

***Taking Caribbean Excellence
to the World***



Strategic Plan 2015 - 2019

April 2015

Table of Contents

Key Elements of our Strategic Plan at a Glance	4
Executive Summary	6
1 Introduction	13
2 Caribbean Export's Achievement.....	16
2.1 Achievements under the 10th EDF Programme.....	16
2.2 Achievements under other programmes	17
2.3 Important Lessons Learnt.....	19
3 Challenges that Lie Ahead	20
3.1 The economic, social, political, technological and environmental context	20
3.2 Strengths, weaknesses, opportunities and threats.....	25
3.3 Scenarios for the future	26
4 Vision and Mission	29
5 Core Values	29
6 Strategic Objectives	31
6.1 Increase trade & business intelligence and research capacity.....	32
6.1 Specific context.....	32
6.1.2 Strategic interventions	33
6.1.3 Results framework	36
6.2 Foster access to finance for export-ready SMEs.....	37
6.2.2 Strategic interventions	37
6.2.3 Results framework	40
6.3 Strengthen regional investment promotion capacity	42
6.3.1 Specific context.....	42
6.3.2 Strategic interventions	42
6.3.3 Results framework	45
6.4 Facilitate export development and promotion	46
6.4.1 Specific context.....	46
6.4.2 Strategic interventions	46
6.4.3 Results framework	48
6.5 Reinforce advocacy for an enabling environment	49
6.5.1 Specific context.....	49
6.5.2 Strategic interventions	52
6.5.3 Results framework	53
6.6 Ensure sustainable corporate capacity building	55
6.6.1 Specific context.....	55
6.6.2 Strategic interventions	57
6.6.3 Results framework	60

7	Priority Target Areas	63
7.1	Agro-processing	63
7.2	Services.....	64
	Financial Services	65
7.3	Creative industries.....	66
7.4	Green Economy	67
8	Priority Target Markets.....	69
8.1	Caribbean.....	69
8.2	North America	70
8.3	South and Central America	71
8.4	Europe.....	72
8.5	Asia	72
9	A Framework for Implementation	74
9.1	Managing for results	74
9.2	Critical Success Factors.....	75
9.2.1	Resource mobilisation	76
9.2.2	Human resource management	77
9.2.3	Information and communications technologies infrastructure.....	80
9.2.4	Public relations and communication	80
9.2.5	Finance.....	81
9.2.6	Risk management.....	87
9.2.7	Knowledge management.....	88
9.2.8	Monitoring and evaluation.....	89
9.3	Reporting and feedback cycles	90
Annex 1	Agreement Establishing Caribbean Export.....	91
Annex 2	CAIPA's Strategic Plan 2014 - 2018 (Extract).....	124
Annex 3	Introducing Caribbean Export's HELIX Model	126
Annex 4	Concept Note and TOR to Develop CE Inc.	131
Annex 6	Risk Management at Caribbean Export.....	146
Annex 8	Important Reference Documents.....	158
Annex 9	List of Abbreviations	159
Annex 10	Endnotes.....	161

Key Elements of our Strategic Plan at a Glance

Vision	Caribbean Export is internationally recognized as the leading driver for Caribbean private sector development
Mission	To enhance the competitiveness and value of Caribbean brands through the delivery of transformative and targeted interventions in export development and investment promotion
Core Values	High Performing Teamwork Transparency Results Driven Commitment
Slogan	Taking Caribbean Excellence to the World
Strategic Objectives	Increase trade and business intelligence and research capacity Foster access to finance for export-ready SMEs Strengthen regional investment promotion capacity Facilitate export development and promotion Reinforce advocacy for an enabling environment Ensure sustainable corporate capacity building
Priority Target Areas	Agro-Processing Services Creative Industries Green Economy
Key Outputs	Advisory services Workshops and seminars Training programmes Trade show participation Business to business meetings Investment support Trade & business intelligence and research Information services Networking
Key Outcomes	Firms identify opportunities in high-potential markets BSOs capacity developed and enhanced Firms have increased access to trade & business intelligence and research Firms have increased access to appropriate mix of finance The RIPS is adopted to inform national strategies Increased regional branding to attract FDI Increased capacity building for CAIPA and its members Policy reforms advocated by the Agency are accepted and implemented by Governments Increased awareness of trade-related issues among key stakeholders Increased collaboration between the Agency and new partners in key strategic areas (advisory groups, etc.) Continued capacity building within the Agency to deliver improved services Improved capacity building for export-ready firms

Critical success factors

Resource mobilisation
Human resource development
Information and communications technologies (ICT)
Infrastructure
Public relations and communication
Finance
Risk management
Knowledge management
Monitoring and evaluation

Executive Summary

The Caribbean Export Development Agency (Caribbean Export) Strategic Plan 2015-2019 has been developed at a time of pronounced unpredictability globally. As the premier regional trade, export and investment promotion agency in the African Caribbean and Pacific (ACP) States, the Agency itself is in a transitional phase. In the current global climate, the international trade regime, political commitment to regional integration and open markets, as well as the direction of international donor support are all factors impacting on our Region. Given these realities, the Agency aims to not only minimise the impact of this instability on Caribbean small and medium-sized enterprises (SMEs), but also enhance its own institutional capacity for sustainability and the generation of diverse revenue streams. It is within this context that this Strategic Plan prioritises the objectives that Caribbean Export is in a position to achieve in the medium to long-term. This document sets the framework for work to be undertaken by the Agency, and constitutes the basis against which performance will be monitored and assessed. It also prioritises competing demands from clients, member countries, and stakeholders for limited resources.

A key component of the Agency's thrust towards greater sustainability and diversification of revenue streams is the creation of a private sector entity, Caribbean Export Inc. (CE Inc.). The objectives of CE Inc. are to increase Caribbean Export's revenues beyond member states contributions and funding received through the European Development Fund (EDF) and other donors; position the Agency as a sustainable organization to ensure that it can continue to deliver private sector assistance to CARIFORUM States; and give Caribbean Export greater autonomy in conceptualizing its work programme to better meet the needs of the region. Essentially, through CE Inc., the Agency will generate revenue to assist in programme implementation. Plans are already underway towards the development of a Business Plan to help guide the framework for CE Inc., as well as the identification and monetization of potential services to be delivered by the Agency.

Our vision is to be internationally recognised as the leading driver for Caribbean private sector development and our mission is to enhance the competitiveness and value of Caribbean brands through the delivery of transformative and targeted interventions in export development and investment promotion. In fulfilment of the vision and mission, Caribbean Export will strive to achieve the terms of its mandate as defined in the Inter-Governmental Agreement establishing the Agency, and any amendments thereto. As such, this 5-year Strategic Plan takes into account Caribbean Export's mandate, the needs of member countries, the role of partner organisations and agencies, and acknowledges the necessity to engage clients to identify needs and adapt solutions to secure impact and sustainability. It also describes the risk and opportunities that the Agency may encounter, while outlining the mechanisms required to take appropriate action.

The Strategic Plan also outlines our four core values, which are to be respected by all Agency staff. These are: high performing teamwork, transparency, results driven, and commitment. The accomplishment of the Agency's vision and mission, and the respect of the core values may be condensed into a single phrase, Caribbean Export's official slogan of **Taking Caribbean Excellence to the World.**

Caribbean Export's six strategic objectives for the period 2015-2019 are closely aligned to the Agency's overarching objectives as defined in the Inter-Governmental Agreement establishing the Agency. These include increasing market intelligence and research capacity; fostering access to finance for export-ready SMEs; strengthening regional investment promotion capacity; facilitating export development and promotion; advocating for an enabling environment; and ensuring sustainable corporate capacity building.

Increase market intelligence and research capacity

Export-oriented SMEs in the Caribbean are facing increasing competition in both regional and international markets. The general challenges of entering, supplying and operating in target markets are compounded by many exporters' limited information and knowledge of the factors that determine supply and demand on these markets. Market intelligence and research are key ingredients in any recipe for success in export target markets, but they are not the only ingredients. The success of Caribbean firms entering foreign markets is always the result of a wide variety of complex and interrelated determining factors that need be addressed in a comprehensive, integrated manner. In recent years, Caribbean Export has regularly assessed the needs of its client base with regards to market intelligence and research services. Stakeholder consultations and surveys have given rise to the following list of proposals that will figure prominently in interventions foreseen under this strategic objective. These include: market intelligence and research reports on demand, capacity building for market intelligence and research, and a regional trade and market intelligence portal.

Foster access to finance for export-ready SMEs

In Caribbean economies, SMEs play a critical role in sustainable economic and social development. They are a part of the fabric of these economies, fostering growth, innovation and prosperity; flexible and quick to respond to market changes and evolving consumer tastes; an important asset in a globalized economy where consumers are ever more aware and informed, increasingly in search of more customized goods and services. CARICOM estimates that SMEs account for more than 70% of jobs in the Caribbean region. One of the key determinants in the development and growth of SMEs is access to finance. Caribbean Export seeks to support export-ready SMEs in their quest for access to financing. The main beneficiaries of our envisaged interventions in the coming years will be high-growth, innovative and export-ready SMEs. Our clients in this area will also include BSOs -, who will play a vital role in the execution of the Agency's tailored interventions. Strategic interventions under this objective include the Direct Assistance Grant Scheme (DAGS), and increasing access to Private Equity Financing and other non-traditional forms of financing.

Strengthen regional investment promotion capacity

Inward flows of foreign direct investment (FDI) in Caribbean countries have been consistently high, relative to the size of the economies. However, the adverse effect of the global economic crisis had a pronounced impact on these flows in the Caribbean with investment flows into the region falling by an average 7.8% in 2009 and 2010, as compared to a decline of 0.3% in other developing countries. Despite a rebound in 2011, FDI flows to the region experienced a 14% decline in 2012, compared to a 4% decline among the developing countries. These figures point to the significant challenge being faced by Caribbean countries to attract investment in a climate of scarce investment resources and significant competition for available funds. It also speaks to the heightened need for strategic interventions targeting areas of critical importance to the attraction of FDI and the bolstering of investor confidence in the region. The investment initiatives undertaken by Caribbean Export focuses on four key areas: regional branding, training and technical assistance, targeted investment missions, and institutional support to the Caribbean Association of Investment Promotion Agencies (CAIPA).

Facilitate export development and promotion

The inability of many Caribbean exporters to respond to demand in potential target markets has its origins in a variety of factors: weak managerial capacities, lack of market intelligence, limited access to financing, weak productive capacities, weak product innovation (linked to intellectual property rights), inability to fulfil quality standards, regulatory barriers to market entry, lack of viable business contacts and many more. Export-oriented SMEs are particularly affected by these and other obstacles to their export competitiveness. In order to

help export-oriented SMEs overcome these obstacles, Caribbean Export has developed and introduced the **HELIX model**, a phased approach combining diagnostics with capacity building and a wide variety of concepts and tools. The model's main components are: the HELIX enterprise diagnostic tool, the ProNET modular training programme, coaching and technical workshops, and branded platforms.

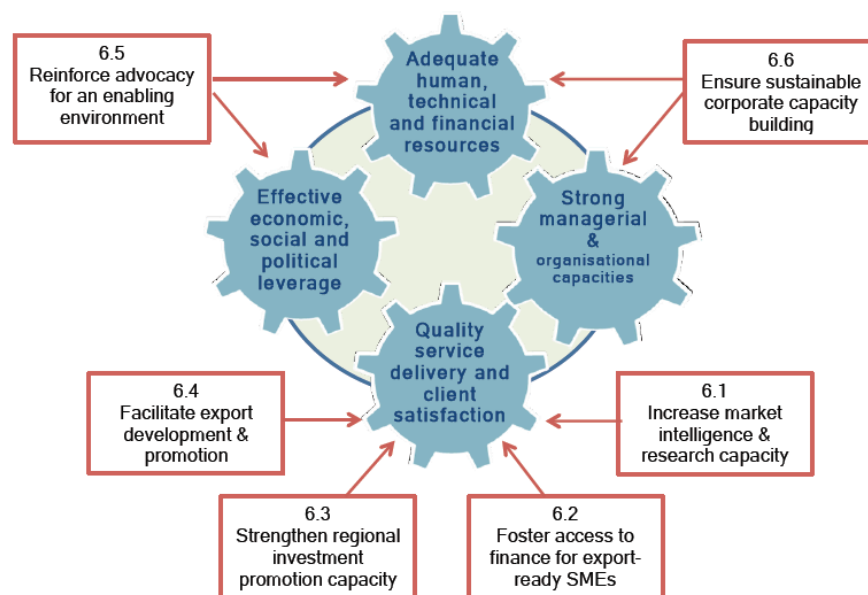
Advocate for an enabling environment

Caribbean Export uses its own influence and supports its private sector clients, as well as regional investment and trade promotion organisations to use their voices to sensitise regional and national leaders and policy makers with regard to the region's private sector development options. The Agency's advocacy role is to help governments and policy makers in the region to understand why some policies are not working and to suggest new approaches and instruments that will help improve the enabling environment for private sector development. The Agency's advocacy role is translated into action in three broad areas: Investment and business climate, public-private dialogue, and crosscutting issues. Specific interventions are: the Caribbean Exporters' Colloquium, Advisory Groups, Caribbean Export Outlook, and intra and extra-regional partnerships.

Ensure sustainable corporate capacity building

Caribbean Export is aware of its inordinate dependence on the volume and direction of support provided by international donors. For many years, it has benefitted in particular from support provided through the EDF. While other international donors have also been generous in their support to the Agency's capacity to operate, contributions from the European Commission have dominated the Agency's resource base. In order to reduce the risk of over-dependency on one source of financing, the Agency aims to diversify its resource base, in particular through (a) the establishment a new, complementary structure that will generate its own revenues through the provision of specialised services to export-oriented firms in the Caribbean region and (b) the diversification of its donor financing portfolio. The following interventions were identified as strategic priorities for ensuring sustainable corporate capacity building: diversify the Agency's international donor portfolio, coordinate implementation of key management function sub-strategies, obtain internationally recognised management certification, establish advisory groups for selected priority areas and markets, and coordinate relevant international donor interventions.

Further, these objectives are structured around four basic interlocking functions, namely: quality service delivery and client satisfaction; effective economic, social, and political leverage; adequate human, technical, and financial resources; and strong managerial and organisational capacities, as illustrated below:



The Strategic Plan also provides a synopsis of the four priority target areas, namely: agro-processing, services, creative industries, and the green economy. The key outputs for these sectors during this period covers a range of areas from investment to advocacy and include: advisory services, workshops and seminars, training programmes, trade show participation, business to business meetings, investment support, market intelligence and research, information services and networking.

Caribbean Export's 5-year strategy additionally outlines the key outcomes to be derived based on the identified outputs. These outcomes focus on the identification of high-potential markets, the enhancement and development of export-ready firms as well as the capacity of BSOs; increased market intelligence, research and access to finance; the adoption of a regional investment promotion strategy; attracting FDI and building capacity for CAIPA; advocating policy reform, awareness for trade-related issues; collaboration with new strategic partners; and continued capacity building within the Agency.

Careful consideration was also given to the critical success factors needed to realise the Agency's strategic goals. These are: resource mobilisation, human resource management, information and communication technologies (ICT) infrastructure, public relations and communications, finance, risk management, knowledge management, and monitoring and evaluation.

Resource Mobilisation

Given the importance of resource mobilisation for the sustainability of Caribbean Export's operations, it is foreseen that the Agency will formulate a Resource Mobilisation Strategy (RMS) that comprises the following elements:

- Situation analysis,
- Comparative analysis of experiences and best practices in similar ventures worldwide,
- Proposed legal framework,
- Management structure and business model,
- Contributions of resource mobilisation to the achievement of the Agency's strategic objectives, and Actions to be taken to generate revenues, including staff capacity building

Human Resource Management

In order to ensure coherency within this critical success factor, Caribbean Export will adopt a Human Resource Strategy (HRS) that takes both the human resource planning system as well as the staff rules into account, among other things. The HRS should support the Agency in its efforts to be creative, dynamic, process-oriented and relevant to its partners and clients while continuously monitoring and upgrading its own performance. The key elements of the HRS will include:

- Critical review of Caribbean Export's current human resource management practices,
- Identification and analysis of Caribbean Export's human resource management needs based inter alia on a skills gap assessment,
- Responses to key evaluation questions,
- Proposal of a human resource management system that complies with the requirements defined in the Agreement establishing Caribbean Export and amendments thereto,
- Upgrading of recruitment and selection processes, identification of relevant training needs to design customised staff development programmes, and an appropriate rewards and recognition system,
- Definition of learning and growth perspectives for Agency staff at all levels,
- Contributions of human resource management to the achievement of the Agency's strategic objectives, and

- Actions to be taken to improve the Agency's human resource management function, including a timeline for the further development of the human resource planning system as well as establishment of the Staff Rules and monitoring of their implementation.

Information and Communication Technologies (ICT) Infrastructure

Within the Agency, the ICT Unit, comprising four specialists, supports activities distributed across different programmes and projects. The nature of ICT Unit involvement in these activities varies in many ways, as does the type of expertise required by its involvement. In some cases the ICT Unit assumes full responsibility for the concerned activity and carries it out; in other cases, the ICT Unit is accountable, but does not carry out the work itself; alternatively, it only needs to be consulted or informed. Procedures have been established to plan and coordinate the Unit's work, but these are not always applied as foreseen, in particular in matters of time management. Caribbean Export recently concluded a review process, the results of which are expected to feed into the elaboration of a subsequent ICT Strategy that responds to the needs of the organisation.

Public Relations and Communications

Caribbean Export has a draft Public Relations and Communications Strategy that serves as a conceptual framework for the achievement of the following objectives:

- To strengthen the Agency's profile as the premier regional organisation for trade and export development and investment promotion in the Caribbean,
- To strengthen its interaction and awareness with SMEs, BSOs, governments and donors,
- To create an awareness of the Agency and its operations among the public and private sectors in the region, with particular focus on member states,
- To improve the Agency's visibility among the regional media and the private sector,
- To foster greater levels of understanding by stakeholders of the Agency's value in regional trade development and investment promotion, and
- To enhance internal communications and create "ownership" among Agency staff.

Finance

The Financial administration function facilitates the development and maintenance of a robust internal control environment, budget preparation and forecasting, auditing and management of contractors. In its daily administration, the Unit adheres to sound financial principles and procedures to guide its everyday functions. The overarching guiding principles are as follows:

- Transparency, which focuses on ensuring that policies and procedures are in place to support the fair and equitable treatment relating to the implementation of the work of the Agency,
- Equal treatment, which addresses the issue of equal opportunity and non-discrimination relating to the implementation of work of the Agency,
- Effective and efficient use of the resources of the Agency,
- Policies and procedures, which support the safeguarding of the assets and financial information of the Agency,
- The presentation of financial information which is presented in a fair manner in all material respects in accordance with Generally Accepted Accounting Principles (GAAP), and
- The provision of key financial information in a timely manner to support the decision making process of management in achieving the overall objectives of the Agency.

Risk Management

The elaboration of a Risk Assessment and Management Strategy (RAMS) would take the Agency's achievements to date in this area into account, while introducing elements that are yet lacking, such as dedicated training to orient staff with regard to the use of the risk management system and to encourage them to actively identify, communicate and mitigate risk in their specific fields of intervention. A corporate-wide RAMS would take the following aspects into account:

- Caribbean Export's past experience and current approach to risk management,
- An assessment of risk management needs at Caribbean Export,
- The organisation of risk management (roles and responsibilities),
- The risk management system (risk identification, assessment, analysis, mitigation, reporting, controlling, learning and innovation),
- Contributions of risk management to achieve the Agency's strategic objectives and
- Recommended actions and a timeline to improve risk management at Caribbean Export.

Knowledge Management

Caribbean Export's RIM Policy and Programme Procedures are a good starting point for the elaboration of the Agency's knowledge management strategy. Based on the work that has already been done in this area, the Agency will formulate a Knowledge Management Strategy (KMS) that comprises the following elements:

- A review of Caribbean export's past experiences and current approaches to knowledge management,
- Results of an institutional knowledge management needs assessment, outlining the needs of both internal and external stakeholders,
- Priorities for an improved knowledge management framework,
- Contributions of knowledge management to the achievement of the Agency's strategic objectives, and
- An indicative implementation plan.

Monitoring and Evaluation

Caribbean Export's Monitoring and Evaluation (M&E) Strategy will address the following issues:

- Current strengths and weaknesses of Caribbean Export's M&E set-up,
- Alignment of M&E outputs and outcomes to the achievement of the Agency's strategic objectives,
- Need for improvements in the Agency's M&E policy, guidelines, toolkit, training modules, work plans and other components of the Agency's M&E system,
- Support to relevant internal and external change processes through M&E activities and deliverables,
- Organization of M&E training activities contributing to a results-oriented corporate culture,
- Design and application of indicators (KPIs including baseline and target values) and sources of verification to measure change, performance and progress,
- Organization of internal and external results-oriented surveys, case studies and evaluations including the mid-term and final evaluations of Strategic Plan implementation,
- Regular assessment of opportunities and risks that might influence the success of Strategic Plan implementation,
- Strengthening of in-house capacities for internal audit and risk management,
- Periodic and ad hoc reporting to the Agency's management and their partners,

- Support to the utilisation of relevant evidence-based information by the Agency's management, their partners and other stakeholders to steer and optimise implementation of the Strategic Plan, joint programmes and other initiatives.

The Strategic Plan ends with a comprehensive catalogue of Appendices, which provides in-depth details to support key elements of the various sections that are broadly captured herein.

1 Introduction

The Agreement establishing the Caribbean Export Development Agency (Caribbean Export) was signed on November 25, 1995 by representatives of 15 CARIFORUM States. It is the overarching framework for Caribbean Export's strategic objectives and interventions (See Annex 1).

This Agreement outlines the Member States rationale for the Agency, and articulates that the Member States were "Determined to confront the challenges and to benefit from the opportunities, resulting from the globalization and liberalization of production and international trade." They were "Recognizing the need for improved forms of regional integration that will be beneficial for the economies of the Caribbean States as well as the export oriented firms in these States" and "Desirous to continue building on the regional and sub-regional experiences in trade and export development."

The Agreement defines, among other things, the objectives, functions, membership, organs and offices of the Agency, in addition to assigning seven objectives to the Agency (cf. Art. 2.1 of the Agreement):ⁱ

The objectives of the Agency will be:

1. To serve as a key instrument in attaining, inter alia:

- (a) The establishment and implementation of comprehensive export development strategies and programmes, on an intra-regional and extra-regional level, selecting in particular, non-traditional export sectors, as part of the commitment of the Member States to promote regional integration in the service of socio-economic prosperity throughout the Caribbean;
 - (b) The continuation and expansion of trade policies that will contribute to the ultimate goal of a single Caribbean Market, in line with CARICOM initiatives in this respect and in close cooperation with the Dominican Republic and Haiti.
 - (c) The development of human resources and professional skills in the field of export development in selected sectors of the international trade of Member States.
 - (d) The establishment, the adaptation, and the strengthening of national and sub-regional entities dealing with export development and trade promotion.
 - (e) The actual, direct and indirect support for selected firms in the various Member States so as to develop and improve their (non-traditional) export products in order to enhance their opportunities for sustained competitiveness in international markets.
 - (f) The establishment of a trade information database and networks in order to improve contacts and data-exchange between commercial sectors in Member States and third countries.
 - (g) The establishment of special programmes geared towards export development in the various sectors and regions in the Caribbean requiring special attention.
2. Subject to a resolution of the Board of Directors of Caribbean Export, adopted by consensus, the Agency shall, in pursuing the objectives strive for close cooperation with existing and future regional entities operating within the scope of the objectives of this Agreement. In fulfilling its objectives, the Agency will exercise the functions of:

- (a) Developing, supervising and managing the programme activities as defined in work programmes and related policy decisions by the Council of Ministers of the Member States;
- (b) Coordinating the programme of the Agency and consulting with other agencies with a view to developing and expanding the export potential at regional and extra-regional levels and
- (c) Financing its on-going projects and administration through:
 - i. Funds that become available based on the Lome IV Agreement and successive agreements within the framework of the European Community;
 - ii. Counterpart funding by Member State;
 - iii. Other funding agencies, and
 - iv. The commercialization of some of its services.

Caribbean Export has implemented these objectives in close cooperation with numerous partners, such as the European Union (EU), i.e. within the framework of European Development Fund (EDF) programmes, other international partners such as the United Kingdom Department for International Development (DFID), Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), Organization of American States (OAS), and International Trade Centre (ITC); and with regional partners such as the Caribbean Development Bank (CDB).

During the 6th EDF (1987-1991), the CARICOM Secretariat received technical support from the European Union, leading to the establishment of the Caribbean Export Development Project (CEDP), which aimed to foster export diversification and investment promotion. Under a successor intervention supported by the 7th EDF (1992-1996), namely the Caribbean Regional Trade Development Programme (CRTDP), the CEDP was transformed into the Caribbean Export Development Agency (Caribbean Export). Under the 7th EDF, Caribbean Export supported, inter alia, the CARICOM Single Market and Economy (CSME) implementation effort.

Under the 8th EDF (1999-2004), the Agency continued to provide extensive support to inform private and public stakeholders about the CSME and regional trade agreements. Caribbean Export also saw increased collaboration with the Secretariats of CARICOM and the Organisation of Eastern Caribbean States (OECS) as well as the Caribbean Regional Negotiating Machinery (CRNM), now the CARICOM Office of Trade Negotiations (OTN). This cooperation gave rise to increased interest and involvement in Caribbean trade policy by other donor agencies.

Implementation of the 9th EDF (2005-2010) saw enhanced competitiveness of firms through market expansion and export diversification support by Caribbean Export. There was also a greater focus on opportunities available through cooperation with the French Caribbean Outermost Regions (FCORs) and the Overseas Countries and Territories (OCTs) of the European Union and in particular under the heading of the CARIFORUM-EC Economic Partnership Agreement (EPA).

Building on nearly two decades of success in EDF Programme implementation, Caribbean Export continues its contribution to private sector development under the 10th EDF Regional Private Sector Development Programme (RPSDP), which focuses on the gradual integration of CARIFORUM countries into the world economy and by so doing to enhance regional economic growth and by extension alleviate poverty.

The RPSDP has four specific objectives:

- Enhancing competitiveness and promoting innovation among CARIFORUM's private sector,
- Promoting trade and export development among CARIFORUM members states,
- Promoting stronger trade and investment relations among CARIFORUM and the FCORs as well as the OCTs in the Caribbean, and
- Promoting stronger trade and investment cooperation between CARICOM and the Dominican Republic.

There is also a complementary objective of strengthening the institutional capacity of Caribbean Export to implement trade and investment promotion programmes in the region through its export development programming and through support to the Caribbean Association of Investment Promotion Agencies (CAIPA).

During EDF Programme implementation, Caribbean Export cooperated not only with the EU, but also with many other national, regional and international partners. The Agency's mandate has also been expanded beyond the scope foreseen under the 1995 Agreement, in particular as related to regional investment promotion and support to the Financial Services sub-sector.

Today, Caribbean Export is the only regional trade and investment promotion agency in the African, Caribbean and Pacific (ACP) group. The Agency fosters an enabling environment for trade and development within the Caribbean region through integration, cooperation and advocacy initiatives.

Against the background of Caribbean Export's track record and the multitude of opportunities that may be assumed to lie ahead (upcoming 11th EDF programmes, continued cooperation with a wide range of partners etc.), there are three important factors, which may serve as justification for the Agency's decision to adopt an overarching strategic approach to the longer-term transformation of our organisation:

- **Globalisation:** CARIFORUM countries cannot develop and prosper in isolation from other countries in the Caribbean region and the rest of the world. Hence, in order to fulfil its mandate, Caribbean Export must consider the possibilities, as well as the consequences, of expanding the scope of its operations beyond the borders of the Agreement signatory states and the beneficiaries of EDF-based support. (To a limited extent, the Agency has already expanded the scope of its operations beyond these borders, having cooperated actively and regularly in the past with the FCORS and the OCTs.)
- **External Risk Factors:** The progressive globalisation of international markets gives rise to many important external risks that Caribbean Export and its partners must face in order to succeed. Other important sources of external risk to trade and investment in the Caribbean region are changes in the international trade regime, global economic and financial instability, changes in international donor commitments, climate change and natural disasters. While the Agency already has an operational risk management system in place, risks at the global level need to be taken more systematically into account and integrated into an overarching long-term corporate strategy.
- **Sustainability:** In the past, Caribbean Export's resource mobilisation has been largely dependent on international donor support. In the longer run, however, it is unlikely that the Agency can ensure sustainable capacities for support to private sector development in the CARIFORUM region if it does not diversify its resource mobilisation base. One important option for diversification in this sense is the introduction of revenue-generating

activities. Caribbean Export already has the capacity to provide valuable goods and services to businesses and other clients who are willing to pay a price that permits at least cost recovery. The legal, regulatory, institutional and organizational frameworks for engagement in such activities, however, are not yet in place. Strategic decisions are required at many levels before the basic requirements for improving Caribbean Export's long-term financial sustainability can be fulfilled.

The three aforementioned factors and their expected long-term influence on the success of Caribbean Export's endeavours in the region and beyond have given rise to the Agency's decision to engage in a strategic planning exercise, with the present Strategic Plan as its first tangible result. Many other steps and results must follow if the Agency is to achieve its strategic objectives in the designated period (2015-2019).

We hope that all Caribbean Export staff and all our national, regional and international partners and clients will welcome and embrace this Strategic Plan and thereby help us to succeed in the achievement of our strategic objectives, in the fulfilment of our mission and, ultimately, in the translation of our vision into reality.

2 Caribbean Export's Achievement

Caribbean Export primarily aims to realise the objectives that are laid down in the Agreement of 1995. All of the Agency's achievements to date, realised under the EDF or other programmes and projects, should be viewed and recognised in relation to these Agreement objectives. In the following sections, Caribbean Export's achievements will be described and recognised with a view to ascertaining how specific results realised have contributed to the fulfilment of the above Agreement objectives.

2.1 Achievements under the 10th EDF Programme

Important progress has been attained under the 10th EDF RPSDP towards strengthening the capacity of the Caribbean region to attract Foreign Direct Investment (FDI); in key areas of Business Support Organisation (BSO) support; the development of market intelligence support systems and towards the adoption of export strategies; the strengthening of relations between the CARIFORUM, FCORs and OCTs; and the creation of business opportunities between CARICOM States and the Dominican Republic. Caribbean Export has focussed on priority niche sectors through various new platforms for extra-regional promotion.

A total of 6025 participants from 3011 firms benefited from 10th EDF-supported initiatives implemented during period 2011 to 2014. Further, a series of new export platforms were also introduced to offer direct market penetration opportunities for firms; these include Caribbean Essence Fashion Showcase, Caribbean Kitchen, Design Caribbean and Soul Fusion.

Encouragingly, the results of an impact assessment undertaken at the end of 2013 revealed that some 95% of the BSO representatives surveyed agreed that the availability of crucial services for seizing market access opportunities from the CARIFORUM-EU EPA had improved thanks to Caribbean Export support. Some 56% of the BSO representatives surveyed also perceived the increase in the services that they were now able to render as a direct result of the support received from Caribbean Export.

Caribbean Export's beneficiary assessment for the year 2013 revealed that 10th EDF beneficiary firms from all sectors had experienced significant increases in their knowledge of opportunities for export market access and export-led growth. Some 55% of the involved firms indicated increased production ranging from 1% to over 100%, while 40% were exporting to international markets thanks to the assistance rendered by Caribbean Export.

Under the 10th EDF, 282 firms from the 15 CARIFORUM States have benefited from the Direct Assistance Grants Scheme (DAGS) to strengthen their export capacities. Additionally, significant strides were made towards ensuring that SMEs obtain better access to finance. With this aim in mind, MOUs were signed with three agencies to provide the financial support to access the grant funds: the Antigua and Barbuda Development Bank, the Bahamas Development Bank, and the National Export-Import Bank of Jamaica.

The Agency supported CAIPA through a variety of initiatives under the 10th EDF programme. In particular, Caribbean Export commissioned a consultant to undertake the development of CAIPA's Strategic Plan 2014-2018 (see Executive Summary in Annex 2) and it facilitated CAIPA's participation at the Annual Conference of the World Association of Investment Promotion Agencies (WAIPA).

Summarizing, we can conclude that the successful execution of the 10th EDF programme, to date, has contributed in a variety of ways to the achievement the Agreement objectives, in particular as related to export development strategies at the SME level; development of human resources and professional skills in the field of export development; strengthening of national and sub-regional entities dealing with export development and trade promotion; development and improvement of non-traditional export products; and establishment of special programmes geared towards export development.

In addition to the RPSDP, Caribbean Export has been contracted to implement other key development projects, either in full or in part, with financing from the 10th EDF. These projects, both in an early stage of execution, are the following:

- Support to CARIFORUM in the implementation of the commitments undertaken under the CARIFORUM-EC EPA (Services Sector Development Component),
- Programme of support to bi-national cooperation between Haiti and the Dominican Republic in the areas of trade, environment and trans-boundary local development (Trade Support Component).

The main benefits of these two important initiatives remain to be realised in the years to come.

2.2 Achievements under other programmes

With a view to achieving the afore-mentioned Agreement objectives, Caribbean Export has collaborated with various regional and international bodies in recent years. Some representative examples are as follows:

- In August 2013, together with the **CDB** and DFID, Caribbean Export officially launched the Industry Standards for Spa and Wellness Entities in CARIFORUM Territories and the Caribbean Spa and Wellness Sector Strategy 2014-2018 for the region. On this occasion, the implementation plan for the Development and Promotion of Caribbean Health and Wellness Tourism Sector, a project funded by CDB under the Caribbean Aid for Trade and Regional Integration Trust Fund (CARTFund) Programme, with financing from the UK, was also announced.

As a part of a road show across the Caribbean region, Caribbean Export in partnership with the Caribbean Tourism Organization (CTO) and CARICOM Regional Organization for Standards and Quality (CROSQ) conducted a workshop for Spa and Wellness practitioners and stakeholders that covered the three main components of the CDB project.

The Industry Standards for Spa and Wellness Entities in CARIFORUM Territories was developed in cooperation with the University of the West Indies (UWI). During the launch of the sector strategy in Bridgetown, Barbados, in August 2013, CDB underlined their commitment to not only the development of the strategy, but also more importantly to its implementation. This cooperation with the CDB represents a contribution to the Agreement objective relating to “the establishment and implementation of comprehensive export development strategies and programmes, on an intra-regional and extra-regional level, selecting in particular, non-traditional export sectors”.

- DFID provided support to Caribbean Export during the years 2011 and 2012 under the **Caribbean Investment Promotion Initiative (London Engage)**. This allowed the Agency to update and commence the implementation of its export promotion strategy by supporting an Investment Forum and associated events at London Engage in 2012. Caribbean Kitchen, to illustrate, was introduced at London Engage as the umbrella brand for taking regional Specialty Foods to international markets, in particular to the European Union.

In a follow up to London Engage, Caribbean Kitchen mounted a mission to the ANUGA in Cologne, Germany in October 2013. ANUGA is the world’s leading food fair for retail trade and the food service and catering market, attracting over 150,000 trade visitors from 185 countries, and within less than one month of the event, tangible benefits were recognised with the number of business contacts established, (averaging 46 per company) as well as by the contracts signed and orders placed.

By the end of October 2013, a total of 13 were confirmed, and several others were being negotiated. This is only one example of how DFID’s support to Caribbean Export impacted on export-ready firms across the region. With this, DFID contributed to Agreement objective (e), which foresees actual, direct and indirect support for selected firms in the various member states to develop and improve their non-traditional export products.

- The German-supported **EPA Implementation Support Project**, executed by the GIZ, pursues the following objectives: (i) to improve the institutional and professional abilities of the EPA implementation units at the CARICOM Secretariat and in the CARIFORUM States; and (ii) to develop a beneficial business environment for export-oriented companies in the Caribbean for seizing market access opportunities arising from the EPA, paying particular consideration to wider participation of women in regional economic processes. The Project commenced about 5 years ago and is currently on going.
- With regard to its first objective, GIZ has facilitated the development of the CARIFORUM-EPA Implementation Network (CAFEIN) platform consisting of a public website and an interactive internal platform, the latter catering to thematic work groups and discussion forums covering EPA-related topics such as Sanitary and Phytosanitary (SPS) measures Technical Barriers to Trade (TBT). Activities carried out under the second objective have touched upon a wide variety of sectors, including the Caribbean fashion industry, the creative industries (crafts and design), the cultural industries (arts and music), fine foods, agro-processing and the audio-visual sector.

Further, the Project has provided support to multi-sector interventions, such the London Engage initiative, hosted during the 2012 London Summer Olympics; the CARIFORUM-EU Business Forum, held as a component of London Engage; the Trade and Investment Conventions (TIC) held in 2012 and 2013 in Port-of-Spain, Trinidad; the Caribbean

Exporters' Colloquium held in March 2013 in Bridgetown, Barbados; and numerous ProNET training seminars delivered to SMEs and BSOs since November 2011 across CARIFORUM. The EPA Implementation Support Project is well aligned to Agreement objectives that concern comprehensive export development strategies and programmes, strengthening of national entities dealing with export development and trade promotion, development of human resources and professional skills, and support to non-traditional export sectors.

- For the implementation of the **Small Business Development Centres (SBDCs)** Caribbean Export has partnered with the **OAS**. **To date**, five CARIFORUM States have participated in the project: Barbados, Belize, Dominica, Jamaica, and Saint Lucia. The overarching vision of this project is to create a network of sustainable and successful small businesses throughout the Caribbean, based on the proven United States' (US) SBDC model. The project is supported by the US Government through the US Mission to OAS, and coordinated by the OAS General Secretariat's Department of Economic Development, Trade and Tourism (DEDTT).

Launched in 2012, the project is being executed jointly by DEDTT, the University of Texas at San Antonio (UTSA), and Caribbean Export. Among others, the Caribbean-based SBDC project will aid Micro, Small and Medium-sized Enterprises (MSMEs) within the SBDC network in gaining access to and capitalising on global trade opportunities. With this, the project will contribute in particular to the realisation of Agreement objective (e), which foresees actual, direct and indirect support for selected firms in the various member states.

- In July 2013, Caribbean Export signed a MOU with **ITC**, the Geneva-based joint technical cooperation partner of the World Trade Organisation (WTO) and the United Nations (UN). The purpose of the MOU is to facilitate the strengthening of SMEs in the Caribbean region so as to improve their export performance and diversify their exports. The cooperation agreement puts forward a non-exhaustive list of areas of common interest including export strategy, trade information, benchmarking, regional public-private dialogue, access to finance, supply chain management and trade for sustainable development. Given the wide range of intervention areas foreseen in this cooperation, Caribbean Export's MOU with ITC will contribute directly or indirectly to all of the CARICOM Agreement objectives.

2.3 Important Lessons Learnt

Critical lessons learnt through past experience have been compiled by Caribbean Export's Monitoring and Evaluation (M&E) Unit from various sources. The most important lessons learnt may be summarised as follows:

- Although there are a number of organisations in individual countries with mandates to represent specific interests in relation to trade and export, including the BSOs, Coalition of Service Industries (CSIs), Trade and Export Promotion Agencies (TEPAs), EPA Implementation Units (EIUs), etc., many are still under-resourced and are therefore in need of the interventions offered by Caribbean Export in terms of capacity building. (Source: EU Results-Oriented Monitoring Mission 2013)
- Caribbean Export's impact potential is heightened by the extensive reach and variety of its interventions, the high number of participating individuals and SMEs, capacity building in the area of grant proposal writing, training of national officers in key areas such as export marketing and standards, and the in-country train-the-trainer approach. (Source: Mid-term review of the RPSDP 2013)

- At the micro level, Caribbean Export has adopted a winning approach for the development of export-ready firms, including the recognition of worthy firms, the delivery of technical assistance to build capacity within the firms, and most importantly the provision of platforms for these firms to launch their products and services internationally. (Source: Results of various impact assessment surveys undertaken by the M&E Unit)
- Many private and public sector representatives are still on a learning curve in relation to the trade agreements to which CARIFORUM States are party. (Source: Feedback from participants at various Caribbean Export events)

The afore-mentioned lessons learnt are highly relevant to the achievement of all objectives foreseen under the Agreement establishing Caribbean Export.

3 Challenges that Lie Ahead

Given the complex nature of its mandate, Caribbean Export must deal with a large number of diverse stakeholders. The focus of this mandate, as described in the Agreement objectives, is on the export sector, with special emphasis on the non-traditional export sectors, understood here to mean export sectors which have not been previously central in the Caribbean region's export profile.ⁱⁱ This mandate, however, is not limited to direct support for private sector firms engaging in or planning to engage in export activities. "Direct and indirect support for selected firms" and support to "national and sub-regional entities dealing with export development and trade promotion" are also a part of the mandate that has been assigned to Caribbean Export.

