

MINISTRY PAPER NO: _____

**PERFORMANCE OF THE JAMAICA BUSINESS DEVELOPMENT CENTRE FOR
FINANCIAL YEAR 2005/2006 AND FOCUS FOR FINANCIAL YEAR 2006/07**

1.0 Purpose of Ministry Paper

The purpose of this Ministry paper is to provide the public with information on the performance of the Jamaica Business Development Centre for the 2005/2006 Financial Year and its focus for the 2006/2007 Financial Year.

2.0 Background

The Jamaica Business Development Centre (JBDC) was established in April 2001. JBDC is the institution mandated to lead Government's initiative to facilitate the sustainable development of the Micro and Small Enterprises (MSEs).

In an effort to reach the small business sector nation wide and to provide sustained contact with its client group, JBDC has established a network of Business Service Providers (BSPs) in most parishes. BSPs provide first level JBDC services and also assist in identifying and meeting emerging needs of the client group.

3.0 Mission

To promote the creation and sustainable development of Micro and Small Enterprises (MSE's) in Jamaica.

4.0 Role and Functions

JBDC operates as a national network broker and facilitates clients, especially 'start-up' businesses, to make efficient links with both Government and private sector agencies. To this end, the Centre hosts various training workshops on a monthly basis. Agencies and institutions that provide support to the micro, small and medium enterprise (MSME) sector are involved in the workshops, which are geared towards both new and existing entrepreneurs.

5.0 Highlights of Performance/Achievements for Financial Year 2005/2006

Objectives	Achievements
<p>1. Developing a Logical Framework for the development of SME sector</p> <ul style="list-style-type: none"> • Guiding the development of policy guidelines to support the development of the sector. 	<p>1. JBDC Conference 2005 - “Hi-Tech, High Touch” focussed on the utilization and impact of information technology to close distances and facilitate the development and expansion of businesses. The following are the highlights:</p> <ul style="list-style-type: none"> • Three (3) interactive workshops in which over 500 individuals/entities participated • Establishing E-business Information Centre • Facilitate the provision of Innovative Financing for the SME sector • Facilitate E-Commerce • Signing of JBDC/JAMPRO memorandum of Understanding (MOU) • Video-conference workshop with the Small Business Administration (US) that facilitated the exchange of information and experiences between US and Jamaican financial institutions that support MSE’s. <p>2. Based on JBDC’s ongoing research as well as baseline studies for the MSE sector’s continued development, a number of documents have been developed. Main publications include:</p> <ol style="list-style-type: none"> a. Small and Micro Enterprise Development Issues and Policies (2005) b. Tax Guidelines to facilitate Entry of MSE’s into the formal sector (2005) c. Preparing Jamaican Youth for Entrepreneurship (2004) d. Salvaging Companies (2004) <p>3. Funding has been approved and granted for the development and implementation of an ICT- Business Incubator Information Centre. Five (5) Chambers of Commerce and the Jamaica Employers Federation (JEF) have already been sensitized as network partners to facilitate implementation.</p>
<p>2. Upgrading existing businesses</p>	<ul style="list-style-type: none"> • The Centre sought to establish a mutual guarantee facility to include participation from private sector financial institutions and Government of Jamaica funds. The Government has pledged \$50 M as “seed money”. The targeted group of beneficiaries are graduates from tertiary institutions. • JBDC and National Commercial Bank (NCB) have been in discussions regarding collaboration on the implementation of an “E-Commerce” system that would include the facility of completing transactions online.

