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MULTILATERAL INVESTMENT FUND

TRINIDAD AND TOBAGO

TAMANA TECHNOLOGY FACTORY

(TT-T1107)

DONORS MEMORANDUM

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PROJECT SUMMARY
TRINIDAD AND TOBAGO
TAMANA TECHNOLOGY FACTORY
(TT-T1107)

Creative Industries has been one channel that Trinidad and Tobago is seeking to develop as part of its diversification thrust, animation is one sector within the creative industries grouping which, from a technical and global industry organization perspective, lends itself to nearshoring. The production of animation content developed by large studios in the United States for example, is often accomplished through a combination of outsourcing, nearshoring, and offshoring to animation studios across the world. Trinidad and Tobago has developed animation, gaming, and music technology skills over the past years through the University of Trinidad and Tobago (UTT), a national tertiary institution that seeks to develop skills that respond to global demand while being focused in areas that Trinidad and Tobago is assessed to be competitive.

Animation, gaming, and music technology tertiary certification programs are one example of UTT's strategy to train youth for future opportunities, and although small studios have emerged and achieved some success, these enterprises are often judged as being too small and not agile enough to be considered for contracts from large studios and intermediaries. The implementation of the Tamana Technology Factory Hub (Tamana Technology Hub/Hub) at UTT will provide existing and aspiring entrepreneurs in the AGMT space to subscribe to and leverage benefits that can facilitate their involvement in nearshoring opportunities from North American Studios in particular. Services that the Tamana Technology Hub will provide include access to secure studio space outfitted with current technology, just in time short term training for animators in evolving techniques, opportunities to scale up teams by contracting AGMT certified providers/freelancers that are on the Tamana Tech Hub's rosters, branding, marketing, and securing of nearshore contracts that may be brokered by UTT, particularly in the early stages.

At the impact level this project will catalyse the commercial development of the AGMT sector through the establishment of the Tamana Technology Hub. At the outcome level this project will expand the skills base of the country via a 20% increase of skilled personnel in the AGMT sector by year 3 of the project. It is also expected that that by year 3 the Technology Factory will achieve a 10% increase in income earned and at least 5 studios will be exporting their services via connections provided by the Hub

This intervention is particularly relevant in the country context as a COVID 19 economic recovery response and supporting Trinidad and Tobago's diversification away from traditional reliance on upstream and downstream energy sector revenues given depressed pricing of fossil fuel and derived petrochemical commodities and shortfalls in the country's available natural gas supply which have severely affected the economy and export revenues.

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AVAILABLE IN THE TECHNICAL DOCUMENTS SECTION OF MIF PROJECT INFORMATION SYSTEM

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ACRONYMS AND ABBREVIATIONS

AGMT	Animation, Gaming and Music Technology
CCB/CTT	IDB Country Office in Trinidad and Tobago
CGI	Computer Generated Imagery
ICT	Information and Communications Technology
IDB	Inter American Development Bank
IDB Lab	Multilateral Investment Fund
LAC	Latin America and the Caribbean
SBG	Sustainable Business Group
SDG	Sustainable Development Goals
UTT	University of Trinidad and Tobago
VFX	Visual Effects

PROJECT INFORMATION
TRINIDAD
TAMANA TECHNOLOGY FACTORY
(TT-T1107)

Country and Geographic Location:	Trinidad and Tobago		
Executing Agency:	University of Trinidad and Tobago		
Focus Area:	Knowledge Economy/Creative Industries		
Coordination with Other Donors/Bank Operations:	TT-L1038 "Global Services Offshoring Promotion Programme"		
Project Beneficiaries:	500 studio founders, staff and freelancers in Animation Gaming and Music Technology Sector 100 low-income youth		
Financing:	Technical Cooperation:	US \$925,000	50%
	Equity:		
	Loan:		
	Other (explain):		
	TOTAL IDB Lab FUNDING:	US \$925,000	
	Counterpart:	US \$926,000	50%
	Co-financing (if available; include a separate line for IDB Co-financing if applicable):		00%
	TOTAL PROJECT BUDGET:	US \$1,851,000	100%
Execution and Disbursement Period:	Project Execution Period 36 Months Project Disbursement Period 42 Months		
Special Contractual Conditions:	Initial launch of the Tamana Technology Hub facility		
Environmental and Social Impact Review	This is a Category C Project, in accordance with IDB's Environmental and Social Policy Framework, since it is expected that its environmental and social ("E&S") impacts and risks, in general, will be minimal.		
Unit responsible for disbursements	Country Office Trinidad and Tobago (CCB/CTT)		

