

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**REGIONAL**

**COMPETE-CARIBBEAN**

**PROGRAM TO SUPPORT PRIVATE SECTOR DEVELOPMENT  
& COMPETITIVENESS IN THE CARIBBEAN**

**(RG-X1044)**

**GRANT PROPOSAL**

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  14. UNIDO – Industrial Development Report 2009  
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<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?Docnum=35075697>
  18. PCR – PERU, *Programa de Reforma de Competitividad* (Loan 1503/OC-PE) 2008  
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<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?Docnum=35075699>
  20. Logical Model  
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  21. Bank Supported Competitiveness and Private Sector Development Projects and Selected Results  
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?Docnum=35075701>
  22. ILO, The 2008 Reader on Private Sector Development – Measuring and Reporting Results  
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?Docnum=35075702>
  23. Interdivisional Collaboration: SCT  
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  25. EICF Workflow and Detailed Operational Manual (Oct. 2009)  
<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?Docnum=35075705>
  26. General Guidelines for Submitting Applications  
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  27. Project Concept Note Template

<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?Docnum=35075707>

28. Risk Assessment Matrix

<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?Docnum=35075708>

29. Holden, P. and H. Howell, "Institutions and the Legal Framework for Business Development in the Caribbean". CMF Private Sector Discussion Paper #3.

<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?Docnum=35075695>

30. Interdivisional Collaboration: SCF

<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?Docnum=35075838>

31. Interdivisional Collaboration: OMJ

<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?Docnum=35075863>

32. Safeguard Policy Filter and Safeguard Screening Form for classification of projects

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## ABBREVIATIONS

BCG	Binding Constraints to Growth
BCCE	Business Climate and Competitiveness Enhancement Facility
BDS	Business Development Services
CAN	Canadian Dollars
CARICOM	Caribbean Community
CARIFORUM	Caribbean Forum
CARTFUND	Caribbean Aid for Trade and Regional Integration Trust Fund
CC	Compete Caribbean
CCB	Country Department Caribbean Group
CCIP	Cluster Competitiveness Improvement Plan
CDB	Caribbean Development Bank
CIDA	Canadian International Development Agency
COF	Country Office
COFAB	Co-financing Contributions Administered by the Bank
COTED	Council of Ministers for Trade and Economic Development
CPSD	Comprehensive Framework for Private Sector Development
CSME	CARICOM Single Market and Economy
DFID	UK's Department for International Development
DFS	Direct Firm Support
EICF	Enterprise Innovation Challenge Fund
EC	Executive Committee
EPA	Economic Partnership Agreement between the EU and CARIFORUM
EU	European Union
FTE	Full Time Equivalent
GCR	Global Competitiveness Report
HQ	Inter-American Development Bank's Headquarters
IBP	Innovative Business Project
ICF/CMF	Capital Markets and Financial Institutions Division at the Inter-American Development Bank
IDB	Inter-American Development Bank
IFC	International Finance Corporation
IFIs	International Financial Institutions
ILO	International Labour Organization
IMF	International Monetary Fund
IP	Investment Panel
IRR	Internal Rate of Return
KMP	Knowledge Management Program
LAC	Latin America and the Caribbean
M&E	Monitoring and Evaluation
MDG	Millennium Development Goals
MIF	Multilateral Investment Fund
MSMES	Micro, Small, and Medium Enterprises
NCS	National Competitiveness Strategy
NGO	Non-Governmental Organization

NPV	Net Present Value
NSS	National Strategic Sector Studies
ODA	Official Development Assistance
OECS	Organization of Eastern Caribbean States
OR	Operating Regulations
OVE	Office of Evaluation and Oversight
PAG	Program Advisory Group
PCN	Project Concept Note
PCU	Program Coordination Unit
PEP	Program Execution Plan
PDP	Productive Development Policy
PM	Program Manager
PMES	Program Monitoring and Evaluation System
POA	Annual Operating Plan
PPD	Public-Private Dialogue
PPD-TU	Public-Private Dialogue Technical Units
PPP	Public Private Partnership
PSD	Private Sector Development
PSDP	Private Sector Development Program
PSDS	Private Sector Development Strategy
RCF	Regional Consultative Forum
R&D	Research and Development
SCI	Support to Clustering Initiatives
SIDS	Small Island Developing States
SME	Small and Medium Size Enterprise
TU	Technical Unit
UK	United Kingdom
UNIDO	United Nations Industrial Development Organization
UNDP	United Nations Development Program
USAID	United States Agency for International Development
VPC	Vice-presidency for Countries
VPP	Vice-presidency for Private Sector
VPS	Vice-presidency for Sectors
WEF	World Economic Forum
WTO	World Trade Organization

**PROJECT SUMMARY**  
**REGIONAL**  
**COMPETE CARIBBEAN: PROGRAM TO SUPPORT PRIVATE SECTOR**  
**DEVELOPMENT & COMPETITIVENESS IN THE CARIBBEAN**  
**(RG-X1044)**

<b>Terms and Conditions</b>		
Beneficiary countries:	Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominican Republic, Dominica, Grenada, Guyana, Haiti, Jamaica, St Lucia, St Kitts and Nevis, St Vincent and the Grenadines, Suriname, and Trinidad and Tobago.	
Direct beneficiaries:	Government agencies, chambers of commerce, universities, regional organizations and private sector entities in these countries.	
Executing agencies:	The Bank (components 1, 2, and 3.1) and individual private sector entities (component 3.2).	
Execution and Disbursement period	60-72 months	
Source*	Amount	Percent
DFID - COFAB non-reimbursable	£8,656,000	43%
CIDA – COFAB non-reimbursable	CAD 20,000,000	57%
<b>Project at a Glance</b>		
<p><b>The ultimate goal</b> of the program is to foster sustainable economic growth and enhance competitiveness in the Caribbean.</p> <p><b>The specific objective</b> of the program is to have: (i) increased consensus and focus on strategic interventions to promote private sector development; (ii) improved enabling environment for business development, trade and integration; and (iii) enhanced capacity of clusters and firms to increase productivity and to sustainably compete in national, regional and global markets.</p>		
<p><b>Special contractual clauses:</b> None</p> <p><b>Conditions prior to first disbursement:</b> Evidence that the PAG has approved the Operating Regulations (OR) is a condition prior to first disbursement. (See paragraph 3.7).</p>		
<p><b>Exceptions to Bank policies:</b> An exception to Bank’s current procurement policies is requested for approval by the Board of Executive Directors so that goods and services providers from non-IDB member countries may participate in the procurement processes for activities to be financed exclusively with resources contributed by DFID and/or CIDA, provided that the country of origin or domicile of such providers are eligible by DFID and/or CIDA as the case may be. (See paragraph 3.13)</p>		
<p><b>Project consistent with regional strategy:</b> Yes<input checked="" type="checkbox"/> No <input type="checkbox"/></p>		
<p><b>Project qualifies for:</b> SEQ <input type="checkbox"/> PTI <input type="checkbox"/> Sector <input type="checkbox"/> Geographic <input type="checkbox"/> Headcount <input type="checkbox"/></p>		
<p><b>Procurement:</b> The procurement of works, goods and consulting services shall be carried out in accordance with the Procurement Policies and Procedures of the Bank pursuant to documents GN-2349-7 and GN-2350-7.</p>		

\*These resources will be available subject to the approval to this operation by the Board of Executive Directors, and the signature of the “Administrative Arrangements”, one with DFID and one with CIDA.



## I. DESCRIPTION AND RESULTS MONITORING

### A. Background, problems addressed and justification

- 1.1 The average economic growth of Caribbean countries in the last four decades has been moderate. Over this period the region has undergone tremendous changes in terms of a general move away from dependence on agriculture to more service based economies, a move towards regional integration by establishing a Caribbean Community (CARICOM) and closer ties to the global economy.
- 1.2 Over the period 1960 to 2005, the rate of growth of Caribbean economies as a group was consistently greater than that of Latin America, with growth of per capita GDP averaging 2.4% compared to 1.45% in Latin America, but lower than the 5.2% recorded by the more dynamic economies in the East Asia and Pacific region. More importantly, there has been a worrying trend of declining growth rates since the end of the 1970s, with growth in per capita GDP moving from an average of 3.9% in the 1970s to 1.7% in the first six years of the 21st century.
- 1.3 Most of the small and open Caribbean economies have been significantly affected by the global economic and financial crisis through falling export demand, reduced tourism receipts and the liquidity crunch observed worldwide. Additionally, for the commodity-exporting economies, the crisis-related external shock has been aggravated by lower commodity prices. The region has faced severe economic difficulties with an estimated average growth of -1.3% in 2009.<sup>1</sup>
- 1.4 Even without the burden of the global downturn, the greatest economic challenge confronting the Caribbean is defining new areas of competitive advantage. Market diversification is especially limited. In many cases the top three merchandise exports account for 70% of a nation's totals. Merchandise exports have typically been low value-added commodities like bauxite, oil, and sugar. Service industries like tourism and finance now dominate but they face strong competition.
- 1.5 The region's recently-signed Economic Partnership Agreement (EPA) with the European Union will give Caribbean economies greater access to European markets, but the benefits derived from free trade will be neither achievable nor sustainable without public and private sector improvements in national and regional competitiveness.<sup>2</sup> On the one hand, governments will have to play an active role by offering transparent laws and regulations, a stable macroeconomic environment and fostering a business climate that promotes private sector development (PSD). On the other hand, the private sector will need to be strengthened to encourage inter-firm collaboration, entrepreneurship, diversification, innovation, and value added exports.<sup>3</sup>
- 1.6 Competitiveness is of particular importance for small states if they are to overcome the inherent limitations posed by their size and take advantage of global

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<sup>1</sup> World Economic Outlook, October 2009.

<sup>2</sup> See optional link 5: Measuring Competitiveness of Selected CARICOM Countries.

<sup>3</sup> For a complete discussion of sectors see optional link 4: Opportunities for Growth in the Caribbean.

