

Strengthening the Development of Small and Medium Enterprises of the OCTs in the Caribbean Region

Direct Assistance Grant Scheme
AT A GLANCE



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Global Objective



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To provide direct grants assistance
to identified actions in strengthening
the operations of selected BSOs &
SMEs in the 12 OCTs

Specific Objectives

1. Opening and/or penetrating new markets (locally or internationally) for SMEs
2. Lowering production costs of SMEs
3. Identifying/accessing new sources of supply for raw materials or other inputs
4. Fostering productivity through training, coaching and personnel development
5. Facilitating Trade Mark, Intellectual Property and Copyright Protection
6. Reducing environmental impact
7. Fostering cooperation amongst SMEs in the region to enhance productivity
8. Capitalizing on economies of scale
9. Promoting productive activities through actions that will impact on disadvantaged groups (e.g. women, youth, disable people) or areas (e.g. rural area development) in the region

What is a Grant

- A grant is direct financial contribution
- A grant is not a loan
- A grant is a specific type of financial assistance to firms/individuals/Business Support Organizations to finance projects/actions
- A grant may not be awarded retrospectively

Grant Scheme SMEs/BSOs

Preferable funding mechanism for SMEs: (when the objective is...)

- Overall **SME sector capacity building** particularly (productive partnerships + technical assistance + services)
- **Innovation** in SME development;
- **Technology transfer/improvement** and development;
- Support the productive activities **of vulnerable or disadvantaged groups** (women, youth...)
- **Value-added activities** (and others...)

Types of action



Development and provision of support services for SMEs by BSOs:

1. conduct business diagnostic studies;
2. coaching and mentoring services for SMEs (e.g. business plan writing and implementation);
3. development and implementation of training schemes and tool-boxes for SMEs;
4. development and implementation of market/business intelligence and/or information platforms for SMEs;
5. market identification, product diversification,
6. supporting improvements in innovation and technology, creation of clusters and other collaborative platforms;

Types of Action – Cont'd

- Equipment modernization
- Market research and testing
- Development / Implementation of IT solutions
- Product and service development
- Food safety standards/ certification/regulations
- Advisory & Marketing services and activities
- Promotional material
- Training programmes
- Packaging, design
- Development and Innovation
- Intellectual Property activities (e.g. Patent)
- Quality and environmental systems

Ineligible Actions



1. Actions concerned only or mainly with individual sponsorships for participation in workshops, seminars, conferences and congresses;
2. Actions concerned only or mainly with individual scholarships for studies or training courses
3. Debts and provisions for losses or debts;
4. Interest owed;
5. Items already financed in another framework;
6. Purchases of land or buildings;
7. Currency exchange losses;
8. Taxes, including VAT;
9. Credits to third parties;
10. Interim financing costs

Funds Distribution



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- The available total envelope for the grant scheme (500.000 Euro as stated in the Financing Agreement) and will be distributed/allocated by region in the following proportion:
 - 50% to the Dutch region
 - 50% to the British and French region
- The Contracting Authority will reserve the right to re-allocate any non-consumed resources by a region, in case there is lack of sufficiently qualified proposals approved to use the allocated amount.

Calls for Proposals



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There will be two (2) calls for proposals.

1. In 2015 (using funds within **COSME's Programme Estimate I**) a call for proposals targeting BSOs and SME's will be launched (an initial envelope of 200,000 Euro will be allotted for this first call).
2. In 2016 (using funds within **COSME's Programme Estimate II**) a call for proposals targeting BSOs and SME's will be launched (an initial envelope of 300,000 Euro will be allotted for this second call).

Calls for Proposals – Cont'd

1. The maximum contribution of the EU per grant beneficiary (grant contract) is a maximum of 12,000 Euros representing 70% of the total cost of the action supported.
2. The proposals submitted by the BSO's must be done in collaboration (as co-applicants) with at least four (4) SME's of their constituency.

Eligibility Criteria



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1. Be a legally registered Business Support Organization (BSO) in a Caribbean OCT.
2. Be operational for at least one (1) year, supported by at least one (1) year financial statements/accounts (no start-ups) which are required as part of the application.
3. BSO's must apply with at least four (4) SME co-applicants to ensure that the SMEs benefit from the Grant Scheme.

Eligibility Criteria cont'd



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4. Be able to finance and sustain their projects at the beginning of the action implementation and up to their 30% contribution of the total cost of the action; that is at least 30% financing is available prior to project initiation;
5. Be producing goods and/or services at the time of application ; and
6. BSO directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not as an intermediary

Co-financing Requirements



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1. The grant beneficiary BSO/SMEs will have to start the action after signing the grant contract using their 30% co-financing contribution requirement.
2. Once those resources have been utilized and properly justified in following with the EU procedures established in the grant contract, the Contracting Authority/EU will contribute 60% (of the total cost of the action **subject to the Contracting Authority/EU contribution limits**).
3. Subsequently the grant beneficiary will then be required to submit a report on the action (technical and financial); upon approval and conformity of justifications and report, the Contracting Authority/EU will then provide the last 10% (of the total cost of the action **subject to the Contracting Authority/EU contribution limits**).

Training and Support

- The PMU of the COSME Programme will train the BSOs/SMEs on every island (through a train the trainers scheme) ensuring that every OCT and their potential beneficiaries have equal access to information on how to prepare and submit proposals to the grant scheme.

QUESTION & ANSWERS



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