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MULTILATERAL INVESTMENT FUND

JAMAICA

**CATALYZING SOCIAL TRANSFORMATION THROUGH THE ARTS, CREATIVITY
AND TECHNOLOGY**

(JA-T1193)

DONORS MEMORANDUM

This document was prepared by the project team consisting of Terry-Ann Segree (DIS/CJA) Team leader, Sudaney Blair (CCB/CJA), Alejandra Luzardo (KIC/ICD), Francesco De Simone (IFD/ICS), Raul Oscar Sanchez (DSP/DVF), Gilberto Chona (CSD/HUD), and Daisy Ramirez Ruiz (FML/LAB).

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PROJECT SUMMARY
CATALYZING SOCIAL TRANSFORMATION THROUGH THE ARTS, CREATIVITY AND
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Jamaica has a rich and diverse cultural landscape and an abundance of world-class creative talent, most notably in the music sector, literature, dance, food and film. The orange economy is touted by the Ministry of Industry, Commerce Agriculture and Fisheries as a critical and viable sector for the promotion of economic growth and national development, which has gained even greater importance during the COVID-19 crisis as a way to diversify the economy. Like many other developing countries, Jamaica has so far harnessed only a small portion of potential contribution that the orange economy can make to the overall economy through job creation, revenues, and exports. For the most part, there are significant informalities across the creative sector and there is little to no empirical data to support the strength or real value of many of the sub-sectors within the creative industry.

Weak digital and technological innovation and productivity growth are two of the most severe binding constraints on successful commercialization of the creative talent in the Caribbean, and Jamaica is no different. MSMEs in the creative industry in Jamaica face significant challenges in accessing market opportunities which hinders the growth and development of these businesses. While there is a surplus of raw talent within the cultural and creative industries, there is generally, high levels of business informality within the sector, low levels of business management skills, and low levels of digital and technological skills.

Kingston is not only the nation's capital but also the heart of its creative and cultural production. A sub-set of the creative businesses in Jamaica is the creative businesses located in Downtown Kingston. Beyond the rich cultural heritage and the stigma of poverty and crime associated with these communities, these creative entrepreneurs and businesses have high levels of cultural talent and global impact but low levels of business training. In many cases, these entrepreneurs find it difficult to move between social classes in a bid to gain visibility in local and international markets and are unaware of the business opportunities that are available beyond their immediate geographic location.

The project seeks to provide new digital technologies and methodologies to add economic and social value to cultural assets. The project will combine arts and technology within creative community businesses and create tourism clusters as a use-case study for social transformation. The development of new technical skills will allow entrepreneurs to transform their products and increase their potential to a wider market. Therefore, the project will focus on "*Createch*", the integration of new technologies in the creative sector and a more holistic approach to connect the creative ecosystem. This project complements the Bank's project "Living Heritage Program (RG-T3285)", which promotes leveraging tangible and intangible heritage assets (culture, history, architecture) to create jobs and local economic development.

The beneficiaries of this project will be: (i) 1,500 entrepreneurs / businesses supported through the project, which include: (ii) 300 entrepreneurs / businesses supported through the project that reside and/ operate in Downtown Kingston; (iii) 20% of creative entrepreneurs / businesses supported by the project integrating new technology in their business model, and (iv) 10% of creative businesses supported by the project with access to new markets/opportunities. The Executing Agency is Kingston Creative Limited, and the total project budget is US\$1,295,000, of which US\$550,000 will be provided by IDB Lab through a non-reimbursable technical co-operation.

ANNEXES

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|-----------|----------------|
| Annex I | Results Matrix |
| Annex II | Budget Summary |
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APPENDICES

Proposed resolution

**AVAILABLE IN THE TECHNICAL DOCUMENTS SECTION OF THE MIF
PROJECT INFORMATION SYSTEM**

| | |
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| Annex IV | Detailed Budget |
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ACRONYMS AND ABBREVIATIONS

| | |
|------------|---------------------------------------|
| IDB | Inter-American Development Bank |
| IDB Invest | Inter-American Investment Corporation |
| PIOJ | Planning Institute of Jamaica |
| DBJ | Development Bank of Jamaica |
| JAMPRO | Jamaica Promotions Corporation |
| MSME | Micro, Small and Medium Enterprises |
| TEF | Tourism Enhancement Fund |
| CDB | Caribbean Development Bank |
| HEART | HEART Trust NTA |
| JIPO | Jamaica Intellectual Property Office |
| LAC | Latin America and the Caribbean |

JAMAICA
CATALYZING SOCIAL TRANSFORMATION THROUGH THE ARTS, CREATIVITY AND TECHNOLOGY
(JA-T1193)

