The Blue Economy is a source of economic growth for the Caribbean.

Given the impact of COVID, economic diversification through the blue economy has become an important priority.

Call for cluster proposals

This call seeks to support the global competitiveness and positioning of **environmentally sustainable** and **socially responsible** blue economy products (eg: fisheries), services (eg: tourism), or technology (eg: Bluetech) produced in the Caribbean.

The grant funding - up to USD$400,000 per project - can be used by the cluster to develop economies of scale and scope in accessing more lucrative markets, thus increasing revenues, employment and exports for Caribbean firms and individuals.

Sign-up to our newsletter for updates on calls for proposals, consulting opportunities or new research findings

[www.competecaribbean.org](http://www.competecaribbean.org)

Competecaribbean@iadb.org
Why Compete Caribbean?

In the early seventies, real GDP per capita* was 4x higher in the Caribbean than that of the Rest Of Small Economies (ROSE) of the world.

Today it’s smaller at 0.9

---

* A measurement of the total economic output of a country divided by the number of people and adjusted for inflation.
What is Compete Caribbean?
A technical assistance program for PSD

- A consortium of donors
  - Phase 1 (USD$32.5M) completed in 2017 successfully:
    - 12,000 jobs created
    - 41% increase in revenues ($153M)
    - 23% increase in exports ($37M)
  - Phase 2 (USD$22.5M) started in 2017
    - Same goals but greater focus on
      - Women-owned firms (WOF)
      - Climate change
How we execute? The Compete Caribbean Partnership Facility (CCFP): 2 pillars, various instruments

### Productivity & Innovation in the private sector

**Pillar 1**

(a) **Clusters and value chains**
- Cluster capacity building in vulnerable countries
- Five calls for cluster proposals

(b) **Entrepreneurship & innovation ecosystem**
- OECS, Jamaica and Barbados ecosystem
- Corporate venturing (regional)
- Social innovation in Belize
- Public procurement for innovation (regional)

(c) **Technology adoption and diffusion**
- Technology Extension Services (TES)
- Blue Tech Challenge
- Fintech and blockchain innovation
- Ag-Tech pilots

### Business climate reforms

**Pillar 2**

(a) **Policy & regulatory reforms**
Focused on business and innovation climate, particularly DB indicators

(b) **Institutional strengthening**
Focused on evidence-based policy-making

(c) **Knowledge products & dissemination**
Enterprise Surveys and others
What is a cluster? Why clustering?

A cluster is a group of interconnected firms operating near each other that collaborate and compete to obtain a larger share of the global market.

Objectives for businesses

• Joint marketing to increase global market share
• Training: co-investment in human capital
• Advocacy with government and partners
• Research & product development
• Value chain improvement

Objectives for gov./NGOs/dev. agencies

• Collaboration multiplies spillover in the community
• Increase protection of natural assets
• The combination of cooperation and competition fosters innovation over time
• Firms that are part of a cluster are stronger than those that are not
• Higher productivity, higher wages
• More successful start-ups
• Attracts Foreign Direct Investment (FDI)

Key success factors / Best practices

• Build on a high concentration of businesses already operating successfully in a particular location
• Lead by the private sector, supported or facilitated by BSOs
• Stakeholders reach consensus on top priorities for the cluster to grow
• Starts with quick wins: address low-hanging fruits
• A mix of firm size – micro, small, medium and large, local, international
• Connections with academic and training institutions
For Compete Caribbean, at least 3 private firms must be committed to the success of the cluster initially.

A cluster initiative aims at increasing the global competitiveness of existing firms.

