# Calling all Clusters — grant funding up for grabs

By **Catherine Morris** - June 18, 2019

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Going it alone in today's challenging business environment is tough. Especially in the Caribbean where small businesses struggle to secure funding, resources and market access. For the region's SMEs, it's often a better strategy to work as part of a team, coming together with other firms in a particular industry niche to improve productivity, increase negotiating and bargaining power or simply realise cost savings by pooling resources.

The Inter-American Development Bank (IDB) defines clusters as "a productive agglomeration aiming at exploiting local linkages to generate and strengthen competitive advantages". It can apply to firms who collaborate on marketing strategies, a company that offers training schemes to another's employees or a business that joins with an academic group for research and development.

***Visit Compete Caribbean's website for more information: http://competecaribbean.org/news/call-for-cluster-proposals-2/***

Caribbean businesses that have formed these types of clusters can now receive a financial boost, thanks to the Compete Caribbean Partnership Facility (CCPF) which is currently on the hunt for well-devised, sustainable, innovative and competitive networks in need of

technical support. Up to $300,000 is up for grabs in this round of grant funding which is available to applicants from 13 countries around the region, including Saint Lucia.

**How to apply**

The CCPF is looking for clusters of three or more private sector firms who have joined forces to increase their competitiveness. Entrants can also include government agencies and educational or research bodies. Applicants must submit an application form together with three appendices including details of the project, a letter of confirmation and proof of legal incorporation. A short video or presentation is optional but can be included to help the judges get a better understanding of the cluster and how it operates. Deadline for submissions is midnight on July 1.

An independent panel comprised of representatives from both the public and private sectors will review the applications and make a recommendation to the IDB (which supports the CCPF) on which projects should receive funding. In December eight chosen firms will have an opportunity to present their pitches in more detail and devise a plan for how exactly the grant will be disbursed. Grants are a maximum of US$300,000 and will be used for consultancy services covering business development, process re-engineering, research and development, market research and cluster management. They will not financially support the entire endeavour, however; participants must show they can provide 20 per cent of the project budget, with the CCPF funding making up the remaining 80 per cent. The scheme is set to begin in 2020 and run for 24 months.

**Success stories**

Uptake of grant funding in the Caribbean is generally poor, despite the many support mechanisms available. Some companies are unaware of what opportunities are out there; others are unwilling or unable to do the work involved in securing funding. Development agencies are keen to find projects with the best chance of success but this often requires an onerous and/or lengthy application process. For self-employed entrepreneurs and small businesses, time is money and they may not have the resources to compile a detailed pitch. But proactive businesses who are willing to invest in taking a chance can reap big rewards.

This is not the first grant call for Compete, which has invested in several significant projects in the region. In 2014 Compete granted the Belize Shrimp Growers Association US$500,000 to assist it in gaining the Aquaculture Stewardship Council international certification, opening up more markets for the Belize shrimp growers and making the entire industry more competitive on the world stage. Since it gained accreditation, the cluster has grown its total exports from

US$ 20mn to US$ 45mn and enjoyed a 101 per cent increase in annual sales. According to Compete, cluster employees grew their annual incomes by 46 per cent and 170 new jobs were created. From 2014-2016 Compete supported hoteliers in Grenada with a US$500,000 grant to develop the country’s Geotourism Destination Management Plan. This strategy, led by the Grenada Hotel and Tourist Association, involved a rebranding, a public awareness

campaign and implementing a Community Mapping app which allows tourists to use their mobile phones to locate sites and services across the island.

Compete's previous cluster call, in November 2017, saw 91 applications. The eight finalists included a community-based tourism group in Suriname, a project to digitise Jamaica's outsourcing industry and agri-tourism tours in Grenada. None of the finalists was from Saint Lucia. To try to encourage uptake in the island, Compete and Export Saint Lucia (formerly TEPA) hosted a cluster workshop in February 2018 as Export Saint Lucia became one of ten Business Support Organisations from the Caribbean selected to receive training on how to build cluster networks.

A team of CCPF consultants is working with Export Saint Lucia on how to generate employment and export growth through clusters, looking specifically at marketing, business development and market penetration. Commenting at the time, Export Saint Lucia's former CEO Jacqueline Emmanuel-Flood said, "It is imperative for TEPA (now Export Saint Lucia) to be proficient in understanding cluster dynamics, managing clusters and playing a meaningful role in promoting a business environment in which clusters can thrive."

Assisted by Compete, Export Saint Lucia is currently drawing up a capacity enhancement plan on cluster implementation. The agency says it has already initiated several clustering arrangements in different areas including human resources, process improvement, technology upgrades, commercial collaborations and product development. For more information on the current cluster call, visit the Compete Caribbean website, competecaribbean.org.

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