PROJECT INFORMATION

| | | | |
|--|---|----------------------|-------------|
| Country and geographic location: | Jamaica. | | |
| Executing agency: | Kingston Creative Limited registered in Jamaica | | |
| Focus area: | Inclusive Cities. | | |
| Coordination with other donors/Bank operations: | This project complements the Bank's TC Living Heritage Program (RG-T3285), which provides technical assistance to support the leveraging of heritage assets in Port Royal/Kingston Bay as a Cruise ship destination. | | |
| Project beneficiaries: | (i) 1,500 entrepreneurs / businesses supported through the project, which include: (ii) 300 community-based creative entrepreneurs / businesses supported through the project that reside and/ operate in Downtown Kingston; (iii) 20% of creative entrepreneurs / businesses supported by the project integrating new technology in their business model, and (iv) 10% of 250 creative businesses supported by the project with access to new markets/opportunities. | | |
| Financing: | Technical cooperation: | US\$550,000 | 42% |
| | Equity: | - | |
| | Loan: | - | |
| | Other: | - | |
| | Total IDB Lab funding: | US\$550,000 | |
| | Counterpart: | US\$700,000 | 54% |
| | IDB Co-financing: | 45,000 ¹ | 4% |
| | Total project budget: | US\$1,295,000 | 100% |
| Execution and disbursement period: | Execution period: 30 months Disbursement period: 36 months | | |
| Special contractual conditions: | Conditions prior to first disbursement will be, to the Bank's satisfaction: (i) selection of the Project Manager; (ii) establishment of the Steering Committee; and (iii) Kingston Creative Limited certifying and providing evidence of its counterpart contribution to the project. | | |

¹ Co-financing from RG-T3285, a Bank executed TC

| | |
|--|--|
| Environmental and social impact review: | This operation was screened and classified as required by the IDB's safeguard policy (OP-703) on October 21, 2020. Given the moderate impacts and risks, the proposed category for the project is C. |
| Unit responsible for disbursements: | CCB/CJA |

I. THE PROBLEM

A. Problem description

- 1.1 **Jamaica Creative Industry.** Reggae music and its “King of Reggae”, Bob Marley, is probably the first thing that comes to mind when one thinks of Jamaica and its culture, but there is also Usain Bolt, the fastest man in the world and Dancehall, a style of music and dance popularized by icons like Beenie Man and Bounty Killa. However, beyond these names, Jamaica has a rich and diverse cultural landscape and increasing creative potential stemming from a plethora of creative people skilled in literature, music, dance, food and film. The orange economy² is touted by the Ministry of Industry, Commerce Agriculture and Fisheries³ as a critical and viable sector for the promotion of economic growth and national development, which has gained even greater importance during the COVID-19 crisis as a way to diversify the economy. The creative industries⁴ includes diverse activities such as architecture, visual arts, digital services, fashion, dance, graphic and industrial design, crafts, music, tours, festivals, gaming and software. Jamaica is well known for having an abundance of world-class creative talent, most notably in the music sector. However, Jamaica has so far harnessed only a small portion of potential contribution that the orange economy can make to the economy through job creation, revenues, and export.
- 1.2 **Creative Industry Contribution to Economy.** According to data from the World Economic Forum, creativity drives the global economy by US\$2,253 trillion⁵ in revenues and created 29.5 million jobs in 2015 globally. In March 2019, the US Bureau of Economic Analysis⁶ cited a contribution of over US\$877.8 billion to the US economy from the creative industries. This equates to 4.5% of GDP and employment of over 5.1 million people. In Jamaica, the value of creative goods and services exported was US\$47 million⁷ in 2014 which was less than 0.1% of exports. There are a few segments of the creative industry that are formalized, such as the film industry, which netted a record J\$2.3 billion⁸ (approximately US\$17 million) in film production expenditure to the local economy and generated 2,677 jobs for the 2018-19 financial year. The creative industry is filled with challenges that can undermine the true value to the Jamaican economy. Some of these challenges include: (i) high levels of piracy, (ii) limited access to capital, (iii) limited resources allocated to the development of the industries, (iv) inadequate training and education opportunities, (iv) lack of national statistics, (v) lack of understanding of intellectual property, (vi) lack of commercialization in general, (vii) and limited ownership/presence in the marketing and distribution channels for the industries⁹.

² The IDB uses the term “orange economy” to describe the cultural and creative industries, which include activities such as architecture, audiovisual arts, digital services, fashion, graphic and industrial design, handicrafts, music, and software.

³ [National Craft Policy](#) (November 2017)

⁴ Creative Industries is defined in the Vision 2030 National Development Plan as those industries involved in the creation, production and commercialization of contents which are intangible and cultural in nature, which are typically protected by copyright, and which may take the form of goods and/or services.

⁵ UNESCO Cultural Times: [The first global map of cultural and creative industries](#) (December 2015)

⁶ [U.S. Department of Commerce's Bureau of Economic Analysis \(BEA\)](#)

⁷ [UNCTAD Creative Economy Outlook 2005-2014](#)

⁸ [JAMPRO](#)

⁹ [MICAF](#)

