

MINISTRY PAPER NO.: _____

**PERFORMANCE OF THE JAMAICA BUSINESS DEVELOPMENT CENTRE FOR
FINANCIAL YEAR 2006/2007 AND FOCUS FOR FINANCIAL YEAR 2007/08**

1.0 Purpose of Ministry Paper

The purpose of this Ministry Paper is to provide Parliament and the public with information on the performance of the Jamaica Business Development Centre (JBDC) for the 2006/2007 Financial Year and the main programmes to be implemented in the 2007/2008 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 Small and Micro Enterprise (SME) sector.

3.0 Mission

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

4.0 Role and Functions

In fulfilling its mandate of facilitating the development of businesses to make a valuable contribution to the country's economy, JBDC's role can be summarized as:

- Provision of Strategic Technical Assistance
- Provision of Strategic Marketing Programme
- Development of a Strategic Industrial Development Framework for SME's

5.0 Highlights of Performance/Achievements for Financial Year 2006/2007

Financial Year 2006/2007 was a robust one characterized and driven by a number of happenings and activities focussed on industry and SME development. Chief among them was the preparation for the ICC World Cup 2007, establishment of Jamaica business information centres (JAMBIC's) island-wide, and JBDC capacity-building. The following outlines the JBDC's objectives and achievements over the period under review.

Objectives	Achievements
<p>1. Developing a Logical Framework for the development of the SME sector</p>	<ul style="list-style-type: none"> • In an effort to strengthen the access to technical, business, marketing and financial services to the Micro, Small and Medium Enterprises through the use of information and communications technology, JBDC has established a network of business information centres across the island. On July 25th and 26th, 2006, the Business Information Centre was launched with a Memorandum of Understanding being signed with one of the partners, Hanover Chamber of Commerce. Other partners such as Montego Bay Chamber of Commerce, Jamaica Employers Federation and Portmore Chamber of Commerce and Industries are expected to establish business information centre. The project is aimed at strengthening the access of small entrepreneurs to technical, business, marketing and financial services through JBDC satellites centres island-wide via technology. The centres will offer E-business services including E-Business Information, E-Business Training, E-Business, E-Commerce and E-Marketing • JBDC met with an intellectual property consultant for the small and medium sized enterprises division of the World Intellectual Property Organization (WIPO) to discuss issues relating to IP and the SME sector locally, as well as possible collaborations between JBDC and WIPO (and JIPO) on IP education and registration • JBDC has commissioned a number of studies geared towards policy for SME's development: <ul style="list-style-type: none"> ○ Analysis of Jamaican Taxation ○ Recommendation for Alternative SME Taxation ○ Small & Micro-Enterprise Study ○ Developing a Business Incubation Programme
<p>2. Upgrading existing businesses</p>	<ul style="list-style-type: none"> • Just over 3,000 entities have benefited from technical assistance and training over the period. For this year clients of a number of organizations, institutions and community groups were chief among the beneficiaries: <ul style="list-style-type: none"> • Jamaica National Small Business Loans Ltd. (JNSBL) • Jamaica Social Policy Evaluation Project (JASPEV) • Micro Enterprise Financing Limited (MEFL)
<p>3. Developing new businesses</p>	<p>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. See table below for target</p>