- trade. An assessment of the competitiveness performance of the countries included in The Global Competitiveness Report 2009-2010 shows that even though there are significant variations among CARIFORUM countries, they all reflect persistent constraints in the business climate, market size, state of cluster development, and business sophistication.<sup>4</sup> Additionally, innovation and entrepreneurship were recognized as the central binding constraints to growth.<sup>5</sup>
- 1.7 Governments, regional institutions and private sector organizations recognize the need for greater strategic and technical coordination among PSD programs and the need for simple mechanisms to improve access to PSD support resources.<sup>6</sup>
- 1.8 **Regional strategy.** The program is closely linked to the Bank's Regional Strategy for CARICOM (2007-2010).<sup>7</sup> This strategy proposes to (i) eliminate remaining restrictions to the free flow of goods, services, capital and people within the CSME; (ii) align regional and global integration agendas; (iii) move from protection to adjustment support to help disadvantaged countries adjust to intra-regional liberalization, without compromising liberalization itself; and (iv) facilitate private sector development within a more liberalized trading environment. While the program is primarily intended to address the fourth objective, it will also contribute to achieving the others.
- 1.9 **Donor Collaboration.** Canada and the UK are among the most important bilateral donors in the Caribbean, supporting programs in all key areas of economic and social development. The Bank is the main source of multilateral funding to the region, with substantial expertise and experience in designing and executing projects in different areas of private sector development and competitiveness in LAC.<sup>8</sup>
- 1.10 Implementing the Rome Declaration on Donor Harmonization, and the Paris Declaration on Aid Effectiveness, the Canadian International Development Agency (CIDA), UK's Department for International Development (DFID) and the IDB, working together, have the opportunity to: (i) support the development of a larger, more comprehensive private sector approach to address the growth challenge across the region; (ii) increase the development impact of private sector development projects under a joint program; (iii) minimize transaction costs of designing and managing separate programs; (iv) simplify the process of accessing funding by providing regional institutions, governments, NGO and firms a single entry point; and (v) enhance the program's visibility and achieve support from governments and private sector organizations.
- 1.11 In order to involve other bilateral donors and IFIs, in 2008 the Bank promoted the establishment of a PSD Donor Harmonization Group for the Caribbean region. The objective is to increase the impact of the donors' many regional PSD projects

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<sup>4</sup> See optional link 5: Measuring Competitiveness of Selected CARICOM Countries.

<sup>5</sup> See optional link 6: Binding Constraints to Growth in the Caribbean.

<sup>6</sup> See optional link 7: Restoring Economic Stability: The Way Forward in the Caribbean.

<sup>7</sup> See optional link 8: IDB Regional Strategy for Support to the Caribbean Community (2007-2010).

<sup>8</sup> See optional link 9: Institutional Mapping of PSD programs implemented by Development Agencies in the Caribbean. See also optional links 23, 24, 30 and 31 for examples of Bank collaboration.

by sharing information and lessons learned and promoting synergies.<sup>9</sup> The Compete Caribbean Program contemplates specific activities for PSD donor coordination and collaboration at the country as well as regional level. The program will also coordinate with other financing mechanisms like the CARTFUND and the CARICOM Development Fund.

- 1.12 **Lessons learned from other PSD projects.** An analysis of 10 countries that experienced sustained, long-term economic growth (Australia, Czech Republic, Finland, Ireland, Malaysia, New Zealand, Republic of Korea, Singapore, Spain and Sweden) shows that a key success factor for structural transformation and export-led growth was a public-private alliance to agree and commit to a medium- and long-term strategy that promoted competitiveness and productivity growth. These strategies all emphasized a public-private consultation process, an examination and assessment of key opportunities for market positioning, and an analysis of the main constraints that must be overcome, reduced or removed.<sup>10</sup>
- 1.13 A USAID assessment of competitiveness projects in 26 countries shows five common project components: (i) cluster development to re-position industry; (ii) strategic reforms of policies, laws and regulations; (iii) changing the dialogue, between the private and public sectors and within the private sector; (iv) developing partnerships, both private-public and private-private; and (v) improving understanding and support for global competitiveness.<sup>11</sup> The lessons learned from this evaluation and from “The Cluster Initiative Greenbook”, which surveyed 238 cluster initiatives globally, are the need to link clustering projects with business climate reforms as well as the need for establishing public-private dialogue.<sup>12</sup>
- 1.14 In 2003, the Bank’s Office of Evaluation and Oversight presented a report that evaluated 100 MIF projects on Business Development Services (BDS). Key conclusions are: (i) the Bank “could play a more catalytic role in its interventions in BDS by articulated interventions under a systemic approach”; (ii) “the effectiveness of micro-level interventions cannot be separated from the broader policy, and the broader policy cannot be successful without enterprise-level interventions.”; (iii) “demand driven projects using, for instance, matching grants have showed high levels of relevance”; (iv) “the consolidation of the BDS market would depend on identifying a target of small and medium-sized dynamic firms with a greater capacity to incorporate tailor-made services and gain economic benefit from them”; and (v) “by working in clusters and associating with bigger firms, MSMEs in the region have excellent opportunities for tapping synergies

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<sup>9</sup> All participating institutions (IDB, CIDA, CDB, DFID, EU, World Bank, USAID and UNDP) have agreed to develop a shared matrix of private sector operations in the region.

<sup>10</sup> Robert Devlin, Public-private alliance for structural change, productivity growth and closer integration with the world economy. (See optional Link 10).

<sup>11</sup> USAID, “Promoting Competitiveness in Practice-An Assessment of Cluster Based Approaches” (see optional link 11).

<sup>12</sup> See optional link 12: The Cluster Initiative Greenbook.

and complementarities that can lead to dynamic long-term comparative advantages in sectors close to patterns of productive specialization”.<sup>13</sup>

- 1.15 The Bank's experience with a similar competitiveness program in Peru provides the following lessons learned:<sup>14</sup> (i) broad and ambitious programs may suffer from a lack of priorities, therefore resources are spread too thinly; (ii) accomplishing fundamental change in the public-private dialogue process may take longer than the lifespan of a typical Bank program; (iii) the importance of a strong, well staffed executing agency cannot be overstated; and (iv) formal agreements between the executing agency and beneficiaries are useful but can take time to put into effect. There is a learning curve for both parties and, if recognized as such, can be surmounted quickly thus minimizing execution delays.

**B. Compete Caribbean: A Program to Support Private Sector Development and Competitiveness in the Caribbean**

- 1.16 In order to support private sector development and competitiveness in the 15 independent CARIFORUM countries, the Bank, in partnership with CIDA and DFID, will establish a program of technical assistance and investment funding for productive development policies, business climate reforms, clusters and SME development activities within a comprehensive private sector development framework. The partnership between CIDA, DFID and the Bank was chosen because such an approach will increase impact and minimize transaction costs.
- 1.17 Three options were considered for the design of the program: (i) a multi-faceted PSD program; (ii) a business climate program; and (iii) a trade support program. The ‘trade only’ approach would not be sufficient because the benefits deriving from free trade agreements are not achievable without public and private sector improvements to support national and regional competitiveness. The ‘business climate only’ approach, while important, would not be sufficient to increase competitiveness, as shown in a 2009 UNIDO report.<sup>15</sup> Thus a multi-faceted program that incorporates knowledge products, business climate reforms and clustering initiatives was chosen because it is expected to achieve the highest impact on productivity and growth, as confirmed by extensive consultations conducted across the region.
- 1.18 A cost-benefit analysis of the program based on experience with similar programs elsewhere found a positive NPV at three alternative discount rates and with a high IRR under the most likely scenarios. It is a very attractive investment for the three donors, generating an NPV of as much as US\$74 million at the central 10% real discount rate appropriate for the Caribbean.<sup>16</sup>

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<sup>13</sup> See optional link 13: OVE, Evaluation of MIF Projects: Business development services (2003).

<sup>14</sup> See optional link 18: PCR – PERU Programa de Reforma de Competividad (2008). See also optional link 21 for a summary of the Peru experience and results of other Bank Competitiveness and PSD projects.

<sup>15</sup> See optional link 14: UNIDO-Industrial Development Report 2009.

<sup>16</sup> See optional link 15: Compete Caribbean Economic Appraisal.

### C. Objective and structure of the program

- 1.19 The ultimate goal of the program is to foster sustainable economic growth and enhance competitiveness in the Caribbean. The specific objective is to have: (i) increased consensus and focus on strategic interventions to promote private sector development; (ii) improved enabling environment for business development, trade and integration; and (iii) enhanced capacity of clusters and firms to increase productivity and to sustainably compete in national, regional and global markets.
- 1.20 Program resources will finance projects and activities identified under each of its three components on a non-reimbursable basis in accordance with the criteria and procedures set forth below and in the [Operating Regulations](#).
- 1.21 Program's eligible beneficiaries will be governments, chambers of commerce, universities, regional organizations and legally established private sector entities in Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominican Republic, Dominica, Grenada, Guyana, Haiti, Jamaica, St Lucia, St Kitts and Nevis, St Vincent and the Grenadines, Suriname, and Trinidad and Tobago.
- 1.22 Given that gender mainstreaming, as well as protecting the environment are essential components of sustainable economic growth and poverty reduction, and in accordance with the Millennium Development Goals, the program will prioritize projects and activities that have a potential for positive impact on poverty reduction, gender-equality, and environmental sustainability.<sup>17</sup>
- 1.23 **Structure.** The program has been structured in three components, each providing grant resources for specific public/private sector development projects/activities:
- 1.24 **Component 1: Comprehensive Framework for Private Sector Development and Knowledge Management (US\$2.65 million).** The objective of this component is to: (i) increase regional and national consensus and focus on strategic and priority interventions promoting private sector development; (ii) increase the synergies among donor-supported PSD projects; and (iii) strengthen knowledge management to ensure the transmission of PSD best practices, evaluation of interventions' impact, and knowledge exchange with national and regional stakeholders.
- 1.25 **Sub-Component 1.1: Private Sector Development Strategies.** The objective of this sub-component is to develop Regional and National Private Sector Development Strategies (PSDS) for all participating countries, which will identify, guide and prioritize the set of interventions needed in each country and those needed regionally to improve competitiveness.
- a. **National Strategic Sector studies (NSS).** In order to develop projects to be financed under Components 2 and 3, prior to the formulation of a PSDS, the program may commission NSS focused on one or a few sectors.
- b. **PSDS.** In order to develop regional and national PSDS under a comprehensive framework, the program will finance the hiring of

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<sup>17</sup> See optional Link 16: Environmental and Social Management Strategy.

consultancy services to do analytical work and draft strategies that identify and prioritize productive development policies, business climate reforms and firm-level projects, which may be financed under Components 2 and 3.

