



SUPPORTING PRIVATE SECTOR DEVELOPMENT



Compete Caribbean is a private sector development program that provides technical assistance grants and investment funding to support productive development policies, business climate reforms, clustering initiatives and Small and Medium Size Enterprise (SME) development activities in the Caribbean region. The program, jointly funded by the Inter-American Development Bank (IDB), the United Kingdom Department for International Development (DFID) and the Foreign Affairs, Trade and Development Canada (DFATD), supports projects in 15 Caribbean countries. Projects in the OECS countries are implemented in partnership with the Caribbean Development Bank.

OUR MESSAGE



Sylvia Dohnert
Executive Director

Compete Caribbean's mission is to support a dynamic private sector driving growth in the region. The Program provides technical assistance to projects that create jobs, increase and diversify exports, stimulate private sector investment, reduce the cost of doing business and enhance the competitiveness of the region.

To achieve its mandates, the Program funds three types of projects. 1) Projects by firms or groups of firms to develop new products, expand into new markets or adopt new technologies; 2) Policy and legislative reforms by the public sector aimed at improving the business climate and strengthening private sector development institutions; and 3) Research to promote a greater understanding of the key bottlenecks that impact private sector development and growth in the region. In addition to many regional projects, Compete Caribbean has country-specific ventures in 15 CARIFORUM countries, a significant achievement for a relatively young initiative in a geographically dispersed region.

Private sector projects supported by the Program touch upon many of the topics that are at the core of growth in the Caribbean, such as generation of alternative energy, sustainable tourism, more efficient shipping and logistics, promotion of creative industries, adoption and production of ICT and other technology, and projects to increase agricultural production for export, among others.

Public sector projects supported by the Program focus on reduction of red tape facilitating access to finance, development of small and medium enterprises, promotion of investment and exports, and institutional strengthening of national competitiveness councils or other public-private dialogue institutions.

The Program's research projects have enabled a better understanding of key factors affecting growth. Research being undertaken includes studies on: Large Caribbean firms, regional value chains, productive development policies, sustainable agricultural policies, energy, technological innovation for tourism, and upcoming country-specific innovation surveys which will provide data on the use of technology and productivity at the firm level, among others.

We are very excited by the level of activity and geographical reach of the Compete Caribbean Program, and by its unique contribution to the Caribbean region. We look forward to greater collaboration with our stakeholders and partners across the region to ensure that the Program is engaged in the most pertinent activities and address the most pressing issues for the region's development. We want to hear and support your ideas about private sector-led growth, as this is crucial for the Caribbean to overcome its current challenges and improve the livelihood of its people.

Thank you!

OUR DONORS COMMITMENT TO THE REGION



Department of Foreign Affairs, Trade and Development Canada (DFATD) –

Canada's history and friendship with the Caribbean is strong and abiding. We are both British Commonwealth members in the Western hemisphere. We have long-standing trade links and similar political systems.

Find out more at: www.international.gc.ca



Department for International Development (DFID) –

In the UK there are strong historical and cultural links to the twelve Caribbean countries who are Commonwealth members. Most Caribbean countries have reached middle-income status and are on track to achieve the majority of the Millennium Development Goals.

Find out more at: www.gov.uk/government/organisations/department-for-international-development

Inter-American Development Bank (IDB) –

The Inter-American Development Bank is a leader in social and economic development and the largest source of multilateral financing for Latin America and the Caribbean. It works with governments, companies and civil society organizations from its 48 member countries, offering financial products and resources to help the region reduce poverty and inequality in a sustainable way. Compete Caribbean is a jointly funded private sector development IDB, DFID and DFATD program that provides technical assistance grants and investment funding to development activities in the Caribbean region. The program supports projects in 15 Caribbean countries.

Find out more at: www.iadb.org



Caribbean Development Bank (CDB) –

CDB intends to be the leading catalyst for development resources into the Region, working in an efficient, responsive and collaborative manner with our Borrowing Member Countries (BMCs) and other development partners, towards the systematic reduction of poverty in their countries through social and economic development.

