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Special COVID-19 Supplement

2020 has been an exceptional year. Here is a look at **Compete Caribbean's** work this year.

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Statement from Dr. Sylvia Dohnert
Executive Director,
Compete Caribbean



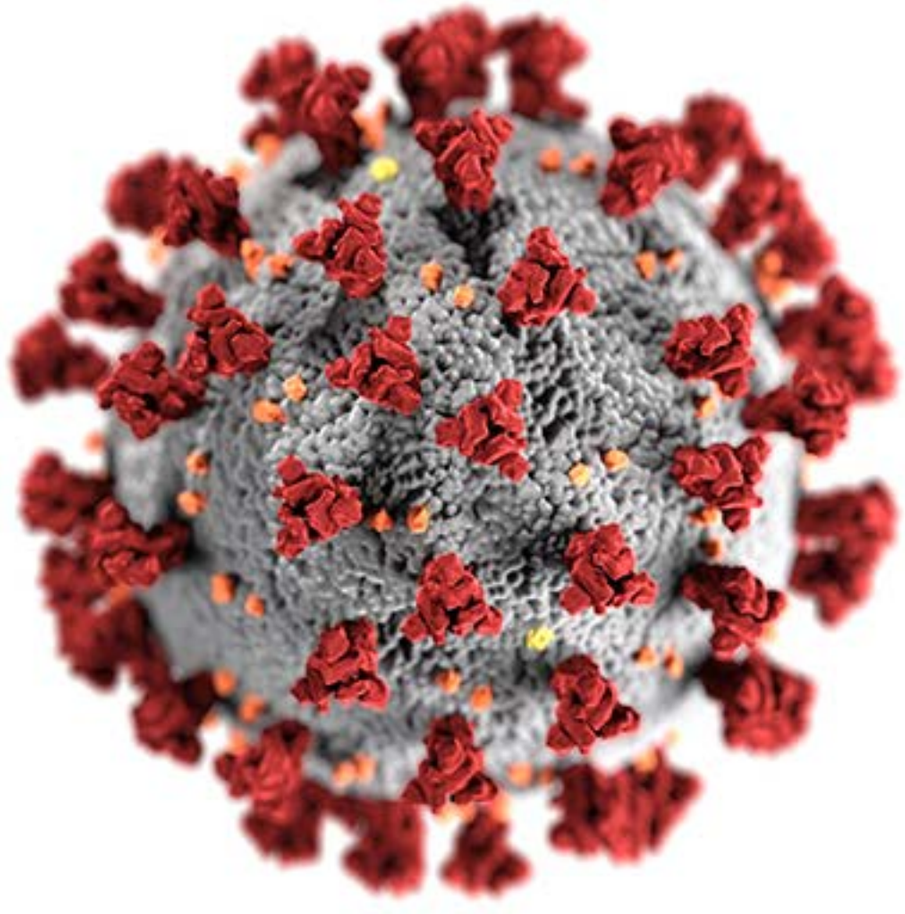
COVID-19 Implications and Response

Compete Caribbean is focused on contributing to a more dynamic, inclusive, and sustainable long-term growth trajectory in the Caribbean that is private sector led. The program does this by building the competitiveness of the region's private sector and supporting its ability to enter new economic activities and markets. When the World Health Organization declared COVID-19 a pandemic on March 11, 2020, Compete Caribbean had 35 projects under implementation for an amount of US$15,132,760 million, and 12projects in the pipeline for an amount of US$3,389,880.

As the COVID-19 pandemic is evolving, the world as we have known it has changed in significant ways. After a period of border closures and full or partial lockdowns between March and May 2020, most of the countries in the Caribbean have reopened their borders while enforcing quarantine and other health protocols. Tourism, the mainstay of many of these economies, grounded to a halt during the lockdown period, and although flights have resumed to those destinations that have reopened, their number and frequency is far below the pre-pandemic period. In the most optimistic scenario, it will take at least three years for world tourism activity to match thatof 2019 (Euromonitor). The IMF predicts a global recession of -4.4% for 2020, followed by growth of 5.2% in 2021. In 2020, and very linked to the halt in tourism activity, the IMF expectsthe Caribbean's real GDP to contractsignificantly more – between -17.3% for Antigua and Barbuda to -8.6% forJamaica (see Table 1). Exceptionally, Guyana is expected to grow by 26.2% due to the start of oil and gas production. Trinidad and Tobago, despite its reliance on energy exports, is expected to contract by -5.6%. (World Economic Outlook, October 2020).

Table 1: IMF Growth predictions for the Caribbean (Published October 2020)

	2019	2020	2021	2025
Antigua & Barbuda	3.4	-17.3	4.7	3.7
The Bahamas	1.2	-14.6	4.6	1.5
Barbados	-0.1	-11.6	7.4	1.8
Belize	-2	-16	8	2
Dominica	2.1	-5.5	2.3	3.2
Grenada	3	11.8	3	2.7
Guyana	5.4	26.2	8.1	1.1
Jamaica	0.9	86	3.6	2.1
St. Kitts & Nevis	2.8	-18.7	8	2.7
St. Lucia	1.7	-16.9	7.2	1.8
St. Vincent & the Grenadines	0.4	-7	3.7	2.7
Suriname	0.3	-13.1	1.5	2.1
Trinidad and Tobago	0	-5.6	2.6	1.5





Although the total impact of the COVID crisis on the Caribbean economies and on the world will be known more precisely in the coming months, one thing is certain: the region will need its private sector more than ever before. The private sector is critical to resiliency during periods of lockdown (i.e. to provide and/or complement health, food and education services, and to provide income through employment), and to drive economic recovery post-COVID.

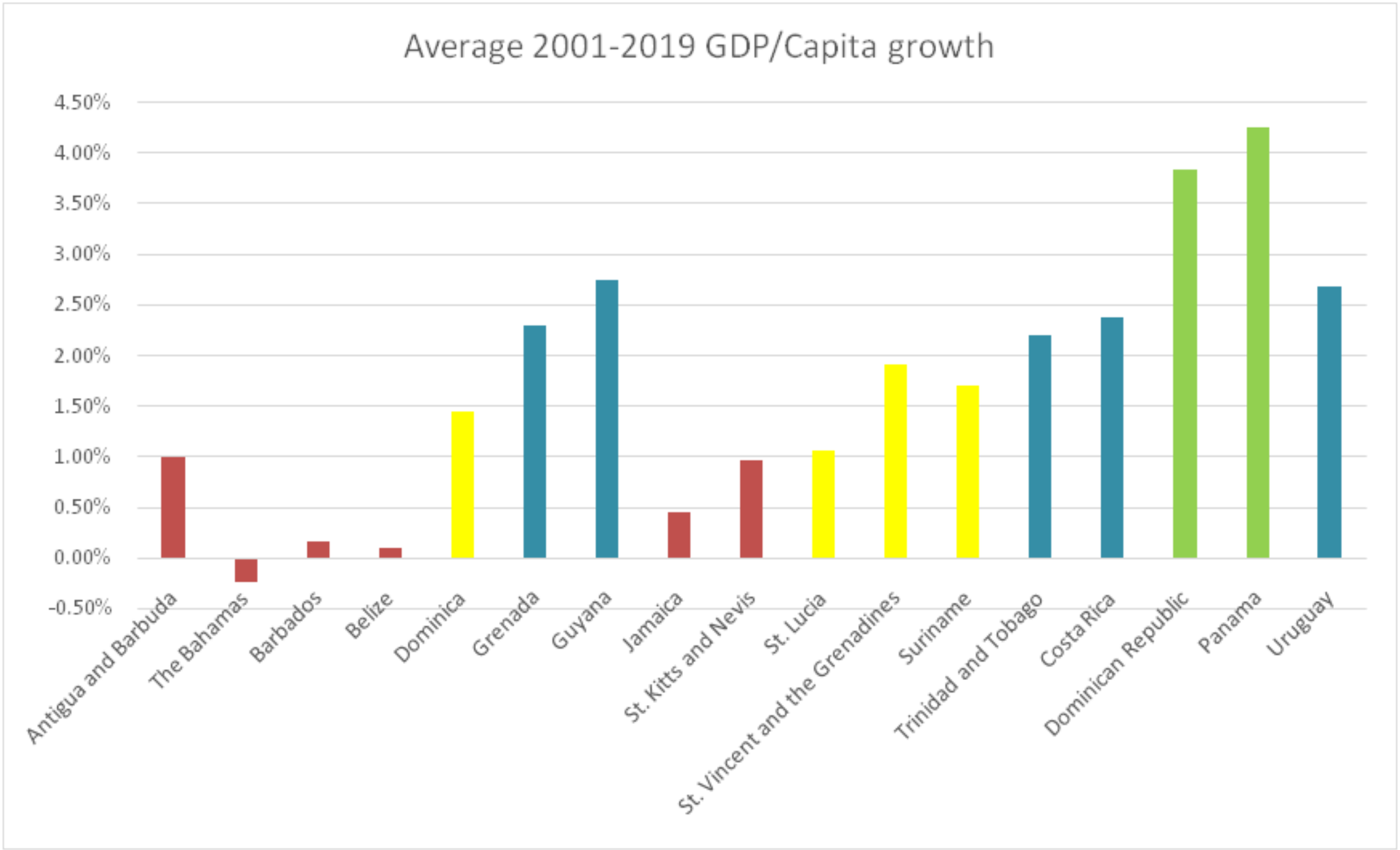
According to numerous studies of how to set up SMEs for restart and recovery post-COVID, the speed of recovery will depend on the ability of SMEs to return to sustainable operations post-crisis after the current stimulus measures run out. Policy makers, therefore, should focus on delivering three foundational interventions that are of highest impact and relevance to SMEs: access to local demand, support for internationalization, and enhancement of productivity. These three types of interventions are the cornerstone of every project that Compete Caribbean is supporting in the private sector.