- 1.26 **Sub-Component 1.2: Donor Matrix.** The objective of this sub-component is to develop a common database to increase information sharing, learning and coordination among PSD projects being financed by donors in each country and at the regional level. The program will finance consultancy services to gather information, develop and update the matrices, and disseminate findings.
- 1.27 **Sub-Component 1.3: Knowledge Management Program.** The objective of this sub-component is to guarantee the pertinence of the projects being financed by supporting initiatives to: (i) maintain an open dialogue with worldwide experts and relevant key thinkers and practitioners in the region in the areas related to the program; and (ii) regularly disseminate lessons learned from projects being implemented, including web-based methods. The program will finance the development and publication of analytical work and the organization of seminars.
- 1.28 **Project/activity approval process:** Once the Bank has received a formal request from eligible entities (governments or private sector organizations in the case of NSS; governments, in the case of national PSDS and donor matrices; and CARICOM Secretariat and OECS Secretariat for regional and sub-regional PSDS and donor matrices respectively), resources of this component will be used for the financing of activities up to a maximum of US\$500,000. The Program Manager (PM) will be responsible for approving the financing of activities up to US\$75,000 per activity, and the Executive Committee (EC) will be responsible for approving amounts above that level, to hire consultancy services and the procurement of goods.
- 1.29 **Component 2: Business Climate and Competitiveness Enhancement Facility (BCCE) (US\$9.90 million).** The objectives of this component are to: (i) implement productive development policies and business climate reforms; and (ii) foster public-private dialogue and strengthen competitiveness councils and their Technical Units (TU).
- 1.30 **Sub-Component 2.1: Business Climate and Competitiveness Enhancement Technical Cooperation.** The objective of this sub-component is to reduce or eliminate constraints to PSD. The program will finance technical work to support the drafting and implementation of policies and regulations, as well as institutional strengthening activities.<sup>18</sup>
- 1.31 **Sub-Component 2.2: Technical Assistance to support Public-Private Dialogue on Competitiveness.** The objective of this sub-component is to support Public-Private Dialogue, the establishment and strengthening of formal national competitiveness councils and their technical units, promoting equitable representation from government, private sector, civil society, trade unions and other relevant stakeholders. The program will finance goods, consultation workshops, seminars, technical work, and institutional strengthening activities.

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<sup>18</sup> See optional link 29: “Institutions and the Legal Framework for Business Development in the Caribbean”

- 1.32 Eligible entities for Component 2 are: (i) regional and national public agencies; (ii) chambers of commerce or other legally constituted private sector entities; (iii) universities and research institutions; and (iv) competitiveness councils.
- 1.33 **Project approval process.** Proposals for this component will be reviewed on a first come, first serve basis and approved in two stages. Stage 1: The Project Concept Note (PCN)<sup>19</sup> will be evaluated and approved by the PM. If the note is approved, the applicant may be eligible to receive up to US\$75,000 to prepare the project. Stage 2: The project proposal must be submitted to the PCU. The PM is authorized to approve projects costing up to US\$75,000, and the EC approves projects in amounts up to US\$500,000. Individual projects will be executed by the PCU in coordination with the beneficiary entities.
- 1.34 Selection criteria will include: (i) the coherence with the PSDS, NSS, or other existing development strategies; (ii) public-private commitment; (iii) the pertinence and technical capacity of applicant entities; (iv) ability to co-finance the project through in-kind and/or cash contributions; (v) the neutral or positive impact of the project on the environment; (vi) addressing gender equality issues; (vii) improved productivity; and (viii) employment creation.
- 1.35 **BCCE promotion.** To encourage demand for Component 2 in all participating countries, the following activities are planned: (i) professional services for project identification; (ii) seminars and workshops; (iii) publication of brochures and documents; (iv) public announcements and distribution of printed promotional materials; and (v) attending fairs and conferences.
- 1.36 **Component 3: “Enterprise Innovation Challenge Fund” (EICF) (US\$13.25 million).**<sup>20</sup> The objectives are to: (i) enhance the development of the productive sector, by supporting clusters and value chains to compete in regional and global markets; and (ii) increase the generation of employment and income by strengthening Caribbean businesses with resources to finance innovative ventures, develop new products, implement new business models, and enter new markets.
- 1.37 **Sub-component 3.1: Support to Clustering Initiatives (SCI).** The objective of this sub-component is to enhance the competitiveness of the productive sector by supporting clusters and value chains to compete in regional and global markets. The program will finance the development and implementation of Cluster Competitiveness Improvement Plans (CCIP), which include financing of goods and technical assistance to: (i) develop and upgrade products and services; (ii) innovate and improve productivity and quality; (iii) improve employee and managerial capacity; and (iv) access export markets and attract investments.

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<sup>19</sup> See Optional link 26: General applications guidelines, and link 27: Project Concept Note Template

<sup>20</sup> “Challenge Funds” are a Private Sector Development mechanism developed by DFID to allocate financial support to innovative projects to improve market outcomes with social returns. The Challenge Funds is not a Fund in itself -as a legal entity- rather a mechanism for the financing of specific projects. For more information see optional link 17: Introduction to Challenge Funds and optional link 25: EICF Workflow

- 1.38 Eligible entities for component 3.1 are: (i) consortia led by private firms, including universities, NGOs and community-based organizations; and (ii) chambers of commerce or other legally constituted private sector entities.
- 1.39 **Project approval and execution.** Proposals for this component will be reviewed on a first come, first serve basis and approved in three stages. Stage 1: The Project Concept Note (PCN) will be evaluated and approved by the PM. If the note is approved, the applicant may be eligible to receive up to US\$75,000 to prepare the CCIPs. Stage 2: CCIPs will be submitted to an independent Investment Panel (IP) (¶3.5) for a recommendation on whether to fund the project or not. Stage 3: Based on the IP's recommendation, the EC will make the final approval of projects in amounts up to US\$500,000. The PCU will hire specialized consulting services to implement the SCI projects, which will include technical assistance and goods.
- 1.40 Selection criteria will include: (i) the project must demonstrate how it is going to develop markets for its products; (ii) the business model being developed must contribute to improved incomes, livelihoods and opportunities for poor people; (iii) proposals must be part of a CCIP that has been developed by the cluster members and has been built on an integrated process involving analysis of the target market and a diagnostic analysis of the cluster's performance and competitiveness; (iv) the cluster members must be based in CARIFORUM countries; (v) project participants must demonstrate that they have sufficient resources to cover at least 20% of the costs; (vi) projects must have neutral or positive impact on the environment; and (vii) must address gender equality issues.
- 1.41 **SCI promotion.** To encourage demand for Sub-component 3.1 in all participating countries, the following activities are planned: (i) professional services for project identification; (ii) seminars and workshops; (iii) publication of brochures and documents; (iv) public announcements and distribution of printed promotional materials; and (v) participation in fairs and conferences.
- 1.42 **Sub-component 3.2: Direct Firm Support (DFS).** The objective of this sub-component is to increase the generation of employment and income by strengthening Caribbean businesses. It will provide grants to eligible private sector entities for technical assistance, goods and minor works to finance innovative ventures, develop new products, implement new business models, and enter new markets.
- 1.43 Eligible entities for Sub-component 3.2 are legally established firms in CARIFORUM countries.
- 1.44 **Project approval and execution.** Proposals will be reviewed on a first come, first serve basis and approved in three stages. Stage 1: The Project Concept Note (PCN) will be evaluated and approved by the PM. If the note is approved, the applicant may be eligible to receive up to US\$75,000 to prepare an Innovative Business Project (IBP) proposal. Stage 2: The IBP proposals will be submitted to the IP for a recommendation on whether to fund the project or not. Stage 3: Based on the IP's recommendation, the EC will make the final approval of projects. Upon approval, matching grants of up to US\$500,000 will be provided to finance a maximum of 50% of the total project cost. The Bank will enter into a technical



- cooperation agreement with the beneficiary firms in order to execute the specific project. The agreement will include all necessary provisions in order to assure that projects are implemented in accordance with Bank's policies and procedures. The firm will be able to use the resources for technical assistance, goods, and minor works.
- 1.45 Selection criteria will include: (i) technical quality of the project: demonstrate how the project will develop new export markets for an existing or new product using innovative approaches; (ii) business plan: considers the market, the proposed commercial strategy, projections, growth potential, and risk factors; (iii) coherence in the formulation: adequate relationship between objectives, results and activities, as well as sufficient human and financial resources; (iv) incidence of the project on environmental issues, social impact and benefit to women; (v) applicant's track record: fulfillment of commitments, contacts and networks with the markets, experience and capacity for project execution.
- 1.46 **Project execution and monitoring.** Firms will be reimbursed for eligible expenses. The PM will review all project progress reports against stated targets, and recommend to the EC whether projects that are missing targets should be salvaged with remedial measures or should be terminated. Project completion reports will be prepared, focusing on the achievement of outputs and outcomes.
- 1.47 **DFS promotion.** To encourage demand for Sub-component 3.2 in all participating countries, the following activities are planned: (i) the hiring of professional services for project identification; (ii) seminars and workshops; (iii) publication of brochures and documents; (iv) public announcements and distribution of printed promotional materials; and (v) participation in fairs and conferences.