- 1.3 **The Creative City, Downtown Kingston.** Kingston is the nation's capital and is the heart of its creative production. Its "old town" possesses a rich cultural heritage in terms of architecture, heritage sites, museums, galleries and a waterfront that borders the 7th largest natural harbour in the world. Downtown Kingston has historically been the hub of Jamaican culture, particularly in the fields of music, dance and the visual arts. Given its rich history and diverse cultural assets, Downtown Kingston is well-placed to declare and promote its own Art District, in a way that will benefit local residents, creatives and cultural entrepreneurs, while serving as a powerful social transformation strategy. Despite these assets, Downtown Kingston is generally avoided by most residents and visitors to the island. The main challenge is the prevalence of crime and violence and the general state of disrepair of the area. The stigma extends beyond the physical space - the citizens who hail from Downtown's communities are socially excluded, often stigmatized from birth, and find it difficult to attain employment if their residential address is known.
- 1.4 There are 16 communities that make up the Downtown Kingston Area, all ranked as Quartile 4¹⁰ communities, based on the Poverty Map developed by the Planning Institute of Jamaica (PIOJ.) The PIOJ Poverty Map ranks communities into four categories (Quartiles), with Quartile 1 being the least poor and Quartile 4, the poorest. The ranking of a community is based on four indicators: Percentage of households without piped water; Percentage of households without exclusive use of water closet (flushable toilets); Percentage of the labour force within the community that is unemployed; Percentage of community population with primary education only. Downtown therefore qualifies as a marginalized area. The Government of Jamaica, through its Downtown redevelopment programme has offered different incentives for large corporations and businesses to move back to Downtown Kingston and there has been a slow upward trajectory in the revitalization of the area.
- 1.5 **MSMEs in the Creative Industry.** Weak digital and technological innovation and productivity growth are two of the most severe binding constraints on successful commercialization of the raw creative talent present in the Caribbean¹¹, and Jamaica is no different. This lack of innovation in the creative sector has left MSMEs in the creative industry to do what they can with limited resources. Lessons can be adopted from developed markets such as the United Kingdom, Australia, China and Singapore, where creative industry innovation is tackled in a systematic way. An important contributor to successful innovation in these countries has been the use of a value chains approach to provide targeted innovation at different segments of the value chain, such as creative content development, advertising and distribution¹².
- 1.6 In addition to the general industry constraints, MSMEs in the creative industries face significant challenges in accessing market opportunities which hinders the growth and development of these businesses. While there is significant talent within the creative industry, there are generally, high levels of business informality within the

¹⁰ <https://www.jsif.org/content/how-communitys-poverty-level-determined>

¹¹ [Creative Industries in the Caribbean](#)

¹² [Creative Industries in the Caribbean](#)

sector, low levels of business management skills, and low levels of digital skills. Other challenges faced by creative entrepreneurs and businesses include: (i) the lack of adequate funding, from venture capital, commercial loans, provision of state-funded startup grants and general investment; (ii) lack of visibility, in many cases, these creative businesses do not have a virtual presence and consumers are unaware that the product/service that they offer exist; (iii) lack of training, certification and formalization, particularly in the digital skills required to navigate the global market; and (iv) lack connections to regional, diaspora and global markets and unawareness of the opportunities available.

- 1.7 **Challenges of Community Creative Businesses.** A sub-set of the creative businesses is the creative community businesses in Downtown Kingston. Beyond the stigma associated with these communities, the creative entrepreneurs and businesses face specific challenges in their quest to live, earn and grow their businesses. These communities creative businesses include cultural diversified groups, with high levels of cultural impact and creativity but low levels of business acumen. In many cases, these businesses find it difficult to move between social classes in a bid to access new local and international markets and are unaware of the market opportunities that are available beyond their immediate geographic location. In this instance, the opportunities that will arise from cruise ship arrival to neighboring Port Royal may not be explored, as these community creative businesses are not connected to the tourism value chain.
- 1.8 Finally, the effect of COVID-19 on the creative industries in Jamaica has been and is expected to accelerate the adoption of digital media to access local and global markets. The industry itself, music, fashion, theatre, dance, visual art, and film will continue with increased health and safety requirements and the use of more open-air venues for physical audiences. COVID-19 has increased the demand from creatives to incorporate online sales and monetization platforms into their businesses and the need for traditional creatives themselves to understand how technology can help their businesses to survive and reach new audiences and customers.
- 1.9 **Gender and Creative Industry.** The issue of gender is not as clear cut in Jamaica as in other countries. According to a 2015 study of 108 countries conducted by the International Labor Organization (ILO), Jamaica has more women managers in organizations than any other country in the world. The study found that 59% of company managers in Jamaica are women. Another 2015 study¹³ on women entrepreneurs, found that the main barriers and constraints to women-owned entrepreneurs were: (i) lack of access to financing; (ii) lack of appropriate and relevant training and counselling (business advisory services) and other forms of capacity-building support (for example, business coaching and mentoring); (iii) lack of access to relevant and timely business-related information (for example, regulations, trade missions, obtaining technical support, etc.); (iv) lack of access to business networks, and (iv) lack of access to technology and equipment. In this

¹³ [Profiling Caribbean Women Entrepreneurs: Business Environment, Sectoral Constraints and Programming Lessons](#)

regard, there is similarities between the challenges faced by both male and female entrepreneurs. In the local and community context of Kingston, marginalized gender refers to young males as they are deemed to be marginalized because of their involvement and experience with crime and violence in society. Analysis of data on primary, secondary and university education¹⁴ shows that males drop out in greater numbers throughout the system, so that the further up they go, the more girls seem to 'out-perform' them by higher levels of participation. In this regard, the project will target male and female participants to reduce gender imbalance.

