

JAMAICA BUSINESS FUND

Foundation for Competitiveness & Growth Project (FCGP)



Ronald Dubrisingh – Fund Manager



BACKGROUND



- Jamaica Business Fund (JBF) is a component of the Foundations for Competitiveness and Growth (FCG) Project.
- Addressing a range of constraints inhibiting private sector-led growth in the Jamaican economy:
 - regulatory barriers are being removed
 - incentives enhanced to facilitate new investments
 - inclusive growth in high-potential supply chains.

DESCRIPTION



A Grant scheme to strengthen businesses in Jamaica through support to SME supply chains, it will:

- improve their productivity and quality
- increase their output and sales to buyer firms
- enhance the competitiveness of exports and import-competing products

The supply chain approach will use 'anchor' firms to initiate and coordinate the JBF application and upgrading programs as an active partner.

What are a 'Supply Chain' and 'Anchor Firm'

The supply chain is the network created amongst different companies producing, handling and/or distributing a specific product. The JBF is seeking to work with supply chains made up largely of SMEs who sell to a buyer firm.



An Anchor is a (generally larger) firm which works with a number of SME suppliers and generates foreign exchange earnings through exports and/or foreign exchange savings through import substitution.

KEY FACTS



- Fund size - US\$4.5M
- Grants from approximately US\$20K to typically \$350K per supply chain.
- Exceptionally can be greater
- Per individual Firm - US\$5000 – \$30,000

KEY FACTS



- Required Co-payment
- 30% primary producer
- 50% processor
- For group projects with different categories of participants the co-payment rate will be based on the status of the majority of participants

KEY FACTS



- In-kind contributions are accepted as co-financing once they add value to the project.
- The grant is a reimbursement grant, that is, payments will be made against costs already incurred at agreed project milestones and on submission of required documents. Exceptions are possible where justified.
- Loans may be available through Component 3B for co-financing or project costs that are not eligible under the grant.

ELIGIBILITY



- Eligible Supply Chains
- Eligible Applicants
- Eligible Beneficiaries
- Eligible Activities
- Eligible Costs

ELIGIBLE SUPPLY CHAINS



- Eligible supply chains include those subsectors that are well prepared for assisting output and employment growth in Jamaica
- They include, but are not limited to, agriculture and agro-processing, light manufacturing, construction and logistics

ELIGIBLE SUPPLY CHAINS



Selection Criteria:

- export growth potential
- development of new industries/innovation
- potential productivity increases
- potential increases in jobs and sales
- commitment of the group to the program.

ELIGIBLE APPLICANTS



- medium or larger buyer firm within an eligible supply chain – “Anchor Firm”
- accepts the responsibility to prepare and manage the JBF application and the project implementation
- legally registered in Jamaica and in operation for at least one year

ELIGIBLE APPLICANTS



- capacity to manage initiatives of the size of the grant
- tax compliant
- Resources to fund the, advances and co-payments (may be commitment agreements with partner SME firms in the supply chain group)

ELIGIBLE BENEFICIARIES



- Member of a supply chain group represented by an eligible Anchor firm
- Be micro, small or medium sized
- legally registered in Jamaica and in operation for at least one year
- Can fund the required copayment
- Farmers must be registered with RADA

ELIGIBLE ACTIVITIES



- Any activity that can:
- Build competitiveness
- Lead to export growth
- Develop new innovative products
- Increase supply chain productivity
- Increase jobs and sales

ELIGIBLE ACTIVITIES



- Not longer than 8 months duration
- Should demonstrate “additionality” that is, something that would not have happened in the same way without the grant.
- Must comply with World Bank safeguard rules on the environment.

ELIGIBLE COSTS



- Costs that are necessary for carrying out the project
- That have been incurred by the beneficiary post submission of the full application
- That are verifiable by originals of documents and deliverables

INELIGIBLE COSTS



- Cost of land
- Buildings and structures not inextricably linked to the activity
- Core machinery and equipment
- raw materials, working capital and other routine operational costs

THE APPLICATION PROCESS



Two stage Process:

- Concept Note – Outline of the project, its expected benefits and a budget estimate.
- Full Application (for shortlisted projects) - technical assistance is available from the FMU management unit as well as through small project-preparation grants for specialised services