**D. Key results indicators**

- 1.48 Annex II provides a complete presentation of the expected outputs and outcomes of the program and their anticipated time frames. In summary: for Component 1: (i) increased consensus and focus around national and regional strategies that promote entrepreneurship and exports; (ii) enhanced donor coordination and harmonization, within the context of a CPSDS; and (iii) enhanced capacity and access to knowledge on issues of PSDS and competitiveness. For Component 2: (i) enhanced implementation of productive development policy and business climate reforms; and (ii) increased consensus on PSDS based on public-private dialogue. For Component 3: (i) enhanced capacity of clusters and small and medium-sized enterprises (SMEs) to sustainably compete in national, regional and global markets; and (ii) enhanced access by firms to innovative business models that will support their growth and help to increase and diversify their exports.

## **II. FINANCING STRUCTURE AND MAIN RISKS**

**A. Costs and funding sources**

- 2.1 The estimated total cost of the program is US\$32.55 million to be financed with a CAN\$20 million contributions from CIDA (approximately US\$18.70 million) and

a £8.656 million contribution from DFID (approximately US\$13.85 million) on a non-reimbursable basis and to be administered by the Bank. These contributions will be converted to US dollars at the time the payments are made. Thus the final program size may vary somewhat from the amounts indicated in Table 1.

2.2 **Co-financing arrangements.** In order to implement these arrangements, the Bank will have “Administrative Arrangements” with DFID and CIDA. The existing Cooperation Framework Arrangements with each of these donors, as well as the “Operational Procedures for Grant Co-financing Contributions Administered by the Bank” (“COFAB”, document CC-5732) will apply. Accordingly, the Bank will administer the resources from DFID and CIDA for this program, and will charge the administrative fees contemplated in the respective Cooperation Framework Arrangement, which are duly identified in the budget.

2.3 **Bank technical contribution.** To complement the resources to be provided by CIDA and DFID, and to ensure that the project attains its development objectives, the Bank will contribute all the necessary technical expertise for the successful implementation of the program. This will encompass staff time and related resources for project identification, design, implementation, supervision, monitoring and evaluation. The Bank will also facilitate technical and policy dialogue across the region among public and private stakeholders, as well as the promotion of the program and dissemination of the knowledge generated therein.

**Table 1: Budget for the Compete Caribbean Program**

Budget components (Figures in thousands of US\$) (Exchange rate used, 1 CAD=0.935 US\$ and 1£=1.6US\$)	CIDA (CAD \$)	CIDA (US\$)	DFID (£)	DFID (US\$)	Total (US\$)	%
<b>1. Comprehensive Framework for Private Sector Development</b>	<b>2,567</b>	<b>2,400</b>	<b>156</b>	<b>250</b>	<b>2,650</b>	<b>8%</b>
<i>1.1 PSD Strategies and Action Plan</i>	1,070	1,000	125	200	1,200	
<i>1.2 Donor-Matrix</i>	214	200	31	50	250	
<i>1.3 Knowledge Management Program</i>	1,283	1,200	0	0	1,200	
<b>2. Business Climate and Competitiveness Enhancement Facility</b>	<b>6,952</b>	<b>6,500</b>	<b>2,125</b>	<b>3,400</b>	<b>9,900</b>	<b>30%</b>
<i>2.1 Business Climate and Competitiveness Enhancement Technical Cooperation</i>	4,813	4,500	1,250	2,000	6,500	
<i>2.2 Technical Assistance to Support Public Private Dialogue on Competitiveness</i>	2,139	2,000	875	1,400	3,400	
<b>3. Enterprise Innovation Challenge Fund</b>	<b>6,952</b>	<b>6,500</b>	<b>4,219</b>	<b>6,750</b>	<b>13,250</b>	<b>41%</b>
<i>3.1 Support for Clustering Initiatives</i>	4,813	4,500	1,094	1,750	6,250	
<i>3.2 Direct Firm Support</i>	2,139	2,000	3,125	5,000	7,000	
<b>4. Support for Project Design</b>	<b>428</b>	<b>400</b>	<b>63</b>	<b>100</b>	<b>500</b>	<b>2%</b>
<i>4.2 IDB Staff time for project preparation and execution</i>			0		0	
<i>4.3 Gender, environmental specialists and other consultancy services</i>	428	400	63	100	500	
<b>5. Program Coordinating Unit Administration</b>	<b>2,274</b>	<b>2,126</b>	<b>1,344</b>	<b>2,150</b>	<b>4,276</b>	<b>13%</b>
<i>5.1 PCU Staff</i>	1,070	1,000	625	1,000	2,000	
<i>5.2 PCU office cost and travel</i>	963	900	563	900	1,800	
<i>3.3 Auditing and Evaluations</i>	242	226	156	250	476	
<b>Contingency</b>	<b>428</b>	<b>400</b>	<b>250</b>	<b>400</b>	<b>800</b>	<b>2%</b>
<b>CIDA COFAB Fee (2% of CIDA Contribution)</b>	<b>400</b>	<b>374</b>	<b>0</b>		<b>374</b>	<b>1%</b>
<b>DFID COFAB Fee(5% of DFID Contribution)</b>			<b>500</b>	<b>800</b>	<b>800</b>	<b>2%</b>
<b>TOTALS</b>	<b>20,000</b>	<b>18,700</b>	<b>8,656</b>	<b>13,850</b>	<b>32,550</b>	<b>100%</b>
<b>%</b>		<b>57.5%</b>		<b>42.5%</b>	<b>100.0%</b>	

## **B. Main risks**

- 2.4 **Program coordination.** The program is complex because: (i) it involves regional projects as well as projects in 15 countries; and (ii) sponsored projects will be directed to the public and private sectors. Given these complexities, the number of projects to be supported and stakeholders involved, the principal risk is to ineffective development, coordination and/or inefficient implementation of projects. To mitigate this risk, (i) a strong Program Coordination Unit will be established in Barbados as described below, and (ii) detailed [Operating Regulations](#) (OR) to guide program execution have been formulated.
- 2.5 Other risks include: (i) insufficient regional political support: mitigated by establishing a Regional Consultative Forum (RCF) to include representatives from all major regional organizations; (ii) limited demand for projects: mitigated by the periodic dialogue between the PCU and the multiple stakeholders; (iii) insufficient coordination between public and private stakeholders: addressed through the support for creating and reinforcing Public-Private Dialogue (iv) poor donor coordination: mitigated with the support of the three principal Donors in the region and by the Donor Matrix to be developed in each country, and (v) environmental and social risks: mitigated because all projects will include an environmental and social assessment consistent with IDB guidelines. (See [Risk Assessment Matrix](#) for further discussion of risks and mitigating measures).

## **III. EXECUTION MECHANISM**

- 3.1 **Governance structure.**<sup>21</sup> In order to guarantee an effective implementation of the program, the following structure will be in place: (i) a Program Advisory Group (PAG); (ii) a Regional Consultative Forum (RCF); (iii) an Executive Committee (EC); (iv) an Investment Panel (IP) for Component 3; and (v) the Program Coordination Unit (PCU), to be established in Barbados.
- 3.2 **Program Advisory Group (PAG).** The PAG will advise on: (i) the program's strategic direction and priorities; (ii) the progress of program activities and country allocations; (iii) the Program Operating Regulations/Program Implementation Plan, with authority to revise them as deemed necessary; (iv) the Program Annual Plans; (v) the definition of eligibility and evaluation criteria; (vi) the content of periodic progress and annual reports; (vii) audit requirements; and (viii) coordination of programming within the Bank and among donors. The PAG will be comprised of five members: the ICF/CMF Division Chief, who will chair the group; the CCB Manager, and three representatives designated by CIDA, DFID and CDB, respectively. The EC Executive Director (see below) will be an ex-officio member and will act as secretary to the PAG. The PAG will meet at least twice a year.

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<sup>21</sup> See Chapter III of the Operating Regulations (optional link 1) for a complete exposition of the governance structure for the program. Program operational issues are summarize in optional link 2

- 3.3 **Regional Consultative Forum (RCF).** The PAG, on an annual basis, will have an extended session with a broader set of Caribbean stakeholders. This will include, at a minimum, representatives from: (i) CARICOM Secretariat; (ii) Council of Ministers for Trade and Economic Development (COTED); (iii) Organization of Eastern Caribbean States (OECS) Secretariat; (iv) Caribbean Association of Industry and Commerce; and (v) Caribbean Export Development Agency.
- 3.4 **Executive Committee (EC).** The EC will be the main approval and operational body for the program. The EC will: (i) approve and implement recommendations from the PAG; (ii) approve projects/activities recommended by PCU and the Investment Panel (IP), and (iii) oversee reports, evaluations and audits. The EC will be comprised of a specialist appointed by VPP, a representative appointed by CCB and two senior specialists from ICF/CMF, one of whom will be appointed by the Division Chief of ICF/CMF to serve as Executive Director and chair of the EC. Additionally, any Bank group specialist, with specific expertise, may be invited to participate in the EC on a case by case basis. CIDA and DFID will be invited to participate in an advisory capacity.
- 3.5 **Investment Panel (IP).** The IP will be appointed to provide an independent assessment of Component 3 project proposals. The IP will make recommendations to the EC based on the financial feasibility of the proposals and their contributions to the region. The IP will have three members appointed by the EC from the Caribbean private sector business community.
- 3.6 **Program Coordination Unit (PCU).** The PCU will be established in Country Office Barbados and report to the Division Chief of ICF/CMF. The PCU will consist of a Program Manager (PM), three Component Managers, one Administrative and Financial Manager, three operations analysts and other external technical and administrative support services. PCU responsibilities will include: (i) technical and administrative functions; (ii) planning, directing, monitoring, and evaluating project activities, including assessing their contribution to gender equality and environmental sustainability; (iii) preparing regular progress reports and evaluations; (iv) reviewing disbursement requests and the corresponding justifications; (v) reviewing annual audited program financial statements; (vi) maintaining adequate files of disbursement documentation; (vii) procuring goods and services in accordance with Bank regulations; and (viii) proposing improvements in program design and implementation. Additional technical and support consultants will be contracted if needed, subject to EC approval.
- 3.7 **Operating Regulations and Processing.** The program will be managed according to the OR. Evidence that the PAG has approved the OR is a condition prior to first disbursement.
- 3.8 **Implementation of projects in the OECS countries.** The Bank and CDB will enter into a Financial Agency Agreement for this purpose. The CDB has agreed not to charge an administration fee for this service.