Find out more at: www.caribank.org



REMOVING BARRIERS TO TRADE IN THE EASTERN CARIBBEAN

Framework for the Establishment and Implementation of the Regime for the Free Circulation of Goods within the OECS

The Organization of Eastern Caribbean States' (OECS) economies are heavily dependent on trade. However, lengthy procedures, the absence of a system to link all Customs Departments and other border agencies; and the lack of harmonization of trade regulations significantly impact the competitiveness of these economies. The costs of trade for firms in these economies are more than twice the OECD average, and 25% of the firms in these countries consider trade regulations as a major constraint to growth.

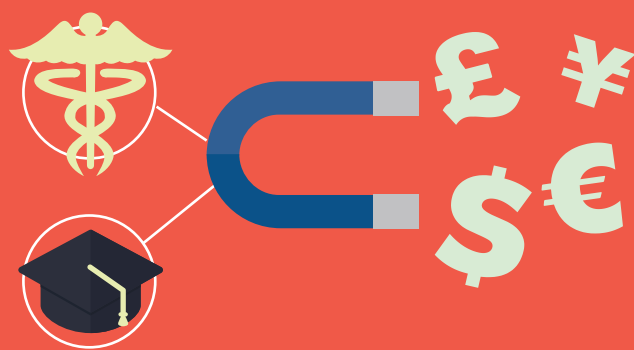
– in the implementation of the OECS regime for the free circulation of goods by addressing some of the above-mentioned constraints. The Program is providing technical assistance to develop proposals for specific actions/activities needed to implement free circulation, as well as diagnostics about revenue losses, potential gains and options for revenue management of a harmonized regime, and consultations with ministries of finance and trade to ensure buy-in for the recommended actions.

To this end, Compete Caribbean is supporting a regional coordinating body – the OECS Secretariat



THIS PROJECT WILL PROVIDE A
**REGULATORY, LEGISLATIVE
AND INSTITUTIONAL
ROAD-MAP**
FOR THE IMPLEMENTATION OF THE REGIME FOR THE
**FREE CIRCULATION OF
GOODS WITHIN THE OECS**
WITH DEMONSTRATED BENEFICIAL IMPACTS ON FISCAL
REVENUE, AS WELL AS ACTIVITIES TO INCREASE AWARENESS
AND BUY-IN OF KEY ACTORS.





DEVELOPING PUBLIC-PRIVATE PARTNERSHIP MODELS FOR THE CARIBBEAN

Piloting a Public Private Partnership model that can attract private sector investment and management into the delivery of public goods and services

Efficient, cost competitive facilities and services in infrastructure are essential to drive and support development efforts in the Caribbean. Yet given the challenging economic situation in the region, the resources available to the public sector for infrastructure investments are limited. Globally, governments are turning to Public Private Partnerships (PPPs) as mechanisms for alternative finance to develop infrastructure and provide basic services. In the Caribbean, the implementation of PPPs is affected by a lack of knowledge and awareness of their benefits, as well as difficulties in structuring PPP projects to make them attractive to potential investors.

Compete Caribbean, in coordination with IDB's Multilateral Investment Fund (MIF), is providing technical assistance to develop two pilot PPP projects in Trinidad and Tobago – one with the Ministry of Health (the construction of National Diagnostic centres) and one with the Ministry of Education

(the construction of 10 Early Childhood Care and Education centres).

The Program has engaged international expert PPP advisory services to aid the PPP unit within the Ministry of Finance to complete feasibility studies, develop business cases, design PPP models, and assist in the procurement of private sector firms to execute the pilots. These will be the first PPPs in the region that will be structured using a rigorous best practice approach and methodology based on value for money and appropriate allocation of risk between public and private partners.

The technical assistance to identify, design and award these two pilot PPP projects will help build Trinidad and Tobago's technical knowledge and institutional capacity to attract private sector investment into the construction and management of health and education services.