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	<p>set and the actual output:</p> <table border="1" data-bbox="561 331 1446 978"> <thead> <tr> <th data-bbox="561 331 959 369">ACTIVITIES</th> <th data-bbox="959 331 1203 369">TARGET</th> <th data-bbox="1203 331 1446 369">OUTPUT</th> </tr> </thead> <tbody> <tr> <td data-bbox="561 369 959 468">Business Attachment Through NYS</td> <td data-bbox="959 369 1203 468">250</td> <td data-bbox="1203 369 1446 468">250</td> </tr> <tr> <td data-bbox="561 468 959 567">Business Attachment Through JBDC</td> <td data-bbox="959 468 1203 567">250</td> <td data-bbox="1203 468 1446 567">250</td> </tr> <tr> <td data-bbox="561 567 959 701">Business Entrepreneurship Development Through JBDC/HEART</td> <td data-bbox="959 567 1203 701">300</td> <td data-bbox="1203 567 1446 701">229</td> </tr> <tr> <td data-bbox="561 701 959 800">Business Development of Existing Enterprises</td> <td data-bbox="959 701 1203 800">150</td> <td data-bbox="1203 701 1446 800">50</td> </tr> <tr> <td data-bbox="561 800 959 898">Jockey Training Programme</td> <td data-bbox="959 800 1203 898">16</td> <td data-bbox="1203 800 1446 898">16</td> </tr> <tr> <td data-bbox="561 898 959 978">Youth Music Development</td> <td data-bbox="959 898 1203 978">70</td> <td data-bbox="1203 898 1446 978">41</td> </tr> </tbody> </table>	ACTIVITIES	TARGET	OUTPUT	Business Attachment Through NYS	250	250	Business Attachment Through JBDC	250	250	Business Entrepreneurship Development Through JBDC/HEART	300	229	Business Development of Existing Enterprises	150	50	Jockey Training Programme	16	16	Youth Music Development	70	41
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4. JBDC Client listing	<p><u>JBDC Client listing:</u> For the period under review, over six thousand (6,000) individuals/entities were assisted by JBDC. Over three thousand (3,000) persons have benefited from training over the period, in critical business areas such as product development, preparing business plans, and business management.</p>																					
a) Identification & Development of new business opportunities	<p><u>Focus on new market niches emphasising 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), and ornamental fish. <p>Soft Toys 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 via the Things Jamaican stores <p>The soft toy collection has been developed; operational procedures have been established and market analysis has been conducted. In preparation for World Cup Cricket 2007, sensitization sessions were conducted, templates of cricket gears were developed and the actual products made. A series of workshops was conducted across the island</p>																					

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	<p>to inform and educate young aspiring entrepreneurs about business opportunities in the soft toys and papermaking industries.</p> <p>Knitting Project Knitwear machines and accessories valued at US\$57,700.00 were acquired through a JBDC/GOJ initiative. Equipment acquired include: knitting machines, looping machines, yarn winding machines and others. 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. The distribution of the equipment has commenced.</p> <p>Ornamental Fish Recently there has been an increased interest in ornamental fish farming. JBDC has been receiving numerous requests from persons needing training in ornamental fish husbandry as a business. A total of twelve (12) sessions were provided with a focus in five (5) areas including: fish husbandry, disease and pest management, and fish food formulation. A business management session accompanied each series and participants were exposed to business planning and management strategies.</p>
<p>b) Increasing the market share of targeted sectors through: assisting in creating marketing opportunities globally</p>	<p><u>Trade Fairs</u></p> <ul style="list-style-type: none"> ▪ The Centre in continuing to pursue its mandate to support the development of Jamaica's gift and craft sector staged the 6th annual Kumba Mi Yabba – Jamaican Craft Producers Market Place on December 22–24, 2006. One Hundred and forty six (146) local designers and manufacturers participated in the event which showcased high quality authentic Jamaican fashion, craft, home, garden and food products on the lawns of Devon House. The event was attended by approximately seven thousand (7,000) patrons. • Independence Sunday Market in Washington D.C. This event took place in Washington D.C., USA, from August 4-7, 2006. Twenty-two (22) craft producers and six (6) artisans were represented at this event in addition to three (3) representatives from JBDC. Representation covered the categories of aromatherapy, ceramics, jewellery, home items, food and woven/knitted accessories. JBDC representatives participated in this event through the assistance of the Private Sector Development Programme (PSDP). • Caribbean Gift and Craft (St. Kitts). Representatives from JBDC along with other companies attended this show between September 14 -17, 2006. • Between April 20 and May 1, 2006, a delegation of nine (9) persons, including three (3) JBDC/Things Jamaican representatives, attended the Houston International Festival.

Objectives	Achievements
	<p>This presented an opportunity for marketing and networking.</p> <p>Developing e-Commerce Opportunities for SME's (SME's Online) The JBDC e-Commerce Project delivered an Internet-based e-commerce marketplace to bring buyers and sellers together. The JBDC e-commerce website supports both business-to-consumer (B2C) and business-to-business (B2B) activities. Funding for this aspect of the Project was made available by the ProInvest Programme under the European Union (EU).</p> <p><u>ICC World Cup Cricket 2007</u></p> <p>JBDC completed its series of islandwide "Bowling for Business" workshops in June 2006. These were geared to provide entrepreneurs with insight on how best to take advantage of the business opportunities from the staging of the ICC Cricket World Cup 2007. Approximately seven hundred (700) participants have been trained.</p>
<p>c) JBDC Community and Social Development Focus</p>	<p>The JASPEV project was granted an extension to March 2007, to facilitate a smooth transition process of the merge between the JASPEV Entrepreneurship Multifunctional Team (MFT) and the Jamaica Youth Employment Network (JYEN). Arising from this merger, resources, (e.g. database) will be shared between the groups.</p> <p>Under this merger, a youth employment fair was planned for February 2007. Areas to be addressed at the fair included:</p> <ul style="list-style-type: none"> • Recruitment Interview Process • Booth Set up • Entertainment <p>JBDC in fulfilling its obligations to JASPEV through the established Memorandum of Understanding continues to monitor clients which were referred to the Centre through the programme. Business advice is the main service which has been provided for these individuals to date.</p>