- 3.9 **Execution and disbursement period.** The program will be executed in 5 years and disbursed in 6 years.
- 3.10 **Country allocations.** In order to support regional projects as well as projects in each of the 15 participating countries, the PAG will set indicative guidelines for project development. Out of a total budget of US\$25.8 million for the three components, about US\$3.3 million will be allocated for regional projects and the remainder US\$22.5 million for country projects, thus allocating up to US\$1.5 million per country for national projects. The PAG will review these guidelines on a yearly basis.
- 3.11 **Procurement of goods and services.** Procurement of goods and the contracting of consulting services for this program will be carried out in accordance with the IDB's Procurement Policies (GN-2349-7 and GN-2350-7) and the procurement plan. The PCU will undertake the selection and contracting for goods, non-consulting services or consulting services for Components 1 and 2 as well as for the operation of the PCU. Consulting firms will be selected from a list of pre-qualified firms to manage and implement projects under Sub-component 3.1, including procuring goods, services and works; and the PCU will review such contracts on an ex-post basis. If single source selection and direct contracting are necessary, they will be carried out subject to prior review and approval by the PCU, and in accordance with the provisions set forth in document GN-2350-7. Consultants contracted by the PCU will be selected in accordance with the Policies for the Selection and Contracting of Consultants financed by the IDB and the Brief Reference Guide for Selection and Contracting Process for Consulting Firms (March 2009), which is intended for use by project teams when they select and contract consulting firms for project-related activities.
- 3.12 All procurement under Sub-component 3.2 will follow private sector or commercial practices for procurement, provided the procedures they use comply with the provisions set forth in Appendix 4 of GN-2349-7 and GN-2350-7, Policies for Procurement in Loans to the Private Sector, as the case may be.
- 3.13 In accordance with paragraphs 1.6 and 1.11 of documents GN-2349-7 and GN-2350-7, respectively, Bank's resources can only be used for the financing of goods, works and consulting services contracted with and rendered by individuals or firms from member countries of the Bank. An exception to Bank's current procurement policies is requested to be approved by the Board of Executive Directors so that goods and service providers from non-IDB member countries may participate in the procurement processes for activities to be financed entirely with resources contributed by DFID and/or CIDA, provided that the country of origin or domicile of such providers is recognized by DFID and/or CIDA as the case may be. The COFAB agreements to be entered into between the Bank and CIDA and DFID, respectively, will include the corresponding provisions.
- 3.14 **Program monitoring and evaluation (M&E).** The PCU will establish a monitoring system to track achievement of goals in all projects utilizing specialized consulting services, including: (i) a user-friendly Program Monitoring and Evaluation System (PMES) to track indicators and targets for the program

and approved projects; (ii) a methodology for the mid-term and final evaluations of the program; and (iii) training PCU's Component Managers in monitoring techniques. The PMES will measure progress in complying with: (i) results framework indicators; and (ii) additional indicators to measure the effect of the program on the business climate reforms as well as the productivity of clusters and firms.

- 3.15 Midterm and final program evaluations will complement the continuous M&E of projects. The midterm evaluation will be performed three years after program start or disbursement of 50% of the funds has been carried out, whichever occurs first. The final evaluation will be performed when disbursements have reached at least 95% or at the end of the fifth year, whichever comes first. Specialized consultants will perform these evaluations.

**Development Effectiveness Matrix  
Summary**

Indicator	Score	Maximum Score
<i>I. Strategic Relevance</i>	Low-High	
<b>1. IDB Strategic Development Objectives</b>	<b>3.2</b>	<b>10</b>
Country Diversification	2.2	2
Corporate Initiatives	0.0	2.5
Harmonization and Alignment	0.0	3.5
Beneficiary Target Population	1.0	2
<b>2. Country Strategy Development Objectives</b>	<b>9.6</b>	<b>10</b>
Country Strategy Sector Diagnosis	6.0	6
Country Strategy sector objective & indicator	3.6	4
<i>II. Development Outcomes - Evaluability</i>	Highly Satisfactory	
<b>3. Evidence-based Assessment &amp; Solution</b>	<b>8.8</b>	<b>10</b>
<b>4. Evaluation &amp; Monitoring Plan</b>	<b>5.8</b>	<b>10</b>
<b>5. Cost-Benefit or Cost-Effectiveness</b>	<b>10.0</b>	<b>10</b>
<b>6. Risks &amp; Mitigation Monitoring Matrix</b>	<b>7.5</b>	<b>10</b>
<i>III. IDB's Role - Additionality</i>		
<b>7. Additionality</b>	<b>3.0</b>	<b>10</b>
Technical Assistance provided prior the project	0.0	3
Improvements in management of financial, procurement, monitoring or statistics internal controls	0.0	4
Improvements in environmental, health and labor performance	3.0	3

**I. Strategic Relevance:** The proposed program is based on a well-grounded diagnostic and it is clearly consistent with the Bank strategy in the Caribbean.

**II. Evaluability:** The logic of the intervention is clearly defined and based on a sound analytical work. The problems in defining a more precise metric and a complete evaluation strategy are due to the demand-driven nature of the many of the policy instruments supported by the program. However, the program design took into consideration different potential scenarios and identify a set of potential source of information to monitor and evaluate the program activities and results.

**III. Additionality:** The cooperation between IDB, CIDA and DFID in the implementation of this operation will ensure that the supported policy instruments comply with high standard environmental, social, health and labor regulation.

### Results Matrix

<b>PROJECT OBJECTIVE</b>	<p><b>The ultimate goal</b> of the Program is to foster sustainable economic growth and enhance competitiveness in the Caribbean.</p> <p><b>The specific objective</b> of the Program is to have: (i) increased consensus and focus on strategic interventions to promote private sector development; (ii) improved enabling environment for business development, trade and integration; and (iii) enhanced capacity of clusters and firms to increase productivity and to sustainably compete in national, regional and global markets.</p>
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<b>RESULTS INDICATORS</b>	<b>BASELINE</b>	<b>TARGET</b>	<b>COMMENTS</b>
% of contribution of non traditional exports to national growth.	2.2% (2000-2006) <sup>1</sup>	By 2017, non traditional exports contribute an annual average of 5% to GDP.	This program indicator measures partial contributory effect of the project on export diversification and stronger competitiveness. Means of verification: UN-DESA, National Accounts Data (Annual with 12 month lag).
Concentration of exports (Herfindahl index).	0.25 (1985-2006)	By 2017, Change the trend of the index and strive to achieve 0.18.	This program indicator is indicative of partial contributions to increased competitiveness within industry and could refer to increased presence and market share of smaller firms. Means of verification: UN-ECLAC (every 2 years with 12 month lag)
Number of new jobs created of which at least 50% are held by women and youth.	0	By 2017, 8,000 new jobs are created directly and indirectly through project activities.	This program indicator reflects additional equitable growth supported by project activities. Means of verification: Executing agency monitoring system surveys.
Participation of women in economic decisions on national level as measured by UN Gender Empowerment Measure value.	0	By 2017, regional average experiences a UN GEM 0.1 value increase relative to baseline level.	This program indicator measures the economic empowerment of women relative to men indicating their ability to actively participate in economic decisions and the level of ownership of economic resources nationwide with partial contribution from project.

<sup>1</sup> Figure refers to a stable pre-global economic downturn period. Exports and Economic Growth in LAC, ECLAC, 2009



<b>INTERMEDIATE RESULTS INDICATORS</b>	<b>BASELINE</b>	<b>TARGET</b>	<b>COMMENTS</b>
Region's competitiveness as compared to the rest of the world as measured using the World Economic Forum Global Competitiveness Report (assuming that the methodology used in the GCI 2009-2010 report is maintained).	Specific Sub-index TBD depending on the country.	In 2015, the score improves on average 0.3 to 0.4 points compared to the base year.	This indicator is a proxy for improving the general competitiveness of a country, and is prepared by the World Economic Forum. It is indicative of enhanced sustainable, equitable and effective regional PSD strategies.
Region's business and investment climate as reflected in the rankings of the World Bank Doing Business Index.	Specific Sub-index TBD depending on the country (Average rank of the region's countries: 85 One country in top 25%, eleven in top 50%).	In 2015, all countries in top 50%, 4 countries in top 25% (in all pertinent sub-indicators).	This indicator measures the region's business climate ranking compared to the other countries covered by the survey (181 in 2008-2009). It is indicative of a country's capacity to create a supportive and inclusive business environment for a gender equitable, competitive and sustainable private sector.
Volume of non-traditional goods and service exports, as measured by beneficiary firm reports.	TBD on selection of beneficiary firms.	In 2015, 5% average annual growth in exports from participating firms.	This indicator reflects improvements in industry clusters and small, medium enterprises able to sustainably compete in national regional and global markets.