REFOCUSING FDI INTO HIGHLY PRODUCTIVE SECTORS IN JAMAICA

Investment Promotion and Economic Development Framework in Jamaica

Given a challenging macroeconomic scenario, the Government of Jamaica sought to strengthen their efforts to attract Foreign Direct Investment (FDI). Multiple national actors in investment promotion activities sent dispersed signals to potential investors,

hampering the effectiveness of their efforts. The Jamaica government requested technical assistance from Compete Caribbean in the development of a strategy to identify, attract and close deals with foreign private sector investors. Compete Caribbean brought top-rate experts to design such a strategy. In 2012 Jamaica Promotions Corporation (JAMPRO), in collaboration with Compete Caribbean staged the inaugural Jamaica Investment Forum signalling to the world that “Jamaica is open for business.”

This innovative and hugely successful Forum developed a more proactive and strategic approach for attracting foreign direct investment into sectors with high growth potential. The project mapped the institutions actively promoting foreign investment and proposed coordination mechanisms in order to send harmonized signals to potential investors.



...and
**AMERICAN
GLOBAL**
signed an



MOU with the government to set up a medical tourism facility near Montego Bay.



RISING CLUSTERS

Characteristics

- Emerging & Growing
 - New industries
- Exploring new market segments
 - Open to external actors
 - * Hub-and-spoke structure

Policy Recommendations

- Foster innovation
- Helping clusters transition to growth
- Supporting consolidation of leading actors

CLUSTERS IN THE CARIBBEAN: UNDERSTANDING THEIR CHARACTERISTICS, DEFINING POLICIES FOR THEIR DEVELOPMENT

Clusters represent an opportunity for Caribbean economies and their enterprises, in particular their SMEs, to access larger and more sophisticated markets, to improve knowledge and technologies, to train specialized human capital and to lobby governments for infrastructure and specific policy supports that would otherwise be unavailable to individual companies.

Through a study of 32 cases of Caribbean clusters, six cluster dimensions that influence competitiveness have been identified across three main groups of clusters, Rising Clusters, Innovative Clusters and sluggish clusters.

INNOVATIVE CLUSTERS



Characteristics

- Similar to Rising Clusters
- Highly efficient and open
- Marshallian Organisation Structure

Policy Recommendations

- Selectively promote promising projects
- Enhance facility for innovative capacity
- Identify high-yield projects for growth

SLUGGISH CLUSTERS

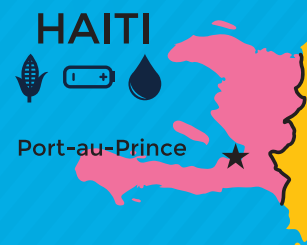
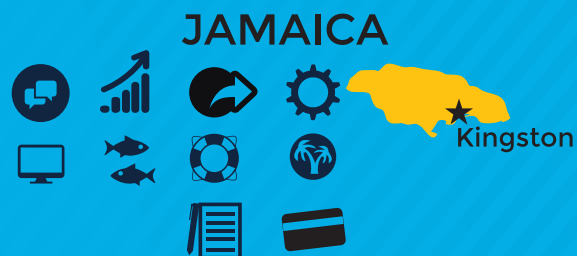
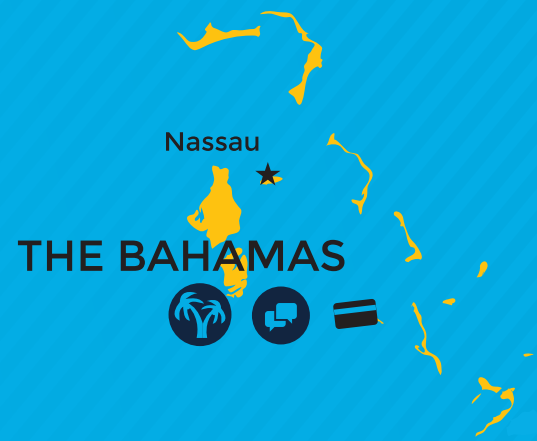


Characteristics

- Low to medium collective efficiency
- Weak innovative capacity
 - Lack of openness
- Marshallian Organisation Structure

Policy Recommendations

- Strengthening local joint action
 - Enhancing openness
- Building up innovative capacity