With this, the scope of Caribbean Export's potential sphere of intervention, and the extent of its stakeholder landscape surpasses the realm of export-oriented private sector firms. Interventions targeting non-private sector stakeholder groups e.g. in the public sector, in trade support institutions (TSIs), in civil society and in the international donor community may also be justified, assuming that such interventions may contribute indirectly to export development and trade promotion in the member states. Understandably, this situation gives rise to the risk of the "sprinkler can effect" i.e. the dispersion of resources and efforts across a very large number of beneficiary groups with low efficiency, weak effectiveness and limited probability of verifiable impact. In order to avoid this situation, Caribbean Export must consider its strategic options, based on well-founded assessments of (a) the context in which it intervenes; (b) its own potentialities and constraints; and (c) the eventual medium to long-term evolution of its context and its capability to seize opportunities, and to mitigate risks that might arise in the future.

The following sub-sections provide a general orientation in the above sense, albeit without any claim to exhaustiveness or finality. During implementation of its Strategic Plan, Caribbean Export will review contextual factors including risk factors and its own strategic options on a regular basis. This type of regular review will be included as an integral element among the activities foreseen under the present Strategic Plan (see Chapter 9).

3.1 The economic, social, political, technological and environmental context

Private sector enterprises and support entities in the Caribbean region are faced with a multitude of diverse challenges that often defy precise description and classification. With regard to the economic context, the World Bank's "Doing Business" reports shed light on how easy, or difficult, it is for a local entrepreneur to establish and run a small to medium-size business when complying with relevant regulations. The Doing Business 2014 report for Caribbean States highlights, among other things, the huge gap between strong and fragile

rankings within the region: Among CARIFORUM States, Saint Lucia was ranked 64th out of 189 countries world-wide, while Haiti achieved a ranking of 177. Other CARIFORUM States included in the report were ranked between these two ends of the scale, with Trinidad and Tobago (66th), Antigua and Barbuda (71st) and Dominica (77th) at the upper end, St. Kitts and Nevis (101st), Grenada (107th) and the Dominican Republic (117th), and at the lower end. Variations in rankings between 2012 and 2013 were insignificant in most cases, but in a few cases important changes - some positive, others negative - were reported, as exemplified here:

- The Bahamas made registering property easier and enhanced its insolvency process;
- Jamaica made establishing a business easier, improved its credit information system, and made paying taxes easier; but it also made transferring property more difficult;
- Saint Lucia made trading across borders more difficult;
- Suriname made starting a business and transferring property easier; and
- Trinidad and Tobago made starting a business easier.

Trading across borders is one of ten topics reviewed by the World Bank to assess and rank countries in its Doing Business reports. In the 2014 edition for Caribbean States, Barbados achieved the highest rank among CARIFORUM States mentioned there, ranked 30th out of 189 countries. (Singapore was ranked 1st at the global level.) For each topic covered, rankings were derived from quantifiable indicators. In the case of trading across borders, which may be considered as the topic most relevant to the export economy, the following indicators and units of measurement were applied, with the strongest and the weakest results (indicator values) quoted in parentheses:

- Documents to export, in number (strongest: NA; weakest: Haiti, 8),
- Time to export, in days (strongest: Dominican Republic, 8; weakest: Haiti, 33),
- Cost to export, in USD per container (strongest: St. Vincent and the Grenadines, 585; weakest: Jamaica, 1530),
- Documents to import, in number (strongest: The Bahamas, 5; weakest: Haiti, 10),
- Time to import, in days (strongest: Barbados, 8; weakest: Haiti, 31),
- Cost to import, in USD per container (strongest: Dominican Republic: 1145; weakest: St. Kitts and Nevis, 2615).

Besides trading across borders, Doing Business examines other topics relevant to the country-specific regulatory environment for business, such as starting a business, dealing with construction permits, obtaining electricity, registering property, acquiring credit, protecting investors, paying taxes, enforcing contracts, and resolving insolvency. To varying degrees, these are topics of relevance for all private sector enterprises, whether they produce mainly for domestic or for foreign markets. Not to be neglected is the fact that export-oriented firms often depend on goods and services from local suppliers, while imported goods (fuel, machine parts etc.) and services may also play an important role in ensuring export-readiness. Hence, the environment for doing business in the export sector depends on a multitude of factors, many of which are not specific to export-oriented firms. Ultimately, a vast number of up, down and side-stream linkages must be taken into consideration in order to achieve export-led growth and employment.

The economic context for Caribbean Export's interventions for the region's export sector, with a focus on non-traditional exports, concerns the regulatory environment and other factors which may be influenced by the Agency's interventions, while others are likely to remain outside the scope of its influence. Some of the most commonly cited constraints of the second category are the smallness of the Caribbean economies (a factor inhibiting economies of scale); vulnerability to economic and financial crises at the global level; imported inflation (rising food and fuel prices, in particular); changes in the international trade

regime; and the overall volume of donor assistance. Other factors that affect the environment for doing business in the Caribbean may be influenced, at least in part, by Caribbean Export-led interventions (training, advocacy etc.), such as access to market intelligence, access to financing, the quality of business management, the capacities of trade support institutions, the reduction of trade barriers at the national level, the attractiveness of the region for FDI, public sector investment in infrastructure, the pace of regional integration, and donor priorities regarding the direction of their assistance to the private sector, with a view to improving the economic environment for export-oriented firms in the region.

Economic and social achievements, and disparities within the Caribbean region are reflected in the UN's Human Development Index (HDI). According to HDI results calculated for the year 2012, CARIFORUM States enter into a variety of country classifications:

- Very High Human Development: Barbados,
- High Human Development: Antigua and Barbuda, Bahamas, Belize, Dominica, Grenada, Jamaica, St. Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines and Trinidad and Tobago,
- Medium Human Development: Guyana and Suriname,
- Low Human Development: Haiti.

There has been a positive upward trend in the HDI value for all CARICOM countries with available information since 1980. Distinguishing between the income, health, and education components of the HDI; however, trends since 2005 have been quite uneven. For example, Bahamas registers negative annual growth rates in education and income, but advances in health offset these effects. Barbados and Jamaica experienced negative annual growth of income, but positive growth in health and education. Guyana shows negative growth in education, but this is compensated for with positive annual growth in health and income. Belize, Dominica, Haiti and Trinidad and Tobago show steady annual growth across all HDI components. Finally, Suriname shows steady positive trends for health and income, but not for education. The same report also looks at gender aspects: According to the results, based on the Gender Inequality Index (GII), CARICOM's gender record lags behind all other regions worldwide except for the Arab States, Sub-Saharan Africa and South Asia and continues to be a major barrier to human development.

Security is a challenge to some Caribbean countries more than others. Available statistics do not provide a coherent overall picture, but the homicide rate may serve here as a proxy indicator for levels of insecurity. According to a recent study conducted by the Bahamas-based Nassau Guardian, St. Kitts and Nevis had the highest homicide rate in the region, with 45.5 murders per 100,000 people, followed by Jamaica (44.1), the Bahamas (34.1), the US Virgin Islands (32.9) and Trinidad and Tobago (30.5). According to the UN, the international homicide standard that countries seek to achieve or fall below is five per 100,000. Out of the 13 Caribbean countries surveyed by the Nassau newspaper, only the British Virgin Islands met that standard.ⁱⁱⁱ

A survey conducted by Caribbean Export (Greene, 2014) revealed a close correlation between insecurity and the costs of doing business. The survey looked at the situation of 71 goods and services providers in 15 Caribbean countries. The majority of respondent firms (59%) felt that the possible or actual expansion of their business activities into other countries was somewhat to very significantly impacted by security concerns. This result underlines the relevance of security costs for business activities and competitiveness in the region. Almost one half of the respondent firms (46%) reported that local social conditions, such as social unrest or high crime rates significantly affected their security costs. The majority of the surveyed firms (62%) reported that they have experienced increased security-related costs as a proportion of total operational costs during the previous 5 years. These

results suggest a dangerous overall trend as well as the need to address security more systematically as an important factor for development and trade within the region.

In the Caribbean region, all independent countries with the exception of Cuba enjoy democratic political systems with two or more legal parties competing for power in elections that are generally recognized as free and fair. Freedom of the press is also fairly well entrenched: Among the six CARICOM Member States included in the World Press Freedom index, all but one rank in the top third of the 180 countries covered globally. These are Jamaica (17), Belize (29), Antigua and Barbuda (36), Trinidad and Tobago (43), Haiti (47) and Guyana (67).^{iv}

The Bertelsmann Transformation Index (BTI) report for the year 2014 covered 129 countries worldwide, of which 4 countries are located in the Caribbean region. The report employs two main tools: the BTI Status Index and the BTI Management Index. The BTI Status Index, which measures the quality of democracy and market economy, generated rankings that range from good to poor, with Jamaica ranked 29th, the Dominican Republic 43rd, Cuba 104th and Haiti 114th. The BTI Management Index, which ranks countries by their leadership's political management performance during the previous two years, assigned lower rankings to three out of these four countries, with Jamaica ranked 43rd, the Dominican Republic 51st, Cuba 108th and Haiti 111th.^v

Strong and stable democratic governance, coupled with a well-functioning market economy and good political leadership, contributes to the enabling environment and bolsters the Caribbean region's image in terms of branding and as a destination for investment and a location for business, as compared to other regions in the world that suffer from important democratic, political and market system deficits.

The right to free movement within the region can contribute to economic and social development in a number of ways, counterbalancing for instance skilled labour shortages in the weaker and smaller economies. For nationals of CARICOM Member States, this right was embodied in Chapter III of the Revised Treaty of Chaguaramas, which was ratified in 2006. One year later, at their Annual Conference in July 2007, the Heads of Government went one stage further by deciding to grant all CARICOM nationals not only a right of entry, but also a right to an automatic six-month stay upon entry (the 2007 Decision). The implementation of this right has not been without challenges, but it is positive to note that the Caribbean Court of Justice (CCJ) has played an important role in this respect. Caribbean Export recognizes the need to support the CARICOM Secretariat, the CCJ and their partners to ensure not only free movement, but also respect of all fundamental human rights in the Caribbean region.

The context for private sector development and trade in the Caribbean region is also affected by many technological challenges. Caribbean Export supports Caribbean SMEs in their efforts to meet these challenges, both directly and indirectly. Caribbean Export participated, for example, in the preparation of the "Caribbean Community Regional Aid for Trade Strategy 2013-2015", which recognizes Information and Communications Technologies (ICT) as a regional priority: "ICT has emerged as a central underpinning of competitiveness and private sector development". Other technologies are also addressed in this regional framework, including energy technology (e.g. solar cooling), shipping technology, and new technologies to improve business practices.

Based on the premise that small, island economies must look to export-led growth as a starting point, recent research focussing on the Caribbean region identified a high correlation between the share of technology-intensive exports and countries' levels of real Gross Domestic Product (GDP). This research comes to the conclusion, that "it is not just exports that are important, but rather the subset of the export trade that has a high component of technology that appears to be critical. At the same time, the importance of government policy

was shown with regard to telecommunications infrastructure and with respect to encouraging and maintaining a healthy business environment. The examples of ICT applications also show that the Caribbean economies benefit from being able to leverage resources and expertise from across the region. Finally, economic integration has played a consistent role in encouraging trade in goods, as well as human resources, thereby bolstering growth and the prospects for growth among CARICOM countries”.^{vi}

By promoting access to and the use of new technologies in export-oriented SMEs through training programmes, grant schemes, information portals and other instruments and services, Caribbean Export will further expand and improve its contributions to an enabling environment for doing business in the Caribbean region.

New technologies have a vital role to play in many areas, including the Caribbean region’s response to the daunting challenges of natural resource depletion, environmental degradation and climate change. Caribbean Export has addressed these issues in the past, for example, in organizing a meeting of senior officials to discuss a “Policy Dialogue between Haiti, Dominican Republic and the Regional Council of Guadeloupe on the Renewable Energy and Waste Management Sector”. Held in Point-a-Pitre, Guadeloupe, from November 5-6, 2013, this meeting was organized in cooperation with the Regional Council of Guadeloupe, the Government of Haiti and the Government of the Dominican Republic. Recognizing that promotion of renewable energy and waste management has become a key prerequisite for sustainable economic development, the participants of this meeting underlined the need to create a better enabling environment for the promotion of renewable energy and waste management in the region.

In the coming years, Caribbean Export will strive to deepen its cooperation with regional and international partners to promote improved resource management, environmental protection and climate change mitigation in the Caribbean region. Under the auspices of the CARICOM Secretariat, Caribbean Export will seize emerging opportunities to reinforce viable linkages between the development of renewable and efficient sources of energy, natural resource and biodiversity protection, environmental health promotion, disaster preparedness and climate change adaptation on the one hand, and the fulfilment of its mandate to promote private sector development and trade in the Caribbean region on the other. The introduction of standards and norms for environmental and climate friendliness in value chain management, for example, is apt to become a key area for future interventions in this sense.

3.2 Strengths, weaknesses, opportunities and threats

With a view to assessing its current and potential ability to respond to the challenges that lie ahead, as outlined in the previous chapter, Caribbean Export engaged a team of independent consultants and researchers in late 2013 to help prepare its strategic orientation. Experts were recruited from the Cave Hill School of Business (CHSB), an autonomous Barbados-based consultancy and research institute whose academic programmes are accredited by the University of the West Indies (UWI). The results of this analysis are presented as follows:

Strengths

- Proven track record in the management of large project portfolio
- Bridge between public and private sectors to foster dialogue
- Solid information and communications technologies (ICT) infrastructure
- Knowledgeable staff with technical expertise in the relevant areas
- Wide array of services implemented and available for target audience
- Strong strategic alliance with a range of regional & International organisations
- 5 pillar assessment accreditation

Weaknesses

- Lack of internally generated revenue streams
- Low Member State contributions
- Lack of performance evaluation systems
- Low visibility and brand awareness in some Member States
- Some staff not adequately prepared for the Agency's strategic shift
- Underdeveloped internal and external communication channels

Opportunities

- Commercialisation of some services for revenue generation
- Relationship with FCORs and OCTs
- Leveraging EU and other partnerships to access and attract additional funding
- Promoting CARICOM and Haiti-DR trade relations
- Forming strategic alliances with CARIFORUM BSO's & TPO's outside of the region
- Leveraging ICT to promote Caribbean Export program activities

Threats

- Uncertainty of future EDF regional programmes
- Absence of signed Headquarters Agreement with Barbados Government
- Contracting CARIFORUM economies and their susceptibility to global economic constrictions
- Limited capacity of some BSOs at the national level to implement Agency programmes

3.3 Scenarios for the future

The situation analyses presented in the previous sections helped us to explore and understand some of the driving forces and processes that may affect Caribbean Export in its interactions with key stakeholders in the future. Among other things, these analyses draw our attention to numerous areas of current and potential intervention in which information is weak or lacking, while many forces and processes that may impact on Caribbean Export's success or failure remain highly uncertain. Given the inherent uncertainties that permeate the present strategic planning exercise, the analysis of a limited number of scenarios for the future may help us to better understand and anticipate the main risks that await us and to identify appropriate options for action.

The main areas of uncertainty that are important for the fulfilment of Caribbean Export's mandate in the future are the following:

- The global economic, social and political environment (peace and stability),
- The evolution of the international trade regime (WTO rules etc.),
- Political commitment to regional integration and open market economies,
- The volume and direction of support provided by international donors.

Each of these variables can be described in terms of pessimistic, moderate and optimistic scenarios. The implications of each type of scenario are summarized in the following table.

Some explanatory notes may help ensure a shared understanding of the above scenarios:

- The moderate scenario describes more or less an extrapolation of the status quo. With regard to global peace and security, the pessimistic scenario is reminiscent of the global financial crisis of 2007-2008 that still affects many Caribbean businesses today. The moderate scenario assumes that such crises will be limited in the future.
- The scenarios that relate to the international trade regime are based on the premise that, as a consequence of policy reforms, there will always be winners and losers in terms of economic growth and employment, and that we need to look at the net benefits in order to assess the overall impact of the global trade system on development and trade.
- The scenarios for the third variable (RI & open markets) are based on the assumption that opening markets for goods and services only is not a sufficient condition for enhanced growth and employment; the free flow of capital and labour is also required if increased trade in goods and services is to translate into broad-based growth and job creation.
- The fourth variable (donor support) draws attention, in its optimistic variant, to the fact that donor support is not only about the monetary volume of official development assistance (ODA), but it also concerns the quality of the assistance provided i.e. ODA's impact and its sustainability.

Scenarios for the Future

Variables	Scenarios		
	Pessimistic	Moderate	Optimistic
Global peace and stability	International markets disrupted by major economic, social and political crises	Economic, social and political instability limited in geographic scope and duration	Successful conflict prevention and mitigation at the global level
Agency Mitigation Measures The Agency must continually raise the awareness of clients about international trade developments. Encourage the development of regional and other diverse markets The Agency should continue to encourage regional strategic alliances within and among sector players thereby strengthening the parties' bargaining position	High effort	High effort	High effort
	High effort	High effort	High effort
	High effort	High effort	High effort
International trade regime	New and existing rules discourage most Caribbean SMEs' investment and trade	New and existing rules encourage some Caribbean SMEs but discourage others	New and existing rules encourage most Caribbean SMEs' investment and trade
Agency Mitigation Measures The Agency must continually raise the awareness of clients about international trade developments. Caribbean Export should strengthen and utilise its advocacy platform on behalf of its various clients	High effort	High effort	High effort
	High effort	High effort	Moderate effort

Variables	Scenarios		
	Pessimistic	Moderate	Optimistic
Political commitment to regional integration (RI) and open markets	Caribbean states neglect RI policies and maintain barriers to the flow of goods, services, capital and labour	Caribbean states gradually implement RI policies and facilitate the flow of goods, services, capital and labour	Caribbean states accelerate the implementation of RI policies and the flow of goods, services, capital and labour
Agency Mitigation Measures Advocate for regional approaches to sector and industry development at the regional policy level. Share evidence of successes widely - Publish success stories online and distribute to key stakeholders.	High effort High effort	Moderate effort High effort	Low effort High effort
International donor support	International donors reduce the overall volume of support for the Caribbean region including support to RI and aid for trade	International donors maintain current levels of support for the Caribbean region, at least for RI and aid for trade	International donors increase the volume and quality of their support especially for RI and aid for trade
Agency Mitigation Measures Develop and pursue self-sustaining ventures such as Caribbean Export Inc. as a safety net. The Agency should maintain in any case, a strong and successful programme implementation track record with all donors.	High effort High effort	High effort High effort	High effort High effort

Rank	Explanation
High effort	Mitigation measure must be given top priority and continuously engaged in order for successful programming
Moderate effort	Mitigation measure must be given medium level priority and engaged periodically depending on temperature checks results
Low effort	Mitigation measure is more a precaution and for status quo maintenance since conditions are favourable for programming success

The aforementioned scenarios describe important risks and opportunities that Caribbean Export may encounter during implementation of its Strategic Plan. One key component of this Plan is to strengthen Caribbean Export's risk management function. This implies among other things that mechanisms will be in place to identify both risks and opportunities as they arise and to provide information and advice to decision makers enabling them to take appropriate action. It is understood that the above table will serve as orientation for the identification of major risks and opportunities, but that many other forces and processes, both internal and external, must be taken into consideration in the practical application of Caribbean Export's risk management system.

4 Vision and Mission

Vision

Caribbean Export is internationally recognized as the leading driver for Caribbean private sector development.

Mission

To enhance the competitiveness and value of Caribbean brands through the delivery of transformative and targeted interventions in export development and investment promotion.

In the fulfilment of its mission and the achievement of its vision during the 5-year period from 2015 to 2019, the Agency will strive to fulfil the terms of its **mandate** as defined in the CARICOM Agreement establishing the Caribbean Export Development Agency (Caribbean Export) and any amendments thereto.

5 Core Values

With a view to fulfilling Caribbean Export's mission and achieving its vision, all Agency staff and all staff of entities subcontracted by the Agency are expected to respect the following core values:

High Performing Teamwork

We work united to support each other and build positive partnerships.

- We treat each other with trust, respect, loyalty and fairness while providing mutual support for all team members.
- We foster a culture of professionalism, cooperation and collaboration to build networks and strong partnerships.
- We mentor and empower to promote better decision-making and self-development within team activities.

Transparency

We communicate for positive impact and mutual benefit.

- We share information and knowledge clearly and appropriately to enhance the Agency performance.
- We engage in honest, constructive and solution-oriented dialogue to generate better decisions and develop innovative solutions.
- We utilise technology and resources to positively improve our delivery of services and products to our stakeholders and customers.

Results Driven

We are market driven and customer focused.

- We are market driven and contribute to effectively achieving targets and deliverables with a focus on quality, accuracy and on time success.
- We are proactive, customer responsive, innovative, flexible, creative and cost effective.
- We achieve profitable results and maximum impact while adding value to all of our stakeholders.
- We recognize and reward successes and superior performance.

Commitment

We are committed to the success of the Agency and strive for excellence in the delivery of outputs.

- We take responsibility and are accountable for our own actions and the performance in the Agency.
- We comply with Agency policy while abiding by the governing laws of the Caribbean and territories, which we serve.
- We positively transform ourselves and Agency by continuously improving and upgrading our knowledge base, approach and operational functioning to meet the stakeholders and customer needs.

The respect of Caribbean Export's core values shall be subjected to internal reviews on a regular basis.

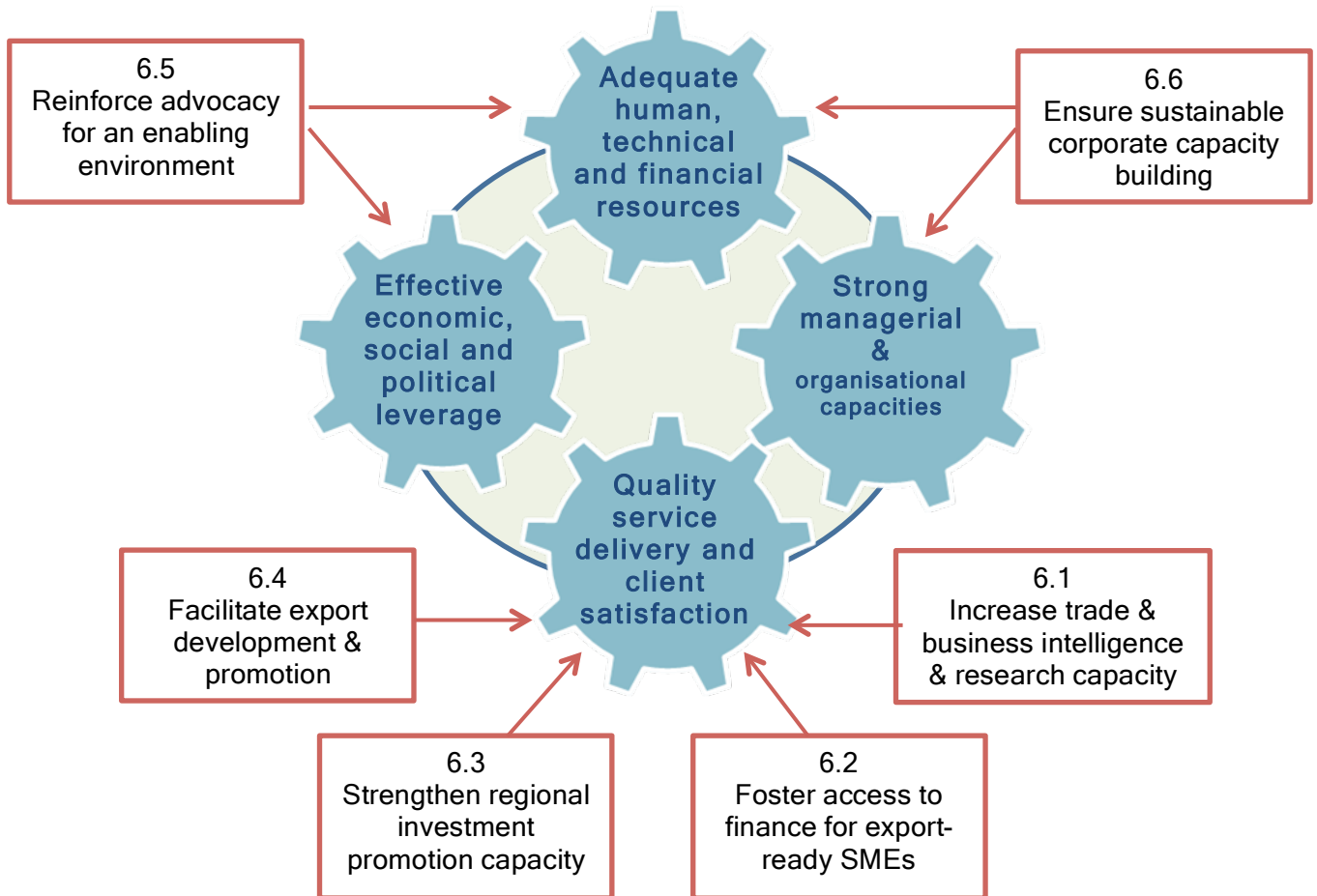
The fulfilment of our mission, the achievement of our vision and the respect of our core values may be condensed into a single phrase - Caribbean Export's official slogan:

Taking Caribbean Excellence to the World

Caribbean Export's official slogan is to be used in conjunction with its official logo in all Agency-sponsored publications and at all Agency-led public events with a view to enhancing its visibility as well as public awareness of its role and achievements as the leading driver for Caribbean private sector development.

6 Strategic Objectives

Caribbean Export's strategic objectives for the period 2015-2019 are closely aligned to the Agency's overarching objectives as defined in the CARICOM Agreement establishing the Agency, and structured around four basic interlocking functions, that might be likened to four gears in a **gearbox** that help the Agency move forward to fulfil its mission and achieve its vision (see diagram below). Each gear has an important role to play; if one gear fails, then the other gears will also be hampered and fail.



In all of its operations, Caribbean Export has a strong **client focus**. This is the reason why four out of six strategic objectives feed directly into the “gear” that drives quality service delivery and client satisfaction. Caribbean Export's clients in the realm of export-oriented SMEs will benefit directly (through training, market intelligence, grants etc.) and indirectly (through the Agency's assistance to trade support institutions and the like) and in a variety of mutually reinforcing manners from implementation of the Agency's strategic objectives 6.1 to 6.4:

- Increase trade & business intelligence and research capacity;
- Foster access to finance for export-ready SMEs;
- Strengthen regional investment promotion capacity; and
- Facilitate export development and promotion.

Caribbean Export realises, however, that all of its efforts to strengthen export-oriented SMEs will be for naught if the context in which these enterprises operate is inappropriate. Hence, the Agency must act to set the “gear” of effective economic, social and political **leverage** in motion. This implies reinforcing advocacy for an enabling environment (strategic objective 6.5). This objective comprises, among other things, the reinforcement of the Agency’s network of regional and international partners, some of which are donor organisations who can help the Agency to ensure adequate human, technical and financial resources for its operations.

Caribbean Export’s **key internal capacities** are represented by two “gears” in the figurative gearbox: These are adequate human, technical and financial resources on the one hand and strong managerial and organisational capacities on the other. Strategic objective 6.6 will contribute to the smooth functioning of both of these “gears”.

The “gearbox model” may serve as a metaphor for the Agency’s gradual transformation from a small, time-constrained project-oriented organisation into a large, sustainable impact-oriented regional development promotion agency. In the early days of its existence, Caribbean Export was mainly concerned with the mobilisation of its resources. With time, it has developed the managerial and organisational capacities that are required to use these resources efficiently and effectively. In recent years, it has also developed significant capacities to monitor and evaluate the quality of its service delivery and the resulting levels of client satisfaction. Some effort is still required to strengthen feedback linkages between monitoring and evaluation for outcomes and impacts on the one hand and management and organisation on the other. Caribbean Export is also transforming itself from an entity that approaches its economic, social and political context as a passive observer, into a major player in regional economic policy and decision making with numerous opportunities to actively leverage changes in the economic, social and political context. This process of transformation is by no means completed, and its outcome is by no means guaranteed. The achievement of the Agency’s strategic objectives, however, as described in the sections that follow, may provide the necessary push to bring the process of corporate transformation a big step forward.

6.1 Increase trade & business intelligence and research capacity

6.1 Specific context

Export-oriented SMEs in the Caribbean are facing increasing competition on both regional and international markets. The general challenges of entering, supplying and operating in target markets are compounded by many exporters’ limited information and knowledge of the factors that determine supply and demand on these markets. Trade & business intelligence and research services can help Caribbean exporters address their information and knowledge gaps and better understand the salient issues, including market entry requirements for specific markets and products, consumer demand, trade patterns and trends, the status of suppliers of similar products or substitutes, in-market distribution networks, product price points, export supply capacity and factors which affect that capacity, availability and supply of productive inputs, new production methodologies and approaches, regulatory requirements and business practices in the target market and trade agreements that might provide favourable terms for trade.

Trade & business intelligence and research are key ingredients in most recipes for success on export target markets, but they are not the only ingredients. The success of Caribbean firms entering foreign markets with their products is always the result of a wide variety of complex and interrelated determining factors that need be addressed in a comprehensive, integrated manner. Given these interdependencies, trade & business intelligence and

research can have a significant impact on the success of export-oriented firms if, and only if, the other factors for success are also in place.

The interventions being suggested here have been informed by direct feedback and recommendations received from regional public and private stakeholders through the following: (a) an online survey completed in early 2012 with both private sector and with BSOs; (b) national consultations with the regional network of business support organizations in all fifteen CARIFORUM countries completed between January 2012 and March 2013; (c) a regional stakeholder consultation held in Barbados in February 2012 and involving the then consultant for the CE Intelligence Portal; (d) regional validation workshop in June 2014 in Barbados; and (e) consultations with stakeholders as part of the regional trade information training programs held in 2012 (Trinidad) and 2013 (Dominican Republic and Belize) where participants were required to articulate trade information services plans based on the needs of their respective private sectors; and where they discussed and agreed on the types of products that would best respond to the identified needs of their constituents and the private sector for the various countries.

The main target groups for trade & market intelligence and research services are the owners and managers of export-oriented SMEs. These and other roles are often united in a single person, the owner-operator, in particular in small enterprises. In-house capacities for trade & business intelligence and research are often limited due to the costs in terms of time and money. This is where trade & business intelligence and research services can provide cost-effective support, in particular in the following areas:

- Identifying prospective export markets and high-opportunity segments using market intelligence,
- Understanding consumer behaviour and how a product can fulfil or create a need,
- Identifying the best market entry strategy and product introduction tactics,
- Getting insights into competitors' strategies, operations, strengths and weaknesses, and
- Finding out the key success factors to play and win in that specific market.

Caribbean Export reaches out to other actors in this field as well, in particular to Trade Support Institutions (TSIs), with a view to strengthening their capacities to source, collate and provide tailored intelligence and research services that are specific to the needs of their specific constituencies.

6.1.2 Strategic interventions

In recent years, Caribbean Export has regularly assessed the needs of its client base with regards to trade & business intelligence and research services. Stakeholder consultations and surveys have given rise to the following list of proposals that will figure prominently in interventions foreseen under the heading of Strategic Objective No. 6.1.

Provide trade & business intelligence, research and advisory services

The envisaged system will ensure the timely and demand-driven elaboration and delivery of customized research reports on an on-demand basis using a wide variety of standardised reporting forms including but not limited to:

- **Analytical Market Briefs:** Analyses of emerging trends, markets and product-specific opportunities as well as associated risks;
- **Market Pointers:** Succinct data on potential markets, including further sources of information for research, based on a simplified version of a tool developed by ITC;

- **Export Sector Profiles:** Contextualised analyses of global export playing fields, relevant social and demographic statistics, trade sector profiles, export market opportunities, required logistics and market entry requirements.

An important element of this Strategic Intervention is the further development of the CE's Intelligence Portal. This portal forms an integral part of Caribbean Export's work to develop a Regional Intelligence System aimed at identifying, collecting, collating and disseminating key strategic information to various stakeholders. It is expected that this System will provide a framework in which the provision of key strategic information will aid in the operating and decision making activities of the private sector and other key stakeholders.

The CE Intelligence Portal is an online platform designed to provide users with the ability to access key strategic information across a number of thematic areas. These thematic areas will include: (a) Trade and Business Intelligence, (b) Foreign Direct Investment, (c) Food Safety, and (d) Access to Finance. A fifth thematic area on the Services Sector will be added at a later stage.

It is anticipated that a wide cross section of stakeholders, such as regional private sector, trade and business support organizations, government institutions, investment promotion organizations, and external investors, will use and derive benefit from this service.

Building Capacity in Trade & Business Intelligence and Research

Given the needs identified by both private sector stakeholders and the trade support institutions across the region, it became very evident that these stakeholders lack the capacity to collect and use various types of macro and micro data/information.

This intervention therefore focuses on building the ability of regional BSOs/TPOs, and private sector, through training, technical Assistance and attachment programmes to provide and use various types of trade, business and market intelligence services to aid in their decision making process.

Caribbean Export's approach to capacity building in this area comprises two components:

- **Training of Trainers (TOT):** This component targets business support organisations (BSOs) that aim to provide training to their members. The main topics of the training programme will be trade information management and the delivery of advance trade information services. Other topics will include the development of simple market briefs, identification of intelligence needs, identification of relevant sources of information and the use of the intelligence and research services provided by Caribbean Export. In addition, arrangements may be made for Caribbean Export to engage qualified trainers in market research activities for the elaboration of customized reports on demand (see above).
- **Training for Firms:** With a pool of certified trainers established from the TOT mentioned above, these trainers, with the support of CE, will now be in a position to organise trade & business intelligence training workshops for export-oriented firms at a national level. It is anticipated that these workshops will be ongoing and will be driven by the demand within in each country.

Building Strategic Alliances and Partnerships

The third and final intervention under this Strategic Objective envisions the establishment of strategic partnerships at all levels, nationally, regionally and internationally, with the aim of increasing our access to as wide a cross-section of information/databases as possible.

A key component will be the further development and support of the National Trade Information Partnerships (NTIPs) that we started to establish in some Member States. NTIPS were formed to collect, compile, and supply market and trade information to Caribbean Export's Regional Intelligence System. These NTIPS will also act as National focal points that will help in the execution of trade and business intelligence activities at the national level, such as trainings.

6.1.3 Results framework

Results chains

No.	Output	Outcome	Impact (Target group)
1	Provide Trade & Business Intelligence, Research and Advisory Services	Firms, BSOs and other key stakeholders are able to access portfolio of Trade and Business Intelligence (TBI) products and services to inform business and export development strategies/decisions	Firms and other stakeholders making more informed decisions
2	Capacity building in trade and business intelligence for Firms, Business Support Organisations (BSOs) and other key stakeholders	Increased understanding by Trainees of the role and utilization of TBI in their organisations' decision making processes towards achieving set objectives	Increased capacity to access and utilize TBI to support objectives set by Firms, BSOs, and other key stakeholders.
3	Build Strategic Alliances and partnerships	Strategic alliances formed with key regional and international partners leading to increased access to various TBI databases and other strategic information.	Increased access by firms and other stakeholders to multiple databases and other sources of information through alliances with partners

Key Performance Indicators (KPIs)

No.	KPI variable (at impact level)	Baseline and Target (Years)	Source of Verification
1	No of key stakeholders utilizing TBI services to make informed business and export-related decisions.	Baseline: 200 (2014) Target: 500 (2019)	Register of alumni firms Survey of alumni of firm training
2	No. of stakeholders trained to access and utilize TBI	Baseline: 75 (2014); Target: 250 (2019)	Register of alumni clients Survey of alumni of firm training
3	No. of new databases and information sources added to our CE Intelligence System	Baseline: 2 (2014) Target: 7 (2019)	CE Market Intelligence System Reports generated annually

Risk Assessment

No.	Risk (impact level)	Importance / probability	Risk mitigation measure(s)
1	Limited understanding of the role and utilization of TBI by stakeholders	High / high	Trainings as well as information dissemination to target audiences
2	Stakeholders fail to see the importance of TBI	High / Medium	Utilize case studies and success stories as well as targeted information
3	Cost to access some databases may be prohibitive	Medium / medium	Develop information exchange partnerships

6.2 Foster access to finance for export-ready SMEs

In Caribbean economies, SMEs play a critical role in sustainable economic and social development. They are a part of the fabric of these economies, fostering growth, innovation and prosperity; flexible and quick to respond to market changes and evolving consumer tastes; an important asset in a globalized economy where consumers are ever more aware and informed, increasingly in search of more customized goods and services.

Across the Caribbean region, there is a long history of entrepreneurial spirit driving SME development. SMEs are major contributors to growth and employment within their communities, nations and the Caribbean region as a whole. CARICOM estimates that SMEs account for more than 70% of jobs in the Caribbean region. SMEs are pivotal for this region's economic stability and exhibit a great potential for:

- The creation of backward and forward economic linkages,
- The reduction of foreign currency expenditure,
- The utilization of local raw materials and other local inputs,
- The enhancement of social conditions in general and
- The employment of youth and women.

One of the key determinants in the development and growth of SMEs is access to finance. Yet in most Caribbean countries, many firms are constrained in their growth and expansion due to a lack of financial capital. Within the Caribbean, local financial systems are often unable to cater to the needs of SMEs; they fail to provide access to the right mix of financing that are most appropriate for each firm's stage of development. This has negative consequences for the Caribbean region's economic development.

While many large firms have easy access to equity capital markets, SMEs, with very different needs, tend to rely more heavily on traditional sources of capital, such as commercial banks. At the same time, banks in Caribbean region are often hampered in supporting SMEs due to their lack of firm-relevant information, such as their financial history and credit worthiness, and in this respect many SMEs face highly unfavourable conditions.

Under the heading of Strategic Objective No. 6.2, Caribbean Export seeks to support export-ready SMEs in their quest for access to financing. The main beneficiaries of our envisaged interventions in the coming years will be high-growth, innovative and export-ready SMEs. Our clients in this area will also include BSOs as well, who will play a vital role in the execution of the Agency's tailored interventions.

6.2.2 Strategic interventions

Grant funding through the Direct Assistance Grant Scheme (DAGS) provided

The DAGS is one of Caribbean Export's most popular interventions. It is the Agency's unique mechanism to provide direct financial support to help firms strengthen their export capacity. Under the 10th EDF programme, 278 firms have benefited to date under both the Regular and Accelerated Procedures, through grants of up to 30,000 EUR and 5,000 EUR respectively. In a region where SMEs' access to finance can be extremely difficult, the DAGS will continue to represent a highly attractive financing option for innovative, export-oriented SMEs.

Access to Private Equity Financing (Angel Investors) provided

In a CARIFORUM SME assessment survey carried out by Caribbean Export in November 2014, 45% of firms surveyed indicated equity financing as the type of funding they are most likely to require in the future. Business Angel Investing is seen as one possible avenue to be explored as a viable option for regional SMEs.

Caribbean Export, through a partnership with InfoDev, is therefore proposing to develop and manage a Regional Angel Investor Network (RAIN) for the CARIFORUM region. It is expected that this Network will provide high-growth potential companies with the funding they require, together with a program to offer the enhanced skills, knowledge and strategies necessary for high potential companies to attract investors.

Angels, as they are called, are typically associated with early-stage and start-up technology companies, but in reality they invest in businesses of any size, at any stage of development and in any sector that appeal to them. They most frequently invest in return for an equity stake in the company, but may also provide loans, guarantees or take a revenue share in return for providing financial support.

Business Angels provide more than just financial support. They also provide the company with expertise, whether this is in specialized technical skills, industry specific knowledge and understanding, or more broadly based management experience, and they frequently act as a “sounding board” for management to discuss strategy options and plans, bringing commercial common sense and a steady hand in times of crisis. This combination of finance and practical support is often referred to as “smart money” and will definitely add to the Agency’s portfolio of intervention aimed at tackling access to finance.

This intervention will target High Net Worth Individuals (HNWIs) with a certain appetite for risk and are looking for solid Angel type investments to add to their portfolio. There are a number of these individuals, both in the Region and in the Diasporas across the world that are looking to give back to their communities but also earn an attractive ROI. The Agency, in collaboration with InfoDev, will seek to provide Angel Investment training to these interested HNWIs with a view to help creating a Regional Angel Investor Network, with the potential National Chapters, supported by the Agency, also being developed.

Develop and publish database of various sources of applicable funding

Located on our Intelligence Portal, we propose to develop and publish a database/directory with various sources of financing, including non-traditional areas, available to firms in the Caribbean region. Information will be provided covering, among other things, Venture Capital funds and Angel Networks, Crowd Funding, Grants (donor funding) and special loan packages offered by commercial banks and other financial intermediaries.

