



**Palestine Economic Policy Research Institute (MAS)**

**Institutional Requirements for Successful Implementation  
of Jerusalem Development Cluster Plan  
Based on International Best Practices**

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Palestine Economic Policy Research Institute (MAS)  
Jerusalem and Ramallah

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## **1. INTRODUCTION and OBJECTIVES**

This short paper covers a review of the Jerusalem Cluster Development Plan (JCDP) and makes recommendations for implementation. It endeavours to review the JCDP and develop a cluster approach for implementation of the activities contained in it, according to the following Terms of Reference:

- Review and assess the JCDP sectoral structure, interlinkages and programme content from the angle of cluster based economic and social development
- Develop an outline plan that will set the JCDP objectives within a cluster development framework over a three-year period
- Outline the actions needed to develop the JDCP at national (Palestinian National Authority (PNA)) and local (East Jerusalem) levels.
- Provide guidelines on the institutional management of the JDC so that it might achieve the anticipated results

## **2. OVERVIEW of JCDP STRUCTURE**

The vision of the JDCP is stated as wanting to “work towards a complete, comprehensive and sustainable development for all vital sectors in Governorate of Jerusalem (sectors of housing, education, health, tourism, culture, and women and youth), by working on translating needs of these sectors and transforming them into a strategic plan of action for development clusters of the capital, and setting an action plan for actual implementation”.

Consistent with recognised cluster theories, notably Porter (1990) and Marshall (1920), Palestinian cluster development needs to be linked to the development of specialized regional industry environments. Cluster projects are largely value chain specific entities, often supporting (already) strong regional industries and sectors. Such industrial and business clusters are considered to be core entities of economic growth and innovation in the modern world. Therefore, clusters are seen as a central structuring element of economic activity for firms, regions and even national economies. Clusters can develop not only organically but also as a result of targeted efforts by policy-makers and practitioners, most notably through cluster projects.

The scope of any cluster can be said to be linked to its business profile (i.e. the type of enterprises or divisions it includes). The development and or upgrading of clusters is also associated with the encouragement of networking between cluster enterprises, coordination of purchasing and marketing efforts, development of specialized business services, and the establishment of an infrastructure for collective innovation projects. Consequently, the focus of such activities have been on establishing well-functioning local and regional value chains in an efficient manner, leading to increased competitiveness.

A typical competitive and well functioning cluster will have many attributes and links to government, institutions for collaboration, and networks within its supply and value chain. These networks and links are confined to the geographical location of the cluster, but many clusters are now developing international links, which enables them to benefit from a wider experience.

Reading through the JDCP proposed activities and associated budget, it appears that this is mainly a social economic development plan. Most of the proposed or engaged activities are associated with infrastructure development or capital purchases. There implies a misconception of the definition of what a “cluster” is, and the document seems to interchange the use of cluster and sector. They are not the same. The JDCP also discusses specific clusters to be supported, but there is no evidence that these clusters actually exist and there is no data or dialogue which supports the presumption that they are operating in Jerusalem - with the exception of the Tourism and Cultural Arts cluster which has been the subject of several developmental projects in the recent past.

Largely, and in the context of the structure of the JDCP as a planning vision, it cannot yet be considered a cluster development plan in its entirety. This due to its wide scope across the six developmental pillars, a narrow focus mainly on capital related projects, and a lack of a coordination body and management system. However, it can more usefully called a “Cluster Support Plan”, as it is apparent that there is an objective to develop social and economic competitiveness through improving infrastructure, housing, education and health. Such developments are essential as part of developing the economy and moving it towards being efficiency and innovation driven. Tourism and Culture can be clearly defined as a cluster within East Jerusalem (or perhaps a Tourism and Cultural Heritage and Arts Cluster), and the improvement and development of Women and Youth can be seen as an output of cluster and economic development and should be considered as crosscutting within the overall framework of the JDCP and not a separate cluster.

The areas that are being targeted within the JCDP are described as the following.

- Housing and infrastructure
- Health
- Education
- Tourism
- Cultural
- Women and Youth

This cluster support plan largely targets improving economic factor conditions such as infrastructure, health, and education. (See Annex III for Diamond Model and Annex II for Competitive Index.) These factor conditions are considered essential for improving the social and economic wellbeing of East Jerusalem, and will typically also contribute to the economic improvement of Palestine.

When considering the pillars of the JDCP and its proposed activities, it is worthwhile to describe these activities to see how they might fit more accurately within clearly defined cluster environment and what their significance is to the overall cluster objectives. This will help in planning the activities and organising their management for their continued success and sustainability. To ensure that the proposed clusters exist and are worthy of cluster development, then further analysis is recommended. However to be able to develop the overarching development theme of the JDCP, each of the potential clusters is visualised as to what its structure might look like and, accordingly, how these clusters might manage to implement their aspects of the JDCP.

## **2.1 Infrastructure and Housing Cluster**

The first potential cluster of the JDCP is the Infrastructure and Housing Cluster. This is not thought to offer cluster development opportunities as per the accepted definition; rather it is more in line with developing key elements within a traditional town and city plan. It does, however, attempt to address key factor conditions that need to prevail for the successful development of clusters in general, and overall regional social and economic development in Jerusalem.

The stated objectives of this cluster are:

- Creating lending mechanisms for Jerusalemites who work to obtain building permits
- Defining and exploiting Islamic and Christian endowment lands for construction and investment
- Increasing the areas allocated for construction in Jerusalem city
- Improving and restoring the existing buildings, especially in the Old City area
- Strengthening Jerusalemite youth steadfastness and providing housing for young couples within the city

Well-functioning infrastructure is a cornerstone of a modern society. As well as serving an important role in facilitating business transitions, it increases a country’s efficiency and improves the standard of living of its citizens. There is a positive correlation between the gross domestic product of countries and their infrastructure quality, with the two sharing a cyclical relationship. Economic growth allows