CARIBBEAN

SYMBOL KEY



PUBLIC PRIVATE PARTNERSHIP



INNOVATION



WATER



AGRICULTURE



ENERGY



ANIMATION



PUBLIC/PRIVATE
DIALOGUE



VALUE CHAINS



INVESTMENT
PROMOTION



AQUACULTURE



LOGISTICS



TOURISM



BROADBAND



TRADE FACILITATION



EXPORTS



IMMIGRATION



INSOLVENCY



BUSINESS REGISTRATION



BUSINESS PROCESS
OUTSOURCING



ACCESS TO CREDIT



COMPETITIVENESS



BUSINESS COMPETITION
REGULATION

DOMINICAN
REPUBLIC

Santo Domingo

Basseterre

ST. KITTS AND NEVIS

St. Johns

ANTIGUA AND BARBUDA

Roseau

DOMINICA

ST. VINCENT AND
THE GRENADINES

Kingstown

ST. LUCIA

Castries

BARBADOS

Bridgetown

St. Georges

GRENADA

Port-of-Spain

TRINIDAD AND
TOBAGO

Georgetown

GUYANA

Paramaribo

SURINAME



THIS
PROJECT
WILL
CONSTRUCT
AND
DEPLOY
15
KIOSKS

CREATE OVER
200
JOBS
DIRECTLY AND
INDIRECTLY

SERVE OVER
50k
BENEFICIARIES
SAVING OVER
\$130k
IN WATER & WATER
PRODUCTS PER YEAR

THE PROPOSED SCALE-UP PHASE IS PROJECTED TO CREATE IN 5 YEARS AN ADDITIONAL 4,500 JOBS DIRECTLY AND INDIRECTLY AND SERVE OVER 1M BENEFICIARIES IN TOTAL WHILE SAVING HAITIAN CONSUMERS OF WATER AND WATER PRODUCTS OVER \$2M ANNUALLY.

DLO HAITI – A MARKET BASED SOLUTION FOR CLEAN, AFFORDABLE WATER IN HAITI

Safe water for all: Harnessing the Private
Sector to reach the under-served.



Ensuring access to safe drinking water is an important challenge faced by Haiti.

Only about a third of the country's urban poor and less than a third of its rural poor have access to piped water. To help address this challenge, the Compete Caribbean Program is providing technical assistance to DLO Haiti to pilot a decentralized network of water treatment facilities and local distribution networks, in order to improve the supply of clean, affordable drinking water to high demand, but under-served communities.

The project will provide support for the acquisition of the water treatment systems and solar panels for DLO's kiosks, as well as technical assistance on the operations of the systems - including training, quality assurance, performance testing and technical support. In doing so, these activities will help to promote the safety of the water being provided at the kiosks, as well as sustainable energy sources necessary to ensure the operations of the decentralized network of kiosks. Additionally, the project will provide assistance to efficiently manage the kiosks by equipping them with networked and tablet-based point-of-sale, remote monitoring and customer tracking systems, and undertake research to refine the delivery model.

Through this project, Haitian under-served communities will receive cheaper and cleaner water in a way that is economically sustainable. The impact on public health and increased economic productivity will be significant. Socio-economic impacts of this project include job creation through direct employment, creation of new businesses delivering water and economic savings by Haitian consumers from less expensive drinking water, which is also of higher quality than that sold by trucks.



In spite of having the potential to produce large quantities of high quality coconut water, the Pomeroon River region in Guyana struggles to provide a consistent supply of this product. Without a consistent market in which to sell their product, or investment in processing, many farms in the region have fallen into neglect, as producers have sought opportunities in other sectors.