6.0 Summary of Main Programmes for Financial Year 2007/2008

During the 2007/2008 Financial Year, JBDC will undertake the following programmes:

(a) Business Information Centre

In an effort to strengthen the access to technical, business, marketing and financial services to the SME sector, through the use of information and communications technology, JBDC has established a network of business information centres across the island. The centres will offer e-business services including e-business information, e-business training, e-commerce and e-marketing.

(b) Rural Enterprise, Agriculture and Community Tourism (REACT)

This project has the goal of reducing poverty and spurring economic growth through the development of environmentally sound rural enterprises. One of the project's main objectives is to expand the business linkages between agricultural producers and processors, between traditional tourism enterprises, rural attractions and cottage industries, and between agribusiness and tourism businesses.

JBDC has been brought on stream to provide training and technical assistance to various at-risk communities throughout the island. The intervention will be as follows:

Phases	Details
1. Business Development Training	<ul style="list-style-type: none"> a) To help participants to understand and appreciate the importance of entrepreneurial traits and their impact on starting and operating a business b) To expose participants to the importance and elements of business planning and its value in realizing business success c) To place participants in a state of readiness to develop a guided business plan d) To expose participants to the legal requirements for operating a business in Jamaica e) To provide participants with source information on lending agencies that can provide loan capital to start their businesses.
1. Technical Services	a) To support applicants with the required technical assistance through the implementation process.
2. Monitoring	a) Monitoring of viable enterprises for 6 months. This will be aimed at lessening the experiences surrounding business failure in the startup stages.

c) Product Development Programme for SME's

The Product Development for SME(s) programme is designed to develop and strengthen the quality of products in companies within the SME sector. The first phase of the programme has assisted some thirty seven (37) enterprises through the provision of grants for product development. Efforts are being made to expand the programme to include information and technical support to comply with standards requirement for product, packaging and labelling. Assistance will be provided to businesses in the craft, fashion and agro-processing sectors.

d) JBDC Incubation Programme

JBDC has, through the Ministry of Industry, Technology, Energy and Commerce participated in training facilitated by the National Business Incubator Association (NBIA). The exercise allowed participants to:

- Garner information about incubation development and sustainability techniques in order to participate in the development of the framework for the Government's Small Business Incubator Project (SBIP)
- Obtain a first-hand view of how incubation operates
- Network with other incubator managers to facilitate sharing experiences
- Explore the possibilities of having representatives of NBIA provide further training to JBDC.

JBDC has identified three (3) potential pilot projects for the business incubation programme.

e) DBJ/JBDC

The Development Bank of Jamaica (DBJ) and the JBDC have embarked on a programme to provide financial assistance to the productive sector. The project, known as the DBJ/JBDC Loan Fund, provides a combination of loan and grant funds. Under the programme, any productive venture owned by a Jamaican who is tax compliant can potentially qualify. The maximum financial benefit that can be received through this programme is five hundred thousand dollars (\$500,000). Loan terms are decided case-by-case and will be guided by the course of action charted by the given business plan submitted for consideration.

To date, fourteen (14) companies have benefited while another eighteen (18) applications are being processed.

f) Craft Market Development Project

The Tourism Product Development Company Ltd. (TPDCO) has requested that JBDC assist in the preparation of a sustainable growth plan for Jamaican craft

markets by way of providing strategic and business (operational) plans for these markets. The plans will include the following components:

- Improving product offerings at craft markets to include a number of new themes, activities and events
- Upgrading the sites/facilities to ensure they are equipped with all the necessary amenities and adhere to the required standards
- Provision of training for craft market and craft industry participants

g) Modernization of Apparel/Fashion Industry

The BDC, 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 2007/2008 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.

7. Budgetary Allocation for Financial Year 2006/2007 and Proposed Budget for Financial Year 2007/2008

The revised estimate for Financial Year 2006/2007 was \$129,438,277 while the proposed budget for Financial Year 2007/2008 is \$186,542,392.

Phillip Paulwell
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Ministry of Industry, Technology, Energy & Commerce
May 30, 2007