

Technical Cooperation Document

I. Basic project data

• Country/Region:	REGIONAL/IDB
• TC Name:	Knowledge dissemination, networking and programming support for the Compete Caribbean Partnership Facility (CCPF)
• TC Number:	RG-T3023
• Team Leader/Members:	DOHNERT DE LASCURAIN, SYLVIA EVA - Team Leader FRANKLYN, RUSSELL LEVON - Fiduciary Financial Management Specialist COX, SHAMEKA TAMEISHA - Project Assistant PEREIRA, STEFANO - Operational Analyst GIBSON, TAMARA WYNETTE - Operational Analyst GRANT, KAYLA SHAREE - Operational Analyst HENNIG, BETINA TIRELLI - Attorney
• Indicate if: Operational Support, Client Support, or Research & Dissemination:	Research and Dissemination
• If Operational Support TC, give number and name of Operation Supported by the TC:	N/A
• Reference to Request : (IDB docs #):	N/A
• Date of TC Abstract authorization:	N/A
• Beneficiary (countries or entities which are the recipient of the technical assistance):	The Bahamas, Barbados, Belize, Guyana, Jamaica, Suriname and Trinidad and Tobago, 6 OECS countries
• Executing Agency and contact name (Organization or entity responsible for executing the TC Program) {if Bank: Contracting entity} {if the same as Beneficiary, please indicate):	Inter-American Development Bank
Donors providing funding	Compete Caribbean Partnership Facility (CCP)
• IDB Funding Requested:	729,300.00 \$
• Local counterpart funding, if any:	0.00 \$
• Disbursement period (which includes execution period)	24 months
• Required start date:	May 15, 2017
• Types of consultants (firm or individual consultants):	Individuals/ Firms
• Prepared by Unit:	Competitiveness & Innovation
• Unit of Disbursement Responsibility:	INSTITUTIONS FOR DEVELOPMENT
• Included in Country Strategy (y/n):	No
• TC included in CPD (y/ n):	No
• Strategic Alignment:	Productivity and innovation

II. Objective and Justification

- 2.1 The objective of this TC is to support the execution of the Compete Caribbean Partnership Facility (CCPF, GN-2851) for 2017 and 2018, with the objective of enhancing the capacity of the FCU to: i) build networks to capture and disseminate best practices, knowledge and lessons learned, and ii) enhance its ability to dialogue with key stakeholders across the region for identification of catalytic projects. The CCPF itself has been designed to contribute to overcome the challenge of weak productivity growth by accomplishing two specific objectives: (i) to support firms to grow, innovate and enter new sectors and markets; and (ii) to promote an environment that enables innovation and growth. This TC will help identify catalytic projects that will further these two specific objectives.
- 2.2 To support the sustainable economic growth and enhance competitiveness in the Caribbean, in 2010, the IDB partnered with Canada, the United Kingdom and the Caribbean Development Bank to implement the Compete Caribbean Program (CCP - RG-X1044), which provided technical assistance to governments and the private sector, with the vision of tackling weak private sector competitiveness, a difficult business environment, and a dearth of data and knowledge on the issues affecting private sector development within a regional perspective. The mid-term and end of

program evaluations show that CCP achieved or surpassed most of its outputs as well as the great majority of outcome and intermediate results. Projects promoted shifts in national competitiveness indicators, contributed to growth in new sectors and to employment generation, and produced new data and knowledge.