For example:

- Resource management and monitoring
  - Safeguards
  - Waste management
  - Complaint management/Advocacy
  - Coordination

- Product development / Consolidation
  - R&D
  - Testing
  - Packaging / tours
  - Certification

- Supply chain improvements
  - Local sourcing
  - Sustainable practices
  - Shared values
  - Logistics

- Marketing
  - Market research & segmentation
  - Distribution channels
  - Branding and market positioning

- Information Technology (IT)
  - Digital integration across the value chain
  - Traceability
  - MIS
Calls for cluster proposals - Project selection process & timeline

Up to $400k technical assistance grant for each selected cluster

### Cluster selection process and timeline

<table>
<thead>
<tr>
<th>2-month</th>
<th>3-month</th>
<th>1 day</th>
<th>+1 month</th>
<th>24 months</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Concept Note</strong></td>
<td><strong>Cluster Development Plan (CDP)</strong></td>
<td><strong>Investment Panel (IP)</strong></td>
<td><strong>IDB Contract</strong></td>
<td><strong>Implementation</strong></td>
</tr>
<tr>
<td>- Project Concept Note (PCN)</td>
<td>- Strategy for the cluster with full budget &amp; implementation plan</td>
<td>- Pitch presentation before an independent panel of experts</td>
<td>- Letter of Agreement</td>
<td>- Recruit and manage consultants</td>
</tr>
<tr>
<td>- Letters of Request</td>
<td>- Partnership agreement with commitment letter(s) for counterpart contribution (20%)</td>
<td>- Any other conditional requirements</td>
<td>- Monitor and evaluate progress</td>
<td>- Establish sustainable structure and processes</td>
</tr>
<tr>
<td>- Terms of Reference (ToR)</td>
<td>- Baseline data</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Deadlines

<table>
<thead>
<tr>
<th>January 31, 2021</th>
<th>March – May 2021</th>
<th>June 2021</th>
<th>July-August 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Concept Note</strong></td>
<td><strong>Cluster Development Plan</strong></td>
<td><strong>Investment Panel</strong></td>
<td><strong>IDB Contract</strong></td>
</tr>
<tr>
<td></td>
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</tbody>
</table>
Cluster Development (CDP)

A comprehensive **strategic** and **implementation** plan with priorities clearly identified, budget and timeline

- **What** are you planning to do? → Priority areas with clear objectives and targets
- **Why?** To solve which problem or opportunity? → Outcomes and impact over time
- **How?** What activities must be implemented? What else should be done by key stakeholders to achieve the overall objectives of the cluster?
- **Who** is responsible for what? Who is coordinating everything?
- **How much** does each stakeholder contribute? How much does the cluster contributes?
- **When?** What is the sequence of activities to ensure pari-pasu, ie. equitable disbursement along the project implementation?
Counterpart Contribution (20%): half in-kind, half in-cash

Maximum amount allocated by CCPF (80%) $400,000

For a TA consultancy involving firms, a max of 10% of the funds can be used to procure goods

<table>
<thead>
<tr>
<th>Minimum contribution by cluster</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>in-kind (10%)</td>
<td>$50,000</td>
</tr>
<tr>
<td>in-cash (10%)</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

Total estimated budget of cluster project (minimum) $500,000

PEOPLE ARE COMFORTABLE CONTRIBUTING WHEN THEY OWN THE GOODS / EQUIPMENT PURCHASED

<table>
<thead>
<tr>
<th>Cash contribution (10%)</th>
<th>In-kind contribution (10%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Equipment needed</td>
<td>• Staff allocated to manage a project</td>
</tr>
<tr>
<td>• Goods (eg: fertilizer, raw material)</td>
<td>• Space provided for cluster consultants</td>
</tr>
<tr>
<td>• Website</td>
<td></td>
</tr>
<tr>
<td>• Infrastructure improvement</td>
<td></td>
</tr>
<tr>
<td>• Etc.</td>
<td></td>
</tr>
</tbody>
</table>
Eligibility – Blue Economy

This call seeks to support the global competitiveness and positioning of **environmentally sustainable** and **socially responsible** blue economy products (eg: fisheries), services (eg: tourism), or technology (eg: Bluetech) produced in the Caribbean.

- **At least three collaborating private firms**
- **Entities must operate in CCPF’s 13 beneficiary countries:**
  - Bahamas, Barbados, Belize, Guyana, Jamaica, Suriname, Trinidad and Tobago, Antigua and Barbuda, Dominica, Grenada, St. Lucia, St. Kitts and Nevis, and St. Vincent and the Grenadines
- **Commitment for counterpart contribution of 20%**
  - 10% in kind
  - 10% in cash
Evaluation criteria

1. **Project feasibility (~35%)** Execution capacity of the firms and technical merit of the plan. Risks have been properly identified and mitigated.