In order to contribute to post-pandemic economic growth, Compete Caribbean is utilizing its available resources and strategic regional and global partnerships to: **(i) support Caribbean MSMEs in strengthening productivity and building growth-oriented business models** (based both on local demand and for exports) that can help them be more resilient to COVID-19 or similar crisis (i.e. those caused by natural disasters), and **(ii) support Caribbean governments in regulatory, policy, and institutional strengthening measures that can support a more dynamic private sector and post-COVID recovery.**

It is important to note that Compete Caribbean was already focusing on growth enhancing interventions prior to COVID. Indeed, COVID struck a region that even before the pandemic had been growing at below the average for the world for a long time. The Table below shows the average GDP/capita growth in the two decades prior to COVID. Of the thirteen Caribbean countries that the CCPF benefits, 10 had average GDP/capita growth rates of less than 2% during this period, and 6 had average GDP/capita growth rates of 1% or less, or even negative GDP/capita growth rates. Contrast these figures with those of other small countries in Latin America, such as Costa Rica, Uruguay and Panama, whose average growth ratesover the past 2 decades surpass 2% and even 4% in the case of Panama (see Table 2 below). It is this consistently high rate of GDP/capita growth year after year that allows substantial jumps in the quality of life.

Table 2: Average GDP/capita growth rates, constant prices (Calculations based on World Economic Outlook data)

	Average 2001 - 2019
Antigua & Barbuda	**1.00%**
The Bahamas	**-0.24%**
Barbados	**0.16%**
Belize	**0.10%**
Dominica	**1.44%**
Grenada	**2.29%**
Guyana	**2.75%**
Jamaica	**0.45%**
St. Kitts & Nevis	**0.96%**
St. Lucia	**1.07%**
St. Vincent & the Grenadines	**1.91%**
Suriname	**1.70%**
Trinidad and Tobago	**2.20%**
Costa Rica	**2.37%**
Dominican Republic	**3.84%**
Panama	**4.26%**
Uruguay	**2.69%**



A snapshot of the instruments that Compete is applying to reignite growth byincreasing productivity, helping connect firms to local and international markets, and further develop the private sector in the Caribbean during and post-COVID is as follows.

Strengthening insertion into export markets through cluster and value chain projects:
Through these types of projects, Compete Caribbean supports over 5000 firmsto connect with international markets, as well as to achieve the quality, price and other features demanded by those markets. Many of these firms are small producers in rural hinterlands where unemployment and vulnerability is more pronounced.

Promoting diversification and growth through entrepreneurship and innovation:
Compete Caribbean supports start-ups and innovative firms, and the eco-systems that support them in order to **1)** help reactivation post-COVID, and **2)** drive increases in long-term growth for the region.

Supporting technology adoption in the private sector:
Compete Caribbean is supportingthe development of a regional market for cutting-edge technology services that can help businesses significantly increase competitiveness in the digital, post-COVID world.

Enhancing the business and innovation climate:
Compete Caribbean is supporting regulatory and policy reform, as well as institutional strengthening, to help enhance the business environment. Key projects important in the COVID context are those related to digitalization of government services , enhancing access to finance, and diversifying the economy.

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Compete Caribbean COVID Response:
Strengthening Businesses Insertion into Export Markets

With the collapse in domestic demand due to the COVID-19 closure of borders and halt in tourism, followed by the significant slowdown in tourism arrivals once borders reopened, it is more important than ever for Caribbean MSMEs to be connected to global supply chains that do not depend on tourism. Compete Caribbean is focused on contributing to a more dynamic, inclusive, and sustainable long-term growth trajectory in the Caribbean that is private sector led. One of Compete Caribbean's most potent instruments are cluster/value chain projects.

Through 14 clusters/value chains projectsactive in 9 countries: Belize, Guyana, Jamaica, Trinidad and Tobago, Suriname, Grenada, Dominica and St. Lucia , Compete Caribbean benefitsover 5000 MSMEs with technical assistance to connect to those markets. The technical assistance generally includes a mixture of marketing, training or other measures to achieve certain quality standards, and in some cases, adoption of technology to better coordinate producers. This is the instrument that collectively impacts the highest number of firms and that receives the largest amount of investment under Compete. In Compete I, it was the instrument that contributed to the highest number of new jobs generated – nearly 6000 jobs across 8 projects, most of them for women and youth.

All the cluster projects that Compete is currently supporting have identified a niche export market that could elevate the sales, revenues and growth of the MSMEs participating in the cluster or value chain, and have taken measures to ensure success in these goals post-COVID. Most of the MSMEs involved in these projects are in rural hinterlands where unemployment and vulnerability was already pronounced and has been aggravated by COVID. Many of the Compete Caribbean supported cluster and value chain projects involve agriculture – a traditional sector characterized by very small businesses employing vulnerable segments of the population, with typically low productivity rates. Take for example the castor bean cluster in Jamaica. Jamaican castor bean oil is highly prized in international markets and fetches premium prices. However, due to long-standing problems concerning castor bean growing practices, Jamaica does not produce enough castor bean to fulfill international demand. A Compete cluster project focuses on helping 90 very small farmers improve castor bean farming practices and yields, using marginal lands owned by the Jamaica Baptist Union, in order to supply existing Jamaican castor bean oil producers who are already supplying export markets. In this way, this project is helping these vulnerable farmers form part of global value chains.

The case of tourism and post-pandemic recovery

The COVID pandemic has exacerbated a change in consumer preferences that was already happening pre-COVID. According to Euromonitor's research on global tourism trends, countries that want to accelerate post-COVID tourism recovery should develop tourism products that appeal to the rising demographic of New World Travelers (NWTs), who will increasingly drive tourism demand post-COVID. Aside from being interested in a safe destination (60%), these New World Travelers want to travel sustainably and with a purpose (64%), support local businesses and communities (57%), and stay in eco-friendly accommodations (51%) (Euromonitor, October 2020).Market research commissioned by Compete Caribbean indicates that there are many unfulfilled opportunities in the region to develop new, higher-value products to satisfy the demand from these NWTs.

Compete is responding to this change in context by taking a community-based cluster approach to the tourism industry. With this approach, the program will help the region build back better by supporting productsthat can better meet the post-COVID changes in consumer preferences.In these projects, Competeprovides assistance to support tourism businesses and communities to work together to generate, package and market unique experiences, as explained in the Compete Caribbean Community Based Tourism Toolkit. The projects incorporate a high emphasis on digital marketing and on health and safety policies to prepare for the COVID-19 special period aftermath.

Compete Caribbean COVID Response: Supporting Diversification and Dynamic Growth

Compete Caribbean is focused on contributing to a more dynamic, inclusive, and sustainable long-term growth trajectory in the Caribbean that is private sector led. The program does this by building the competitiveness of the region's private sector and supporting its ability to enter new economic activities and markets.

Prior to COVID, the Caribbean region's growth had stagnated over nearly four decades.,duetoFfor the most part this is due to to very slow total factor productivity growth (Ruprah and Sierra, 2014). Productivity refers to the value of goods and services that are produced at a certain cost.Total factor productivity growth (TFPG) captures how an economy combines its resources – capital, labor and land – to produce goods and services. TFPG is an indicator that is highly correlated to the rate of innovation and technological change in an economy, particularly in the private sector, which in most economies is the main producer of goods and services.

This analysis indicates that for the Caribbean to dramatically change its long-term growth rate post-COVID, the private sector needs to become more innovative and produce new, higher-value products and services,adopt more efficient organizational structures,and deploy more scalable business models. Policy measures are needed to stimulategrowth in new sectors altogether - ones that have higher productivity levels and can offer higher economic returns all-around (higher profits, higher salaries). Around the world, entrepreneurship and innovation support to the private sector have been a key part of policy-makers' toolkits to stimulate new, higher value-added products and services.