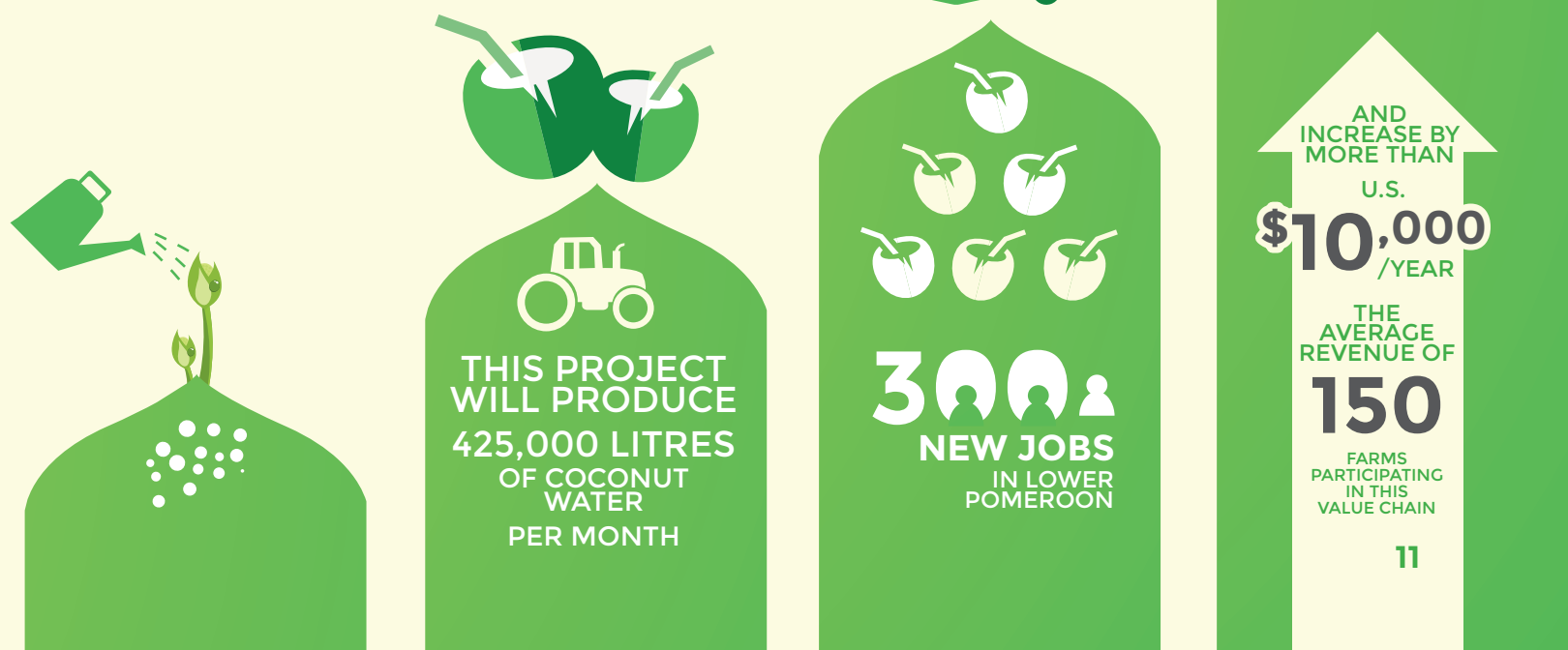
To address this, the Compete Caribbean Program is providing technical assistance to establish a fully functioning, sustainable, value chain from farm to global market, which can enable the expansion of coconut water exports and at the same time, improve farmer livelihoods. At the core of this project is the desire to break the vicious cycle of farm neglect because

PROMOTING AGRICULTURAL EXPORTS BY STRENGTHENING VALUE CHAINS IN GUYANA

Establishment of the Pomeroon Export Producer's Association

of the lack of markets; and lack of investment in processing because of the lack of sustained supply.

As a result of this project, farmers will be organized for greater efficiency, have access to improved harvesting and farm maintenance technology and equipment, better understand the opportunities in export markets, and participate in contracts that provide incentives for consistent quality and supply to the producer.



MAKING THE BELIZE SHRIMP CLUSTER AN INTERNATIONAL BEST PRACTICE

Preparing Belize Shrimp Growers Association for ASC Shrimp Certification to improve its Competitiveness

The competitive nature of the shrimp business has evolved in recent years. Low cost production is no longer the key competitiveness factor. Other factors such as the quality of the shrimp produced, environmental practices and even social practices, are now important elements for consumers.

