



Enterprise Innovation Challenge Fund

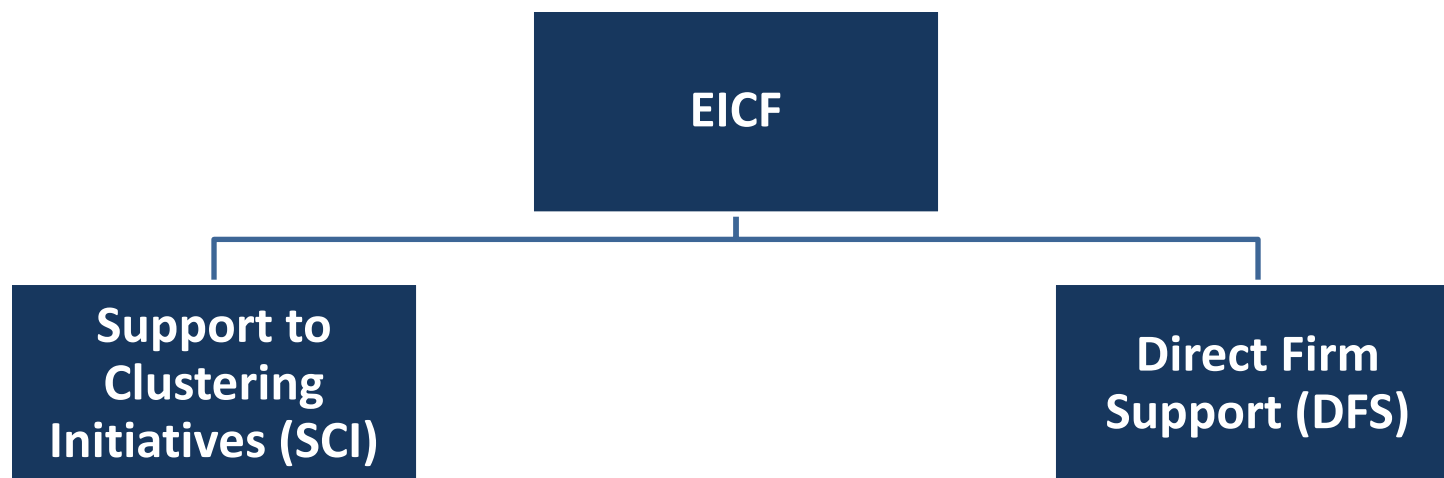
Melissa Martinez-Nadal

Enterprise Innovation Challenge Fund
Direct Firm Support Coordinator

Gran Bahama, March 14th , 2012



Canada



Through the Enterprise Innovation Challenge Fund we provide technical assistance and investment funding to support **firms, clusters and value chains** to develop new products and services, implement new business models, and access new markets fostering innovation and competitiveness.

Objectives of the EICF:

- Enhance the development of the productive sector, by supporting clusters and value chains to compete in regional and global markets.
- Increase the generation of employment and income by strengthening Caribbean firms or businesses with resources to finance:
 - *Innovative ventures*
 - *Develop new products of services*
 - *Implement new business models*
 - *Enter or develop new markets*
 - *Taking risks to develop new ventures*

EICF

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graph TD; EICF[EICF] --- SCI[Support to Clustering Initiatives (SCI)]; EICF --- DFS[Direct Firm Support (DFS)];
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Support to Clustering Initiatives (SCI)

- Targets smaller firms and linked businesses:
 - Vertical integration
 - Horizontal integration
 - Geographic association
- Includes TA allocation to develop comprehensive proposal
- Implementation can occur over 2 year period
- 80% of funds provided by EICF, up to \$500,000 USD

Direct Firm Support (DFS)

- Targets firms with high potential to generate income and employment
- Grants include TA allocation and support for:
 - New product development
 - New business model implementation
 - New market entrance
- Targets export focused projects with high potential for social and commercial benefits
- 50% of funds provided by EICF, up to \$500,000 USD



Cluster Initiatives



Description of Clustering Initiative:

- The objective is to target smaller firms and linked businesses in horizontal (associatively) vertical (value chain integration) or conglomerate (geographical) alliances, enhancing the competitiveness of the productive sector of the group as a whole.
- The Program will finance the development and implementation of the Cluster Competitiveness Improvement Plan (CCIP), to:
 - *Develop and upgrade products and services*
 - *Innovate and improve productivity and quality*
 - *Improve employee and managerial capacity*
 - *Access export markets and attract investments*

Basic requirements to apply:

- Consortia led by established private firms in CARIFORUM countries
- Chambers of Commerce or other legally constituted private sector entities
- Universities, NGOs, and/or community based organizations
- Entities can be from a single or several Caribbean nations
- Entities must demonstrate that they have the financial and institutional capacity to make the required counterpart and to meet the requirements of the process.
- Beneficiaries must be based in CARIFORUM countries.

Process of application:

- Submit a Project Concept Note timely and complete.
- If approved, CC will award a small grant of up to US\$75,000 for the preparation of a Cluster Competitiveness Improvement Plan (CCIP).
- CCIPs will be sent to an Investment Panel for evaluation.
- Winning CCIP will receive a grant up to US\$500,000.

The CCIP must demonstrate:

- Increase in **employment**
- Increase in **exports**
- Projected increase of the **operational gross profit**
- Diversification/**growth of international markets**
- The potential **impact** of the proposed project in the national/regional economy.
- The project must demonstrate how it will develop **new markets** for its products.
- The business model must **contribute to the development** of incomes, livelihoods and opportunities for poor people.
- The project counterpart team must demonstrate that they have sufficient resources to cover at least 20% of the costs
- Projects must have neutral or positive impact on the **environment** (clean/organic)
- Must address **gender equality** issues



O ECS Maritime Transport Cluster



Caribbean Fine Cocoa Cluster



Treasure Beach Cluster



Direct Firm Support



Description of Direct Firm Support:

- Through the Direct Firm Support Initiative we will support and undertake activities that are intended to generate employment and income by **providing businesses with resources from US\$100,000 to US\$500,000** to finance innovative ideas or ventures, taking risks to develop new products and services, implement new business models, and access new markets fostering innovation and competitiveness.

- Provide support to the development of IBP (Innovative Business Plans). This document is based on the development and/or the improvement of products, processes, business models, and access to new markets.
- We support ideas that:
 - *Has not been implemented before in that territory*
 - *Present commercial opportunities, projected sustainability and growth.*
 - *Stimulate creativity and appetite for innovation.*
 - *Testing of new ideas, discarding the ones that do not work.*
 - *Support the capacity to implement and scale up successful innovations.*
 - *Promote economic growth and income improvement*

Basic requirements to apply:

- Firms may be eligible entities (private sector firms, established in CARIFORUM countries)
- They must present all documentation needed, in the time expected.
- They must commit to provide counterpart funding and accept financial requirements of the Program.
- Have no outstanding enforceable tax or social benefits obligations.
- Present the application in the format requested with all supporting information.
- Meet all the requirements set out for in the call for proposals.

Activities that can be financed by the EICF:

- Consultancies to support the preparation of the IBP, organization, institutional and coordination activities, legal advise, selection and hiring of personnel aiming at that objective.
- Capital investment directly associated to the development of the IBP.
- Consultancy services (market studies, technical assistance, management consulting, etc)
- Investment in machinery or equipment or other inputs that will improve productivity, process and product development, quality improvement and design, strategic management, access to markets and market intelligence, etc.
- Intellectual or industrial property protection
- Knowledge management

Activities that will not be supported by the EICF:

- Working capital.
- Investment in capital goods that are not directly related to the Project.
- The purchase of real state or vehicles.
- Construction of physical infrastructure costing more than 30% of the project.
- Payment of debts, dividends, taxes or recovery of capital, purchase of stocks, bonds or any other liquid values.
- Administrative or operative expenses .
- The purchase of goods for the project that exceeds the 30% of the total cost of the project.

Evaluating criteria:

- **Technical quality of the project:** we award the innovative merit in the development of a new idea, or any differentiating factor of an already existing one. Technological impact is important.
- **Business Plan quality:** we consider commercial strategy, market impact and knowledge, economic results and projections overtime, growth potential, economic indicators evaluation, risk factors, etc.
- **Coherence:** adequate relationship between planning, activities of execution and results.
- **Export Potential**
- **Environmental** impact
- Impact of **employment**
- Incidence in social aspects such as **poverty, income, young people, ethnic minorities, etc.**
- **Gender** mainstream (policies that benefit women)
- **Appropriateness in the experience,** history and background of the applicant in the market, in terms of competencies for project execution.

Proposal selection:

- The Project Concept Notes will be evaluated by a team of experts and the best project ideas will receive a small grant of up to US\$75,000, for developing an Innovation Business Plan (IBP). The PCN must demonstrate how it will develop either a new product/service, or a new export market for an existing product/service. Template is available for applicants.

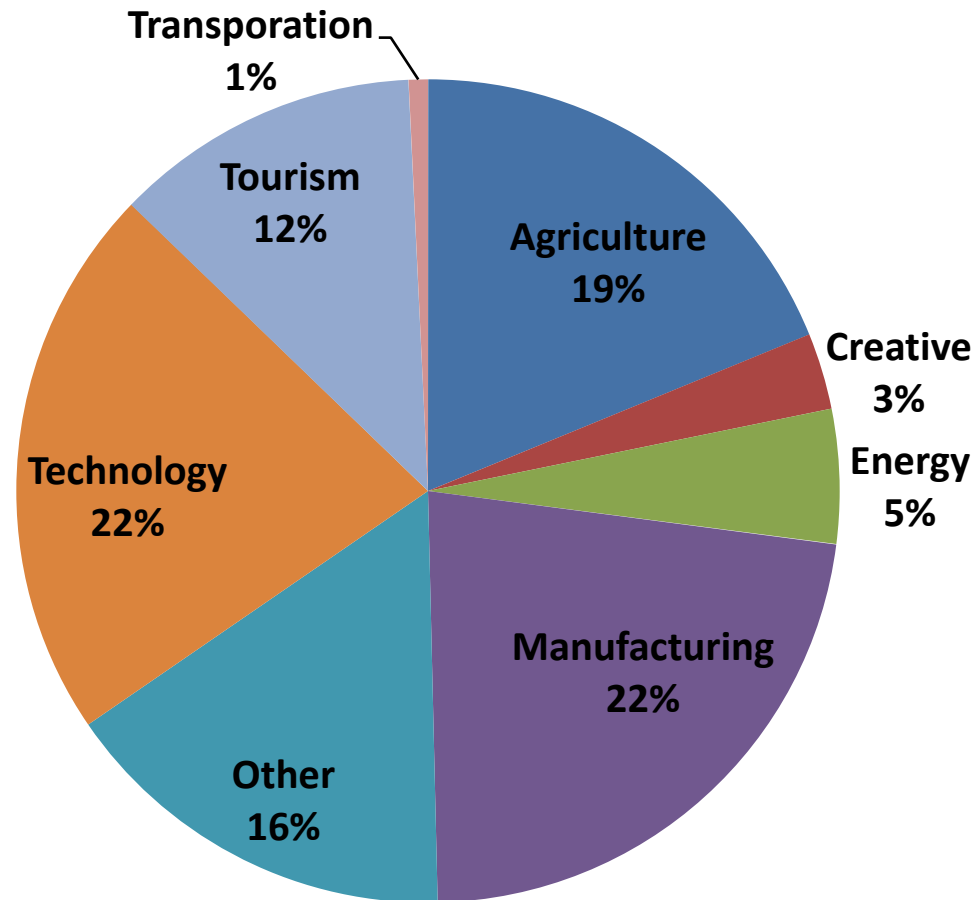
Business Plan Competition:

- The Innovation Business Plans will be submitted for review by an Investment Panel, who will determine which projects should be awarded the matching-grant. Grants awarded go from US\$100,000 to \$500,000.

Winners:

- Three times a year, the window will close and all applications submitted in that period will be reviewed and evaluated. Then, 30 days after the first closing date, winners of the first round will be announced. The first round consists of a small grant for the preparation of Business Plans, for which technical assistance and support will be provided.