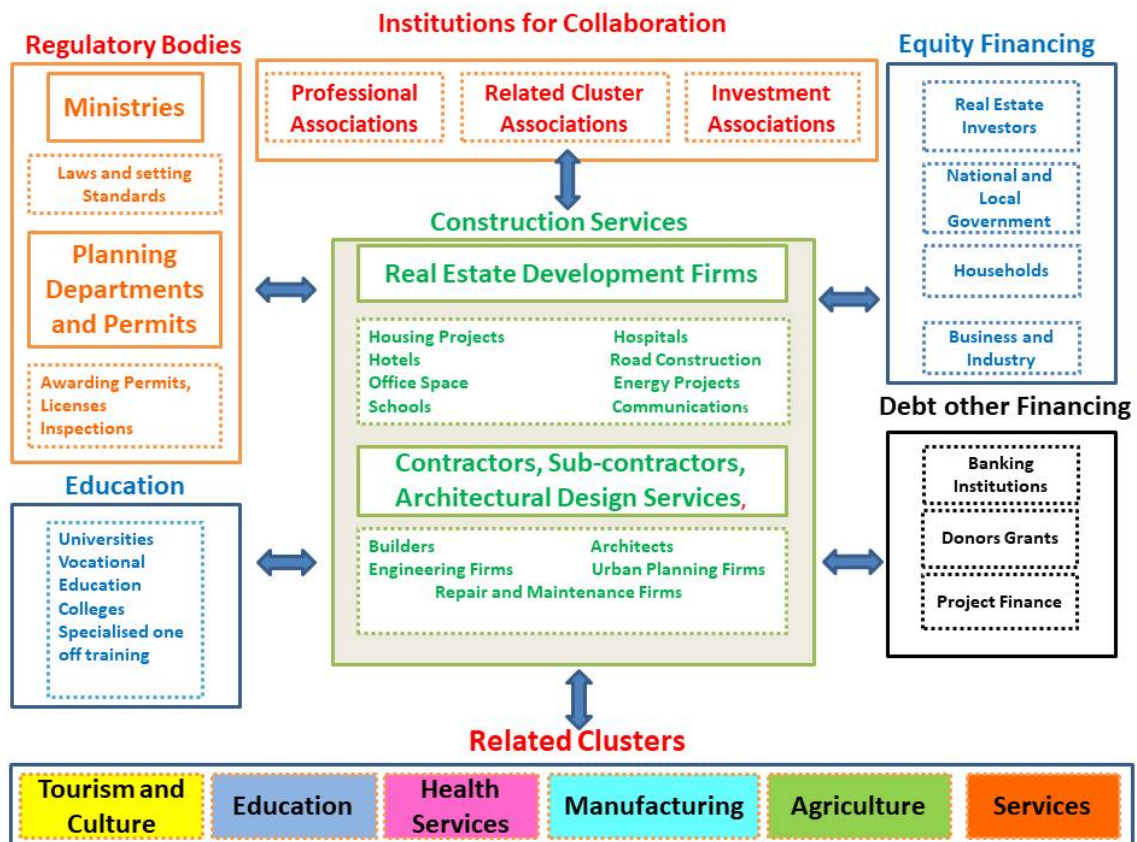
for additional infrastructure investment, while infrastructure is a necessary component in improving economic conditions. Adequate housing, transport, energy, communications, water, waste and defence are all examples of sectors requiring significant infrastructure in order to operate effectively and efficiently. It is also worth noting that well a developed communications infrastructure and its associated maintenance is also becoming necessary as societies continue to increase their use of sophisticated communications methods, the World Wide Web, and cloud based technologies. Moreover, all infrastructure also require their upkeep and improvement as time goes on. The JCDP reflects on the need to upgrade and rehabilitate existing infrastructure and housing, but there is little planned for increasing communications infrastructure.

Summarising the activities in the JDCP and categorising them into actionable projects, Table 1 attempts to provide an approximate breakdown, where the author has categorised them into those that can be considered “hard” activities (i.e. where they are mainly concerned with construction and infrastructure rehabilitation) and “soft” activities (where these are more focussed on technical assistance and training).

**Table 1: Projected JDCP Spending for the Housing and Infrastructure Cluster**

	Hard Activities			Soft Activities		
	New housing	Infra	Rehab	Bank(s) liaison and loans	Permits / legal and technical support	Supporting and liaising with community
Plan	5.0	20.1	18.1	46.0	0.6	3.75
Imp	75.1	13.2	26.1		1.1	

**Figure 1: Example of a Housing and Infrastructure / Construction Cluster**



The Housing and Infrastructure Cluster, whilst it is mainly policy and needs driven at the basic infrastructure level, it could also be called a Construction Cluster. However for consistency it will be referred to as the Housing and Infrastructure cluster.

This type of cluster would network with many of the differing enterprises including government departments, banks, architects, construction companies, planners, and trades such as bricklayers, plasterers, electrician’s plumbers, interior designers, etc. The following cluster map attempts to show the inter-relationships and their complexity of a typical Housing and Infrastructure / Construction Cluster.

Both hard and soft activities need to be carefully managed to ensure a successful outcome. The management and development of this cluster is recommended to take the general format described in section 4.0.

## 2.2 Education Cluster

The Education Cluster is thought to have good potential for development, and it clearly has a defined and structured role within the socio-economic framework for the development of Jerusalem. It has several attributes which can be networked, based on accepted cluster development principles that will contribute positively to the cluster’s improvement. It is widely recognised that, in both developed and developing countries, educational investment has been one of the most important factors contributing to economic growth. Spending on education contributes positively to economic productivity, and the payoff is high from both a private and public standpoint. The JDCP is committed to improving and developing education at all levels and has focussed on a series of strategic goals. These are described as follows:

- Developing infrastructure in Jerusalem schools to accommodate students, and providing them with high quality study seats
- Empowering and developing the vocational and technical education and training sector in Jerusalem
- Improving the quality of education in Jerusalem schools and linking schools to the current and future labour market
- Increasing the number of creative student initiatives in all disciplines and fields
- Paying more attention to the areas of Issawiya and Silwan.