Start-ups, particularly tech ones, have been proven to be key to economic recovery during recession periods, growing at a faster pace than the rest of the economy, and having higher rates of exports and/or of attracting foreign direct investment (FDI) than the rest of SMEs (Startup Genome). Compete Caribbean's mandate is to dynamize the private sector in the Caribbean by helping to increase its productivity. For all the reasons enumerated above, the Compete Caribbean program supports start-ups and innovative firms, as well as the eco-systems that support them in order to 1) help reactivation post-COVID, and 2) drive increases in long-term growth. The three projects described below exemplify how Compete is supporting start-up development and innovation within existing firms while strengthening the eco-systems that support them:

a. **Strengthening the Ecosystem of Entrepreneurship and Innovation in Jamaica:** this technical assistance project supports design of different elements of a US$50 million Inter-American Development Bank approved loan to provide financing and technical assistance to Jamaican businesses at all stages of their lifecycle: entrepreneurs, startups and existing, innovative firms, while strengthening the entire eco-system. The loan came out of Compete Caribbean's dialogue with the government of Jamaica on how to strengthen its entrepreneurship and innovation eco-system. Loan resources will crowd-in additional private capital from angel investors and venture capitalists, and the loan will co-finance Jamaica's first Venture Capital Fund, which will also be the first Venture Capital fund in the entire Caribbean. The Compete Caribbean financed TC is helping to structure this Venture Capital Fund and an Angel Sidecar Fund, as well as to design other activitiesthat will be financed under the loan (i.e. strengthening incubators and accelerators, cluster support, innovative firm support).

b. Strengthening the Entrepreneurship and Innovation Ecosystems in the OECS : This regional project will assist OECS entrepreneurs and start-ups in accessing regional and extra-regional virtual accelerators and incubators, as well as in accessing seed capital. It will also provide technical assistance to established, medium-sized firms that are export-ready to make breakthroughs in export markets. Support will include helping to develop resilient business models that can withstand a nation-wide catastrophe such as COVID and/or a natural disaster, building capacity within leadership teams and maturing product and service offerings.

c. Blockchain Innovation Initiative: This regional project will seed some innovative concepts by Caribbean firms in the blockchain space to surmount structural problems including some that have been exacerbated by COVID. Projects selected are: 1) enhancing the ease of submitting insurance claims after a natural disaster using parametric insurance (submitted by CREAD from Dominica), and 2) digital credentials for UWI open campus graduates. The ability of UWI graduates to get physical credentials has worsened during the COVID scenario and is affecting their employability. Blockchain was selected as a promising sector to develop in the Caribbean given the growing presence of Caribbean blockchain firms and indigenous talent. As an industry 4.0 technology, Blockchain is creating paradigm shifts across many industries, opening opportunities for pioneering businesses creating novel applications in this space.



Compete Caribbean COVID Response: Encouraging Technology Adoption in the Private Sector

Compete Caribbean is focused on contributing to a more dynamic, inclusive, and sustainable long-term growth trajectory in the Caribbean that is private sector led. The program does this by building the competitiveness of the region's private sector and supporting its ability to enter new economic activities and markets.

One of the most dramatic effects of COVID has been the accelerated transition of businesses towards digital technology and new digital business models. Global e-commerce activity grew in a few months what it was projected to have grown in the next 2-3 years. In Latin America and the Caribbean (LAC), and compared to 2019, there was a 150% growth in the use of digital technology, a growth in 1.7 million users of Mercadolibre (a Latin American-wide e-commerce platform like Amazon), up to 25% of the population in large cities teleworked, and digital education platforms such as Platzi and Crehana reported a 40% increase in use. Countries like Mexico and Colombia reported an increase of 800% of new business websites in 2020.

Economists suggest that this increased digitalization of business processes and transactions is a structural and irreversible trend. Consumers increasingly inform themselves, seek for, and purchase goods and services over the internet. At the same time, given that the web space has become very crowded, businesses need digital skills to find, market, and maintain relationships with new customers. For Caribbean companies, there is an imperative to adopt digital technologies to increase internal productivity and cost-efficiencies and to expand and diversify their markets. This applies to companies across all sectors, and especially to the tourism industry, which for the past few years has been disrupted by advanced digital technology such as augmented and virtual reality, big data, Internet of Things and wearable technology.

Companies that do not adopt digital technology may be left behind in a global market characterized by a broadening digital divide. Caribbean companies do not seem to be doing too well in this respect. In a 2020 survey of technological capabilities of firms in agro-processing, manufacturing and tourism in the Caribbean, it appears as though firms are 1) investing very little in digital technology, and 2) when they do invest in digital technology, they are not investing in the digital technologies that will make the most difference to their sector[1].

Companies with more digital capabilities have been more resilient during COVID. Worryingly, there is evidence that digital competencies are linked to firm size: LAC business surveys show that smaller firms tend to be far behind in their capability to do both - **adopt digital technology** and **innovate digitally.** This remains even the case

for medium firms, which are far behind large ones in terms of digital adoption and digital innovation[2]. In the post-COVID scenario, firms that delay or fail to transform their productive processes through the adoption of new technologies are at risk of falling behind, losing competitiveness in the marketplace, and missing growth opportunities. If private sector players in key economic sectors for the Caribbean (such as tourism and agro-processing) lose competitiveness in the global and local markets, it will have devastating effects on the national and regional economies and weaken post-COVID reactivation.

Technology Extension Services (TES) is a set of services to support firms in the acceleration of technological adoption and upgrading. In the countries where these services have been systematically deployed, they have greatly encouraged innovative activities that have contributed to increased competitiveness, productivity and growth[3]. The benefit of TES with respect to other innovation policy tools is that it is cost efficient in terms of the size of the investment per firm, it offers quick wins in terms of implementing innovations already proven to be effective in other markets, and it is impactful in terms of improving productive efficiency and competitiveness of SMEs. Successful international programs which have implemented TES and which exhibit strong productivity increases include the **Manufacturing Extension Partnership (MEP)** in the United States, the **Manufacturing Advisory Service** in the United Kingdom, **Instituto Nacional de Tecnología Industrial (INTI)** in Argentina, **Centro de Innovación Productiva y Transferencia Tecnológica (CITE)** in Peru, and the **Industrial Extension Center (CEI)** of Uruguay.

The difficulty of applying TES in the Caribbean is that it requires a certain degree of specialization of technology advisory service suppliers that the small size of Caribbean individual economies may not be able to sustain. Compete Caribbean is testing a US$800,000 regional delivery mechanism for TES to offer small Caribbean countries an avenue to circumvent the challenge of diseconomies of scale. The project pilots a TES delivery framework focused on providing highly specialized and customized technical assistance to firms through the network of Caribbean Small Business Development Centers (SBDCs) and regional Technology Service Providers (TSPs).

This regional project, in partnership with the Organization of American States (OAS) and with the Small Business Development Centers (SBDCs) that the OAS has strengthened across the region, is providing technology extension services to support export-oriented, dynamic Small and Medium Enterprises (SMEs) in adopting cutting edge technology in their sector which would lead to increased competitiveness[4]. The pilot will focus on assisting selected SMEs to adopt/ accelerate their adoption of digital technology to both improve their business processes and operations, as well as to increase their prospects of business continuity during the COVID-19 pandemic and/or natural disasters. The pilot is focusing on the three most important industries for the Caribbean in terms of employment generation, export potential and structural transformation: agro-processing, manufacturing and tourism. The **Caribbean Industrial Research Institute (CARIRI)** is being strengthened as a regional provider for technology extension and innovation services, to build the elements for sustainability beyond Compete.

[1] Nearly 400 firms across 13 Caribbean countries filled a “Business Potential Assessment” as part of their application to participate in a Compete Caribbean financed Technology Extension Services Pilot. 154 firms were deemed pre-eligible – meaning they had invested upwards of 10% of their budget in technology. Most of the investment had been in office productivity suite, and scant in digital marketplaces, data analytics capability, logistics and supply chain technology, traceability, booking/reservation services, channel management, revenue management, customer relationship management and business intelligence.

[2] National innovation surveys across 7 LAC countries – 3 of them of small size – reveal that the number of small firms that invest in digital innovation is between ½ and 2/3 of the number of medium firms that invest in innovation. In turn, there is a sizeable jump between the number of medium firms that invest in digital innovation and the number of large firms that do so, indicating how far the small firms and even the medium firms are from the digital innovation practices of larger firms.

[3] Studies conducted by the McKinsey Global Institute indicate that in the case of the G19 countries, this catching up with best practice can increase the productivity growth of SMEs by 75%. In emerging economies, the impact of catching up may even be higher, up to 82%.

[4] Emphasis is going to be placed on seeking out women owned firms- 30% of all beneficiaries are women-owned.