- 1.10 **Creative Ecosystem.** There are many actors and ecosystem stakeholders in the creative industry but there is limited coordination between public and private sector stakeholders to leverage the strengths of each and minimize duplication of efforts. To tackle this challenge, Kingston Creative has pulled together a team of over 100 volunteers to drive projects geared towards the development of 'Kingston as a Creative City' and operates the Kingston Creative Hub, a co-working space in the center of Down Town Kingston. In this regard, Kingston Creative have secured partnerships with public, private and civil society coalition of 26 companies who provide funding and advisory services and are focused on creative entrepreneurship, utilizing arts and culture to drive the achievement of Jamaica's Vision 2030 goals of ensuring that Jamaicans are empowered to achieve their fullest potential, that the communities are secure, cohesive and just, and that Jamaica's economy is prosperous.
- 1.11 **Beneficiaries.** The direct project beneficiaries are: 1,500 entrepreneurs / businesses supported through the project; which include: (ii) 300 community-based creative entrepreneurs / businesses supported through the project that reside and/ operate in Downtown Kingston; (iii) 20% of creative entrepreneurs / businesses supported by the project integrating new technology in their business model, and (iv) 10% of 250 creative businesses supported by the project with access to new markets/opportunities. Priority will be placed on creative community entrepreneurs and business from the vulnerable communities in Downtown Kingston to help them to adopt technology to improve their business models and to increase their access to local and international markets.

II. THE INNOVATION PROPOSAL

B. Project description

- 2.1 The objective of the project is to increase market access for creative entrepreneurs and community creative entrepreneurs by providing new digital technologies, capacity building and participatory methodologies to add economic and social value to cultural assets through the development of new business models.
- 2.2 **The model** will focus on three components: Improve the digital and technology skills of creative entrepreneurs, creating a market access tools for creative businesses by creative industry ecosystem building and advocacy. These three components will strengthen and scaling-up critical capabilities to transform the businesses. The merger of physical and digital tools will allow companies to access new services,

¹⁴ <http://gracekennedy.com/lecture/GKF1999Lecture.pdf>

- improve customer experiences and, in some cases, create new business models. This project will provide opportunities for entrepreneurs who need to look for new ideas, a better understanding of the benefits of using new technologies, and the business opportunities that exist in accessing new markets. In addition, this project will connect the ecosystem through the different initiatives that the creative hub will offer. These initiatives will focus on strengthening collaboration between local and international creative ecosystems. The connection to global networks is a critical aspect for the Jamaican ecosystem because it will give visibility to local entrepreneurs and will open opportunities for learning, incubation, or acceleration of their efforts. This is one of the many reasons why connecting these entrepreneurs and showcasing their products and services will be critical to increasing visibility and market access.
- 2.3 **Innovation.** The innovative element of the project is based on “Createch”, the integration of new technologies and platforms in the creative sector and a more holistic approach to connecting the ecosystem. The development of new technical skills will allow entrepreneurs to transform their products and increase their potential to reach a wider market. In the field of contemporary art and culture, music, fashion, theater, dance, visual arts and cinema, there is an increasingly strong tendency to mix artistic elements with video, video mapping, animation, sound, augmented and virtual reality, 3D printing, science, software. Collaborations between artists and developers, technology experts, designers and scientists are growing more and more and this project seeks to accelerate those collaborations.
- 2.4 However, technology alone will not be enough, as the interconnection between the three components will be critical to the success of the project and to begin to position Jamaica as the next creative hub in the Caribbean. This interdisciplinary collaboration is necessary to spark innovation and empower creative people with the tools they need in today's world. In the IDB Lab study entitled “TechnoCreative Entrepreneurships Creativity and Technology: Allies or Enemies?” There are many cases that show these collaborations that are already happening in our region. LAC's ability to be part of these innovation trends effectively will largely depend on access to training and exposure of talent to experimentation with new technologies.
- 2.5 **Component I: Improve the Digital and Technology Skills of Creative Entrepreneurs (IDB Lab: US\$160,000; and Counterpart: US\$164,500).** The objective of this component is to enhance the skills of creative businesses and provide a means by which the creative entrepreneurial community can connect with global partners through networking events, workshops, seminars, and training. The project will support the efforts of the Kingston Creative Hub to provide creative businesses with access to a workspace with a 24/7 access option with Wi-Fi, hot-desks, offices for rent, and a podcasting and digital studio that will be available to creative startups and entrepreneurs. The executing agency will partner with a local training centre, such as, HEART Trust NTA to provide targeted training in basic business management skills to community creative business who lack requisite skills to transform their craft / talent into a sustainable business. Under the project, the Creative Hub will develop and provide access to a voucher program for creative businesses to access services at significantly reduced prices, these services include, but is not limited to; business plans, marketing plan, and creative and digital marketing.