Objectives	Achievements
	<ul style="list-style-type: none"> • In September 2005, a Memorandum of Understanding signed with the Bureau of Standards in an amount of \$15 million initially will facilitate services to the MSE sector in upgrading its products and processes. This is an enhancement on the previous agreement valued at \$4 million. • In September 2005, the JBDC met with the Small Business Administration (SBA)-USA in Washington D.C. to negotiate an MOU with SBA. JBDC identified several SBA signature programmes that it proposes to modify for implementation. The products include SBA's range of financial guarantee programmes; business matchmaking programme and the SCORE business advisory programme that utilizes the services of retired executives to provide free advice to entrepreneurs. • JBDC, in order to facilitate effective financial support to the client group was in dialog with financial institutions to facilitate the development of appropriate financial products. The institutions include Development Options (DO), Jamaica National (JN) and Development Bank of Jamaica (DBJ).
3. Developing new Businesses	<p>Building Youth for National Development (BYND)</p> <p>1. The BYND project was designed to provide technical and business training for youths in the age group 17-29 years. In addition, the project is aimed at assisting youths to gain employment. Due to the success of the first phase, the second phase of the programme was approved for implementation with funding of \$50 million.</p> <p>For the period under review over 1000 youth have benefited.</p> <ul style="list-style-type: none"> • 530 persons/entities benefited from business development training • 170 persons/entities received start-up grants • 152 entities were registered and brought into the formal system • 201 interns were trained and placed in 21 host companies
4. JBDC Client listing	<p><u>JBDC Client listing:</u></p> <p>For the period under review, a total of two thousand, nine hundred and thirty-six (2,936) individuals/entities were assisted by JBDC. Two thousand one hundred and sixty-four (2,164) were "start-up" new businesses, while the remaining seven hundred and seventy two (772) are existing businesses.</p> <p>Over 1500 persons have benefited from training over the period, in</p>

Objectives	Achievements
	critical business areas such as product development, preparing business plans, and business management.
5. Identification & Development of new business opportunities	<p><u>Focus on new market niches focusing on indigenous materials:</u></p> <ul style="list-style-type: none"> • Including natural fibre (e.g. banana fibre), candies, dehydrated products, soft toys, fashion (including jewellery & other accessories), ornamental fish. <p>Soft toys</p> <p>The JBDC has embarked on a soft toy project to establish guidelines for the design and development of soft toys. In turn, the clientele group of JBDC stands to benefit from the following outputs:</p> <ul style="list-style-type: none"> ▪ Soft toy products ▪ Templates for soft toy products ▪ Development of business opportunity profiles ▪ Test marketing (Things Jamaican stores) <p>Knitting Project</p> <p>Knitwear machines and accessories valued at U\$57,700.00 were acquired through a JBDC/GOJ initiative. Several communities and other groups stand to benefit as plans to train personnel and set up knitwear production facilities island-wide have been put in place.</p>
6. Increasing the market share of targeted sector through: assisting in creating marketing opportunities globally	<p><u>Trade Fairs (local)</u></p> <ul style="list-style-type: none"> • Kumba Mi Yabba Craft fair - 135 participants. The Centre in continuing to pursue its mandate to support the development of the Jamaica Gift and Craft sector staged the 5th annual Kumba Mi Yabba – Jamaican Craft Producers Market Place on December 16–18, 2005 on the lawns of Devon House. One hundred and thirty-five (135) participants showcased Jamaican products. <p><u>Things Jamaican (TJ) Shops</u></p> <ul style="list-style-type: none"> • 60% increase in TJ sales over previous period • 330 small producers participating in the new Things Jamaican Shops. • Participants' average earning is \$48,000 monthly • Average earnings per supplier increased by 58% over previous year • 380 new clients products screened • 168 persons screened • 45 new suppliers

Objectives	Achievements
	<p><u>World Cup Cricket 2007</u></p> <p>World Cup 2007 presents a window for expansion for MSEs. As part of a thrust to have new and existing MSEs take full advantage of this opportunity, JBDC has:</p> <ul style="list-style-type: none"> • conducted a number of sensitization workshops island-wide • applied for a merchandizing license for its Things Jamaican shops • commenced a product development programme geared at assisting MSEs to have the right product for the right market • Commenced implementation of a mobile design studio to provide “hands-on” assistance at locations outside of Kingston for packaging, labelling and collateral development for MSEs
7. JBDC Community and Social Development Focus	<p>Just over fifty (50) communities have benefited from JBDC intervention over the review period. Through collaboration with the Jamaica Social Policy Evaluation Programme (JASPEV), Local Initiative for Urban Environment (LIFE) and international donor agencies, JBDC has provided assistance to 52 communities island-wide. These communities benefited from a wide range of services – product development, infrastructure, business development, and technical assistance.</p>

6.0 Summary of Main Programmes for Financial Year 2006/2007

During the 2006/2007 Financial Year, JBDC will undertake the following programmes:

(a) Business Opportunities for World Cup Cricket (WCC) 2007

- This programme by JBDC will focus on the development and implementation of business opportunities within the MSE sector. Emphasis will be given to craft, food and fashion, as well as business opportunities in the hospitality, entertainment and other service industries.
- Through this programme, individuals and communities in areas where WCC activities will be held will receive special attention in the development of business ideas, product development, sensitisation to issues and regulations of the WCC, intellectual property protection, and good business practices.
- The objectives will be achieved through a suite of interventions including workshops, individual-client business and technical assistance, capacity building for producers through skills and facilities upgrading, marketing and networking.