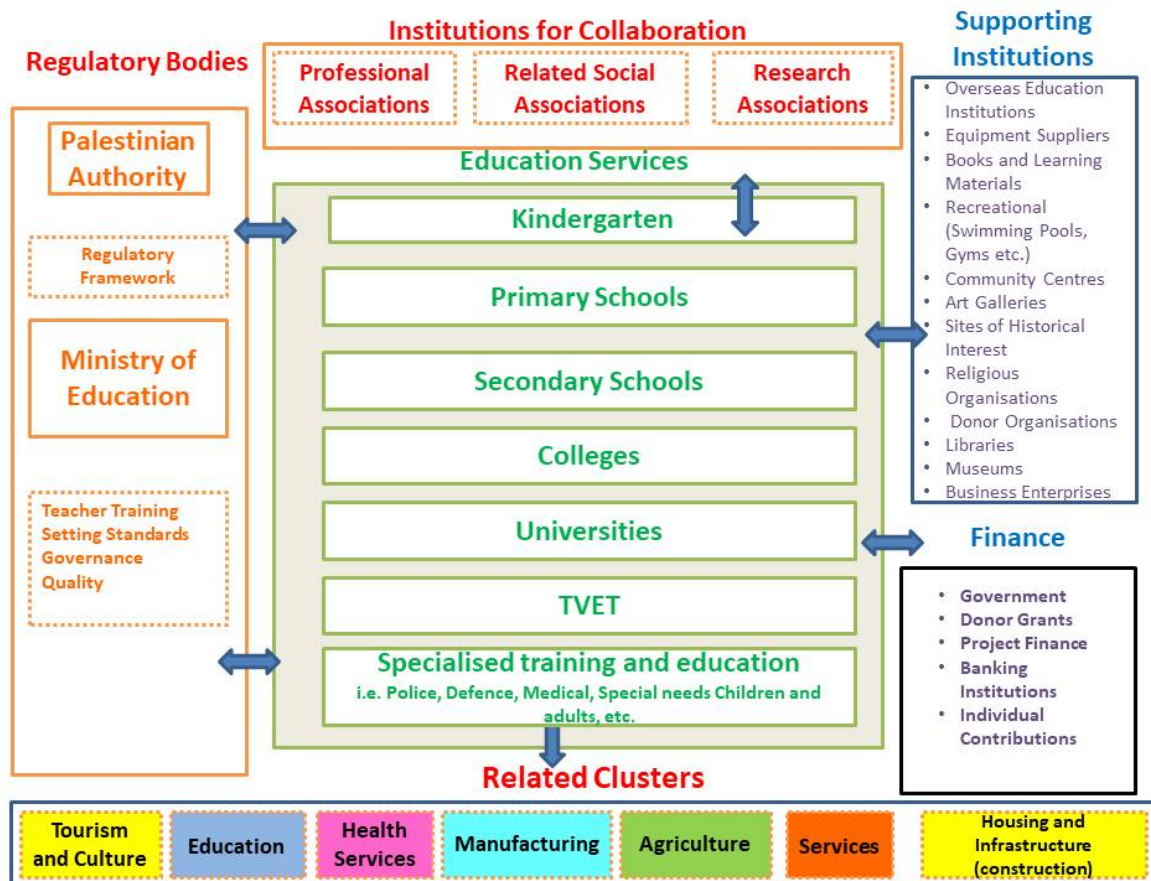
Many of the activities in the JDCP for the Education Cluster are concerned with construction or rehabilitation of existing premises. Table 2 summarises them.

**Table 2: Projected JDCP Spending for the Education Cluster**

	Hard Activities				Soft Activities			
	Building purchase	New build	Rehab and refurbish	Equipment purchase	License and build	Technical and training support	Permits	Rent
Plan	22.4	1.27	10.6	1.0	3.6	32.9	0.25	0.6
Imp		41.8	89.2			47.3	0.15	

Whilst the type of spending shown in Table 2 is of vital importance, it has a narrow focus when these types of activities are considered from a cluster perspective. A significant proportion of them are for purchasing buildings and refurbishment, whilst slightly smaller number can be categorised as providing technical and training support (although the breakdown of this spending is not easily identified). The following cluster map attempts to show the inter-relationships and their complexity of a typical Education Cluster.

**Figure 2: Example of an Education Cluster**



All the projects, either being implemented or planned, need careful management for their success. As with the Housing and Infrastructure / Construction Cluster, a management structure is recommended to take responsibility for their success. These can be found in the example shown in Section 4.0.

### 2.3 Healthcare Cluster

Access to good health is a fundamental aspect of everyone’s life, and is internationally recognised as a fundamental human right. The JCDP attempts to strengthen this right under the very difficult circumstances created by Israeli occupation and which causes enormous difficulties for developing a strong and vibrant health care system for Jerusalem. The JCDP has developed strategic goals to be achieved in the healthcare sector, and these are described as follows:

- Developing a national service network for Jerusalem primary health care and public health
- Creating an integrated system for secondary health care provided by Jerusalem hospitals
- Sustaining the quality of health care services and working to raise this quality
- Providing mental health services to Jerusalemites in a free and permanent manner
- Enhancing ambulance and emergency services
- Emphasizing health services access to marginalized groups, people with special needs, aged, and high-quality specialized programs for these groups
- Developing health sector workers’ capabilities, specialized health education and health research

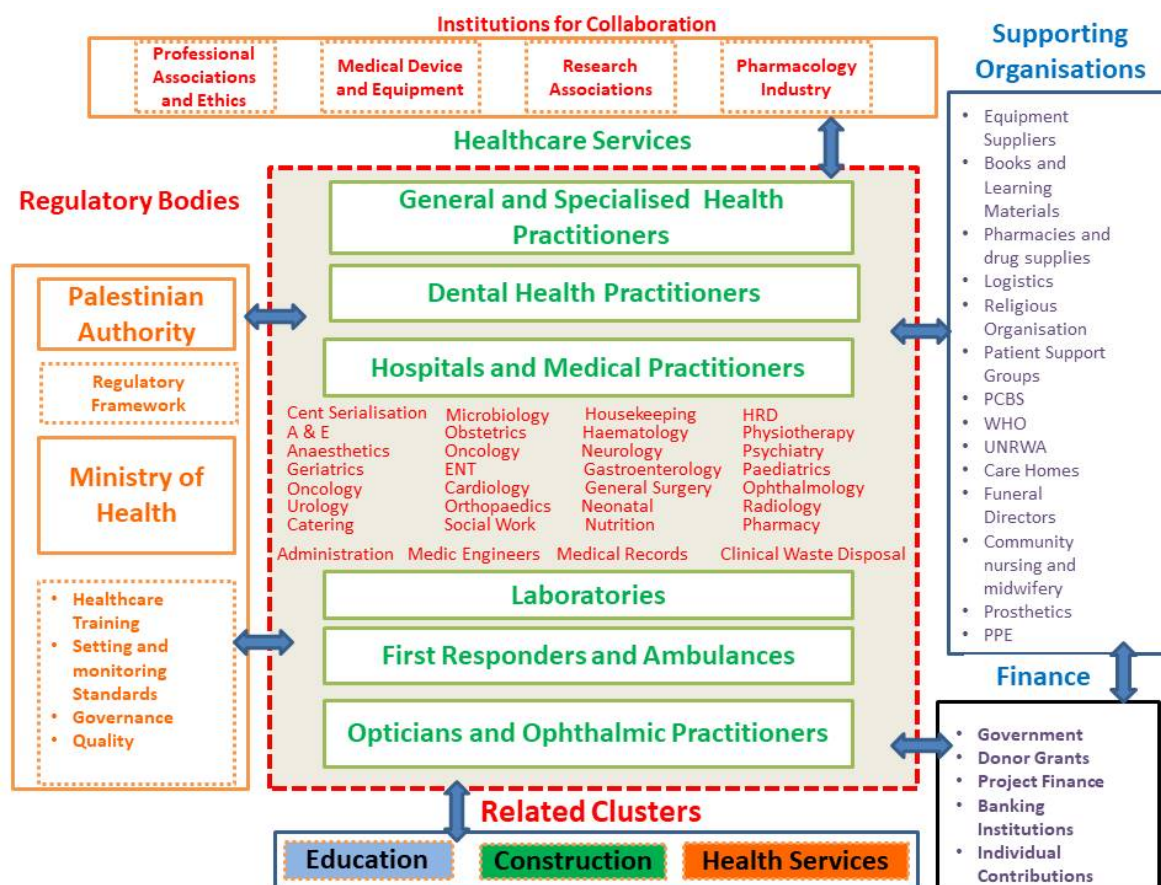


**Table 3: Projected JDCP Spending for the Healthcare Cluster**

	Hard Activities				Soft Activities
	Building purchase	New build	Rehab and refurbish	Equipment purchase	Technical and training support
Plan	10.0	48.2	14.1	24.5	9.9
Imp			49.6	8.8	4.9

