

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	JAMAICA/CCB - Caribbean Group
▪ TC Name:	Building institutional capacity in the area of entrepreneurship support services
▪ TC Number:	JA-T1132
▪ Team Leader/Members:	GRAZZI, MATTEO (IFD/CTI) Team Leader; MAFFIOLI, ALESSANDRO (DSP/DVF); BEUERMANN MENDOZA, DIETHER WOLFGANG (CCB/CCB); BAZA NUNEZ, ESCARLATA (LEG/SGO); SUN, JUYOON (IFD/CTI); TORRICO DURAN, BLANCA PAOLA (IFD/CTI); GONZALEZ ALZUALDE, YOHANA BEATRIZ (IFD/CTI); BORJA, CINDY (IFD/CTI); RIZO SAMAYOA, MARIELA (DSP/DVF); LOPEZ DE VALLES, MARIA FERNANDA (IFD/CTI)
▪ Taxonomy:	Research and Dissemination
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	13 Jul 2016
▪ Beneficiary:	Jamaica Business Development Corporation (JBDC)
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	\$ 200,000.00
▪ Local counterpart funding:	\$ 210,000.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Firms
▪ Prepared by Unit:	Competitiveness & Innovation
▪ Unit of Disbursement Responsibility:	Institutions for Development
▪ 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:	Promoting regional integration and cooperation

### II. Objective and Justification

- 2.1 The objective of this Technical Cooperation (TC) is to strengthen the capacity of Jamaica Business Development Corporation (JBDC) to design, implement, and evaluate existing and innovative Entrepreneurship Support Services (ESS). For this purpose, diagnoses of existing services and action plans for the implementation of reforms and innovations will be developed. In this context, reformed and innovative services will be tested through the design, implementation, and evaluation of pilot projects. The operational experience generated through these pilots will be used for the replication and scaling-up of the highest quality and most cost-effective approaches to ESS.
- 2.2 Over the last decades, most governments in Latin America and the Caribbean (LAC) have introduced an increasing amount of services to Micro, Small and Medium Enterprises (MSMEs). The expansion of these services has been justified on the basis of the well-documented MSMEs' contribution to social and economic development.<sup>1</sup> In this context, the public services - mainly training and technical assistance services - to support entrepreneurs and foster the creation of dynamic enterprises have become increasingly important. However, recent studies have documented that this expansion has been accompanied by major challenges in the design, implementation and evaluation of Entrepreneurship Support Services (ESS). As a result, the quality of these services is quite heterogeneous across and within LAC countries, and little is known about their actual effectiveness. The IDB has supported and partnered with

various agencies that provide ESS both at the national and sub-national levels. In particular, the Jamaica Business Development Corporation (JBDC) has expressed a great interest and strong commitment to this project. JBDC has been very active in the area of providing ESS. For this reason, the “MSME and Entrepreneurship Policy” (2013) recently developed by the Jamaican Ministry of Industry, Investment and Commerce identifies the JBDC as the leading agency in the areas of business practices diffusion and entrepreneurship skills development

### III. Description of Activities and Outputs

- 3.1 To accomplish its objectives, the TC will be structured around three components: 1) Critical review and diagnosis of existing ESS; 2) Pilot testing and deployment of reformed and/or innovative services; 3) Diffusion of findings, support for repetition, replication and scaling up.
- 3.2 **Component I: Component I. Critical review and diagnosis of existing ESS.** This component will focus on the review of the existing ESS, with emphasis on the identification of areas of improvement and opportunities for the introduction of innovative and/or complementary services. Once the overall review is completed and transferred, the TC will finance the definition of a plan to implement the recommended actions in agreement with the JBDC; and the design and implementation of trainings on the action plan.
- 3.3 **Component II: Component II. Pilot testing and deployment of reformed and/or innovative services.** This component will focus on developing pilot projects to rigorously test the viability and evaluate the cost-effectiveness of the reformed and/or newly introduced services. With the support of international experts, the action plans will be implemented, changes will be introduced in the existing services, and new services will be designed. The pilot projects will be designed and implemented in anticipation of the possible full incorporation of the tested services in the JBDC's portfolio.
- 3.4 **Component III: Component III. Diffusion of findings, support for repetition, replication and scaling up.** this component will finance: (i) design and implementation of workshops, seminars, and trainings for other LAC agencies; (ii) production and dissemination of reports on the design, implementation, and evaluation of the pilot projects, with particular emphasis on policy implications and recommendations for institutional capacity building; and (iii) other activities to promote the highest quality and most cost-effective services in LAC and disseminate the pilots' results through media

### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component I. Critical review and diagnosis of existing ESS	\$ 15,000.00	\$ 0.00	\$ 15,000.00
Component II. Pilot testing and deployment of reformed and/or innovative services	\$ 170,000.00	\$ 210,000.00	\$ 380,000.00
Component III. Diffusion of findings, support for repetition, replication and scaling up	\$ 15,000.00	\$ 0.00	\$ 15,000.00

### V. Executing Agency and Execution Structure

- 5.1 The IDB through IFD/CTI will be responsible for the execution of this TC.
- 5.2 The IDB through IFD/CTI will be responsible for the direction, supervision and coordination of this TC. Given the experience of IFD/CTI in the topics included in this TC, this unit will be responsible for the procurement and supervision of the products included in this TC.

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

- 6.1 There are no major risks associated with the implementation of this TC. However, the success of the TC will depend on the capacity of the Jamaica Business Development Corporation to execute the pilots. In order to mitigate this risk, the project team has worked (and will work) closely with the TC partners in all the phases of the project. The documented track record of the JBDC in the area of ESS will also substantially mitigate such risk.

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

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