Compete Caribbean Update

Jose Jorge Saavedra

Private Sector Development, Lead Specialist
Executive Director of the Compete Caribbean Program
Inter-American Development Bank
September 1st, 2011
Compete Caribbean is a private sector development program that provides technical assistance grants and investment funding to support productive development policies, business climate reforms, clustering initiatives and Small and Medium Size Enterprise (SME) development activities in the Caribbean region.

The program, jointly funded by the Inter-American Development Bank (IDB), the United Kingdom Department of International Development (DFID) and the Canadian International Development Agency (CIDA), supports projects in 15 Caribbean countries.

The program’s estimated value is US$40.0 million, of which DFID and CIDA contributed US$32.55 million.
Participating Countries

- Antigua and Barbuda;
- The Bahamas;
- Barbados;
- Belize;
- Dominican Republic;
- Dominica;
- Grenada;
- Guyana;

- Haiti;
- Jamaica;
- St Lucia;
- St Kitts and Nevis;
- St Vincent and the Grenadines;
- Suriname;
- Trinidad and Tobago.
Milestones

• Program approved on May 5th, 2010
• Eligibility granted on August 14, 2010
• PCU established in new office on November 17, 2010
• 1st PAG Meeting on February 17, 2011
• Financial Agency Agreement with CDB signed on March 25, 2011
• PCU fully staffed on September 1, 2011
• Program Launch, Jamaica October 11, 2011
Comprehensive Framework for Private Sector Development

Business Climate and Competitiveness Enhancement Facility
  • Public Sector

Enterprise Innovation Challenge Fund
  • Private Sector
Comprehensive Framework for Private Sector Development

PSD-KM

Knowledge Generation
- Data (Enterprise Surveys)
- PSD Reports + Donor Matrix
- Studies

Knowledge Sharing
- Caribbean Competitiveness Center at UWI
- Seminars and Conferences
- Training
- CC Portal
- Publication of books and papers
**Business Climate and Competitiveness Enhancement Facility**

**BCCE**

**Business Climate**
- Focused on public sector reforms:
  - Enabling environment
  - Institutional Strengthening
- Finances TA and small goods
- Implementation can occur over 2 year period
- 80% of funds provided up to $500,000 USD

**Public Private Dialogue**
- Grants include TA allocation and support for:
  - Private-private dialogue
  - Public-public dialogue
  - Public Private dialogue
  - Competitiveness councils and their technical units
- Finances TA and small goods
- Implementation can occur over 2 year period
- 80% of funds provided up to $500,000 USD
Enterprise Innovation Challenge Fund

**EICF**

**Support to Clustering Initiatives (SCI)**
- Targets smaller firms and linked businesses:
  - Vertical integration
  - Horizontal integration
  - Geographic association
- Includes TA allocation to develop comprehensive proposal
- Implementation can occur over 2 year period
- 80% of funds provided by EICF, up to $500,000 USD

**Direct Firm Support (DFS)**
- Targets firms with high potential to generate income and employment
- Grants include TA allocation and support for:
  - New product development
  - New business model implementation
  - New market entrance
- Targets export focused projects with high potential for social and commercial benefits
- 50% of funds provided by EICF, up to $500,000 USD
The Compete Caribbean Program will have the following oversight structure: (i) a Program Advisory Group (PAG); (ii) a Regional Consultative Forum (RCF); (iii) an Executive Committee (EC); (iv) an Investment Panel (IP) for Component 3; and (v) the Program Coordination Unit (PCU) to be established in Barbados. This governance structure is displayed schematically in the following diagram.
Role of the PCU

**Compete Caribbean Program Coordinating Unit**

- **Counterpart Agency**
  - Project Identification
    - Policy dialogue
    - And Knowledge

- **COF Operations Analyst**
  - 

- **Team Leader**
  - Project Design
    - Results Framework
    - Pertinence and quality

**Project Execution**
- Procurement
- Contracts
- Payments
- Monitoring
**COMPETE CARIBBEAN ADMINISTRATION AND REPORTING SYSTEM (CCARS)**

- **CCARS** is an information system that will track Compete Caribbean projects from identification to completion, using state-of-the-art ICT integrated systems.
Partnership

- Partnerships with Governments
- Successful Implementation
- Partnerships with the private sector
- Partnerships with donors
- Partnerships within the IDB
Partnerships Across The Bank

6 projects in partnership with INT
4 projects in partnership with SCT
1 project in partnership with LMK
8 projects in partnership with MIF
## Collaboration

### Regional Collaborators
1. Financial Agency Agreement with CDB
2. MOU with CARICOM Secretariat
3. MOU with OECS Secretariat
4. Caribbean Center for Competitiveness
5. Caribbean Export Development Agency
6. Inter-American Competitiveness Network

### Other Agencies
1. European Commission
2. GIZ
3. Asian Development Bank
4. AusAID
5. Government of Singapore
6. Government of Ireland
Summary of Deliverables 2011