The Healthcare Cluster can be visualised as a clear cluster due to the potential for closer interconnections and networks with all actors in the cluster. However, a large proportion of the planned activities are dedicated to either capital purchases or refurbishment and infrastructure projects and little is planned for technical support, training or developing the clusters overall capability. The following cluster map gives a more inclusive view of how components of a typical Healthcare Cluster are networked.

**Figure 3: Example of a Healthcare Cluster**



## 2.4 Tourism and Cultural Cluster

The City of Jerusalem is one of the most ancient places in the world. It is also a holy city for the three monotheistic religions. Rich in its tourism and cultural resources and with significant unique historical and religious attractions, it appeals to people everywhere. However, whilst it has tremendous promise, development has been restricted by the Occupation, and access to Jerusalem and the West Bank is controlled by the Government of Israel. This has had negative effect as it has constrained demand, output, employment and investment. Whilst the JDCP identifies Tourism and Culture as two separate clusters, it is considered that these are so connected to each other that they should be treated as one cluster. The JDCP is committed to improving and developing opportunities for the Tourism and Culture Cluster at all levels, and has focussed on a series of strategic goals which are described as follows:

- Organizing and strengthening the capabilities of tourism institutions and individuals in order to attract domestic and foreign tourism
- Rooting Palestinian Jerusalemite tourism identity
- Promoting Jerusalem as the tourist capital of Palestine
- Protecting, restoring and maintaining historical and tourist buildings
- Placing tourism in Jerusalem at the top of official and public Palestinian policy priorities
- Organizing and strengthening capacities of cultural institutions and individuals
- Entrenching cultural Palestinian Jerusalem identity
- Promoting Jerusalem as the cultural capital of Palestine
- Protecting, restoration and maintaining cultural buildings
- Prioritizing Jerusalem arts and culture in official and public Palestinian policy agendas

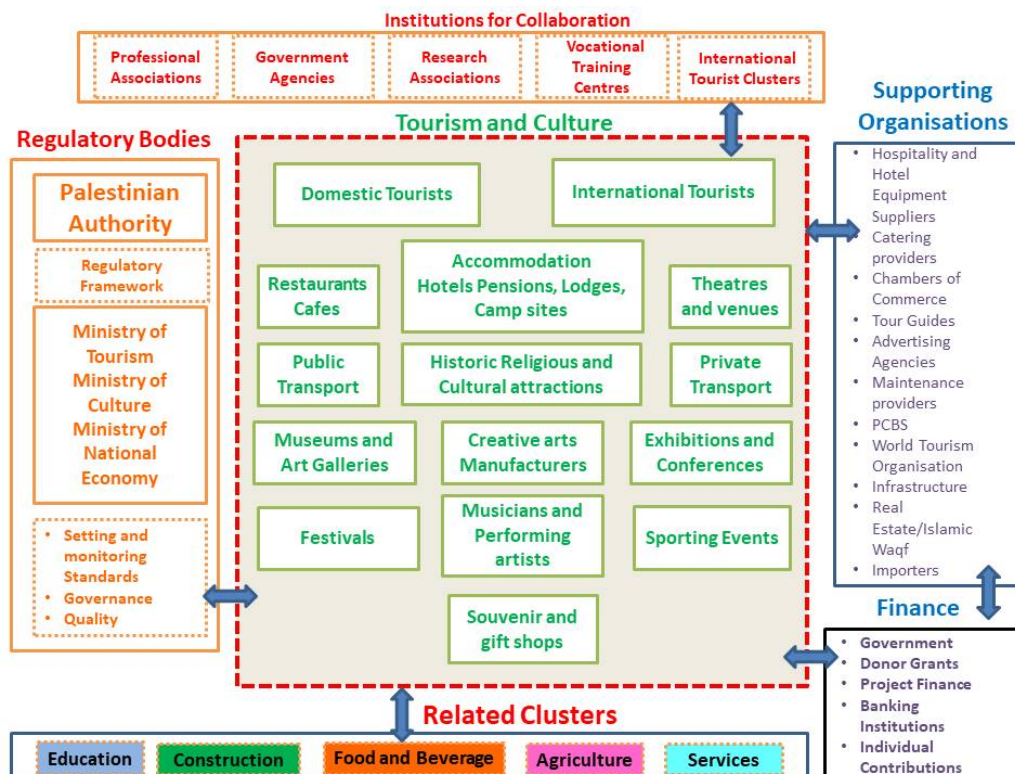
The JDCP has also identified several key areas where development projects can contribute significantly towards achieving the above strategic goals. These are shown in Table 4.

**Table 4: Projected JDCP Spending for the Tourism and Cultural Cluster**

	Hard Activities			Soft Activities	
	New build	Rehab and refurbish	Equipment purchase	Loans	Technical and training support
Plan	153.0	11.8	0.33	0.15	5.9
Imp		0.59			0.59

The majority of the JDCP’s projected spend is centred on new buildings, mainly hotels, and considerable private investment is anticipated. A Tourism and Cultural Cluster should have a large number of networks and connections between the major participants, and it should link very closely to other clusters such as transport, food and beverage, and agriculture. The following cluster map attempts to give an overview of these networks and linkages.

**Figure 4: Example of a Tourism and Cultural Cluster**



## 2.5 Women and Youth Cluster

It is widely recognised in academia and everyday life that empowering, strengthening and including young people, particularly women, in the work environment will reduce unemployment, crime, and drugs abuse, and will ultimately lead to a better society, a better country, and a better world. Education is the key to achieving these ideals.

Empowering women is also essential to the health and social development of families, communities and countries. When women are living safe, fulfilled and productive lives, they can reach their full potential. Empowering women and girls in particular, is the key to economic growth, political stability and social transformation.