Given these trends, the Compete Caribbean Program is providing funding to the shrimp farmers of Belize to enable them to achieve international recognition as the first and only country where more than 90% of the shrimp production is certified to the standards of the Aquaculture Stewardship Council (ASC) Certification. This will position the cluster as a reference best

practice, both for shrimp production and processing, and will enhance the sustainable competitiveness of the industry.

The project will allow the Belize shrimp cluster to attract niche markets that are concerned about social and environmental sustainability, will increase the market visibility for Belizean shrimp, and will improve the capacity of the cluster to advocate on behalf of its members. The project is expected to contribute to the creation of 300 new jobs in Belize, and increase exports by more than US\$25 million for the Belizean shrimp farmers.

90%
CERTIFIED



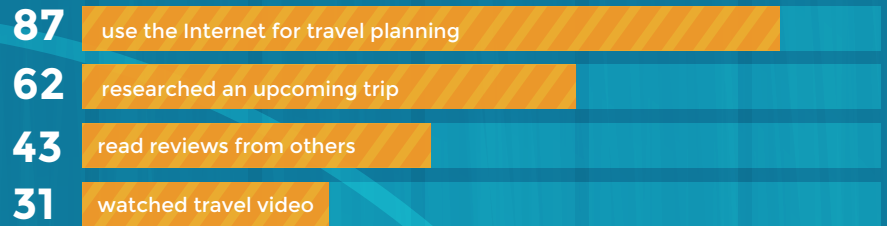
**GROWTH
POTENTIAL**

 300 new jobs

 US\$25m



% OF TRAVELLERS GLOBALLY



ICT & TOURISM

Information and Communication Technology (ICT) adoption has been stimulating vast changes in tourism value chains and in the way we consume tourism products and services. In the last few years, major tourism innovations have been driven by the adoption of new technologies, especially ICT-based innovations. One of the major challenges for the Caribbean nowadays is how to use technology in order to make sense out of the data, in real time, so that new services and knowledge can be generated. This also requires new analytic capacities. This phenomenon is known as BIG DATA. This report illustrates what the Caribbean region can do to take advantage of ICT to commercialize its touristic assets.

THIS CAN LEAD TO

- Better decision support
- New products and services
- Better customer relationships
- Cheaper, faster data processing

