

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	JAMAICA/CCB - Caribbean Group
▪ TC Name:	Improving Competitiveness of the Jamaica Castor Bean Cluster
▪ TC Number:	JA-T1167
▪ Team Leader/Members:	GRANT, KAYLA SHAREE (IFD/CTI) Team Leader; DE SALVO, CARMINE PAOLO (CSD/RND) Alternate Team Leader; ZEPHRINE MILLARD (IFD/CTI); VERISSIMO DA SILVA, CAROLINA (LEG/SGO); RESTREPO, LISA SOFIA (CSD/RND); ELLIOTT, WAYNE ANTONIO (IFD/CTI); FORONDA NOGALES, SHIRLEY MABEL (VPC/FMP); GENESIS MORALES (IFD/CTI); MAYRETT SIERRA (IFD/CTI); GREG BROOMES (IFD/CTI)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	25 Sep 2018
▪ Beneficiary:	Jamaica
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$400,000.00
▪ Local counterpart funding:	US\$62,260.00 (Cash); US\$38,830.00 (In Kind)
▪ Disbursement period:	36 months
▪ Types of consultants:	Individuals
▪ Prepared by Unit:	CSD/RND - Env, Rural Dev & Disaster Risk
▪ Unit of Disbursement Responsibility:	CSD - Climate Change and Sustainable 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:	Productivity and innovation

### II. Objective and Justification

- 2.1 The objective of this TC is to create employment opportunities and reduce poverty in rural communities in Jamaica through enhanced productivity and competitiveness of the Jamaican castor oil industry. Most beneficiaries grow castor trees given the lack of economic opportunities in rural areas. Some use marginal land that is not suitable for agriculture, some provide land to foster employment and diversify their source of income, and others get concessions from charitable institutions such as the church to employ youth in some of the most underprivileged areas of the country.
- 2.2 In January 2018, the Compete Caribbean Partnership Facility (CCPF) convened an Investment Panel (IP) to obtain an independent assessment of the funding merit of eight cluster projects. These eight finalists were shortlisted among 91 applications received in response to a call for cluster proposals that closed in November 2017. The evaluation process used a rigorous approach using criteria and weighting factors to ensure alignment with CCPF's mandate to drive inclusive and sustainable growth through greater productivity and innovation in 13 beneficiaries' countries[1]. In the end, four projects were recommended by the IP to progress to the next step in CCPF's cluster development process which is the co-design of a Cluster Development Plan (CDP) with the support of a professional consultant. One of these four projects is the Jamaica Baptist Union (JBU) Grow Castor Bean Project.

The CDP was developed over a three-month period through a participatory approach to define the cluster's growth and competitiveness strategy, reach consensus on activities prioritized, and prepare a budget along with a detailed implementation plan. The purpose of this technical Cooperation (TC) is to finance this CDP. The castor oil and its derivatives can play an important role in accelerating social and economic development in Jamaica. According to a recent study commissioned by the Jamaica Promotions Corporation (JAMPRO), the market is growing rapidly and is set to reach USD \$2.33 billion by 2024. While there is much enthusiasm for growing the industry, the competitive analysis revealed the needs for the JBU cluster project to: (i) Reduce production costs to increase price competitiveness in international markets; (ii) Increase production capacity of castor seed to build the foundation of a strong industry in Jamaica and leverage the 1,000 acres of land accessible by the JBU across the country; (iii) Ensure adoption of social and environmental practices or standards of production across farms to ensure inclusive and sustainable development. This TC is 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 and specifically addresses the special needs of small and vulnerable countries in fostering development through the private sector. The project is aligned with the priorities defined in the Innovation, Science and Technology Sector Framework Document (GN-2791-3). The project is also aligned with the priorities of the "Proposal for the Establishment of the Compete Caribbean Partnership Facility" (GN-2851)