Compete Caribbean COVID Response: Enhancing the Business Environment

Compete Caribbean is focused on contributing to a more dynamic, inclusive, and sustainable long-term growth trajectory in the Caribbean that is private sector led. The program does this by building the competitiveness of the region's private sector and supporting its ability to enter new economic activities and markets. Compete Caribbean also works with governments to promote a business environment that enables innovation and growth. In this regard, Compete Caribbean focuses on:

Strengthening institutions in charge of public-private dialogue and private sector development. This support is oriented to help these institutions become more responsive to broader private sector needs and more effective in fulfilling those needs. An example of this work is Compete Caribbean's **assistance to the National Competitiveness and Productivity Council of St. Lucia**, an umbrella entity within the government of St. Lucia that coordinates public policy towards the private sector and carries out broad-based public-private dialogue to this effect. The **NCPC** is intent on developing and implementing a competitiveness and innovation agenda that can transform the economy of St. Lucia.

During the COVID scenario, these projects have included assistance to design policy for economic reactivation. In the example of St. Lucia, Compete is supporting the NCPC to design a blueprint for post-COVID recovery.

Supporting the drafting and implementation of policies or regulations that can improve the "Doing Business " environment in the areas of accessing finance, registering businesses, registering property, obtaining construction permits, paying taxes, trading across borders, protecting minority investors and resolving conflicts. An example of this work is Compete Caribbean's assistance to the Eastern Caribbean Central Bank's Credit Guarantee Facility to establish a credit bureau in the Eastern Caribbean . It is expected that once the credit bureau is functioning, information asymmetries related to credit provision will be reduced, making it easier for Eastern Caribbean firms to access finance. Enhancing access to finance will be vital to COVID reactivation. This work is vital in the Eastern Caribbean, where every country currently scores 25 (out of a possible maximum score of 100) in the ease with which businesses are able to access finance.

Some of the **Doing Business** improvement work is being achieved through digitalization of government processes. These latter projects became priority for the governments once COVID hit. One of these projects – training of customs personnel and custom brokers to shift to online clearance – was completed prior to COVID and was **recognized by the government as having had a positive impact** in ensuring the continuity of supplies during the COVID lockdown.



Expert advice for implementation of business and innovation policies, reforms and enhancements, typically related to economic diversification. An example of this work is Compete Caribbean's support to InvestDominica to develop a Foreign Direct Investment framework that can help Dominica transition to a green economy by 2030. Foreign Direct Investment is going to be more important than ever in a post-COVID scenario, as governments around the region have stretched to the limit the assistance they can provide to the private sector. FDI attraction is also going to be much more difficult post-pandemic – in this regard, this project can yield lessons for the wider region.

Another example of technical assistance to support diversification is Compete Caribbean's work with the Ministry of Blue Economy and Maritime Affairs in Barbados to define instruments that can stimulate the growth of a blue economy private sector.The economic diversification projects that Compete is supporting have taken more urgency during the current COVID uncertainty, as governments around the region seek to stimulate economic activity that can make up for the shortfall in tourism revenue.

Data and knowledge generation for policy or regulatory reforms. Compete Caribbean produces a comprehensive firm-level enterprise survey every 4-5 years that is representative of the economic structure of each of its 13 beneficiary countries. The survey allows policymakers and others to make inferences about the different variables that impact firm performance. The upcoming edition of the survey will have captured data of performance



Why should we care about blockchain technology in the Caribbean?



By Annie Bertrand
Coordinator of Productivity and Innovation in the Private Sector Pillar

Compete Caribbean was established by a consortium of donors[1] following four decades of declining growth in Total Factor Productivity (TFP) in the region. The purpose of the Compete Caribbean Partnership Facility (CCPF) which involves multiple collaborators across 13 beneficiary countries[2] is to drive inclusive and sustainable economic growth through greater competitiveness and innovation in the private sector.Strongresults were achieved during the first phase of the program – nearly 12,000 jobs created, a 23% increase in exports (USD$37M), and a 41% increase in the revenue of participating firms and clusters (USD$153M), as well as an improvement in the business climate for some countries through policy or regulatory reforms. Although similar instruments are being implemented in the second phase which began in 2017, the reactivation of the Caribbean post-COVID requires strategic efforts to stimulate a much more innovative private sector.

Interestingly, the Caribbean region has made major investments in blockchain technology over the past few years in an attempt to leapfrog theregion into the fourth industrial revolution. Distributed Ledger technology a.k.a. blockchain networks presents a paradigm shift with unprecedented opportunities for small, and remote developing states. On one hand, it can significantly increase the efficiency of administrative procedures and facilitate compliance with regulations in both the public and private sectors. On the other hand, it can facilitate inclusive and cost-effective financial services to conduct business within and across borders, which is a pervasive obstacle to recovery during the pandemic. Moreover, important progress has been noticed in the Caribbean – each one of them creating a multiplier effect on the others. For example, skilled labour attracting Foreign Direct Investment (FDI), supporting Central Bank-issued Digital Currency,developing innovative start-ups, collaborating with government via regulatory sandboxes, etc. These factors create synergies that Compete Caribbean can leverage to stimulate reactivation and diversification of the economy. In 2019, Compete Caribbean launched the Caribbean Blockchain Innovation Initiative (BII) in collaboration with IDB Lab's LACChain. The BII is an innovation challenge seeking to (i) raise interest about the value of blockchain as an innovative technology for inclusive and sustainable economic growth in the region; and (ii) build a pipeline of projects that can be funded to pilot the application of blockchain solutions to Caribbean problems. These efforts combined with others described below are contributing to an innovation hub that can build the foundation for exponential growth in the region.

Successful innovation hubs and clusters such as Silicon Walley tend to emerge from the private sector because of a comparative advantage or due to the pain of a problem that is greater than elsewhere. The context of Small Island Development States (SIDS) has mobilized a new generation of innovative entrepreneurs in the Caribbean

who understands the value of blockchain technology in addressing problems at scale. For example, more than USD$15 million has been invested in **Bitt.com,** a Caribbean social enterprise focused on building a digital payment ecosystem that is more financially inclusive. The company was started by two young Barbadians – Gabriel Abed and Oliver Gale – who were not discouraged by the challenges but motivated by a deep urge to help Caribbean people benefit from affordable digital transactions. Many other entrepreneurs and blockchain companies have been attracted to the region since. The government of Barbados and more recently of Jamaica, have established regulatory sandboxes to test the feasibility and risks of such technological innovation in a real-world but controlled environment. Moreover, the Caribbean Blockchain Alliance (CBA) was established in 2016 to advocate for digital change. 150 Caribbean blockchain professionals are involved in discussions on a regular basis with the hope to engage with regulators and accelerate digital transformation via education. The University of West Indies (UWI) responded swiftly to the rising demand for blockchain skills by collaborating with diverse employers to offer relevant blockchain workshops, bootcamps and Master degree courses for its students. According to the Blockchain Academy, there were 14 jobs open for each blockchain engineer in 2018, many of which can be accomplished from a remote location in the Caribbean at a fraction of the labour cost in developed countries. In the Bahamas, a Blockchain Business School was launched virtually with 400 students registered in 2020. Clearly, there is a momentum surrounding this technology in the Caribbean that is driving innovation far beyond the rising interest in bitcoin and other cryptocurrencies.

Blockchain technology is considered a disruptive innovation because it unleashed a new type of internet: the **internet of value.** While the World Wide Web enables the exchange of information, online blockchain networks enables the exchange of **assets** and **rights** in a peer-to-peer, safe, and reliable way. Distributed technology can make a difference because the information is recorded on different digital ledgers and protected by cryptography in such a way that it'snot possible for corrupted individuals or entities to tamper withrecords even years down the road.More robust and verifiable information associated to an individual also means that financial institutions and agenciescould relax the quantity of documents necessary to identify their customers. One of the most pervasive problems in the Caribbean affecting women and vulnerable groups disproportionally is the lack of financial inclusion. According to the World Bank, financial inclusion means that *"individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way."*

Blockchain applications to financial markets

Unfortunately, the region has been relying on correspondent banks outside the Caribbean for many years. This dependence of foreign financial institutions exasperates two problems. On one hand, the requirements from foreign entities to comply with "Know You Customer" (KYC) and "Anti Money Laundering" (AML) regulations are more stringent for individuals and businesses located in the Caribbean than in other regions[3]. This results in lengthier and costlier transactions for Caribbean MSMEs which in turn affects their global competitiveness (among other things). On the other hand, the settlement of currency transfers for trades between two Caribbean countries performed with US dollars inflates the cost of transactions unnecessarily because more entities and processes are involved. Empirical evidence suggests that the use of new technologies such as Distributed Ledger Technology (DLT) could help to lower Non-tariffs Trade Barriers (NTB) and promote trade[4]. Although attempts have been made in the past to facilitate direct settlements among members of the Caribbean Free Trade Association, no tangible progress has been observed thus far. The use of blockchain technology has now been proposed as an innovative solution to enable multiple digital currency swap agreements within the region.