The JCDP acknowledges these aims, and it has developed strategic objectives to be achieved as follows:

- Focusing on the role of women and Jerusalemite youth in the political struggle and development economy in Jerusalem, and activating their role and potential in Jerusalem development process
- Encouraging community participation of women and Jerusalemite youth through adopting positive youth initiatives to improve the reality of young people and through adopting positive women's initiatives to enhance the role of women in society
- Integrating and activating role of the gender in all sectors and ensure women equality and rights and take into account their needs in development and economic plans
- Raising community awareness of issues of women and Jerusalemite youth, the importance of this sector in contributing to social and political change, and moving the economic development to promote the state and its institutions. Enhancing steadfastness of women and youth in Jerusalem by encouraging and empowering them economically and financially, funding and providing facilities to start their pioneering development projects

Supporting women and youth is considered to be an important crosscutting issue that faces all clusters and economic development initiatives for Jerusalem and Palestine, and the JCDP has budgeted for a series of activities which are shown in Table 5.

**Table 5: Projected JDCP Spending for the Women and Youth Cluster**

	Hard Activities		Soft Activities		
	New build	Rehab and refurbish	Equipment purchase	Loans	Technical and training support
Plan	9.5	6.6		1.5	4.2
Imp		1.5	0.15		19.3

Unlike the preceding clusters where some requests and implemented activities centre on infrastructure, this crosscutting area is mainly focussed on softer development areas of support, training, and people development. Its activities might be easier and quicker to implement due to less bureaucracy and regulations than that which tends to accompany building and infrastructure projects. Given that the support for women and youth clearly cuts across many areas of social and economic development, then the responsibility for implementing improvement activities is recommended to

## 3. DISCUSSION

In its current format, it seems that the JDCP does not entirely fit with a classical structure for cluster development. Rather, it largely represents a series of anticipated or currently active projects which are mainly centred on constructing, rehabilitating or repurposing infrastructure, and purchasing capital equipment and tools. It covers a wide range of activities across several distinct areas, which - whilst

they might share some complementary activities - can be shown to be quite separate. In practice, the JDCP will be better served if it is split into distinct clusters, each of which can manage and implement its own activities.

The exception is the activities classified under the crosscutting area of Women and Youth, and here it is proposed that each cluster takes responsibility for implementing the JDCP activities to support and improve women and youth in their respective clusters.

The cluster maps in the previous sections indicate how the proposed clusters might appear, highlighting their supporting organisations and institutions for collaboration (see Figures 1 to 4).

Many of the activities proposed are complex and will require the liaison and cooperation of several different institutions and organisations, including appropriate government departments of the PNA and the Government of Israel. The budget demands are substantial and all the projects will require careful and professional management.

Part of this report should recommend a plan for implementation. However, it is not clear from the JDCP what implementation resources are available, nor does it appear to contain any formal ownership or management structure. The projects for development for all the proposed clusters are considered to be very ambitious in the stated three-year time frame, particularly where they have not yet started and require funding. Many of the proposed activities that are seeking funding are simple statements with no detailed breakdown of how costs and activities have been derived. Consequently, it is difficult to project what resources are needed. For activities that are already underway and being implemented, then these need management and follow up to ensure that they are monitored and evaluated on behalf of the cluster and the appropriate financing source. It will also be critical that each cluster develops its own management structure with appropriate skills to ensure the timely and successful implementation of current and planned activities.

Given that it is not possible to develop a detailed implementation plan, the following Section 4.0 contains recommendations on how to structure each cluster in order to maximise the JDCP objectives whilst creating a method that will help the cluster create a system of management for further development projects.

#### **4. RECOMMENDATIONS**

Whilst the proposed clusters might have some physical presence in Jerusalem, it is important to understand that, with the exception of the Tourism and Culture Cluster, it is uncertain if these clusters exist. Ideally a cluster analysis exercise should be undertaken to confirm a strong agglomeration of enterprises within each cluster. However, it is very clear that the JDCP is a critical support mechanism for the infrastructure and development, operating within the environment of such clusters. Therefore it is recommended that a cluster approach be taken for the development and implementation of all the JDCP proposed projects.

Cluster based activities cannot just be planned on the drawing board, and too much procedural planning can actually restrict a cluster's ability to act. The best concept for preparation is probably to plan solidly whilst remaining open to the steady flow of new challenges. Clusters need to plan and implement, and all clusters need an initial driving force and clear leadership. This leadership must drive the projects forward but, all the time, respect and include the interests of existing and potential members.

Cluster development is strongly project focused, and tangible activities are mostly executed in agreed projects that benefit cluster members. This requires professional project management, which enables the cluster to achieve its operational goals quickly and in accordance with its resources. It sets clearly defined, limited, manageable tasks, and enables cluster members to handle important project work jointly and in a goal-oriented way in addition to executing their current daily business.

First-rate cluster management means that a cluster organisation is needed to deliver highly focussed projects to cluster participants in an effective and efficient way. What sounds easy, are in practice much more complex in execution. A cluster includes a wide variety of companies, universities, support organisations, institutions and public entities, each with their own interests, and the cluster needs to be managed and coordinated to reach common strategic goals. This can only be done by a professionally managed organisation. Given the size and complexity of each cluster plan, overall involving many millions of US dollars, then professional management is considered essential.

It is recommended that a clear cluster management structure is set up for each cluster. Ideally this would come under an umbrella of a Cluster Coordination Agency as described in Annex I. However, in the absence of this, each cluster should have its own independent management team headed by a management board, and a cluster manager who is responsible for implementing activities via a number of Cluster Action Teams (CATs). This is considered critical for the success of each cluster and for achieving the overall objectives of the JCDP. Given that the JDCP represents a very large amount of money in current or anticipated development, it cannot be left to chance that it will be managed effectively, or expect control to be totally devolved to a donor or funding agency. In short, each cluster needs to take ownership of itself and its activities, and plan and execute their strategies to achieve their goals.

The recommended cluster management model for clusters receiving JCDP support is based on one that develops leadership potential of staff, and critically creates *ownership of activities and project-based goals*. There are three key parts that need to be considered for setting up such a management structure. These are:

1. Each cluster to develop a governance structure and form a Cluster Management Board. The Board should comprise of individuals from various parts of the cluster, including academia and public agencies. These senior cluster stakeholders will develop the vision, strategy and direction of the cluster. This is a self-directed, high-level decision-making and deployment unit that is much more than just an advisory group to a funding agency. It is a mixture of preferred leaders who are prepared to share their knowledge and experience to mutually develop their cluster. At some point, it would be ideal to create a legal entity for each cluster so that it can seek funding and assistance independently, but this will require some changes in Palestinian law to enable such a non-profit organisation to be created.
2. Each cluster to appoint a cluster manager who will be responsible for implementing the cluster vision and strategy through a variety of projects, and assist the Board to develop new ideas based on the cluster's needs. S/he will also lead the cluster development team, (CATs) and drive the clustering initiatives. The cluster manager is *critical* for the development of the cluster and any agreed clustering initiatives. S/he will act as manager and planner, facilitate actions within the cluster, build good contacts with cluster participants, understand their needs, and develop openings for cooperation. The manager and CATs must work with the principal cluster enterprises and supporting organisations as they work towards implementing cluster initiatives and achieving the cluster's goals.
3. Each cluster to form Cluster Action Teams (CATs). A cluster will typically have several CATs. These are groups of not more than five or six cluster members, and are facilitated by a CAT leader. Each CAT will be responsible for taking specific prioritised cluster activities and projects forward and implementing them.