- 2.6 To address the high levels of informality of the sector, the project will host registration drives in partnership with the Companies Office of Jamaica and the Jamaica Intellectual Property Office (JIPO) to facilitate the registration of businesses and intellectual property rights of the existing and new creative businesses. Further, the project will conduct match-making sessions to accelerate the adoption of technology by creative entrepreneurs. This will be supported through a “Hack the City” hackathon, to bring a diverse group of individuals from interdisciplinary fields that merges artists, designers, engineers, coders, and webdesigners that through the hackathon will use different technologies, such as blockchain, virtual reality, or artificial intelligence, towards the development of solutions focused on improving their revenue potential and capture new market opportunities.
- 2.7 The solutions from the hackathon will be supported by the Kingston Creative Hub accelerator program and will provide training, mentorship and connection to global creative ecosystems. In addition to the solutions from the hackathon, the acceleration program will support existing businesses from the creative sector with a high potential to scale their solutions. The participants in the acceleration program will also be trained and prepared to pitch their businesses to investors. An important element of this project is the ability to connect the Jamaican creative ecosystem into international ecosystems that can bring knowledge and business opportunities.. There are many Incubators from LAC and Europe that will like to invite more startups from the Caribbean however they don’t know how to identify them. The executing agency will identify and secure partnership with international Incubators to facilitate an Exchange Program and host a joint Virtual Incubator Summit.
- 2.8 The expected outputs of this component are: (i) 1,500 creative entrepreneurs / businesses trained; (ii) 150 companies and entrepreneurs registering their businesses and/ intellectual property; (iii) 30 creative businesses accelerated; (iv) 3 international entities (accelerators / incubators / tech companies) partnering with the project; and (iv) 120 creative and technology entrepreneurs participating in hackathon.
- 2.9 **Component II: Create Market Access Tools for Community Creative Businesses (IDB Lab: US\$159,900; IDB: \$45,000; Counterpart US\$234,500).** The project will support the development of inclusive art and creative districts in Downtown Kingston and Port Royal to empower community creative entrepreneurs in some of the most vulnerable communities in Kingston by creative linkage to the tourism value chain and the provision of digital tools to improve market access. Firstly, in partnership with the Tourism Enhancement Fund, the project will strengthen tourism linkages between Port Royal and Downtown Kingston, by creating tourism corridors / tours that includes the cultural assets of Downtown Kingston and the creative community businesses. The extension of Downtown Kingston to include Port Royal is due to the geographic proximity and the tourism opportunities post COVID-19 for community creative businesses fueled by cruise ship arrivals. In this regard, the executing agency will connect businesses and cultural assets along various themes and tours, such as the Music Walk, Fashion District and Art Walk and provide linkages with cruise lines, tour operators and companies and hoteliers to ensure access of visitors to community creatives businesses.

- 2.10 To support the creative clusters, the executing agency will engage a firm to develop a mobile application for the Downtown Kingston and Port Royal to provide a digital cultural map of Downtown Kingston and Port Royal creative businesses and cultural sites enhanced by visuals, virtual reality and the soundscape of Kingston. To facilitate the mapping, the executing agency will conduct a business hackathon to identify the creative business, names, and locations operating in the communities. Further, the executing agency will establish an e-commerce marketplace that will be managed by Kingston Creative. Here, onboarding assistance will be provided to community creative businesses to improve the visibility of their business and allow for digital transactions. The executing agency will develop business partnerships to drive market access for community creative businesses through the creation of incentive programs for local businesses to support community creative entrepreneurs. In this regard, the executing agency will explore a business incentive program that fosters B2B engagement around community creative services (e.g. live music in eateries).
- 2.11 The expected outputs of this component are: (i) 120 companies selling products / services via e-commerce platform; (ii) US\$100,000 sales generated by companies on e-commerce platform; (iii) 40 creative businesses listed on the digital map through a mobile application; (iv) at least 3 tourism corridors created; (v) 50 corporate partnerships developed to drive market access; and (vi) 6 tourism creative corridors / tours created.
- 2.12 **Component III: Creative Industry Ecosystem Building (IDB Lab: US\$77,000; Counterpart US\$67,000).** The objective of this component is to strengthen the creative ecosystem in Jamaica, through advocacy, partnerships, and collaboration between public and private sector stakeholders of the creative economy. To achieve this, the project will create a database of the creative ecosystem stakeholders, highlighting their roles and responsibilities to facilitate greater coordination and collaboration. The executing agency will undertake a series of stakeholder engagement sessions to further the coordination of the ecosystem builders towards addressing some of the challenges faced by the creative sector, advocating for greater support from public and private sector, and having a united vision for the creative industry.
- 2.13 The executing agency will host Creative Industry Fora to engage a wider cross-section of stakeholders, such as, investors, banks, academia, private sector organizations and government, to promote the need for greater appreciation for creative assets and IP as collateral, to promote the value and worth of creative industries and showcase local investable and scalable talent. An important element of this component is the creation of a transmedia storytelling focus on Jamaican creators with the objective to give them visibility in the country as well as the international arena. The executing agency will also create a video case study to showcase the methodologies developed and tested under the project as well as lessons learnt from the project.
- 2.14 The outputs of this component will be: (i) 300 ecosystem stakeholder in database; (ii) 240 stakeholders engaged in Creative Industry ecosystem building activities; (iii) 45 creative entrepreneurs / businesses highlighted through story telling media, and (iv) 40% change in perception of creative industry coordination and ecosystem development over the baseline.