PRE-TRAVEL

- PLANNING
- DECISION-MAKING
- ANTICIPATION
- TRANSACTIONS



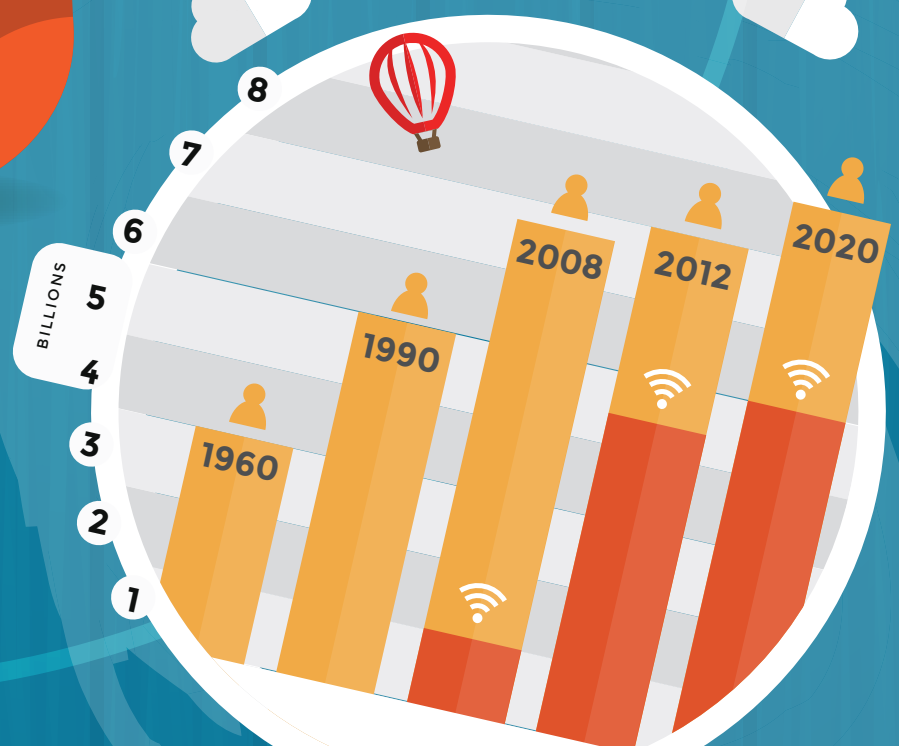
TRAVEL

- CONNECTION
- NAVIGATION
- REAL-TIME

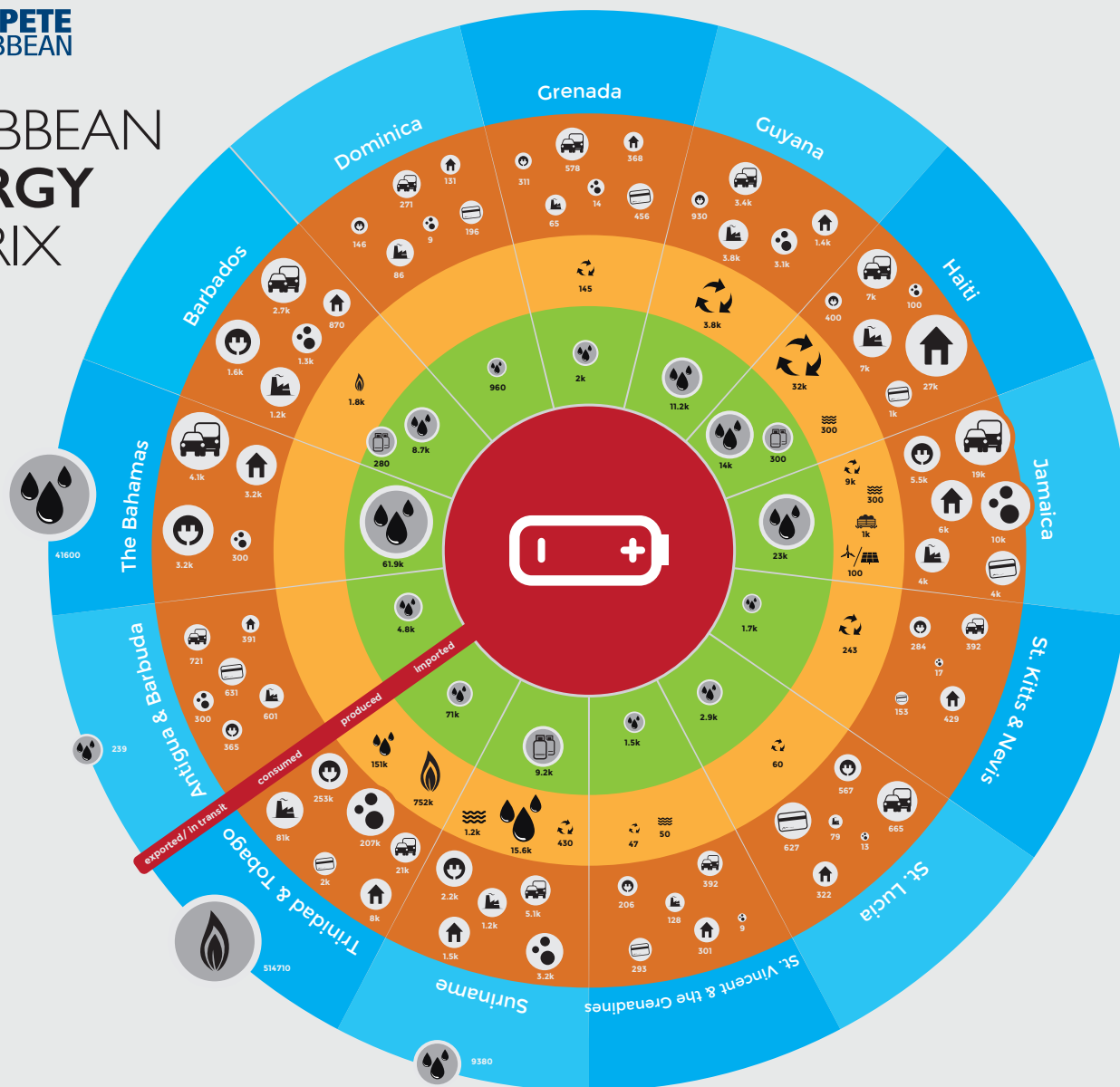


POST-TRAVEL

- SHARING
- DOCUMENTATION
- RE-EXPERIENCING



CARIBBEAN ENERGY MATRIX

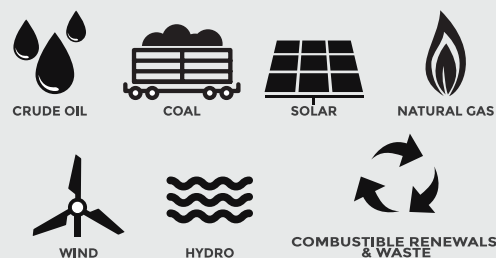


High energy costs in the Caribbean curtail the region's ability to compete internationally, and significantly impact the cost of living. At between 20 to 40 US\$ cents/kwh, energy costs are among the highest in the Americas. Importing low cost natural gas to the small states in the Caribbean, energy efficiency measures and renewable energy technologies have the potential to substantially reduce fuel imports and decrease electricity costs in the region. Compete Caribbean funded research to analyze the feasibility of a regional market for natural gas in the Caribbean. This research produced comparable data on the energy matrix for 14 countries in the region, that governments can use to develop policy.

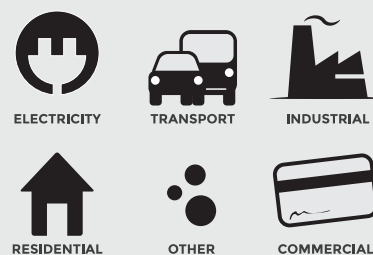
Learn more about the Energy Innovation Center at www.iadb.org

ENERGY SYMBOL KEY

SOURCES



USES



TOP 6 KNOWLEDGE PRODUCTS IN THE REGION



PRODUCTIVITY, TECHNOLOGY, AND INNOVATION IN CARIBBEAN ENTERPRISES

This survey consists of internationally comparable firm-level data from the Caribbean region. The data sets, collected in 2014, allow users to examine each country's relationship between firm productivity, innovation, technology absorption, access to finance, gender effects and business management across the Caribbean region.



