

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	JAMAICA/CCB - Caribbean Group
▪ TC Name:	Building a New Shared Brand for the Jamaica Sauces & Spices Cluster
▪ TC Number:	JA-T1192
▪ Team Leader/Members:	GRANT, KAYLA SHAREE (IFD/CTI) Team Leader; STEVENSON, CLAUDIA (IFD/CTI) Alternate Team Leader; GONZALEZ ALZUALDE, YOHANA BEATRIZ (IFD/CTI); GRECO, MARIA SOFIA (LEG/SGO); BLAIR, SUDANEY (CCB/CJA); BROWN, NICOLE (CCB/CJA); JAINAUTH- UMRAO, NAVEEN (VPC/FMP); ESCONDEUR, H. LORENZO (CCB/CJA); ELLIOTT, WAYNE ANTONIO (IFD/CTI); SANCHIZ VICENTE, ALEX (IFD/CTI); GENESIS MORALES (IFD/CTI); ZEPHRINE MILLARD (IFD/CTI); GREG BROOMES (IFD/CTI); FORONDA NOGALES, SHIRLEY MABEL (VPC/FMP)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	12 May 2020
▪ Beneficiary:	Jamaica Sauces & Spices Cluster
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$300,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	36 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	IFD/CTI - Competitiveness, Technology and Innovation Division
▪ Unit of Disbursement Responsibility:	IFD - Institutions for Development Sector
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality ; Productivity and innovation ; Gender equality

### II. Objective and Justification

- 2.1 The objective of this TC to position new Jamaican Sauces & Spices products competitively in the mainstream U.S. market, increasing exports and employment levels of the agro-processors involved and generating value for communities of local farmers in the supply chain.
- 2.2 This initiative constitutes the continuation of the IFC-World Bank and European Union funded “Jamaica Sauces & Spices Project”, under which 3 cluster firms established Catiki Foods Limited, a company that owns and manages the new Half Way Tree (HWT) brand and six (6) associated export-oriented product formulations. Under this TC, the Cluster will begin marketing and exporting this new line of all-natural sauces, seasonings and dressings to a different market segment. This strategy is a result of the ethnic market currently targeted being saturated . The new segment will demand an effort in adapting products to make them appealing to people not familiarized with their features. The products will be manufactured with raw materials (fruits and vegetables) sourced from a network of over 500 farmers from various parts of the

island. The sustainability of this value chain in the long run depends to a high degree on the productivity of these farmers, which in recent years has been affected by climate change related factors, either by droughts or heavy rains. This TC will begin to address these challenges. This Jamaica Sauces & Spices Cluster initiative has been selected for funding by the Compete Caribbean Partnership Facility (CCP) through an extensive, competitive process, which ensures that the projects implemented by the Facility contribute to its goals of increasing productivity, revenues, jobs and economic growth in the Caribbean, especially for women and vulnerable groups. The project, with a focus on product and marketing innovation, is aligned with the priorities of the “Proposal for the Establishment of the Compete Caribbean Partnership Facility” (GN-2851). The TC is also consistent with the Update to the Institutional Strategy (UIS) 2010-2020 (AB-3008) as it is strategically aligned with the development challenges of productivity and innovation, particularly in rural areas. It also addresses the crosscutting issue of climate change and environmental sustainability. The project is aligned with the Jamaica Country Strategy as it seeks to increase productivity and growth of the private sector, including the agriculture sector by strengthening its linkages to manufacturing. It is also in line with the priorities defined in the Innovation, Science and Technology Sector Framework Document (GN-2791-3) by supporting the use of innovation for productivity growth and economic development.

### III. Description of Activities and Outputs

- 3.1 **Component I: Market Development** . raise awareness among consumers of the HWT brand, and to establish market linkages to distribute throughout the U.S. mainstream (vs. ethnic) market.
- 3.2 **Component II: Product Development** . develop new products under the HWT brand for the food service channel in the US.
- 3.3 **Component III: Value Chain Transformation and Management** . improve the performance of players in the Sauces & Spices value chain, including farmers through improved climate resilience

### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Market Development	US\$210,000.00	US\$0.00	US\$210,000.00
Product Development	US\$30,000.00	US\$0.00	US\$30,000.00
Value Chain Transformation and Management	US\$60,000.00	US\$0.00	US\$60,000.00
<b>Total</b>	<b>US\$300,000.00</b>	<b>US\$0.00</b>	<b>US\$300,000.00</b>

### V. Executing Agency and Execution Structure

- 5.1 The Executing Agency will be the Inter-American Development Bank, in accordance with the Compete Caribbean Partnership Facility (GN-2851, paragraph 2.23). The execution and disbursement period will be 36 months and the UDR will be IFD. The procurement of individual consulting services will be carried out by the IDB in accordance with the Human Resources (HRD) Complementary Workforce Policy (AM-650). The procurement of consulting firms will be carried out by the IDB in accordance with the Policy for the Section and Contracting of Consulting Firms for Bank-executed Operational Work (GN-2765-1). The procurement of consulting services different from consultants will be carried out by IDB in accordance with Corporate Procurement Policy (GN-2303-20).

- 5.2 This Jamaica Sauces & Spices Cluster initiative has been selected for funding by the Compete Caribbean Partnership Facility (CCP) through an extensive, competitive process, which ensures that the projects implemented by the Facility contribute to its goals of increasing productivity, revenues, jobs and economic growth in the Caribbean, especially for women and vulnerable groups.

## **VI. Project Risks and Issues**

- 6.1 The current COVID-19 health pandemic poses the main risk to achieving the project objectives. Economic contraction and job losses in the U.S will lead to fall in consumer demand that would negatively impact the project's sales targets. As a mitigating measure, the Cluster will direct its marketing efforts to states within the U.S. where economic activity has been less affected, and upon deeper analysis will consider diversifying its target markets by expanding beyond the U.S. A shortage of raw materials may arise as the new product lines are introduced and sales volumes grow over time. To mitigate this risk, as the business grows the umbrella company will actively grow and diversify its supplier base. Also, where possible the company will enter contractual relationships with farmers to secure an adequate supply of raw materials. Additionally, complementing projects are planned to be executed in the medium term in order to improve the performance of farmers.

## **VII. Environmental and Social Classification**

- 7.1 The ESG classification for this operation is "undefined".