### **III. Description of Activities and Outputs**

- 3.1 Component 1: Innovation, productivity and climate resiliency. The goal of this component is to decrease the economic vulnerability to climate change of rural communities that rely on the castor oil industry to generate and diversify their source of income. The cluster project will develop a model farm to test innovation in agronomy techniques that either reduce costs or increase revenues which will attract and employ a larger number of underprivileged Jamaicans. This will include testing different climate smart approaches to castor production, greenhouse technology, a seedling nursery operation for future rotations, solar energy innovation to improve the design and efficiencies of post-harvest drying solutions, as well as activities for waste reduction. Additionally, the cluster project will build on the existing collaboration between the JBU, Bodles Agricultural Research Station in Jamaica, and the Brazilian Agricultural Research Corporation (EMBRAPA) to establish a more structured knowledge sharing program on seed reengineering. This program will build local capacity on research associated with genetic varieties, disease mitigation, yield increases, soil compatibility, etc. Finally, in collaboration with local partners committed to source environmentally friendly ingredients used in fertilizers, this Component will fund a research and development project to analyze the application of inputs to establish and optimize a baseline yield rate for castor trees. This will lead to a reduction of production costs for farmers and encourage more farmers to engage whilst growing the entire production capacity of castor seed for the growth of the industry.

Component 2: Establishing sustainable operations for a growing industry. The goal of this component is to build the capacity of vulnerable groups and unskilled labour in absorbing the knowledge and skills necessary to establish a strong foundation for sustainable growth. Specific training programs will be delivered in collaboration with local partners such as the Rural Agricultural Development Authority (RADA) for best practices in agriculture, and the Jamaican Industrial Development Corporation (JIDC) for best practices in supply chain management (eg: packaging, traceability, transport efficiency, etc). The services of a Cluster Manager to facilitate the execution of this project will also be procured under this Component.

- 3.2 **Component I: Component 1: Innovation, productivity and climate resiliency.** . The goal of this component is to decrease the economic vulnerability to climate change of rural communities that rely on the castor oil industry to generate and diversify their source of income.
- 3.3 **Component II: Component 2: Establishing sustainable operations for a growing industry.** The goal of this component is to build the capacity of vulnerable groups and unskilled labour in absorbing the knowledge and skills necessary to establish a strong foundation for sustainable growth.

#### IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1: Innovation, productivity and climate resiliency.	US\$299,313.00	US\$40,065.00	US\$339,378.00
Component 2: Establishing sustainable operations for a growing industry	US\$100,687.00	US\$61,025.00	US\$161,712.00
<b>Total</b>	<b>US\$400,000.00</b>	<b>US\$101,090.00</b>	<b>US\$501,090.00</b>

#### V. Executing Agency and Execution Structure

- 5.1 The executing Agency is the Inter-American Development Bank. The execution and disbursement period will be 36 months and the UDR will be RND/CSD. The procurement of individual consulting services will be carried out by the IDB in accordance with Human Resources Department (HRD) Complementary Workforce Policy (AM-650). The procurement of consulting services will be carried out by IDB in accordance with its Corporate Procurement Policy (GN-2303-20).
- 5.2 The Compete Caribbean Partnership Facility (CCPF) approved under GN-2851 was jointly designed with donors to be a Bank Executed Program, through the CCPF's Facility Coordination Unit (FCU) established in the country office Barbados. The FCU has strong experience in design and implementation of cluster projects. The execution of this TC will be carried out by the Bank through the Climate Change and Sustainable Development Department (CSD/RDN) in coordination with FCU. A Cluster Manager who will be hired as a consultant compensated by the project will work closely with the JBU and other stakeholders to implement the project activities on the ground, under the supervision of CSD/RND and CCPF. Monitoring of project implementation will be based on the project detailed CDP and Results Matrix.

#### VI. Project Risks and Issues

- 6.1 The main risk to achieving the objectives is the capacity of the JBU to execute and maintain the activities beyond the scope of this project. To mitigate this risk, the CDP highlights the needs to collaborate tightly with other industry stakeholders through the design and implementation of the project. The capacity building activities will be implemented through local partners and the benefits shared across industry players to avoid reliance on one organization. CCPF is also financing through another technical cooperation (RG-T3224) an industry strategy in collaboration with Jampro and the Jamaican Castor Oil Industry Association (JCIA) to leverage this investment, optimize synergy, and sustain the effect on social and economic growth.

#### VII. Environmental and Social Classification

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