2. **Job creation in the short and long term (~25%)** in the short and long term – the extent to which the cluster project will create new jobs, including for women and other vulnerable or marginalised groups.

3. **Revenue generation (sales & exports) (~25%)** for all the firms or farms involved in the cluster.

4. **Sustainability (~15%)** – the likelihood of sustaining the results achieved once the CCPF project ends; and considerations for climate change and sustainable development.
Cluster capacity building

- 9 countries, 10 BSOs
  1. Dominica (DEXIA)
  2. Grenada (GHTA and GIDC)
  3. Saint-Lucia (Export Saint-Lucia)
  4. Saint-Vincent & The Grenadines (CED)
  5. Guyana (THAG)
  6. Jamaica (JMEA)
  7. Barbados (MoSmall Business/BIDC)
  8. T&T (TTCSI)
  9. Suriname (CUS/MoT)
  10. Belize (Beltraide)

- Regional organisations
  - OECS Commission
  - Caribbean Tourism Organisation (CTO)

A comprehensive Community-Based Tourism (CBT) toolkit developed and available online:
https://competecaribbean.org/featured/community-based-tourism-toolkit/

120 hours of training plus support to prepare Cluster Development Plans (CDPs)

143 people trained on the cluster methodology across +/- 25 BSOs
The CBT toolkit includes 5 tools that people can use to achieve specific purpose

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Tool</th>
<th>Description</th>
<th>Use</th>
<th>Files</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMMUNITY TOURISM DEVELOPMENT</td>
<td>1 Tourism Assets Inventory</td>
<td>Template to prepare an inventory of tourism assets found in the community (businesses, experts, infrastructure, natural sites, etc.)</td>
<td>Document and assess the number, range &amp; quality of tourism assets that can be used to increase tourism revenues.</td>
<td>Tourism Asset Inventory.xls</td>
</tr>
<tr>
<td></td>
<td>2 CBT Diagnostic</td>
<td>A frame of reference to assess the community’s capacity/needs for CBT based on key success factors (KSFs).</td>
<td>Assess market readiness and gaps to identify priorities that can be included in a project plan and/or funding proposal</td>
<td>Diagnostic tool: Questionnaire and CBT framework.xls</td>
</tr>
<tr>
<td>PRODUCT DEVELOPMENT</td>
<td>4 Consumer research in American market by Euromonitor</td>
<td>Assessment of willingness-to-pay of American visitors for experiences that can be offered by Caribbean MSMEs.</td>
<td>Refine, expand and price the product offerings to increase tourism spending</td>
<td>Consumer research.pdf, Training manual.pdf, Power presentation.ppt</td>
</tr>
<tr>
<td>MARKET DEVELOPMENT</td>
<td>5 CBT Profiles</td>
<td>+/-2-page template to collect information about the types of experiences found in the community to attract visitors.</td>
<td>Promote the diversity of CBT opportunities in the Caribbean</td>
<td>Destination profile template.doc, 10 destination profiles already created</td>
</tr>
</tbody>
</table>
1.0 The Global Travel Industry
1.1 Many Different Parts
1.2 The Global Scene
1.3 Impacts of Tourism
1.4 Global Tourism Trends

2.0 Understanding CBT
2.1 What is Community-Based Tourism (CBT)?
2.2 What are the Benefits and Drawbacks of CBT?
2.3 Community-Based Tourism in the Caribbean
Types of CBT Experiences in the Caribbean: 2019

3.0 Protecting and Involving Your Community
3.1 What is Cultural Authenticity?
3.2 How Can You Protect and Benefit Your Community?

4.0 Planning your CBT Business
4.1 What is a ‘Market Ready’ Tourism Business?
4.2 What are the Steps to Starting a CBT Business?
4.3 What Goes into a Business Plan?
4.4 Where Can I Get Help for My Business Plan?

5.0 Understanding Your Markets
5.1 What is Market-Driven Research?
5.2 Which Types of Visitors Have the Most Potential?
5.3 Who is my Ideal Guest?