The Development Bank of Jamaica (DBJ) has developed a very good example of what this type of Directory and this can be viewed at <http://173.203.89.141/dbjg/>.

Build the capacity of both firms and BSOs to better access funding mechanisms

A key component of helping firms to better be able to access various types of financing is to train them to understand the different requirements as well as how to articulate a proposal for consideration. For many years now the Agency has been providing Grant Proposal Writing training to firms and BSOs to support increased and improved application to the DAGS. This has resulted in the “pass rate” (the number of applicants receiving 70% or higher in the DAGS evaluation process) for the DAGS improving from 40% under the 9th EDF to over 70% under the 10th EDF.

We believe that if firms and BSOs are better able to position themselves, through improved Grant submissions and other structured proposals, then that would will to increase the likelihood of accessing financing. Additionally, BSOs need to understand what the right mix of appropriate financing is for firms at different stages of development. Therefore trainings

will focus on building capacity in a number of areas, aimed at the firms, but delivered through the BSOs by improving their capacity. The areas include but are not limited to:

1. General and DAGS specific Grant Proposal Writing workshops
2. Private Equity financing - VC and Angel Funding
3. Crowdfunding

Partner with various Financial Intermediaries

One of the areas the Agency has been working in during the implementation of the 10th EDF is the development of partnerships, through MOUs, with different financial institutions. This was in response to an increasing number of firms being unable to access the DAGS due to an inability to demonstrate that they can fund the project 100% upfront. This is requirement of the DAGS, which is a reimbursable scheme. The idea was to better leverage the Grants Scheme to help firms, through credit from their banks, to demonstrate that they are able to fund the project upfront. It was also hoped that these firms would be able to continue their relationships with these financial institutions by building a credit history, thereby making it easier to access capital in the future.

While the intention was good we got very little traction with the Commercial Banks who didn't see the minimal ROI to be worth the risk; a very short-term view in our estimation. However there were a number of Development Banks across the region that did participate in the program and whose assistance proved vital to some firms' ability to access the Scheme.

We propose to continue working with the non-traditional financial institutions, such as the development banks to help create a network, which firms can go to for support in this way. We also intend to broaden our net and also approach the Credit Union fraternity, who play such a pivotal role in SME development in the region, to become a part of this network.

6.2.3 Results framework

Results chains

No.	Output	Outcome	Impact (Target group)
1	Grant funding for export-ready firms provided	Export-ready firms utilizing the Direct Assistance Grant Scheme (DAGS) to increase export competitiveness	Beneficiary firms increase the value of their exports (export-ready firms)
2	Develop and implement a Private Equity Financing Platform to provide equity financing to suitably qualified for Firms	Private Equity funding made available to export-ready firms to increase their export competitiveness	Beneficiary firms increase the value of their exports (export-ready firms)
3	Develop and maintain database of national, regional and international sources of funding (grants, loans and others) available to firms	Database of different national, regional and international funding sources made available to and utilised by CARIFORUM Firms	Informed firms better able to mobilise funding from the sources identified in the database (firms of all sizes)
4	Capacity of firms and BSOs increased to be able to access different funding mechanisms available nationally, regionally and internationally.	Trainees are better equipped to access different funding sources available nationally, regionally or internationally	Increased access to different sources of funding by firms and BSOs
5	Partnerships created with different financial institutions to improve firms' access to finance	Firms have greater access to financing from financial institution to participate in the Direct Assistance Grant Scheme (DAGS)	Firms mobilise financing through CE's network of partners (firms of all sizes)

Key Performance Indicators (KPIs)

No.	KPI variable (impact level)	Baseline and Target (Years)	Source of Verification
1	% of grant beneficiaries reporting an increase in the value of their exports as a result of the grant	Baseline: 23% (2013) Target: 40% (2019)	Survey of grant beneficiaries (survey reports)
2	1. No. of firms accessing additional investment through Private Equity funding 2. % of beneficiaries reporting an increase in the value of their exports as a result of the grant	1. Baseline: 0 (2014) Target: 10 (2019) 2. Baseline: 0% (2014) Target: 30% (2019)	Survey of grant beneficiaries (survey reports and impact assessments)
3	1. The number for firms visiting the database to source information 2. The % of these firms reporting mobilisation of funding as a result of the information sourced on the database	1. Baseline: 0 (2014); Target: 1500 (2019) 2. Baseline: 0% (2014); Target: 10% (2019)	Reports generated from database Survey of firms visiting the database (Survey reports)
4	No. of firms and BSOs accessing different funding as a result of their acquired knowledge	Baseline: 397 (2014) Target: 750 (2019)	Survey of firms (survey reports)
5	No. of firms benefiting from improved access to finance through the network	Baseline: 6 (2014); Target: 30 (2019)	Reports by network partners regarding number of firms accessing finance

Risk Assessment

No.	Risk (impact level)	Importance / probability	Risk mitigation measure(s)
1	Firms are unable to absorb investment.	High / medium	Improved selection criteria along with targeted capacity building programmes
2	Firms may not be comfortable with Private Equity funding	High / medium	Increased awareness and training, both at the firm level and BSO level
3	Resource constraints within the Agency leads to inability to maintain database	High / medium	In the long-term is it anticipated that the Portal could become a revenue generating service
4	Inability to fulfil eligibility criteria	High / medium	Improved and increased trainings to build capacity
5	Inability to fulfil eligibility criteria set by financial institutions	High / medium	Working with the financial institutions to help build understanding of requirements

6.3 Strengthen regional investment promotion capacity

6.3.1 Specific context

Inward flows of FDI in Caribbean countries have been consistently high, relative to the size of the economies. In 1997 they almost doubled to reach 1.7 billion USD and kept rising until 2008 to 6.7 billion USD. The adverse effect of the global economic crisis had a pronounced impact on these flows in the Caribbean with investment into the region falling by an average 7.8% in 2009 and 2010, as compared to a decline of 0.3% in developing countries. Despite a rebound in 2011, FDI flows to the region experienced a 14% decline in 2012, compared to a 4% decline among the developing countries. These figures point to the significant challenge being faced by Caribbean countries to attract investment in a climate of scarce investment resources and significant competition for available funds. It also speaks to the heightened need for strategic interventions targeting areas of critical importance to the attraction of FDI and the bolstering of investor confidence in the region.

The investment work that has been undertaken by the Agency to date has been focused on the following **strategic areas**:

- Efforts to increase awareness of the Caribbean as an ideal location for investment and regional branding,
- The provision of training and technical assistance to CAIPA members so they can execute their mandates,
- Support to the promotion of investment opportunities in the region through targeted investment missions and
- Support to CAIPA for its continued institutional development.

In this regard, two critical reports will be used to guide the Agency's interventions in the area of investment promotion:

- The CAIPA Strategic Plan for the period 2014-2018 (finalized in 2013, see Annex 2).
- Regional Investment Promotion Strategy and Implementation Plan (to be finalized in 2014),

Given the importance of FDI for the economic development of the region and the limited resources available to Governments in the Caribbean to support investment promotion initiatives due to fiscal constraints, Caribbean Export's continued support to investment promotion initiatives in the region represents a unique and valuable opportunity.

6.3.2 Strategic interventions

Agency interventions under Strategic Objective No. 6.3 will focus on the following areas:

Training and Technical Assistance provided to IPAs

Support to enhancing the effectiveness of the Investment Promotion Agencies (IPAs) in executing their investment promotion mandates is crucial to the attraction of investors to the region. Consideration must be given to not only the common needs of the IPAs in the region, but also the divergent capacity needs. Focus will be placed on:

- **Needs Assessment:** The approach to capacity development will be informed by the needs of the IPAs. The needs analysis will itself be guided by a gap analysis of the difference between the present capacities of IPAs and the desired capacities for optimal effectiveness in investment generation. A rigorous capacity building needs analysis that will determine both the general and segmented capacity building needs of the IPAs will

be paramount. This will be a follow-up exercise to the work undertaken in 2011 under the EU's ProInvest funding line to CAIPA that was managed by the Agency.

- **Accreditation:** This will entail the development of the tools, materials, content and mechanisms to deliver the training and the accreditation of those IPAs participating in order to build a cadre of investment promotion professionals in the region adequately equipped with the capacity to undertake investment promotion activities.
- **Technical Assistance:** This subcomponent will consider the provision of specific assistance to develop competences unique to any IPA in the CARIFORUM region including the provision of advisory services, research and information needs and the procurement of databases and information management systems.

Institutional Support to CAIPA

The aim of this initiative will be the establishment of CAIPA as the premier mechanism for regional investment promotion collaboration. This initiative will therefore seek to:

- Increase CAIPA brand awareness, as it is also through the promotion of the CAIPA brand that an awareness of the Caribbean as a region for investment will be advanced;
- Provide support to the hosting of the CAIPA Annual General Assembly;
- Provide support to the hosting of the Regional Investor of the Year Awards;
- Provide support to the sustainability of CAIPA through the implementation of components of the CAIPA Strategic Plan.

Implementation of the RIPS

The Regional Investment Promotion Strategy (RIPS) was developed in 2014 and was guided by a Regional Investment Promotion Steering Committee (RIPSC), consisting of 17 regional stakeholders, including the University of the West Indies (Professor Alvin Wint served as the Chairman of the Committee), the CARICOM Secretariat and the CARIFORUM Directorate, the leadership of CAIPA, the Caribbean Congress of Labour, the OECS Secretariat, the CHTA, CARILEC, the Caribbean Shipping Association, the Eastern Caribbean Stock Exchange, the CAIC and the EU, with contributions from Compete Caribbean.

The development of the Strategy was motivated by the declining FDI flows to the region in the wake of the 2008 financial crisis (with the exception of the financial offshore destinations in the region and some natural resources seeking investments). In addition, the results of the Investment Perception Survey in 2013 confirmed the view that investors and location selection firms begin their decision-making processes at a regional level first before narrowing their focus to a specific country within a region. To this extent, there is significant value to the promotion of the Caribbean as a region to potential investors in a bid to have the region considered on the long list of possible investment destinations.

There are also significant economic gains to be garnered from collaboration in investment promotion, as generally, the targeted sectors and investors are similar for the countries in CARIFORUM and reaching out to these target as group can lead to savings at the national level, in particular for the cash strapped IPAs. Research undertaken during this assignment revealed that effort was needed to address the quality of FDI flows into the region as previous flows failed to generate the required inclusive and sustainable economic development over the years. Issues related to the investment climate needed to be addressed and it was noted that there were several challenges common across the region that could be addressed in a regional work plan. In this context, the development and implementation of an effective strategy to position the region as an attractive investment

destination and increase the quantity and quality of FDI flows into the region was deemed a priority.

The Strategy was informed by 2 studies that were commissioned in 2013 by Caribbean Export and guided by the RIPSC, namely, a CARIFORUM Investor Perception Survey and a Benchmarking Incentives Study for CARIFORUM. The approved RIPS seeks to build on the findings from these studies and presents a Strategy that will be executed through two components: (1) Proactive Promotion and (2) Regional Investment Climate. It will also have a communications strategy that will support the positioning of the region as an attractive investment destination.

The CARICOM Investment Code (CIC) is a core element of the CARICOM Investment Policy Regime. This Regime considers a policy reform agenda as well as harmonized investment incentives. The foundations for the Regime enshrined in the Revised Treaty of Chaguaramas. It was envisioned that the CIC would be a legally binding instrument among CARICOM Members once adopted. The Code would elaborate on the **provisions for the unrestricted cross-border movement of intra-regional investors** in keeping with the Revised Treaty.

The Code would set out the treatment, protection and facilitation provisions which CARICOM States will apply to intra-regional investment and it should contain provisions to address the investment-related needs of Disadvantaged Countries in the region.

The importance and relevance of the Code is brought into stark focus when one considers the results of a Regional Investor Perception Survey that was undertaken in 2013 by Caribbean Export, that has pointed to more than 60% of regional investors indicating an interest in re-investing/expanding in the region.

However there has been little progress in discussions on the CIC and the Incentives Policy in recent years as the focus of the region has been directed to spurring growth and emergence from the financial crisis of 2008. It was on this basis that Caribbean Export agreed to narrow its focus to the development of a Regional Investment Promotion Strategy and the identification of areas of collaboration among the Investment Promotion Agencies who are members of CAIPA. Nevertheless, given the general outlook for increased macro-economic stability in the region, heightened global competition for scarce foreign investment and the increased need to tap into intra-regional investment, the CARICOM Secretariat has indicated an intention to retake the topic of the CIC and regional incentives in 2015. Caribbean Export stands ready to provide necessary support, where required.

6.3.3 Results framework

Results Chains

No.	Output	Outcome	Impact (Target group)
1	Training and technical assistance provided to Caribbean IPAs	Training programmes and technical assistance aimed at building internal capacity within CARIFORUM IPAs delivered	Improvement in investor facilitation services provided by CARIFORUM IPA Professionals.
2	Institutional support provided to CAIPA	Strengthened CAIPA to better serve the needs of its members (IPAs)	Overall satisfaction with benefits being derived from the CAIPA members (IPAs)
3	Implementation of a Regional Investment Promotion Strategy (RIPS)	Increased awareness of the region as a destination for FDI leading to increased FDI projects.	Regional and International Investors are more familiar with the region as an attractive FDI destination

Key Performance Indicators (KPIs)

No.	KPI variable (at impact level)	Baseline and Target (Years)	Source of Verification
1	Improvement in investor facilitation services provided by CARIFORUM IPA Professionals. To be measured by improvements in the GIPB Report	Baseline: 49% (2012) Target: 65% (2019)	Global Investment Promotion Benchmarking (GIPB) for Caribbean, only performance rating by the World Bank
2	Improved satisfaction with CAIPA services delivered to IPAs. To be measured by the results from an annual perception survey to its members.	Baseline: 76% (2014) Target: 85% (2019)	Investor Perception Survey
3	No. of FDI projects supported and implemented in the various countries of the CARIFORUM region	Baseline: 2 (2014) Target: 15 (2019)	CAIPA Survey results

Risk Assessment

No.	Risk (impact level)	Importance / probability	Risk mitigation measure(s)
1	1. Limited human capacity within IPAs. 2. High rate of attrition.	High / medium	Mediation at the national level
2	Insufficient financial resources, Inactive CAIPA members	Medium / medium	Exposure of IPAs to good practice IPAs worldwide who operate on limited budgets and with few human resources
3	1. Limited capacity of some IPAs to effectively implement National IP Strategies. 2. Global Financial Downturn	High / medium	Diversification of investment portfolio to include investment targets from developing countries

6.4 Facilitate export development and promotion

6.4.1 Specific context

The inability of many Caribbean exporters to respond to demand in potential target markets has its origins in a variety of factors: weak managerial capacities, lack of market intelligence, limited access to financing, weak productive capacities, weak product innovation, inability to fulfil quality standards, regulatory barriers to market entry, lack of viable business contacts and many more. Export-oriented SMEs are particularly affected by these and other obstacles to their export competitiveness.

In order to help export-oriented SMEs overcome these obstacles, Caribbean Export will be focusing on three core areas described in the strategic interventions below.

6.4.2 Strategic interventions

Agency interventions under Strategic Objective No. 6.4 will focus on the following areas:

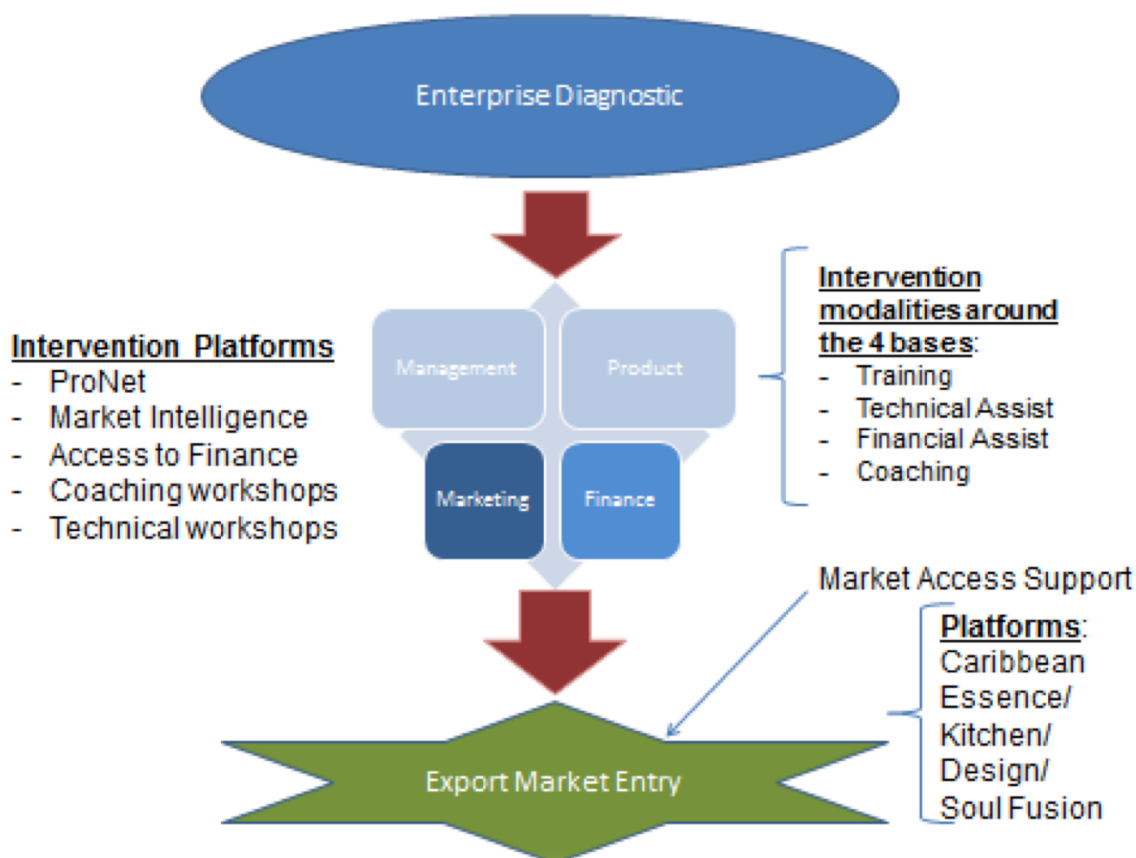
Implementation of the Helix Model

The **HELIX** is a phased approach combining firm diagnostics with tailored capacity building and direct support (including but not limited to financial) interventions aimed at addressing any gaps identified through the diagnostic phase. The model is also about getting to know our clients and their business models by building a long-term relationship with each, all geared towards selected the firms with the greatest chance of succeeding - simply put its about picking and supporting the winners; the ones with the DNA to be truly great Caribbean brands.

The Helix Model will take firms through a process of assessment, using a customized enterprise diagnostic tool to identify the areas of deficiencies within a firm, followed the delivery of appropriate support needed to build their export capacity and market penetration. The diagnostic tool is the first stop when a firm wishes to interface with the Agency and allows us, at the outset, to better assess what is needed to support their developmental path. It is also the only element of the Model that is still under development, with completion expected in Q1 of 2015. After which, implementation of the Helix will begin through an initial pilot project with a minimum of 20 firms selected by an EOI.

The diagram on the following page as well as a more detailed document on the model, contained in Annex 3, gives a better understanding of this approach.

The HELIX Model



Increase capacity building and strengthening of export-ready firms

In addition to the programmes on Access to Finance and Trade & Business Intelligence, previously discussed under 6.2 and 6.1 respectively, the Agency continues to provide capacity building aimed at BSOs and Firms through our ProNET and Services Go Global (SGG) interventions. Developed and administered in cooperation with GIZ, both training programmes use an experiential learning methodology and are implemented by certified trainers from across the region.

ProNET, focusing on the manufacturing sector, offers a series of nine business modules covering business strategy, quality management, production management, resource management, product development, information management, human resources management, cost and financial management and export management. Plans are already underway to add modules on Intellectual Property Rights, Renewable Energy, ICT and Innovation. Already a pool of 27 certified ProNET trainers has been established, based in the majority of the CARIFORUM States, have trained over 1100 firms and 30 BSOs to date.

With its large pool of certified trainers, the ProNET training programme has achieved a critical mass with regards to its capacity to provide valuable business and export management training to a large number of beneficiaries throughout the Caribbean region. In the past, most ProNET training has been provided in English, but recently a number of Spanish-speaking trainers have been certified to provide training to SMEs in the Dominican. While ProNET targets mainly SMEs in the manufacturing sector, Services Go Global (SSG) is being developed as a training program for SMEs in the services sector. The envisaged

programme will be rolled out in four phases, with 12 modules covering over 60 competencies. The main objective of this new training programme will be to prepare services sector firms for entry into new export markets. The programme will engage Coalitions of Services Industries (CSIs) who will be certified as Authorised Training Centres (ATCs), and assume responsibility for marketing and delivery of the SSG training programme. Approximately 30 regional experts recruited mainly from CSIs in CARIFORUM countries will be trained and certified as SSG trainers. It is expected that certified ProNET trainers, with the relevance competence, will also participate in the SSG programme.

Increase in-market promotions leading greater market penetration

Under the 10th EDF Caribbean Export has executed a number of market penetration activities using branded platforms designed for selected sectors/sub-sectors and to help with bringing increased awareness to the brands of the firms we serve. These platforms include Caribbean Essence for fashion designers, Design Caribbean for arts and craft, Soul Fusion for music and Caribbean Kitchen for agro-processing and specialty food. Branded platforms will continue to play an important role in the strategic direction of the Agency and have achieved regional and international recognition during short period of their existence. We have also seen an increase in the demand by firms to be a part of these platforms as part of their export promotion tactics. However it is important to note that in addition to these platforms, Caribbean Export aims to combine branded platform-based marketing with other market exposure tactics such as business-to-business (B2B) linkages and thereby apply more tailored approaches to meet the needs of our clients' enterprises.

6.4.3 Results framework

Results chains

No.	Output	Outcome	Impact (Target groups)
1	Complete the development and full implementation of the HELIX Model, designed to "pick the winners"	Carefully selected innovative export-oriented firms receiving coaching, mentoring, trainings, financial and technical to address identified areas of weaknesses to improve export competitiveness	Increased productivity and export competitiveness by selected firms
2	Increase capacity building and strengthening for export development for firms and BSOs	CARIFORUM Export-oriented firms and BSOs benefiting from various interventions aimed at: 1. Increasing productivity and competitiveness of firms 2. Build capacity within the BSOs to better service firms at the national level	Internal capacity of export oriented firms and BSOs (especially TPOs) strengthened
3	Increase market promotion and penetration	CARIFORUM firms with established in-market contacts/ distribution networks and employ competitive market entry strategies	Export oriented CARIFORUM firms increasing trade regionally and extra-regionally

Key Performance Indicators (KPIs)

No.	KPI variable (impact level)	Baseline and Target (Years)	Source of Verification
1	No. of CARIFORUM firms benefiting from various interventions under the HELIX Programme	Baseline: 0 (2014); Target: 80 (2019)	Survey reports of firms participating in HELIX programmes
2	1. No. of firms that have benefited from the various interventions aimed at building capacity 2. No. of interventions delivered to BSOs across the CARIFORUM region	Baseline: 1150 (2014) Target: 1500 (2019) Baseline: 30 (2014) Target: 50 (2019)	Survey of firms (SMEs) and BSOs participating in capacity building interventions
3	No. of firms exporting to new markets (regionally and extra-regionally)	Baseline: 45 (2014) Target: 150 (2019)	Survey of alumni firms (impact assessment reports)

Risk Assessment

No.	Risk (impact level)	Importance / probability	Risk mitigation measure(s)
1	Limited buy-in by the BSOs	High / high	Continue develop the relationships with BSOs and support with targeted information emphasizing impact
2	Inability of firms to absorb and utilize the assistance provided. High attrition rates within BSOs can affect knowledge transfer.	Medium / medium	Utilization of the Helix approach should help in the selection of firms and the assistance they are best able to absorb
3	TBTs and unfavourable economic conditions in target markets.	High / high	Proactive approaches designed per market with a clear understanding of TBT issues and what is required to overcome

6.5 Reinforce advocacy for an enabling environment

6.5.1 Specific context

Caribbean Export's mandate targeting national and sub-regional entities dealing with export development and trade promotion addresses challenges and opportunities in both public and private sectors that affect the regional and international competitiveness of trade-oriented SMEs in the region. The Agency uses its own influence and supports its private sector clients as well as regional investment and trade promotion organisations to use their voices to sensitise regional and national leaders and policy makers with regard to the region's private sector development options. The Agency's advocacy role is to help governments and policy makers in the region to understand why some policies are not working and to suggest new approaches and instruments that will help improve the enabling environment for private sector development. In general terms, Caribbean Export's advocacy role is to leverage economic, social, and political change effectively and to help its partners and clients to do

the same, influencing public sector policies and resource allocations to create an enabling environment that is beneficial to all Caribbean citizens.

Caribbean Export's advocacy role is translated into action in four broad areas: public-private dialogue, investment and business climate, crosscutting issues, and strategic relationships with intra and extra regional partners.

Improved Regional Public-private dialogue

Apart from highly specialised bodies, such as the West Indies Rum and Spirits Producers' Association Inc. (WIRSPA) and the Caribbean Hotel and Tourism Association (CHTA), there is no regional private sector-led institution representing Caribbean business interests in interaction with regional and national public sector policymakers. The Caribbean Association of Industry and Commerce (CAIC) was established as an umbrella organisation representing the interests of the Caribbean private sector at regional and international meetings, but it failed to meet expectations and is currently undergoing a restructuring exercise.^{vii} Lack of a dedicated regional body to represent private sector interests at the regional level has resulted in deficient public-private engagement and in a return to national rather than regional approaches to private sector development among some Caribbean states. Given this situation, the CARICOM Secretariat commissioned Caribbean Export to examine potential mechanisms for achieving effective regional public-private sector dialogue. In line with its advocacy role on behalf of the Caribbean private sector, the Agency aims to propose mechanisms in this context that will ensure continuous and effective regional public-private dialogue. This regional dialogue will not only inform the Agency's work programme, but also help private sector stakeholders in the region to articulate legal, policy and regulatory reforms deemed necessary to further the region's economic and social development.

Improved investment and business climate

The most recent World Bank Doing Business Report (2014) underlines the diversity of investment and business climates that reign in the Caribbean region, ranging from Saint Lucia's, which ranked high (64th) to Haiti's, which ranked low (177th) out of 189 countries worldwide. Drawing on results for selected Caribbean countries, the 2014 report assigned low rankings to the region as a whole in a number of important areas, including getting credit (101st), resolving insolvency (106th), enforcing contracts (123rd) and registering property (143rd).

On the positive side, it may be noted that some Caribbean countries have begun streamlining their business start-up procedures, introducing electronic tax payment systems to improve compliance and reducing barriers to regional trade to promote economic integration. Caribbean Export encourages its partners and clients in the region to emulate these best practices and helps them to coordinate their efforts.

The private sector in the Caribbean region is facing many challenges, some affecting its international reputation and, as a consequence, the image and competitiveness of its exports worldwide. One such challenge relates to the international financial services sector, which accounts for up to 31% of GDP in some Caribbean economies. International financial centres in the Caribbean region have come under increased scrutiny due to alleged tax evasion practices, money laundering and profit shifting (transfer pricing), among other things. There has been a tendency to associate such malpractices to the region as a whole, which is neither justified nor acceptable.

Given this challenge, the CARICOM Secretariat has engaged Caribbean Export to support the Financial Services sub-sector in the region. Within this specific advocacy role, Caribbean Export has hosted three regional conferences on financial services, bringing public and

private sector representatives together to discuss the issues facing the Financial Services sub-sector and to determine collectively the way forward for the region. Caribbean Export also chairs the Task Force for the Promotion and Protection of the Caribbean Financial Sector (TFP-CFS), which aims to establish a comprehensive strategic position at the regional level for coordinated lobbying and advocacy in favour of the region's international financial centres (IFCs). Caribbean Export aims to reinforce this sector further through support to the creation of a Caribbean Regional Financial Services Institute.

Increased focus on gender equality, human rights, and environmental sustainability

Caribbean Export has identified three cross-cutting issues that have a strong potential to influence the implementation of its Strategic Plan and the direction of its future work programmes: These are gender equality, human rights and environmental sustainability. The Agency aims to integrate these crosscutting issues into all of its interventions, including advocacy initiatives, and to sensitise its staff, partners, and clients with regard to the current and potential importance of these issues for private sector development in the region.

- **Gender equality:** The United Nations' most recent Human Development Report pointed out that the Caribbean region is lagging behind most other regions of the world in terms of gender equality. Caribbean Export is well aware of the important role played by women in private sector development, in particular in the services sector and many non-traditional export sectors. It attributes high priority to the implementation of gender mainstreaming, so as to include both men and women in policy and decision-making processes, investment and trade promotion programmes and in the planning and coordination of its own interventions.
- **Human rights:** All member states of the UN have an obligation to promote the respect of human rights including higher standards of living, full employment, and conditions of economic and social progress and development. With this, all Caribbean states represented in the UN General Assembly have committed themselves to combatting poverty as well as economic, social and political marginalisation. Caribbean Export will continue to work with its partners and clients to ensure the respect of basic human rights with special emphasis on support to poor and marginalised women and youth.
- **Environmental sustainability:** Many experts agree that environmental degradation (including ocean pollution) and climate change are among the greatest threats facing the planet today. In the Caribbean, many economies are highly dependent on agriculture and tourism and, with that, highly vulnerable to the effects of climate change and other environmental processes. Public and private sector stakeholders need to understand the causes and potential implications of resource depletion (e.g. loss of biodiversity) and climate change for their countries and the region as a whole as well as possibilities to mitigate their negative impacts. Private sector operators need to identify viable alternative energy solutions that help them to reduce operating costs as well as their business's carbon footprint and to enhance their competitiveness, targeting for example markets that recognize value added in the respect of environmental standards. With changing trends worldwide in consumer preferences, this emerging Green Economy presents new and exciting opportunities for many Caribbean firms. Caribbean Export aims to advocate on behalf of the private sector at the regional level and to encourage Caribbean policy and decision makers to adopt and apply environmental standards that are compatible with the goal of private sector development.

Build Strategic relationships with intra and extra-regional partners

With a view to enhancing its capacity for private sector advocacy throughout the region, the Agency will continue to build and strengthen its partnerships with key stakeholders both within the Caribbean region and beyond. The Agency's partners may contribute in particular to the chorus of voices supporting improvements in the enabling environment for investment and trade in the Caribbean region. Certain partners may also provide technical and financial support to the Agency's diverse projects and programmes. The Agency already disposes of a vast network of active partnerships at national, regional and international levels, including cooperation with RECs, public sector bodies (trade ministries etc.), non-profit trade promotion institutions and international donors. The Agency aims to deepen and expand its current cooperation network, thereby strengthening its advocacy role in the region while diversifying its own resource base, mobilising adequate human, technical and financial resources for its operations and reinforcing the sustainability of its capacity to provide valuable services to export-oriented SMEs and other clients in the region.

6.5.2 Strategic interventions

Agency interventions under Strategic Objective No. 6.5 will focus on the following areas:

Caribbean Exporter's Colloquium

In 2013, Caribbean Export hosted the inaugural Caribbean Exporter's Colloquium which is a regional platform aimed at providing both public and private stakeholders with an opportunity to address export development challenges, and to provide advice and direction to the Agency on matters that generally support or re-frame the region's export and trade development trajectory. The Agency aims to conduct this Colloquium again at regular intervals in the future.

Advisory Groups

Caribbean Export is constantly interfacing with its stakeholders to understand their needs and, based on this understanding, to draw conclusions for its advocacy agenda. To this end the Agency has established the Regional Private Sector Advisory Group (PSAG) and the Regional Innovation Advisory Group (RIAG). These groups are made up reputable businesspersons and other private sector stakeholders from across the Caribbean region. The PSAG provides strategic orientation to ensure that the Agency's work programme remains relevant to the region's exporters. The RIAG serves as a think tank for a wide range of issues related to the Agency's work. Caribbean Export will continue to support these two groups, for instance in the preparation of their annual meetings, and to benefit from their guidance.

Caribbean Export Outlook

This new publication will provide valuable information to interested readers on developments in the export sectors of the Caribbean region. Apart from providing vital practice-relevant information for export-oriented SMEs, it is expected that the publication will enhance stakeholder awareness of key and crosscutting issues including major challenges that Caribbean exporters must face with a medium to long-term perspective. The publication will focus on the Agency's priority sectors and markets, drawing on relevant primary and secondary sources of information. It will serve as a platform for the Agency as well as its partners and clients to engage in a critical exchange of information and opinions regarding critical issues in the development of the region's export sectors.

6.5.3 Results framework

Results chains

No.	Output	Outcome	Impact (Target groups)
1	Improved Regional Public Private Dialogue	Increase firm satisfaction through PPD; Improve PPD; Increase capacity at the national levels for assistance to firms	Member countries, Institutions & firms benefit from an improved enabling environment (CE's client SMEs)
2	Improved Investment and Business Climate	Improved, effective & strategic interventions and advocacy efforts; Increase engagement at the firm level; Increase CE relevance to private sector	Caribbean Export's clients and partners in public and private sectors enjoy enhanced benefits from CE-supported work pro-programmes and advocacy efforts (CE clients and partners)
3	Increased focus on Gender equality, Human Rights & Environmental sustainability	Increased integration and mainstreaming of cross cutting issues into the Regional trade agenda.	Internal & external stake-holders make better-informed decisions to improve the impact of trade of policies and agreements on disadvantaged groups and the environment.
4	Build Strategic relationships with intra and extra-regional partners	CE partners include each other in their programming discussions addressing private sector needs; Increase resource mobilisation	CE programmes are implemented in close collaboration with its intra and extra-regional part-ners (CE and its intra and extra-regional partners); Internal & External Stakeholders

Key Performance Indicators (KPIs)

No.	KPI variable (impact level)	Baseline and Target (Years)	Source of Verification
1	% of firms satisfied with increased public-private dialogue; No. of joint PP projects emanated and implemented; No. of firms that have increased capacity based on improved BSO services & the CE interventions	Baseline: 0 (2014) Target: 70% (2019); Baseline: 0 (2014) Target: 5 (2019); Baseline: 350 (2014) Target: 500 (2019)	Alumni Firm Surveys Evaluation reports
2	% of advisory group members who feel re-engaged; No. of linkages created at the B2B level	Baseline: 66% (2014); Target: 80% (2019) Baseline: 45 (2014) Target: 100 (2019);	Survey reports Evaluation Reports
3	No. of targeted interventions implemented that address each cross-cutting issue	Baseline: 197 GE (2014) Target: 300 GE (2019) Baseline: 0 HRs (2014) Target: 2 HRs (2018); Baseline: 0 ES (2014) Target: 4 ES (2018)	Evaluation reports Impact Assessments
4	No. of CE programmes being implemented in collaboration with at least three (3) intra and/or extra-regional partners; Increase in number of programmes being implemented.	Baseline: NA (2014); Target: 10 (2019) Baseline: 0 (2014); Target: 20% (2019)	CE programme agreements and reports

Risk Assessment

No.	Risk (impact level)	Importance / probability	Risk mitigation measure(s)
1	Political will of public sector and governments; Lack of trust between private and public sector	High / medium	Independently and aggressively review and assess all beneficiary firms
2	BSO's & Firms not sharing the benefits received	High / medium	Continue to develop relationships with the BSOs and firms to build trust and demonstrate the importance of sharing successes
3	Lack of understanding by stakeholders of the importance of the issues	High/medium	Increased training and awareness programmes for stakeholders on the importance of integrating these development issues.
4	Intra and/or extra-regional partners are not able to fulfil their programme commitments; Turf territorialism	High / High	Continue to strengthen relationships with regional partners; advocate at the political level for collaboration.

6.6 Ensure sustainable corporate capacity building

6.6.1 Specific context

Caribbean Export is aware of its dependency on the volume and direction of support provided by international donors. For many years, it has benefitted in particular from support provided through the EDF. While other international donors have also been generous in their support to the Agency's capacity to operate, contributions from the European Commission have dominated the Agency's resource base. In order to reduce the risk of over-dependency on one source of financing, the Agency aims to diversify its resource base, in particular through (a) the establishment a new, complementary structure that will generate own revenues through the provision of specialised services to export-oriented firms in the Caribbean region and (b) the diversification of its donor financing portfolio.

The establishment of Caribbean Export Inc. (CE Inc.) is an on-going initiative with an important potential to help the Agency diversify its resource base as well as possible consequences for all critical success factors and strategic objectives. The concept note and TOR for the developing the business plan for CE Inc. is available at Annex 4. It will be described in more detail under the heading of "Resource Mobilisation" (see section 9.2.1).

Caribbean Export will continue to work together with many regional and international donor agencies with a view to diversifying its donor-financing portfolio. In particular, it will strive to increase the relative weight of contributions provided by new partners.

With regard to the development of Caribbean Export's management and organisational capacities, the Agency is highly challenged by the scope and complexity of its many intertwining operations. It is expected that all seven (7) critical success factors will be further developed, based on specific sub-strategies (see section 9), to help the Agency overcome this challenge. At the same time, the interdependencies between these critical success

factors and their specific strategies should be identified, monitored and coordinated to ensure their mutual compatibility and to mobilise potential synergies between them. Possibilities to apply process-oriented approaches to steer the further development of critical success factors may be explored and adapted to the Agency's specific needs.

Many other concepts and tools can help the Agency to cope with the scope and complexity of its operations. Some of these are already taken into account in other sections of the present document, but merit special mention here, given their importance for sustainable corporate capacity building. The main relevant concepts and tools are as follows:

- **Filter Team:** In response to the vast number of requests for assistance received by the Agency every day, this team would go through these requests and make decisions to provide support or not and, if support is agreed upon, agree upon the conditions of this support. The Filter Team would be composed of the Executive Director as its chairperson and all heads of units. It would meet once a week. Decisions would be communicated to the submitters of requests no later than 3 days after Filter Team meetings are held.
- **Staff performance standards:** The introduction of staff performance standards based on job descriptions and agreed assessment criteria using, for example, the Balanced Scorecard (BSC) approach, holds a great potential to institutionalize the management of key processes, as well as ad hoc interventions. (Cf. section 9.2.2)
- **Project dossier management:** The project dossier is a set of standardised reporting forms (templates) that facilitates the periodic compilation and analysis of project-relevant data. There is a need to streamline the project dossier, to reduce the double entry of data and to facilitate the timely provision of data by introducing, for example, online data entry forms and an integrated database management system. (Cf. section 9.2.8)
- **Results orientation:** Many Agency staff members have already received basic training in results-oriented M&E, but many knowledge gaps remain and everyday application of this strategic approach to project and process management is lagging behind. More training and awareness building is required to instil a culture of results-oriented planning, monitoring and evaluation in all Agency staff members. (Cf. section 9.2.8)
- **Pillar Assessments:** The European Commission has established a system to assess its implementation partners' fulfilment of requirements with regard to its seven (7) "pillars" relating to the internal control system, the accounting system, an independent external audit and rules and procedures for providing financing from EU funds through grants, procurement and financial instruments and sub-delegation. As an entity entrusted with the so-called indirect management of EU funds, Caribbean Export was recently the object of an EU pillar assessment. In order to ensure that the Agency will be able to provide adequate financial guarantees for EU-supported funding in the future, it is crucial that the requirements of the pillar assessments be well integrated into the Agency's critical success factors and their specific sub-strategies.
- **Quality certification:** There are many opportunities awaiting the Agency in the area of management quality certification: some for individual staff members (e.g. IPMA's Competence Baseline and PMI's PRINCE2 certification) and others for the Agency as a whole (e.g. ISO 9000 and 9001). Among other things, corporate-wide certification might help the Agency to successfully bid for large regional and international contracts. (Individual i.e. staff-level certification activities will be integrated into the human resource management function.)

