



BUSINESS PROCESS INDUSTRY
Association Of Jamaica

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2017 November 15

Compete Caribbean Partnership Facility
The Inter-American Development Bank
"Hythe" Welches, Maxwell Main Road
Christ Church, BB17068, Barbados

To Whom It May Concern:

The Business Process Industry Association of Jamaica Ltd. on submission of the attached project concept note for your consideration, hereby commits to providing a minimum of 20% of the cost of implementation if successful, 50% of which will be provided in cash.

Yours sincerely,

Ms. Julaire F. Hall
Manager, BPIAJ
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Minutes of the Investment Panel for Cluster Projects - January 19, 2018
Compete Caribbean Partnership Facility (CCPF)
IDB Country Office, Christ Church, Barbados

BASIC INFORMATION AND CONTEXT

On January 19, 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 8 finalists were shortlisted by an internal committee among 91 applications received from the 13 CCPF beneficiary countries, in response to a Call for Cluster Proposals that closed in November 2017.

The IP was chaired by the representative of the regional financial sector **Mr. Roger Best**, Director & Team Lead at Scotiabank Barbados. The other panelists from the Caribbean private sector community were **Mr. Richard Cozier**, Chairman of Banks Holdings Ltd; **Mr. Jean-François Gerin**, CEO of Amazon Caribbean Guyana Ltd.; and **Mr. Gregor Nassief**, Chairman of Gems Holdings Inc. Representing the IDB were **Mrs. Claudia Stevenson**, Lead Private Sector Specialist in the Competitiveness, Technology and Innovation (CTI) division; **Mrs. Ana Arias Urones**, Trade & Investment Specialist; **Mr. Jaime Garcia** Head of Advisory Services for IDB Invest; and **Mr. Gerard Alleng**, Climate Change Senior Specialist. **Mrs. Sylvia Dohnert**, Lead Private Sector Specialist (IDB/CTI) and Executive Director of the CCPF, served as an ex-officio member of the IP. Observing were CCPF donors and partners represented by **Mrs. Lisa Harding** (Caribbean Development Bank), **Mr. Danny Quinn** (United Kingdom's Department for International Development, DFID), and **Mr. Rudy Hogan** (Global Affairs Canada).

The judges reviewed the 8 Project Concept Notes (PCNs) in advance of the event and provided a preliminary assessment using the scoring sheet and cluster evaluation criteria provided. On January 19th, each finalist presented their project live before the panel for ten minutes and answered the judges' questions for twenty. Following these interactions, the judges deliberated privately and updated their individual scores as necessary. These final scores were recorded and averaged in a central database to identify the projects with a score higher than the minimum threshold of 70 points necessary for Compete Caribbean to consider funding.

The judges ended the day with a final deliberation during which they highlighted the strengths, weaknesses, opportunities and threats perceived for each project. These were recorded and will be addressed during the development of the Cluster Competitiveness Improvement Plan (CCIP) if approved.

Judges also reviewed for no-objection one additional PCN from Dominica: "Fast Ferry Service Bringing the Antilles Close", which was included in this evaluation exercise as a special case given the need to aid the recovery efforts in Dominica. The outcome of this deliberation was recorded of the IP's minutes.

DISCUSSION OF THE JUDGES

Presentation #1: Digitization of Jamaica's Outsourcing industry: Enhancing Business Models and Advancing up the Vertical Value Chain, by Business Process Industry Association of Jamaica (BPIAJ)

The judges found the content presented in the project concept note and presentation to be of very high quality and recommended the project for funding. However, a few concerns with the proposal were noted: (i) There might be a misalignment of skill sets needed to foster growth; (ii) All relevant partners may not be on board in time to meet the 2020 targets for sales and employment; (iii) The amount budgeted to fund the cluster coordinator was considered too large; (iv) The BPO sector in Jamaica benefits from other financing sources including a new IDB

loan that will be provided in July 2018. Therefore, the IP recommended to investigate other sources of support already secured for this project and review the budget allocation strategically to avoid duplication and optimize value for money.

Presentation #2: Belize Shrimp Biosecurity Aquaculture Zone Management, by Belize Shrimp Growers' Association (BSGA)

The IP also found this project to have substantial potential and recommended funding. The concerns raised included: (i) Climate change risks were not properly identified. For example, the increase in water temperatures may increase the frequency and variety of diseases and outbreaks. Therefore, additional measures need to be in place along with the proposed safety zone, especially given that the cause of the previous outbreak is unknown. This may include the establishment of a monitoring system that provides timely and accurate information on critical indicators (eg: temperature spikes) to prevent/control diseases and maintain productivity. (ii) It is critical that all existing and new farmers adhere to the same standards which may require government regulations or incentives. (iii) The concept note lacked details about the capacity building needed, which should address the concerns above and foster 100% compliance with standards. The IP recommended the project for funding but advised that: (i) CCPF must ensure that the Cluster Competitiveness Improvement Plan (CCIP) is designed with the input from aquaculture specialists to integrate appropriate risks assessment and mitigation strategy; (ii) CCPF should explore the possibility of funding a new policy for Belize through its business climate innovation component.

Presentation #3: Pepper Supply Chain by Grace Agro Processors (GAP), Jamaica

This project was not ranked as high by the judges and not recommended for funding. Although the panel recognized the value of Grace's size and brand in securing a market for the farmers involved in its supply chain, the value-added that Compete Caribbean would provide is unclear. The judges also highlighted the following concerns: (i) There is an important risk associated with the identification of a disease resilient pepper that maintains the flavor required by customers; (ii) The quality and quantity of employment for women the project is expecting to create is unclear; (iii) The contractual relationship between Grace and the farmers needs to be assessed in order to ensure appropriate distribution of risks and rewards; (iv) The impact on the environment associated with the necessary increase use of insecticides and fertilizers to address climate-related problems (eg: drought and flood) must be assessed.