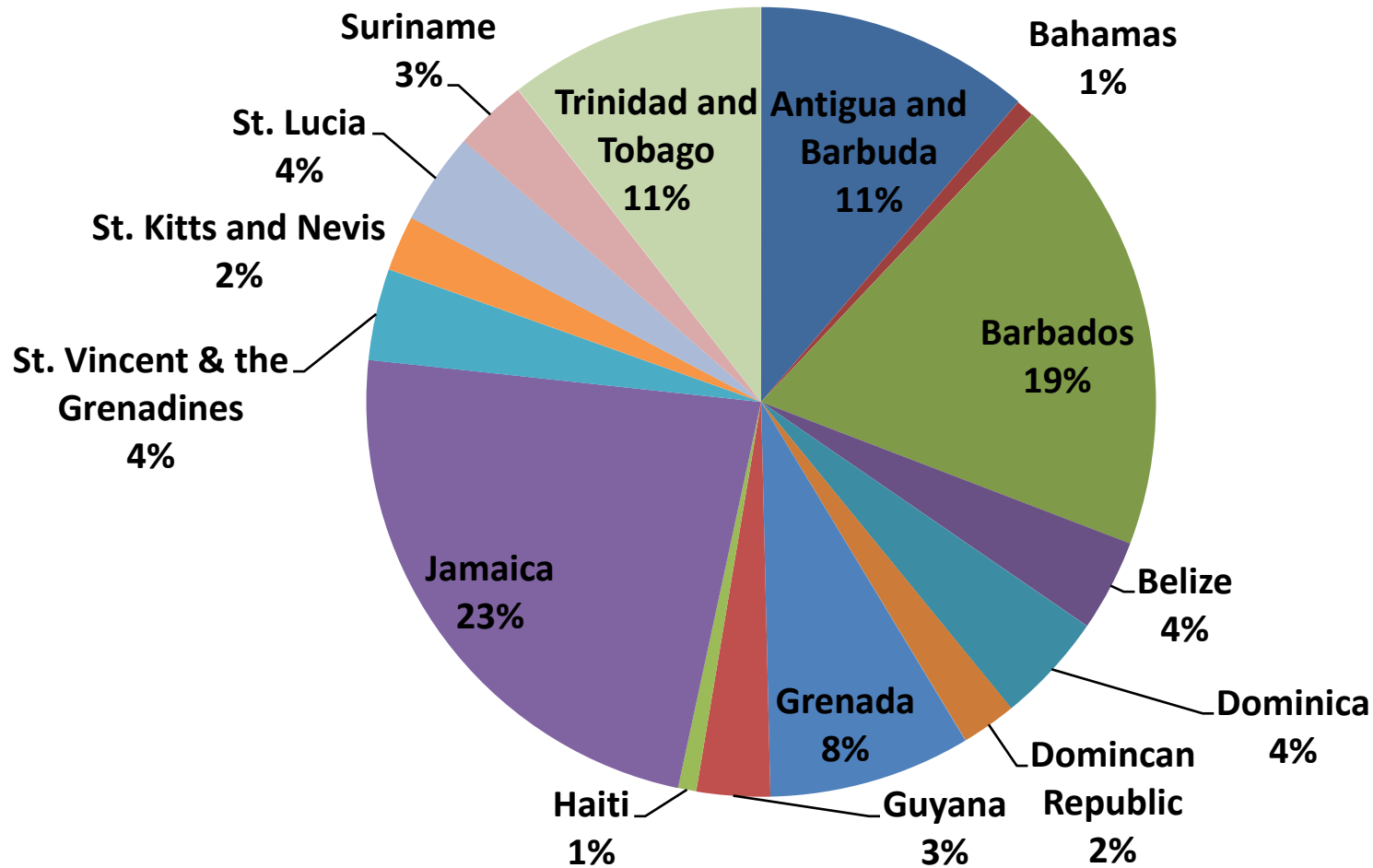
Applications by sector (N=133)



EICF-Direct Firm Support First call for proposals 2011



Applications by country (N=133)





❖ St. Lucia Cell Phone Manufacturing Factory (Saint Lucia)

- Manufacturing of first global frequency 4-SIM/4-phone.
- Total budget estimate: US\$1,547,900



❖ Sun Palace Resorts Limited (Jamaica)

- Innovative niche market business model that will provide quality elderly health care accommodation to the Diaspora.
- Total Project cost: US\$ 1,250,000.



