feasibility study to develop the value chain for limestone must possess the following qualifications:

- A postgraduate degree in Economics, Marketing or an MBA focusing on Marketing or similar degree with experience in strategic planning, market research and product development
- Over 5 years' experience preparing and executing successful marketing plans and/or product development
- Over 5 years' experience working on similar projects in the Caribbean and /or wider North American and/or Latin American region
- Experience working with both the Public and Private sector in developing marketing strategies/plans
- Experience in business plan development
- Demonstrable track record in meeting deliverables and deadlines for similar projects

The Consultant must select and hire other experts as required according to the profiles identified in the Organization & Methodology and/or these Terms of Reference. All experts must be independent and free from conflicts of interest in the responsibilities they take on.

The Consultant will provide support facilities to their team of experts (back-stopping) during the implementation of the contract.

## 6. Reporting Requirements and Time Schedule for Deliverables

The Planning Institute of Jamaica is the Contracting Authority and shall approve any contractual amendments and payments.

The Consultant will report to JAMPRO, the Supervising Entity. The Supervising Entity shall be responsible for the approval of contractual reports and payment requests. The designated representative of the Supervising Entity is the Vice President – Corporate Development and Competitiveness.

The intended start date is **August 2018** and the period of implementation of the contract will be six (6) months from the date of the contract signing.

### The Consultant shall provide the following reports:

Name of report	Minimum Content	Time of submission	Review Period (Minimum)
D1. Value Chain Identification Report, including Map	Inception Report on activities 4.1-4.2 of the Scope of Work – including feedback from consultations with JBI and MTM/MGD	No later than 4 weeks after commencement of the assignment	2 weeks
D2. Value Chain Analysis Report	Report on activities 4.1-4.2 incorporating reviews from the first draft and adding activities 4.3 to 4.4 of the Scope of Work	No later than 4 weeks after the review of D1 is received	2 weeks
D3. Business Case	Report incorporating reviews from the second report and completion of activities 4.5 to 4.8 under the Scope of Work, indicating the six (6) value-added products for packaging	No later than 3weeks after the review of D2	2 weeks
Final D4. Feasibility Report	Incorporating all the reviews from the Business Case and in completion of activities 4.9 - 4.10 under the Scope of Work	No later than 2 weeks after the review of D3	2 weeks
D5. First Draft Packages	The first Draft Packages (Investment Opportunity Product Profiles) as per 4.11 in Scope of Work	No later than 6 weeks after D4 is submitted	2 weeks
D6. Draft Final Packages and (Draft) PowerPoint Presentation	Six (6) Draft Final Packages incorporating all reviews and submission of PowerPoint Presentation/s (Scope of Work 4. 12)	Within 3 weeks (15 working days) after review of the draft report and presentation/s	2 weeks
D7. Final Packages	Six (6) Completed Package; any requirements noted in review to refine the Final packages and the PowerPoint Presentation/s (Scope of Work 4.13)	Within 1 week after review of the Draft Final report and submission of PowerPoint Presentation/s	1 week for sign off

- Inception Report and Draft Reports may be submitted in soft /electronic copy.
- Final Report and PowerPoint Presentation shall be delivered by electronic copy via email and in five (5) hard copies – the last two (2) formats upon sign off on the final deliverable.