- **Operational manual:** The operational manual is an important tool to help ensure that there is transparency and accountability in the management of all of the Agency's transactions. This is why the Agency's operational manual requires regular updating to align it to current management and organisational concepts, practices and tools.
- **Institutionalisation of client and partner interfaces:** Caribbean Export collaborates with a large number of diverse clients and partners. On the client side, it deals with individual firms, in particular export-oriented SMEs, business support organisations (BSOs) and other national and regional stakeholders contributing to private sector development in the Caribbean region. Currently, special advisory groups serve as institutional frameworks for client interfacing in specific areas of interest, such as strategic orientation and innovation. The Agency might establish similar informal advisory bodies for selected priority target areas (e.g. Green Economy) and target markets, in particular for purposes of strategic orientation. On the partner side, the Agency deals with many national, regional and international bodies that participate in and contribute to its interventions. Among other things, the Agency could play a role as the "voice" of the Caribbean private sector vis-à-vis international donor agencies, contributing thereby to the coordination of external assistance to private sector development and the minimisation of gaps and overlapping in the provision of such assistance throughout the Caribbean region.
- **Visibility:** Many potential clients and partners lack awareness and knowledge of the Agency's existence and interventions. Given this situation, public relations and communications will play crucial role in the realisation of the Agency's vision - to be recognized internationally as the "leading driver" for private sector development in the Caribbean region. Considerable effort is still required to mainstream visibility into the Agency's critical success factors and strategic intervention areas. (Cf. section 9.2.4)

6.6.2 Strategic interventions

In the choice of strategic interventions, special care has been taken to avoid overlapping with interventions foreseen under the headings of critical success factors or as interventions to achieve other strategic objectives, although many interventions foreseen in these other areas are highly relevant for building sustainable Agency capacities. With this "division of labour" in mind, the following interventions were identified as strategic priorities for ensuring sustainable corporate capacity building:

Diversify the Agency's donor funding portfolio

The emphasis will be on the identification of potential new partners and the design of project proposals that are apt to attract their interest and meet their approval for funding. Expected outcomes will be an increase in alternate sources of funding, as well as in the number of donors contributing significantly to the Agency's operations. Currently the indicator value is five (5), comprising the EU, GIZ, IDB, World Bank, and UKDFID; the target value for end of 2019 will be eight (8) donors in total. Ideally, the design of proposed projects will be well aligned to selected priority target areas and markets (see chapters 7 and 8) and supported by specialised advisory groups with corresponding thematic focus areas.

Create a sustainable business model for the Agency

Creating a sustainable business model is essential in order for Caribbean Export to achieve its mission and vision. Of importance in the short term is the diversification of the Agency's funding portfolio within the context of a decrease in the availability of global donor funding. The Agency will move forward with its plans of establishing Caribbean Export Inc., which will function as the private sector arm of the Agency offering a suite of products and services for a fee. Complimentary to the external focus of establishing an entity that generates revenue,

will be the need to ensure that internally the planning and budgeting processes are equipped to respond to the anticipated new needs of the Agency as it attracts and diversifies its revenue base. The optimized functioning of key operational areas such as Human Resources (HR), Information and Communications Technology (ICT), Public Relations (PR) and Communications, and Monitoring and Evaluation (M&E) will also contribute to the creation of a sustainable business model for Caribbean Export.

Improved planning and budgeting processes to consider additional funding/revenue sources

The planning and budgeting processes in relation to funding, as well as revenue sources ensures that the budget is compiled and submitted within the agreed timeframe, typically by the middle of the fourth quarter of the previous year. This allows both our internal and external stakeholders to review and come to a consensus with any submissions, while making any necessary contributions to the process as appropriate. This early agreement of the budgeted plans allows the Agency to make accurate representation and agree on the timing of funds necessary from strategic partners to sustain the activities and programmes for the following year.

Broaden Treasury management strategies to include alternative revenue sources (CE Inc.)

Treasury management is central to the sustainability of Caribbean Export. The Agency's strategy in this regard is three fold: to mitigate the risk of foreign exchange losses, which occur as a result of the implementation of donor supported programmes involving foreign currency transactions; to continue to strengthen relations with CARIFORUM States in an effort to facilitate the reduction of outstanding contributions; and to ensure adequate resources are available to facilitate the smooth functioning of the Agency. The effectiveness of this strategy will enable the Agency to effectively plan the efficient use of resources when funding its respective programmes.

Improved process optimisation in operational support areas

The operational support areas for Caribbean Export require improvement based on the projected strategic objectives of the Agency. These areas include Finance, Human Resources (HR), Information Technology (IT), Public Relations (PR) and Communications, and Monitoring and Evaluation (M&E). These operational support areas contribute directly and indirectly to the achievement of the Strategic objectives and are cited as critical success factors that need to be addressed. There is a need to document, analyse, optimise and digitise (where applicable) the existing systems and processes, and to implement new systems and processes. This will support the evolving demands of the core operations. The projected improvements will gain greater transparency and will focus on compliance of all stakeholders to the financial, procurement, HR, IT, PR and Communications, and M&E policies and procedures.

Improve and streamline reporting systems to reflect multiple stakeholders

Caribbean Export's focus in this area will be the accurate and efficient dissemination of reports to stakeholders at various intervals of the annual reporting cycle. In the case of monitoring and evaluation, these will include the annual report, quarterly reports, and mid-term programme reports, in addition to sector, country and project specific briefing reports. Financial reports will include monthly, quarterly and annual reports to internal and external stakeholders. The target value is 95% accuracy by 2019.

Increase HR capacity within the Agency

There is a need to increase the HR capacity within the different HR functions in the Agency. The existing systems and processes will be upgraded to meet the dynamic changing needs Strategic and business operational needs of the Agency. The main areas to be addressed will be cost effective Recruitment and Orientation, implementation of a Performance Management Planning tool and system, which will inform the sub areas of Organisational Development, Compensation grades and Promotion and Career Planning. The Agency will focus on Training in Organisational development particularly language acquisition, individual technical training and soft skills training. The upgrading of the existing and the implementation of the new HR systems will be a systematic approach. It will build on the existing Agency strengths and will improve the weaker areas, which will be seen in each annual work programme.

Strengthen ICT in support of the Agency's operations and service delivery

In order to strengthen ICT to support the Agency's operations and service delivery, an ICT Policy and Strategy has been designed to provide a framework to guide Caribbean Export in the selection, development and execution of suitable ICT programmes. The Strategy has been aligned to the Agency's stated mission, to ensure that ICT contributes directly to the fulfillment of the Agency's mandate. The goals of this strategy are to establish and maintain effective and appropriate ICT Governance and Management arrangements for the Agency that allow Caribbean Export to successfully identify and exploit opportunities to take advantage of ICT on an ongoing basis; develop and maintain a suitable ICT infrastructure, including hardware and software tools, services, connectivity, and related facilities, that is capable of fully supporting the internal operations and customer service delivery functions the Agency; implement, manage and sustain a programme of systematic application of ICT tools and methods for continuous improvement of the Agency's operational effectiveness and efficiency; and provide ICT tools, facilities, training and technical assistance to the Agency (and clients where applicable) to support effective delivery of services to clients in the pursuit of the Agency's Vision and Mission.

Increase awareness of the Caribbean Export brand, using varying tactics including but not limited corporate social responsibility (CSR)

Increasing the brand awareness is key to realising the Agency's vision. Having implemented multiple media platforms Caribbean Export is positioned to execute a communications strategy that incorporates a digital strategy. The concentration of this strategy will be to increase the reach and distribution of content rich media, as well as engagement with viewers across multiple markets. The strategy also takes into account the need for corporate social engagement with stakeholders within the immediate community.

6.6.3 Results framework

Results Chains

No.	Output	Outcome	Impact (Target group)
1	Diversify the Agency's donor funding portfolio	Increase alternate sources of funding and amount of funding for CE existing and new projects	Caribbean Export & CARIFORUM Countries, BSO's, external stakeholders
2	Create a sustainable business model for the Agency	Successful implementation of sustainable business model (CE Inc.)	All key stakeholders
3	Improve planning and budgeting processes to consider additional funding/revenue sources	Timely planning and budgeting process completed with approved budgets for financial resources available annually	Internal & External Stakeholders
4	Broaden Treasury management strategies to include alternative revenue sources (CE Inc.)	Effective management of the Agency's cash resources to enable timely implementation of the annual work programmes	Internal & External Stakeholders
5	Improved process optimisation in operational support areas namely Finance, HR, ICT, PR & Communications, M&E	Compliant, transparent, and optimised operational systems implemented	Internal Stakeholders
6	Improve and streamline reporting systems to reflect multiple stakeholders (internal & external)	Accurate and efficient dissemination of reports to relevant stakeholders (internal & external)	Internal & External Stakeholders
7	Increase HR capacity within the Agency	Improve and standardise the HR processes and staff competencies	Internal & External Stakeholders
8	Strengthen ICT in support of the Agency's operations and service delivery.	Effective Management and implementation of ICT for timely delivery of the Agency's Work programme	Internal & External Stakeholders
9	Increase awareness of Caribbean Export brand using varying tactics such as SCC.	Increase in International and regional visibility of the Agency's mandate and work programme	Internal & External Stakeholders

Key Performance Indicators (KPIs)

No.	KPI variable (at impact level)	Baseline and Target (Years)	Source of Verification
1	No. of new donor sources	Baseline: 5 (2014); Target: 8 (2019)	Donor matrix; finance reports
2	Average annual % increase in internally generated revenue	Baseline: 0 (2014); Target: 15% (2019)	Finance reports
3	% of accurate budgets disseminated in a timely manner	Baseline: 0% (2014); Target: 100% (2019)	Finance reports
4	% of funding available to implement annual work programmes	Baseline: 100% (2014); Target: 100% (2019)	Finance reports
5	# of operational systems implemented; % of stakeholders compliant with systems	Baseline: 2 (2014); Target: 5 (2019) Baseline: 0% (2014) Target: 100% (2019)	Finance reports; human resources reports
6	% of accurate reports disseminated in a timely manner	Baseline: 0% (2014); Target: 95% (2019)	Internal agency reports and performance management reports
7	No. of HR systems implemented and utilised; Average # of training programs implemented annually;	Baseline: 1 (2014); Target: 5 (2019) Baseline: 1 (2014); Target: 4 (2019)	Human resources reports
8	Number of new technologies in support of on-going operations; # of person utilising new technologies.	Baseline: 2 (2014); Target: 10 (2019)	ICT reports
9	% increase reach as measured by the increase in the number of channels utilized to broadcasting our communications and content; % increased in the awareness CEDA and our mandate (to be measure by a combination of perception surveys, hits on sites, etc)	Baseline: 25% (2014); Target: 17% per annum; Baseline: 0; Target: 25% increase in participants per annum	Public relations and communications reports, perception surveys, website analytics, social media analytics.

Risk Assessment

No.	Risk (impact level)	Importance / probability	Risk mitigation measure(s)
1	Decrease in availability of global donor funding	High / High	Revenue generation from fee-based services; cost containment measures; and visibility of donor funded projects to demonstrate impact and return on investment
2	Lack of willingness of key stakeholders to pay for CE products & services	Medium / medium	Development of a value proposition or USP to demonstrate the value of products and services to beneficiaries
3	Lack of timely compilation of budget information submitted	Medium / medium	Implementation of a system that reflects running budget and accounting schedules
4	EXTERNAL: Dis-allowed expenditures from previous programmes results in reduction of current programme funding; Economic environment; delays in drawdowns from donor funded programs and receipt of counterpart contributions; INTERNAL: Low utilization of budgets prevents access to funds	Medium / High	Adherence to procurement guidelines; proper planning and execution of work programme budgets and activities
5	Resistance to new system adjustments and requirements	Medium / medium	Education and reinforcement of adjustments and requirements
	Lack of timely and accurate reporting by staff; Lack of compliance penalties	Medium / medium	Established sanctions to combat non-compliance and encourage adherence
	Lack of compliance of staff; inability of staff to apply training leanings	Medium / medium	Continuous training and established sanctions to combat non-compliance
	Limited resources for the implementation and maintenance of ICT	Medium / medium	Advocating the value of the function at the management level and appropriate budgeting
	Limited resources for PR could stifle efforts	Medium / medium	Advocating the value of the function at the management level and appropriate budgeting

7 Priority Target Areas

7.1 Agro-processing

The CARIFORUM agro-processing sector is made up mainly of SMEs involved in the processing of traditional agricultural products such as fresh fruits and vegetables for domestic use and export. The main products manufactured in the CARIFORUM countries include, but are not limited to, margarine, jams, jellies, condiments, snacks, fruit juices, alcoholic and non-alcoholic beverages, and various cake products. There are more than 300 agro-processors in the CARIFORUM region located mainly in the larger countries, like Trinidad and Tobago, the Dominican Republic, Guyana, Jamaica and Suriname, but also in smaller countries like Barbados, Belize and Saint Lucia. The agro-processing sector is of great importance to CARIFORUM, as it is a major contributor to economic growth and employment within the region, especially among women in rural areas.

There are a number of constraints to competitiveness that currently hinder the expansion of the CARIFORUM agro-processing sector, including limited production and quality management capacity, poor product consistency, expensive and unreliable transportation, poor quality packaging, fluctuating local prices for inputs of raw materials and lack of cold storage. Moreover, in order to be successful, the processed foods industry requires an adequate supply of quality agricultural raw materials, which is where improvements in the fruits and vegetables supply chains, will be imperative for the future success of the sector. This reflects a major shortcoming in the Caribbean region's food-processing industry, as the region is highly dependent on the import of these raw ingredients. Availability and use of land and climate change are factors limiting agricultural output; this in turn limits the availability of domestically produced raw ingredients.

The Caribbean region does produce a number of profitable crops on a large scale. Local producers, however, have tended to ignore high-growth processed food subsectors, preferring instead to focus on primary and traditional goods. This has left the higher-value, higher-growth processed channel to importers, who import their goods mainly from the US - to the further detriment of the Caribbean region's trade balance. Given the lack of competition in the relevant domestic supply chains, markets in the CARIFORUM region are fairly open to imports from the US and the EU, reflecting both historical dependency and a public interest in the containment of food price inflation.

Manufacturers in the CARIFORUM region who produce on a large enough scale to export their goods do not face an easy avenue into the US and EU markets. Production and storage standards in the fragmented Caribbean agro-processing industry often fall short of the import standards required by the US and the EU. Intra-regional trade is also challenging: Shipping between CARICOM member states is complex and political relationships between member states can be strained, further complicating trade flows. Furthermore, trends in food consumption patterns can create more opportunities for importers than for local producers.

Developing the Caribbean region's agro-processing sector is crucial for the promotion of non-traditional agricultural production, the creation of job opportunities and the diversification of economies in CARIFORUM region.

Most Caribbean governments have recognized the need to boost domestic food production and to implement policies that would aid local farmers and food processors, for example, by subsidizing agricultural inputs and providing tax breaks for firms investing in the food industry. This would facilitate self-sufficiency in the area of food production. Opportunities in agriculture and the agro-processing industry may also be seen in intra-regional investment,

for instance, when Barbadian enterprises invest in Guyana and Suriname, attracted by the availability of land in these countries as well as the low costs of production.

The food sector has many linkages with other sectors in the value chain, such as transportation, packaging, marketing and distribution. Hence, the indirect impacts of growth in the food sector may be significant. If further value can be added to agricultural products through processing, then the overall economic impact can be quite high.

Moving forward to effectively compete in the international markets will require food producing companies to develop a clearer understanding of the international markets and meet the price, quality and delivery standards required by the market. This implies improving quality, reducing costs and improving access to more competitive manufacturing technologies and expertise. Caribbean Export has made some progress in assisting businesses in the food sector to develop a better understanding of and gain access to international food markets, facilitating for instance participation of businesspersons of the specialty food sector in international trade fairs. Furthermore, grants have been provided to companies in this sector through the Direct Assistance Grant Scheme (DAGS), supporting several types of activity such as website development, production facility improvement, labelling and packaging improvements, purchase of equipment, achievement of international certification (HACCP, ISO etc.) and improvements in food and nutrition labels.

An agro-processing industry with higher value-added production can contribute to economic diversification, increased export readiness (especially among SMEs), increased attractiveness of the food sector for investors, increased employment and foreign exchange earnings and stronger linkages with the primary sector (agriculture and fisheries) as well as the packaging industry, marketing and transportation. The effects can be both national and regional. Higher value-added production in the agro-processing industry can give rise to increased intra-regional consumption of quality Caribbean products, thereby strengthening Caribbean cultural identity as well as the region's international profile.

7.2 Services

The services sector plays an integral role in economic development. From the important social role health and education services play in affecting the quality of life and skills of the labour force, to the basic infrastructure created by construction and telecommunication services essential to all businesses, to the role financial and transportation services play in supporting the traditional manufacturing and agricultural sectors, to the value professional services impart in enhancing the competitiveness of any business - the services sector is the cornerstone of all economic activity.^{viii}

Trading in services offers significant opportunities for enhancing competitiveness and stimulating economic development, ultimately improving welfare and reducing poverty.

On the import side, the expansion of the range of services available to consumers and businesses can help reduce costs and increase quality. On the export side of trade in services, apart from the obvious benefit of generating income and foreign exchange, there are many other benefits to developing an internationally competitive services export sector. For one, a successful services company does not necessarily require large start-up capital, numerous employees or large financial investments to export successfully. Therefore the potential for micro, small and medium-sized enterprises to develop capacities and trade in services successfully is quite feasible. Opportunities in the services export sector can lead to the establishment of new businesses, the development of specialty services, new and sustainable employment and a reduced "brain drain".

Furthermore, readily available local, high-quality services can add value to businesses across all sectors and reduce expenditures for imported services. The availability of local high-quality services can help attract foreign direct investment (FDI) and reduce investors' needs to import the necessary services to maintain their international competitiveness.

Last but not least, the services sector is often "*greener*" than the agricultural and manufacturing sectors, in that it tends to have a comparatively small "*ecological footprint*". (Admittedly, some service subsectors fail to meet this condition, in particular those that are comparatively energy-intensive.)

Caribbean Export has a long tradition of promoting trade in professional services. In 2006, for example, Caribbean Export conducted research into international demand for trade in professional services, leading to the elaboration and publishing in 2007 of strategic marketing plans for the promotion of professional services exports in Barbados, Dominica, Saint Lucia and Trinidad and Tobago. This groundwork paved the way for the elaboration of more specialised public policy and private sector orientation, such as the publication "Health and Wellness Tourism, 10 Strategies for Success within the Caribbean Single Market and Economy" (2008), the "Strategy for Development of the Caribbean Management Consulting Industry" (2010) and the "Regional Strategy for Spa and Wellness" (2013).

Caribbean Export, in partnership with GIZ, has been instrumental in establishing the Caribbean Network of Services Coalitions (CNSC). The CNSC aims to facilitate closer collaboration among the region's service organizations in an effort to raise awareness on services issues, including joint lobbying and advocacy efforts, to generate support at national and regional levels for the coalition movement and to share best practices. Currently, services coalitions from 16 Caribbean countries and territories participate in the network. Among other things, the CNSC publishes "Services Scoop", an annual publication highlighting the important role that the services sector plays in the region's economic, social and cultural development.

In 2014, Caribbean Export was awarded responsibility for the implementation of a 3.2 million EUR programme by the European Union towards the implementation of the 10th EDF Services Sector Component. The programme will cover the professional, financial, education, health and wellness, tourism, cultural entertainment, sport and ICT services sectors with the objective of ultimately improving the competitiveness of CARIFORUM services suppliers and promoting improved access to regional and international markets. The implementation of the programme is designed as a collaborative effort between the Agency, the CARICOM Secretariat and the Ministry of Industry and Commerce of the Dominican Republic (DICOEX).

Financial Services

In recent years, Caribbean Export has increased its efforts to support the Financial Services sub-sector. There are many reasons for this: Financial Services are the second largest contributors to Gross Domestic Product (GDP) in the Caribbean region. In particular the Antigua and Barbuda, Bahamas, Barbados, and Saint Lucia register large contributions of Financial Services to GDP. In 2011, the Financial Services sub-sector contributed over 20% to GDP in Antigua and Barbuda, Barbados, the Bahamas, Montserrat, Saint Lucia, and St. Kitts and Nevis. These are important reasons why Caribbean Export is particularly interested in the development of the region's Financial Services sub-sector.

Caribbean countries are increasingly challenged to remain competitive through repositioning their industries within the context of constantly evolving international standards. This requires not only investment, but also a strong Financial Services sub-sector to facilitate such investment.

In the context of the 20th meeting of the Council of Ministers of CARIFORUM member states, Caribbean Export was identified as the organization charged with providing support to the development of the Financial Services sub-sector. Pursuant to this decision, Caribbean Export established the Task Force for the Promotion and Protection of the Caribbean Financial Sector (TFP-CFS) to facilitate the development and continued viability of the industry.

Caribbean Export hosted, in partnership with the CARICOM Secretariat, the Caribbean Conference on the International Financial Services Sector in the Caribbean Region, held in the Bahamas during the period March 31 - April 2, 2014. On this occasion, the importance of the Financial Services sub-sector in regional development was reiterated and some of the key challenges in the sector were highlighted, including criticism of certain Caribbean countries and territories as tax havens, leading to a distorted and negative perception of the sector in the region and elsewhere. Against this background, Caribbean Export will continue to assign high priority to the development of this sector in general and to the work of the TFP-CFS in particular.

7.3 Creative industries

According to the ITC, the creative industries are those that have their origin in individual creativity, skill and talent and that have a potential for wealth and job creation through the generation and exploitation of intellectual property. Creative industries encompass major segments, including artisanal products, visual arts, performing arts, cinema and audio-visual media, literature, books and publishing, and others. ITC's definition of the creative industries has three significant elements: (i) The raw material is people - their minds, their skills and their imagination; (ii) The genesis of economic value comes from an individual's inspiration and, in turn, the reputation that he or she gains for his or her creative talent; and (iii) The centrality of the concept of intellectual property rights, and the importance of protecting these rights if their economic worth is to be realized.^{ix}

The Caribbean region is in a unique position, given the richness and diversity of its creative industries, to capitalize on the opportunities offered by this sector worldwide, and thereby enhances economic growth and employment in this non-traditional export sector.

Many CARICOM member states have accumulated significant knowledge and experience in the creative industries that can help them access international markets. Some countries have specialised in the fashion industry, for example, as illustrated by the Dominican Republic and Trinidad and Tobago:

- **Dominican Republic:** The country is the home of one of the 10 most important schools of fashion design in the world, namely the Altos de Chavon, and it hosts a major regional fashion show, the Dominican Moda. Its free-zone textile industry is ranked among the best of the world.
- **Trinidad and Tobago:** The fashion industry caters to a wide array of clientele, with small designers and fashion labels producing for niche markets and private clients in domestic and regional markets, and established designers producing for regional and international markets. Trinidad and Tobago is home to the Caribbean Academy of Fashion and Design (CAFD) and the Fashion Association of Trinidad and Tobago (FATT). The Government has recognized the importance of this industry, introducing initiatives such as the annual Fashion Week Trinidad and Tobago (FWTT) in 2008 and currently preparing its strategic plan for the fashion industry.

There are many good reasons why Caribbean Export and its partners support the creative industries, the main ones being:

- **Potential economic impact:** The creative industries can provide alternative avenues for economic development and broaden the economic base of Caribbean countries. They already generate employment for thousands of young people and can provide a range of new and interesting career options for future generations. As a non-traditional export sector, they generate foreign exchange from the export of cultural goods and services and from expenditures by visitors to festivals and other cultural events in the region. They stimulate economic growth and employment not only directly, but also indirectly in many other sectors of the Caribbean economies.
- **Market-orientation:** More than most other sectors, the creative industries can enhance the image of the Caribbean region and strengthen its position as one of the premier business and leisure destinations in the world. They can attract positive media attention to Caribbean economies and provide a solid platform for destination marketing. This, in turn, can serve as an incentive to investors aiming to engage in the region.
- **Socio-cultural cohesion:** Vibrant creative industries promote individual self-worth, contribute to cultural competence and self-confidence in society, and promote thereby socio-cultural cohesion. They also encourage innovation and creativity within society and reinforce indigenous skills that are difficult or impossible to replicate elsewhere.

During the years to come, Caribbean Export will continue to support the CARICOM Secretariat in ensuring inclusion of the creative (cultural) industries in regional trade agreements, in promoting regional dialogue with regard to creative industry services development and trade, in piloting a regional task force on creative industries with a view to developing and implementing a regional development strategy and action plan for the creative industries, and in supporting member states to improve their policies and strengthen their facilities for education in the arts and culture.

7.4 Green Economy

The United Nations Environment Programme (UNEP) defines the Green Economy as “one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities.” At a global level, economic growth has traditionally occurred at the expense of natural ecological systems, and has resulted in increasing social inequality. Within the context of the Caribbean, increased attention is being placed on the Green Economy as a new economic paradigm for inclusive and sustainable development. Poverty, unemployment and social inequality deepened during the economic crisis of 2007-2008, the effects of which persist even today. Domestic sectors remain underproductive and are affected by volatile external markets. The region is also vulnerable to natural disasters, which result in loss of life and negative environmental, social and economic impacts. Climate change is expected to exacerbate this situation.

Small developing states in the Caribbean, micro, small and medium enterprises (MSMEs) in particular, are highly vulnerable to the harmful effects of climate change because of their high dependence on natural resource inputs, a lesser capacity to assess risks from climate change, and low ability to relocate their businesses. The anticipated impacts of climate change also pose substantial threats and costs to business across the Caribbean, as they will disproportionately fall on groups and sectors that are among the most vulnerable and least capable to identify, manage and adapt to these challenges: low-income populations, MSMEs, and women and other traditionally excluded groups.

These challenges have given rise to initiatives aimed at the “greening of the global economy”, i.e. the creation of an economy, which the planet can sustain indefinitely. The argument for new consumption patterns and production is further bolstered by the increasing demand and competition for natural resources, increasing production costs, limited supplies, and resource depletion, among others.

On the positive side, adopting a “green” approach can result in significant cost savings resulting from increased efficiency or resource use. Also, growing environmental consciousness, resulting in rising consumer demand for environmentally-friendly products, provide tremendous opportunities for profit-making

The relevance of the Green Economy for the Caribbean private sector is evident in many ways. In general, Caribbean countries have high fuel import bills, resulting in some of the highest electricity prices in the world, translating into uncompetitive exports, exposure to external economic shocks and volatility in oil prices. Some important steps have been taken to remedy this situation. In February 2014, for example, Saint Lucia, Turks and Caicos, and the British Virgin Islands signed a pact with the Carbon War Room, a non-profit non-governmental organization chaired by Sir Richard Branson, founder and chairman of the Virgin Group, committing them to switch to renewable sources of energy.

In light of this, Caribbean Export’s role in the export development and promotion, as well as investment promotion, must be driven by the need to create sustainable industries that not only contribute to increased foreign exchange and economic development, but also take into consideration environmental impact. Under EDF programming, the Agency has already provided support to firms that adopt a “green approach” in their operations.

In 2012, Caribbean Export, in partnership with the Barbados Coalition of Service Industries (BCSI) and GIZ, facilitated the Leadership in Energy and Environmental Design (LEED) certification of 35 regional construction professionals; these included persons in architecture, engineering, interior design, construction, and project management. Professional qualifications such as LEED, and other similar designations now play an important role in making professionals in the construction sector more in tune with environmental practices, methodologies, products and trends, but it also creates new market niches which they can pursue to expand their businesses and export potential.

Through the DAGS, the Agency has awarded funding to three firms undertaking projects that actively take an environmentally friendly approach to business: Ruth’s Place (Antigua and Barbuda), MegaPower (Barbados), and Hotel Mockingbird Hill (Jamaica). In 2013, Caribbean Export commissioned the development of a documentary to capture the stories of these grant beneficiaries, titled “The Green Initiative”, the film examines how each firm harnesses natural resources such as the sun, wind and water to achieve their project objectives and ultimately enhance the capacity of their businesses.

In 2014, the Agency supported the participation of seven CAIPA representatives in a workshop on fostering the Green FDI opportunity in Latin America and the Caribbean, held in Bogota Colombia. The mission sought to increase awareness of regional and international stakeholders of the role of that Caribbean IPAs, CAIPA, and Caribbean Export play in the attraction of FDI projects to the region.

As such, Caribbean Export recognises that the Green Economy creates new market opportunities for firms as consumers become more sensitized about environmental issues. Moreover, firms are leveraging alternative energy solutions to reduce their operating expenses and thereby increase their competitiveness. Caribbean Export’s role must therefore adopt a three-pronged approach:

- Firstly, the Agency should continue to provide direct assistance to firms which incorporate alternative energy solutions in their businesses, for example through grant schemes, training opportunities and the provision of technical assistance where necessary.
- Secondly, the Agency should advocate on behalf of the private sector for policies and the creation of an enabling environment that would facilitate the growth and expansion of firms in this sector.
- Thirdly, the Agency - with its mandate of export development and promotion and investment promotion - should assist firms in the alternative energy sector in finding relevant markets for its products and services.

It is expected that the Green Economy will continue to be an area of focus for the region. In the joint Caribbean EU Partnership Strategy, CARIFORUM and the EU have identified climate change, disaster prevention, the reduction of deforestation, sustainable water management, and participation in the global carbon market as areas for cooperation. As a result, one of the focal areas under the 11th EDF will be “Climate Change and Natural Disasters.” As the Green Economy assumes greater prominence in the regional and global context, Caribbean Export must strengthen its capacity to deliver relevant support to the private sector in the region.

8 Priority Target Markets

Drawing on its own market research and secondary sources of information, Caribbean Export strives to provide relevant, reliable and timely market intelligence to its clients and partners. Much of this market intelligence relates to investment and export opportunities in specific regional economic and/or political communities of countries and territories. Caribbean Export has identified priority target markets that will serve as focal points for investment and export promotion activities in the coming years. The key characteristics of these priority target markets are summarised below.

Please note that the order of presentation is based mainly on geographic proximity and does not imply any hierarchic order of priority.

8.1 Caribbean

The Caribbean market region comprises three main regional economic communities (RECs):

- CARICOM with 15 members: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago,
- CARIFORUM: CARICOM members with the exceptions of the Dominican Republic (member) and Montserrat (non-member).
- OECS: Antigua and Barbuda, Dominica, Grenada, Montserrat, St. Kitts and Nevis, Saint Lucia, and St. Vincent and the Grenadines.

Furthermore, the Caribbean market region includes countries and territories with diverse, in some cases evolving degrees of sovereignty, such the French Caribbean Outermost Regions (French Guyana, Guadeloupe and Martinique), British OCTs (Anguilla, Bermuda, British Virgin Islands, Cayman Islands, Montserrat and Turks and Caicos Islands), Dutch OCTs (Aruba, Bonaire, Curacao, Saba, Sint Eustatius and Sint Maarten), US dependencies (Puerto Rico and the US Virgin Islands), other French territories (Saint Barthélemy and Saint Martin) and Cuba.

Caribbean Export cooperates with trade-oriented private and public sector stakeholders in all three above-mentioned RECs as well as most of the above-mentioned countries and territories. It assigns high priority to investment and trade promotion within the CARICOM and CARIFORUM regions and strives in particular to strengthen trade relations between these two RECs on the one hand and the FCORs and the OCTs on the other.

Despite generally tepid growth within the region, intra-Caribbean trade has increased significantly in recent years. During the period 2009-2013, Trinidad and Tobago was the dominant regional exporter, followed by the Dominican Republic and the Bahamas. On the import side, Barbados has been the dominant regional importer, followed by the Dominican Republic, St. Vincent and the Grenadines, and Haiti.

8.2 North America

Trade between the Caribbean states and North America (US and Canada) is affected by a multitude of bilateral and multilateral trade agreements.

The US is among the founding members of the Organization of American States (OAS), which has its headquarters in Washington DC, USA. All member states of CARICOM and CARIFORUM are also members of the OAS. Canada joined the OAS in 1990. The OAS has actively fostered a comprehensive free trade agreement extending from Alaska to Tierra del Fuego. It also harbours the SICE Foreign Trade Information System, which centralizes information on trade policy in the Americas and provides full texts of trade agreements in force for OAS Member States, new and on-going trade policy developments, information on national trade-related legislation, links to international and regional and national sources of trade policy information.

Efforts to establish a Free Trade Area of the Americas (FTAA) have stagnated for more than a decade. The US, Canada and all Member States of CARICOM and CARIFORUM with the exception of Cuba are among the envisaged member states of this yet to be established framework for trade facilitation.

Since 2005, the US has been participating in the Dominican Republic-Central America Free Trade Agreement (DR-CAFTA). Other participating countries are Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua.

Caribbean Export provides ample information to Caribbean food exporters targeting the US market inter alia by means of its website.

The Parliament of Canada established the Caribbean-Canada Trade Agreement (CARIBCAN) in 1986. Its objective is to promote trade, investment and provide industrial cooperation through the preferential access of duty-free goods from the countries of the Commonwealth-Caribbean to the Canadian market. It guarantees duty free access to Canada for a wide range of Caribbean products excluding textiles and apparel, footwear, luggage and handbags, leather garments, lubricating oils and methanol. Other items are eligible for duty-free status if they can be certified as being grown, manufactured or produced within the Commonwealth-Caribbean or Canada. The agreement can give goods and services from Caribbean member states a competitive edge. The participating member states and territories are Anguilla, Antigua and Barbuda, the Bahamas, Bermuda, Barbados, Belize, British Virgin Islands, Canada, the Cayman Islands, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines, Trinidad and Tobago and the Turks and Caicos Islands. A full Caribbean-Canada Free Trade Agreement, including reciprocal equal access for Canadian companies to the Caribbean market, more specifically a CARICOM-Canada Trade and Development Agreement, may replace the agreement in the near future.

8.3 South and Central America

The main relevant regional blocs and trade agreements in this region are: ^x

- **Mercosur** (aka Mercosul) is an economic and political agreement comprising Argentina, Brazil, Paraguay, Uruguay, and Venezuela. Bolivia is in the process of becoming a full member. Mercosur's purpose is to promote free trade and the fluid movement of goods, people, and currency.
- The **Andean Community of Nations** (Comunidad Andina, CAN) is a customs union comprising the South American countries of Bolivia, Colombia, Ecuador and Peru.
- The **Union of South American Nations** (USAN, aka UZAN, UNASUL and UNASUR) is an intergovernmental union integrating Mercosur and CAN.
- The **Dominican Republic-Central America Free Trade Agreement** (CAFTA-DR) is a free trade agreement between the US, the Central American countries of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, and the Dominican Republic. Its goal is the creation of a free trade area, similar to the North American Free Trade Agreement (NAFTA) which encompasses the US, Canada, and Mexico.
- The **Community of Latin American and Caribbean States** (CELAC) was created in 2011. It consists of 33 sovereign countries in the Americas. Absent from the bloc are Canada and the US as well as the European territories (FCORs and OCTs) in the Americas. It serves mainly as a forum for political dialogue. At its inaugural summit (held in December 2011 in Caracas), several leaders encouraged an increase in regional trade, economic development, and further economic cooperation among its members.
- The **Pacific Alliance** is currently composed of four member states, these being Chile, Colombia, Mexico and Peru, all bordering on the Pacific Ocean. Costa Rica began the process of joining the Alliance in February 2014. The organization seeks to advance free trade and economic integration among the member states, as well as a visa-free travel area, a common stock exchange, and common diplomatic representation.
- The **G3** is a free trade agreement between three South American countries that came into effect on January 1, 1995. Its founding members were Colombia, Mexico and Venezuela. In 2006, Venezuela withdrew from the G3. Replacements have yet to be found. The agreement is not limited to liberalizing trade, but includes issues such as investment, services, government purchases, regulations to fight unfair competition, and intellectual property rights.

In recent years some major reconfigurations took place along opposing approaches to integration and trade: Venezuela, as mentioned above, withdrew officially from both the CAN and G3 and was formally admitted into the Mercosur. Ecuador may follow a similar path. This bloc nominally opposes any Free Trade Agreement (FTA) with the United States, although Uruguay has manifested its intention otherwise. Nevertheless, Chile, Colombia, Mexico and Peru have FTAs with the United States.

Currently CARICOM has trade agreements with Cuba, Venezuela, Colombia and Costa Rica. Caribbean countries with individual arrangements with South and Central American partners include Belize (with Guatemala), Dominican Republic (with Central America via CAFTA-DR and Panama), Guyana (with Brazil) and Suriname (with Brazil).

Available data indicates that Latin American growth and demand for foreign products are positive signs of future opportunities within that region. Overall demand for key products in Latin America are growing at a faster pace than other regions like the EU and average global demand.

8.4 Europe

The CARIFORUM-EU Economic Partnership Agreement (EPA), signed in 2008, governs trade between the 15 States of the Caribbean Forum (CARIFORUM) and the European Union. The EPA accords immediate duty and quota-free market access for all CARIFORUM goods into the EU except sugar. With the added element of services as a tradable under the EPA, CARIFORUM professionals are given an opportunity to offer their services on the EU market whether virtually or if granted temporary work permits to work in the region. The EPA includes an Exclusions List of CARIFORUM-designated sensitive products (goods) that will not be subject to CARIFORUM -EU liberalization. The major exclusions are agricultural and processed agricultural products, fisheries products, chemicals, furniture, various industrial goods, spirits and spirituous beverages, aerated beverages and fruit juices. The rules of origin have been improved to accommodate essential materials originating from third countries required for input for manufacturers to be exported to the EU such as processed agricultural products, fisheries, textiles and clothing.

Caribbean Export assigns high priority to the promotion of Caribbean-EU trade within the framework of the CARIFORUM-EU EPA. Over the past years, Caribbean Export has developed and applied numerous approaches and tools to encourage Caribbean exporters to seize the opportunities offered by the EPA. Among other things, it provides EPA-relevant information to interested export-oriented firms via its website.

The key prospects for growth within the European zone appear to lie within what is called the “emerging Europe”, also be designated as non-traditional markets. While the traditional western European markets of UK, Germany and France continue to grow at a modest pace, their eastern counterparts such as Poland, Lithuania, Latvia, Slovakia and Estonia display rapid economic growth in terms of GDP as well as strong demand for foreign goods and services.

8.5 Asia

The main relevant regional trade-related frameworks are:

- The **Asia-Pacific Economic Cooperation** (APEC) is a forum for 21 Pacific Rim member economies that seeks to promote free trade and economic cooperation throughout the Asia-Pacific region.
- The **ASEAN Free Trade Area** (AFTA) is a trade bloc agreement by the Association of Southeast Asian Nations (ASEAN) supporting local manufacturing in all member countries. Its primary goals are to increase ASEAN's competitive edge as a production base in the world market through the elimination, within ASEAN, of tariffs and non-tariff barriers and to attract more foreign direct investment to ASEAN.

China is a major potential partner for many trade-oriented Caribbean firms today. This conclusion was well reflected in the results of the 3rd China-Caribbean Economic and Trade Cooperation Forum, held in September 2011 in Trinidad and Tobago. Addressing the audience at the Forum's opening ceremony, Chinese Vice-Premier Wang Qishan stated that within the years to come, the Chinese government would be taking six policy measures to strengthen cooperation with Caribbean countries, including the enhancement of human resources by providing training opportunities for Caribbean nationals in China, deepening cooperation in environmental protection and new energies as well as agriculture and

fisheries, and promoting closer trade and tourism cooperation. The Honourable Prime Minister of Trinidad and Tobago, Mrs. Kamla Persad-Bissessar, identified three key areas for strengthening ties with China, namely (1) financing of infrastructure (2) export of products to China, particularly within the tourism industry and (3) transfer of technology. Furthermore, she announced that a Trade and Investment Office would be established in China as part of the proposed Trinidad and Tobago Embassy. The forum was attended by Ministers of Government and businesspersons from China and nine Caribbean countries: The Bahamas, Barbados, Cuba, Dominica, Grenada, Guyana, Jamaica, Suriname and Trinidad and Tobago.^{xi}

9 A Framework for Implementation

9.1 Managing for results

“Managing for results” is a term coined by Peter F. Drucker (1909-2005), an Austrian-born management thinker. It is an expression of Drucker’s observation that effective businesses focus on opportunities rather than problems. Drucker combines specific economic analysis with a grasp of the entrepreneurial force in business prosperity. He stresses the qualitative aspect of enterprise: every successful business requires a goal and spirit of its own. In this same line of reasoning, Caribbean Export supports export-oriented small and medium-sized enterprises, trade support institutions and trade-oriented policymakers across the Caribbean region. The same principles have been applied to Caribbean Export itself in the present Strategic Plan, with its focus on opportunities rather than problems and in inciting the Agency to pursue a strategic orientation and a spirit of its own.

Caribbean Export’s management endorses this new strategic orientation and spirit, and it encourages the Agency’s staff, its clients and its partners as well as the members of its governing organs to embrace them as well.

The Agreement establishing Caribbean Export gives the Agency considerable autonomy in the appointment of staff members and in the definition of the Agency’s internal organisational structure. The current organisational structure may be qualified as “lean”, with the Executive Director at its head, the Deputy Executive Director in charge of the sub-regional office, two Managers heading thematic units (Trade & Export Development and Competitiveness & Innovation) and one Chief Operating Officer in charge of a number of cross-cutting management functions, such as ICT, M&E and finance. It remains to be seen, to what extent the current organisational structure lends itself to the coordination of all critical success factors defined in the present Strategic Plan and, ultimately, to the achievement of the Agency’s strategic objectives, the fulfilment of its mission and the realisation of its vision.