Smart contracts are considered as an option to address the challenges of transactions for Caribbean trade. A working group of central banks, regional and multi-lateral agencies, and subject matter experts was established in 2019 to explore such possibility. A conceptual framework was designed and the Caribbean Settlement Network (CSN) is currently being formalized to facilitate regional dialogues. Although the technology and human capital are available, political will and leadership from central banks are critical to progress forward.

Luckily, some of the most innovative central banks in the world are located in the Caribbean - The Central Bank of The Bahamas and the Eastern Caribbean Central Bank (ECCB) are both far advanced in their use of blockchain technology to issue Central Bank Digital Currency (CBDC).In the OECS for example, the ECCB estimates that 80-90% of transactions are conducted in cash or check so digital currency accessible by the market at the base of the pyramid can unleash the potential for e-commerce and exports. It will also drive a demand for new value-added applications and interoperable systems which will open doors to innovative start-ups and accelerate digital transformation. This disruptive technology certainly creates hope for offering an alternative to the correspondent banking system at lower cost, thereby removing the penalty that Caribbean MSMEs have been paying as a result.

Blockchain applications to labor markets

Distributed technology also enables institutions located in different countries to have access to specific information on a digital network to validate the identity of the owners and to transfer ownership officially. Thishas important implications for Caribbean people and businesses operating in multiple jurisdictions.For example, the courses offered via Continuing and Professional Education (CPE) programs such as those delivered by the University of the West Indies (UWI) Open Campus are creating new opportunities for skills development, self-employment, and job creation, which is critical in the context of a pandemic that requires economic diversification to recover post-COVID. However, it is currently difficult for distance learners to obtain a record of their academic credentials after completion of courses. Records released by the campuses across the region are managed in an analogue manner which creates important bottlenecks that can take months to resolve before certificates are issued (or retrieved if lost). Additionally, employers and other academic institutions within and beyond the region often require a validation from the issuing entity to protect against fraudulent certificates, which are increasingly used in the global market. Even in the case of a regional economic zone such as CARICOM where movement of labor is encouraged, it is still challenging for young professionals to transfer equivalencies and obtain or validate their certificates across islands in a timely fashion. In 2016, the UWI Open Campus piloted a digital credentialing initiative at small-scale to explore ways of addressing these problems. However, it is critical for the institution to deploy a trusted system that can secure privacy while being easily verifiable across borders. Two years later, the Caribbean Examinations Council (CXC) launched a successful credential project using blockchain technology by issuing digital certificates to a select group of 24,000 students from Barbados and Trinidad & Tobago. By November 2018, the CXC expanded this service to 16 territories in the wider Caribbean. This use case and other successful blockchain-based credentials initiatives across the region created the momentum needed for the UWI Open Campus to embark on a similar path towards digital transformation. In 2020, a proposal was submitted to Compete Caribbean via the Blockchain Innovation Initiative (BII) and was selected for funding. The project involves piloting a blockchain solution to help the UWI Open Campus create an ecosystem that facilitates digital certificates for 150,000 students and teachers. The new technology will eventually integrate the campuses that serve seventeen (17) countries in the Caribbean region.

Blockchain and climate disaster preparedness

Another interesting example of a blockchain use case which is particularly relevant for the Caribbean is parametric insurance. The impacts of climate change are being felt in the region as hurricanes become more frequent and intense. This is resulting in greater damage which is causing insurance premiums to soar. As a result, many households and small businesses are choosing to forego insurance altogether. Given the need for ready cash after a storm to restart economic activities on the ground, expanding access to affordable insurance that pays out quickly is a key objective for achieving climate resilience. With traditional indemnity insurance, policies cannot be disbursed until damage has been assessed which causes delays for disbursements that can take months and even years in too many cases.

To address the twin challenges of affordability and speed of pay-out, the Climate Resilience Execution Agency for Dominica (CREAD) together with the Blockchain & Climate Institute (BCI) have proposed a blockchain-based

parametric insurance product that provides a flexible and cost-effective way to help financially underserved populations, including homeowners and small businesses, to recover more quickly in the face of climate events. Parametric climate disaster insurance pays based on a predetermined calculation rather than as a percentage of damages. Such product has been available for just over a decade at the regional level via the Caribbean Catastrophe Risk Insurance Facility (CCRIF) but has been considered complex to administer for small businesses and households.

Using smart contracts on the blockchain, climate-related parametric insurance can be processed faster and cheaper as the distributed ledger technology enables effective validation of individuals and digital disbursements. Ultimately, the objective of this project is to increase the climate resilience of micro, small, and medium enterprises (MSMEs) by enabling them to restart their economic activities as fast as possible post-disasters. While households and vulnerable groups get their insurance-claim processed and disbursed quicky, they can spend and generate livelihoodsfaster. This innovative solution was the second project selected by the Investment Panel of Compete Caribbean via the Blockchain Innovation Initiative (BII).

Traceability, Blockchain and Exports

Most people understand the value of traceability because it does not only enable consumers to know what they are eating and where it comes from, but also prevents the risks of contamination when input comes from multiple countries. Cocoa for example, provides the seeds that makes the finest chocolate in the world. The variety found in the Caribbean countries has unique flavor profiles enriched by an impressive combination of plants, soil, and climate. These dry seeds are worth a lot in the international market but only if they are properly traced and not mixed up with molded or contaminated batches. IT professionals andengineers who work in blockchain technology recognize the value that decentralization, transparency, and interoperability provide in terms of traceability so many initiatives have tried to develop blockchain networks to facilitate traceability in recent years. However, the technology developed is most cases is not scalable because of the lack of common standards and practices. This has raised concerns about the feasibility and convenience of blockchain technology in addressing the opportunities for greater equity and efficiency identified.

One interesting hope is LACChain which was established by the IDB Lab in 2018 to avoid such fragmentation by generating an ecosystem of entities working together on common scalable networks that build on international standards. A consortium of Caribbean firms interested in traceability for cocoa, cotton and coffee was created in 2019 to work with the LACChain network on defining protocols on which blockchain companies can build more efficiently going forward. If they success at establishing common standards for the design, transference, and verification of credentials on blockchain, it will be a lot more efficient for diverse companies to develop innovative applications that will enable traceability of these products and many others. Fisheries for example is another area which traceability can play a key role in ensuring sustainability of stock over years.

In sum, blockchain technology can certainly not solve all problems efficiently but as the new internet of value emerge, it offers many other opportunities for inclusive and sustainable economic development. In a report published by IDB in 2020 called **“Self-Sovereign Identity: The Future of Identity[5]”,** Marcos Allende presents how the individual can actually have control overdigital credentials and assets acquired over a lifetime using digital wallets and blockchain networks. The opportunities that this disruptive innovation provide for more equitable society are end-less and that is why we should all care about it.

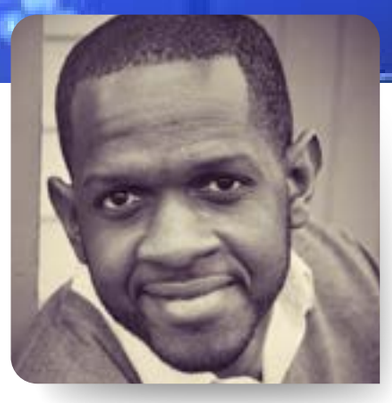
[1] Inter-American Development Bank, the United Kingdom’s Foreign, Commonwealth & Development Office, the Caribbean Development Bank and the Government of Canada
[2] Antigua & Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Kitts & Nevis, Saint Lucia, Saint Vincent & the Grenadines, Suriname, Trinidad & Tobago
[3] https://www.competecaribbean.org/documents/the-role-of-fintech-and-regulations-in-enabling-caribbean-msmes-to-grow-and-innovate/
[4] https://publications.iadb.org/en/caribbean-settlement-network-can-blockchain-ease-intra-regional-trade-caribbean, September 2020
[5] https://publications.iadb.org/en/self-sovereign-identity-future-identity-self-sovereignity-digital-wallets-and-blockchain



GOVERNMENT DIGITIZATION



Government Digitalization



By Kieron Swift PhD
Project Development Consultant

It is well understood thatinefficient government bureaucracy is a major impediment to growth and sustainable development in the Caribbean[2]. This situation presents many opportunities and challenges. Government transactions provide a critical interface between people, private sector firms and the State that allow each to fulfil their respective obligations and benefit from the rights associated with their status.

But first, “what is digitalization and how is it different from digitization”? Whereas digitization is the process of converting analog streams of information into digital form, digitalization is concerned with transforming various domains of social life so that they integrate digital information and communication technology infrastructure to collect data, analyze trends, improve efficiency and facilitate more informed decisions.