Component 1
Knowledge Products & Public Awareness
- 3 PSD Strategies commissioned
- 5 Knowledge products developed/implemented
- Public awareness campaign across 15 countries

Component 2
Business Climate
- 12 Project Concept Notes approved
- 4 Business Climate projects approved & implemented
- 3 Public-Private dialogues events sponsored
- 2 Projects supporting Competitiveness Councils developed

Component 3
Enterprise Innovation Challenge Fund
- 2 Cluster Projects approved
- 2 Challenge Fund rounds for Direct Firm Support implemented
Achievements

• Strengthened the Bank’s position as leaders on issues of private sector development and competitiveness in the Caribbean region

• Strengthened the Bank’s relationship with regional stakeholders like CARICOM Secretariat, OECS secretariat, Caribbean Export and national governments of the beneficiary countries.

• Established the Caribbean Center for Competitiveness at the University of the West Indies

• Launched the implementation of Enterprise Surveys in partnership with the World Bank in all CARIFORUM countries.

• Promoted the incorporation of Caribbean countries in the Inter-American Competitiveness Network in partnership with the OAS
• Commissioned 18 Knowledge Products focused on the Caribbean

• 13 CC funded projects in execution valued at US$4 million

• 3 projects in development and expected to be approved in 3Q 2011 valued at US$ 1.8 million

• 22 projects in the pipeline valued at US$ 5.7 million

• Projects in development in AI, BA, BH, BL, DO, DR, GY, JA, SU, SX and TT

• Project identification missions to GY, HA, SV, SK and GR in 3Q 2011
Cluster Projects in the Pipeline

- **Developing the ICT Cluster in the Dominican Republic (DR-CC3002)**
  - The project will: (a) map and adequately evaluate the strengths and weaknesses of the cluster; (b) develop a cluster in developing a Competitiveness Improvement Plan; and (c) improve innovation capacity by providing cutting edge technical assistance and opportunities for capacity building.
  - **US$ 360,000**

- **Improving the Competitiveness of Jamaica’s Creative Industries (JA-CC3004)**
  - The objectives will be achieved by: (a) analyzing the constraints to growth in the creative industry and proposing recommendations to redress these constraints; (b) fostering innovation within SMEs and entrepreneurs active in the creative industries by supporting initiatives that build capacity and provide training; (c) facilitating improved market understanding and enhance market access opportunities for Jamaica’s creative products; (d) stimulating cross-fertilization between the creative industries, locally and overseas; and (e) supporting local economic development that will foster mentorship programs island-wide and the development of creativity at community level.
  - **US$ 360,000**

- **Fostering Local Economic Development in Treasure Beach (JA-CC3001)**
  - The project will: (a) facilitate community driven sustainable development planning for Treasure Beach; (b) strengthen the Breds Treasure Beach Foundation (NGO) in order to facilitate execution of the development plan; (c) complete early actions identified in the development plan and (d) produce knowledge products to facilitate dissemination and replication of the approach and networking with similar communities.
  - **US$ 760,000**

100 Direct Firm Support Projects Submitted

<table>
<thead>
<tr>
<th>Country</th>
<th>Project idea</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Barbados</td>
<td>Online software service</td>
</tr>
<tr>
<td>2 Antigua and Barbuda</td>
<td>Offshore production facility</td>
</tr>
<tr>
<td>3 Dominican Republic</td>
<td>Regional integration of broadcast programming</td>
</tr>
<tr>
<td>4 Dominican Republic</td>
<td>Pharmaceutical sector</td>
</tr>
<tr>
<td>5 Trinidad and Tobago</td>
<td>Luxury furniture</td>
</tr>
<tr>
<td>6 Trinidad and Tobago</td>
<td>Resort development</td>
</tr>
<tr>
<td>7 Barbados</td>
<td>Training for tourism sector</td>
</tr>
<tr>
<td>8 Dominica</td>
<td>Recycling</td>
</tr>
<tr>
<td>9 Bahamas</td>
<td>Tourism-related</td>
</tr>
<tr>
<td>10 Dominica</td>
<td>Secret Bay project</td>
</tr>
<tr>
<td>11 Grenada</td>
<td>Hydro project</td>
</tr>
<tr>
<td>12 Dominica</td>
<td>Juice processing plant</td>
</tr>
<tr>
<td>13 Grenada</td>
<td>Wine and spirits</td>
</tr>
<tr>
<td>14 Guyana</td>
<td>Tourism-related</td>
</tr>
<tr>
<td>15 Grenada</td>
<td>Goat dairy co-op</td>
</tr>
<tr>
<td>16 Barbados</td>
<td>Cultural development strategy</td>
</tr>
<tr>
<td>17 Barbados</td>
<td>Production house</td>
</tr>
<tr>
<td>18 Barbados</td>
<td>Fashion house/ manufacturing</td>
</tr>
<tr>
<td>19 Barbados</td>
<td>SME platform/ expo</td>
</tr>
<tr>
<td>20 Barbados</td>
<td>Training/ job creation audio-visual</td>
</tr>
<tr>
<td>21 Grenada</td>
<td>Agriculture</td>
</tr>
<tr>
<td>22 Dominica</td>
<td>Eco, luxury resort</td>
</tr>
<tr>
<td>23 Grenada</td>
<td>Wellness spa, manufacturing</td>
</tr>
<tr>
<td>24 St Lucia</td>
<td>Internationally certified dive center</td>
</tr>
<tr>
<td>25 Jamaica</td>
<td>Ackee value chain</td>
</tr>
<tr>
<td>26 Antigua and Barbuda</td>
<td>Regional VOIP carrier</td>
</tr>
<tr>
<td>27 Jamaica</td>
<td>Garment Manufacturing</td>
</tr>
<tr>
<td>28 Antigua and Barbuda</td>
<td>Advertising/Automobile customization</td>
</tr>
<tr>
<td>29 Antigua and Barbuda</td>
<td>Cooperative Society</td>
</tr>
<tr>
<td>30 Antigua and Barbuda</td>
<td>Agriculture</td>
</tr>
</tbody>
</table>
To increase the effectiveness of productive development policies in the Caribbean, Compete Caribbean supported the establishment of the **Caribbean Competitiveness Center** at the University of the West Indies, St. Augustine Campus in Trinidad and Tobago.