C. Project results, measurement, monitoring and evaluation

- 2.15 The project is expected to achieve the following results: 1,500 entrepreneurs / businesses supported through the project; which include: (ii) 300 community-based creative entrepreneurs / businesses supported through the project that reside and/ operate in Downtown Kingston; (iii) 20% of creative entrepreneurs / businesses supported by the project integrating new technology in their business model, and (iv) 10% of 250 creative businesses supported by the project with access to new markets/opportunities. The project seeks to test the hypothesis, that if we provide new digital technologies and participatory methodologies to add economic and social value to cultural assets, we expect to address the lack of market access tools for creative entrepreneurs and community. The inclusion of arts and technology within creative community businesses and the creation of tourism clusters will provide a use-case study for social transformation.
- 2.16 **Monitoring.** Kingston Creative team will be responsible for collection of data and reporting on results and achievements. Kingston Creative will develop a monitoring plan at the start of the project that will ensure tracking and measuring of indicators. Progress in monitoring these indicators will be facilitated by Kingston Creative internal systems. Additionally, Kingston Creative will report to the Bank every six months through a Project Status Report (PSR) and submit a Project Completion Report (PCR) on the project's final outcomes.
- 2.17 Kingston Creative will develop an annual Impact Report using data collected during implementation. The project will also be subject to a final evaluation financed by IDB Lab which will be conducted by an independent consultant, on conclusion of the project execution period. The objectives of this evaluation will be to (i) assess the effectiveness of the model for intervention, in the provision of digital tools, building the skills of creative businesses, and increasing the access to market for creative businesses and community creative businesses; (ii) assess the number of creative and community creative businesses with access to new markets / opportunities; (iii) provide value-added input for Kingston Creative's strategy and plan to strengthen, sustain and scale the model in Jamaica and across the wider region. Key questions of the evaluation will be: (i) How can productivity, innovation and competitiveness be promoted in creative businesses?; (ii) What kinds of program promote creativity, capitalize on cultural heritage, and generate economic activities?; and (iii) How to promote inclusive participation of all stakeholders in urban productive activities, to help reduce poverty? The evaluation will contribute to IDB Lab's knowledge on supporting Inclusive Cities and the Orange Economy in economic development, improving social inclusion and incentivizing local resources and knowledge.

III. ALIGNMENT WITH THE IDB GROUP, SCALABILITY, AND RISKS

A. Alignment with the IDB Group

- 3.1 The project is aligned with the Jamaica Country Strategy 2016-2021. Specifically, the project will support the increase of private sector productivity and growth; and strengthen protection and development of human capital. The project will work with creative entrepreneurs to increase access to new technologies that will lead to productivity, competitiveness, and sustainability.

- 3.2 The IDB action to support the creative sector in response to Covid-19 highlighted in the VPS documents “Policies for tackling the impact of Covid-19 on cultural and creative sector industries”, focuses on: safety nets for vulnerable populations, economic productivity and employment, and fiscal policies aimed at cushioning the pandemic’s economic impact. Since this sector is characterized by high rates of informal work and by its high content of SMEs and the self-employed; this project will be aligned with the focus on in economic productivity and employment. In addition, this project can take advantage of some of the actions already taken by the IDB since March 2020, focused on data collection to identify the most urgent needs and promote the exchange of best practices. As well as the continuous efforts to map startups and SMEs of the cultural creative sector in order to analyze the evolution of changes in the business models of the creative industries and the spillover that this industry adds to sectors such as education, health and others.
- 3.3 The project will contribute to IDB Lab’s focus on knowledge and connections to catalyze innovation for inclusion in the Latin America and the Caribbean. The project is aligned with IDB Lab thematic area of Inclusive cities since it seeks to support the Orange Economy and local economic development to build on local artistic and cultural heritage to create opportunities in other sectors. In this regard, the project will adopt the “Createch” approach and the use of new digital tools will help entrepreneurs gathering and analyzing evidence and demonstrating product value to stakeholders. Furthermore, this project has many synergies with the Living Heritage Program, (RG-T3285) with resources allocated to Port Royal and the identification of creative solutions that could add value to the creative and cultural activities around the port. The project that seeks to transform the city into a SMART, safe and protected community with a vibrant local economy, enhancing cultural heritage and protecting the environment for sustainable use by citizens and visitors. The project will be implemented in Jamaica in close coordination with the IDB divisions of housing and urban development (CSD/HUD) and creativity and culture (KIC/ICD).
- 3.4 This is also aligned with the United Nations declaration of 2021 as the Year of Creative Economy for Sustainable Development, which this projects seeks to operationalise. The intervention is expected to contribute to the targets and indicators of the following SDGs: SDG #11 Make cities and human settlements inclusive, safe, resilient and sustainable - specifically indicator 11.4 Strengthen efforts to protect and safeguard the world’s cultural and natural heritage; SDG #9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation, specifically indicator 9.4 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets; SDG #8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all, specifically indicator 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

B. Scalability

- 3.5 The project will convene NGOs, private and public sector stakeholders to engage in activities that enable creative entrepreneurs in Jamaica to succeed, namely through delivering training, acceleration and incubation, particularly in digital and technological ("createch") skills; providing access to regional, diaspora and global markets through new tech platforms designed for local creative entrepreneurs as well as engagement of critical stakeholders in the industry at the policy level. Beyond the initial 30month period of the project, growth will be delivered by continuing the training via the Kingston Creative Hub, a profit-making joint venture, and also by continuous onboarding and registration of new creatives through meetups and other activities. Increasing the number of creatives that are market-ready will be funded in part by the financial returns from the ecommerce and map platforms. Visibility and engagement in the programme will be driven by the sharing of the success stories and other digital assets created during the life of the programme, of the businesses that are developed through the talent pipeline and who achieve success. Based on conservative projections, it is estimated that by 2030 there should be between 10,000 and 20,000 registered creative entrepreneurs (heritage tour operators, musicians, dancers, visual artists, filmmakers, animators, writers) in Jamaica.
- 3.6 The project is a pilot to use art, culture and creativity for social transformation in Downtown Kingston and this model is intended to be applied to various towns and cities across Jamaica that have cultural heritage, and a wealth of creatives, artisans and artists that can benefit from placemaking and digital access to new markets through partnership with public and private sector organizations. The outcomes and lessons learned from the activities and outputs of the project will be shared with strategic audiences nationwide, as part of the communications campaign, at events, workshops, and relevant fora. Further, several entities have indicated interest in an ongoing partnership with Kingston Creative and a desire to fund an expansion to other urban centers, such as TEF and JAMPRO.