- 2.3 Based on these outcomes, CCP's donors recognized the opportunity to build on the results and lessons learned of CCP in a second phase which would: 1) focus on specific issues that affect firms' productivity, growth and employment diagnosed under the first phase; and 2) build the capacity of indigenous institutions to replicate in a sustainable manner the methodologies developed under the first phase. On March 20, 2016, the IDB Board approved the creation of the Compete Caribbean Partnership Facility (CCPF) as a Multi-Donor Facility (GN-2851) (DE-12/16), with a budget of US\$34.9 million, expected to be provided by Global Affairs Canada (GAC), the United Kingdom's Department for International Development (DFID) and the Caribbean Development Bank (CDB). The CCPF has two components: (i) Productivity and Innovation in Firms and (ii) Enhancing the Business and Innovation Climate. It will be executed through a Facility Coordination Unit (FCU) based in the IDB's Country Office (COF) Barbados. The FCU is currently comprised of a Technical Secretary, who is a Bank specialist, and a set of consultants organized in the following fashion: two component coordinators and a financial specialist, two project development officers and an administrative assistant. Additional technical support for the two components, as well as procurement support will be contracted based on demand during program execution.
- 2.4 This proposed TC falls under the already established Compete Caribbean Partnership Facility (CCPF), GN-2851, and it represents an initial tranche of the IDB Board approved GN-2851 budget to be dedicated to knowledge, networking and programming to support the FCU in achieving the results expected of the CCPF. It is a foundational TC that will enable the FCU to commence programming work on specific issues that affect firms' productivity, while identifying indigenous institutions that CCPF can work with in transferring the methodologies developed under the first phase, including identification and analysis missions. It is foreseen that generating demand from indigenous institutions for the transfer of CCP methodologies will require significant dialogue supported by the dissemination of knowledge concerning the private sector in the Caribbean. Building knowledge and best-practice networks will therefore enable the FCU to engage in dialogue to identify catalytic, private sector development projects in CCPF's two components at the regional and at the country level, and fulfill the strategy approved by CCPF's Program Advisory Group (See Annex). By helping to create a platform for knowledge dissemination that will support the dialogue process, this TC is also designed to address the weaknesses of CCP as documented in the GN-2851 document: knowledge dissemination, a lag time in implementation, and insufficient synergies between CCP's components.
- 2.5 CCP disbursed US\$30.6 million over 6 years through 110 projects in the 15 independent CARIFORUM countries. Like CCP, the CCPF will be coordinated by a Coordination Unit (FCU) based in Barbados, which will identify, design, execute, monitor and evaluate projects. An independent program evaluation for CCP recognized the program's significant value added to the region. However, both the midterm evaluation and the final evaluation of CCP identified a slow ramp-up of projects as one of the difficulties that CCP was eventually able to overcome to achieve the Compete Caribbean Program's expected results in an acceptable timeframe. The proposed TC aims to support the programming stages of CCPF by providing the FCU

¹ The Caribbean Forum (CARIFORUM) membership comprises of the following 15 independent countries: Antigua & Barbuda, The Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Suriname, Trinidad & Tobago.

with sufficient resources to ride upon the success of CCP and carry out dialogue and identify and design impactful, catalytic projects.

- 2.6 This TC is consistent with the Update to the Institutional Strategy 2010-2020 (AB-3008) and is aligned with the development challenge of productivity and innovation in the following ways: (i) As per the CCPF's strategy and results' framework, institutional capacity building will be a focus of this second phase of Compete. (ii) In addition, and in response to IDB and donor priorities, the CCPF is mainstreaming gender and diversity into its results' framework, and both gender and climate change are part of its areas of emphasis. (iii) With respect to the development challenge of productivity and innovation, CCPF's main objective is to contribute to increase productivity in the region, with innovation as one of its main mechanisms. Indeed, one of the methodologies which the CCPF will seek to transfer to indigenous institutions in the region focuses on policy tools to foster innovation within the private sector.

III. Description of Activities/Components and Budget

- 3.1 The activities of this TC will be divided into two components:
- 3.2 **Component I. Building networks and instruments to disseminate knowledge, best practices and lessons learned.** This component aims to support the ability of the CCPF's FCU to engage in dialogue by: i) helping to build knowledge dissemination networks and communities of practice consisting of policy-makers, private sector and/or financial institutions in the region on the topic of private sector development, including the identification of main constraints, and to continue to disseminate research, best practices and lessons learned from CCP2, as well as CCPF activities 3; ii) outreach and communication to CCPF stakeholders about CCPF activities and results; iii) maintaining the ability of the CCPF's FCU to execute and monitor projects, including capturing results. The activities funded by this component will include: (i) networks, workshops and seminars for dialogue, research, and information dissemination, (ii) design and execution of communication strategies to CCPF stakeholders, (iii) development of communications and media products, including website, multi-media, social media and print; and (iv) activities to fully integrate monitoring of CCPF projects into the Bank's systems as required.
- 3.3 Expected outputs of this component are: at least eight dissemination workshops/seminars organized, at least two communication strategies developed and implemented, with accompanying supporting material, and an assessment of the Bank's systems vis-à-vis the financial and monitoring requirements of the CCPF, as well as adaptation of the Compete Caribbean Administrative and Reporting System (CCARS) (if necessary) to meet those requirements.
- 3.4 With respect to the dissemination workshops/seminars planned, its audience will be policy-makers, private sector and financial institutions involved in the dialogue process, with at least 8 workshops taking place.