Some important steps have been taken to enhance the Agency’s organisational structure through the introduction of two new complementary structures:

- **Private Sector Advisory Group (PSAG):** The overall objective of this informal group is to ensure that the delivery of Caribbean Export programmes is relevant to the region’s exporters and by extension to the region’s private sector. The PSAG advises the Agency on its overall strategic direction as well as the implementation of its programmes that are geared toward improving exports from the region. It assists the Agency in its trade advocacy with other regional institutions and donor agencies and can ensure that the Agency’s programmes are relevant and impactful. The PSAG is comprised of experienced businesspersons including exporters. The first meeting of the PSAG was convened in March 2013. It is foreseen that the PSAG convenes its meetings at least twice annually.
- **Regional Innovation Advisory Group (RIAG):** The purpose of this structure is to serve as a “think tank” for matters related to innovation, technology transfer, sharing of best practices and guiding the development of a regional innovation strategy and implementation plan. The RIAG comprises up to 12 representatives from CARIFORUM States and selected regional organisations and firms. The RIAG is chaired by Caribbean Export’s Manager for Competitiveness and Innovation, and the Agency acts as the RIAG’s secretariat. The inaugural meeting of the group took place in January 2014. It is foreseen that the RIAG will convene its meetings at least twice annually.

With the creation of these new structures, Caribbean Export has opened two new windows of opportunity for direct private sector participation in the elaboration of an innovation promotion framework at the regional level and in the definition of the Agency's own strategic direction.

9.2 Critical Success Factors

The following diagram represents Caribbean Export's matrix organisational structure. Each critical success factor is expected to feed into and contribute to the realisation of the Agency's strategic objectives. These contributions may be direct or indirect, but they should be explicit and the expected results should be significant and measurable. In general, it may be expected that all critical success factors contribute in one way or another to all six strategic objectives, that these contributions are defined and explained in sub-strategies for each key management function and that each sub-strategy is well aligned to the present overarching corporate Strategic Plan and its implementation during the period 2015-2019.

Strategic Objectives	Increase market intelligence and research capacity	Foster access to finance for export-ready SMEs	Strengthen regional investment promotion capacity	Facilitate export development and promotion	Reinforce advocacy for an enabling environment	Ensure sustainable corporate capacity building
Critical Success Factors						
Resource Mobilisation	X	X	X	X	X	X
Human Resource Mgmt.	X	X	X	X	X	X
ICT Infrastructure	X	X	X	X	X	X
PR and Communication	X	X	X	X	X	X
Finance	X	X	X	X	X	X
Risk Management	X	X	X	X	X	X
Knowledge Management	X	X	X	X	X	X
Monitoring and Evaluation	X	X	X	X	X	X

The above matrix organisational structure does not suggest a preference for any specific hierarchical structure regarding lines of command, information flows or the like. Ideally organizational structures will be flexible and adaptive to process requirements, facilitating optimal efficiency and effectiveness in all of the Agency's operations. The matrix organisational structure does imply, however, that for each critical success factor and each strategic objective there should be at least one staff member who is held responsible and accountable for overall performance expected to achieve that critical success factor and strategic objective, respectively. It also suggests that the responsible staff members should meet on a regular basis to coordinate their efforts and ensure that contributions from critical success factors remain sufficiently well aligned to the achievement of the Agency's strategic objectives. Furthermore, the matrix organisational structure implies that the intersections between the lines and the columns of the diagram i.e. the specific contributions toward fulfilment of critical success factors to the achievement of the corporate strategic objectives (represented here by the X's) should be well defined and that in the absence of a well-defined intersection i.e. contribution, an plausible explanation for this absence should be provided.

The following subsections describe the current status of each critical success factor, relevant achievements and challenges and the Agency's main expectations with regard to the formulation of sub-strategies for each of these functions.

9.2.1 Resource mobilisation

Referring to the CARICOM Agreement establishing Caribbean Export, Article 3, paragraph 1f, the Agency has a clear mandate, with a view to fulfilling its objectives, to finance its on-going projects and administration through various sources of funding, these being (i) funds that become available based on the Lomé IV agreement and successive agreements within the framework of the European Community, (ii) counterpart funding by member states, (iii) other funding agencies and (iv) the commercialisation of some of its services. Under the heading of Financial Provisions (Article 10), various arrangements are foreseen for the acquisition of funds from the said sources, these being: (a) financing agreement concluded by the European Commission on the one hand and the Member State on the other, (b) the counterpart funding by the Member States that are also members of CARICOM shall not exceed their contributions to that entity; the Agency may enter into an agreement with the CARICOM for the collection and disbursement of the funds, (c) by entering into separate agreements with the Dominican Republic and Haiti for the same purpose, (d) commercialisation of some of the Agency's services to be specified in a schedule, and (e) agreements concluded by the Agency with other funding agencies.

With regard to counterpart funding provided by member states, Article 10b of the Agreement establishing the Agency stipulates that counterpart funding by CARICOM Member States will not exceed their contributions to the CARICOM and that the Agency may enter into an agreement with CARICOM for the collection and disbursements of the funds. Within this framework, annual contributions have been fixed for all CARIFORUM States, totalling about 1.08m USD annually. But not all member states have been fulfilling their obligations: During the period 2010-2013, nine (9) out of 15 States accumulated important arrears, four (4) States met their obligations in full and two (2) member states contributed significantly more than foreseen. Overall, about 95% of planned contributions were realised during this period. During the second half of this period, however, payment discipline waned considerably, with 85% of obligations met in 2012 and only 73% of obligations met in 2013. If this downward trend is to be reversed, CARICOM and Caribbean Export must join together and strengthen the incentives to the States to meet their obligations.

To date, the Agency has made no significant or systematic use of its option to commercialise its services. At the same time, it has recognised the need seek ways of diversifying its funding base to ensure sustainable operations. Against this background, a proposition has been put forward to establish a separate legal entity (working title: "Caribbean Export Inc.") with a mandate to generate revenue. The objectives of the establishment of such an entity would be threefold:

- To increase Caribbean Export's revenues beyond member states' contributions and funding received through the European Development Fund;
- To position Caribbean Export as a sustainable organization to ensure that it can continue to deliver private sector assistance to CARIFORUM States;
- To give Caribbean Export greater autonomy in conceptualizing its work programme to better meet the needs of the region.

The revenues generated by such an entity might include fees for various services provided to private sector operators (primary target audience) and trade support institutions as well as regional and international organisations with a focus on regional investment and trade (secondary target audience). Various types of marketable services have been identified that might lend themselves well to revenue generation, including organisation of trade shows and exhibitions (branded platforms), e-commerce platform presence for Caribbean companies, training (including provision of licences to certified trainers), market research, provision of

advertising space in the Agency's printed and online publications, facilitation of trade between firms (brokerage) and access to the Agency's market intelligence portal.

Caribbean Export has contracted a consultant to guide the Agency's management and its Board of Directors on options for models that would best suit Caribbean Export Inc. (CE Inc.) and to develop a business plan with a view to creating a sustainable, revenue-generating non-profit arm of the Agency. The results of this consultancy should be available in December 2014. With the results of this consultancy, the Agency should be in a better position to assess to what extent CE Inc. might affect its other operations, its client base and its resource base.

Given the importance of resource mobilisation for the sustainability of Caribbean Export's operations, it is foreseen that the Agency will formulate a Resource Mobilisation Strategy (RMS) that comprises the following elements, among others:

- Situation analysis (legal framework, potential target audiences, marketable products etc.),
- Comparative analysis of experiences and best practices in similar ventures worldwide,
- Proposed legal framework, management structure and business model,
- Contributions of resource mobilisation to the achievement of the Agency's strategic objectives and
- Actions to be taken to generate revenues, including staff capacity building.

9.2.2 Human resource management

Human resource management (understood here to include human resource development) is a core element of the CARICOM Agreement establishing Caribbean Export. The Agreement foresees, among other things, the *"development of human resources and professional skills in the field of export development in selected sectors of the international trade of Member States"* as one of the Agency's primary objectives.

Under Schedule 2, Item 2, paragraph 4, the Agreement outlines the basic internal human resource management functions required for purposes of staff recruitment and development. Based on the work programme and the annual budget, the internal human resource management function is expected to comprise the following elements:

- A programme comprising selection, training, promotion and career planning;
- Relevant qualifications;
- A salary structure, including emoluments and other compensations;
- Establishment of performance standards and criteria to measure performance; and
- A programme to periodically appraise staff performance in conformity with the established standards and criteria.

Paragraph 5 of the same item foresees **staff rules** that *"shall be designed and structured to serve the objectives of the Agency. These regulations shall include the rights and obligations of the staff members and establish rules of conduct and protocol. The agreements with the staff members shall include the document entitled Staff Rules, prepared by the Executive Director and approved by the Board on recommendation of the Executive Committee."*

Today, the Agency's human resource planning system meets many of the Agreement's requirements, but not all. Furthermore, the Agency's needs in the area of human resource management have evolved. Though work is on going to fill the gaps and operationalise all HR functions, there is a pressing need for a dedicated human resource management unit.

According to the Society for Human Resource Management Human Resource ratio calculator, there should be a minimum of three (3) HR personnel comprising of an HR Manager and one (1) HR Officer and one (1) HR Assistant for the present number of employees at Head Quarters (HQ) and the Sub-regional office (SRO). There are 38 employees at HQ and 11 employees at the SRO.

In the future, the Agency will need to be relevant, dynamic, flexible and creative to remain sustainable in the global business environment. This will require the Human Resource Management Strategy to function accordingly and forecast utilising a process-oriented approach. It will need to build on what exists, consistently upgrade, monitor, measure and implement recommended improvements.

The HR Management unit requires a comprehensive human resource documentation system to ensure the planning, implementation and monitoring of all internal human resource management activities. This includes mapping processes to safeguard institutional knowledge and to have clear and transparent documentation for staff referral.

The proposed HR forecasting for improving the Agency's internal human resource management function includes a language acquisition programme and the digitalisation of all human resource-related operational processes. Specific tools to improve human resource performance management, such as the Balanced Scorecard (BSC), may also be introduced. Mapping instruments and visualisation tools such as "*dashboards*" are under review. The envisaged performance management system will help Caribbean Export's management improve its monitoring and coaching style and thereby enhance staff performance. This will engender a corporate culture that will help the Agency to progress towards a dynamic learning and innovation-oriented environment.

In order to ensure coherency within this critical success factor, Caribbean Export will adopt a Human Resource Strategy (HRS) that takes both the human resource planning system as well as the staff rules into account, among other things. The HRS should support the Agency in its efforts to be creative, dynamic, process-oriented and relevant to its partners and clients while continuously monitoring and upgrading its own performance. The key elements of the HRS will be as follow:

- Critical review of Caribbean Export's current human resource management practices,
- Identification and analysis of Caribbean Export's human resource management needs based inter alia on a skills gap assessment,
- Responses to key evaluation questions, in particular "*How well is Caribbean Export managing and enhancing its human resource capacity to reach its strategic objectives?*"
- Proposal of a human resource management system that complies with the requirements defined in the Agreement establishing Caribbean Export and amendments thereto,
- Upgrading of recruitment and selection processes, identification of relevant training needs to design customised staff development programmes, and an appropriate rewards and recognition system,
- Definition of learning and growth perspectives for Agency staff at all levels,
- Contributions of human resource management to the achievement of the Agency's strategic objectives and
- Actions to be taken to improve the Agency's human resource management function, including a timeline for the further development of the human resource planning system as well as establishment of the Staff Rules and monitoring of their implementation.

The Agency needs to conduct a competency gap analysis of the existing staff skillset and to compare this to the requisite competencies necessary to perform the position responsibilities. This information will be able to indicate the specific areas for Training and Development of staff to perform optimally in their positions. The information from the proposed Performance Management system and will also justify and support any recommendations for Training and Development for staff.

It is essential that an HR audit be conducted to assess the staff count in order to determine the relevant and necessary permanent positions required and what positions can be outsourced. At present, there are consultancies in existence that are key to the operationalizing of the Key Management functions that should be considered as permanent positions in the Agency Organisational structure such as in PR & Communications and Finance.

The Human Resource function should take the needs and obligations of all Caribbean Export staff into consideration, including those of staff in the sub-regional office in the Dominican Republic and in any other operational units under the Agency's full or partial control.

Project Management

The core functions of Caribbean Export are performed utilising a work programme itinerary of projects, missions and activities to be implemented, based on each programme component. These projects are scheduled annually and others are situational depending on the CARIFORUM states or global needs.

The project management process begins with the project being discussed at Management level, and then passed on to the relevant unit for discussion and the assignment of a project lead. The lead is responsible for implementation and may utilise internal expertise within their departments, create cross-functional department teams or outsource expertise to expedite projects.

Most staff members perform project management responsibilities and activities daily to implement projects, missions or activities from its inception to the end reporting. This includes designing, implementation, execution, termination and final reporting. Employees have technical expertise and knowledge in their designated positions. Projects are implemented using the Project Dossier as a structured framework, their own experience, and with management guidance. There are minimal staff members who have formal knowledge and expertise in project management. As a result, there is an increasing need for staff to use internationally recognized project management processes and procedures to oversee their goal achievement more efficiently.

There are plans for the delivery of Project Management Training to all Caribbean Export staff members by the University of the West Indies, which will commence in October 2014. This will be a basic knowledge of the subject of Project Management that will standardize the staff competency base, systemize the project management process and increase operational efficiency. It intends to equip staff with the tools and techniques of project planning, implementation and evaluation processes. This includes feasibility analyses, preparation of proposals, planning documents, coordinating project phases, scheduling, budgeting, monitoring, evaluating, scope, cost, risk, human resource and communication management, and learning to use project management decision making software.

The next 3 - 5 years will focus on capacity building for compulsory international project management certification of staff to upgrade their performance and improve the international credibility of the Agency as an expert in project management implementation.

9.2.3 Information and communications technologies infrastructure

Many services provided by Caribbean Export to its clients in the future will depend to a significant degree on the quality of the information and communications technologies (ICT) available for this purpose. User-friendly information technology (among other factors) will be crucial, for example, for the success of the Agency's Market Intelligence System (MIS), and high-performance communications technology can have a major impact on the Agency's visibility to the general public and specific client and partner groups.

Furthermore, many Caribbean states and territories, in particular small islands, are facing unprecedented adjustment challenges in the wake of globalization processes and are in search of appropriate policy responses, including strategic approaches to the strengthening of their ICT capacities. Against this background, the importance of ICT applications for private sector development appears to be growing at an ever-increasing rate. Areas of application that are potentially important for export-oriented firms, trade support institutions and trade-oriented policymakers in the Caribbean region include agricultural and agro-processing business information systems, climate change impact research, management education by distance, renewable energy information platforms, access to financial services (Internet banking etc.), e-health services, e-commerce with non-traditional products and access to information relating to international, regional and national trade regimes including technical standards and norms.

Within the Agency, the ICT Unit, comprising three specialists (one senior advisor for IT and information management, one IT coordinator, and one advisor for records and information management), supports activities distributed across different programmes and projects. The nature of ICT Unit involvement in these activities varies in many ways, as does the type of expertise required by its involvement. In some cases the ICT Unit assumes full responsibility for the concerned activity and carries it out; in other cases, the ICT Unit is accountable, but does not carry out the work itself; alternatively, it only needs to be consulted or informed. Procedures have been established to plan and coordinate the Unit's work, but these are not always applied as foreseen, in particular in matters of time management.

Recently, Caribbean Export initiated a review process, the results of which are expected to feed into the elaboration of a subsequent ICT Strategy that responds to the needs of the organisation. The review was completed in June 2014.

9.2.4 Public relations and communication

In recent years, Caribbean Export has made significant progress in the reinforcement of its public relations and communications capacities. This is, for the most part, a result of activities carried out under the 10th EDF Regional Private Sector Development Programme, which foresees that *"Caribbean Export will implement a Public Relations and Communications Plan with the primary objective of strengthening its profile as a catalyst for regional economic prosperity through strategic interventions on export development and trade and investment promotion"* (Source: Annex II to the financing agreement). With this aim in mind, the Agency developed its new website along with updated general informational material and established its presence on social media such as Facebook, Twitter and YouTube. In addition, the Agency enhanced its relationship with the media through increased dissemination of media advisories and also enhanced its regional visibility through public interviews, press releases and articles published through regional and extra-regional news agencies.

Despite these signs of progress, Caribbean Export is faced with a number of important challenges in the field of public relations and communications: The Agency's visibility is still low in the general media and throughout the member states, while its communications structure is not yet sufficiently aligned to its vision of being *"internationally recognized as the leading driver for Caribbean private sector development"*.

Caribbean Export has a draft Public Relations and Communications Strategy that serves as a conceptual framework for the achievement of the following objectives:

- To strengthen the Agency's profile as the premier regional organisation for trade and export development and investment promotion in the Caribbean,
- To strengthen its interaction and awareness with SMEs, BSOs, governments and donors,
- To create an awareness of the Agency and its operations among the public and private sectors in the region, with particular focus on member states,
- To improve the Agency's visibility among the regional media and the private sector,
- To foster greater levels of understanding by stakeholders of the Agency's value in regional trade development and investment promotion, and
- To enhance internal communications and create "ownership" among Agency staff.

The draft Public Relations and Communications Strategy takes into consideration various internal and external target audiences, the role of proprietary market intelligence, corporate rebranding, publications, corporate social responsibility, participation in national and regional events, the corporate website and the use of social media. Ensuring visibility is a key aspect in this context that can be reflected in a wide variety of Agency interventions. In its annexes, the draft strategy provides information relevant to the monitoring and evaluation of the strategy's implementation, including activity and outcome indicators. The latter, however, are not yet fully operational, as they still lack baseline and target values as well as sources of verification.

Caribbean Export's draft Public Relations and Communications Strategy requires further review and adjustment in order to align it to the objectives put forward in the present Strategic Plan and to refine its framework for implementation including operational performance indicators. Among other things, special efforts should be foreseen to enhance awareness of the Agency among its international partners, in particular on the European side. The contributions of public relations and communications to the achievement of the Agency's strategic objectives should be clearly defined in the final, official version.

9.2.5 Finance

The Finance Unit provides and performs support services in the areas of Financial Management. The specific functional areas are Reporting, Internal Controls, Accounting, External Audit, Procurement, Budgeting, Policies and Procedures and Record keeping. The activities are undertaken in a computerised accounting environment.

The Financial Management function operates to ensure that financial controls, and policies and procedures of the Agency are up-to-date and in compliance with the legal and Agency guidelines at the National, Regional and International levels. The Financial administration function facilitates the development and maintenance of a robust internal control environment, budget preparation and forecasting, auditing and management of contractors. In its daily administration, the Unit adheres to sound financial principles and procedures to guide its everyday functions. The overarching guiding principles are as follows:

- Transparency, which focuses on ensuring that policies and procedures are in place to support the fair and equitable treatment relating to the implementation of the work of the Agency.
- Equal treatment, which addresses the issue of equal opportunity and non-discrimination relating to the implementation of work of the Agency.
- Effective and efficient use of the resources of the Agency.
- Policies and procedures, which support the safeguarding of the assets and financial information of the Agency.
- The presentation of financial information which is presented in a fair manner in all material respects in accordance with Generally Accepted Accounting Principles (GAAP)
- The provision of key financial information in a timely manner to support the decision making process of management in achieving the overall objectives of the Agency.

The Finance Unit demonstrates transparency by ensuring that all Financial and Operational policies and procedures are documented in the Operations Manual, which is accessible by all employees. The unit enforces diligent compliance measures to ensure that all internal and external stakeholders adhere to these procedures. To facilitate the smooth operations of the Agency, the manual has been recently updated in 2014 to take into consideration a changing work environment and to continue to support the existence of a robust internal control environment. In addition, some internal processes have been amended and staff training will continue to support the full compliance with the updated procedures.

An example of the robust procedures in place can be demonstrated by the procurement procedures, which are central to prudent financial management. The procurement process is governed by the four broad procedures, which are Single Price Quotation, Direct Agreement, Prudent Shopping and the Tender Process. Each procedure provides for a process of increased vigour, with the Tender Process being the most vigorous. In relation to the Tender Process, the Tender Dossier is posted in the print media and on the website of the Agency at a minimum. The selection of the preferred candidate is done via an Evaluation Committee, which adheres to the principles of equity, fair competition and transparency.

The procedures are further highlighted by the budget process, which is undertaken annually in October and November by the Management Team. The budgets are completed at the detailed level to support the designated Work Plan. In addition, at the post approval and Implementation stage, properly defined project budgets must be developed to aid in the effective and efficient implementation of a specific project.

The financial reporting section of the unit's workflow is aimed at generating and providing financial reports for the Agency's units and external stakeholders. The generated reports are used to facilitate decision-making and to ensure compliance with the reporting requirements of the key Stakeholders such as the Board of Directors, CARIFORUM Directorate and Donor Agencies.

The publication of up to date and timely reports for the management team to observe expenditure changes in relation to the annual budget will improve the efficiency of work and governance at the Agency. The Agency has commenced an integration exercise with SharePoint and the accounting system in this regard.

The financial reporting function also reconciles the accounts of the Agency and reports the current financial status of all operations and transactions undertaken during the reporting period. The Board of Directors utilises financial reports generated by the unit in conjunction with narrative reports to access the overall financial situation of the Agency and implementation of the Work Programme to guide the decision making process.

In recent times, with the advent of each new EDF Programme the Agency is subjected to a Pillar Assessment to ensure that the Agency possesses the capacity and capability to adequately manage donor funding, supported by a robust internal control environment. The first assessment related to a four (4) pillar assessment undertaken by ECORYS whereby the report was issued on December 23, 2006. The second related to a five (5) pillar assessment undertaken by Moore Stephens LLP whereby the report was issued on January 12, 2011. On both occasions the Agency has been successful in the Pillar assessments.

Four (4) Pillar Assessment undertaken by ECORYS

The Agency was assessed in the following areas:

- Accounting, Internal Control, Procurement and External Auditing

Five (5) Pillar Assessment undertaken by Moore Stephens LLP

The Agency was assessed in the following areas:

- Accounting, Internal Control, Procurement, External Auditing and Grants

The Financial reporting function is conducted as required with reports generated for both internal and external stakeholders. Monthly expenditure reports are generated for Management. In addition, the audited financial statements are presented in accordance with the International Financial Reporting Standard (IFRS) for small and medium-sized entities.

The monthly reports provided to management present the financial information as follows:

- Actual Expenditure for the month, the Year-to-date Expenditure, Annual Budget and Available Budget for the Year

These reports must be supplemented by specific activity (project) reporting through SharePoint, to provide additional management information. In addition, the quarterly final reports form part of a broader report (narrative report), which reviews the implementation of the Agency's Work Programme as a whole for presentation to the Board of Directors. The monthly reports are quantitative in nature whilst the quarterly report includes both quantitative and qualitative elements.

One major area of concern for financial reporting and operational sustainability is the contributions from CARIFORUM States. The Agency currently has an annual contribution of BDS \$2,122,635 from CARIFORUM States as detailed in the chart as follows:

Member States	Contribution (BDS)	Member States	Contribution (BDS)
Antigua and Barbuda	33,188.00	Haiti	145,580.00
Barbados	186,132.00	Jamaica	429,449.00
The Bahamas	169,839.00	Saint Lucia	33,188.00
Belize	50,084.00	St Kitts & Nevis	33,188.00
Dominica	33,188.00	St Vincent & The Grenadines	33,188.00
Dominican Republic	231,870.00	Suriname	121,314.00
Grenada	33,188.00	Trinidad & Tobago	467,925.00
Guyana	121,314.00		

Member Contribution Status as at June 30, 2014			
Member Country	Contribution & Interest due 2006 - 2013	Contribution & Interest due 2014	Total Due
	BDS\$	BDS\$	BDS\$
Antigua and Barbuda	140,615	33,188	173,803
Barbados	-	186,132	186,132
The Bahamas	-	-	-
Belize	152,817	50,084	202,901
Dominica	273,109	33,188	306,297
Dominican Republic	826,989	231,870	1,058,859
Grenada	175,562	33,188	208,750
Guyana	-	-	-
Haiti	299,156	145,580	444,736
Jamaica	1,227,424	429,449	1,656,873
Saint Lucia	34,005	33,188	67,193
St Kitts & Nevis	33,199	33,188	66,387
St Vincent & The Grenadines	84,324	33,188	117,512
Suriname	-	121,301	121,301
Trinidad & Tobago	-	467,048	467,048
	3,247,200	1,830,592	5,077,792

The current outstanding contribution at June 30, 2014 is BDS \$5,077,792 which equates to 2.4 years of outstanding contributions. This high level of outstanding contributions inclusive of arrears has continued to impact negatively on the cash flow of the Agency as it relates to financing its operating cost (overheads). This matter continues to require urgent attention and the reduction of outstanding contributions must continue to be of high priority to the Board of Directors, CARIFORUM Directorate and CARIFORUM States to ensure that the Agency has the ability to fulfil its mandates.

The Unit is proposing to undertake the following activities to facilitate a reduction in the outstanding contributions from CARIFORUM States. The activities are geared towards raising the profile of the Agency as it relates to services provided to CARIFORUM States nationally. The expectation is that the relevance of the Agency to the development of the region is heightening nationally, ultimately leading to increased contribution payments. The proposed actions are noted below:

- i) Relationship building missions to CARIFORUM States to emphasize the importance of the work of the Agency and the importance of the Counterpart payments under a Contribution Agreement arrangement with the European Union.
- ii) Request through the Board of Directors that due consideration is given to sanctions relating to the States with excessive arrears.
- iii) Provide on an on-going basis the cost benefit analysis (benefits to States compared to the annual Contributions), which the CARIFORUM Directorate can present to

Ministers at the CARIFORUM Ministerial meeting to raise the level of awareness on the matter.

- iv) Seek the assistance of the Board of Directors to provide support at the national level to facilitate the payment of counterpart contributions.

Another major area of concern, which impacts negatively on the Agency, relates to the outstanding Host Country Agreements for the Headquarters and Sub-regional Office located in Barbados and the Dominican Republic respectively. In the case of the Sub-regional Office the impact is more severe and directly affects the cash flow of the Sub-regional Office. These outstanding Agreements must be finalised with some urgency. The Agency is currently in discussion with both host countries regarding the matter, which has been raised at the level of the Board of Directors and the CARIFORUM Directorate.

Under the Accounting/Finance area we will continue to address the administrative policies and procedures relating to donor-funded activities, which adversely affect the efficient implementation of the Work Programmes. These issues relate to foreign exchange losses, programming periods and management fees. The significance of the impact of these issues, are not readily appreciated and do have a major impact on the budget and successful implementation of a Work Programme.

The provision of routine support is a vital function of the finance unit workflow as it provides the Agency's staff and stakeholders with accurate and timely financial information.

A computerised accounting software package is at the core of the accounting and financial system. This system has been assessed in past Pillar Assessments and was acknowledged as a solid system with adequate controls and audit trails in place.

The internal financial process is a combination of both paper and computerisation. There is a need to assess what additional routine processes can be further automated. This will require electronic records management implementation for filing of past and present financial information for easy access, retrieval, monitoring and providing timely feedback. Timely responses to internal and external stakeholders are impacted by the unit's focus on compliance. One must note that compliance must not be compromised in the name of expediency as such actions would have a negative impact on the compliance investigations undertaken for example under a Pillar Assessment.

The computerisation of additional processes whilst important must be supported by a cost benefit analysis to support the feasibility of such. In addition, the requirements of donor supported programmes as it relates to original documents must be given due consideration, when seeking to implement such changes.

In the organisation the compliance thrust is embedded in the 'Risk Assessment Framework'. Risk can be defined as anything, which prevents or can prevent the Agency from successfully achieving its goals and vision. To be most effective therefore risk management encompasses all areas and units within the Agency and is included in the planning (strategic and otherwise). In relation to the Finance Unit risk management involves identifying the type of risk faced by the unit, devising a practical approach to fully assess the risk and then applying measures to mitigate those risks. With regards to risk management in relation to finance we are satisfied that we have the requisite policies and procedures in place to minimise any potential losses which could occur.

The unit has commenced some work in the area relating to further computerisation of some routine processes and the electronic records management in conjunction with the IT team. Further work will be undertaken as part of the Finance/ICT infrastructure upgrade. The enhancement will require that staff is trained to adequately address the changes, thus leading to increase operational efficiency and effectiveness.

The Unit resources are the physical infrastructural assets and human capital. The physical assets of the agency are listed in an Asset Management Database and are continuously monitored and maintained.

Going forward there will be continued focus on robust policies and procedures, which support the overarching principles and provide support to the specific functional areas. There will be a continued focus on building strong relations with key stakeholders such as the CARIFORUM Directorate and donor community, which is key to adequately addressing the areas of challenge noted above. Success in this area would lead to the Agency having adequate level of resources to pursue its mandate.

The close working relationship between the Head Office and the Sub-regional is integral to the continued effectiveness of the accounting/finance function, and this relationship will continue to be of high priority.

According to the 2014 IMF World Economic and Financial Surveys, economic growth in the Caribbean remains tepid, with real GDP growth in the tourism-dependent economies picking up modestly to 0.75 per cent from close to zero in 2012. Access to donor funds therefore continues to constitute important leverage for growth in Caribbean countries. However, financial and economic crisis has meant that globally the availability of resources for development cooperation is increasingly limited. According to the 2012 OECD Development Cooperation Report examining the international aid performance of countries party to the Development Assistance Committee (29 members including the European Union and the United States), net official development assistance in 2011 was USD 133.5 billion representing 0.31 per cent of the combined gross national income of these countries. This constituted a 2.7 per cent drop compared to 2010, marking the first decrease, of net official development assistance since 1997.

Nonetheless, the 11th round of EDF assistance will mark an increase in the allocation of resources to from EUR 165m under the 10th EDF to EUR 350m for programmes in priority areas for regional development in CARIFORUM. Notwithstanding, it is important to note that EU policies of graduation/differentiation will affect resource allocation at the regional level. Therefore, "multi-country programmes" which are designed to address shared challenges facing beneficiary countries will play a more prominent role in regional programme implementation.

In addition, the Caribbean region has access to complementary non-EDF resources such as (1) US \$20m Entrepreneurship Programme for Innovation in the Caribbean (EPIC) executed by CIDA and the World Bank (2010 - 2018) which will complement the results of the US\$42 million COMPETE Caribbean Programme (2010 - 2015) jointly funded by DFID, CIDA and IADB; (2) US \$24.4m Economic Management in the Caribbean Project financed by CIDA; and (3) US 25.1m Strengthening Economic and Financial Management in the Caribbean Region jointly implemented by UNDP, IMF and CDB.

Given the above, the coordination of donor resources at the regional level continues to be of great importance to ensure that CARIFORUM States receive the maximum benefit from access to scarce resources.

Based on the aforementioned, the Finance Unit forecasts a continued focus in the following areas during the next 3 - 5 years:

- Collection of outstanding contributions from CARIFORUM States
- Enhancement of operational efficiency through IT solutions where feasible
- Adherence to the financial policies and regulations in the implementation of the Work Programme of the Agency
- The provision of timely and accurate financial reporting for internal and external stakeholders
- Relationship building with key external stakeholders
- Signed hosting Agreements for the Head Office and Sub-regional Office
- The continued issuance of audited financial statements
- Training of staff as required.

9.2.6 Risk management

In the context of Caribbean Export's operations, a risk is an uncertain force or process over which the Agency has little or no influence and that can have a positive or negative effect on the achievement of the Agency's objectives, in some cases to the extent of reinforcing or jeopardising the Agency's very existence. The purpose of risk management is to increase the probability and impact of positive forces and processes and to reduce the probability and impact of negative forces and processes. Risk management is a continuous process of risk identification, analysis, reporting and controlling as well as risk response planning, implementation and monitoring. It is common to distinguish between risks that are internal (e.g. staff absence due to illness) and external (e.g. changes in the regulatory framework) and between risks that are known (e.g. dependency on a single source of financing) and unknown (e.g. natural disasters). Risks of high probability and high impact typically require urgent response planning and implementation.

Caribbean Export has established a risk management approach that includes project-level reviews of risks and important assumptions, a methodology for assumptions analyses and various risk assessment tools such as a risk register and a risk management matrix. The risk reporting system is being refined. The scenario analysis presented above (section 3.3) is a good example of an analytical tool that takes both risks and opportunities into account. The results frameworks foreseen for each strategic objective (sections 6.1-6.6) also take risks into account. In sum, risk management is already well anchored in Caribbean Export's planning processes. A risk management policy or strategy, however, has not yet been established.

The elaboration of a Risk Assessment and Management Strategy (RAMS) would take the Agency's achievements to date in this area into account, while introducing elements that are yet lacking, such as dedicated training to orient staff with regard to the use of the risk management system and to encourage them to actively identify, communicate and mitigate risk in their specific fields of intervention. (See Annex 6)

A corporate-wide RAMS would take the following aspects into account:

- Caribbean Export's past experience and current approach to risk management,
- An assessment of risk management needs at Caribbean Export,
- The organisation of risk management (roles and responsibilities),
- The risk management system (risk identification, assessment, analysis, mitigation, reporting, controlling, learning and innovation),
- Contributions of risk management to achieve the Agency's strategic objectives and
- Recommended actions and a timeline to improve risk management at Caribbean Export.

9.2.7 Knowledge management

The purpose of knowledge management is to make best use of knowledge to achieve organisational objectives. Knowledge management focuses on the acquisition, creation and sharing of knowledge as well as the cultural and technical foundations that support these processes. Caribbean Export deals with knowledge management in various contexts, for example, as the topic of one of 9 ProNET training modules and as related to the introduction of a regional knowledge management system to address Technical Barriers to Trade (TBTs) under the heading of Component 4 of the 10th EDF EPA Capacity Building Programme.

For in-house management purposes, Caribbean Export has established its Records and Information Management (RIM) Policy (last updated in Nov. 2013) and RIM Programme Procedures (March 2014). The purpose of the RIM Policy is to provide general guidelines and state role and responsibilities for properly establishing and maintaining a RIM programme at Caribbean Export inclusive of a records classification system, active and semi-active records management, electronic records management, disaster management for records, records retention and disposition as well as archives management.

Caribbean Export's RIM Policy and Programme Procedures are a good starting point for the elaboration of the Agency's knowledge management strategy. Knowledge management can serve various management objectives, such as enhancing internal collaboration, capturing and sharing best practices, providing opportunities for e-learning, client relationship management, providing a shared space for project planning, monitoring and evaluation, and content management for printed and online publishing. In many cases this involves activities such as developing intranet and Internet platforms, identifying and promoting knowledge leaders, introducing shared codification systems, and introducing technologies (hardware, software, other) that support knowledge management.

Based on the work that has already been done in this area, the Agency will formulate a Knowledge Management Strategy (KMS) that comprises the following elements, among others:

- A review of Caribbean export's past experiences and current approaches to knowledge management,
- Results of an institutional knowledge management needs assessment, outlining the needs of both internal and external stakeholders,
- Priorities for an improved knowledge management framework,
- Contributions of knowledge management to the achievement of the Agency's strategic objectives and
- An indicative implementation plan.

9.2.8 Monitoring and evaluation

The Agreement establishing Caribbean Export defines reporting obligations at various levels of interaction between the Agency's Executive Director on the one hand and other organs of the Agency, the governments of the member states and other key stakeholders on the other. In order to meet these obligations, the Agency's Executive Director must dispose of high-quality information and analyses. The provision of such information and analyses is the primary task of the Agency's Monitoring and Evaluation (M&E) Unit.

In the past, Caribbean Export has established M&E frameworks to track progress in implementation of its EDF-supported programmes and other initiatives supported by the Agency's regional and international partners. In their entirety, the existing M&E frameworks comprise inter alia a draft corporate M&E policy, M&E guidelines ("Results-based monitoring and evaluation for trade facilitation - Practical guidelines"), an M&E toolkit (dossier templates, contact lists, questionnaires etc.), practice-oriented M&E training modules and work plans that are based on international best practices in Project Cycle Management (PCM) and Results-Based Management (RBM). The Agency will capitalise on its stock of M&E expertise, instruments and experience to establish a suitable M&E framework to track progress in implementation of the present Strategic Plan. This corporate M&E framework will focus on progress as reflected in the evolution of Key Performance Indicators (KPIs) for each of its strategic objectives.

The Agency's M&E Unit, currently composed of one senior and one junior M&E specialist, has been closely involved in the development and application of Caribbean Export's risk management system (see section 9.2.5, above). While the M&E Unit will continue to contribute to the risk management function in terms of data collection and analysis, it is expected that the main responsibility for the risk management function will accrue in the future to a specialised unit for internal audit, which has yet to be created.

Caribbean Export's corporate M&E Strategy, to be elaborated and adopted in the near future, will address the following issues, among others:

- Current strengths and weaknesses of Caribbean Export's M&E set-up,
- Alignment of M&E outputs and outcomes to the achievement of the Agency's strategic objectives,
- Need for improvements in the Agency's M&E policy, guidelines, toolkit, training modules, work plans and other components of the Agency's M&E system,
- Support to relevant internal and external change processes through M&E activities and deliverables,
- Organization of M&E training activities contributing to a results-oriented corporate culture,
- Design and application of indicators (KPIs including baseline and target values) and sources of verification to measure change, performance and progress,
- Organization of internal and external results-oriented surveys, case studies and evaluations including the mid-term and final evaluations of Strategic Plan implementation,
- Regular assessment of opportunities and risks that might influence the success of Strategic Plan implementation,
- Strengthening of in-house capacities for internal audit and risk management,
- Periodic and ad hoc reporting to the Agency's management and their partners,
- Support to the utilisation of relevant evidence-based information by the Agency's management, their partners and other stakeholders to steer and optimise implementation of the Strategic Plan, joint programmes and other initiatives.

9.3 Reporting and feedback cycles

Monitoring reports describing and assessing advances in the implementation of the present Strategic Plan will be elaborated and presented together with conclusions and recommendations for action to Caribbean Export's Executive Director on an annual basis. The final monitoring report will be a summary report covering the full 5-year implementation period.

Evaluation reports will be elaborated and presented to the Executive Director, firstly, in the form of a mid-term evaluation report and, secondly, in the form of a terminal evaluation report, the latter shortly before the end of the implementation period, but sufficiently in advance of the preparation of the next 5-year strategic plan.

Monitoring and evaluation exercises will apply in particular the OECD's standard evaluation criteria (relevance, efficiency, effectiveness, impact and sustainability) in their assessments of progress in Strategic Plan implementation. This does not exclude the possibility of applying additional criteria as well. While the mid-term evaluation will focus on the relevance, efficiency and effectiveness of Strategic Plan implementation, with a view to providing guidance for eventual interim adjustments or amendments to the Plan, the terminal evaluation will highlight the impacts of Strategic Plan implementation and their sustainability as well as the lessons learnt from this experience.

While the monitoring reports will be prepared by the Agency's own staff, participation of independent experienced regional experts in the mid-term and terminal evaluation exercises is desirable.

The Private Sector Advisory Group (PSAG) will be consulted at various points in the reporting and feedback cycle. Firstly, the PSAG will be invited to review and comment on the annual monitoring reports. Secondly, representatives of the PSAG will participate in the elaboration of the terms of reference and in the review of the draft results of the mid-term and terminal evaluations. With this procedure the role of the PSAG as Caribbean Export's primary provider of strategic orientation will be ensured throughout implementation of the Strategic Plan.

Each recommendation for action derived from the above-mentioned monitoring and evaluation exercises will be documented in a summary table and qualified therein as approved, partially approved or not approved as indicated by management responses (feedback) including justifications. Subsequent monitoring and evaluation exercises will include reviews and assessments of the implementation of approved and partially approved recommendations (follow up).