C. Project and institutional risks

The project team has identified the following risks:

- 3.7 **Market risk:** Changes in the local and international tourism market due to COVID-19 and other external shocks, could negatively impact on cruise ships arrival in Port Royal and result in lesser than projected visitors to downtown Kingston. Further, the viability of the cruiseship industry in Kingston and the rate of cruise ship arrivals could impact on the practicability of the tours. **Mitigating action:** The project will help creative businesses to secure better market access by displaying products and utilizing e-commerce platform as an additional income stream.
- 3.8 **Outbreaks of Social Unrest & Upsurge in Crime.** In the past, downtown Kingston has experienced waves of crime and social unrest. Should there be political instability or any other factor that result in an increase in criminal activities then this could negatively impact on visitors' willingness to support the creative businesses in the Down Town Kingston area. **Mitigation and consideration:** The project team will monitor the environment for indication of disruptions and make recommendation for likely actions. Further, the project will create tools and platforms to facilitate virtual

engagement between the Creative Hub and Creative Businesses, as well as, e-commerce to facilitate trade.

- 3.9 **Execution Risk:** There are many actors and ecosystem stakeholders in the creative industry but there is limited coordination between public and private sector stakeholders to leverage the strengths of each, which could negatively impact on the success of the project. In this regard, Kingston Creative seek to coordinate the ecosystem actors through continuous dialogue and the creation of a ecosystem stakeholder mapping to clearly determine the role and strength of the actors in the ecosystem.
- 3.10 The Assessment of Integrity and Institutional Capacity (DICI) conducted for this project rated institutional risk as Medium. Kingston Creative have the necessary infrastructure and experience in executing similar projects, however, the entity has resource constraints related to the availability of human capital to support the financial and procurement roles required for the project. In this regard, IDB Lab resources will be utilized to contract a project coordinator to strengthen project management as well as contribute to Kingston Creative part-time procurement and financial analysts for project delivery. This will mitigate the risk of overloading the core team in the organization's current structure.

IV. INSTRUMENT AND BUDGET PROPOSAL

- 4.1 The project has a total cost of US\$1,295,000, of which US\$550,000 (42%) will be provided by IDB Lab, US\$45,000 (4%) by IDB and US\$700,000 (54%) by the counterpart. The counterpart financing includes in kind resources from the volunteer team and staff of the Kingston Creative. Additionally, counterpart cash and in-kind resources for the project will be provided by HEART Trust NTA, Jamaica Promotions Corporation (JAMPRO), Development Bank of Jamaica (DBJ), Tourism Enhancement Fund (TEF), and Jamaica Business Development Corporation (JBDC). Kingston Creative will throughout the project engage various partners to provide additional funding to scale up the initiative.

| Project Categories | IDB Lab (US\$) | Co- Investment IDB (US\$) | Counter part (US\$) | Total (US\$) |
|--|-------------------|------------------------------------|---------------------------|------------------|
| Component I: Improve the Digital and Technology Skills of Creative Entrepreneurs | 160,000 | | 164,500 | 324,500 |
| Component II: Create Market Access Tools for Community Creative Businesses | 159,900 | 45,000 | 234,500 | 439,400 |
| Component III: Creative Industry Ecosystem Building | 77,000 | | 67,000 | 144,000 |
| Project administration (executing unit costs) | 138,100 | | 234,000 | 372,100 |
| Final evaluation | 15,000 | | | 15,000 |
| Grand total | 550,000 | 45,000 | 700,000 | 1,295,000 |
| % of Financing | 42% | 4% | 54% | 100% |