On average, 51% of government transactions undertaken in the Caribbean pertain to vehicles, identity or civil registration, whereas tax, social security and pension payments make up another 13%[3] . While men and women are generally equal consumers these transactions, for social programs women are twice as likely as men to be the participant. Across Latin America and the Caribbean, the bulk (89%) of all transactions is carried out in person, using paper-based processes. Given this statistic, it is no surprise that these transactions are slow (often due to the need for multiple interactions), time-consuming and generate significant transaction costs along with low customer satisfaction levels. Further, these costs impact the poor the most as they have the least flexibility (e.g. time off from work) and ability to forego lost income due to carrying out transactions.

Limited transparency, lack of standardized processes and knowledge silos that are centered on individual government departments also make these transactions rife with corruption, which also happens to be one of the factors that drives the high costs of government service provision; the others being personnel costs and physical inputs (office space and supplies).

The good news is that digital technologies provide opportunities for government and the private sector to generate innovations to make the delivery of public services easier. Digital transactions are:faster (by 74%, on average, when compared to equivalent in-person transactions); cheaper (shaving up to 5% offthe cost of their analog equivalents); and less vulnerable to corruption, due to being rule-based, traceable and impersonal.[4]

Nonetheless, despite the significant potential upside, the benefits ofdigital government transactions have been largely unrealized due to: low availability; lack of capacity (of both service providers and users); poor online user experiences; insufficient investment into improving online user experiences; and, lack of an 'open government' orientation.

There are core principles which should underpin all government digitalization initiatives, all premised on enhancing customer service:

- Assess the citizen experience and listen to voice of the customers
- Break down the silos by streamlining transactions and eliminating the unnecessary ones
- Promote openness and inter-operability across services, built on secure and consent-based digital data flow
- Redesign transactions with the citizen experience top of mind to facilitate maximization of opportunities and choice
- Facilitate increased access, especially to the most vulnerable in society
- Invest in high-quality face-to-face government transactions where necessary, recognizing that not all interactions can be delivered virtually
- Enable private sector innovation and delivery of value-added services on top of open public platforms

A selection of Compete Caribbean-funded projects that seek to improve the business climate through supporting government digitalization follows:

- Streamlining of Construction Permits in Antigua and Barbuda (RG-T3267)
- Leveraging Digital Technology for Improving the Business Climate in Belize (BL-T1110)
- Strengthening Capacity to Improve Trading Across Borders in Dominica (RG-T3257)
- Support for Business Climate Reforms in Grenada (RG-T3268)
- Implementation of a Secured Transaction Regime and Green Business Framework in Guyana (GY-T1141)
- Supporting the Implementation of a Business Climate Reform Program in Saint Lucia (RG-T3269)
- Streamlining of Business Registration in St Vincent and the Grenadines (RG-T3270 and RG-T3520)
- Modernization of the Land Registration System in Suriname (RG-T3126)

For more information on these and other projects, visit our website: **www.competecaribbean.org/**

[1] "Transforming the citizen experience: One Stop Shop for public services". PwC. (2012)

[2] "Wait No More: Citizens, Red Tape and Digital Government – Caribbean Edition". IDB (2019)

[3] Ibid

[4] Ibid

COVID-19

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TOURISM RECOVERY



CBT For a Post-COVID Environment

Every cloud has a Silver Lining



By Courtney Lindsay
Project Development Consultant

The Caribbean represents some of the most tourist dependent economies in the world, with shares of total employment in various countries ranging from 90.7% in Antigua and Barbuda to 50.2% for The Bahamas. These are just 2 of 4 CARICOM countries making the top 10 list for 2019. The Covid-19 pandemic has however severely affected the region's tourism sector, with CARICOM countries recording declines in arrivals ranging from -53.3% in Antigua and Barbuda and -69.1% in Dominica between January to August 2020 (CTO, 2020). Indeed, the International Monetary Fund (IMF) expects the Caribbean's real GDP to contract significantly (-17.3% for Antigua and Barbuda and -8.6% for Jamaica, for example) due to the economic impact of this steep decline in visitor arrivals.

However, there is an opportunity for Caribbean countries to build back better, faster. According to an October 2020 survey by Euromonitor, the pandemic has brought to the fore a growing demographic of travellers. This New World Traveller (NWT) is younger, less susceptible to Covid-19, and is ready to resume travelling. She is mindful of and concerned about the environment and the quality of life of those she encounters during travels. She is seeking out niche tourism experiences that align with her values. Specifically, she seeks authentic local experiences that offer value for money, are eco-friendly, and support local community development.

Many of the values of NWTs are directly aligned with Community-Based Tourism (CBT) , a key component of the work of Compete Caribbean Partnership Facility (Compete Caribbean) under the Pillar I instrument supporting the development of clusters and value-chains. Compete Caribbean has been working with the Caribbean Tourism Organisation (CTO) and countries across the region to develop CBT. This work has become even more critical to the region's recovery and, indeed, for the future growth of the tourism dependent economies of the region.



An Opportunity for Community Based Tourism – What the Studies Show

Magna Global conducted a study in April 2020 which indicates a silver lining for the Caribbean: there is a demographic of travellers interested in travelling to the region even before a COVID vaccine is available. They also wish to stay over in CBT type accommodations. One thousand, nine hundred and fifty-five respondents mostly within the 20-50 age group were asked how soon they would take a trip to the Caribbean if stay-at-home travel restrictions were lifted by June 15, 2020: 28.7% would wait for a vaccine, 16.8% would travel this Christmas, while 14.4% said they would travel right away. This contrasts with Europe as a destination: 42.4% of respondents wanted to wait for a Vaccine, 15.1% would travel for Christmas, and less than 10% would travel right away. The contrast is sharper still between Asia as a destination in comparison to the Caribbean: 66.1% preferred to wait for a vaccine, 12.8 % would travel this Christmas, and a negligible amount would travel right away. This indicates a preference for travel to the Caribbean during the winter season even if a vaccine is not yet available.

Not only are NWTs ready to travel, they also prefer stay-over tourism, as the pandemic has dealt a significant blow to cruise tourism. According to the Magna Global study, 60.6% of respondents will never take another cruise, while 26.3% will wait for a vaccine before they do. While this is good for major hotels, CBT enterprises such as homestays and villas will also benefit significantly, as most respondents (72.5%) would rather stay at small boutique hotels than larger ones, and 50% would now prefer to stay at a villa or home rental.

The NWTs are also ready to engage in CBT activities. According to a study by Euromonitor International commissioned by Compete Caribbean in 2019, 79% of American visitors to the region are willing to pay for CBT experiences once they became aware that they exist. Young, curious as well as more matured travellers are seeking authentic, traditional cuisines with foods grown locally in sustainable and natural ways. They are also interested in immersing themselves in local culture and experiences. This presents an untapped market for the region. For example, most visitors are willing to pay between USD 15-100 for traditional cuisine, while the average price charged for such meals is currently USD 10 – 15 (See Table I). Over half are willing to pay more than the asking price if they know the ticket price percentage that goes back to the community. They are also highly interested in wildlife, heritage sites, and festivals (see Table II).