Project Beneficiaries:

The primary project beneficiaries are to be individual entrepreneurs and community groups, especially those residing in parishes where WCC events will be held. Persons and groups from other areas will also be targeted, as it is expected that WCC tourists will visit other areas of the island in between matches.

The following activities have been identified:

Workshop series

- CWC 2007 sensitisation
- CWC rules and regulations for marketing goods and services
- Product development
- Intellectual property protection
- Marketing products and services
- Business development workshops

Business Development Assistance

- Prepare individual business owners and community groups for better business practices.

Product Development Assistance

- New product development
- Client product development

Marketing Assistance

- Visual merchandising of products
- Packaging and promotional materials
- Online matching service

Expected Results:

- Entrepreneurs successfully prepared to produce and market products and services for WCC 2007.
- New craft/fashion products generated for WCC 2007

(b) Building Youth for National Development (BYND)

In August 2004 the BYND Programme commenced its second phase maintaining the same focus as the previous phase, i.e. fostering employment for youth, but with adjustments made to the target group with the upper age limit being extended from 29 to 35.

The programme now targets youths within the age group of 17 to 29 for internship and 17 to 35 for its grant funding component. Ultimately its aim is to reduce unemployment and poverty. To accomplish this, the following targets were set for the project.

1. The provision of work experience for 500 youths through an internship programme.
2. Business Entrepreneurship Development to 300 Youths through the provision of grant funding.
3. Support provided to 30 jockeys through training provided by the Jamaica Racing Commission.
4. The continued support for 70 youths involved in making music a viable economic opportunity for young Jamaicans.

Achievements to Date

	Internship	Business Entrepreneurship Development	Jockey Training	Music Component	Total
Beneficiaries	451	152	16	19	638

For the remainder of calendar year 2006 the push for business development through the BYND Programme will continue so as to provide the support needed for the empowerment of young Jamaicans.

(c) Modernization Action Programme for the Jamaican Apparel and Fashion Industry

The Fashion Division of the JBDC, as part of the process of developing the Jamaican apparel and fashion industry through the Modernization Action Plan (MAP), will continue to undertake several activities during the 2006/2007 period. The three (3) components of the MAP are:

- Strategic Industrial Development Framework (SIDF). This will be facilitated through networking with important stakeholders within the fashion industry and through events such as the JBDC Annual Conference, which provides a medium for clients to showcase their products and services, and for new and existing entrepreneurs to be informed of opportunities within targeted sectors.
- Strategic Marketing Assistance (SMA) will be facilitated through trade fairs such as the annual Kumba Mi Yabba Christmas Village, which is a gift and craft marketplace for authentic Jamaican pieces. Also, through the Centre's five (5) Things Jamaican retail outlets; a thriving market for some clients is facilitated.

- Strategic Technical Assistance Modernization Programme (STAMP) will continue to provide technical assistance to clients within the industry through site visits and training workshops. A major objective for the upcoming period is to revitalise the knitting industry, through development of the knitted products sector via introduction of new product lines and techniques for producing items in commercially viable quantities.
- JBDC has also embarked on a Soft Toy Project to establish guidelines for the design and development of soft toys. In turn, JBDC clients stand to benefit from the following outputs:
 - a) A series of workshops that will be conducted across the island to inform and educate young aspiring entrepreneurs about business opportunities in the soft toy industry.
 - b) Templates for soft toy products
 - c) Soft toy business opportunity profile
 - d) Market testing (through Things Jamaican outlets).

7. Budgetary Allocation for Financial Year 2005/2006 and Approved for 2006/2007

The revised estimate for Financial Year 2005/06 was \$92,015,667 while the proposed budget for Financial Year 2006/2007 is \$142.7 million. This includes a provision for World Cup Cricket.

Phillip Paulwell
Minister
Ministry of Industry, Technology, Energy & Commerce
June 20, 2006