In summary *each* cluster should undertake the following activities:

- Create awareness of the cluster amongst cluster participants and the wider environment
- Form a governance structure and create a Cluster Management Board. The Board should review their element of the JCDP, prioritise and plan activities in terms of urgency, and ability to implement
- Appoint and train a cluster manager to work across the cluster and with each CAT. S/he should also network across complementary clusters (e.g. if the Healthcare Cluster is building

a new wing to a hospital, the cluster manager could network with the Housing and Infrastructure / Construction Cluster)

- Create a CAT and train its members in and for each major prioritised activity. These can be planned activities or those that are already being implemented
- CATs should plan their activity in detail, taking into account other skills needed to accomplish their objectives. These skills might include writing project fiches and proposals, networking with donors and government agencies, working with architects, educationalists, medical practitioners, NGOs, and specialised equipment suppliers, etc., depending on each activity and the prevailing circumstances
- Follow up and monitor progress
- Develop cluster plan, with an actionable timeframe of activities and anticipated results. The JDCP has an initial time frame of three years, but this is considered optimistic for nearly all proposed clusters given the number of projects and activities that are planned and already in execution. A minimum of 5 years should be considered, particularly for projects that require funding, building permits, and subsequent construction.

An example of how a typical cluster structure might look is shown in Figure 5, using the Education Cluster as an example.

**Figure 5: Education Cluster Management Structure (similar for all clusters)**

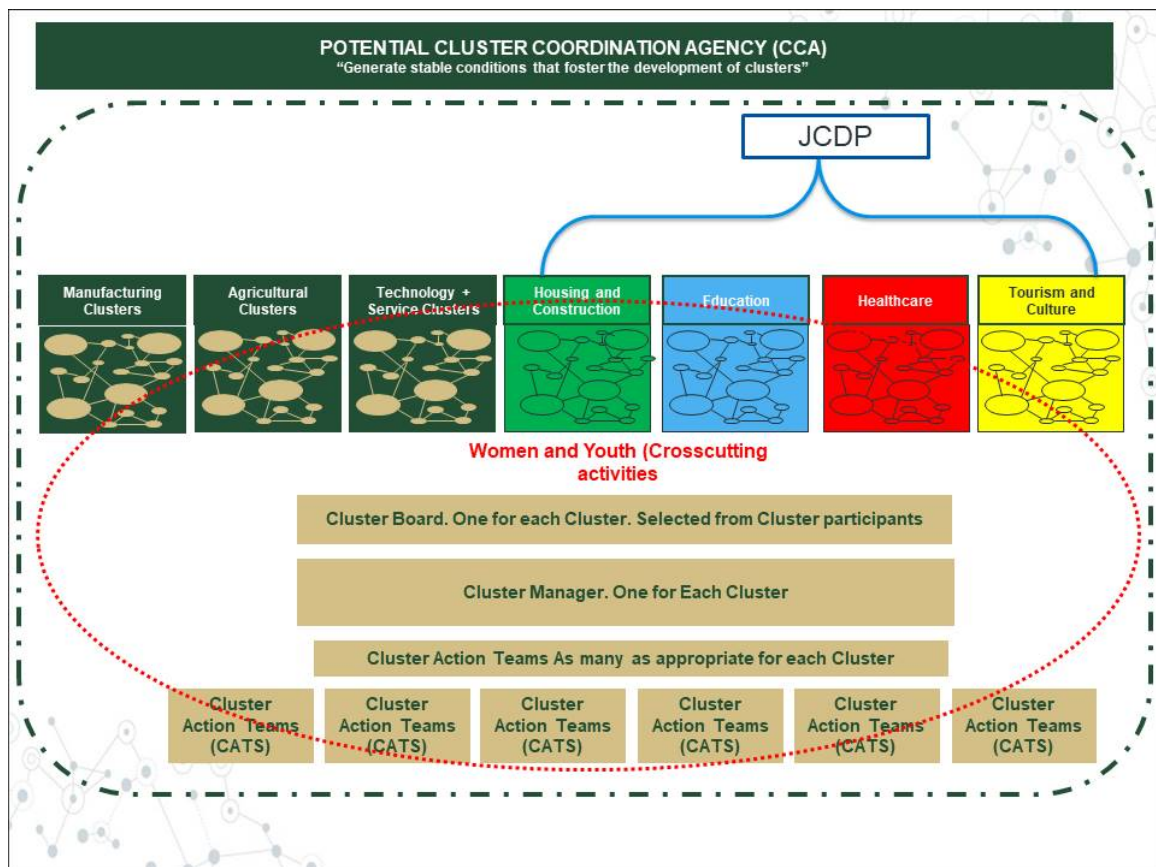


Table 6 shows a recommended plan for the first 12 months, and again uses the Education Cluster as an example. Planning beyond Year 1 is very speculative given that it is unclear from the JDCP what resources are available, and if the recommended cluster structure will be implemented. However some guidance is given on what might be included in years 2 and 3.

Important points for future planning are to ensure that there is continuous feedback on current CAT activities, and that within the forward plan mechanisms are included to cover key issues, such as:

- Reviewing CAT activities
- Board meetings
- Strategic reviews
- Budget reviews
- Providing updates on current and potential funding and finance
- Developing a Public Private Dialogue (PPD) between the cluster and government
- Developing additional activities which are designed to give the cluster a presence in the region, and create prestige and reputation. Such activities could include some or all of the following:
  - Mapping of companies that are involved in innovation
  - Cluster branding exercises
  - Publication of a regular newsletter (through which cluster members receive information)
  - Development of a cluster website (through which cluster members also receive information)
  - Setting up events / conferences
  - Allocating awards
  - Conducting business performance accreditation (e.g. due diligence and company scalability)
  - Developing strategic survey projects (e.g. identifying needs of businesses)
  - Identifying what educational providers there are to support the cluster
  - Developing, implementing and monitoring cross-cluster activities
- Arranging study tours

Future plans across the clusters will depend on the priorities chosen and the resources available for implementation.