Presentation #4: Suriname High Value Natural Products Cluster by Suriname Candied Fruits NV

The judges' found some merit in this project especially given that the cluster members would all benefit from unified branding and marketing. However, the project was not recommended for funding. The concerns highlighted include: (i) A more strategic approach is needed to align products and packaging with market segments/niches while also ensuring consistency of supply required by international buyers; (ii) There is a need to improve or clarify cluster governance to facilitate buy-in during implementation.

Presentation #5: JBU Grow Castor Bean Project, by Jamaica Baptist Union

This project was recommended for funding. The judges found it was well researched, technically sound, and comprehensively covering major elements in the evaluation criteria, especially related to employment and income generation for women. However, the IP recommended to address these queries: (i) Is the competitive advantage of the Jamaican castor oil the bean itself, the Jamaica method of processing, the climate in which it grows (soil, humidity, etc.), or others (e.g.: yield, resiliency to disease, climate change, insects, etc.)? Would the competitive advantage be lost if the Nordestine variety is introduced? (ii) Due diligence on the genetic make-up of the Jamaica castor bean is needed. Given the opportunities and risks involved, the CCIP must ensure appropriate evaluation of diverse options and recommend the most appropriate path forward, based on the potential source of

competitive advantage and needs of the cosmetics and/or biodiesel market(s) targeted. It is also important to assess the risks of diseases for the crops and to ensure appropriate consideration for the environment.

Presentation #6: Promotion & Enhancement of the North Commewijne Tourism Destination, Suriname

The judges found merit in the project but agreed that a more strategic plan is necessary to clarify goals, objectives and priorities. There were important questions related to the tourism segments targeted and on the possibility of attracting additional tourists other than the Dutch given the airline constraints from/to Holland, and whether there are any barriers for tourists: language, visa, etc. The IP was also concerned about the lack of government support for the industry which makes it more difficult for the cluster to attract tourists.

Presentation #7: North East Cluster Grenada, by Hidden Treasures Grenada

The judges noted the low level of employment creation expected (100 jobs) in relation to the budget requested but felt strongly that it should be partially funded. They were particularly impressed with the strategic integration of tourism and agriculture which could be scalable in other parts of the region if successful. They also acknowledged the existence of high-level government support for tourism and a dynamic tourism association in Grenada. However, some concerns were raised: (i) the tour packages must be piloted before being fully deployed; (ii) the linkages with tour operators or hotels are not yet fully established; (iii) the budget allocation to some marketing and M&E expenses are overestimated; (iv) the project does not have climate change/ hurricane resilient considerations to ensure business continuity. Therefore, the IP recommended to fund the project with a much-reduced budget for M&E and marketing expenses, and reduce the project scope to focus on the piloting of one tour package. Clear linkages with efforts at national level and the Pure Grenada brand should be established to leverage other resources available.

Presentation #8: Enhancing the profile, competitiveness, marketability, profitability and sustainability of 6 small tourism enterprises in Toledo, by Toledo Institute for Development and Environment, Belize

The IP acknowledged the impact that this project can have on the community but did not fully understand the project objectives, activities and products/services offered to generate profit in a sustainable way. Given that other competing but similar destinations in Belize are easier and faster to reach, pricing may be an important challenge to address. To optimize the social and economic value of differentiating the project around education and other comparative advantages, important efforts must be invested in capacity building of the clusters stakeholders.

Fast Ferry Service Bring the Antilles Close; Portsmouth, Dominica

The IP did not find this cluster project to be investment-worthy at this stage given that Portsmouth is not a main tourist destination in Dominica yet. Additionally, the lodging capacity available to attract tourists may not meet the standards required by the European visitors targeted. Until there is a vibrant cluster of private sector actors already operating in this region with some level of success, the project cannot be funded.

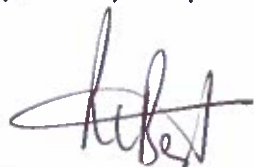
CONCLUSION

The Investment Panel made the following decisions:

- A. Full implementation of three projects, beginning with technical assistance to develop a Cluster Competitiveness Improvement Plan (CCIP) through consensus building, with consideration for other resources available and CCPF's operating regulations:
 1. *Digitization of Jamaica's Outsourcing industry: Enhancing Business Models and Advancing up the Vertical Value Chain, by BPIAJ Jamaica*

2. *Belize Shrimp Biosecurity Aquaculture Zone Management, by Belize Shrimp Growers' Association (BSGA)*
 3. *JBU Grow Castor Bean Project, by Jamaica Baptist Union*
- B. Partial implementation of the project North East Cluster Grenada, by Hidden Treasures Grenada.
- C. The following projects were not recommended for funding:
1. Pepper Supply Chain by Grace Agro Processors (GAP), Jamaica
 2. Fast Ferry Service Bring the Antilles Close; Portsmouth, Dominica
 3. Suriname High Value Natural Products Cluster by Suriname Candied Fruits NV
 4. Promotion & Enhancement of the North Commewijne Tourism Destination, Suriname
 5. Enhancing the profile, competitiveness, marketability, profitability and sustainability of 6 small tourism enterprises in Toledo, by Toledo Institute for Development and Environment, Belize.

Approved by chairperson of the Investment Panel:



Roger Best, Director & Team Lead at Scotiabank Barbados



Date: