



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
CARIBBEAN CLIMATE INNOVATION CENTER
APPROVED ON MARCH 27, 2015
TO

CARIBBEAN INDUSTRIAL RESEARCH INSTITUTE, SCIENTIFIC RESEARCH COUNCIL

TRADE & COMPETITIVENESS

LATIN AMERICA AND CARIBBEAN

Regional Vice President:	Jorge Familiar Calderon
Country Director:	Tahseen Sayed Khan
Senior Global Practice Director:	Anabel Gonzalez
Practice Manager/Manager:	Ganesh Rasagam
Task Team Leader:	Elaine A. Tinsley



ABBREVIATIONS AND ACRONYMS

CARIRI	Caribbean Industrial Research Institute
CCIC	Caribbean Climate Innovation Center
CIC	Climate Innovation Center
CTP	Climate Technology Program
EPIC	Entrepreneurship Program for Innovation in the Caribbean
IGS	Idea Generation Sessions
POC	Proof of Concept
SRC	Scientific Research Consortium



Note to Task Teams: The following sections are system generated and can only be edited online in the Portal.

BASIC DATA

Product Information

Project ID P131734	Financing Instrument Investment Project Financing
Original EA Category Not Required (C)	Current EA Category Not Required (C)
Approval Date 27-Mar-2015	Current Closing Date 30-Nov-2017

Organizations

Borrower Caribbean Industrial Research Institute,Scientific Research Council	Responsible Agency Caribbean Climate Innovation Center
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Project Development Objective (PDO)

Original PDO

The objective of this project is to strengthen the Caribbean Climate Innovation Center (CCIC) capacity so that it can best support clean tech entrepreneurs in developing locally-appropriate solutions to climate change mitigation and adaptation and strengthen their capacity as they grow.

The CCIC supports Caribbean clean tech start-ups/SMEs by providing grant funding, advisory services (including mentoring, incubation services and technical assistance), and through its coordination, networking and outreach efforts, the CCIC aims to facilitate greater transfer of knowledge, know-how and experience among Caribbean climate technology firms. In parallel, the CCIC also facilitate the creation of new investor networks, enabling ventures in the Caribbean to capitalize on increased investment opportunities and access to follow-on funding.

The CCIC is part of a broader program of support to Caribbean entrepreneurs, the Entrepreneurship Program for Innovation in the Caribbean (EPIC), financed by the Canadian government. The CCIC is also benefits from its association with World Bank's Clean Tech Program (CTP) and its Climate Innovation Centers (CIC) Network, a global network of similar centers supporting clean tech climate entrepreneurs. The CCIC is implemented and overseen by a consortium



consisting for Scientific Research Council (SRC) in Jamaica and CARIRI in Trinidad and Tobago. Based in Jamaica, the CCIC also works with voluntary partner hubs in 13 Caribbean countries to extend its services.

Summary Status of Financing

TF	Approval	Signing	Effectiveness	Closing	Commitment	Net Disbursed	Undisbursed
TF-A0081	22-Apr-2015	22-Apr-2015	22-Apr-2015	30-Nov-2017	1.50	1.39	.11

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

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I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Description

- The objective of this grant has been to strengthen the Caribbean Climate Innovation Center (CCIC) capacity so that it can best support entrepreneurs in developing locally appropriate solutions to climate change mitigation. The target beneficiaries of the project are aspiring and existing clean tech entrepreneurs from the CARICOM region.
- The project model is based on building the capacity of the CCIC to support and provide services, including financing, mentoring, incubation services and technical assistance of promising entrepreneurs to launch their products, strengthen their market share and investment readiness. The CCIC also forms partnerships with local entrepreneurship support entities, named hubs, throughout the Caribbean islands to help identify and to deliver support services to clean tech entrepreneurs across the region. The CCIC is part of a network of other Climate Innovation Centers (CIC) being set up around the world by infoDev’s Climate Technology Program (CTP).
- The latest financing for the CCIC has been provided by a grant (TF-A0081) by The World Bank Group on behalf of the Government of Canada in the amount of US\$1,500,000, as one of the components of their Entrepreneurship Program for Innovation in the Caribbean (EPIC). The implementing agency, is a Consortium of Caribbean Industrial Research Institute (CARIRI), based in Trinidad and Scientific Research Council (SRC) based in Jamaica. The project implementation period commenced March 27, 2015 with a scheduled closing date of November 30, 2017.
- The proposed change to the project is an extension of the grant closing date from November 30, 2017 to November 30, 2018. The requested extension is to ensure that the CCIC has adequate time to complete implementation of the project components and for CCIC to further cement its role and reputation as the key player in the Caribbean to support clean tech entrepreneurs, which in turn will allow them to continuing fostering partnerships and lead to their long-term sustainability.