The Center will increase the institutional capacity of the region to generate and share world-class and Caribbean-specific knowledge products on private sector development and competitiveness; and upgrade the technical capacity of academics as well as public and private sector officials on cutting edge approaches to competitiveness, business climate reforms, clustering and SME development.

The Caribbean Competitiveness Centre (CCC) was officially launched by the Prime Minister of Trinidad and Tobago Mrs. Kamla Persad-Bissessar on Friday, March 25th, 2011 at the Hyatt Regency Hotel in Port of Spain. The ceremony took place during the Arthur Lok Jack Graduate School of Business Distinguished Leadership and Innovation Conference which featured the world-renowned thinker on competitive advantage, Professor Michael Porter.
Impact Investment includes a wide spectrum of activity, ranging from socially responsible investment that seeks to create social value to financially focused investments that proactively seek to generate development impact. The Global Impact Investment Network (GIIN) defines impact investment as investments that help to address social or environmental problems while also generating financial return.

A Caribbean Impact Working Group has been established by a diverse group of interested organizations led by the Rockefeller Foundation to determine the benefits and risks of bringing full-scale impact investing to the Caribbean. This group includes the US Department of State, the Multilateral Investment Fund, Virgin Foundation, Portland Private Equity, and IDB through Compete Caribbean.

In order to foster the growth of impact investing in the Caribbean, Compete Caribbean is undertaking a demand and supply side assessment of current impact investment in the region, which will provide specific insights for and shape the future activities of the Caribbean Impact Group, in addition to other impact investment stakeholders in the region. Compete Caribbean and MIF organized the first meeting of the Caribbean Impact Working Group which was held in Washington DC on June 10th, 2011.
The Caribbean Idea Marketplace (CIM) is a business competition platform which aims to foster collaboration between local and global Caribbean diaspora entrepreneurs to develop and expand innovative projects that will generate employment and economic growth.

CIM will be implemented in the context of the International diaspora Engagement Alliance (IdEA), launched by the Secretary of State Hillary Rodham Clinton, May 17, 2011 in Washington, DC at the Secretary’s *Global Diaspora Forum*.

In partnership with the US Department of State, Digicel, and Scotiabank, Compete Caribbean will take the lead in the design and management of the Caribbean Idea Marketplace (CIM) within its existing rules and guidelines and Launch it in the 4Q of 2011.
The Compete Caribbean Fellowship Program brings talent to bear on the region’s most pressing issues of private sector development. It does this by matching graduate students from the world’s leading universities with government institutions and private firms in the Caribbean for short term, high impact consultancies.

For 10-12 weeks, Fellows work side by side with public and private sector counterparts in one of the fifteen Compete Caribbean beneficiary countries. During this period, they work with partners on issues of performance measurement, business development, strategic management, or one of the other skill-buckets identified by Compete Caribbean.

With the support of the Office of Outreach and Partnerships, Compete Caribbean launched the first round of the fellowship program with four Universities: Harvard University, Columbia University, Stanford University and University of California-Berkeley.
CC Strategic Framework

Compete Caribbean Strategic Framework

- **Political Management**
  - Accountability and value for money
  - Strong alliances with Caribbean stakeholders

- **Project Management**
  - Mutually reinforcing projects across portfolio
  - Maximize knowledge generation and learning

- **Organizational Management (PCU)**
  - Resilient business model & relationship building
  - Efficient systems

A catalyst for ideas, policy reform, relationships and productivity for sustainable growth & competitiveness in the Caribbean