6.0 Developing Your Product
6.1 What is Packaging?
6.2 What Types of CBT Packages Do Visitors Buy?
6.3 What are the Essential Qualities of a CBT Product?
6.4 What Product Can I Offer?
6.5 What are the Steps in Product Development?

7.0 Pricing Your Product
7.1 How Does the Travel Distribution System Work?
7.2 What Commissions Do the Travel Trade Expect?
7.3 What are Net and Retail Rates?
7.4 How Do I Calculate My Net Rate?
7.5 How Do I Calculate My Retail Rate?
User-friendly guidebook to help entrepreneurs develop profitable CBT enterprises that return benefits to communities.

8.0 Meeting Visitor Expectations
8.1 What is Values-Based Guest Hospitality?
8.2 How Can I Create a Sense of Place?
8.3 What is Genuine Hosting?
8.4 How Should I Prepare Guests for Their Visit?
8.5 How Can I Learn from Feedback?

9.0 Marketing Your Product
9.1 What are the 4 Ps of Marketing?
9.2 What Goes into a Marketing Plan?
9.3 Why is Branding Important?
9.4 How Do I Make a Marketing Content Library?
9.5 Why is Online Marketing Important?
9.6 What are the Best Ways to Market?

10.0 Developing Financial Management Skills
10.1 Why Do I Need Financial Management?
10.2 How Do I Estimate My Start-up Costs?
10.3 How Do I Prepare an Annual Operating Budget
10.4 How Will I Finance My Business?
10.5 What are the Essential Financial Statements?
10.6 What about Taxation and Reporting?
10.7 Why Should I Get Professional Assistance?
10.8 Checklist for Financial Success

11.0 Building Your Support Network
11.1 Building Your Support Network

Glossary
Appendix 1: References and Resources
Appendix 2: NTOs and CBT Development
Appendix 3: Experience Development Template
Appendix 4: Example Code of Conduct
What is it? The CBT toolkit includes 5 tools that people can use to achieve each purpose

<table>
<thead>
<tr>
<th>Purpose</th>
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<th>Description</th>
<th>Use</th>
<th>Users</th>
</tr>
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<tbody>
<tr>
<td>COMMUNITY TOURISM DEVELOPMENT</td>
<td>1</td>
<td>Tourism Assets Inventory Template to prepare an inventory of tourism assets found in the community.</td>
<td>Inventory number, range &amp; quality of tourism assets in community, identify strengths and gaps</td>
<td>Community Organizations, National Tourism Organisations (NTOs), Business Support Organisations (BSOs)</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>CBT Diagnostic A frame of reference to assess the community’s capacity for CBT based on key success factors (KSFs).</td>
<td>Assess market readiness and gaps to identify priorities that can be included in a project plan and/or funding proposal</td>
<td>Development agencies, Community organisations</td>
</tr>
<tr>
<td>ENTERPRISE DEVELOPMENT</td>
<td>3</td>
<td>CBT Enterprise handbook User-friendly business guide to develop profitable CBT enterprises that return benefits to communities.</td>
<td>Start, improve, formalize and expand CBT business operations</td>
<td>CBT Enterprises owners &amp; managers, NTOs, BSOs</td>
</tr>
<tr>
<td>PRODUCT DEVELOPMENT</td>
<td>4</td>
<td>Consumer research in American market by Euromonitor Assessment of willingness-to-pay of American visitors for experiences that can be offered by Caribbean MSMEs.</td>
<td>Refine, expand and price the product offerings to increase tourism spending</td>
<td>Entrepreneurs, Business Support Organisations (BSOs), National Tourism Organizations (NTO’s)</td>
</tr>
<tr>
<td>MARKET DEVELOPMENT</td>
<td>5</td>
<td>CBT Profiles +/-2-page template to collect information about the types of experiences found in the community to attract visitors.</td>
<td>Promote the diversity of CBT opportunities in the Caribbean</td>
<td>CTO representatives in USA, UK and Canada, NTOs, Tour operators, Visitors</td>
</tr>
</tbody>
</table>
PRODUCT DEVELOPMENT

Assessment of willingness-to-pay of American visitors for experiences that can be offered by Caribbean MSMEs.