❖ Nature Island Paper Products Incorporated (Dominica)

- Company expanding and diversifying from toilet paper to paper towels, facial tissues and napkins and expand export market to OECS countries.
- Total project cost: US\$700,000.



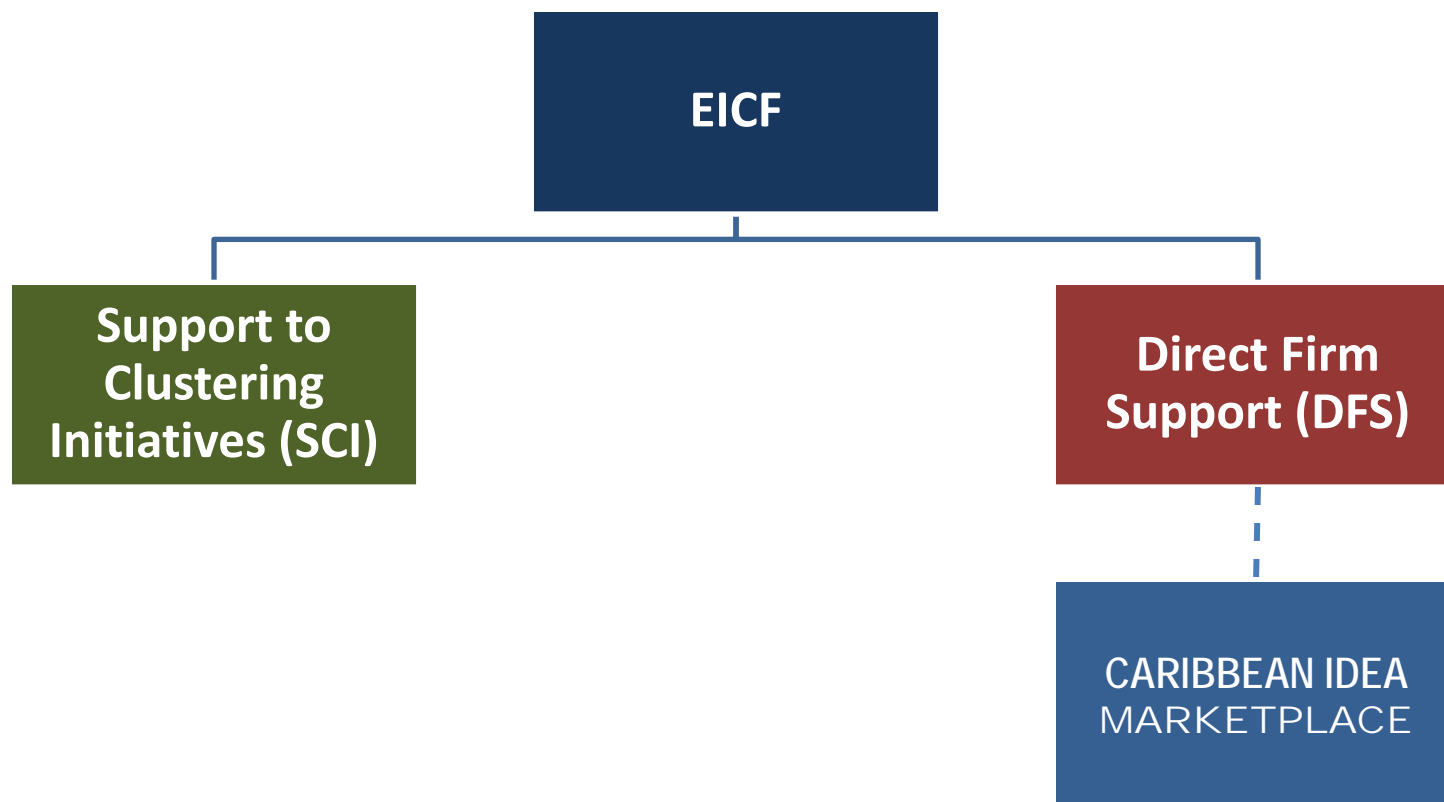
❖ Tijule Company Limited (Jamaica)-

- Company wants to develop quality based products derived from the ackee tree oil without denaturing the protein, or affecting its color, taste or flavor.
- Total project cost: USD\$300,000



