

TC ABSTRACT

I. Basic project data

▪ Country/Region:	REGIONAL/IDB
▪ TC Name:	Compete Caribbean: Promoting Technological Extension Services in the Caribbean – Phase I
▪ TC Number:	RG-T2992
▪ Team Leader/Members:	Hennessey, Michael P. - Team Leader Grant, Kayla Sharee - Operational Analyst Casaburi, Gabriel - Team Member Suaznabar, Claudia - Team Member Gonzalez Herrera, Beatriz Maria - Project Assistant Pereira, Stefano - Project Assistant Cox, Shameka Tameisha - Project Assistant Hennig, Betina Tirelli - Attorney Lutz, Liza M. - Team Member Pilgrim, Valarie - Team Member Stevenson, Claudia - Team Member Dohnert De Lascurain, Sylvia Eva - Team Member
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination.	Research and Dissemination
▪ Date of TC Abstract:	02 May 2017
▪ Beneficiary:	CARICOM member countries
▪ Executing Agency and contact name:	US-IDB - Claudia Stevenson
▪ IDB Funding Requested:	\$ 150,000.00
▪ Local counterpart funding, if any:	\$ 0.00
▪ Disbursement period (which includes execution period):	18 months
▪ Required start date:	
▪ Types of consultants (firm or individual consultants):	Individuals
▪ 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
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation

II. Objective and Justification

- 2.1 Productivity is a crucial determinant of economic growth with innovation being one of its major indicative variables. The majority of Caribbean firms are micro, small and medium enterprises whose growth is challenged by small markets. Larger firms, on

the other hand, tend to be more export-oriented and more productive yet make up only a small percentage of the total number of firms operating in the region (Ruprah et al, 2014). A focus on improving SME productivity and their access to global export markets has the potential to produce enough critical mass to shift long run economic growth prospects of the Caribbean region and to contribute to closing the productivity gap with advanced economies.

- 2.2 Technological Extension Services (TES), also known as Technology Transfer Services (TTS) can help to improve firms' productivity by providing enterprises with direct assistance that fosters their ability to absorb technology and/or incorporate innovations already existing in other countries. Firm use of these more advanced technologies and innovations cultivate the region's ability to absorb new technology (i.e. its absorptive capacity) thereby contributing to developing the region's innovation system. TES usually includes services such as information provision, benchmarking and assessment, technical assistance, training, group or network services, collaborative projects (e.g., R&D, implementation), strategy development, mentoring and applied research. Technological extension services have the added advantage of being simpler to implement (i.e. requiring less institutional capacity) and less expensive than other innovation inducing mechanisms.
- 2.3 Despite the prior benefits, the landscape for TES in the Caribbean is unknown. This TC seeks to fill the knowledge gap and raise awareness of TES as an instrument for SME productivity and innovation policy by assessing the supply and demand of TES, engaging in dialogue with the countries benefitted by the Compete Caribbean program on the potential for TES, and identifying pilots. Additional issues that the research will look at are: 1) opportunities for TES in the services industry where little innovation has occurred and 2) specific ways to provide TES to women led businesses, who exhibit productivity gaps vis a vis male led firms (Moore, Presbitero and Rabelotti 2017). In addition, firm level surveys point to women's low tendency to participate in public support programs and to have more difficulties overcoming innovation barriers than male owned firms (Mohan et al 2017).
- 2.4 The objective of this TC is to exchange knowledge and best practices on implementing cost-effective technology extension services that are adapted to the Caribbean context and that support SME productivity and growth prospects, including that of women led firms.
- 2.5 This TC is consistent with the Update to the Institutional Strategy (UIS) 2010-2020 (AB-3008) as it is strategically aligned with the development challenges of: (i) productivity and innovation; and (ii) economic integration and specifically addressing the special needs of small and vulnerable countries and fostering development through the private sector. The program is aligned with the priorities defined in the Innovation, Science and Technology Sector Framework Document (GN-2791-3).

III. Description of activities and outputs

- 3.1 Component 1: Technological Extension Services Diagnostic (US\$150,000). This component will finance: i) A consultancy to assess the types of technological extension services currently being supplied in the region, the challenges in implementing TES (i.e. resources, human capital, institutional arrangements), and firm level demand for TES with a special focus on the unmet needs and challenges of women led firms that could be addressed through TES offerings. The assessment will include recommendations for TES models in at least four countries. ii) A policy dialogue for representatives from each of the Compete Caribbean beneficiary countries to disseminate the findings, recommendations, and design elements of TES in the Caribbean, guided by expert facilitators. The policy dialogue will gauge the interest level of countries in receiving technical support for designing TES in their respective country.

Outcomes:

Name: Increased support for innovation.

Measured by Outcome Indicator: Public and private institutions assisted by the Program that implement a gender-responsive TESP pilot

Outputs:

Output 1: "TES Opportunities and Potential Impact in the Caribbean" - Discussion Paper Published

Output 2: Regional Policy Dialogue held

IV. Indicative Budget

Activity/Component	Description	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1: Technological Extension Services Diagnostic	Funding for knowledge generation and dissemination.	\$ 150,000.00	\$ 0.00	\$ 150,000.00

V. Executing agency and execution structure

- 5.1 The execution of this TC will be carried out by the Bank through the Competitiveness and Innovation Division (IFD/CTI) in coordination with the Facility Coordination Unit (FCU) of the Compete Caribbean Partnership Facility based in Barbados.
- 5.2 Project output indicators will be monitored following the Monitoring and Evaluation (M&E) framework of the Compete Caribbean Partnership Facility.
- 5.3 The Compete Caribbean Partnership Facility (CCPF), approved under GN-2851, was jointly designed with donors to be a Bank Executed Program. Given the expertise and experience already in place by the execution of the first phase of the Compete Caribbean Program, the CCPF's Facility Coordination Unit (FCU) will build on the unit already established in COF Barbados. Additionally, the CTI team, through its research and management of past consultancies aimed at implementing TES in Latin America, has a strong knowledge of TES strategy design and implementation. The Bank has

demonstrated its ability to coordinate and motivate action across diverse stakeholders at both the national and regional levels.

VI. Project Risks and issues

- 6.1 There is limited knowledge, development and experience in the region related to Technology Extension Services (TES). A key risk includes identifying stakeholders capable of supporting TES. To mitigate the prior risks, this TC is focused on providing a general assessment for TES demand and supply and dissemination of findings amongst interested stakeholders.

VII. Environmental and Social Classification

- 7.1 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" (See Safeguards Policy Filter Report and the Screening Form).