**Table 6: Example of a Cluster Kick Off Plan - Year 1 (Education Cluster)**

EDUCATION CLUSTER KICK OFF PLAN – YEAR 1	YEAR 1			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>Activities Months 1 to 3</b>				
Awareness Raising for the Education Cluster	■			
Appoint the Management Board	■			
Develop Strategy	■			
Appoint the Cluster Manager	■			
Train Cluster Manager	■			
Prioritise Projects and Activities and create a detailed budget for each project	■			
Create Cluster Action Teams (CATs) One CAT for each major Project	■	■		
Create One CAT specifically to deal with Crosscutting issues, particularly projects and activities for Women and Youth		■		
Information briefing to cluster regards board and CATs		■		
Inform cluster of planned activities and set up a feedback and reporting mechanism to keep the Management Board and Cluster informed on Progress		■		
<b>Activities Months 4 to 12</b>				
<i><b>CAT 1 Building Purchases</b></i>				
Identify sources of funds and Donors including other financial tools such as mutual guarantee schemes, grant funds, equity funds etc.		■		
Undertake training in fiche preparation and proposal writing if required		■		
Prepare project fiches and proposals submit to appropriate donors and funders		■		
Carry out regular feedback sessions with Cluster		■	■	■
Monitor and report to cluster manager			■	■
<i><b>CAT 2 New Building</b></i>				
Identify sources of funds and Donors including other financial tools such as mutual guarantee schemes, grant funds, equity funds etc.		■		
Undertake training in fiche preparation and proposal		■		



EDUCATION CLUSTER KICK OFF PLAN – YEAR 1	YEAR 1			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
writing if required		■		
Prepare project fiches and proposals submit to appropriate funders		■		
Carry out regular feedback sessions with Cluster			■	■
Monitor and report to cluster manager			■	■
<i>CAT 3 Re-habitation and Refurbishment</i>				
Identify sources of funds and Donors including other financial tools such as mutual guarantee schemes, grant funds, equity funds etc.		■		
Undertake training in fiche preparation and proposal writing if required		■		
Prepare project fiches and proposals submit to appropriate funders		■		
Carry out regular feedback sessions with Cluster			■	■
Monitor and report to cluster manager			■	■
<i>CAT 4 Equipment Purchase</i>				
Identify sources of funds and Donors including other financial tools such as mutual guarantee schemes, grant funds, equity funds etc.		■		
Undertake training in fiche preparation and proposal writing if required		■		
Prepare project fiches and proposals submit to appropriate funders		■		
Carry out regular feedback sessions with Cluster			■	■
Monitor and report to cluster manager			■	■
<i>CAT 5 License, Building Permits and Rental</i>				
Identify sources of funds and Donors including other financial tools such as mutual guarantee schemes, grant funds, equity funds etc.		■		
Undertake training in fiche preparation and proposal writing if required		■		
Prepare project fiches and proposals submit to appropriate funders		■		
Carry out regular feedback sessions with Cluster			■	■
Monitor and report to cluster manager			■	■

EDUCATION CLUSTER KICK OFF PLAN – YEAR 1	YEAR 1			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
<b>CAT 6 Technical Training and Support</b>				
Identify sources of funds and Donors including other financial tools such as mutual guarantee schemes, grant funds, equity funds etc.		■		
Undertake training in fiche preparation and proposal writing if required		■		
Prepare project fiches and proposals submit to appropriate funders		■		
Carry out regular feedback sessions with Cluster			■	■
Monitor and report to cluster manager			■	■
<b>CAT 7 Crosscutting Activities for Women and Youth</b>				
Identify sources of funds and Donors including other financial tools such as mutual guarantee schemes, grant funds, equity funds etc.		■		
Undertake training in fiche preparation and proposal writing if required		■		
Prepare project fiches and proposals submit to appropriate funders		■		
Carry out regular feedback sessions with Cluster			■	■
Monitor and report to cluster manager			■	■
<b>Management</b>				
Regular meetings with CATs and Cluster Manager			■	■
Coordination meeting between Board and Cluster Manager			■	■
Planning and budgeting Review			■	■

**Table 7: Example of a Cluster Implementation Plan - Years 2 and 3 (Education Cluster)**

EDUCATION CLUSTER IMPEMENTATION PLAN		YEARS 2 AND 3	
Activities	Year 2	Year 3	
<i>Management</i>			
Regular meetings with CATs and Cluster Manager	■	■	■
Coordination meeting between Board and Cluster Manager	■	■	■
Planning and budgeting Review			
CAT Implementation (Teams 1 to 7)	■	■	■
<i>Develop PPD</i>			
PPD CAT set up		■	■
<i>Developing additional activities</i>			
Mapping of companies that are involved in innovation	■	■	■
Cluster Branding Exercise		■	■
Newsletter (through which members receive information)	■	■	■
Website (through which members receive information)	■		
<i>Events / conferences</i>			
<i>Awards</i>			
Business performance accreditation (e.g. due diligence and company scalability)		■	■
Strategic survey projects (e.g. identifying needs of businesses)		■	■
Identifying what educational providers to support the cluster	■		
<i>Cross Cluster activities</i>			
Study Tours		■	■