The indicative reporting schedule is presented in the following table:

Report	Date due
1 st annual monitoring report	Jan. 31, 2015
2 nd annual monitoring report	Jan. 31, 2016
Mid-term evaluation report	Aug. 31, 2016
3 rd annual monitoring report	Jan. 31, 2017
4 th annual monitoring report	Jan. 31, 2018
Terminal evaluation report	Aug. 31, 2018
5 th annual monitoring report (summary report)	Jan. 31, 2019

Annex 1 Agreement Establishing Caribbean Export

**AGREEMENT ESTABLISHING
THE CARIBBEAN EXPORT DEVELOPMENT AGENCY
(CARIBBEAN EXPORT)**

THE PARTIES:

DETERMINED to confront the challenges and to benefit from the opportunities, resulting from the globalisation and liberalisation of production and international trade;

RECOGNISING the need for improved forms of regional integration that will be beneficial for the economies of the Caribbean States as well as the export oriented firms in these States;

DESIROUS to continue building on the regional and sub-regional experiences in trade and export development,

HAVE AGREED to establish the **CARIBBEAN EXPORT DEVELOPMENT AGENCY (CARIBBEAN EXPORT)**, which shall operate in accordance with the following provisions:

**ARTICLE 1
DEFINITIONS**

For the purpose of this Agreement:

"Member State" means any one of the States referred to in Article 4, paragraph 1 and paragraph 2;

"CARIBBEAN EXPORT" means the Caribbean Export Development Agency;

"Agency" means the Caribbean Export Development Agency;

"Council" means Council of Ministers of Member States;

"Board" means the Board of Directors of CARIBBEAN EXPORT;

"Executive Committee" means the Executive Committee of the Board;

"Executive Director" means the Chief Executive Officer of CARIBBEAN EXPORT;

"Staff" means all personnel contracted and appointed by the Agency;

"CARICOM" means the Caribbean Community established by the Treaty of Chaguaramas in 1973;

"CEDP" means the CARICOM Export Development Project;

"Simple Majority" means more than half of all votes cast;

"Qualified Majority" means at least two thirds of all votes cast;

"Total Vote" means the sum of the votes of the Member States, and

"Votes Cast" means the sum of affirmative and negative votes.

ARTICLE 2 OBJECTIVES

1. The objectives of the Agency shall be to serve as a key instrument in attaining, inter alia:

(a) the establishment and implementation of comprehensive export development strategies and programmes, on an intra-regional and extra-regional level, selecting in particular, non-traditional export sectors, as part of the commitment of the Member States to promote regional integration in the service of socio-economic prosperity throughout the Caribbean;

(b) the continuation and expansion of trade policies that will contribute to the ultimate goal of a single Caribbean Market, in line with CARICOM initiatives in this respect and in close cooperation with the Dominican Republic and Haiti;

(c) the development of human resources and professional skills in the field of export development in selected sectors of the international trade of Member States;

(d) the establishment, the adaptation, and the strengthening of national and sub-regional entities dealing with export development and trade promotion;

(e) the actual, direct and indirect support for selected firms in the various Member States so as to develop and improve their (non-traditional) export products in order to enhance their opportunities for sustained competitiveness in international markets;

(f) the establishment of a trade information database and networks in order to improve contacts and data-exchange between commercial sectors in Member States and third countries;

(g) the establishment of special programmes geared towards export development in the various sectors and regions in the Caribbean requiring special attention.

2. Subject to a resolution of the Board, adopted by consensus, the Agency shall, in pursuing the objectives mentioned in paragraph 1 of this Article, strive for close cooperation with existing and future regional entities operating within the scope of the objectives of this Agreement.

3. Schedule 1 shall specify the objectives for the established programmes.

ARTICLE 3 FUNCTIONS

1. In fulfilling its objectives, the Agency shall exercise the following functions:

(a) developing, supervising and managing the programme activities as defined in work programmes and related policy decisions by the Council;

(b) coordinating the programme of the Agency and consulting with other agencies with a view to developing and expanding the export potential at regional and extra-regional levels, and

(c) financing its ongoing projects and administration, through:

(i) funds that become available based on the Lome IV Agreement and successive agreements within the framework of the European Community;

(ii) counterpart funding by Member States;

(iii) other funding agencies; and

(iv) the commercialization of some of its services.

2. Schedule 1 shall specify the policies, procedures and structures of the Agency. Schedule 2 shall make provisions for the appointment of Staff, their classification and the terms and conditions of employment.

ARTICLE 4 MEMBERSHIP

1. Membership of the Agency shall be open to the following States in accordance with Article 13, paragraph 2:

Antigua and Barbuda

The Bahamas

Barbados

Belize

Commonwealth of Dominica

Dominican Republic

Grenada

Guyana

Haiti

Jamaica

Saint Lucia

St. Kitts and Nevis

St. Vincent and the Grenadines

Suriname

Trinidad and Tobago

2. New members may be admitted in accordance with the procedures detailed in Schedule 1.

3. Associate Membership shall be open to countries and territories:

(a) belonging to the Caribbean;

(b) having developed programmes at an institutional level that would make cooperation with the Agency mutually beneficial;

(c) willing to accept participation as determined by the Council, and

(d) willing to observe the new membership procedure detailed in Schedule 1.

4. Associate membership may be conferred in accordance with the procedure detailed in Schedule 1.

5. Each member State shall have the right to terminate its membership of the Agency, in accordance with the procedure for withdrawal, in Schedule 1.

ARTICLE 5 ORGANS OF THE AGENCY

1. The Agency shall have the following organs:

(a) the "Council of Ministers" as composed by the Governments of the Member States;

(b) the "Board of Directors" as composed by the Governments of the Member States from the public and/or private sector. This Board shall elect from among themselves eight (8) directors to serve as the "Executive Committee"; and

(c) the "Executive Director and Staff" as appointed and employed by the Agency.

2. These organs shall function in accordance with the rules and procedures of this Agreement, in general, and the rules and procedures of the Articles 5 :1 to 5:5 and Schedule 1, in particular.

ARTICLE 5:1 COUNCIL OF MINISTERS

1. The Council shall comprise one (1) Minister designated by each Member State.
2. In the event that a Minister designated under paragraph 1 of this Article is unable to attend a meeting of the Council, the Member State shall designate an alternate.
3. All the powers of the Agency shall be vested in the Council.
4. The Council may delegate to the Board the authority to exercise the power of the Council, except the power to:
 - (a) amend the basic objectives and functions of the Agency;
 - (b) agree on terms and conditions for accession to this Agreement;
 - (c) approve Associate membership;
 - (d) formally endorse the withdrawal of a Member State;
 - (e) increase or decrease the established rate of contribution of an individual Member State;
 - (f) adopt amendments to the Articles of this Agreement;
 - (g) decide on appeals by Member States on decisions made by the Board concerning the interpretation or the application of this Agreement;
 - (h) approve the audited annual Statement of Income and Expenditures of the Agency;
 - (i) approve proposed agreements with extra-regional international organisations, and
 - (j) terminate the operations of the Agency.
5. The Council shall convene annually observing intervals of twelve (12) months. Special meetings of the Council shall be convened at the request of a simple majority of its members.
6. The presence at a meeting of two-thirds of the members shall constitute a quorum.
7. The Chairperson of the Council shall be appointed for a term of one (1) year and shall perform his duties until the appointment of the next Chairperson.
8. The Chairperson of the Board and the Executive Director shall participate in the meetings of the Council, without having the right to vote.
9. Members of the Council and alternates shall serve without compensation from the Agency.
10. Decisions of the Council shall be arrived at on the basis of consensus. Voting shall only take place when it is deemed necessary.

11. In the event that voting takes place, all matters before the Council shall be decided by a simple majority, except as otherwise provided for in this Agreement.

12. Each Member State shall have one (1) vote.

13. Schedule 1 shall specify the procedures with regard to the functioning of the Council.

ARTICLE 5:2 BOARD OF DIRECTORS

1. The Board of Directors shall comprise one (1) Director designated by each Member State.

2. The powers of the Board shall include:

(i) those powers that may be delegated to it by the Council;

(ii) the responsibility for the conduct of the operations of the Agency; and

(iii) the power to introduce through resolutions adopted by consensus new Schedules as well as the power to amend existing Schedules in the same manner.

3. In the exercise of its powers the Board shall report to the Council.

4. The Board shall function for terms of two (2) years.

5. The Board shall meet semi-annually at the Headquarters of the Agency or in any other Member State that has agreed to host the meeting and that is willing to cover any extra budgetary expenses that may result from not meeting at headquarters. Extraordinary meetings may be summoned and held in the manner specified in Schedule 1.

6. The presence at a meeting of two-thirds of the number of Directors shall constitute a quorum.

7. The Board shall elect a Chairperson and a Deputy Chairperson from among the Directors. The Chairperson shall hold office for a period of two years and may be re-elected for one consecutive term. He shall continue in office until the election of the successor.

8. Subject to approval by the Council, the Board shall determine a reasonable per diem and travel expenses for the Directors or alternates who attend meeting of the Board.

9. Schedule 1 shall specify the procedures with regard to the functioning of the Board.

ARTICLE 5:3 EXECUTIVE COMMITTEE

1. The Board shall elect an Executive Committee, comprising eight (8) Directors from among its membership.

2. The Executive Committee shall derive its authority from the Board.
3. The Executive Committee shall be chaired by the Chairperson of the Board.
4. The Executive Committee shall meet quarterly at the Headquarters of the Agency or in any other Member State that has agreed to host the next meeting and that is willing to cover extra-budgetary expenses that result from not meeting at headquarters.
5. Schedule 1 shall specify the procedures with regard to the functioning of the Executive Committee.

ARTICLE 5:4 VOTING ON THE BOARD/EXECUTIVE COMMITTEE

1. Decisions of the Board of Directors or the Executive Committee shall be arrived at on the basis of consensus. Voting shall only take place when it is deemed necessary by the Chairperson.
2. In the event that voting takes place, all matters before the Board or the Executive Committee shall be decided by a simple majority, unless otherwise provided for in this Agreement.
3. Each Director shall have one vote.

ARTICLE 5:5 EXECUTIVE DIRECTOR AND STAFF

1. The Council shall endorse the appointment of the Executive Director on recommendation of the Board.
2. If the appointee is, at the time of appointment, a Minister, Director, or an alternate, he or she shall resign from the position prior to taking up the duties as Executive Director.
3. The term of office of the Executive Director shall be two (2) years. He may be reappointed for consecutive terms of two (2) years.
4. The Executive Director shall conduct the ordinary business of the Agency, under the direction of the Board.
5. The Executive Director shall be the Chief Executive Officer of the Agency, and shall participate in the meetings of the Council, the Board and the Executive Committee, without the right to vote.
6. The Executive Director shall serve as Secretary of the meetings of the Board and of the Executive Committee.
7. The Executive Director shall appoint all Staff members except those to be appointed in those Senior Staff positions, reserved for appointment by the Board.

8. The Executive Director and Staff shall owe their duty entirely to the Agency, and in the discharge of their functions shall refrain from all attempts of discrimination against any one Member State.

9. Each Member State shall respect the international character of the Agency and shall refrain from all attempts to influence the Executive Director or any of the Staff in the discharge of their functions.

10. Schedule 1 and Schedule 2 shall specify the function, duties and responsibilities of the Executive Director and Staff.

ARTICLE 6 OFFICES OF THE AGENCY

1. The Headquarters of the Agency may be located in any one Member State. Barbados shall be the initial host country of the Headquarters of the Agency.

2. Whenever deemed necessary, the Agency may establish sub-regional offices in any one Member State. The Dominican Republic shall host a Sub-regional Office of the Agency.

3. The Agency shall enter into Headquarters and Sub-Regional Office Agreements, initially with the Governments of Barbados and the Dominican Republic, or any other Member State where it establishes its Headquarters or other Sub-regional Offices. These Agreements shall be embodied in Protocols.

4. The Protocols shall, in general, ensure a free and efficient operation of the Agency and the individuals employed by it within the territory of these Member States. More in particular, these Protocols shall provide for, inter alia:

- (a) privileges and immunities, facilities and exemptions;
- (b) the availability of adequate premises;
- (c) the security of the premises, Staff and the properties of the Agency;
- (d) the arrangement for remuneration of nationals employed by the Agency;
- (e) arrangements regarding eventual direct or indirect taxes or any other fiscal charges with a similar effect, such as, VAT (Value Added Tax), reimbursements, and other matters of this nature, and
- (f) procedures for identification and legitimization of resident and non-resident Staff members and Consultants.

ARTICLE 7 OFFICIAL LANGUAGES/WORKING LANGUAGE

1. Dutch, English, French and Spanish shall be the official languages of the Agency. This means, for the purpose of this Agreement, that official documents resulting from the (annual) meetings of the Council and from the (bi-annual) meetings of the Board, respectively, shall be translated from English into Dutch, French and Spanish.

2. English shall be considered the working language of the Agency, provided that the Executive Director shall in close consultation with the Member State(s) requiring translation at meetings of the Board, ensure that adequate arrangements are made for the interpretation from English into Dutch and/or French and/or Spanish, as may be necessary.

ARTICLE 8

SUSPENSION AND TERMINATION OF OPERATIONS

1. In an emergency, the Board represented by the Executive Committee, may be unanimous approval temporarily suspend the Agency's operations to the extent which it considers necessary pending further consideration and action by the Council.

2. The Board may either lift the suspension or terminate the Agency's operations through a resolution, adopted by consensus, and subject to unanimous approval by the Council.

3. In the event of a decision to terminate, the Agency shall immediately cease all activities except those necessary for the orderly conservation and realization of its assets and the settlement of its outstanding obligations.

4. Until final realisation of its assets and final settlement of its obligations, the Agency shall remain in existence, and all rights and obligations of the Agency and of the Member States under this Agreement, shall continue unimpaired.

5. The Executive Committee shall make such arrangements as are necessary to ensure the orderly realisation of the Agency's assets. Before making any payments to creditors holding direct claims, the Executive Committee shall, by a qualified majority, establish reserves to ensure a pro rata distribution among holders of direct and contingent claims including Staff in accordance with the terms and conditions of services set out in Schedule 2.

6. Member States shall not withdraw their membership after the decision to terminate the Agency's operations has been taken.

ARTICLE 9

STATUS, EXEMPTIONS, PRIVILEGES AND IMMUNITIES

1. The Agency shall possess juridical personality. It shall in particular have the capacity to:

(a) acquire and dispose of immovable and movable property;

(b) be a party to legal proceedings;

(c) contract; and

(d) create new legal entities, within the framework of its objectives and functions.

2. The assets and property of the Agency, their furnishings and other property thereon as well as their means of transport shall be immune from attachment, execution, search or requisition.

3. The archives and documents of the Agency, however held or stored, shall be inviolable at any time and wherever these may be located.

4. (a) To the extent necessary to effectively carry out the purpose and functions of the Agency and subject to the provisions of this Agreement, the Agency shall:

(i) hold property, funds and assets of whatever nature and may operate accounts in any currency; and

(ii) be free to transfer its assets from one country to another or within any country and to convert any currency held by it into any other currency.

5. All correspondence relating to the Agency and its functions shall be inviolable.

6. Any dividend or profit realised from the commercial activity of the Agency through any legal entity created under paragraph 1 (d) shall not be subject to fiscal charges or taxation.

7. (a) The property of the Agency shall be exempt from:

(i) any form of direct taxation. However, the Agency shall not claim exemption from taxes which are in fact, no more than charges levied for specific services rendered;

(ii) custom duties and from prohibition and restrictions on exports and imports in respect of articles exported or imported by the Agency for its official use; and

(iii) custom duties and other levies, prohibition and restrictions in respect of the export, import and sale of its publications;

(b) articles imported under the exemption of sub-paragraph 7 (a) (iii) shall not be sold within the territory of the Member State, except under conditions agreed to by the Government of that Member State.

8. Privileges and immunities granted to officials and individuals representing the Agency and performing duties within the framework of its objectives are specified in Schedule 4.

9. The privileges and immunities accorded by this Agreement and specified in Schedule 4 are granted in the interest of the Agency and not for the personal benefit of the individuals referred to in paragraph 8 above.

10. The Council may waive to such extent and upon such conditions as it may determine, the exemptions, immunities and privileges provided in this Article in cases where such action would, in its opinion, be in the best interests of the Agency.

11. The Executive Director, after approval by a qualified majority of the Executive Committee, shall have the right and duty to waive any exemption, immunity or privilege in respect of any Staff member, consultant or representative of the Agency, when in his opinion, the exemption, immunity or privilege would impede the course of justice.

12. In similar circumstances and under the same conditions as mentioned in paragraph 11 above the Board shall have the right and duty to waive any exemption, immunity or privilege respecting the Executive Director.

13. Nothing in the provisions of this Agreement shall be construed as obliging any party to this Agreement to grant any of the privileges or immunities referred to therein to any person who is its national or who is permanently resident in its territory, whether as a representative or an official, except immunity from jurisdiction and inviolability in respect of official acts performed in the exercise of his functions.

ARTICLE 10 FINANCIAL PROVISIONS

1. In its first meeting the Council shall define the financial year of the Agency.

2. The Agency shall acquire funds from the sources referred to in Article 3 sub-paragraph (c), based on the following arrangements:

(a) Financing Agreements concluded by the European Commission on the one hand and the Member States on the other hand;

(b) The counterpart funding by the Member States that are also members of CARICOM shall not exceed their contributions to that entity. The Agency may enter into an Agreement with CARICOM for the collection and disbursements of the funds;

(c) by entering into separate agreements with the Dominican Republic and Haiti for the same purpose;

(d) commercialisation of some of the Agency's services to be specified in a Schedule; and

(e) agreements concluded by the Agency with other funding agencies.

3. The Executive Director shall submit, through the Board, to the Council, the annual budget of the Agency not later than four (4) weeks before the end of the financial year.

4. The Executive Director shall as soon as practicable, but not later than three (3) months after the expiration of the financial year, submit to the Board, a report concerning the activities and financial affairs during the financial year and there shall be appended thereto:

(a) a Statement of Income and Expenditures, audited by auditors appointed by the Board; and

(b) any other information the Board may require.

5. The Board shall direct the Executive Director to:

(a) ensure that appropriate Books of Account are kept;

(b) submit at the end of each quarter of the financial year, a quarterly account of the income and expenditure of the Agency; and

(c) submit to Council for its approval the annual audited accounts, not later than four (4) months after the end of the financial year.

ARTICLE 11 AMENDMENTS

1. This Agreement can only be amended by a resolution of the Council, adopted by consensus.

2. Any proposal from a Member State to amend this Agreement, excluding the Schedules, shall be forwarded to all Member States by the Executive Director. The Executive Director shall submit the proposal to the Board, who shall refer it to the Council for a decision.

3. Any proposal from the Board to amend this Agreement, excluding the Schedules, shall be notified to all Member States through the Executive Director and referred to the Council for a decision.

4. The Schedules of this Agreement may be amended through a resolution of the Board, acting on its own discretion and under recommendation of the Executive Committee. A resolution to this effect may only be adopted by consensus.

5. The Executive Director shall promptly notify all Member States of Amendments to the Agreement adopted by the Council and the aforementioned Amendments shall enter into force upon receipt by the depository of the instruments of accession or ratification from at least ten (10) Member States.

6. The Member States shall be promptly informed concerning the amendments to the schedules adopted by the Board. These amendments shall enter into force on the date of the adoption of the resolution by the Board.

ARTICLE 12 INTERPRETATION AND PROCEDURE FOR SETTLEMENT OF DISPUTES

1. Any question of interpretation or application of the provision of this Agreement arising between any Member State and the Agency or between Member States shall be submitted to the Board for a decision. The Member State shall be entitled to participate

in the deliberations of the Board during the consideration of the question in accordance with rules and procedures to be adopted by the Council.

2. In any case where the Board has given a decision under paragraph 1 of this Article, any Member State may require, within three (3) months from the date of notification of the decision, that the question be referred to the Council, which shall take a decision at its next meeting by a qualified majority. The decision of the Council shall be final.

3. Where the Council has been unable to reach a decision under paragraph 2, the question shall be submitted to arbitration in accordance with the procedures specified in paragraph 5, if any Member State so request within three (3) months after the final day of consideration of the question by the Council.

4. Any dispute between the Agency and any Member State which has withdrawn from the Agency or between the Agency and any Member State during the termination of the Agency's operations, shall be submitted to arbitration.

5. The arbitral tribunal shall consist of three (3) arbitrators. Each party to the dispute shall appoint one arbitrator. The two arbitrators so appointed shall appoint the third arbitrator, who shall be the Chairperson. If within forty-five (45) days of receipt of the request for arbitration either party has not appointed an arbitrator, if within thirty (30) days of the appointment of the two arbitrators, the third arbitrator has not been appointed, either party may request the Secretary General of the OAS to appoint an arbitrator. If the Secretary General of the OAS has been requested under this paragraph to appoint an arbitrator and if the Secretary General of the OAS is a national of a Member State, party to the dispute or unable to discharge his duties, the authority to appoint the arbitrator shall devolve to the Assistant Secretary General of the OAS. The procedure for arbitration shall be established by the arbitrators. However, the Chairperson shall have the final say in matters of procedure in case of a pertinent disagreement. Decisions shall be taken on the basis of a simple majority. These decisions shall be considered final and binding upon the parties.

ARTICLE 13 FINAL PROVISIONS

1. The States referred to in Article 4, paragraph 1 may become party to this Agreement by:

(a) signing the Agreement on November 25, 1995, or at any later date;

(b) ratifying the Agreement in accordance with their national laws; and

(c) the deposit of an instrument of accession or ratification.

2. The States referred to in Article 4, paragraph 2 may become party to this Agreement by depositing an instrument of accession or ratification after acceptance by the Council, in accordance with Schedule 1.

3. The State that is desirous to become an Associate Member shall be admitted on such terms and conditions determined by the Council. In the event that the application is

approved by the council, this State shall deposit an instrument of ratification, in accordance with Schedule 1.

4. Eight (8) or more of the States referred to in Article 4, paragraph 1 may, upon signature on November 25, 1995, or later, or at any later date before this Agreement enters into force, declare their intention to apply it provisionally.

5. The Office of the Secretary-General of the OAS shall be the Depository of this Agreement.

6. The Agreement shall be registered at the offices of the Secretary General of the United Nations, in accordance with article 102 of the United Nations Charter.

7. This Agreement shall enter into force upon receipt, by the Depository, of the instruments of accession or ratification from at least ten (10) of the States listed in Article 4, paragraph 1. The Executive Director shall promptly notify the Governments of all Member States on the date of this deed.

8. Schedule 3 shall specify the measures to be taken to ensure an orderly transition from CARICOM Export Development Project (CEDP) to the Caribbean Export Development Agency (CARIBBEAN EXPORT) .

9. The numbered Schedules shall be attached to this Agreement. The Schedules shall indicate the related Articles and paragraphs of this Agreement in the heading.

10. The definitions of Article 1 and those of Schedule 1:1 shall apply to all Schedules of the Agreement.

11. This Agreement is drawn up in two originals in English, Dutch, French and Spanish respectively, each text being equally valid.

IN WITNESS THEREOF the undersigned representatives, being duly authorised by their respective Governments have signed this Agreement.

Signed by
For the Government of Antigua and Barbuda on
at

Signed by
For the Government of The Bahamas on
at

Signed by
For the Government of Barbados on
at

Signed by
For the Government of Belize on
at

Signed by
For the Government of the Commonwealth of Dominica on
at

Signed by
For the Government of the Dominican Republic on
at

Signed by
For the Government of Grenada on
at

Signed by
For the Government of Guyana on
at

Signed by
For the Government of Haiti on
at

Signed by
For the Government of Jamaica on
at

Signed by
For the Government of Saint Lucia on
at

Signed by
For the Government of St. Kitts and Nevis on
at

Signed by
For the Government of St. Vincent and the Grenadines on
at

Signed by
For the Government of Suriname on
at

Signed by
For the Government of Trinidad and Tobago on
at

SCHEDULE 1
STATUTES OF THE CARIBBEAN EXPORT DEVELOPMENT AGENCY
(CARIBBEAN EXPORT)

ITEM 1
DEFINITIONS
(ref. Article 1)

In addition to the definitions listed in Article 1 of the Agreement, the following definitions shall be employed:

- (a) "Agreement" means the Agreement for the establishment of the Caribbean Export Development Agency;
- (b) "Financing Agreement" means each of the consecutive Agreements between the European Commission and the CARIFORUM States for the funding of programmes within the Trade Sector
- (c) "CARIFORUM" means the entity comprising Caribbean States established to coordinate the allocation and undertake the monitoring of resources out of the Export Development Fund for the purpose of financing regional projects in the Caribbean Member States;
- (d) "CARIFORUM Council of Ministers" means the Council of Ministers of the entity referred to in sub-item 1:1(c);
- (e) "Secretary-General" means the Secretary-General of CARIFORUM who heads the CARIFORUM Secretariat; and
- (f) "Delegations" means the Delegation of the Commission of the European Union based in Barbados, the Dominican Republic and Guyana.

ITEM 2
NAMES AND LOGO

1. The official names of the Agency shall be:

- (a) "Agentschap voor Caraibische Exportbevordering" [Dutch];
- (b) "Caribbean Export Development Agency" [English];
- (c) "Agence du Caraïbe pour le développement de l'Exportation" [French];
- (d) "Agencia del Caribe par el desarrollo de la exportacion" [Spanish].

2. The logo of the Agency shall be: "CARIBBEAN EXPORT" and is graphically rendered in Annex A].

3. The Logo may only be reproduced with the expressed authorisation of the Executive Director.

ITEM 3
OBJECTIVES AND FUNCTIONS
[ref. Article 2 and Article 3]

1. In compliance with its general objectives and functions as specified in Articles 2 and 3 of the Agreement and the Financing Agreement, the Agency shall fulfill a central implementing role and shall have a coordinating and overseeing function that may be detailed as follows:

- (a) provide assistance to other implementing and cooperating agencies in the preparation of their annual work programmes and budgets;
- (b) receive, analyse and advise implementing and cooperating agencies on their annual work programmes and budgets in strict compliance with the approved project document, financing proposal and financing agreement;
- (c) advise on arrangements to adapt, change and to transfer from one item to another item, upon application for such changes by cooperating and implementing agencies and institutions;
- (d) develop and submit consolidated annual work programmes and budgets as well as submit work programmes for individual components of the programme after submission by and agreement with cooperating and implementing agencies and institutions;
- (e) authenticate, approve or effect transfers to, or payments by cooperating and implementing agencies and institutions;
- (f) receive, analyse and submit quarterly performance reports and financial statements from cooperating and implementing agencies and institutions;
- (g) advise on contracts and sub-contracts for work and for the employment of technical assistance and experts as may be required; and
- (h) serve as the Secretariat of the Board and the Executive Committee.

2. The Agency shall employ a number of agencies, institutions and individuals that will act on its behalf, whose roles and functions may be outlined as follows:

- (a) preparation of detailed draft work programmes and budgets for submission and consideration;
- (b) recruitment, employment and retention of core staff either from its own resources or resources provided through the project;
- (c) preparation on terms of reference, select and mobilisation of technical assistance as specified under the approved programme;
- (d) undertaking of assignments and activities and the delivering of services as specified under the approved programme; and

(e) incurring approved expenditure, maintaining the appropriate financial records and submitting regular accounts in accordance with the provisions of the approved programme and approved EC financial regulations.

ITEM 4
MEMBERSHIP
(ref. Article 4, paragraphs 2-4)

1. A State in the Caribbean Region, other than those listed in Article 4, paragraph 1 of the Agreement, may apply and become a member of the Agency in accordance with the following procedure:

(a) the application shall submit to the Executive Director a diplomatic note, signed by a duly authorised representative of that State;

(b) the Executive director shall submit the diplomatic note to the Board:

(c) the Board shall prepare:

(i) a proposal;

(ii) an explanatory memorandum;

(iii) a formal recommendation which shall be submitted to the Council accompanied by the diplomatic note referred to under sub-item 4: 1(a);

(d) the Council shall consider the application and notify the Board of its decision;

(e) in the event of a positive decision by the Council the Board shall invite the candidate Member State to deposit an instrument of accession to formalise its Membership as referred to in Article 13 paragraph 2 of the Agreement;

(f) in the event of a negative decision by the Council the Board shall promptly notify the applicant of the Council's decision, through the Executive Director.

2. (a) Observing the restriction of Article 8, paragraph 6 of the Agreement, a Member State that intends to withdraw from the Agency shall notify the Executive Director by diplomatic note four (4) months prior to the intended date of termination of Membership.

(b) The Executive Director shall prepare a resolution to be presented at the ensuing meeting of the Board.

(c) The draft resolution shall include:

(i) a transcript of the diplomatic note referred to in sub-item 4:2 (a) ;

(ii) a detailed report of the activities of the Agency in progress in that Member State;

(iii) a statement of the outstanding liabilities of the Member State; and

- (iv) any information necessary to ensure an orderly withdrawal of the Member State.
3. The Board shall review the draft resolution and submit its recommendations to the Council.
4. The Council shall, at its ensuing meeting adopt the draft resolution by simple majority and the withdrawal shall be final, subject to the conditions specified by the Council with regard to outstanding liabilities and others.
5. The Executive Director shall promptly notify:
- (a) the Member State requesting withdrawal;
 - (b) the other Member State; and
 - (c) the depository of the Agreement.

ITEM 5
THE COUNCIL OF MINISTERS : RULES AND PROCEDURES
(ref. Article and Article 5:1)

1. The Council comprises Ministers of their alternates annually designated by the Governments of the Member States. The CARIFORUM Council of Ministers shall initially constitute the Council of the Agency and shall be represented by the Secretary General between meetings.
2. The number of Ministers or their alternates constituting the Council shall be the same as the number of Member States. Member States shall notify the Secretary General of their intention to be represented by an alternate, when it is not possible for the nominated Minister to attend a meeting.
3. In accordance with the Financing Agreement, the Council may delegate such powers to the Board, as to enable them to fulfill the objectives and functions, detailed in Item 3 and Item 6, sub-section 8 of this Schedule. In the event of the expiration of the current Financing Agreement and/or the conclusion of new Agreements, the powers of the Board and the delegation of same shall be redefined by the Council. The delegation of power to the Board shall be effected through a resolution, adopted by consensus.
4. The meetings of the Council shall be governed by the same rules and procedures established for meetings of the CARIFORUM Council of Ministers, including the rules concerning the nomination of the Chairperson and the Deputy Chairperson.
5. The Chairperson of the Board shall present a report on the implementation of the programme and the realisation of the budget over the past year, at the annual meeting of the Council. This report shall be prepared by the Executive Director.
6. The Secretary General shall forward the minutes of the meetings of the Council to the Chairperson of the Board, who shall subsequently send these minutes to the Executive Director.

7. The Executive Director shall forward the reports of the meetings, including the minutes, to the following persons and institutions within two weeks after the meeting:

(a) the Governments of the Member States to the attention of the designated Ministers and their alternates;

(b) the Secretary General;

(c) the Chairperson and other members of the Board;

(d) all cooperating and implementing Agencies and Institutions; and

(e) the delegations.

ITEM 6
BOARD OF DIRECTORS : RULES AND PROCEDURES
(ref. Article 5 and Article 5:2)

1. The Board comprises Directors or their alternates, as selected or replaced by the Government of each Member State.

2. The number of Directors or their alternates constituting the Board shall be the same as the number of Member States. Member States shall notify the Executive Director of their intention to be represented by an alternate, when it is not possible for the nominated Director to attend a meeting.

3. The Directors or their alternates shall serve on the Board for a term of two years, after which a new Board shall be appointed. In the event of an interim nomination of a Director or an alternate, he shall serve for the remainder of the current term of the Board.

4. A Director or alternate may resign at any time by giving written notice to the Chairperson and the Executive Director. The resignations shall take effect upon receipt of same.

5. A Director or alternate shall resign as a member of the Board in case:

(a) he is elected or appointed to a political office at a national or international level;

(b) he accepts a function in the Agency as member of the Staff or as a Consultant.

6. The Board shall be responsible for the conduct of the operations of the Agency, based on the powers delegated to it by the Council. In accordance with the Financing Agreement, these are the powers to:

(a) appoint independent auditors to audit the annual accounts of the Agency and to prepare reports and audited statements of accounts, as necessary;

- (b) appoint Staff members to predetermined Senior Staff positions. The Chairperson of the Board shall provide the Executive Director with a detailed list of these positions;
- (c) approve work programmes and budgets, presented by the Executive Director;
- (d) develop proposals that may lead to new financial and other resources, so as to meet the needs of the Agency;
- (e) maintain and develop relations with other regional/international entities and/or Governments, in order to facilitate and promote the objectives and programmes of the Agency;
- (f) oversee and validate the overall direction and the policies of the Agency;
- (g) prepare draft resolutions for decision by the Council;
- (h) review reports, presented by the Executive Director regarding the implementation of the approved work programmes and budgets;
- (i) select from its members, an Executive Committee, consisting of eight (8) Directors and alternates; and
- (j) submit a proposal for the appointment of the Executive Director by the Council.

7. The Board shall meet semi-annually, observing intervals of six (6) months.

8. Extraordinary meetings of the Board may be summoned by the Chairperson of the Board or by two (2) or more Directors who submit their request through the Chairperson. The rules and procedures of the regular meetings shall apply.

9. The Board shall elect, by consensus, a Chairperson and a Deputy Chairperson from among its members. The Chairperson/Deputy Chairperson shall hold office for a term of two years and may be re-elected for not more than one (1) consecutive term.

10. The Chairperson shall preside at all meetings of the Board. In his absence from the meeting, the Deputy Chairperson shall preside. If the Deputy Chairperson is also absent from the meeting, the Directors present at the meeting shall elect an interim Chairperson to preside at that meeting.

11. In the event that a Chairperson has to be replaced for whatever reason, a new Chairperson shall be elected at the ensuing meeting of the Board. The Deputy Chairperson shall preside over the meeting, until the new Chairperson is elected. A similar procedure shall apply in case of the replacement of the Deputy Chairperson. Alternates of a Director who is an elected Chairperson or a Director who is an elected Deputy Chairperson shall not, unless elected, replace them in their capacity as Chairperson or Deputy Chairperson.

12. The Chairperson and the Deputy Chairperson shall serve in the same capacities on the Executive Committee.

13. The presence of two-thirds of the entire Board shall constitute a quorum at any meeting of the Board.

14. The Board shall strive for decision making by consensus. Voting shall only take place, when such is deemed unavoidable. The Meeting shall decide on the method of voting to be followed.

15. The Chairperson may introduce the resolution(s) to be voted upon, as initiated and seconded by at least two Directors at the meeting. Votes shall be cast by each Director or alternate, on the basis of one Member State, one vote. If the number of votes cast "in favour" and the number of votes cast "against" turn out to be equal, the Chairperson shall have the casting vote on the resolution under consideration. Decisions shall be made by a simple majority, unless otherwise stipulated in the Agreement.

16. Any decision that could be taken at a meeting of the Board or the Executive Committee, may be taken without a meeting, if all Directors consent in writing to the adoption of a resolution authorising such action. Such resolution and written consents shall be:

(a) filed with the minutes of proceedings of the Board; and

(b) be subject to final endorsement at the ensuing meeting of the Board or the Executive Committee.

17. The Board may from time to time invite representatives from other regional or extra-regional entities as observers to its meetings. These observers shall not have the right to vote.

18. The Board shall invite the CARICOM Secretariat as observer to its meetings.

19. In the event that the Board and/or an individual Director wishes to invite an expert for assistance at the meeting, the Chairperson shall be informed prior to the meeting, indicating name and position of this expert and the item(s) on the Agenda for which the expert assistance will be needed. These experts shall not have the right to vote.

20. Notice of the date, venue and the provisional Agenda, accompanied by the relevant documents, of a meeting of the Board shall be given by the Executive Director by mail, facsimile or courier to each Director at least twenty-one (21) days prior to the meeting.

21. The provisional Agenda for a meeting may include:

(a) confirmation of the minutes of the previous meeting and decisions, taken by written consent as referred to in sub-item 6:17;

(b) items referred to in sub-item 6 as presented by the Executive Director; and

(c) items requested by a Member State.

The items referred to in sub (b) and sub (c) shall be accompanied by explanatory memoranda and all relevant documents. Individual Directors are entitled to propose items for inclusion in the provisional Agenda at the commencement of the meeting. The Board shall establish the Agenda at the commencement of each meeting.

22. The Executive Director shall function as Secretary of the Board. In this capacity, he/she shall be responsible for:

- (a) the minutes of the meeting;
- (b) a report of the meeting of the Board, including any proposals for consideration by the Council of Ministers; and
- (c) the preparation of the documents referred to in sub-item 6:22 (a) and 6:22 (b) in Dutch, English, French and Spanish.

The minutes, referred to in sub-item 6:22(a), shall be confirmed at the ensuing meeting.

23. The Executive Director shall forward the report of the meeting to the following institutions within two (2) weeks after the meeting:

- (a) the Governments of the Member States;
- (b) the Secretary General;
- (c) the Members of the Board and their alternates;
- (d) all cooperating and implementing Agencies and Institutions; and
- (e) the Delegations; and
- (f) the CARICOM Secretariat.

ITEM 7

EXECUTIVE COMMITTEE : RULES AND PROCEDURES

(ref. Article 5 and Article 5:3)

1. In accordance with the Financing Agreement, the initial Executive Committee comprises:

- (a) two (2) Directors selected jointly by Barbados, The Bahamas, Guyana, Jamaica and Trinidad and Tobago;
- (b) one (1) Director selected by Belize;
- (c) one (1) Director selected by the Dominican Republic;
- (d) two (2) Directors selected jointly by Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, Saint Lucia and St. Vincent and the Grenadines;

- (e) one (1) Director selected by Haiti;
- (f) one (1) Director selected by Suriname, and
- (g) the Executive Director, who shall serve as Secretary to the Executive Committee.

In the event of the expiration of the Financing Agreement of July 1995 and/or the conclusion of new agreements, the Board shall redefine the criteria, rules and procedures for the election of subsequent Executive Committees.

2. The Executive Committee shall have and exercise, between meetings of the Board, all powers of the Board, subject to such restrictions as may have been prescribed by the Board.

3. The Executive Committee shall have the following specific tasks:

- (a) receive and review quarterly reports, prepared by the Executive Director;
- (b) prepare semi-annual reports on the implementation of the work programme and the realisation of the budget on behalf of the Board;
- (c) receive proposals from the Executive Director concerning the appointment of Senior Staff members with regard to the Staff positions to be filled by the Board;
- (d) review the results of consultancies within the framework of the work programme; and
- (e) prepare draft Schedules for approval by the Board.

4. Alternates, who have been nominated to the Board shall act in the same capacity as the designated members of the Executive Committee.

5. The duration of the tenure of office on the Executive Committee shall be the same as the duration of service on the Board.

6. The Executive Committee shall meet quarterly and shall observe the same procedures, applicable to meetings of the Board.

7. The presence of at least five (5) Directors shall constitute a quorum at any meeting of the Executive Committee.

8. The Executive Committee may from time to time invite observers and experts to its meetings under the same conditions as specified for meetings of the Board. In accordance with the Financing Agreement, the Executive Committee shall invite to their meetings:

- (a) the Secretary General and the Secretariat;
- (b) representatives of the implementing agencies; and

(c) representative of the Delegations.

9. The Executive Committee shall invite the CARICOM Secretariat as observer to its meetings.

ITEM 8
EXECUTIVE DIRECTOR AND STAFF
(ref. Article 5 and Article 5:4)

1. The Executive Director shall be appointed by the Board, by consensus. This appointment shall be endorsed by the Council, by consensus. In accordance with the Financing Agreement this appointment shall also require the approval of the European Development Fund.

2. The contract of employment detailing the rights and responsibilities of the Agency and of the Executive Director vice versa, shall be signed by the Chairperson of the Board and the Executive Director respectively. This contract shall be effective for consecutive terms of two (2) years.

3. The Executive Director may resign at any time by giving written notice to the Chairperson of the Board. The resignation shall take effect three (3) months after receipt of same, or so much earlier as the filling of the vacancy can be provided for by the Board.

4. The Executive Director shall cease to hold office at an time the Board so decides, by consensus.

5. Observing the Staff rules referred to in Schedule 2, the function of the Executive Director shall be considered terminated for any one of the following reasons:

(a) death

(b) incapacitating circumstances of a physical nature and/or moral nature, that constitute an impediment for fulfilling this function;

(c) dismissal by the Board; and

(d) resignation.

6. The stipulations of paragraph 1 to 5, shall equally apply to the Deputy Executive Director(s).

7. Vacancies occurring in the office of the Executive Director or Deputy Executive Director may be filled by action of the Executive Committee, until the next meeting of the Board, and until a successor is appointed, endorsed and approved, as referred to in sub-item 1 of this Item.

8. The Executive Director and his Staff members shall have all the powers and duties, provided for in these Statutes, subject to the control of the Board, and dictated by prevailing agreements with other entities.

9. The Executive Director appoints all Staff members except those to be appointed in those Senior Staff positions reserved for appointment by the Board. The policy and conditions for the recruitment and appointment of Staff are laid down in Schedule 2 and in the agreements concluded with the individual staff members.

ITEM 9 COMPENSATION

(ref. Article 5:1, paragraph 9 and Article 5:2, paragraph 9)

No Minister, Director on the Board or Director on the Executive Committee or their alternates shall receive, for acting in such capacity, any compensation, payments to cover loss of earnings, or other emoluments from the Agency, not shall any such person receive fees or honoraria for attending meetings. The Board shall, after approval of its proposals by the Council, establish the rules for reimbursement of Directors or alternates, who incur travel and subsistence expenses in the attendance of meetings.