<b>Component 1: Comprehensive Framework for Private Sector Development and Knowledge Management.</b>								
<b>Subcomponent 1.1: Private Sector Development Strategies</b>								
<b>Output</b>		<b>Base</b>	<b>2010 Year 1</b>	<b>2011 Year 2</b>	<b>2012 Year 3</b>	<b>2013 Year 4</b>	<b>2015 Target</b>	<b>COMMENTS</b>
National Private Sector Development Strategies and Actions Plans implemented for all CARIFORUM countries.		0	Implementation initiated	2 PSDS completed	5 PSDS completed	10 PSDS completed	17 PSDS prepared and policy recommendations substantially implemented in at least 8 cases.	The PSDS are based on demand from national governments and therefore is based on the assumption that all governments will express demand.
OECS sub-regional and CARIFORUM regional private sector develop-	OECS sub-regional PSDS	0	0	OECS PSDS completed	0	0	OECS PSDS completed	Means of verification: Executing agency monitoring system, which will maintain records on PSDS approval and implementation. Information will be disseminated through the Program Website.

ment strategies being implemented.	CARIFORUM regional PSDS	0	0	0	0	CARIFORUM PSDS completed	CARIFORUM PSDS completed	
<b>Outcome</b>	<b>Base</b>	<b>2010 Year 1</b>	<b>2011 Year 2</b>	<b>2012 Year 3</b>	<b>2013 Year 4</b>	<b>2015 Target</b>	<b>COMMENTS</b>	
Increased consensus and focus around national, sub-regional and regional strategies that promote private sector development.	0	0	0	10 Policy recommendations vetted	10 Policy recommendations adopted	17 PSDS approved and 30 Policy recommendations adopted	Means of verification: Executing agency monitoring system, which will maintain records on PSDS approval, implementation and impact. Achievement of targets will be disseminated through the Program Website.	
<b>Subcomponent 1.2: Donor Matrix</b>								
<b>Outputs</b>	<b>Base</b>	<b>2010 Year 1</b>	<b>2011 Year 2</b>	<b>2012 Year 3</b>	<b>2013 Year 4</b>	<b>2015 Target</b>	<b>COMMENTS</b>	
Development of thematic Donor Matrix related to PSD and competitiveness projects completed at the national and regional levels (15 national matrices, one OECS sub-regional and one CARIFORUM regional matrix).	0	0	2 Matrices completed	5 Matrices completed	10 Matrices completed	Total of 17 Matrices completed	Information will be used to design Program supported activities that complement other donor supported projects.	
<b>Outcome</b>	<b>Base</b>	<b>2010 Year 1</b>	<b>2011 Year 2</b>	<b>2012 Year 3</b>	<b>2013 Year 4</b>	<b>2015 Target</b>	<b>COMMENTS</b>	
Increased synergies among donor-supported PSD projects in the context of CPSDS. Multi-donor action plans in full implementation with joint/collaborative donor projects being implemented.	0	0	Implementation of one joint/collaborative project	6 joint/collaborative projects	10 joint/collaborative projects	15 national and one regional donor matrix accurately populated and 20 joint/collaborative projects implemented	Means of verification: Executing agency monitoring system, which will maintain records on target achievement.	

Total dollar amount of PSD projects implemented in collaboration with MFI and donors.	0	0	\$US25 million	US\$25 million	US\$25 million	US\$100 million	Means of verification: Executing agency monitoring system, which will monitor allocation of Program's and Donor's resources for PSD project implementation.
<b>Sub-component 1.3: Knowledge Management Program</b>							
<b>Outputs</b>	<b>Base</b>	<b>2010 Year 1</b>	<b>2011 Year 2</b>	<b>2012 Year 3</b>	<b>2013 Year 4</b>	<b>2015 Target</b>	<b>COMMENTS</b>
Knowledge products completed and disseminated, including: training workshops and seminars; papers/lessons learned/cases published and key stakeholders receiving up to date information on PSD in the region.	0	10 Knowledge products developed	10 Knowledge products developed	15 Knowledge products developed	15 Knowledge products developed	Total of 50 Knowledge products developed and disseminated (as necessary)	Means of verification: Executing agency monitoring system which will maintain records on Knowledge products approval and implementation and will disseminate results through the Program Website.
Number of participants in PSD and competitiveness seminars.	0	100 persons	300 persons	300 persons	400 persons	Total of 1500 persons participated in seminars	The persons to be trained in these seminars will be from different private sector organization, public sector and academia. Data will be collected in the events and will be made available through the Program Website.
Establishment of virtual library on PSD and competitiveness.	0	Virtual library established	100 volumes	200 volumes	400 volumes	1000 volumes	Utilization of this library will become more widespread as more persons participate in the seminars and are exposed to its content.
Caribbean Competitiveness Center (CCC) established and operational at a leading university in the region to provide academic advice and training on topics of private sector development and competitiveness.	0	Center established	50 people trained	50 People trained	50 People trained	200 people trained	The centre will partner with other established institutions that work in areas of PSD and competitiveness and give longevity to the undertakings of the CC program.
Micro and macro level baseline data on private sector activity gathered and disseminated.	0	Information gathered and disseminated for 15 coun-	0	0	0	All CARI-FORUM countries covered in	Data will inform project design and evaluation.

		tries covered in the World Bank Enterprise Survey (WBES)				the World Bank Enterprise	
Publication of the Caribbean Competitiveness Report.	0	0	First CCR published	0	Second CCR published	2 CCR published	This document will serve as a comprehensive and authoritative assessment of the comparative strengths and weaknesses of the economies in the region and will be useful to governments, academics and business leaders.
Communication campaigns to position COMPETE CARIBBEAN Program and raise awareness.	0	First campaign launched in pilot countries	Second campaign launched in all 15 countries	Third campaign launched in all 15 countries	Fourth campaign launched in all 15 countries	Regular coverage in media throughout CARIFORUM	Campaigns will vary by country depending on the need of generating awareness and demand.
<b>Outcome</b>	<b>Base</b>	<b>2010 Year 1</b>	<b>2011 Year 2</b>	<b>2012 Year 3</b>	<b>2013 Year 4</b>	<b>2015 Target</b>	
Enhanced capacity and access to knowledge on private sector development and competitiveness issues.	0	0	1000 people benefiting from knowledge products	1200 people benefiting from knowledge products	1400 people benefiting from knowledge products	5000 people benefiting from knowledge products	Means of verification: Executing agency monitoring system, which will maintain records on events (presentations, reports, etc.) and will disseminate results through the Program Website.

<b>Component 2: Business Climate and Competitiveness Enhancement Facility (BCCE)</b>							
<b>Subcomponent 2.1: Business Climate and Competitiveness Enhancement Technical Cooperation</b>							
<b>Outputs</b>	<b>Base</b>	<b>2010 Year 1</b>	<b>2011 Year 2</b>	<b>2012 Year 3</b>	<b>2013 Year 4</b>	<b>2015 Target</b>	<b>COMMENTS</b>
Number of Business Climate Reform Project Concept Notes developed into Project Proposals.	0	4 Project proposals developed	12 Project proposals developed	12 Project proposals developed	12 Project proposals developed	50 Project proposals developed	The Program will not fund all the proposed projects. But those that are rejected by the CC Program might be implemented with other financing.
Number of institutional reform projects to reduce or eliminate business climate constraints implemented.	0	1 Project approved and implemented	4 Projects approved and implemented	5 Projects approved and implemented	5 Projects approved and implemented	A total of 20 Projects approved and implemented	These projects will be aimed at improving the environment under which the private sector operates, making institutions more efficient.
<b>Outcomes</b>	<b>Base</b>	<b>2010 Year 1</b>	<b>2011 Year 2</b>	<b>2012 Year 3</b>	<b>2013 Year 4</b>	<b>2015 Target</b>	<b>COMMENTS</b>
New or expanded governance related reforms undertaken to reduce the constraints to doing business in the region.	0	0	5 new reforms approved	10 new reforms fully implemented	10 new reforms fully implemented	30 reforms fully implemented	Means of verification: Executing agency monitoring system in collaboration with beneficiary agencies.
<b>Subcomponent 2.2: Technical Assistance to support Public-Private Dialogue on Competitiveness</b>							
<b>Outputs</b>	<b>Base</b>	<b>2010 Year 1</b>	<b>2011 Year 2</b>	<b>2012 Year 3</b>	<b>2013 Year 4</b>	<b>2015 Target</b>	<b>COMMENTS</b>
Activities to support Public-Private Dialogue and the establishment of National Competitiveness Councils and PPD-TUs.	0	2 Activities	5 Activities	5 Activities	5 Activities	20 Activities	Means of verification: Executing agency monitoring system, which will maintain records on PPD projects approval and implementation.
Projects to establish or strengthen Competitiveness Councils and PPD-TU.	0	2 Projects approved	2 Projects approved	2 Projects approved	2 Projects approved	8 Projects approved	Means of verification: Executing agency monitoring system which will maintain records on PPD-TU support project approval and implementation.

Outcomes	Base	2010 Year 1	2011 Year 2	2012 Year 3	2013 Year 4	2015 Target	COMMENTS
Increased consensus and coherence of development vision from broad-based formal public-private dialogue (Competitiveness Councils).	0	0	5 Formal Public-Private Dialogue events	10 Formal Public-Private Dialogue events	10 Formal Public-Private Dialogue events	A total of 25 Formal Public-Private Dialogue events	The PPD events will ensure that the private and public sector formulates a shared vision on PSD.

Component 3: Enterprise Innovation Challenge Fund							
Subcomponent 3.1: Support to Clusters and Value Chains							
Outputs	Base	2010 Year 1	2011 Year 2	2012 Year 3	2013 Year 4	2015 Target	COMMENTS
Cluster Competitiveness Improvement Plans developed for selected clusters.	0	0	5 CCIPs	5 CCIPs	5 CCIPs	20 CCIPs	Means of verification: Executing agency monitoring system which will maintain records on Clusters and Value Chains projects approval, Achievement of targets will be disseminated through the Program Website.
CCIPs implemented.	0	0	2 CCIP Projects implemented	3 CCIP Projects implemented	3 CCIP Projects implemented	10 CCIP Projects implemented	Means of verification: Executing agency monitoring system which will maintain records on Clusters and Value Chains projects implementation. Achievement of targets will be disseminated through the Program Website.
Outcomes	Base	2010 Year 1	2011 Year 2	2012 Year 3	2013 Year 4	2015 Target	COMMENTS
Increased value of incremental exports generated by CCIPs support to specific clusters/VCs.	0	0	0	Will depend on selected clusters/VC characteristics	Will depend on selected clusters/VC characteristics	Will depend on selected clusters/VC characteristics	Means of verification: executing agency's records, and midterm/final evaluation of each project. The impact of the project will depend on the type of project supported and the time needed to bear results.
Increase the generation of employment generated by CCIPs support to specific Clusters/VCs.	0	0	0	0	Will depend on selected clusters/VC characteristics	Will depend on selected clusters/VC characteristics	Means of verification: executing agency's records, and midterm/final evaluation of each project. The impact of the project will depend on the type of project supported and the time needed to bear results.