B. Project Status

5. **Progress.** In FY16, following a review from CIC Network and in recognition of the nascent stage of the clean tech sector in the Caribbean, the CCIC reorganized and repositioned its business model away from providing Proof of Concept (PoC) grants to entrepreneurs, and expanded to offering the following services: (i) ideas-generation workshops (IGS) to expose entrepreneurs to climate-related problems in need of market-based solutions; (ii) boot camps focused on equipping entrepreneurs with skills necessary to develop and improve their concept and create a clear road map for execution; and (iii) Accelerator programs involving intensive mentoring, networking, and customization services.

6. To date, the CCIC has achieved most of its deliverables in accordance with its annual agreed work plan. While 93 percent of the trust fund grant has been disbursed, the recipient has utilized only 59 percent, or US\$890,000, with a remaining US\$610,000 to be expended. With the extension of the grant closing date, the recipient will be able to complete the remaining agreed deliverables and disburse the remaining available balance.

Some of the results achieved by the project from inception to date are listed below:

- (a) The CCIC has exceeded its initial target of supporting 80 entrepreneurs, and is well on its way to support over 400 entrepreneurs through its various activities, including 11 Proof of Concept (POC) entrepreneurs, 15 entrepreneurs in its accelerator program and over 300 entrepreneurs in its bootcamp/IGS sessions.
- (b) CCIC entrepreneurs have commercialized 18 products over the program duration, and have achieved a cumulative total of US\$ 563,000 amount of investments raised.
- (c) The CCIC has delivered over 8 bootcamps in partnership with local hubs.
- (d) CCIC launched its accelerator course and is now providing support to its second cohort, incorporating the many lessons learnt from the first cohort to strengthen the program offering. While the first cohort had 3 entrepreneurs, the second cohort has 12 entrepreneurs, including 5 in the revenue stage, whom CCIC is helping to support through mentoring and market facilitation.
- (e) CCIC developed an online-acceleration course that was shared with the hubs and other CIC network members. The hubs mobilized, monitored, coached, and identified mentors for tech entrepreneurs in their respective countries. This online content will also be productized to other incubators and accelerators globally, providing an income stream for the CCIC. A library of the webinar materials developed will be accessible for the hubs to share with their entrepreneurs.

7. **Sustainability.** The capacity of the CCIC has improved considerably over FY17, and the CCIC is gaining a strong recognition for its work in supporting entrepreneurs. Through partnerships agreements it has raised US\$270,000 to date, with an additional US\$90,000 under negotiations:

- (a) **Partnerships with regional and international organizations:** In addition to existing partnerships with the Caribbean Development Bank and the Cherie Blair Foundation, recent partnerships have been developed with (i) SHOS, a California-based non-profit association which is partnering with CCIC to engage Jamaican students and their communities in renewable energy through the Jamaica Community Solar Challenge, (ii) Mercy Corps, a leading global organization which is partnering with CCIC to implement the MicroMentor program that empowers entrepreneurs by providing access to mentoring while also providing organizations with meaningful employee engagement opportunities. These partnerships help improve the value proposition of the CCIC and hence its sustainability.
- (b) **Securing incubator space:** Scientific Research Council (SRC) has provided CCIC with additional building space rent-free for at least three years to be used for incubation space. This will help CCIC generate additional income from tenants and boost the CCIC's service offerings and brand awareness. The retrofitting of the space is nearly complete and expected to be operational by January 2018. The proximity of the CCIC to nearby universities will make the space appealing and accessible for new start-ups.
- (c) **Legal incorporation of CCIC:** the team has begun exploration of options to be registered as an independent legal entity to streamline the opportunities to receive external funding.



- (d) **Productization of the online accelerator program.** While being free to entrepreneurs within the program, the CCIC plans to join in partnership with other CICs to roll-out the content to other fee-paying entrepreneurs.

8. FM Management Issues. A Financial Management (FM) supervision was undertaken in September 2017, which concluded that the financial management arrangements in place, are not deemed to be properly functioning. Consequently, the Project Coordinating Unit, CARIRI, has been unable to provide accurate and timely consolidated financial information on the status of implementation. To maintain an adequate financial management system, improvements are needed in the aspects of internal controls, budgeting, and accounting. Given that majority of the transactions are conducted by SRC, and there is lack of proper coordination between CARIRI and SRC, it is recommended that more of the FM responsibility is undertaken by SRC.

