

**Inter-American Development Bank
Technical Cooperation Program (Trust Fund Financing)**

TC/FUNDS BRIEF

TC N°: DR-T1025

I. GENERAL INFORMATION:

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|----|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| 1. | Name of the T.C. Project | Bilateral Trade and Investment Promotion |
| 2. | Name of the Trust Fund: | Italian Consulting Firms and Specialized Institutions Trust Fund (ITC) |
| 3. | Final Beneficiary of the services to be provided: | The Export and Investment Center of the Dominican Republic, (CEI-RD) |
| 4. | Executing Agency: | The Inter-American Development Bank |
| 5. | Team Leader/Members: | Fabrizio Opertti (INT/INT); Elisa Botero (INT/INT); Bernadete Buchsbaum (LEG/SGO) and Cecilia Seminario (INT/INT). |
| 6. | Estimated Total Amount to be financed by trust fund | US\$ 76,000 |
| 7. | Execution and Disbursement Deadlines: | 12 and 14 months respectively. |

II. OBJECTIVES:

- 2.1 The general objective of the Technical Cooperation (TC) is to assist the Dominican Republic export and investment promotion agency (CEI-RD) in creating opportunities to enhance bilateral trade and investment flows between the DR and Italy. The specific objectives are: (i) to research, elaborate and disseminate market-based specific information about Dominican products and industries of interest for prospective Italian buyers and investors; and (ii) based on the market intelligence gathered, develop targeted investment and export promotion initiatives to favor increased economic exchange (trade and investment) between Italy and the Dominican Republic.

III. DESCRIPTION:

- 3.1 **First Component: Bilateral Trade and Investment Information** . The objective of this component is to research, elaborate and disseminate targeted market-based information to help Dominican exporters identify market niches for their products in Italy, and assist Italian companies in recognizing industries where the Dominican Republic is competitive as a direct investment location. The TC will finance the following activities: (i) elaboration and dissemination of product-market guides: these guides, aimed at facilitating the export decision-making process for Dominican firms, will be prepared for the top 5 Dominican strategic export products to Italy (those 5 products that have experienced the fastest growth in the last 3 years, yet still have limited market share of total imports of that product). Among others, the guides will feature the following sections: product name, HS code, varieties and product uses, Italian imports (both in volume and in value), competing countries, regional segmentation, prices in destination market, labeling requirements,

applicable technical standards, main distribution channels, main trade shows, name of main importers/distributors with contact data. The TC will also fund: (i) the consultant's travel expenses to allow for internal field visits in the Dominican Republic to raise primary information about Dominican producers; and (ii) the elaboration of priority sector-specific guides for FDI by Italian firms that consist of an inventory of existing companies within each sector (at the product and service level) and the strengths, weaknesses, opportunities and threats facing investors in the Dominican Republic in these sectors, a brief recapitulation of specific legislation regulating the sector, exports and sales of the sector, number of foreign-owned companies in the sector, professional and industry associations, and other sector-specific aspects relevant to the decision to invest by Italian companies; and (iii) dissemination materials to be used in promotional actions in Italy to be undertaken by the CEI-RD.

- 3.2 **Second Component: Promotional Initiatives:** The objective of this component is to assist the CEI-RD prepare and coordinate various promotional initiatives aimed at the Italian market, both from export and investment perspectives, taking into account the prioritized sectors included in the product market and investment sector guides. The TC will fund technical assistance to prepare promotional actions, that might include: (i) logistic and technical support to the organization of Italian importers' or investors' missions to undertake prospecting of potential Dominican suppliers by Italian purchasers; (ii) logistic and technical support to the preparation of the Dominican participation in relevant sectoral trade shows in Italy, including: the preparation of contact agendas for trade show participants, briefings on Italian sectoral and consumer trends, articles for professional magazines, etc. as well as follow up activities after the trade shows in order to monitor and evaluate the participation of Dominican companies.
- 3.3 **Consulting Services Required:** The consulting services required will be provided by an Italian individual consultant, with an economics, business administration, political science or international relations background, preferably at the graduate level, and a minimum of 2 years experience in international economic relations in the public sector.
- 3.4 **Outputs required:** This TC's products will include 5 product –market guides, 2 priority sector investment guides and at least 2 promotional actions in the export and FDI areas. All documents produced under the TC will be required to contain reference to the financing provided by the specific trust fund selected and its donor institution, in addition to the IDB. All reports should contain an executive summary of no more than two pages. Reports produced are to be delivered to IDB in a sufficient number of copies to enable distribution to the trust fund donors, the beneficiary and IDB units. At least five copies of the final report are to be delivered to IDB.
- 3.5 **Duration:** The expected duration of the TC will be 14 months.