V. EXECUTING AGENCY (EA) AND IMPLEMENTATION STRUCTURE

A. Executing agency(s) description

- 5.1 Kingston Creative Limited is a registered not-for-profit enterprise which was established in 2017. The organization revolves around the vision of Kingston as a Creative City. The organization's mission is to enable Caribbean creatives to succeed so that they can create economic and social value, gain access to global markets and have a positive impact on their community. Kingston Creative has worked with artists, creative entrepreneurs and cultural practitioners in 25 countries across the region administering a pan-Caribbean programme of residencies, talks, training, grants and various Arts programmes including the provision of consultancy vouchers to build websites to allow artists to have ecommerce capability. It has also participated in an overseas exchange with an accelerator called Art Up Memphis in the USA in 2019. The organisation is positioning itself as a cultural hub that serves the region and recently won a Festivals accelerator grant from the Caribbean Development Bank (CDB).
- 5.2 Kingston Creative's organizational structure consists of a main Board and an advisory board with members located in the UK US and the Caribbean comprising significant Legal, Engineering, Arts, Marketing and Cultural economy skill sets and senior level government experience. The team boasts a volunteer core of over 100 that has demonstrated the ability to drive projects to completion on time and within budget – completing a record 59 murals in Downtown Kingston in under 24 months and training over 2000 creatives. The NGO is funded by a public, private and civil society coalition of 26 companies who not only provide funding but also provide advisory services and significant in-kind support. The recently launched Creative Hub includes other features that support entrepreneurship, like a podcast studio, digital studio, equipment rental as well as offices and coworking space. In addition the organisation has opened the Artisan Collective Store; a brick and mortar and online retail space managed by creatives, with a zero-commission model that serves 40 artisans. The store is located on the busy waterfront in the business district, one block from the National Gallery of Jamaica in downtown Kingston and is a deliberate effort to create a cluster of creative businesses in the Downtown area over the next few years.
- 5.3 Some of the main partners of Kingston Creatives include: the Ministry of Culture, Gender, Entertainment and Sport, DBJ, CDB, TEF (a division of the Ministry of Tourism), Jamaica Social Investment Fund, American Friends of Jamaica, European Union, World Bank, JAMPRO, Planning Institute of Jamaica (PIOJ), HEART Trust (NTA), the Kingston and St. Andrew Municipal Corporation.

B. Implementation structure and mechanism

- 5.4 Kingston Creative Limited will establish an executing unit and the necessary structure to execute project activities and manage project resources effectively and efficiently. Kingston Creative Limited will also be responsible for providing progress reports on project implementation.
- 5.5 To support implementation, Kingston Creative Limited will contract a local project coordinator and a part time project financial officer to support monitoring of results, technical reporting and fiduciary management. The Project Coordinator, in

collaboration with the Executive Director of the Kingston Creative, will be responsible for the organization, roll out and management of key activities as well as local partnership/stakeholder management.

- 5.6 Kingston Creative Limited will create a project steering committee to govern the project implementation, manage risks and address challenges. The steering committee will comprise executives of key stakeholders of the creative industry in Jamaica and representatives from the relevant government agencies with responsibility for the creative industry. This include but not limited to the Tourism Enhancement Fund, Ministry of Culture, Gender, Entertainment and Sports, JAMPRO Trade & Invest Jamaica, and Jamaica Business Development Corporation. The IDB Lab may attend meetings upon invitation to provide input and advice on changes that may be necessary to strengthen impact and achievement of project results, as well as to foster connections with IDB Lab's technical partners in the region to support knowledge sharing and regional scaling. The project steering committee will meet at least quarterly in the first year of the project, and at least semiannually in subsequent years.

VI. COMPLIANCE WITH MILESTONES AND SPECIAL FIDUCIARY ARRANGEMENTS

- 6.1 **Disbursement by results, fiduciary arrangements.** The Executing Agency will adhere to the standard IDB Lab disbursement by results, Bank procurement policy¹⁵ and financial management¹⁶ arrangements as specified in Annex VI and VII, and any future policies and procedures.
- 6.2 **Results-based disbursement.** The Project will be monitored by the Country Office of Jamaica in coordination with the IDB Lab Senior Specialist. Monitoring will be undertaken in accordance with the performance and risk management policies (fulfilment of milestones) established by the IDB Lab. Project disbursements will be contingent upon verification of the achievement of milestones (pre-determined outputs critical to achievement of the development objectives). Achievement of milestones does not exempt the Executing Agency from the responsibility of reaching the results matrix indicators and project's objectives.
- 6.3 **Financial management and supervision.** Kingston Creative limited will establish and be responsible for maintaining adequate accounts of its finances, internal controls, and project files according to the financial management policy of IDB Lab. For the procurement of other goods and contracting of consulting services, the Executing Agency will adopt the principles of IDB Policies (GN-2349-9 and GN-2350-9), however, the Executing Agency, which is a private entity, will use their private sector procurement policy for the execution of the project.

¹⁵ Link to the Policy: [Procurement of Works and Goods Policy](#).

¹⁶ Link to the document [Financial Management Operational Guidelines](#).

VII. INFORMATION DISCLOSURE AND INTELLECTUAL PROPERTY

- 7.1 **Information disclosure.** This document contains confidential information related to one or more of the ten exceptions to Access to Information Policy and will be initially treated as confidential and made available only to Bank employees. This document will be disclosed and made available to the public upon approval.
- 7.2 **Intellectual Property.** The intellectual property rights to all works produced by Kingston Creative, its consultants or employees in the context of this Project or results obtained under the Project shall be owned by each creator. Any intellectual property right, work or result not registered with the Jamaica Intellectual Property Office by each creator shall be owned by the Executing Agency and the Executing Agency will grant the IDB Group an irrevocable, worldwide, perpetual, royalty-free, and non-exclusive license to use, copy, distribute, reproduce, publicly display and perform any and all Executing Agency intellectual property derived from execution of the Project, as well as to create derivative works provided that the Executing Agency is credited for such IP when works are published.
- 7.3 The Executing Agency shall ensure that all contracts it enters into with consultants under the Project include an express assignment to the Bank of all intellectual property rights, including copyright. The Bank may disseminate, reproduce, and publish any Project-related information and include in such information the name and logo of the Executing Agency.