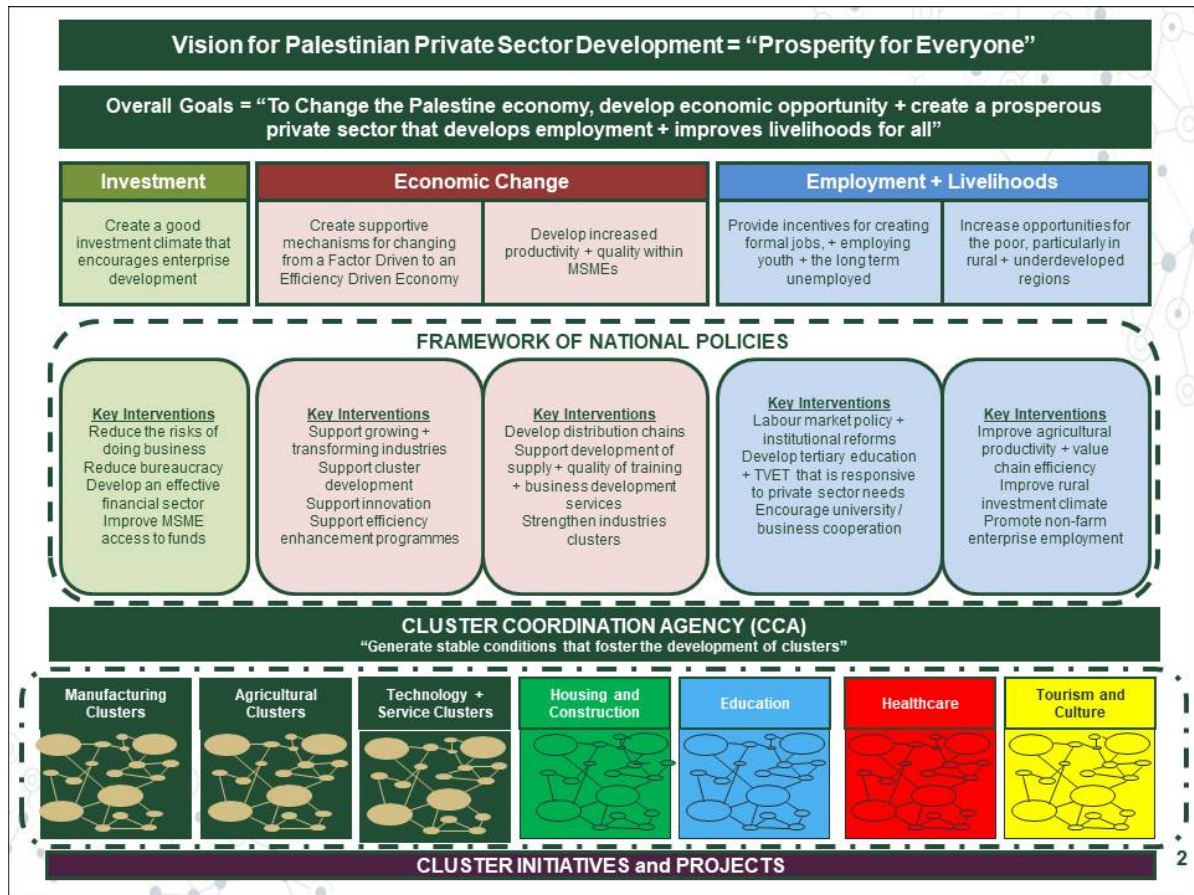
Tables 6 and 7 represent an outline of key activities that are considered important for successful implementation of the JDCP. Whilst initially aimed at the Education Cluster, they equally apply to all other clusters in the JDCP. The important point is that in the first year, it is critical to set up a governing board, appoint a cluster manager and create CAT teams. Cluster training will be necessary for all personnel involved with the cluster management.

## **5. SUMMARY**

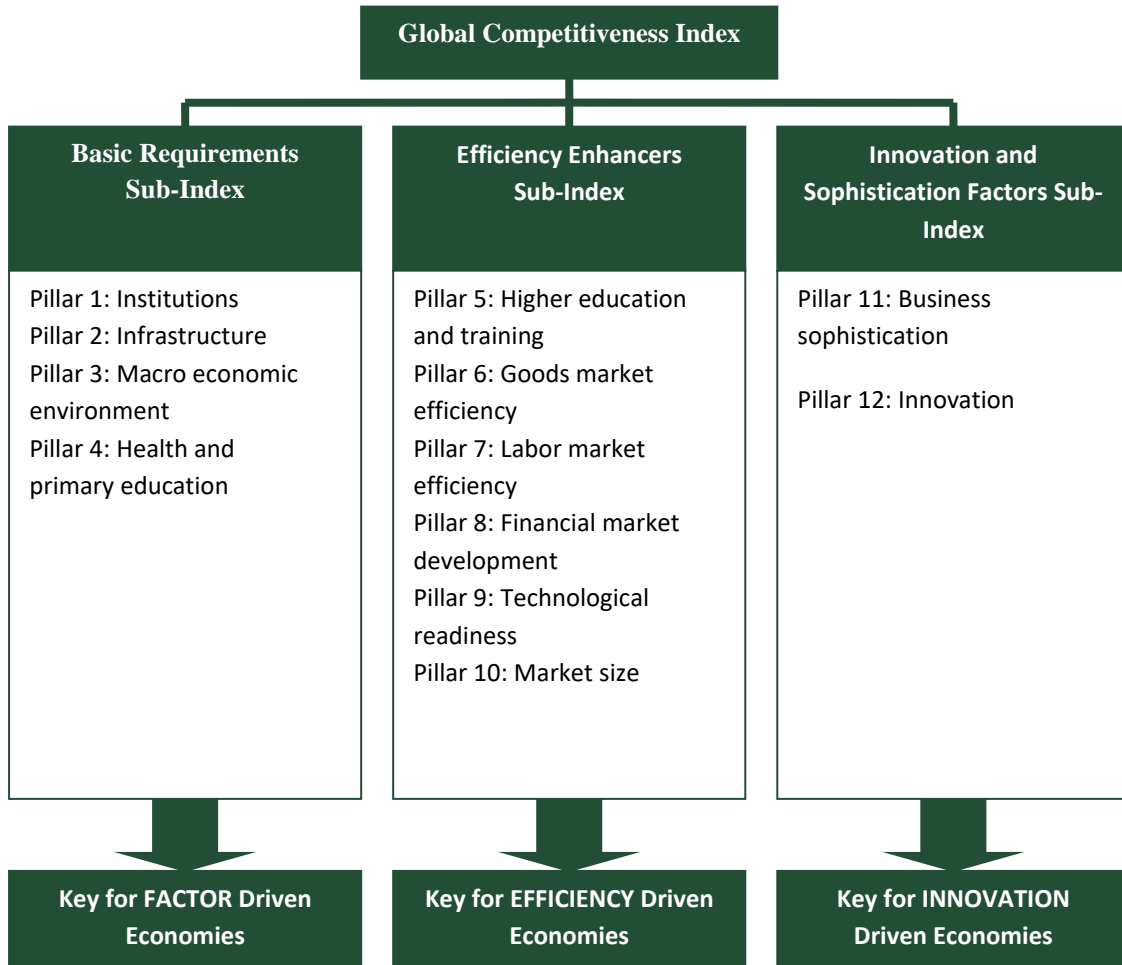
The JDCP, at this point in time, cannot be truly considered to be a cluster or a number of clusters. It does, however, offer very important support to those clusters that can be effectively established.

It is believed that the clusters identified in this short report are capable of being established, providing that the general format as recommended is followed. It will be important to develop a strategic plan for each individual cluster, where the members and participants of the cluster become informal strategic partners, all aiming for the improvement of and within the cluster. Developing a strategy based on cluster dynamics provides a synergy between the participants and they are “stronger by working together”. The cluster’s capability is greatly improved and is, to a certain extent, greater than the sum of the individual contributions. A key point is that where cluster dynamics exist, investing in them can be a powerful development tool. However, where the underlying cluster dynamic conditions are absent, attempting to build a cluster can be an extremely expensive and high-risk venture.

## ANNEX I: Overarching Cluster Management via a Cluster Coordination Agency



## ANNEX II: Global Competitiveness Index



### ANNEX III: Diamond Model of Competitiveness