1. What are visitors interested in spending their money on?
2. How much are they willing to pay?
3. How can Caribbean MSMEs take advantage of this?

Refine, expand and price the product offerings to increase tourism spending

Increase employment and revenues for people across sectors: farming, agro-processing, logistics, transport, tourism, creative industries, furniture, etc.
Four activities further prioritized based on research findings to optimize regional benefits

**Food-related**

- **A) Prioritize**
  - These activities show highest benefits for the region.
  - They are most interesting to US tourists.
- **B) Promote internationally**
  - Benefits for the Caribbean are high.
  - US tourists show low interest; therefore, promotion and repositioning are required.
- **C) Develop locally**
  - US tourists are highly interested in these.
  - They bring lower benefits to the region - therefore they need further development.
- **D) Redefine**
  - Interest level among tourists is low, as are the benefits for the Caribbean compared to the rest of the activities.
  - Requires repositioning to strengthen both.

---

*Caribbean benefits* refer to the combination of metrics from the scorecard (community involvement, employment potential, capacity, activity price, and number of businesses)

**Interest levels** based on consumer survey, N = 629
The four top activities that can generate the most revenues for Caribbean businesses involved food

**Traditional Cuisine**
- Most are willing to pay as much as US$100 for their experience.
  - Average current price is $10
- Half of respondents are willing to pay more for food sourced locally, and nearly 40% for organic produce.

**Farm to Table**
- Majority would pay as much as US$100 for their experience.
- About half of respondents are willing to pay more if the experience is locally sourced, embraces environmental sustainability, and offers VIP options or access.

**Food & Beverage Tour**
- Most are willing to pay up to US$300 per activity.
- 35% are willing to pay more for attributes like Organic certification, locally sourced, benefits everyone fairly, etc.
- Around 20% are willing to pay at least 25%-50% more for VIP options and access.
Each activity analyzed: preferred characteristics, who to target, how to market, how to price, etc.

Local Tourism

- Most are willing to pay as much as US$300 per activity.

- Over half are willing to pay more if they know the ticket price % that goes back to the community and VIP options.

Farm tour

- Willingness to pay varies from $31 to $300
  - Current price range currently offered in the Caribbean: $20-150

- Should include transport and be combined with other activities
THE BLUE ECONOMY

- uses smart shipping to lessen the impacts on the environment
- is inclusive and improves the lives of all
- is based on sustainable fisheries
- harnesses renewable energy
- creates jobs, reduces poverty and ends hunger
- protects coastal communities from the impacts of climate change
- conserves marine life and oceans
- takes action against illegal fishing
- tackles marine litter and oceans pollution
## Global Industrial and Technological Trends – Blue Economy

<table>
<thead>
<tr>
<th>Activity</th>
<th>Ocean Service</th>
<th>Existing Industries</th>
<th>Related Industries</th>
<th>Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Living resources</strong></td>
<td>Seafood; Biotechnology</td>
<td>Fisheries</td>
<td>Sustainable fisheries; Aquaculture; Pharmaceutical chemicals</td>
<td>Demand for food, cosmetics and pharmaceutical products; R&amp;D activities</td>
</tr>
<tr>
<td><strong>Non-living resources</strong></td>
<td>Minerals; Energy; Freshwater</td>
<td>Seabed mining; Oil and gas</td>
<td>Deep seabed mining; Renewables, ocean energy; Desalination</td>
<td>Demand for minerals, energy, alternative energy and freshwater</td>
</tr>
<tr>
<td><strong>Trade &amp; Tourism</strong></td>
<td>Trade; Tourism</td>
<td>Shipping; Port infrastructure and services; Tourism</td>
<td>Eco-tourism</td>
<td>Growth in seawborne trade and tourism; R&amp;D activities</td>
</tr>
<tr>
<td><strong>Ocean Restoration</strong></td>
<td>Carbon sequestration; Coastal protection; Waste disposal</td>
<td></td>
<td>Carbon sequestration; Coastal habitat protection and restoration; Assimilation of nutrients and waste</td>
<td>R&amp;D in ocean activities</td>
</tr>
</tbody>
</table>
Examples of Business Models—Blue Economy