9. Since the financial management supervision, the WB has been working closely to build the capacity of both the CARIRI and SRC accounting staff, to address the immediate issues of reconciling the projects accounts, and completing the long outstanding IFRs. As at November 21, 2017, the IFRs have been updated to December 31, 2016, with the IFRs for the period January 1, 2017 to September 30, 2017 remaining to be completed. No audits are pending, and the contract for the audit for the period up to the original closing date is expected to be in place by the end of November 30, 2017. Further training will be provided by the Bank FM team, to enhance their capacity and address the other existing issues.

II. DESCRIPTION OF PROPOSED CHANGES

C. *Rationale for Restructuring*

9. The proposed extension would allow sufficient time for the CCIC to complete its implementation milestones, achieve some of the pending results, and cement the CCIC's sustainability beyond the project close date. In addition, an extension of the project closing date would ensure that project funds will be fully disbursed. Remaining deliverables include:

- (a) Increasing the number of entrepreneurs who receive additional finance.
- (b) Increased track record of supporting entrepreneurs in the accelerator program to help them move into their next development stage.
- (c) Continuation of in-country bootcamps and idea-generation sessions to generate interest, build the pipeline of clean tech entrepreneurs and bolster the capacity of the local hubs to offer entrepreneur support services
- (d) Delivery of a train the trainers session.
- (e) Completion of the on-line mentor monitoring pilot to connect entrepreneurs to a larger segment of mentors and address geographical dispersion.
- (f) The CCIC becomes a legal entity.
- (g) Launch of the new incubator space that will increase the offerings of the CCIC and provide an additional revenue stream to contribute to its sustainability. The space is nearly completed and expected to be launched in January.

10. The PDO and project components will remain the same, going forward the emphasis will be on strengthening the capacity of entrepreneurs and as such resources will be aligned there.

- Component 1. Continue to build a pipeline of growth oriented entrepreneurs
- Component 2. Strengthen the capacity of the entrepreneurs
- Component 3. Facilitate access to early growth-stage capital
- Component 4. Capture and disseminate the knowledge

Closing Date

The proposed new closing date would be for November 30, 2018.



Results Framework

11. Of the results focusing on the numbers of entrepreneurs supported, the number of training events held, partnerships (financial and non-financial providers) established, these have been achieved and surpassed, and for some indicators quite significantly. However, for the result indicators that focused on the existence of more mature firms in the ecosystem—revenue growth, job creation, etc, these still need time to be met. Given the shift in project activities, the results indicators that focused on POC grants have been reworded to include those that receive accelerator services, reflecting the number of entrepreneurs receiving higher touch services.

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III. SUMMARY OF CHANGES

	Changed	Not Changed
Change in Results Framework	✓	
Change in Components and Cost	✓	
Change in Loan Closing Date(s)	✓	
Change in Disbursement Estimates	✓	
Change in Implementation Schedule	✓	
Change in Implementing Agency		✓
Change in Project's Development Objectives		✓
Cancellations Proposed		✓
Additional Financing Proposed		✓
Reallocation between Disbursement Categories		✓
Change in Disbursements Arrangements		✓
Change in Overall Risk Rating		✓
Change in Safeguard Policies Triggered		✓
Change of EA category		✓
Change in Legal Covenants		✓
Change in Institutional Arrangements		✓
Change in Financial Management		✓
Change in Procurement		✓
Other Change(s)		✓



IV. DETAILED CHANGE(S)

RESULTS FRAMEWORK

Project Development Objective Indicators

Number of entrepreneurs receiving proof of concept grants or accelerator services Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	26.00	30.00	Revised
Date	27-Mar-2015	30-Sep-2017	30-Nov-2018	
Number of entrepreneurs receiving additional financing Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	6.00	4.00	Revised
Date	27-Feb-2015	29-Sep-2017	30-Nov-2018	

Intermediate Indicators

Number of participants in workshops, training events, seminars, conferences, etc. Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	562.00	80.00	Revised
Date	27-Mar-2015	29-Sep-2017	30-Nov-2017	

of which women Unit of Measure: Number Indicator Type: Custom Breakdown				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	224.00	16.00	Revised
Date	27-Mar-2015	29-Sep-2017	30-Nov-2017	



Number of CCIC organized training events, seminars, workshops

Unit of Measure: Number

Indicator Type: Custom

	Baseline	Actual (Current)	End Target	Action
Value	0.00	46.00	7.00	Revised
Date	27-Feb-2015	29-Sep-2017	30-Nov-2017	

COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
TOTAL	0.00			0.00

LOAN CLOSING DATE(S)

TF	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
TF-A0081		30-Nov-2017		30-Nov-2018	30-Mar-2019

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates

Yes

Year	Current	Proposed
2015	400,000.00	400,000.00
2016	500,000.00	500,000.00
2017	600,000.00	500,000.00
2018	0.00	100,000.00
2019	0.00	0.00



The World Bank

Caribbean Climate Innovation Center (P131734)

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