THE APPLICATION PROCESS



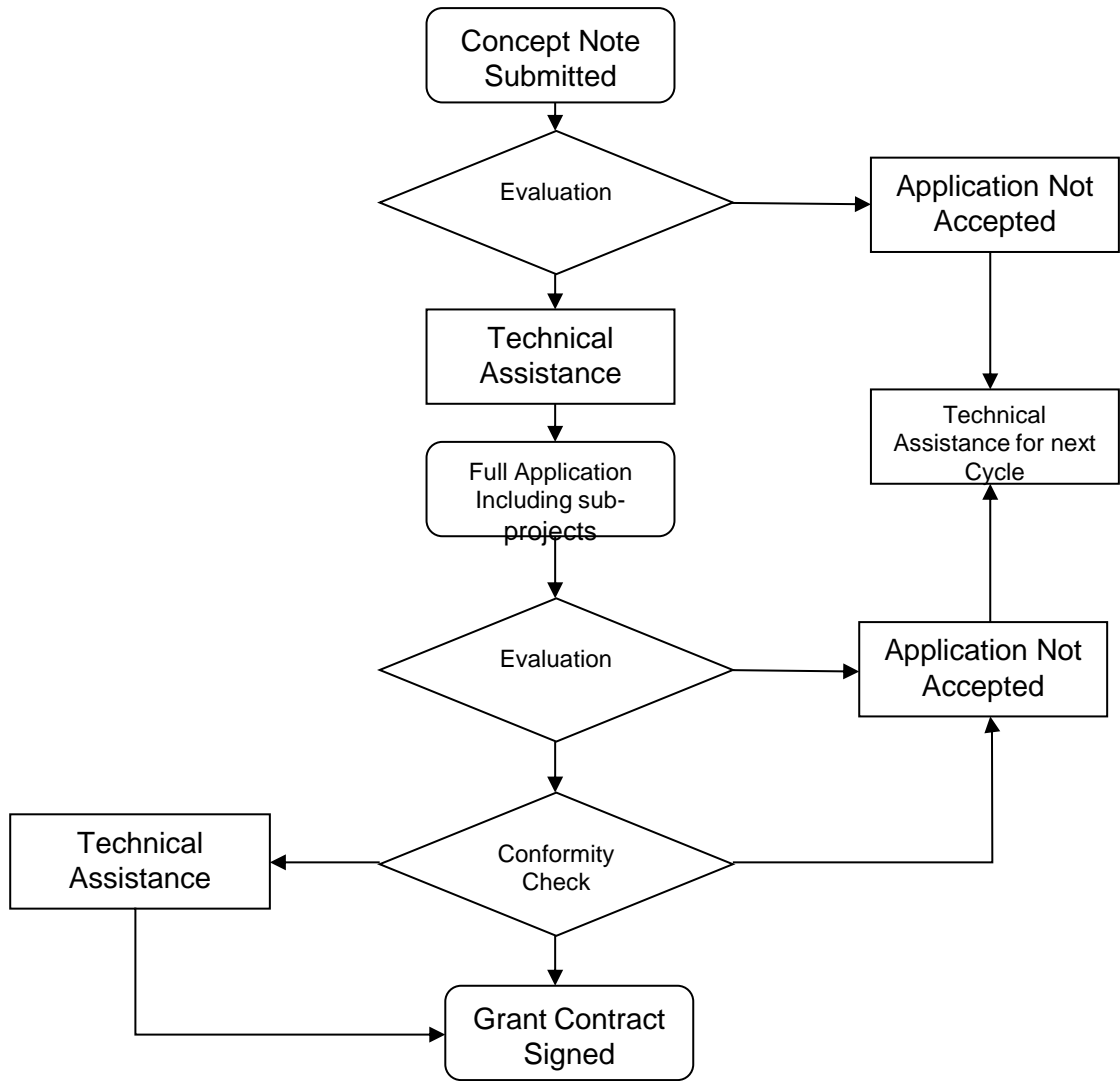
- The process of preparing the project plan is led by the Anchor firm but must be participatory and comprehensive, with significant and active presence of all value chain stakeholders.
- Projects may include group-activities, where all or most of the group participate and sub-projects which benefit the supply chain but in which one or few firms are actively involved.

THE APPLICATION PROCESS



- Group Activities will be coordinated by the Anchor firm which will be responsible for administrative, technical and financial aspects of implementation and reporting to the FMU
- For Sub-Projects separate grant agreements may be made with the individual SME beneficiaries and in such cases the beneficiaries will be responsible for all aspects of project financing, implementation and reporting.

FLOWCHART OF THE APPLICATION PROCESS



PLANNED DATES – FIRST CYCLE



- Launch of the Fund – July 15
- Concept Notes – August 12 & 26
- Full Application (with TA from the JBF) – October 2016
- Grants Awarded – November 2016

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QUESTIONS?

Contact: 279-7840 OR 279-7962

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