<b>Subcomponent 3.2: Direct-Firm Support</b>							
<b>Outputs</b>	<b>Base</b>	<b>2010 Year 1</b>	<b>2011 Year 2</b>	<b>2012 Year 3</b>	<b>2013 Year 4</b>	<b>2015 Target</b>	<b>COMMENTS</b>
Development of Innovative Business Projects.	0	0	2 Projects	6 Projects	6 Projects	20 Projects	Means of verification: Executing agency monitoring system which will maintain records on IBPs projects development and approval, Achievement of targets will be disseminated through the Program Website.
Number of IBPs supported.	0	0	2 Projects	3 Projects	3 Projects	10 Projects	Means of verification: Executing agency monitoring system which will maintain records on IBPs projects approval and implementation, Achievement of targets will be disseminated through the Program Website.
<b>Outcomes</b>	<b>Base</b>	<b>2010 Year 1</b>	<b>2011 Year 2</b>	<b>2012 Year 3</b>	<b>2013 Year 4</b>	<b>2015 Target</b>	<b>COMMENTS</b>
Resources invested by the private sector to finance selected IBP.	0	0	Amount will depend on selected projects	Amount will depend on selected projects	Amount will depend on selected projects	Amount will depend on selected projects	These funds will inform on the commitment of the private sector to the outcomes of the program.
Increased value of incremental exports generated by IBPs support to selected firms.	0	0	0	Amount will depend on selected projects	Amount will depend on selected projects	Amount will depend on selected projects	Means of verification: executing agency's records, and midterm/final evaluation of each project. The impact of the project will depend on the type of project supported and the time needed to bear results.
Increased employment generation by IBP support for selected firms.	0	0	0	Will depend on selected projects	Will depend on selected projects	Will depend on selected projects	Means of verification: executing agency's records, and midterm/final evaluation of each project. The impact of the project will depend on the type of project supported and the time needed to bear results.

**Summary Procurement Table**  
**Period included in this Procurement Plan: 18 months, from June 2010 until December 2011**

Ref. No.	Description and type of the procurement contract	Estimated Contract Cost (US\$000)	Procurement method <sup>1</sup>	Review (ex-ante or ex-post) <sup>2</sup>	Source of financing and percentage		Pre-qual. (Yes/No)	Estimated dates		Status <sup>3</sup> (pending, in process, awarded, cancelled)	Comments
					IDB %	Local/Other %		Publication of specific procurement notice	Completion of contract		
<b>SERVICES (General and Consulting)</b>											
<b>COMPONENT 1: Comprehensive Framework for Private Sector Development and Knowledge Management</b> <b>Total budget: US\$2,65 million</b>											
1	<b>Subcomponent 1.1: Private Sector development Strategies.</b>  Support the development of national private sector development strategies for all 15 beneficiary countries and the region as a whole.	Budget for 1.1: 1,200	ICB SSS CQS	Ex-post		100	No	2Q 2010	2Q 2015	Pending	Main tasks are: (1) Determining national, regional and sub-regional baselines for competitiveness; and (2) developing a set of priority interventions with each country and for the region as a whole. These activities may be packaged in one bidding exercise for the services of a single consulting firm or separated into distinct contracts for several firms, as deemed applicable by the PCU.

<sup>1</sup> **Goods and Works:** ICB: International competitive bidding; LIB: limited international bidding; NCB: national competitive bidding; PC: price comparison; DC: direct contracting; FA: force account; PSA: Procurement through Specialized Agencies; PA: Procurement Agents; IA: Inspection Agents; PLFI: Procurement in Loans to Financial Intermediaries; BOO/BOT/BOOT: Build, Own, Operate/Build, Operate, Transfer/Build, Own, Operate, Transfer; PBP: Performance-Based Procurement; PLGB: Procurement under Loans Guaranteed by the Bank; PCP: Community participation procurement. **Consulting Firms:** QCBS: Quality- and Cost-Based Selection QBS: Quality-Based Selection FBS: Selection under a Fixed Budget; LCS: Least-Cost Selection; CQS: Selection based on the Consultants' Qualifications; SSS: Single-Source Selection. **Individual Consultants:** NICQ: National Individual Consultant selection based on Qualifications; IICC: International Individual Consultant selection based on Qualifications.

<sup>2</sup> The Bank's new default methodology is ex post, based on risk assessment. This project will recruit procurement advisory services, well-versed in IDB procurement policies and private sector procurement in the Caribbean. Consequently, the any risk associated with procurement processes will be minimal. It is advised therefore that procurements be reviewed on an ex post basis.

<sup>3</sup> This column "Status" should be used for retroactive procurement and for procurement plan updates.



Ref. No.	Description and type of the procurement contract	Estimated Contract Cost (US\$000)	Procurement method <sup>1</sup>	Review (ex-ante or ex-post) <sup>2</sup>	Source of financing and percentage		Pre-qual. (Yes/No)	Estimated dates		Status <sup>3</sup> (pending, in process, awarded, cancelled)	Comments
					IDB %	Local/Other %		Publication of specific procurement notice	Completion of contract		
2	<b>Subcomponent 1.2: Donor Matrix</b>  Development of a thematic matrix related to PSD and competitiveness projects and support at the national and regional level.	Budget for 1.2: 250	ICB SSS CQS	Ex-post		100	No	2Q 2010	2Q 2015	Pending	These tasks may be undertaken by a pre-selected short-list of consultants. The services required include: (1) Review of programs implemented and developed by multilateral and bilateral institutions. (2) Design of multi-donor action plans. (3) Identification of opportunities to develop joint projects. (4) Developing plans for joint work to scale up, complement and facilitate monitoring of PSD related projects in the Caribbean.  These tasks may be acquired via a single consulting firm or separated into distinct activities among several firms.
3	<b>Subcomponent 1.3: Knowledge Management Program</b>  Consultants to support the development of knowledge management products: - virtual library - portal rental and maintenance services - analytical documents - surveys - Publication of knowledge products (e.g. Caribbean Competitiveness Report, lessons learned and PSD strategies).	Budget for Sub-component 1.3: 1,200	ICB SSS CQS	Ex-post		100	No	2 Q 2010	2 Q 2015	Pending	These assignments may be bundled into a single contract and selection process.

Ref. No.	Description and type of the procurement contract	Estimated Contract Cost (US\$000)	Procurement method <sup>1</sup>	Review (ex-ante or ex-post) <sup>2</sup>	Source of financing and percentage		Pre-qual. (Yes/No)	Estimated dates		Status <sup>3</sup> (pending, in process, awarded, cancelled)	Comments
					IDB %	Local/Other %		Publication of specific procurement notice	Completion of contract		
4	<b>Subcomponent 1.3: Knowledge Management Program</b>  Support in the: <ul style="list-style-type: none"> <li>- Development of a formal partnerships with regional universities, NGOs and R&amp;D institutions to develop knowledge products and organize knowledge sharing events.</li> <li>- Organization of workshops, seminars and conferences.</li> </ul>		ICB SSS CQS	Ex-post		100	No	2 Q 2010	2 Q 2015	Pending	These assignments may be bundled into a single contract and selection process.
5	<b>Subcomponent 1.3: Knowledge Management Program</b>  <ul style="list-style-type: none"> <li>- <b>Communications Campaign and implementation.</b></li> </ul>		ICB SSS CQS	Ex-post		100	No	2 Q 2010	2 Q 2015	Pending	This may comprise a single contract for the design and Implementation of a communications campaign (s). Alternatively, the design and delivery of the campaign may be assigned to separate firms.

Ref. No.	Description and type of the procurement contract	Estimated Contract Cost (US\$000)	Procurement method <sup>1</sup>	Review (ex-ante or ex-post) <sup>2</sup>	Source of financing and percentage		Pre-qual. (Yes/No)	Estimated dates		Status <sup>3</sup> (pending, in process, awarded, cancelled)	Comments
					IDB %	Local/Other %		Publication of specific procurement notice	Completion of contract		
6	<p><b>Subcomponent 1.3: Knowledge Management Program</b></p> <p>Financing the travel expenses for participants in Compete Caribbean events</p> <ul style="list-style-type: none"> <li>-Travel</li> <li>-Hotel</li> <li>-Per diem</li> <li>-Related materials</li> </ul>		ICB SSS CQS	Ex-post		100	No	2 Q 2010	2 Q 2015	Pending	This may comprise a single contract for the logistics for the event(s). Alternatively, the logistics may be assigned to several firms.
<p><b>COMPONENT 2: Business Climate and Competitiveness Enhancement Facility (BCCE)</b></p> <p>The total amount for this demand-driven subcomponent is US\$9.9 million.</p> <p>The maximum amount that may be approved for a single project under the BCCE is US\$500,000</p>											
7	<p>For all of component 2: <u>Consulting services to support beneficiaries and the PCU in the development of project proposals</u> to improve productive development policies in participating countries, the OECS sub-region and the region as a whole.</p>	Up to a maximum of US\$75,000 per project will be available to support the beneficiary in identification and preparation	ICB SSS CQS	Ex-post	-	100	No	2 Q 2010	2 Q 2015	Pending	This support may take the form of contracts with several firms and/or individuals or a single contract with one firm to provide this support to beneficiaries.

Ref. No.	Description and type of the procurement contract	Estimated Contract Cost (US\$000)	Procurement method <sup>1</sup>	Review (ex-ante or ex-post) <sup>2</sup>	Source of financing and percentage		Pre-qual. (Yes/No)	Estimated dates		Status <sup>3</sup> (pending, in process, awarded, cancelled)	Comments
					IDB %	Local/Other %		Publication of specific procurement notice	Completion of contract		
8	<b>Promotion and dissemination for all of Component 2:</b> (i) seminars and workshops; (ii) publication of brochures and documents; (iii) public announcements and distribution of printed promotional materials; and (iv) Attending fairs and conferences.		ICB SSS CQS	Ex-post	-	100		2 Q 2010	2 Q 2015	Pending	This may take the form of contracts with several firms and/or individuals.
<b>Subcomponent 2.1: Business climate and Competitiveness Enhancement Technical cooperation</b> <b>The total amount for this subcomponent is US\$6.5 million. The maximum amount that the Program may approve for a single project is US\$500,000</b>											
9	Consulting services to implement business climate and competitiveness enhancement reforms. (e.g. improve tax and incentive frameworks, competition policy, issues of access to finance, improve efficiency in the movement of goods, reducing unnecessary burdens in trading across borders and activities that improve Business Development Services, among others).	A maximum of up to US\$500,000 per project approved	ICB SSS CQS	Ex-post	-	100	No	2 Q 2010	2 Q 2015	Pending	This may take the form of contracts with several firms and/or individuals or a single contract with one firm to provide this support to all beneficiaries.  N.B. Up to 30% of each beneficiary project that may be approved under the Program may be allocated for the purchase of goods and related non-consulting services required to achieve the project's results. The purchase of such items may be incorporated as part of the contract with the provider of the consulting services or may be acquired under an independent bidding process. This is to be determined.