ASSESSING THE DEVELOPMENT OF THE PRIVATE SECTOR – A REGIONAL COMPARISON

Compete Caribbean's Private Sector Assessment Reports (PSARs) provide comprehensive overviews of the private sector in each country. They specifically evaluate the primary components of the productive sector in each country; the key challenges they face, potential emerging sectors and policy recommendations for priority areas.



DIASPORIC ENTREPRENEURSHIP IN THE CARIBBEAN

The report documents and shares the experience of diasporic entrepreneurs operating within and outside of the Caribbean and assesses the framework conditions for the development of business support mechanisms to allow the region to take better advantage of this type of dynamic entrepreneurship.

THE HUMAN IMAGINATION, INNOVATION, AND COMPETITIVENESS IN THE CARIBBEAN

The study explores the linkages between the human imagination and innovation in businesses and develops a framework to guide small economies in the region on fueling innovation that drives competitiveness.



IDENTIFYING SUSTAINABLE AGRICULTURAL INITIATIVES IN THE CARIBBEAN

Policy and practical recommendations are made to address the constraints to sustainable agriculture in the region.



PRODUCTIVE DEVELOPMENT POLICIES IN THE BAHAMAS AND SURINAME

Two reports undertake a critical review of the major Productive Development Policies (PDPs) implemented by Caribbean governments in The Bahamas and Suriname. Specific interventions and policy reforms are identified and prioritized.



Learn more about our knowledge products at www.competecaribbean.org/studies-reports



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