I. The Problem

A. Problem Description

- 1.1. Trinidad and Tobago's exports have traditionally been dominated by the oil and gas sector which, have on average, accounted for approximately 85% of export revenues. Given the contraction in global demand and reduction in supply of non-renewable fossil fuels, diversification of the country's export sector and increase in forex revenues is critical. This imperative has become a more pressing priority in the context of the double economic shocks of the recent COVID-19 pandemic and the continued collapse of energy commodity pricing.¹ It has been estimated that the combination of both these crises has resulted in over US \$58 million dollars in losses to the economy during the first quarter of 2020.² According to the IDB's 2nd Quarterly Caribbean Economic Bulletin for 2020, business closures and job losses have disproportionately affected low and middle income households. A survey conducted by the Trinidad and Tobago Coalition of Service Industries and the Trinidad and Tobago Manufacturing Association in March 2020 indicated that because of the country's COVID-19 mitigation measures, 36% of businesses have terminated full-time employees and 54% of businesses have terminated part-time or contractual employees.
- 1.2. An analysis of termination of full-time employees by sector revealed that most workers terminated were from arts, entertainment, and recreation. Creative sectors have been hard hit, and practitioners and entrepreneurs recognize the urgent need to pivot via the adoption of digital technologies for customer communication and engagement, marketing, online transactions, operations, and back-office management. Animation Gaming and Music Technology (AGMT) provides one avenue for the creative industry to digitize and monetize content, in addition there are multiple applications across a range of other industries and sectors. An IDB commissioned study found that Trinidad and Tobago is primed to capitalise on these niche sub sectors based on considerations of scale, language, maturity of the industry, infrastructure, and skills availability³.
- 1.3. The Global Market Context: The global animation industry is growing at an unprecedented pace, offering opportunities for Trinidad and Tobago. In 2019 the global animation and VFX (special effects and video games industry) was US \$264 billion, most segments demonstrating 2-3% year on year growth. The production cost per animation movie ranges anywhere between US\$ 20 million to US\$ 300 million with the spend on special effects as a percent of production cost is about 20%-25%. The size of the streaming market for animation and VFX

¹ World Bank estimated economic growth for the country in 2019 to be 0.9% (before Covid) after negative growth rates of -6.3% in 2016, -2.3% in 2017 and flat growth in 2018. In the downstream energy sector low commodity prices led to the closure of four energy plants which resulted in a loss of exports to the value of US \$25 million per month. Roadmap for Trinidad and Tobago Post Covid-19 Pandemic

² Roadmap for Trinidad and Tobago Post Covid-19 Pandemic. 2020 Roadmap to Recovery Committee

³ "Trinidad and Tobago, Exploring Opportunities in the Global IT Services Market" THOLONS (2012)

content was US\$ 3.5 billion in 2019 and is growing at an annual rate of 8%⁴. The value chain of this industry is truly global. The rapid advancement of technology has made animation, VFX and games available to mass audiences, and this industry has become one of the fastest-growing segments in the global media and entertainment market. To keep pace with demand, market researchers report seeing more of animation, VFX and game production is taking place in a globally distributed mode. The highly labour-intensive process behind animation production means that work is very often shared across countries and even continents. The multinational studios leverage various forms of partnership, co-production, joint ventures and outsource contracts with a broad range of global partners. From the point of view of the major studios, co-production can provide flexibility and reduce production time and costs, while working with small studios can introduce innovation and creativity from other countries. To secure opportunities from this sector production studios must possess not only talent, but market connections, access to relevant technologies and infrastructure, security, and a quality assurance process.