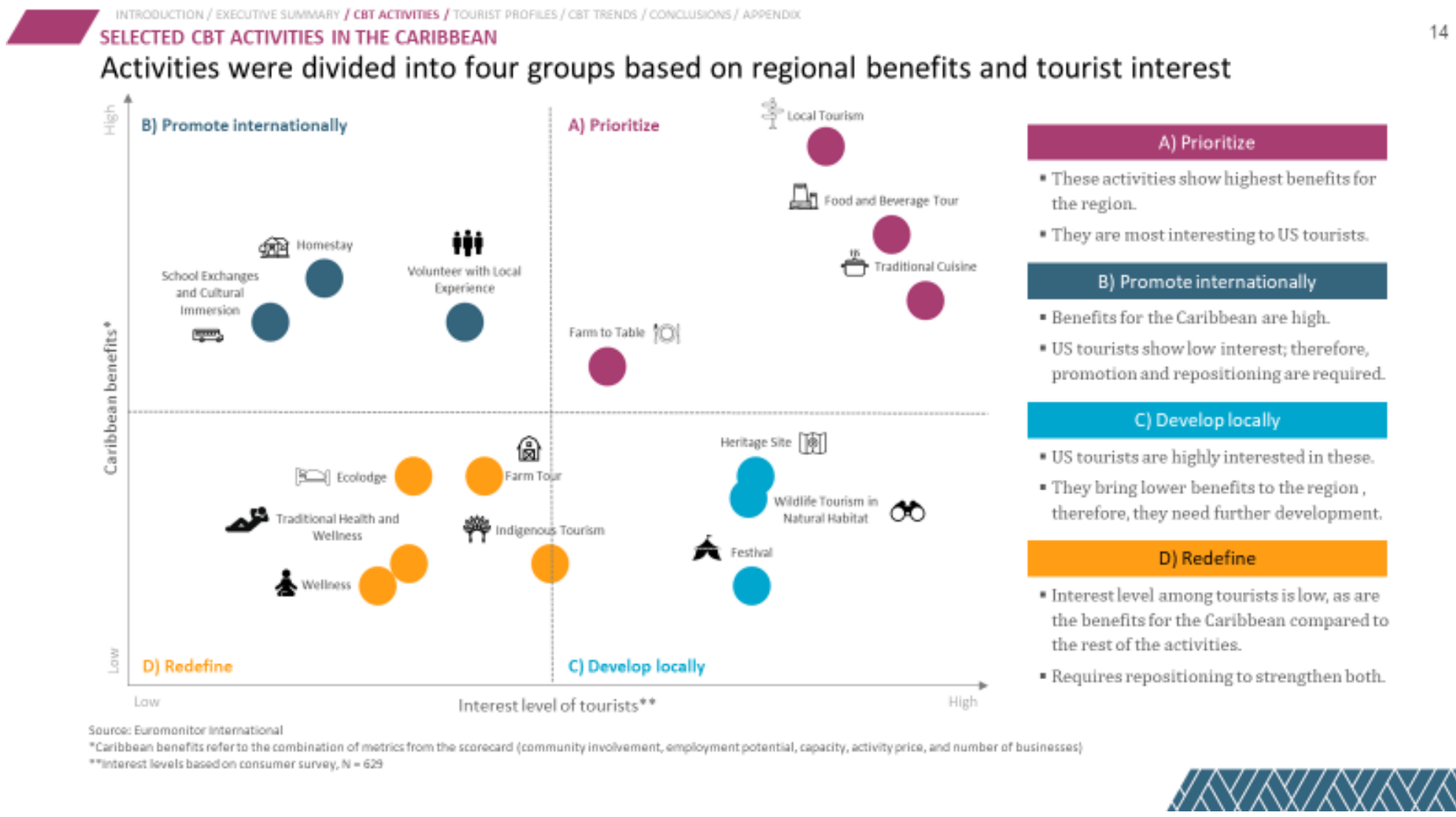
Table 1



Source: Euromonitor International based on consumer survey in the US (293 respondents for Traditional Cuisine) and trade interviews in the US and the Caribbean

© Euromonitor International

Table 2



A Justification for Community Based Tourism – What Compete Caribbean Partnership Facility is Doing

The findings of these studies have validated the push by Compete Caribbean to develop CBT across the region, and this work has shown itself to be even more critical as countries seek to build back better as we approach the post Covid-19 environment. Both studies point toward a new world traveller who is environmentally conscious, is pushing for economic sustainability (and even income inequality: in the Magna Global study, how hotels treated their staff after lockdown was a deciding factor for 70.8% of respondents), as well as environmental sustainability.

CCPF's ongoing work will position the region to move into the next frontier of tourism, and to position itself to take advantage of the growing demand for the economic and environmental sustainability offered by CBT. Below we outline how Compete Caribbean is positioning the region to rebuild its tourism sector for a post Covid-19 world:

1. Developing CBT across the region using a CBT Toolkit - In addition to the consumer research commissioned to Euromonitor which uncovered the market demand for products and services that can be offered by Caribbean micro-small and medium enterprises (MSME), CCPF developed a CBT toolkit to build the capacity of Caribbean entrepreneurs to provide market driven tourism products and services. The toolkit includes four different tools to achieve specific purposes. These are: i) A user-friendly business guide that provides simple financial tools to evaluate breakeven points and facilitate business decisions, ii) a diagnostic tool with a simple questionnaire to facilitate discussions among community members and determine the readiness of the community to attract visitors, iii) an asset inventory to help community stakeholders better understand the diversity and resources available which can be used to develop high value CBT experiences, and iv), a simple standardised template to capture the main attractions and experiences found in a particular community. The purpose is to help tourism agencies promote the wide diversity of CBT destinations at the national and regional levels. Compete Caribbean is promoting the tools in this toolkit widely in Caribbean countries to establish CBT in the region.

2. Instituting Digital Technology in CBT - Compete Caribbean is currently undertaking a pilot project in Barbados aimed at rolling out a digital booking and mobile points payment system. The CTO will analyse the results of this experiment to establish a strategy to foster greater digitalization and income generating opportunities for CBT in the Caribbean. The findings of the pilot project will enable the organisation and its member countries to better understand the challenges and opportunities involved in such digital innovation as well as important factors that must be taken into consideration by other stakeholders while implementing similar platforms in other Caribbean territories.

Digital payments and reservation systems are critical to help the region expand its tourism offerings in remote areas, thereby generating more revenues for small tourism enterprises. Indeed, going forward digital innovation will become the new engine that will drive the tourism sector. Sixty-six percent of consumers surveyed in the Euromonitor study are expected to be concerned about health and safety post-Covid-19. Contactless interaction using technology such as mobile payments and reservations will offer a healthier and safer environment as it will reduce or eliminate the use of paper money and point-of-sale machines that rely on physical contact.

3. Public Private Cooperation and Institutional Strengthening of Destination Management Organisations - Public-Private dialogue and institutional strengthening are also critical to tourism development and are areas in which Compete Caribbean is helping to develop CBT in the region. According to The Travel Foundation (a charity organisation that works in partnership with businesses and governments to spread the benefits of tourism among local people and protect the environment), public-private partnerships and cooperation are critical for the tourism sector going forward. Compete Caribbean embarked on a cluster capacity building effort involving regional entities working in tourism development and more than 50 Business Support Organisations (BSOs) from across the region. One hundred and twenty hours of training has been delivered and time spent on analysing and preparing cluster initiatives that leverage the potential of public-private collaboration. The Travel Foundation also sees the strengthening of Destination Management Organisations (DMOs) as an important means of developing CBT products and services and remodelling tourism for the future. Compete Caribbean has supported DMOs in CBT projects (for example, in Treasure Beach, Jamaica) and is on track to start this effort in the South Rupununi region of Guyana.

The regional tourism sector is set to rebound fully around 2024, but shifts have been detected and the industry will need to operate differently from its pre-COVID-19 form. Travellers will be seeking authentic, CBT experiences that are environmentally sustainable and support community development. Compete Caribbean's work in the sector in these areas was important prior to Covid-19 but is now critical if the sector is to build back better, and faster.



COVID-19

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COVID RESILIENCE STORIES



COVID Resilience Stories

Dominica Customs able to move online quickly during COVID thanks to Compete Caribbean Project



In November 2019, over 100 persons committed to participate in a (3) week Training Programme financed by Compete Caribbean and executed by the Customs and Excise Division of Dominica. The compliment of participants, comprised of Customs Officers, Customs Brokers, Tariff Clerks, Shipping Agents, couriers and civilians, gained immersive training in procedures, software and protocols in Customs Management Systems to improve their knowledge, skills and productivity.



Subsequently, in March 2020, the COVID-19 pandemic effected new regulatory and mandatory measures which has given rise to a new critical role for these newly trained persons in the maintenance and efficacy of cross border trading at this time. This training programme has effectively provided jobs for the participants and a source of income for families who have lost employment or prospects due to the pandemic.

Prior to the COVID-19 pandemic, the process for individual importers included a mandatory in person visit (by individual importers) to the Customs & Excise Department to clear his/her non-commercial imports with Customs Officials and the payment of import duties to the cashiers. (This procedure is only for non-commercial imports)

This process actively supported approximately **4,900 transactions per month.**



A mandate was given by the Comptroller of Customs and Excise, Dominica, effected in response to the COVID pandemic, in March 2020, for courier agents and small package consolidators such as **FedEx, DHL** and **Ezone** to become responsible for the completion of the processes (duty declarations and payments) on behalf of the individual importers (ie their customers), in an effort to reduce physical contact, crowding and encourage physical distancing.

Under this new mandate, the agencies and consolidators, who successfully completed the **Compete Caribbean** funded training programme made a smooth and seamless transition to the new

The program is funded by the Inter-American Development Bank (IDB), the United Kingdom's Foreign, Commonwealth & Development Office (FCDO), the Caribbean Development Bank (CDB) and the Government of Canada.

COVID Resilience Stories





protocols. The companies that did not participate in the training were forced to subcontract the trained personnel to remain in operation or sustain losses.

In effect, the training programme enabled a seamless transition to low contact declarations and payment for non-commercial goods, which may have equally contributed to significantly lowering the incidence of COVID-19 infections among the population in Dominica. Equally, the training programme improved the adaptation of new systems required to expedite the handling of critical imports of food items, medical supplies and other emergency supplies.

The Training Programme has been a boost in morale, two previously unemployed individuals who completed the training have since become qualified Customs Brokers. Other successful participants, who were agents or couriers, are supplementing their income through additional Customs-related work opportunities that have emerged thanks to the training program and the decision to migrate services online.

The Training Programme has also served to reinforce the adherence of strict environmental protocols.

Dominica has banned the import of Single Use Plastics. With the outbreak of the pandemic there has been a dramatic increase in single use plastics by consumers in many countries. The modules of the training programme include a focus on banned items and the classification of biodegradable plastics. This training programme therefore reinforces and protects the integrity of Dominica's ban on single use plastics thereby supporting environmental preservation.