ITEM 10 FINANCIAL ARRANGEMENTS (ref. Article 3, paragraph 1(b) and Article 10)

1. The financial arrangements with regard to:

- (a) the acquisition of funds;
- (b) the disbursement of funds;
- (c) the accounting systems and procedures that apply; and
- (d) auditing

shall be determined in separate Agreements with the funding agencies.

2. The Financing Agreement shall specify the prevailing arrangements as referenced to in sub-item 10:1.

ITEM 11 FINAL PROVISIONS

- 1. The prevailing Financing Agreement is attached to this Schedule as Annex B.
- 2. Annex A and B shall form an integral part of these Statutes.

SCHEDULE 3 TRANSITION FROM CARICOM (CEDP) TO CARIBBEAN EXPORT

1. Until such time as the Executive Director is appointed and in function, the Chairperson of the Board, elected on October 23, 1995 within the framework of the Financing Agreement shall be legally entrusted with the general and specific tasks to:

(a) supervise, monitor and manage the legal establishment of the "Caribbean Export Development Agency", as provided for in the Financial Agreement between the European Commission and the CARIFORUM States, annexed to Schedule 1 as Annex B;

(b) initiate the process to have the Executive Director's appointment approved by the Board and the European Commission and endorsed by the Council at its meeting of November 1995;

(c) sign the "Agreement for employment" with Staff members who have been recruited and appointed to serve at the Headquarters and/or the Sub-regional Office;

(d) sign the "Protocol of Transition and Future Cooperation", which embodies the transfer of the Work Programmes, the managerial and the administrative functions from "CARICOM Export Development Project" to the "Caribbean Export Development Agency", within the framework of the Lome III and Lome IV Agreements with the European Commission on the one hand, detailing the future cooperation between CARICOM and the Agency on the other hand;

(e) sign the "Agreement for the transfer of assets and liabilities", which embodies the legal transfer of ownership and liabilities from CARICOM (CEDP) to the "Caribbean Export Development Agency"; and

(f) sign the Protocols with the Governments of Barbados and the Dominican Republic, respectively, as referred to in Article 6, paragraph 3 and 4.

2. Matters regarding acknowledgement and continuation of the privileges and immunities, acquired on the basis of privileges and immunities of CARICOM, shall be subject of special arrangements as part of the Headquarters Agreement, concluded with the Government of Barbados.

Article 5 and Article 5:4

SCHEDULE 2

APPOINTMENT OF STAFF: CLASSIFICATIONS, TERMS AND CONDITIONS

ITEM 1

STAFF STRUCTURE

1. The Agency shall initially have its Headquarters in Barbados and a Sub-regional Office in the Dominican Republic. Protocols, established with the respective host Governments, provide for the public administrative conditions regarding the employment of resident Staff members, who are nationals or foreigners.

2. The organs of the Agency may be categorised as policy making and executive, respectively. The individuals who function at the policy making level shall not be part of the Staff, while those who function at the executive and implementation level shall constitute the Staff of the Agency. The Agency shall conclude agreements of employment with these individuals.

3. With the exception of the senior Staff positions reserved for appointment by the Board, as referred to in Schedule 1, Item 8:8, the Executive Director shall appoint all Staff members.

4. Three (3) levels of Staff may be identified, each with their classification and grading of positions:

Level 1: Executive Director and Management P1 - P5

Level 2: Senior Staff S1 - S5

Level 3: Supporting Staff A1 - A5

The grades within each classification may be extended.

ITEM 2

TERMS AND CONDITIONS FOR RECRUITMENT AND APPOINTMENT OF STAFF MEMBERS

1. The recruitment and appointment of Staff members shall be based on Work Programmes, the Annual Budgets and Staff Rules, as designed and drafted by the Executive Director and recommended by the Executive Committee and approved by the Board.

2. The Work Programme shall outline the structure of the Organisation, including, inter alia:

(a) organisation and functional charts;

(b) statements of objectives, functions and responsibilities for each level, component and unit;

(c) a job classification plan; and

(d) written job descriptions.

3. The Work Programme shall clearly define the main objectives and the required functions and activities in time schedules.

4. Based on the Work Programme and the Annual Budget, the Human Resource planning shall include, inter alia:

(a) a programme, comprising selection, training, promotion and career planning;

- (b) relevant qualifications;
- (c) a salary structure, including emoluments and other compensations;
- (d) establishment of performance standards and criteria to measure performance; and
- (e) a programme to periodically appraise Staff performance in conformity with the established standards and criteria.

5. The Staff Rules shall be designed and structured to serve the objectives of the Agency. These regulations shall include the rights and obligations of the Staff members and establish rules of conduct and protocol. The agreements with the Staff members shall include the document entitled "Staff Rules", prepared by the Executive Director and approved by the Board on recommendation of the Executive Committee.

6. The policies for recruitment and appointment of Staff shall include, but are not limited to, the following:

- (a) a specific description of the vacant position(s);
- (b) a specification of the general and specific skills required;
- (c) notification of vacancies in all Member States, employing adequate channels of communication;
- (d) geographical distribution of Staff positions, with full acknowledgement of sub-item 2:7 (b).

ITEM 3 PRIVILEGES AND IMMUNITIES

1. The Executive Director shall, from time to time, provide all Member States with:

- (a) a detailed list of Staff members of the Agency who are holders of a "laissez passer", issued by the proper authorities.
- (b) a detailed list of the Consultants contracted by the Agency, within the framework of the execution of the programme.

2. The Staff members, holding positions under the levels 1 and 2, shall enjoy the privileges and immunities, described in Article 9 of the Agreement and in Schedule 4 in general, and those mentioned in Schedule 4, item 4:1 and item 4:2 in particular.

3. The Staff members, holding positions under level 3, shall enjoy the privileges and immunities granted by the governments that host the Headquarters and the Sub-regional Offices of the Agency.

Article 9

SCHEDULE 4

PERSONAL PRIVILEGES AND IMMUNITIES

1. Subject to article 9, paragraph 8, Staff members of the Agency of the specified classes shall enjoy:

(a) immunity from legal process in respect of words, spoken or written, and all acts done by them in the course of the performance of official duties, even after the person concerned has ceased to be a Staff member of the Agency. However, this immunity shall only extend to official acts and oral or written expressions performed during the tenure of office.

(b) exemption from any form of taxation or any other fiscal charge on salaries and emoluments received as Staff members of the Agency.

(c) immunity from national service obligations.

(d) exemption for themselves, members of their families and dependents forming part of their household from immigration restrictions and alien registrations.

(e) the same facilities in respect of currency and exchange restrictions as are accorded to members of diplomatic missions of comparable rank; and

(f) the same repatriation facilities in time of international crisis for themselves, their families and dependents forming part of their household accorded to members of diplomatic missions of comparable rank.

2. Observing the Protocols that embody the Headquarters Agreement and the Sub-regional Office Agreement, respectively, Staff members of the Agency shall also enjoy the following privileges and immunities in addition to those listed in Item 1 of this Schedule.

(a) the right to export from a Member State free of duty and taxes or other fiscal charges with a similar effect their personal and household effects and one motor vehicle at the time of first taking up post as a Staff member of the Agency;

(b) the right to import into the Member State where the Headquarters or Sub-regional Office is located, free of duty and taxes or other fiscal charges with a similar effect, their personal and household effects and one motor vehicle at the time of first taking up post as a Staff member of the Agency;

(c) the right to import free of duty and taxes or other fiscal charges with a similar effect into the country of residence or to the country of which he is a national his personal and household effects including one motor vehicle on the termination of his duties in the Member State where the Headquarters or Sub-regional Office is located;

(d) the right to replace the motor or vehicle and the household effects, under the same conditions as stipulated in sub-item 2 (b) of this Schedule; and

(e) the right to sell to third parties the replaced personal and household effects and the motor vehicles.

3. In addition to the privileges and immunities specified in Items 1 and 2 of this Schedule, the Executive Director and the Deputy Executive Director who heads a Sub-regional Office shall be accorded in respect of self, the spouse and children, the privileges and immunities normally accorded to Heads of diplomatic missions in accordance with international law.

4. A consultant employed on missions on behalf of the Agency, while present in the territory of a Member State party to this Agreement shall in the discharge of his duties, enjoy:

(a) immunity from personal arrest and detention in respect of official acts and from seizure of their personal baggage, and the same inviolability for all papers and documents relating to work in which they are engaged for the Agency;

(b) the same facilities in respect of currency and exchange regulations as are accorded to representatives of foreign Governments on temporary official missions; and

(c) he shall enjoy in respect of words, spoken or written, and all acts done by them in the course of the performance of official duties the same immunity from legal process of every kind as is accorded to a diplomatic agent in accordance with international law, even after the person has ceased to be a Staff member of the Agency. However, this immunity shall only extend to official acts and expressions performed during the tenure of office.

5. A national of a Member State, while representing the Agency in the territory of that or another Member State shall in the discharge of his duties enjoy:

(a) the same immunity from seizure of his personal and official baggage, and the same inviolability for all papers and documents as is accorded to a diplomatic agent in accordance with international law;

(b) the right to use codes and to receive and send papers or correspondence by courier or in sealed bags;

(c) exemption in respect of himself and members of his family forming part of his household from immigration restriction, alien registration and national service obligations; and

(d) the same facilities in respect of currency or exchange restrictions and in respect of his official and personal baggage as are accorded to a representative of a foreign Government on a temporary official mission.

6. Any such representative shall also enjoy, in respect of words spoken or written and all acts done by them in the course of the performance of official duties, the same immunity from legal process of every kind as is accorded to a diplomatic agent in accordance with international law, even after the person has ceased to be a Staff member of the Agency.

However, this immunity shall only extend to official acts and expressions performed during the tenure of office.

7. Schedule 2 shall classify the Staff members to whom Item 2 of this Schedule applies.

8. The Executive Director shall regularly notify the Governments of the Member States of the names and relevant personal data of the Staff members who enjoy the privileges, immunities and exemptions referred to in Items 1, 2 and 10 of this Schedule.

9. In the event of a change in the marital status of a Staff member during the tenure of office at the Headquarters or at a Sub-regional Office, the Agency shall ensure that immunities, privileges and exemptions derived from the marriage shall not be enjoyed simultaneously by both the former and the current spouse.

10. The Executive Director may, subject to any conditions which may be laid down by the Council from time to time, issue "laissez-passer" to Staff members of the Agency. The "laissez-passer" shall be recognised and accepted as valid and sufficient travel documents by the Member States.

11. (a) Upon the presentation of the "laissez-passer" by a Staff member of the Agency, travelling on official business of the Agency, the Staff member shall only be subject to customs and immigration formalities as are required for diplomatic personnel of a comparable rank.

(b) Notwithstanding sub-item 11 (a) of this Schedule, the baggage of a Staff member is not exempt from inspection, in accordance with international law, when there are reasonable grounds for presuming that it contains articles, the export or import of which is prohibited by law or controlled by quarantine regulations.

(c) An inspection under sub-item 11 (b) of this Schedule shall be conducted only in the presence of the Staff member concerned.

12. Application for visas from experts and other persons who, though not holders of the Agency's "laissez-passer", present a certificate under the hand of the Executive Director certifying that they are travelling on business of the Agency shall be dealt with as speedily as possible.

13. Staff members of the Agency travelling on Agency's "laissez-passer" on business of the Agency shall be granted the same facilities as are accorded to officials of comparable rank forming part of the diplomatic missions to the Government concerned.

Annex 2 CAIPA's Strategic Plan 2014 - 2018 (Extract)

This Plan represents the first attempt by the Caribbean Association of Investment Promotion Agencies to develop a comprehensive strategic plan to guide its programme. The Plan has a time horizon of five years starting in January 2014.

The Plan is built on three key premises:

- a. A results-based management approach for CAIPA
- b. The creation of regional public goods for investment promotion agencies and in particular goods and services that can be more advantageously produced at the regional level rather than at the national level
- c. Strong stakeholder participation

The Plan starts from an understanding of the global environment for investment generation and puts the Caribbean region in context. It understands the resource constraints that hinder the effectiveness of national Caribbean IPAs in promoting their countries. In this context, the Plan recognises that CAIPA has a value proposition for economies of scale with respect to:

- a. Capacity Development
- b. Caribbean Investment Brand Development and Promotion
- c. Research and Information
- d. Policy Improvement Research and Advocacy

The Plan therefore frames the CAIPA work programme as adding value to its members in these four areas. In addition to these four, the Plan includes a fifth strategic objective: sustainability, which goes to the very existence of CAIPA.

In keeping the results-based management approach, the Plan identified specific results for each of these strategic objectives (see table, next page)

Attention is paid to the sustainability of CAIPA and the Plan takes into consideration the risks to the institution and its programme.

Strategic Objective	Results
1. Capacity Building	1. Improved investment generation and monitoring systems across members 2. Increased number of trained investment promotion professionals 3. Increased accessing by IPAs of needs-driven capacity building programmes 4. Increased implementation of investment promotion best practices
2. Caribbean Brand Development and Promotion	1. Increased awareness of the Caribbean as a preferred location for investment 2. Increased awareness of investment opportunities in the Caribbean 3. Increased foreign direct investment (triple bottom line) 4. Increased return on investment in investment generation activities 5. Increased intra-regional investment 6. Increased investment from Caribbean Diaspora
3. Research and Information	1. Dedicated research capacity 2. Specific market intelligence and indicators 3. Developed portal for data and information sharing 4. Increased information sharing 5. More and better knowledge-based decision making 6. Strategic information targeted industries/sectors 7. Strategic information on competitor locations 8. Ready access to due diligence on prospective investors 9. Increased understanding of good operating practices in generating investment 10. Enhanced monitoring and evaluation methods
4. Advocacy	1. Improvement in the legal and regulatory framework for investment 2. Improvement in investor perception and the doing business ranking 3. Investment-friendly climate 4. A code of practice for FDI promotion
5. Sustainability	1. Increased awareness of CAIPA contribution to regional investment promotion 2. Increased use of CAIPA products and services 3. More effective and efficient operations 4. Optimal institutional arrangements 5. Increased human resources 6. Increased financial resources 7. Diversified revenue sources 8. Robust institutional systems, policies, and procedures

Annex 3 *Introducing Caribbean Export's HELIX Model*

Overview

Caribbean Export's main thrust is to assist CARIFORUM in producing regional winners - Brands capable of competing on a world stage. To achieve this, the Agency needed a system, which makes it easy to identify potential winners and work with them in a structured way to achieve winning results. This meant fashioning a system which dissected the DNA of globally successful brands and taking those components for success and moulding them into a scalable process for engaging with companies and delivering on interventions in a more focused way.

After dissecting globally successful brands such as Apple Computers, DHL, Nike, Coke Cola and others and the companies which manage them, it was revealed that winning companies have effective processes for winning in four key areas which we refer to as the **four bases** of the HELIX. These bases are:

- **Product:** A clearly articulated and well developed solution for an identified consumer.
- **Management:** A well developed and well versed collection of individuals and processes, which are fine tuned for building on opportunities.
- **Marketing:** A clear message and understanding of the solutions offered by the company and the most effective way of gaining strong consumer interest and dedicated support.
- **Finance:** A strong focus on revenue management and how to retain and grow it.

Further exploration revealed that each of these four bases was supported by four main sub-areas or what we refer to as the **base support**. These base support areas are:

Product Base Support

- **Demand:** High consumer interest in the product or solution with increasing opportunities in the market for further interest.
- **Innovation and Research and Development (R&D):** The clear presence of new creative approaches to problem solving which are inherent in the product and the level of on-going research to further develop any product coming out of the company.
- **Production Capacity:** The ability of the company to handle growth and increased levels of demand.
- **Certification and Quality:** The level of certification achieved and the commitment to quality assurance and improving existing levels of quality.

Management Base Support:

- **Passion:** Demonstrative interest, excitement and commitment in the company and what it produces. This is in part illustrated by level of personal investment and risk assumed by the owners or undertaken by management.
- **Structure:** The components of a management structure designed for innovation and growth.
- **Industry Diversity:** A diverse range of management expertise in the industry the company is functioning in and organized to fuel core and alternative growth areas.
- **Experience:** Wide business management experience and critical understanding in developing and implementing winning processes for the company's success.

Marketing Base Support

- **Brand Strength:** Existing product appeal beyond price or the presence of essential ingredients necessary to develop demand and strong customer connection and value beyond a commodity.
- **Marketing Penetration:** A deep level of distribution and access to existing and potential customers.
- **Customer Experience:** A system to ensure a unique or valued customer engagement with the product or solution.
- **Reach:** A diverse customer base covering multiple demographics?

Finance Base Support

- **Revenue Source / Levels:** The presence of a sustainable source of revenue where levels of debt are appropriately offset by income levels
- **Access to Funding:** The presence of realistic access to funding where and when necessary
- **Accountability:** Well managed and clearly documented financial systems where all income and expenditures are recorded
- **Revenue Retention:** An effective revenue management systems and procedures developed for high levels income retention as profits

All four bases and their respective base support areas are all tied together in the DNA of winning companies by what we refer to in the HELIX model as the two **strands**:

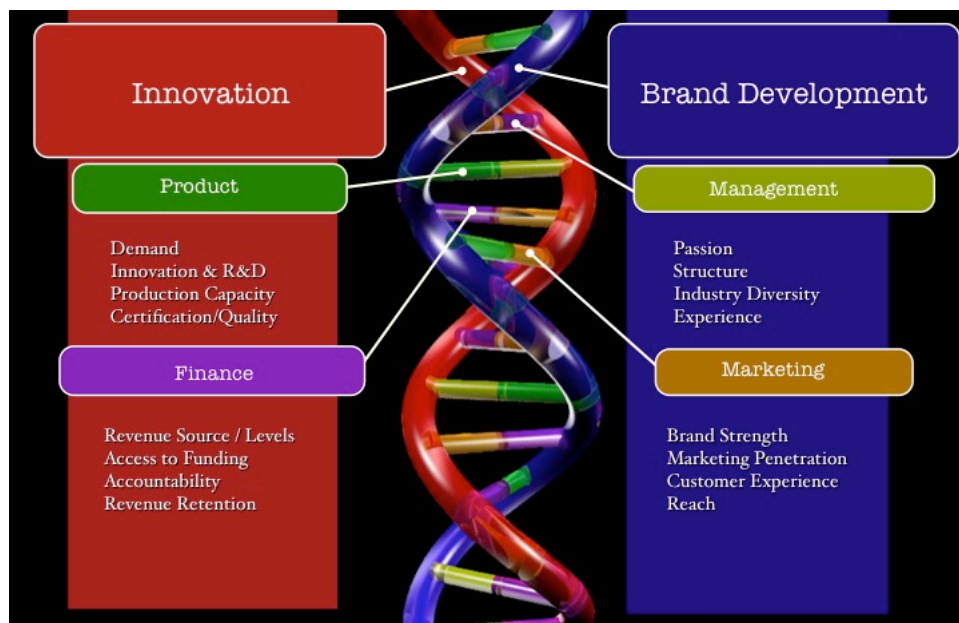
Strand 1: Innovation

Innovation requires a very high level of creative thinking and problem solving applied across the four bases to all aspects of the company, its products and its solutions.

Strand 2: Brand Development

With brand development, an unmistakable connection is created between the company and its customers with clear and evocative messaging designed to build on every piece of hard work put into developing the product and the experience.

Understanding the various critical factors of winning brands has allowed Caribbean Export to develop its HELIX model, a versatile framework to help our client firms identify their winning DNA and to work with us to realize its full potential.



Using the HELIX model

The HELIX model provides the user with a set of tools and a system to easily identify deficiencies in companies and the missing chains within their DNA necessary for achieving success. To do this, the Agency is in the process of developing a Helix Enterprise Diagnostic Tool founded on the tenets of the four bases. Work on this Tool is expected to start in August of the 2014 and when completed will allow users to apply a grading system to the four bases and their respective sub-areas, thereby accurately identifying a company with the DNA to be a winner and also diagnosing the problem areas for various types of support and interventions.

In this way the HELIX model then becomes a **business development system** once a diagnostic is completed using the Enterprise Diagnostic Tool.

Applying key questions to each of the four bases and their sub-areas will also facilitate the design of appropriate interventions:

Product: Understanding what about the company's product needs further development to push it into a competitive position to begin performing like a winner.

Demand

- What needs to be done to identify where the missing opportunities are?
- What additional work can be done to generate increased demand among existing and targeted markets?

Innovation & R&D

- What further work can be done to add something new and distinct to the product to make it uniquely different or improves it over competing products?
- What additional research should be done to consider alternative product usages, combined uses and what development would that require?

Production Capacity

- What would the company need to quickly ramp up product should the need arise?
- What systems could be put in place now to begin working towards increased production capacity?

Certification and Quality

- What requirements does the company need to meet now to make it more competitive and eligible to export?
- What are targeted retailers asking for as compliance to gain entry into their stores that the company should begin meeting?
- What are the missing systems within the company, which need to be put in place to ensure consistent quality?

Management: Recognizing the missing links in management that the company needs to fill to move it into a winning position.

Passion

- Does the owner or management have sufficient passion and commitment to drive the company where it needs to go?

- Can the company be infused with renewed energy and passion from new blood and management support?

Structure

- What about the company's current structure that needs to be addressed to create better results?
- What additional elements can be included in the company structure that could lead to increased performance?

Industry Diversity

- What is the company missing in terms of diverse experience which, if put in place, could help develop stronger products and better performance?
- What other industries could be of beneficial interest to the success of the company and how can they be integrated into the focus of management?

Experience

- What key business skills are lacking in the company and need to be filled?
- What systems or procedures can be put in place now to help accommodate for the shortfall in management experience?

Marketing: Clearly developing a marketing strategy, which exposes the inherent strengths of the company and articulates the true value to consumers.

Brand Strength

- What elements, facts or realities about the company, the product or management, which can be better harnessed to build a stronger connection with consumers?
- How are competing products in the same or similar category being perceived and how can the company's product be made better and different?
- What opportunities could the company tap into in adjacent sectors that would lead to better brand recognition and improved brand strength?

Marketing Penetration

- What can the company do now to widen its penetration into various markets?
- What is the company or product missing, if put in place would help improve distribution and market penetration?

Customer Experience

- What about the company or the product could contribute to a unique customer experience?
- What needs to be done now to improve the customer experience when buying or using the product?

Reach

- Does the existing product have the right combination of ingredients to become appealing to a wide variety of customers or is it a niche market?
- Does the product need to be diversified to reach wider audiences or can it be sustainable in one key sector or demographic?
- What if needed would create wider reach and adoption of the product and what does the company need to do now to achieve it?

Finance: Developing a solid financial footing and being able to execute effective revenue management leading to achieving a winning status

Revenue Source / Levels

- What does the company need to improve its revenue levels from the sources available to it?
- What can the company do now to begin boosting revenue levels and improving source performance?

Access to Funding

- What about the company now that would make it unattractive to funders?
- What could the company do now to set it on a path to attracting the right kind of funding?
- What other areas exist for funding that the company can begin to explore and tap into?

Accountability

- What is missing now from within the company that is hurting accountability?
- What systems does the company need to put in place to improve financial accountability?

Revenue Retention

- Where is the company losing money?
- What areas can the company better improve to retain revenue?
- What systems can the company put in place to better track and manage revenue sources and expenditure?

The Helix is a long-term engagement model, which allows for the Agency to work with the various enterprises across all the targeted sectors over a sustained period of time. Taking them through the various stages of diagnosing and addressing needs identified until they are able to stand on their own and truly competitive.

Annex 4 *Concept Note and TOR to Develop CE Inc.*

1. Background on Caribbean Export

Caribbean Export Development Agency (Caribbean Export) is the only regional export development agency in the African, Caribbean and Pacific¹ (ACP) group. The Agency was established in 1996 by an Inter-Governmental Agreement as the trade promotion agency of the 15 member states of CARIFORUM².

Caribbean Export has evolved over the past twenty-five (25) years from an Implementing Management Unit of the CARICOM Regional Trade Development Programme (CRTDP) as established in 1988, to the CARICOM Export Development Project (CEDP), which in 1996 became the Caribbean Export Development Agency.

Caribbean Export is governed by a Board of Directors appointed by the member states from the public and private sectors. The Board is accountable to the CARIFORUM Council of Ministers. Caribbean Export's head office is located in Barbados with a sub-regional office in the Dominican Republic. Funding for Caribbean Export is obtained through annual contributions from member states, donor funds and revenue generated from the Agency's services.

2. Environmental Context

Caribbean Export in carrying out its mandate recognises that it operates within a challenging regional and global environment that has the potential to impact on its ability to effectively carry out its role. Sluggish or negative regional economic growth, the rising prices of food and fuel, diminishing income from key economic sectors, the growth in unemployment rates and the reduction of foreign investment and development aid are part of the environmental realities that Caribbean Export faces.

Caribbean governments are also experiencing rising domestic constraints. As a result, it is becoming increasingly difficult for them to play an enabling role in supporting and propelling small and medium sized enterprises into the global market place. Recent statistics from the Inter-American Development Bank (IDB) indicate that trade between Latin American and Caribbean countries remains low at 19% of overall trade³. This is in part a result of the inability of Caribbean firms to be competitive on the global stage. Many Caribbean businesses lack the modern management and business processes that promote efficiency, product quality, and cost competitiveness. The need for Caribbean Export's existence to strengthen the private sector is therefore acute.

International governments including those which have traditionally been major donors to the region are also experiencing constraints on their end. The economic recession facing Europe raises the question of the ability of European member states to maintain their contribution levels to the European Development Fund. It must also be noted that even though the United Nations had required that European countries set aside 0.7% of its Gross National Income (GNI) for development by 2015, in 2007, 17 member states had not kept their commitment and 11 had even decreased this amount.⁴ Europe has stated its intention to direct its future

¹ See further Pacific Islands Trade and Investment Commission NZ <http://www.pitic.org.nz/About+Us.html>

² Antigua & Barbuda, The Bahamas, Barbados, Belize, Commonwealth of Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Lucia, St. Kitts & Nevis, St. Vincent & the Grenadines, Suriname, Trinidad & Tobago

³ <http://www.iadb.org/en/news/news-releases/2012-12-27/latin-american-and-the-caribbean-economies-2012,10290.html>

⁴ http://ec.europa.eu/europeaid/infopoint/publications/europeaid/documents/europeaid_factsheets_en.pdf

support to the region to the least developed countries and to a limited number of priority areas. The EU believes that aid should gradually be decreased to high income and upper middle income countries such as those in the Caribbean. Apart from Haiti, it is uncertain to what degree the rest of the region will be in a receiving position as it relates to European development aid.⁵

The current environment as outlined above warrants a discussion on the sustainability of organizations like Caribbean Export which receives in large measure, funding from the European Union. This is especially important in light of the needs of the region's private sector. In order to continue enhancing the competitiveness of the private sector and promoting trade and export development, Caribbean Export must seek ways of diversifying its funding base to ensure sustainable operations. Therefore, as a solution to responding to its external environment, Caribbean Export proposes the establishment of Caribbean Export Inc. (CE Inc.); a company that generates revenue for the implementation of the Agency's programmes.

3. Project Description

Caribbean Export wishes to establish a separate legal entity with the main focus to identify and generate consistent streams of revenues. The primary reason behind the establishment of this entity, called CE Inc., is to diminish the extent to which any major changes in aid flows to the region affect the growth and development of the private sector and its investment potential.

Additionally, by establishing a company that generates revenue for programme implementation, Caribbean Export will have greater autonomy in determining the priority areas it should focus on and by extension have greater control over its expenditure. It is anticipated that this should result in the development of programmes that are more closely aligned to and reflective of the needs of the private sector.

Objectives

The objectives of CE Inc are as follows:

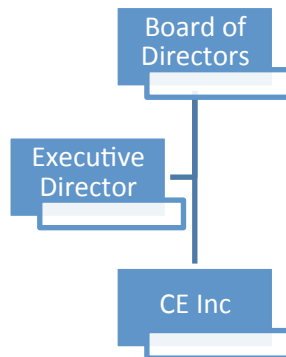
- 1: To increase Caribbean Export's revenues beyond member states' contribution and funding received through the European Development Fund;
- 2: To position Caribbean Export as a sustainable organization to ensure that it can continue to deliver private sector assistance to CARIFORUM member states;
- 3: To give Caribbean Export greater autonomy in conceptualizing its work programme to better meet the needs of the region.

Proposed Organisational Structure

CE Inc will be governed by a Board of Directors made up primarily of private sector representatives but also with key regional and international stakeholder representatives. It is also anticipated that the Executive Director will act as CEO for CE Inc. and that CE Inc will be a business unit within Caribbean Export's existing structure with direct reporting to the Executive Director.

⁵ <http://www.dominicantoday.com/dr/opinion/2012/9/28/45251/Development-assistance-and-the-Caribbean>

See possible chart below:



Possible Revenue Streams

Possible revenue sources for CE Inc. could include, but are not limited to:

- a. **Branded Platforms:** Caribbean Export has a core competency in organizing trade shows and exhibitions from which the private sector has benefitted. To date, CARIFORUM companies which have participated in these initiatives have either been subsidized or been invited to participate free of cost. As brands such as Design Caribbean, Caribbean Kitchen and Soul Fusion grow Caribbean Export can charge firms to participate in these branded platforms.
- b. **E-Commerce:** There are a number of Caribbean companies, which may not have a web presence through which they can sell their products and/or services. Caribbean Export is in a unique position to be a major player in offering an e-commerce platform through which consumers or commercial buyers can access regional products in one location.
- c. **Training:** Caribbean Export has a number of qualified staff members with the knowledge and ability to deliver training workshops to the private sector, BSOs and international organizations based on their expertise. Revenues from training can also be generated by charging a licence fee on Caribbean Export owned material (e.g. ProNET) to certified trainers.
- d. **Research:** Market assessments in the region and internationally can be conducted on behalf of firms and government agencies that are interested in exporting or helping their SMEs to export and are searching for the best markets to enter.
- e. **Advertising:** As Caribbean Export develops annual publications that have a regional reach there are opportunities for selling advertising space to companies or institutions whose constituents and customers are regional. This is dependent on ensuring that distribution and the readership base are extensive. A similar approach can be taken to selling advertising space on Caribbean Export's website.
- f. **Brokerage:** Caribbean Export has been described as an institution that can play the role of an 'honest broker' in that it has market connections in various countries and can facilitate trade between firms in two different parts of the world looking to do business with each other. Because of its track record in assisting firms to export, Caribbean Export has already built some brand recognition in this area.
- g. **Market Intelligence Portal:** Caribbean Export's market intelligence portal which forms part of the overall market intelligence system will be an online solution that is designed to provide critical market intelligence to regional BSO's and SME's across the region. Initially the portal will be accessible to users for free. However it is envisaged that Caribbean Export will charge external users for the generation of "Ad Hoc" reports i.e. in-depth reports that explore market information and trends that focus on a single product or sector on the request of a BSO or SME.

Expected Outcomes

- Caribbean Export's revenues increased resulting in greater organisational sustainability;
- Caribbean Export is able to offer support that is more relevant to the needs of the private sector because of an increased autonomy in conceptualizing its work programme.

4. Target Audience

Target audiences will be a function of the different services to be provided. However we anticipate that our primary target audience will be the private sector with secondary target audiences such as Business Support Organizations (BSOs), Trade Promotion Organisations (TPOs) government agencies and regional and international organizations

5. Risks and Assumptions

Risks

- Caribbean Export has traditionally provided private sector assistance free of cost to firms and BSOs. CE Inc. therefore, runs the risk of its target audiences being resistant to pay for services that were previously free;
- Caribbean Export's model does not focus on revenue generation as part of its core mandate. It will therefore require a cultural and organisational shift to get into this mind-set;
- Human resources with the requisite experience needed to manage the daily operations of CE Inc may not exist within Caribbean Export

Assumption

- The private sector will continue to need assistance in building its capacity to export

TERMS OF REFERENCE

Development of a Business Plan for a Not-for-Profit arm Caribbean Export Development Agency

1. BACKGROUND INFORMATION

1.1. Beneficiary countries

CARIFORUM Region: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago

1.2. Contracting Authority

Caribbean Export Development Agency

1.3. Relevant background

Caribbean Export Development Agency (Caribbean Export) is a regional export development and trade and investment promotion organisation of the Forum of Caribbean States (CARIFORUM). The Agency was established in 1996 by an Inter-Governmental Agreement as the trade promotion agency of the 15 member states of CARIFORUM⁶.

Caribbean Export has evolved over the past twenty-five (25) years from an Implementing Management Unit of the CARICOM Regional Trade Development Programme (CRTDP) as established in 1988, to the CARICOM Export Development Project (CEDP), which in 1996 became the Caribbean Export Development Agency. The head office is located in Barbados with a Sub-Regional Office (SRO) based in the Dominican Republic.

The Agency is governed by a Board of Directors appointed by the member states from the public and private sectors. The Board is accountable to the CARIFORUM Council of Ministers. Funding for Caribbean Export comes mainly through annual contributions from Member States and donor funding from our development partners.

Caribbean Export is presently implementing the Regional Private Sector Development Programme (RPSDP) with funding assistance from the 10th European Development Fund (EDF). The RPSDP has four specific objectives: a) Enhancing Competitiveness and Promoting Innovation among CARIFORUM's Private Sector; b) Promoting Trade and Export Development among CARIFORUM States; c) Promoting stronger trade and investment relations among CARIFORUM and French Caribbean Outermost Regions (FCORs) as well as European Union (EU) Overseas Countries and Territories (OCTs) in the Caribbean; and d) Promoting stronger trade and investment cooperation between CARICOM and the Dominican Republic (DR). There is also a complementary objective of strengthening the institutional capacity of Caribbean Export to implement trade and investment promotion programmes in the region through its export development programming and through support to the Caribbean Association of Investment Promotion Agencies (CAIPA).

⁶ Antigua & Barbuda, The Bahamas, Barbados, Belize, Commonwealth of Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Lucia, St. Kitts & Nevis, St. Vincent & the Grenadines, Suriname, Trinidad & Tobago

The overall objective of the Regional Private Sector Development Programme is to contribute to the gradual integration of CARIFORUM countries (Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago). One of the specific objectives mentioned above speaks to “strengthening the institutional capacity of Caribbean Export to implement trade and investment promotion programmes in the region”. An important focus of this objective is the development and implementation of a sustainable not-for-profit arm for Caribbean Export that would see the Agency reducing its dependency on external funding. This project seeks to acquire the services of an expert to guide the development of such a Business Plan.

1.4. Specific Background

Caribbean Export in carrying out its mandate recognises that it operates within a challenging regional and global environment that has the potential to impact on its ability to effectively carry out its role. Sluggish or negative regional economic growth, the rising prices of food and fuel, diminishing income from key economic sectors, the growth in unemployment rates and the reduction of foreign investment and development aid are part of the environmental realities that Caribbean Export faces.

Caribbean governments are also experiencing rising domestic constraints. As a result, it is becoming increasingly difficult for them to play an enabling role in supporting and propelling small and medium sized enterprises into the global market place. Recent statistics from the Inter-American Development Bank (IDB) indicate that trade among Latin American and Caribbean countries remains low at 19% of overall trade⁷. This is in part a result of the inability of Caribbean firms to be competitive on the global stage. Many Caribbean businesses lack the modern management and business processes that promote efficiency, product quality, innovation and cost competitiveness. The need for Caribbean Export’s existence to strengthen the private sector is therefore acute.

International governments, including those which have traditionally been major donors to the region, are also experiencing constraints. The economic recession facing Europe raises the question of the ability of European Member States to maintain their contribution levels to the European Development Fund (EDF). It must also be noted that even though the United Nations had required that European countries set aside 0.7% of its Gross National Income (GNI) for development by 2015, in 2007, 17 Member States had not kept their commitment and 11 had even decreased this amount.⁸ Europe has stated its intention to direct its future support to the region to the Least Developed Countries (LDCs) and to a limited number of priority areas. The EU believes that aid should gradually be decreased to high income and upper middle income countries such as those in the Caribbean. Apart from Haiti, it is uncertain to what degree the rest of the region will be in a receiving position as it relates to European development aid.⁹

⁷ <http://www.iadb.org/en/news/news-releases/2012-12-27/latin-american-and-the-caribbean-economies-2012,10290.html>

⁸ http://ec.europa.eu/europeaid/infopoint/publications/europeaid/documents/europeaid_factsheets_en.pdf

⁹ <http://www.dominicantoday.com/dr/opinion/2012/9/28/45251/Development-assistance-and-the-Caribbean>

The current environment as outlined above warrants a discussion on the sustainability of organizations like Caribbean Export which receives, in large measure, funding from the European Union and other Donor Organisations. This is especially important in light of the needs of the region's private sector. In order to continue enhancing the competitiveness of the private sector and promoting trade and export development, Caribbean Export must seek ways of diversifying its funding base to ensure sustainable operations.

The Agreement establishing Caribbean Export does provide for the development of specific services for the purposes of commercialization. Therefore, in response to its external environment, Caribbean Export proposes the establishment of Caribbean Export Inc. (CE Inc.); a not-for-profit arm of the Agency that generates revenue from the design and delivery of a suite of services targeted to the Region's private sector.

CE Inc. would be a separate legal entity with the main focus to identify and generate sustainable revenue streams to aid the Agency with its developmental agenda. The primary reason behind the establishment of this entity, called CE Inc., is to diminish the extent to which any major changes in aid flows to the region affect the growth and development of the private sector and its investment potential.

Additionally, by establishing a company that has the capability to generate revenue, Caribbean Export will have greater autonomy in determining the priority areas it should focus on and by extension have greater control over its expenditure. It is anticipated that this should result in the development of programmes that are more closely aligned to and reflective of the needs of the private sector.

1.5. Related programmes and other donor activities:

None

2. OBJECTIVE, PURPOSE & EXPECTED RESULTS

2.1. Overall objective

The overall objective is the strengthening of the institutional capacity of Caribbean Export to implement export development, trade and investment promotion programmes in the region. This forms part of the Regional Private Sector Development Programme (RPSDP).

2.2. Purpose

The specific purpose of this contract will have two (2) phases, as follows:

1. Given the uniqueness of Caribbean Export development Agency, the Consultant will first be asked to guide the Management and Board on options for models that would best suit CE Inc.
2. Based on the model agreed on from above, the Consultant will then be expected to develop of a Business Plan aimed at creating a sustainable, not-for-profit, arm of Caribbean Export (CE Inc.)

2.3. Results to be achieved by the Consultant

The Consultant is expected to deliver, at a minimum, the following results (in no specific order):

- Recommendations on the best model that Caribbean Export should pursue for CE Inc.
- An assessment of the market to identify needs
- An assessment of CE's current suite of services with a view to determining which are financially viable as well as make recommendations about additional services CE could offer.
- An assessment of CE's capacity to deliver the identified services.
- A presentation made to CE's Board of Director on the methodology and approach for the development of the Business Plan. This will be done at a date in September to be confirmed.
- With the approval of the Board on the way forward develop and present for final approval by CE the completed Business Plan.

3. ASSUMPTIONS & RISKS

3.1. Assumptions underlying the project intervention

1. Review of interim work presented by Consultant to CE team is completed in a timely manner to allow for the continued implementation of the project.
2. Proposed services are relevant enough to the Region's Private Sector to warrant them paying a service fee to access them

3.2. Risks

The project carries a number of risks related to the assumptions mentioned above as well as delays in key deliverables that may negatively affect the project timeline.

4. SCOPE OF THE WORK

4.1. General

4.1.1 The project involves the development of a sustainable, not-for-profit business model for Caribbean Export. This will entail, firstly, an assessment of the Agency to determine, the model to pursue given the uniqueness of Caribbean Export. This will then lead to the development of a Business Plan that will drive this part of the Agency's work for the next 3-5 years. It is expected that this Business Plan will, at a minimum, include the following;

1) An Executive Summary:

2) A Market Analysis: The market analysis should provide insights on all aspects of the market such as size, structure, growth prospects, trends and sales potential. The Analysis should help to establish a pricing strategy, distribution and marketing strategies. In addition, the growth potential should be clear enough as to guide estimates for the future.

- 3) **Company Description:** Present a high level look at how all of the different elements of the business fit together. This should include information about the nature of the business as well as the crucial factors that you believe will make the business model a success.
- 4) **Organization and Management:** Proposed organizational structure, ownership structure, descriptions of management team and qualifications. Recommendations of experts for the Board of Directors should also be made.
- 5) **Marketing and Sales Strategies:** Marketing tactics and channels that will yield the greatest ROI.
- 6) **Service and/or Product Line:** Describe the services. Clearly define the benefits and establish the unique selling proposition.
- 7) **Funding Requirements:** Recommend funding needs for start-up. Include best and worst case scenarios.
- 8) **Financials:** Financial projections, including but not limited to cash flows and P&L statements.