- 1.4. In the context of the COVID 19 crisis, technology driven content creation for entertainment, communication, commerce, health, and education has become even more important, given social distancing and other measures needed to control the pandemic.
- 1.5. The Local AGMT Sector: Since 2008, The University of Trinidad and Tobago (UTT) has been the driving force behind the development of the AGMT sector locally and regionally, building the labour force and skillsets necessary to access vertical outsourcing opportunities within the Game development and Animation industry. UTT has been delivering various training programs in animation (from diploma to degree), has graduated approximately 250 students in animation and currently has 80 students enrolled in this area of study. The design of the program allows persons to have the opportunity to access accredited and certified tertiary training in a field that is currently not available under the traditional accredited tertiary education programs offered in Trinidad and Tobago and the wider Caribbean region. For Trinidad and Tobago nationals, tuition costs are covered by the state. Individuals who have graduated from UTT's program include young digital professionals, content creators, writers, game designers and animation/game studio owners. Currently Trinidad and Tobago's animation industry consists of small independent studios with an average of 8 employees, as well as a larger number of freelance operators. This structure is similar to that of other small economies such as Jamaica and Mauritius. However, the sector has not reached its potential in the lucrative export market, as small studios and freelancers lack access to required catalytic resources needed to support pursuit of AGMT outsourcing opportunities.
- 1.6. The key challenges constraining the development of the local AGMT sector are summarized as follows:

⁴ <https://www.businesswire.com/news/home/20200131005198/en/Global-Animation-VFX-Industry-Report-2020-2025-Demand>

- i. Access to updated technology infrastructure: small studios and freelancers in the local and regional AGMT Sector, struggle to access financing required for initial and continuous investment in required technology tools and infrastructure needed to leverage global market opportunities.
 - ii. Access to continuous short term training opportunities that mirror market developments: In the AGMT sector, as in many technology driven industries, stakeholders have recognized the need for graduates and experienced practitioners to work in an environment that provides opportunities for practical application of skills developed, as well as continuous upskilling as technology and industry needs develop.
 - iii. Local industry structure: the local AGMT sector is highly fragmented comprised of small studios and freelancers that are individually challenged to compete for contracts with global studios.
 - iv. Export promotion and coordination mechanisms for marketing, contracting and quality assurance: existing linkages between global industry stakeholders and local content producers are weak as many of these relationships are informal and not sustained. There is a need to build credibility in a national brand and establish institutional networking linkages to grow the sector.
- 1.7. The project seeks to address the structural issues that prevent small firms and freelancers within the AGMT sector from accessing commercial opportunities in the global market space, by providing access to updated technology and secure work spaces, access to a roster of verified freelancers and trained persons in the AGMT sector that small studios can contract as needed, quality assurance, updated training in evolving techniques and technologies and export market outreach and support, through the Tamana Tech Hub subscription service. The Tamana Tech Hub will support small studios, freelancers, and trained professionals in the AGMT sector in accessing and delivering on contracts from North American and other global production studios, positioning Trinidad and Tobago and the local AGMT sector for nearshoring opportunities and growth.
- 1.8. **Beneficiaries:** Primary beneficiaries will be 500 local and regional industry practitioners over a 3-year period which will include founders and staff of small animation studios, freelance operators in the AGMT space, and registered students and graduates of the UTT's existing programs in animation and game design programs. The Tamana Technology Hub is designed to create opportunities for studios to grow their business operations, for freelancers in the field to secure contract opportunities and for qualified graduates of the UTT programme who may not have been able to obtain work in the AGMT field to secure valuable work experience and exposure to commercial opportunities in AGMT production by creating the capacity, market opportunities and developing a business model to establish Trinidad and Tobago as an attractive location for outsourced work in the AGMT global industry. Secondary beneficiaries that will benefit from commercial work undertaken via the Hub will include other creatives such as writers, voice actors, musicians, and 3D printing technicians.