CARIBBEAN IDEA MARKETPLACE







INTERNATIONAL DIASPORA ENGAGEMENT ALLIANCE



The Caribbean Idea Marketplace (CIM) is a business plan competition platform that encourages local and Diaspora entrepreneurs to forge partnerships around innovative projects that will generate employment and economic opportunities in the Caribbean region by providing US\$100,000 grant funding for winning projects.



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INTERNATIONAL DIASPORA ENGAGEMENT ALLIANCE



CIM is a dynamic funding initiative which seeks to:

- Engage Caribbean entrepreneurs with Caribbean Diaspora in the United States of America, Canada and the United Kingdom, to encourage the development of new and innovative business ideas around innovative projects that can foster economic growth and generate employment in the region.
- Promote entrepreneurship, and business development with new and innovative areas.
- Share knowledge and create learning networks with and among Diaspora communities.



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INTERNATIONAL DIASPORA ENGAGEMENT ALLIANCE

Partners



Caribbean Partner

- Must be a citizen of a CARIFORUM country.
- Must own a legally registered business, or intend to establish a business in a CARIFORUM country.
- Have an innovative idea of how to expand a business or introduce new goods or services to my community.
- Submission of a Project Concept Note with a partner from the Caribbean Diaspora.
- Must have a Diaspora partner committed to contributing at least 25% of the funding to the proposed venture.
- The partner must be of Caribbean heritage/origin or have strong ties with the Caribbean and be a citizen/permanent resident of the USA, Canada or the UK.



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INTERNATIONAL DIASPORA ENGAGEMENT ALLIANCE

Partners



Diaspora Partner

- Must be a citizen/permanent resident of the USA, Canada or the UK with Caribbean heritage/origin or have strong ties with the Caribbean.
- Interested in establishing a new business or expand an existing business in the Caribbean.
- Submission of a Project Concept Note with a partner who is of Caribbean origin and who resides in a CARIFORUM country.
- Must have a Caribbean partner committed to contributing at least 25% of the funding to the proposed venture.
- The business will be established in a CARIFORUM country



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The projects must demonstrate:

- The development of a new product or service, or a new export market for an existing product or service.
- The project must have the potential to create sustainable jobs for Caribbean men and women.
- Firms must have the resources available to at least match the grant amount of US\$100,000.





INTERNATIONAL DIASPORA ENGAGEMENT ALLIANCE

Selection criteria



Projects will be evaluated based on the following criteria:

- 1. Idea Quality**
- 2. Management Quality**
- 3. Developmental Quality**
- 4. Leverage**
- 5. Sustainability**



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INTERNATIONAL DIASPORA ENGAGEMENT ALLIANCE

Application process



Call for proposals: Project Concept Notes may be submitted from March 1st to May 31st, 2012.

Proposal selection: Project Concept Notes will be evaluated by a team of experts and the best project ideas will receive a small grant for developing an Innovation Business Plan (IBP).

Business Plan Competition: The Innovation Business Plans will be submitted for review by an Investment Panel, who will determine which projects should be awarded the US\$100,000 matching-grant.

Winners: Winners will be announced at a special awards ceremony and will receive matching-grants of US\$100,000 based on merit, innovation, and need.



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INTERNATIONAL DIASPORA ENGAGEMENT ALLIANCE

CIM LAUNCH, Montego Bay, March 1st.



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If you have an innovative business idea that will contribute to the growth and development of the private sector in the Caribbean, you are invited to apply through our website:

www.competecaribbean.org.



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competecaribbean.org