² Dissemination events will only be organized for the most relevant/impactful CCP and/or IADB generated knowledge, as for example the recently published book of the variables that affect innovation and competitiveness at the firm level, which is a nice complement to the private sector development book published by CCB. Each event will be functional in terms of helping to move the possible dialogue, and will therefore select the best pieces of research to make the case on the particular policy topic being presented.

³ CCP worked in a number of themes across the region such as investment promotion and competitiveness councils. However, no formal networks amongst actors working on these themes were established to formally share experiences and best practices about how to approach certain issues. The proposal is to establish communities of practice around topics related to CCPF dialogue, such as working with clusters, innovation policy, and specific business climate reforms (i.e. access to finance, resolving insolvency, etc.), as well as certain transversal topics (i.e. how to enhance opportunities for women-owned firms in the Caribbean). These networks would increase knowledge, expertise and regional collaboration on the types of policy tools that can increase productivity in the region.

- 3.5 Communication strategies refer to specific plans to frame media activities and other external communications to give visibility to either the CCPF as a program or to certain issues and/or activities that CCPF is pursuing, in order to raise awareness and attract potentially eligible beneficiaries. For example, the competitions for private sector proposals are one such activity requiring outreach, which would have its own communications' strategy.
- 3.6 CCARS was developed during the CCP to enable management of the portfolio at a project level, given that the CCP was registered in the Bank's systems as only one TC (RG-X1044), yet this TC funded over 100 sub-projects. CCARS integrates operational data with financial data extracted from WLMS, as well as monitoring and results' data, and has functionalities to manage TCs at the portfolio and project level that Convergence does not yet have. The component proposes to assess the Bank's systems vis-à-vis CCARS and the needs of the CCPF, and to fund adaptation to CCARS, if needed.
- 3.7 **Component II. Dialogue for identification of catalytic projects.** This component will support the ability of the CCPF to carry out an effective dialogue throughout the 13 countries that benefit from the Facility, and therefore to identify and design catalytic projects. As such, it will fund the travel required for identification and design of CCPF projects throughout the 13 beneficiary countries, a bi-annual team building retreat, and office material. This TC will only contribute to travel costs of the FCU related consultants, and will not be used to cover travel of any Bank staff.
- 3.8 The FCU will interact very closely with the Bank's country offices in identifying, designing and programming catalytic projects. Dialogue with stakeholders from the public and private sector in CCB countries, including those of the OECS, will be carried out in consultation with and under the supervision of COFs, and programming will follow the standard processes of the Bank through the usual eligibility mechanisms⁴. Additionally, dialogue within the OECS countries will be done under the supervision of the Barbados country office and in coordination with the CDB. and in coordination with the CDB. The alignment with both country and sectorial strategies will be identified for each of these projects. The FCU will also interact closely with the IIC to identify catalytic reform and productivity projects and support current and potential IIC clients to participate in the dialogue. Consultation with anchor companies in the region will be organized with the IIC, to identify catalytic business climate reform projects⁵ and/or productivity enhancing projects.
- 3.9 The total cost of this TC is US\$729,300, to be financed by the Compete Caribbean Partnership Facility Multi-donor Trust Fund.

Table III. 1. Indicative Budget (US\$)

Activity/Component	Description	IDB Funding (CCPF)
Component 1: Building networks to capture and disseminate best practices, knowledge, and lessons learned	Networks, workshops and seminars for dialogue, research and information dissemination ⁶	100,000
	Design and execution of communication strategies and development of communications and media products,	180,000

⁴ As a way to enhance coordination, the FCU will consult with the COF Representatives about the possibility of designating a focal point at each COF.

⁵ In line with its results' framework, CCPF is seeking business climate reform projects that help countries make progress in their Doing Business indicators, and/or that strengthen an institution that is an integral part of the business climate and/or eco-system for innovation, and/or that unlocks the potential of an economic sector (i.e. micro-reforms).

⁶ GN-2851 budget category "workshops and dissemination", within "networking, best practices and lessons learned".