- **Fishing Traceability, Logistics and Marketplace**
- **Sustainable Seaweed Integrated Value Chains, marketing and Distribution**
- **Regenerating Ocean Farming**
- **Digital Supply Chain: Traceability And Logistics**
- **Marine Ecotourism**
- **Marine Conservation and Ecotourism**
A multi-donor facility that provides technical assistance to increase the competitiveness of the Caribbean private sector. The results expected are increased employment, revenues and exports using an inclusive and sustainable approach.
Other examples of cluster projects from Compete Caribbean phase 1

- Adventure and indigenous tourism in Guyana
  - Protection of the arapaima fish for sports fishing
- Pure Grenada
  - Global branding and market positioning
- Treasure Beach in Jamaica
  - Capacity building of CBTEs and DMO
- Ornemental fish in Kington (Jamaica)
- Call Centers – incubators in Mo-Bay
- Shrimp cluster in Belize
5 calls for cluster proposals, USD$4M allocated to 16 cluster projects

<table>
<thead>
<tr>
<th>Sector/country</th>
<th>1. Castor oil (Jamaica)</th>
<th>2. Global Services Sector (Jamaica)</th>
<th>3. Shrimp (Belize) → ASC certification to transition from food service to retail market</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Clusters via PCNs (before Canadian funding) [2017-$1.2M]</td>
<td>4. Community-Based Tourism in Essequibo (Guyana)</td>
<td>5. Cocoa (Dominica)</td>
<td>6. Seaweed (Belize)</td>
</tr>
<tr>
<td></td>
<td>7. Cultural tourism (Suriname)</td>
<td>9. Honey (St.Lucia)</td>
<td>8. Flowers (Grenada) → Increase resilience and diversify market beyond tourism</td>
</tr>
<tr>
<td></td>
<td>13. Organic Cocoa (T&amp;T)</td>
<td></td>
<td>4. Community-Based Tourism (CBT) [2021-$900k]</td>
</tr>
<tr>
<td>3. Clusters (BSOs + Public) [2019-$900k]</td>
<td>Projects to be selected from Jamaica, St.Lucia, Dominica, Belize, Bahamas or regional</td>
<td></td>
<td>5. Blue Economy [launch of call November 2020 $1.2M]</td>
</tr>
<tr>
<td>4. Community-Based Tourism (CBT) [2021-$900k]</td>
<td>Projects to be selected from 13 countries</td>
<td></td>
<td>Environmentally <strong>sustainable</strong> and socially <strong>responsible</strong> Aquaculture, tourism, fisheries, etc.</td>
</tr>
</tbody>
</table>
Facilitate discussions with stakeholders to identify common grounds

Research secondary data to assess market demand, identify strategic segment(s)

Propose growth plan and targets given the context on the ground and data analysis

Identify priorities, low hanging fruits, collaborative and individual efforts

Reach consensus about the plan

- Partnership agreement to increase transparency and accountability

Collect baseline data from the beneficiary firms involved

---

**Role of cluster facilitator responsible to prepare the Cluster Development Plan (CDP)**

- **Workplan**
  - Mission 1 (5 days of consultation)
  - Collect baseline data
  - Research, phone interviews, data analysis, draft plan
  - Mission 2 (4 days of consultation and stakeholder validation workshop)
  - Incorporate feedback, obtain/prepare missing documents
  - Submit final draft to Compete Caribbean for feedback
  - Discuss feedback and improve final deliverables
  - Investment Panel (15min presentation, 15 Q&A)

**Mission 1**
- **5 days of consultation**
  - In incorporate feedback, obtain/prepare missing documents
  - Submit final draft to Compete Caribbean for feedback
  - Discuss feedback and improve final deliverables
  - Investment Panel (15min presentation, 15 Q&A)

**Mission 2**
- **4 days of consultation and stakeholder validation workshop**
  - Incorporate feedback, obtain/prepare missing documents
  - Submit final draft to Compete Caribbean for feedback
  - Discuss feedback and improve final deliverables
  - Investment Panel (15min presentation, 15 Q&A)

---

**12 weeks**

*Funded by Compete Caribbean for short-listed projects*