IV. JUSTIFICATION:

- 4.1. The activities included in this technical cooperation complement the efforts undertaken by the Dominican Republic's government under Loan Contract 1511-OC/DR signed between

the Bank and the Dominican Republic on December 15th, 2003, to finance a Program to promote foreign trade. The activities defined in this TC are synergic to those financed by the loan object of Loan Contract 1511/OC-DR in two levels: at the strategic level, this TC will create opportunities to expand bilateral exchanges between the Dominican Republic and Italy and at the operational level, -this TC will tailor the actions to promote foreign trade and to increase the Dominican presence in foreign markets financed under Loan 1511/OC-DR to the needs and the demand of the Italian market.

V. RESPONSIBILITY IN THE BANK:

- 5.1 The operation will be executed by the Inter-American Development Bank through the Integration and Trade Sector (INT/INT). INT/INT will be responsible for guaranteeing the technical quality of the project's products, supervising the services to be performed by the individual consultant hired to this effect, and authorizing the disbursement of the resources of this TC. A single Italian individual consultant will be hired to provide the services described in paragraphs 3.1 and 3.2.
- 5.2 The contracting of consultant services will be carried out by the Bank in accordance with the provisions of document GN-2350-7 (Policies for the Selection and Procurement of Consultant Services financed by the IADB) which may be applicable to the Bank. The purchase of goods and related services will be carried out by the Bank in accordance with document GN-2349-7 (Policies for the Procurement of Goods and Work financed by the IADB) which may be applicable to the Bank.
- 5.3 The Bank will require the consultant to complete their tasks within 12 months from the date of approval of this operation by the appropriate Bank authority and will conclude disbursements for work properly carried out by the consultants within a period of 14 months from that same date.

VI. ENVIRONMENTAL AND SOCIAL STRATEGY:

- 6.1 Because of its nature, consisting in the promotion of trade and investment through the hiring of consultancy services, the project will have no direct environmental or social impact. In accordance with the Safeguard Policy Filter Report (#2008-11194859-2), the project does not require complementary environmental or social actions. Moreover, in accordance with the Safeguard Screening Form (#2008-11195158-2) the operation has been classified as category "C".

VII. RECOMMENDATION:

- 8.1 Fabrizio Operti, designated team leader for the project of the reference, recommends the approval of this operation and the use of resources from the Italian Consulting Firms and Specialized Institutions Trust Fund (ITC), totaling up to US\$76,000 in order to finance the corresponding project.

VIII. CERTIFICATION:

- 9.1 I hereby certify that this operation was approved for financing under the Italian Consulting Firms and Specialized Institutions Trust Fund (ITC) through a letter dated on January 8, 2009 and signed by Cons. Amb. Filippo Scammacca, Head of the Financial Cooperation Office, Ministry of Foreign Affairs of Italy. Also, I certify that resources from the ITC are available for up to US\$76,000 in order to finance the activities described and budgeted in this document. This certification reserves resources for the referenced project for a period of twelve (12) calendar months counted from the date of signature below. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted. The commitment and disbursement of these resources shall be made only by the Bank in U.S. Dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this TC Brief. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.

(original firmado)

Marguerite S. Berger
Chief, VPC/GCM

2 -Feb.-2009

Date

IX. APPROVAL:

(original firmado)

Antoni Estevadeordal
Manager, INT/INT

3-Feb.-2009

Date