The following should be taken into consideration:

- (a) Caribbean Export HQ is based in Barbados but has a Sub-Regional Office (SRO) in the Dominican Republic.
- (b) Some work has been done to identify potential areas of revenue

4.1.2. Geographical area to be covered by the Consultant

Barbados

4.1.3. Target groups

Government agencies, Non-Government organisations, Private Sector, Regional Organisations, Civil Societies, BSOs, Developmental Partners

4.2. Specific activities

4.2.1 In order to realise the objectives and results, the Consultant will, at a minimum, be specifically required to undertake the following tasks:

1. Attend an Inception Meeting with the Caribbean Export team to discuss and agree on matters related to deliverables, methodology, timelines, etc.
2. Meet with selected key stakeholders (including the Board Members) to get feedback and suggestions as well as get buy-in. Some of these stakeholders are located outside of Barbados but it is expected that these meeting will be done via the phone or using video conferencing.
3. Conduct research on existing Institutions/Agencies/Organisations that may be considered as having globally recognized best practices with a view to guiding the development of CE's model. Consultant will be expected to meet and agree on these best practices before proceeding with any research.
4. Desk review of the Agreement establishing Caribbean Export as well as the Agency's latest Strategic Plan

5. Meet with the CE Team with recommendations for the best model to pursue for CE Inc
6. With a decision on the model for CE Inc, conduct an assessment of CE's current suite of services with a view to determining which are financially viable as well as make recommendations about additional services CE could offer.
7. Conduct an assessment of CE's internal capacity to be able to support the delivery of these services.
8. Conduct market research to ascertain the level of demand for these proposed services and to determine a pricing strategy.
9. Complete and present findings from assessment and research phase, along with recommend way forward and broad structure for Business Plan, to the CE team and then to the Board of Directors at a meeting tentatively set for September 2014.
10. Incorporating the Board's feedback from item 7 above, develop and present a final Business Plan to the CE Team for review and approval.

4.3. Project management

4.3.1. Responsible body

The Caribbean Export Development Agency will be responsible for the management and coordination of this project.

4.3.2. Management structure

The Executive Director will retain overall responsibility for the project and will report the performance of the project to the Board of Caribbean Export.

4.3.3. Facilities to be provided by the Contracting Authority and/or other parties

None.

5. LOGISTICS AND TIMING

5.1. Location

Caribbean Export Development Agency
1st Floor Baobab Tower,
Warrens, St Michael
Barbados

5.2. Commencement Date & Period of implementation of tasks

The intended commencement date is **June 16th, 2014** and ending **December 15th, 2014**.

6. REQUIREMENTS

6.1. Personnel

6.1.1. Key expert

All experts who have a crucial role in implementing the contract are referred to as key experts. The profile of the Lead Key Expert for this contract is as follows:

Qualifications, Skills & Experience

1. A MBA or other relevant tertiary level training in a related field
2. Excellent oral and written communications skills.
3. Has experience in:
 - Strategic leadership and project management
 - Market research and analysis
 - Transformation and change management systems and implementation
 - Working at a senior level of a not-for-profit organization(s)
 - Creating a successful track record for a sustainable not-for-profit organization
 - Functioning in a senior and executive leadership and management role and in working with volunteer Boards of Directors

Specific Professional Experience

- Experience directly managing or providing a consultancy service for business or service organizations
- Experience working in the Caribbean region is an asset
- Demonstrated ability to develop and implement a successful sustainability solution for an organization
- Identify and select the best revenue generating activities to support ongoing investments with the organization.

6.1.2. Other experts, support staff & backstopping

If needed, qualifications for additional key experts and support staff should be included in the proposal.

6.2. Office accommodation

It may become necessary to provide office accommodation to the Consultant during the assessment and research phase. This will be discussed and agreed on at the Inception Meeting. However CE is prepared to provide the necessary space to accommodate the consultant.

6.3. Facilities to be provided by the Consultant

If the Consultant sees the need for additional experts, the Consultant is expected to adequately support and equip the expert(s). In particular the Consultant shall ensure that there is sufficient administrative, secretarial and general support for each additional expert to enable the Consultant to concentrate on his/her primary responsibilities. The Consultant must also transfer funds as necessary to support the activities under the contract and to ensure that all experts are paid regularly and in a timely fashion.

6.4. Equipment

Any equipment related to this contract which is to be acquired by the Contracting Authority must be purchased by means of a separate supply tender procedure.

7. REPORTS

7.1. Reporting requirements

The consultant will submit the following reports:

- **Inception Report:** In the report the consultant shall highlight foreseen difficulties in addition to submitting a detailed work programme.
- **Report 1:** Recommendations on the best construct for CE Inc. This is to be presented to the CE Team and approved before work is done on the development of the Business Plan for CE Inc.
- **Report 2:** Report findings and recommendations on items 6 to 8 listed in 4.2 “Specific Activities” of this Terms of Reference.
- **PowerPoint Presentation** - The Consultant shall submit a PowerPoint presentation outlining key findings from assessment, research and consultations as well as recommended way forward and an outline of the Business Plan for CE Inc. This will be presented to CE for review and then to the Board of Directors for approval.
- Incorporating feedback from the Board and the CE team, the Consultant shall submit the final Business Plan along with the conclusion of all deliverables on or before the completion date noted in section 5.2 of this Terms of Reference. The final submission must be provided along with the corresponding invoice for final payment.

Dates for delivery of each Report mentioned above will be discussed and agreed to at the Inception meeting.

7.2. Submission & approval of reports

The reports referred to above must be submitted to the Executive Director. All reports must be submitted in English in electronic format. The final report must be submitted in electronic format along with three (3) hard copies. The Executive Director is responsible for approving the reports.

8. MONITORING AND EVALUATION

8.1. Definition of indicators

Performance on the project will be measured by timely submission of the deliverables outlined in Section 4.2 and as outlined within the work plan. Feedback on each submitted Report is not a requirement for the continuation of the project. The Contracting Authority will provide feedback to the consultant **within five (5) working days of receipt** of the final report.

8.2. Special requirements

None.

Annex 5 M&E Framework for Strategic Plan Implementation

Caribbean Export's M&E framework for Strategic Plan implementation draws on best practices and many years of practical experience in results-based management as defined inter alia in the OECD's glossary of terms for evaluation and results-based management (OECD 2002) and applied in many of the Agency's programmes of regional and international cooperation. It is also well aligned to current best practices in project cycle management and results-oriented monitoring (cf. European Commission 2004 and 2012). With a view to facilitating research and communication, it adheres to internationally recognized classification schemes, such as the United Nations' International Standard Industrial Classification of All Economic Activities (ISIC Rev. 4) and the ISO/ITC classification system for trade support institutions (ISO/ITC 2010, p. 33).

The main purpose of the M&E framework is to facilitate the reporting and feedback cycles that are required for an optimal implementation of the Agency's Strategic Plan. The required reporting and feedback cycles are defined in section 9.3 of the Strategic Plan. The M&E framework defines the main activities, expected results and resources required for the smooth functioning of these cycles. In addition, the M&E framework comprises indicative measures of performance and important underlying assumptions that will characterise the envisaged reporting and feedback cycles.

The **main activities** foreseen under the M&E framework relate in particular to data collection and analysis, but other important activities are also included:

- Preparation and execution of client, partner and staff surveys,
- Collection and analysis of survey data,
- Preparation and distribution of survey results in printed and digital form,
- Collection and analysis of internal data (using inter alia the project dossier),
- Collection and analysis of risk-related data and information,
- Research drawing on secondary sources of information,
- Preparation and formulation of annual monitoring reports,
- Preparation and formulation of risk assessments,
- Preparation and formulation of terms of reference for evaluations,
- Facilitation of stakeholder participation in the design and steering of evaluations,
- Provision of support and guidance to Agency staff in matters of M&E ("M&E Helpdesk"),
- Provision of support and guidance to clients and partners in matters of M&E,
- Provision of support and guidance to external experts in the context of evaluation missions,
- Elaboration of an M&E Strategy that is aligned to the Agency's Strategic Objectives,
- Elaboration of annual M&E Unit work plans,
- Updating the Agency's M&E Policy, Guidelines and Toolkit on a regular basis taking into account the specific requirements of the M&E Framework for Strategic Plan implementation.

The **main expected results** foreseen under the M&E framework are:

- Survey reports,
- Annual monitoring reports,
- Risk assessments,
- Periodic evaluation reports,
- M&E Strategy,
- Reference documents (guidelines, dossier etc.).

The quality of these expected results will be characterised by their special emphasis on the impacts of Caribbean Export's interventions on the situations, behaviour and capacities of the Agency's main client groups, namely owners, managers and technical staff of export-oriented SMEs and managerial and technical staff of Trade Support Institutions (TSIs) in the Caribbean region.

The **main resources required** for the realisation of the above-mentioned activities and results are the following:

- At least two full-time well-qualified M&E unit staff members,
- Adequate office infrastructure, equipment and material,
- Sufficient financial resources for required travel (for surveys etc.) and ancillary costs.

The main **measures of performance** applied to ascertain the success of the M&E Framework are:

- No. of days delay in presentation of Strategic Plan monitoring and evaluation reports to the Agency's Executive Director (Baseline: 0; Target: 0),
- % of recommendations presented in Strategic Plan monitoring and evaluation reports that are approved by the Agency's Executive Director and managers (Baseline: NA; Target: 75%),
- % of recommendations presented in Strategic Plan monitoring and evaluation reports that are implemented within 12 months after report presentation (Baseline: NA; Target: 50%),

Additional measures of performance may be introduced if deemed appropriate. These should be proposed and elucidated in annual monitoring reports for approval by the Agency's management.

The main **important underlying assumptions** that concern the internal and external conditions for the success of the M&E Framework are:

- Sufficient will and ability of targeted informants (clients, partners, staff) to participate in surveys and other data-gathering processes,
- Sufficient will and ability of Agency managers to provide timely feedback regarding the conclusions and recommendations put forward in monitoring and evaluation reports and proposals for follow-up measures relating to the implementation of the Strategic Plan.

These and other underlying assumptions should be reviewed and, if necessary, amended and documented in annual monitoring reports for approval by the Agency's management.

Tracking of progress towards achievement of the Agency's six Strategic Objectives, as defined in the present Strategic Plan, will be based for the most part on the **results frameworks** that have been formulated for each strategic objective. Each results framework provides three types of information:

- **Results chains:** Each results chain describes causally linked (i) *outputs*, which in most cases are goods and services that the Agency delivers to its clients and partners, (ii) *outcomes* that describe how the Agency's client and partners will utilise the acquired outputs and (iii) *impacts* that describe consequential changes in the situations, behaviour and/or capacities of the targeted clients and partners; *target groups* are clients and partners where the main measurable changes are expected to occur.

- **Key Performance Indicators (KPIs):** These are observable variables that measure change at the impact (i.e. target group) level. Each KPI has a baseline (start) value and a target (end) value. There is also at least one source of verification for each KPI, which tells us where information can be found that will allow us to quantify the KPI variable. The KPIs are *success indicators*, i.e. they are the main criteria by which the degree of success or failure of the Strategic Plan will be measured. Indicators for outputs and outcomes may also be formulated for purposes of annual progress reporting. As opposed to KPIs, however, output and outcome indicators do not serve as criteria by which to assess the success or failure of the Strategy; they only describe the means to an end.
- **Risk assessments:** Risks are internal and external factors that are largely outside the sphere of influence of the Agency with a potential to inhibit the successful implementation of the Strategic Plan. The results frameworks for the Agency's strategic objectives focus on important risks at the impact level i.e. related to expected change at the target group level. Impact-level risks respond to the following question: *If outputs and outcomes are realised as foreseen, which internal or external factors might inhibit the realisation of the expected impacts?* The identified risks at the impact level are described in terms of their importance and probability (likelihood to occur), and measures to mitigate their influence on expected impacts are also described in brief. Annual progress reports will assess, among other thing, the extent to which the identified risks are still relevant, important and probable, and whether the recommended mitigation measures have been implemented as foreseen.

Monitoring and evaluation reports will serve to inform the Agency's managers, staff, clients, partners and other stakeholders with regard to the extent to which impacts have been achieved or are probable within the period covered by the Strategic Plan (2014-2018). The quality of these reports will depend to a large extent on data collected through sample surveys carried out among target groups (audiences). Past experience tells us that surveys are the most challenging when goods and services (outputs) pass through intermediary bodies e.g. business support organisations (BSOs) before reaching their ultimate destination, the target groups e.g. export-oriented SMEs. To overcome this challenge, the Agency should formulate its M&E needs at an early stage in the preparation of all its interventions and communicate these needs clearly to its implementation partners and eventual intermediary bodies. Roles and responsibilities for M&E-relevant tasks (e.g. maintaining a register of all training programme alumni with accurate contact information) should be clarified and agreed upon. Special support may be foreseen to reinforce the capacities of the Agency's partners and intermediaries to respond adequately to the specific needs of the M&E framework for Strategic Plan implementation.

Annex 6 Risk Management at Caribbean Export

In the context of Caribbean Export's operations, a risk is an uncertain force or process over which the Agency has little or no influence and that can have a positive or negative effect on the achievement of the Agency's objectives, in some cases to the extent of reinforcing or jeopardising the Agency's very existence.

The purpose of risk management is to increase the probability and impact of positive forces and processes and to reduce the probability and impact of negative forces and processes. Risk management is a continuous process of risk identification, analysis, reporting and controlling as well as risk response planning, implementation and monitoring. It is common to distinguish between risks that are internal (e.g. staff absence due to illness) and external (e.g. changes in the regulatory framework) and between risks that are known (e.g. dependency on a single source of financing) and unknown (e.g. natural disasters). Risks of high probability and high impact typically require urgent response planning and implementation.

Caribbean Export in implementing its areas of work is faced with both internal and external risk factors particularly of the economic and political nature. Operating in a region where economic integration is of major concern though still in an embryonic state, compounded by the adverse effects of the economic crisis, the Agency has remained mindful of the need to construct and monitor a Risk Register. Caribbean Export has therefore established a risk management approach that includes reviews of risks and important assumptions, a methodology for assumptions analyses and various risk assessment tools such as a risk register and a risk management matrix. Global risks are captured together with the more programme specific risks for periodic assessment.

The Agency's 'Risk Management Matrix' uses several tools at both the global and programme levels. This document is supported at the programme level by the Agency's 'Programme Logframe', which captures the key indicators for measuring the success of support initiatives. One important tool employed at the both the organisational and programme levels, is a 'Global Risk Register'. This is used to capture the risks associated with the execution of the Agency's overarching as well as specific objectives. These outlined risks are based upon several assumptions of conditions, which are expected to exist for the success of interventions made.

At the global level, the completed 'Risk Management Matrix' goes on to also highlight mitigation measures to be taken and acts as a tool to assist the managers in their decision making processes. This tool pertains to the likelihood of success or failure of interventions designed. In this regard at the beginning of each planning period a formal risk assessment procedure is undertaken. During structured debriefing meetings, the global risk register is utilised in order to address risks identified and to propose appropriate mitigation measures agreed upon. At this time, deadlines and appropriate responsibilities for execution are also determined.

At the programme level such steps are also taken, with a more detailed 'Programme Risk Register' utilised, which identifies the risks of support initiatives at the specific programme objective level. At both global and programme planning stages, such risks, assumptions and mitigation measures are ultimately depicted within the 'Risk Management Matrix' which is completed in collaboration with and used by programme officers in order to ensure the successful execution of support interventions. Overall, Caribbean Export acknowledges that in the planning and execution of its work both internal and external factors may give rise to risks and the need to articulate assumptions in the planning process over time. Consequently, during the monitoring process, officers are tasked with ensuring that relevant

objectively verifiable information is collected and disseminated on a regular basis to decision makers regarding the evolution of risk factors, thereby facilitating decision making for timely risk mitigation.

Caribbean Export's Risks Reviewed

Caribbean Export's guidelines for "Results-Based Monitoring and Evaluation for Trade Facilitation", highlights certain unique global and programme level risks, which may arise in the context of trade facilitation interventions. At the global level, several overarching risks may be identified. These risks were largely found to be linked to the quality of information sources, the quality of available expertise, the timing of activities, administrative obstacles as well as changes in the political and institutional context (political will etc.). These global level risks apply generally across the board and also in the execution of the Agency's support programmes. They were observed to fall within the following broad categories:

1. Political Conditions;
2. Economic Conditions;
3. Institutional Weakness;
4. General Sustainability;
5. Work Environment and
6. General Operations

According to the guidelines, risks may be outlined as either internal or external in nature when assessing the specific interventions executed by the Agency, where:

- **Internal risks** were observed to arise under several particular circumstances, for example:
 - project implementation is compromised due to lack of available staffing (recruitment retention); and
 - insufficient human resources will be available due to sickness, unplanned absences etc.

Whereas;

- **External risks** were observed to be more commonly the consequences of:
 - political climate;
 - cultural differences;
 - social conditions and economic crisis.

At the global level, the vision of the Caribbean Export Development Agency is to "optimise the Caribbean Region's export potential through facilitating innovation and the creation of world class brands capable of successfully competing globally." To this end, the Agency seeks to pursue its vision through the achievement of its mission to "increase the competitiveness of the Caribbean countries by providing export development and investment promotion services through effective programme execution and strategic partnerships".

Caribbean Export's work is delivered through cross functional teams of technical experts. In this regard, the Agency's work may be examined in greater detail at the programme level, which targets the following specific objective areas:

1. Increase market intelligence and research capacity
2. Foster access to finance for export-ready SMEs
3. Strengthen regional investment promotion capacity
4. Facilitate export development and promotion
5. Reinforce advocacy for an enabling environment
6. Ensure sustainable corporate capacity building

The main risks observed to occur across the programme level largely included, but were not limited to, the following areas:

1. Limited implementation capacity of partner stakeholders;
2. Declining economic conditions of implementing partners, beneficiaries and target markets, where market opportunities do not necessarily equate to market penetration and
3. Weak interest or awareness concerning opportunities for collaboration on the part of the key stakeholder parties.

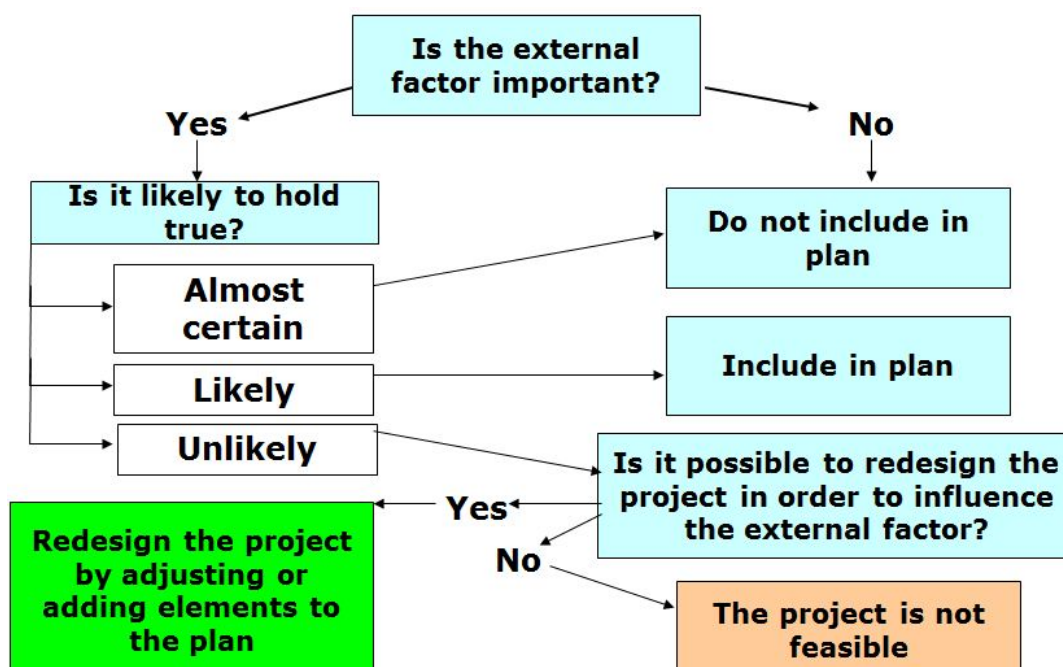
Caribbean Export's Overall Risk Management Approach

It is understood that internal and external factors that give rise to risks and the need to articulate assumptions in the planning process may evolve over time. During the monitoring process officers are tasked with ensuring that relevant objectively verifiable information is collected and disseminated on a regular basis to decision makers regarding the evolution of risk factors, thereby facilitating decision making for effective risk mitigation.

It is acknowledged that whilst a comprehensive set of assumptions have been identified by the monitoring and evaluation system, not all will carry the same level of weight when it comes to influencing decisions. In cases where assumptions do not continue to hold true or have no serious consequences for the success of a given intervention, then the corresponding risk factor may be neglected.

The Risk Management matrix presented herewith demonstrates the concept of 'likelihood or probability' and forms an important element of risk and assumptions analysis. If the likelihood that a given assumption will hold true is high (where relevant information is available, as it has been without interruption during the past number of years), then there is no need to give it further consideration as the risk would be considered low. Assumptions that are important, however, and have a medium to low likelihood of holding true, (i.e. high risk) need to be taken seriously. If an assumption is very important and has a very low likelihood of holding true (very high risk), then the intervention in question will have a very low likelihood of success. In this case, the proposed intervention should be either re-designed to mitigate risks, or abandoned.

Assumptions Analysis



Caribbean Export's Global Risk Register

RISKS	DESCRIPTION
<u>Political Conditions:</u>	There is the risk that weak member states' commitment to regional integration can impact negatively on the successful implementation of regional level programme activities. Several programming areas are dependent on the CARICOM group of States to act as a coordinated body and where this does not occur results are thwarted. This holds true for the CARICOM/DR related activities and those under FCOR/OCT/CARIFORUM programme.
	There is the risk that due to the disparity in economic standing of member states, it could be perceived that certain biases exist. This could result in apathy and a lack of commitment by certain member states which perceive themselves as disadvantaged as a less developed or smaller state
<u>Economic Conditions:</u>	There is the risk that the adverse economic conditions being experienced by CARIFORUM countries will negatively impact on their ability to pay Agency contributions
	Wealth creation is not as broad-based as hoped (limited to few countries or groups)
<u>Institutional Weakness (external):</u>	There is the risk that the absorptive capacity of the intermediary organisations (BSOs) through which CE works is too limited to effect the required change among constituents
	Traditional markets are no longer lucrative hence CARIFORUM firms are faced with reduced chances of breaking into these markets
<u>Institutional Weakness (Internal) - Staffing</u>	There is the risk that project implementation is compromised due to lack of available staffing (recruitment and retention)
	There is a risk that insufficient human resources will be available due to sickness, unplanned absences, etc. to deliver committed programme activities which will impact the delivery of Project outputs
<u>General Sustainability:</u>	There is the risk that the Agency will fail to attract funding from other development agencies to sustain its programmes or benefits to stakeholders
	There is a risk that relationships with external partners could be jeopardised strategically due to issues relating to ownership
<u>Work Environment:</u>	There is a risk that the space and office facilities necessary to accommodate project team members is inadequate which will impact the delivery and staff morale

**General
Operations:**

There is a risk that all units are not supportive of achieving the same results which will impact the efficiency and effectiveness of operations

There is a risk that timely, relevant, up-to-date data (baseline data etc. for project formulation) isn't available to support operations

Owing to the external business climate there is a risk that priorities from management will change by necessity during the Project, which will impact workload and achievement of outputs and outcomes

Caribbean Export's Programme Level Risk Register

Intervention logic	Important Risks	Important Assumptions	Proposed Measures
<u>Specific objective 1:</u>			
1.1 Firms seize specific opportunities on high-potential markets and apply other tools and skills acquired through CE programmes (CARIFORUM firms)	Firms lack tools and skills to benefit from data	Export ready firms will accept training opportunities provided by the Agency	Help trainees to acquire other important tools and skills via CE programmes
1.2. BSOs provide well-tailored trade information services to their clients (CARIFORUM BSOs)	BSO client response to trade information services is weak	BSOs have the absorptive capacity to benefit from Agency provided trade information training	Support BSO outreach to clients with help from CE's PR and communications unit
1.3 Firms access key buyers and distributors on their markets of interest based on their own strategic orientation (CARIFORUM firms)	Firm's business and export strategies are poorly formulated and/or implemented	Firms are able to attend the training sessions on business and strategy development	Reinforce trainee skills in business and export strategy design and implementation
1.4 Firms access new regional and international markets to increase the volume and quality of their exports (CARIFORUM firms)	Limited capacity of firms to adapt the volume and quality of their exports to new regional and international markets	Firms are able to expand plant capacity in response to demands of new market share	Facilitate firm's access to grants (e.g. DAGS) and other sources of financing

Specific objective 2:	Risk	Assumptions	Mitigation Measures
Foster access to finance for export-ready SMEs			
2.1 Beneficiary firms increase the value of their exports (export-ready firms)	Beneficiary firms unable to use export capacities to increase value of exports	Firms are in a position to increase the value of their exports	Monitor firms on a regular basis and provide advice if problems arise (coaching)
2.2 User firms mobilise funding from the sources identified in the database (firms of all sizes)	Database user firms fail to fulfil criteria (business plan etc.) to be eligible for access to identified sources of funding	User firms are well equipped to capitalize on opportunities identified in the MI database	Apply the HELIX diagnostic tool to interested firms that access and use the database
2.3 Firms of trainees access different sources of funding (firms of all sizes)	Firms of trainees fail to fulfil criteria (business plan etc.) to be eligible for access to identified sources of funding	Firms meet full criteria to receive funding	Apply the HELIX diagnostic tool to interested firms that participate in training
2.4 Firms mobilise finance through CE's network of partners (firms of all sizes)	Interested firms fail to fulfil criteria (business plan etc.) of network partners to be eligible for access to improved sources of funding	Firms meet full criteria to receive funding	Apply the HELIX diagnostic tool to interested firms that wish to access improved sources of funding through the network
Specific Objective 3:	Risk	Assumptions	Mitigation Measures
Strengthen regional investment promotion			

capacity			
3.1 Increased awareness of the region as an ideal FDI location (CARIFORUM IPAs, investors)	Political risks	Political stability prevails	Mediation at the national level
3.2 Improvement in investor facilitation services provided by CARIFORUM IPA professionals	Insufficient financial and human resources	Adequate resources are assigned to improving investor facilitation by IPAs	Exposure of IPAs to good practice IPAs worldwide who operate on limited budgets and with few human resources
3.3 Increase in FDI flows into the region (CARIFORUM IPAs)	Global economic cyclical downturn	The global economic climate will be favorable to FDI flows into the CARIFORUM region	Diversification of investment portfolio to include investment targets from developing countries
3.4 Increased awareness of CAIPA as umbrella association for IPAs in the region (CAIPA members)	Inactive CAIPA members	IPAs of the region are active participants in CAIPA	Continued engagement of CAIPA members through heads of agencies and focal points
Specific Objective 4: Facilitate export development and promotion	Risk	Assumptions	Mitigation Measures
4.1 Export-oriented BSO client firms develop strategies and business plans to increase their productivity and competitiveness (Export-oriented BSO client firms,	Strategies and business plans of BSO client firms (SMEs) are ill-adapted to the requirements of the targeted export markets	BSO client firms are able to prepare market appropriate strategic and business plans	Facilitate BSO client firms' (SMEs') access to CE's market intelligence

in particular SMEs)			
4.2 Export-oriented BSO client firms improve their productivity and the quality and competitiveness of their products (Export-oriented BSO client firms, in particular SMEs)	Export-oriented BSO client firms (SMEs) face unexpected obstacles in the execution of their strategies and business plans	Export-oriented BSO client firms are able to execute their strategies and business plans	Document and publish the experiences and lessons learnt of participating export-oriented BSO client firms (SMEs)
4.3 Export-oriented BSO client firms with improved business processes export innovative products to new and existing markets (Export-oriented BSO client firms, in particular SMEs)	Export-oriented BSO client firms (SMEs) face unexpected obstacles with innovative products on new markets	Export-oriented BSO client firms are able to penetrate new markets with innovative products	Engage specialised advisory groups to design appropriate services relating to new target areas and markets
Specific Objective 5: Reinforce advocacy for an enabling environment	Risk	Assumptions	Mitigation Measures
5.1 Export-oriented SMEs benefit from an improved enabling environment (CE's client SMEs)	Export-oriented firms are ill prepared to benefit from policy reforms	Export-oriented firms are well versed and prepared for policy reforms	Inform and advise CE client firms well in advance of planned policy reforms
5.2 Caribbean Export's clients and partners in public and private sectors enjoy enhanced benefits from CE-supported work programmes and advocacy efforts (CE clients and partners)	Clients and partners are unaware of CE's improved work programmes and advocacy efforts	Caribbean Export's work is well known by clients and partners	Engage PR and communications unit to enhance client and partner awareness on a regular basis

5.3 Private and public stakeholders make better-informed trade-related policies and decisions (exporters, BSOs, trade-oriented public sector actors)	Lack of political will among some key decision makers	Political will is demonstrated by all key decision-makers	Early implication of all key decision makers in policy reform processes
5.4 CE programmes are implemented in close collaboration with its intra and extra-regional partners (CE and its intra and extra-regional partners)	Intra and/or extra-regional partners are not able to fulfil their programme commitments	All identified partners are able to fully collaborate with the Agency in executing programmes	Apply scenario techniques in programming that take important and probable partner constraints into account
Specific Objective 6: Ensure sustainable corporate capacity building	Risk	Assumptions	Mitigation Measures
6.1. CE's donor portfolio is sufficiently diversified (CE corporate-wide)	Trends in volume and direction of donor funds unfavourable to the Caribbean region	Donor funds continue to be disbursed to the CARIFORUM region for trade and export development	Target potential new partners (donors) for participation in CE events
6.2. CE staff are satisfied with level of fulfilment of key management functions (CE staff)	High staff turn-over in units responsible for key management functions	Caribbean Export staff are highly motivated and committed	Introduce user-friendly manuals for all concerned management functions
6.3. CE manages operations based on international standards in a sustainable manner (CE managers)	Work overload inhibits implementation of work plan for management quality certification	Work plan for management quality certification is implemented	Engage external experts to guide and support the certification process on a regular basis
6.4. CE intervenes in selected priority target areas and markets	Limited resources to implement	All advisory group	Engage new partners (donors) to support areas and markets in remit

with success (CE stakeholders in these areas and markets)	advisory group recommendations	recommendations are implemented	of the advisory groups
6.5. Implementation of most recommendations agreed at joint review meetings (International donors)	Weak recognition of CE's coordinating role by key donors	Caribbean Export as a leader in donor coordination widely recognized.	Assess pre-conditions for recognition as part of initial survey and analysis

Annex 7 Glossary of Key Terms

Term	Definition and examples
Baseline	The value attributed to the KPI variable before the relevant intervention begins e.g. July 2014: 2000 USD per year (average volume of investment expenditure among participating SMEs).
Context	The main problems that the intervention aims to resolve at least in part during Strategic Plan implementation e.g. SMEs have limited access to accurate and timely market intelligence.
Impact	The important expected change(s) that occur as a consequence of utilisation (outcome) of the concerned output e.g. SMEs using tool X increase the volume of their investments and exports.
Importance of risk	Degree to which a risk factor can affect Caribbean Export's success. The importance of a risk can be high, moderate or low.
Key Performance Indicator (KPI)	A measure of how well a process is performing. In the present context it is used to confirm the effectiveness and impact of Strategic Plan implementation and controls. As such, it may also be used as a measure of Caribbean Export's overall corporate performance.
Mitigation measure	A measure that can be undertaken by Caribbean Export to reduce or even eliminate the negative influence of the risk factor on the achievement of expected outcomes and impacts e.g. introduction of French, Dutch and Spanish interfaces for tool X.
Outcome	The utilisation of the concerned output e.g. SME managers access tool X to prepare strategies and business plans for investments and export activities.
Output	A deliverable product (goods and/or services) that Caribbean Export will develop and provide to target groups / audiences during Strategic Plan implementation e.g. a tested, comprehensive and fully operational online tool X with expert system (artificial intelligence) functions.
Probability of risk	The likelihood that a given risk will affect Caribbean Export's success. The probability of a risk can be high, moderate or low.
Results	In the terminology of results-based management (RBM), results comprise outputs, outcomes and impacts, as defined above.
Results chain	A causally interconnected series of outputs, outcomes and impacts.
Risk	An internal or external factor that is difficult or impossible to influence and which can inhibit the achievement of expected outcomes and impacts e.g. weak English language competence among tool users.
Source of verification	Place where objective information can be found to verify progress toward and/or attainment of the variable's target value e.g. reports on the results of annual sample surveys among participating SMEs.
Target group (or audience)	A group of individuals who will utilize Caribbean Export's outputs (deliverables) and benefit from their utilisation e.g. eligible and export-ready SMEs in non-traditional sectors.
Target value	The value attributed to the KPI variable during or after completion an intervention e.g. June 2018: 2400 USD per year (average volume of investment expenditure among participating SMEs).
Variable (as related to KPIs)	A measurable factor that is closely correlated with an envisaged impact as described by a KPI e.g. average volume of investments realised (in USD) per year by participating SMEs.

Annex 8 Important Reference Documents

Bertelsmann Stiftung: Transformation Index 2014. Political Management in International Cooperation. Gütersloh 2014.

Caribbean Export: Cooperation for Economic Development & Regional Integration. Caribbean Export and the European Union. Bridgetown (no date).

Caribbean Export: Cooperating to Export. The Caribbean Export & GIZ Cooperation. Bridgetown (no date).

Caribbean Export: Expanding Caribbean Business in the Global Marketplace. Our Strategic Approach. Bridgetown, August 2009.

Caribbean Export: Results-based monitoring and evaluation for trade facilitation. Practical Guidelines. Bridgetown, December 2012.

Caribbean Export: Records and Information Management (RIM) Policy. Bridgetown, Nov. 18, 2013.

Caribbean Export: Records and Information Management Programme Procedures. Bridgetown, May 2014.

CARICOM Secretariat: Agreement establishing the Caribbean Export Development Agency (Caribbean Export), signed in 1995 and effective in 1996, available as PDF at http://www.caricom.org/jsp/secretariat/legal_instruments/agreement_caribbean_export.jsp

Drucker, Peter F.: Managing for Results. New York: Harper & Row 1964.

European Commission: Project Cycle Management Guidelines. Aid Delivery Methods, Vol. 1. Brussels, March 2004.

European Commission: Results-Oriented Monitoring (ROM) Handbook. Brussels, April 2012.

Greene, Ginelle: Security Costs in Small and Medium-sized Enterprises of the CARIFORUM Region. Final Report. Bridgetown, May 2014.

International Organisation for Standardisation (ISO) / International Trade Centre (ITC): Building linkages for export success. Geneva 2010.

OECD: Glossary of Key Terms in Evaluation and Results Based Management. Paris, May 2002.

UNDP: Human Development Report 2013. The Rise of the South: Human Progress in a Diverse World. New York 2013.

World Bank: Doing Business 2014. Understanding Regulations for Small and Medium-Size Enterprises. Comparing Business Regulations for Domestic Firms in 189 Economies. Washington 2013.

Annex 9 List of Abbreviations

ACP	African, Caribbean and Pacific
AfT	Aid for Trade
ANUGA	General Food and Drink Trade Fair (Germany)
ATC	Authorised Training Centre
BSC	Balanced Scorecard
BSO	Business Support Organisation
BTI	Bertelsmann Transformation Index
CAFD	Caribbean Academy of Fashion and Design
CAFEIN	CARIFORUM-EPA Implementation Network
CAIC	Caribbean Association of Industry and Commerce
CAIPA	Caribbean Association of Investment Promotion Agencies
CARICOM	Caribbean Community
CARIFORUM	Forum of the Caribbean Group of ACP States
CCJ	Caribbean Court of Justice
CDB	Caribbean Development Bank
CE	Caribbean Export
CEDP	Caribbean Export Development Project
CHSB	Cave Hill School of Business
CHTA	Caribbean Hotel and Tourism Association
CNSC	Caribbean Network of Services Coalitions
CRNN	Caribbean Regional Negotiating Machinery
CROSQ	CARICOM Regional Organization for Standards and Quality
CRTDP	Caribbean Regional Trade Development Programme
CSI	Coalition of Service Industries
CSME	CARICOM Single Market and Economy
CTO	Caribbean Tourism Organization
DAGS	Direct Assistance Grant Scheme
DEDTT	Department of Economic Development, Trade and Tourism
DFID	Department for International Development (United Kingdom)
EDF	European Development Fund
EPA	Economic Partnership Agreement
EU	European Union
EUR	Euro
FATT	Fashion Association of Trinidad and Tobago
FCORs	French Caribbean Outermost Regions
FDI	Foreign Direct Investment
FWTT	Fashion Week Trinidad and Tobago
GDP	Gross Domestic Product
GII	Gender Inequality Index
GIPB	Global Investment Promotion Benchmarking
GIZ	Deutsche Gesellschaft für international Zusammenarbeit
HACCP	Hazard Analysis and Critical Control Points
HDI	Human Development Index
HRD	Human Resource Development
HRS	Human Resource Strategy
ICT	Information and Communication Technologies
IPA	Investment Promotion Agency
IPMA	International Project Management Association
ISO	International Organisation for Standardisation
IT	Information Technology
ITC	International Trade Centre
KMS	Knowledge Management Strategy
KPI	Key Performance Indicator
M&E	Monitoring and Evaluation

MIS	Market Intelligence System
MOU	Memorandum of Understanding
MSMEs	Micro, Small and Medium-sized Enterprises
NA	Not available / Not applicable
OAS	Organisation of American States
OCTs	Overseas Countries and Territories
ODA	Official Development Assistance
OECS	Organisation of Eastern Caribbean States
OTN	Office of Trade Negotiations
PCM	Project Cycle Management
PMI	Project Management Institute
PR	Public Relations
ProNET	Professional Network for Experiential Training
PSAG	Private Sector Advisory Group
RAMS	Risk Assessment and Management
RBM	Results-Based Management
REC	Regional Economic Community
RI	Regional integration
RIAG	Regional Innovation Advisory Group
RIM	Records and Information Management
RIPS	Regional Investment Promotion Strategy
RMS	Resource Mobilisation Strategy
RPSDP	Regional Private Sector Development Programme
SBDC	Small Business Development Centre
SMEs	Small and medium-sized enterprises
SPS	Sanitary and Phytosanitary
SSG	Services Go Global
SWOT	Strengths, weaknesses, opportunities and threats
TBT	Technical Barrier to Trade
TFP-CFS	Task Force for the Promotion and Protection of the Caribbean Financial Sector
TSI	Trade Support Institution
UK	United Kingdom
US	United States
USD	United States Dollar
UWI	University of the West Indies
WAIPA	World Association of Investment Promotion Agencies
WIRSPA	West Indies Rum and Spirits Producers' Association Inc.
WTO	World Trade Organisation

Annex 10 Endnotes

ⁱ Art. 2.2 of the Agreement stipulates that “subject to a resolution of the Board, adopted by consensus,

ⁱⁱ Distinctions between traditional and non-traditional export sectors may vary by country and by the nature of the issues in question. Historical trade patterns may be cited: the export value of a given traditional export product as a percentage of total export value will surpass a certain threshold over a long period of time or in a given base year. By default, all other export products are classified as non-traditional. Other modes of distinction between traditional and non-traditional export products and sectors exist. The employment of this distinction is often associated with policy reforms that aim to reduce dependency on traditional exports, for the most part raw materials (as opposed to manufactured goods and services), whose terms of trade tend to deteriorate in the long term.

ⁱⁱⁱ See <http://stcroixsource.com/content/news/local-news/2014/01/16/report-ranks-vi-homicide-rate-fourth-caribbean>.

^{iv} See <http://www.jamaicaobserver.com/news/Six-Caribbean-countries-included-in-World-Press-Freedom-Index>.

^v See <http://www.bti-project.de/bti-home>.

^{vi} See <http://www.sciencediplomacy.org/article/2013/technology-and-economic-integration>.

^{vii} See <http://newsday.co.tt/politics/0,186575.html>.

^{viii} In general, a service has the following characteristics: It is a type of economic activity; it is an idea or action expressed in different ways; it is intangible; it does not result in ownership; it is consumed at point of sale and therefore cannot be stored; it is one-time generated, rendered and consumed and is therefore unique; the service provider and service consumer are inseparable from service delivery.

^{ix} See <http://www.intracen.org/itc/sectors/creative-industries>.

^x Most of the information presented in this section is taken from Wikipedia.

^{xi} See <http://www.tamana.com/apps/cms/info/5mediaC.aspx?articleid=125&zoneid=26>.