Ref. No.	Description and type of the procurement contract	Estimated Contract Cost (US\$000)	Procurement method <sup>1</sup>	Review (ex-ante or ex-post) <sup>2</sup>	Source of financing and percentage		Pre-qual. (Yes/No)	Estimated dates		Status <sup>3</sup> (pending, in process, awarded, cancelled)	Comments
					IDB %	Local/Other %		Publication of specific procurement notice	Completion of contract		
<b>Subcomponent 2.2: Technical Assistance to support Public-Private Dialogue on Competitiveness (PPD)</b> <b>The total amount for this subcomponent is US\$3.4 million. The maximum amount that the Program may approve for a single project is US\$500,000</b>											
10	Sponsor meetings and workshops to foster public-private dialogue and establish or strengthen national competitiveness forums and their technical units.	A maximum of up to US\$500,000 per project approved	ICB SSS CQS	Ex-post		100	No	2 Q 2010	2 Q 2015	Pending	This may take the form of several contracts with different consulting firms or a single contract for the entire activity. In either case, the contract(s) will include funds for the logistical aspects of these workshops (venue, advertising, refreshments for participants).
11	Consulting services for institutional strengthening of national competitiveness councils and their technical units.	A maximum of up to US\$500,000 per project approved	ICB SSS CQS	Ex-post		100	No	2 Q 2010	2 Q 2015	Pending	This activity may take the form of contracts with several consulting firms and/or individuals or a single contract with one firm to provide institutional strengthening services to all beneficiaries.  N.B. Up to 30% of each beneficiary project that may be approved by the Program may be allocated for the purchase of goods and related non-consulting services required to achieve the project's results. The purchase of such items may be incorporated as part of the contract with the provider of the consulting services or may be acquired under an independent bidding process. This is to be determined.

Ref. No.	Description and type of the procurement contract	Estimated Contract Cost (US\$000)	Procurement method <sup>1</sup>	Review (ex-ante or ex-post) <sup>2</sup>	Source of financing and percentage		Pre-qual. (Yes/No)	Estimated dates		Status <sup>3</sup> (pending, in process, awarded, cancelled)	Comments
					IDB %	Local/Other %		Publication of specific procurement notice	Completion of contract		
12	Consulting services for strengthening associations of small businesses, including women's business associations and other similar private sector associations.	A maximum of up to US\$500,000 per project approved	ICB SSS CQS	Ex-post		100	No	2 Q 2010	2 Q 2015	Pending	Idem
<b>COMPONENT 3: Enterprise Innovation Challenge Fund</b> <b>The total budget for this demand-driven component is US\$13.25 million.</b> <b>The maximum amount that may be approved for a single project under the Fund is US\$500,000.</b>											
<b>Subcomponent 3.1: Support to clustering Initiatives (SCI)</b> <b>The total budget for this subcomponent is US\$6.25 million. The maximum amount that may be approved for a single project is US\$500,000</b>											
13	Consulting services to support the identification of key beneficiary clusters and value chains.		ICB SSS CQS	Ex-post		100	No	2 Q 2010	2 Q 2015	Pending	Cluster identification and development consultancies will be demand-driven. The Cluster identification and development activity may take the form of contracts with several consulting firms and/or individuals or a single contract with one firm to provide institutional strengthening services to all beneficiaries.

Ref. No.	Description and type of the procurement contract	Estimated Contract Cost (US\$000)	Procurement method <sup>1</sup>	Review (ex-ante or ex-post) <sup>2</sup>	Source of financing and percentage		Pre-qual. (Yes/No)	Estimated dates		Status <sup>3</sup> (pending, in process, awarded, cancelled)	Comments
					IDB %	Local/Other %		Publication of specific procurement notice	Completion of contract		
14	Development of Cluster Competitiveness Improvement Plans (CCIP).	Up to a maximum of US\$75,000 per project will be available for support in project preparation	ICB SSS CQS	Ex-post		100	No	2 Q 2010	2 Q 2015	Pending	Idem.
15	Consulting services to support the implementation of CCIP.	The maximum amount that may be approved for a single project is US\$500,000	ICB SSS CQS	Ex-post		100	No	2 Q 2010	2 Q 2015	Pending	<p>This activity may take the form of contracts with several consulting firms and/or individuals or a single contract with one firm to provide institutional strengthening services to all beneficiaries.</p> <p>N.B. Up to 30% of each beneficiary project that may be approved by the Program may be allocated for the purchase of goods and related non-consulting services required to achieve the project's results. The purchase of such items may be incorporated as part of the contract with the provider of the consulting services or may be acquired under an independent bidding process. This is to be determined.</p>

Ref. No.	Description and type of the procurement contract	Estimated Contract Cost (US\$000)	Procurement method <sup>1</sup>	Review (ex-ante or ex-post) <sup>2</sup>	Source of financing and percentage		Pre-qual. (Yes/No)	Estimated dates		Status <sup>3</sup> (pending, in process, awarded, cancelled)	Comments
					IDB %	Local/Other %		Publication of specific procurement notice	Completion of contract		
<b>Subcomponent 3.2: Direct-firm support</b> <b>This consists of a total of US\$7 million in matching grants that will be awarded on the basis of proposals that meet the criteria set by the Program.</b> <b>The maximum size of each grant may not exceed US\$500,000.</b>											
	Consulting services to support the identification and preparation of project proposals.	Up to a maximum of US\$75,000 per project will be available for support in project preparation	ICB SSS CQS	Ex-post		100	No	2 Q 2010	2 Q 2015	Pending	This support may take the form of contracts with several firms and/or individuals or a single contract with one firm to provide this support to beneficiaries.
	Professional services for seminars and workshops; publication of brochures and documents; public announcements and distribution of printed promotional materials; and participation at fairs and conferences.		ICB SSS CQS	Ex-post		100	No	2 Q 2010	2 Q 2015	Pending	This may take the form of contracts with several firms and/or individuals.



Ref. No.	Description and type of the procurement contract	Estimated Contract Cost (US\$000)	Procurement method <sup>1</sup>	Review (ex-ante or ex-post) <sup>2</sup>	Source of financing and percentage		Pre-qual. (Yes/No)	Estimated dates		Status <sup>3</sup> (pending, in process, awarded, cancelled)	Comments
					IDB %	Local/Other %		Publication of specific procurement notice	Completion of contract		
<b>PROGRAM ADMINISTRATION (consulting services)</b>											
16	Consulting services to support the PCU, and other consulting positions required for the effective functioning of the PCU (e.g. Component Managers, Monitoring & Evaluation advisor, Gender Advisor, Procurement Advisor, Environmental Advisor as well as other technical expertise to support the beneficiaries in project preparation and evaluation, and the PCU as needed).	Budget: 2,000	IICC	Ex-post		100	No	2 Q 2010	2 Q 2015	Pending	One year contracts with individual consultants. Contracts are subject to renewal based on the requirements of the PCU and consultant performance.
<b>PROGRAM ADMINISTRATION (PCU office associated expenses) Total budget for PCU office costs and travel is US\$ 1.8 million</b>											
17a	IT equipment		PC	Ex-post		100	No	2 Q 2010		Pending	
17b	IT server rental & maintenance		PC	Ex-post		100	No	2 Q 2010	2 Q 2015	Pending	
17c	Office Space Rental		PC	Ex-post		100	No	2 Q 2010	2 Q 2015	Pending	
17d	Office supplies		PC	Ex-post		100	No	2 Q 2010	2 Q 2015	Pending	

Ref. No.	Description and type of the procurement contract	Estimated Contract Cost (US\$000)	Procurement method <sup>1</sup>	Review (ex-ante or ex-post) <sup>2</sup>	Source of financing and percentage		Pre-qual. (Yes/No)	Estimated dates		Status <sup>3</sup> (pending, in process, awarded, cancelled)	Comments
					IDB %	Local/Other %		Publication of specific procurement notice	Completion of contract		
17e	Office furniture & equipment		PC	Ex-post		100	No	2Q 2010		Pending	
17f	Office general services (cleaning, security, etc.)		PC	Ex-post		100	No	2 Q 2010	2 Q 2015	Pending	
17g	Utilities		DC	Ex-post		100	No	2 Q 2010	2 Q 2015	Pending	
17h	Travel and Hotel		DC	Ex-post		100	No	2 Q 2010	2 Q 2015	Pending	

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-\_\_\_\_/10

Regional. Grant Cofinancing Contributions Administered by the Bank (COFAB)  
ATN/\_\_\_\_-RG

Compete-Caribbean  
Program to Support Private Sector Development & Competitiveness in the Caribbean

The Board of Executive Directors

RESOLVES:

1. That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such agreements as may be necessary and to take such additional measures as may be pertinent for the execution of the project contained in document AT-\_\_\_\_ with respect to a technical cooperation for a compete-Caribbean program to support private sector development & competitiveness in the Caribbean.
2. That up to the amounts of £8,656,000 and CAD20,000,000 shall be authorized for the purpose of this resolution, chargeable to the contributions of the United Kingdom Department for International Development (DFID) and the Canadian International Development Agency (CIDA), respectively, contained in document AT-\_\_\_\_.
3. That the above-mentioned sums are to be provided on a nonreimbursable basis.

(Adopted on \_\_\_\_\_2010)