Activity/Component	Description	IDB Funding (CCPF)
	including website, multi-media, social media and print. ⁷ (may require specialized communications support person/firm)	
	CCARS assessment and modification ⁸	70,000
Sub-total Component 1		350,000
Component 2: Dialogue for identification of catalytic projects	Travel: roadshows, identification and design missions in 13 countries. Includes venue and logistics for audience ⁹	320,000
	Admin and Finance: Team building ¹⁰	25,000
	Admin and Finance: Office costs ¹¹	20,000
Sub-total Component 2		365,000
Contingencies (2%)		14,300
TOTAL		729,300

IV. Executing agency and execution structure

- 4.1 The executing agency for this TC will be the Bank (IFD/CTI) through the Facility Coordination Unit in COF Barbados. In the implementation of this TC, the FCU will look for opportunities for integration with the Inter-American Investment Corporation (IIC), for example the possibility of CCPF private sector participants to be integrated in value chains supported by the IIC.
- 4.2 The procurement of individual consulting services will be carried out by the IDB in accordance with Human Resources (HRD) Complementary Workforce Policy (AM-650). The procurement of consulting firms will be carried out by the IDB in accordance with the Policy for the Section and Contracting of Consulting Firms for Bank-executed Operational Work (GN-2765-1). The procurement of consulting services different from consultants will be carried out by IDB in accordance with Corporate Procurement Policy (GN-2303-20). With the approval of the Compete Caribbean Partnership Facility (CCPF), the Board of Executive Directors also approved an exception to Bank's "Policies for the selection and contracting of consultants financed by the IDB" (GN-2350-9) and "Policies for the procurement of works and goods financed by the IDB" (GN-2349-9) related to eligibility, so goods and service providers from non-IDB member countries could participate in the procurement processes for activities financed entirely with resources of the CCPF, provided that the country of origin or nationality of such providers is recognized by the donors as eligible. The team is processing a request for an extension of this exception to the service of consulting firms contracted under the terms of GN-2765-1. Such exception will apply as of the date of its approval by the Board of Executive Directors. Appendices 11 & 12 link to the respective procurement policies of the donors, showing the countries eligible for procurement.

V. Project Risks and issues

- 5.1 The capacity of public and private sector counterparts to engage in dialogue with the Compete Caribbean Partnership Facility in a way that yields impactful projects is variable across the region. Therefore, although there will be effort placed on identifying catalytic projects, particularly in the more vulnerable countries, the quantum and impact of projects that the Facility will be able to identify, design and execute in the more vulnerable countries is unknown. There will be a greater effort

⁷ GN-2851 budget category "strategic communications, branding" within "networking, best practices and lessons learned".

⁸ GN-2851 budget category "Systems' support".

⁹ GN-2851 budget category "Travel".

¹⁰ GN-2851 budget category "Admin and Personnel".

¹¹ GN-2851 budget category "Admin and Personnel".

placed on dialogue in these countries to mitigate this risk. GN-2851 has identified capacity building activities in those countries as necessary for them to benefit from some of the instruments of the CCPF. This TC will identify opportunities for such capacity building. The quantum of resources necessary to fully integrate the management of Compete Caribbean projects to the Bank's systems, which could include adaptation of CCARS is not yet fully known, but will be assessed early on in the implementation of this TC. Based on past work concerning modification of CCARS, there is a high likelihood that the resources of this TC will be able to cover any eventual adaptations.

VI. Environmental and Social Classification

- 6.1 Given the nature of the program, there are no associated environmental or social risks. Based on the Environment and Safeguards Compliance Policy (OP-703) this operation is classified as "C".

KNOWLEDGE DISSEMINATION, NETWORKING AND PROGRAMMING SUPPORT FOR THE COMPETE CARIBBEAN
PARTNERSHIP FACILITY (CCPF)

RG-T3023

CERTIFICATION

I hereby certify that this operation was approved for financing under the **Compete Caribbean Partnership Facility (CCP)** through a communication dated April 11, 2017 and signed by Goro Mutsuura (ORP/GCM). Also, I certify that resources from said fund are available for up to **US\$729,300** in order to finance the activities described and budgeted in this document. This certification reserves resource for the referenced project for a period of four (4) calendar months counted from the date of eligibility from the funding source. 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 US 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 operation. 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, represent a risk that will not be absorbed by the Fund.

Original Signed

Sonia M. Rivera

Chief

Grants and Co-Financing Management Unit

ORP/GCM

05/18/2017

Date

Approved:

Original Signed

Claudia Stevenson

Acting Division Chief

Competitiveness and Innovation Division

IFD/CTI

05/19/2017

Date