The Customs & Excise Department (CED) operates an Enhanced Facilitation Programme with (20) approved companies which allows approximately 80% of their declarations to be channeled through the Green Lane. The CED has indicated that the there is a greater level of confidence in the execution of procedures and the efficacy of the Enhanced Facilitation program as (15) of these companies and their brokers have participated in the **Compete Caribbean** funded training programme.

The program is funded by the Inter-American Development Bank (IDB), the United Kingdom's Foreign, Commonwealth & Development Office (FCDO), the Caribbean Development Bank (CDB) and the Government of Canada.

COVID Resilience Stories

A Story of Grenadian Flowers



By Aine Brathwaite - Cluster Manager

A story of two women, two families on each extreme side of the flower spectrum in Grenada. But both with one aim – to develop their flower producing business so that it can support their families in the long-term. Meet the Mathurines and the Charles, two Grenadian families who love growing things and have decided to focus their time on building up their floriculture businesses.



Rachael Mathurine



Thaddeus and Rachael Mathurine in their flower arranging room.

Meet The Mathurines

The Mathurines live in the suburbs of St George's, the capital town of Grenada. Both Rachel and her husband, Thaddeus, a retired couple in their late 50's, have established a retirement business called 'Marie Rose Gardens' to help support them in their golden years. Together with one of their daughters, Antonia, they have lovingly developed a world of anthuriums along with other exotic tropical flowers with which they create arrangements and supply cut flowers to other arrangers.

All university graduates, no one has any agricultural training but a love of flowers inculcated by older members in the family led them to identify flower growing as a viable business and activity for their aging years. It was also an opportunity to leave a lasting legacy to their daughter who had majored in Business and Finance at St George's University. Rachael spoke of her grandmother whose influence impacted her greatly. "Before the days of oasis, my grandmother used to use chicken wire and stones." She credits her as the root of the development of the business and remembered when they started the business with forty (40) plants which they had purchased from two other growers in the cluster, Monique and Joanne Noel.

Over the years they decided to focus on anthuriums and in 2019, purchased a significant amount of plant material from Holland. They imported different colours as they discovered that the market calls for different colours at special times of the year. "For example," she said, "February is Valentine's Day so there is a big call for reds and in June, brides like white". "We can't always meet demand", she stated, "and that is why we are looking forward to this Compete Caribbean cluster project because it is going to help us be more efficient and the webinars in particular will help us to improve our knowledge about growing, dealing with pests, just plant management generally."

With all the available land around their house covered in greenhouses and plans to add additional acreage further down the road, Rachael and Thaddeus Mathurine are well on their way to continuing to build their success story.



Antonia Mathurine in protective gear while spraying the Anthuriums.





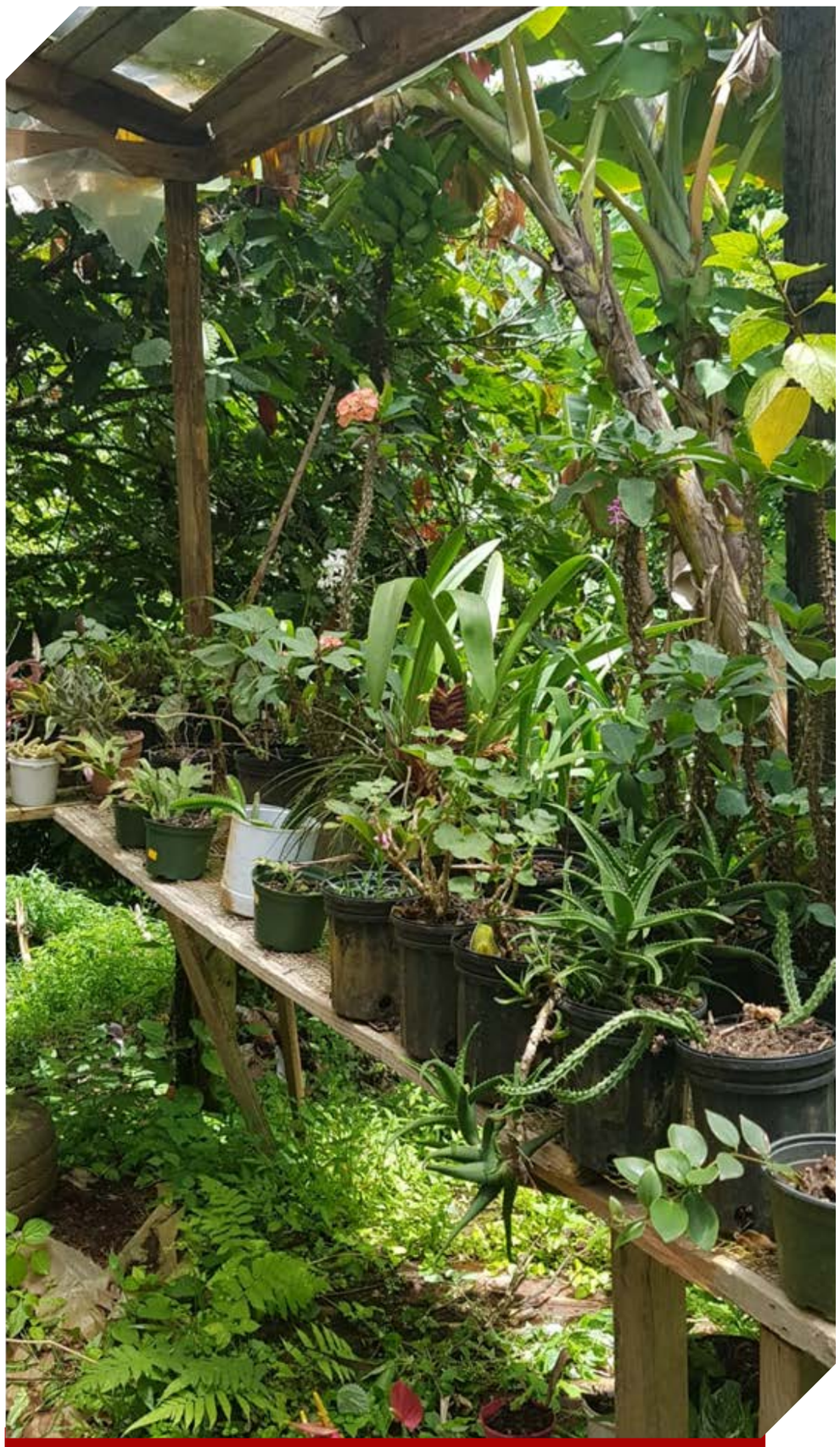
"Before the days of oasis, my grandmother used to use chicken wire and stones."



Kivette Charles



Kivette Charles with husband, Adrian.



Greenhouse storage area for plant stock.

Meet The *Charles*

At the other end of the spectrum, here we have Kivette and her husband, Adrian, a young couple who live in the lush, rural area of Birchgrove, St. Andrew in the mountainous centre of the island. Driving through narrow roads, climbing up to the village of Upper Capitol, we drove with Kivette to their two-acre property. Kivette has her Masters in Strategic Management and has worked in finance but is presently unemployed. Both herself and Adrian are driven to build their floriculture business, 'Bees and Blooms' and are looking forward to the project to assist them as a start-up to ensure that the business does not suffer the fate of many small businesses. The Marketing Strategy will assist them in determining the types of plants and colours that they should plant while the Supply and Demand Mobile App will assist in quantifying the number of plants that should be planted and the varieties. They are also eagerly awaiting the start of the agricultural webinars which will assist them to build their knowledge base. Kivette told me "The synergy from the older producers with the younger producers can help us to motivate ourselves and push on despite the negatives we are encountering now due to the effects of the Coronavirus."

Kivette with Cluster Manager in Greenhouse.

Together we achieve more



Land to be converted to flowers.

“We are looking forward to the older folks passing on their knowledge. Right now we are just building up our plant stock.” One of their biggest challenges right now is funding. She added, “As a young person with all other financial responsibilities, I have to prioritize them but the project still has to come to fruition. This Compete-funded project will help me to focus and give me that motivation to keep on going. We have a lovely piece of land, and I can start small but we have a plan and that plan will be made more workable with the technical inputs from Compete.”

So, what do the both couples have in common? The big one is teamwork, husband and wife, working together to achieve a dream, a dream that based in reality will provide them with revenue to support their lifestyles. They mirror the qualities and characteristics of their Grenadian cluster -
Together we achieve more.

Twenty One (21) Families will benefit from this Floriculture Project.

Compete Caribbean is a private sector development program. One of the components is providing technical assistance to support clustering initiatives in the Caribbean region. The program is funded by the Inter-American Development Bank (IDB), the United Kingdom’s Foreign, Commonwealth & Development Office (FCDO), the Caribbean Development Bank (CDB) and the Government of Canada.

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