- 1.9. The emerging AGMT sector in Trinidad and Tobago industry currently consists of 10 registered full-time animation studios and a larger pool of free-lance animators. The studios employ an average of 8 people and utilize the services of freelance animators as needed to scale up production capacity for large and complicated projects.
- 1.10. One local animation studio that will be referred to as Beta and its founders represents a typical beneficiary of the project. Beta is a well-established animation studio that is recognized as a leader in the Caribbean. Beta has in fact been successful in attracting work from North American media giants including HBO, however in many cases, the timeframe and technology requirements for delivering on international contracts has forced Beta to outsource work to other jurisdictions, as they lacked access to capital needed for rapid upgrade of technology and scaling of their local team to execute on time and to required standards. As a result, Beta cannot showcase its leadership in delivering content, it has had to focus on quality assurance and management of overseas contractors, and this has constrained Beta's ability to capture and retain maximum value from these opportunities. With the implementation of the Tamana Technology Hub, Beta as a subscriber, will benefit from export marketing and promotion in international industry forums and can produce content locally at required standards utilizing the Hub's technology and scaling its team on a project-by-project using the Tamana Technology Hub's data base of qualified professionals, as basis to create and importantly, retain greater value that can be reinvested for future growth.
- 1.11. Animation as a particular element of the AGMT sector can be taught to persons with limited or no technical background. Currently UTT offers opportunities that will enable high school graduates or persons with creative talent and a portfolio to enter its program in Animation. As part of the inclusion element of this intervention and recognizing the fact that the Tamana Tech Hub will be located close to communities in North-eastern Trinidad that are characterized by poverty, low scores in high school examinations and high levels of youth unemployment, the Tamana Tech Hub intervention will pilot a program to teach introductory animation to low-income youth that demonstrate a creative background and interest. Additional beneficiaries will also therefore include an additional 100 individuals, primarily youth, who will be specifically targeted for introductory training and exposure to careers in AGMT under the program, including members of the fence line communities near the Hub.
- 1.12. In terms of gender equity, the UTT is committed to ensuring equitable access to quality education for girls and women, and in this instance has defined policies in place to support gender equity in its outreach, admissions, and student support services. Through its Animation and other technology offerings, and involvement in global programs such as "Girls in ICT", UTT has also supported local, regional, and international initiatives to support greater involvement of females in the global technology sector. In this regard, UTT is committed to applying its policies and work in gender equity to ensure that women and girls have access to and are engaged in the Tamana Technology Hub program.

II. The Innovation Proposal

A. Project Description

- 2.1. The project objective is to catalyse the commercial development of the AGMT sector to service international clients via the establishment of an AGMT Hub. UTT has made some initial investment in the Hub facility and has outfitted the location with technology infrastructure and equipment at its campus in the Tamana Technology Park, which has been specifically designated by the Government of Trinidad and Tobago as a science and technology park. IDB Lab investment will support additional investments including training, market linkages and development of a business model to catalyse commercial operation of the Hub as the anchor for growth and development of Trinidad and Tobago's AGMT sector. The Hub will provide young professionals in the sector with a shared physical and virtual workspace that provides access to technology, skills upgrading and an opportunity to collaborate and apply their skills to outsourcing contracts that will be initially secured through UTT's market outreach in established industry channels. The establishment of an AGMT Hub is an opportunity to develop a skills-bank and production hub for digital design, animation, game design, music production and other digital technologies which UTT's leadership can connect with commercial contracts. Additionally, existing students of UTT's Animation program will have the opportunity to gain hands-on experience working as rostered freelance contractors with local studios, including access to relevant animation equipment and software and direction by industry professionals to accelerate their applied skills development. Structured in 3 key components: AGMT Capacity Building, Export Marketing and Promotion and Building the Business Model for Scale, this intervention seeks to catalyse the growth of the sector, increasing the number of creatives actively generating livelihoods, scaling of small studios and simulation (through the Hub model) of a large-scale studio facility that can attract nearshoring contracts in AGMT on a regular basis.
- 2.2. **Innovation:** The project innovation is its focus on building the capacity and market reach of the emerging AGMT sector in Trinidad and Tobago to develop as a possible nearshoring hub for animation, gaming and special effects work from content developers and large production houses, particularly in the North American market. By creating a hub for marketing, securing of contracts and production of content, the project seeks to support scaling of this sector, attraction of higher numbers of professionals in the field and establish Trinidad and Tobago as a centre with proven production capacity leveraging local talent of its creative sector. Given Trinidad and Tobago's geographical location with close proximity and (in a post COVID 19 world), easy access to North American centres of production, shared language and time zones, as well as the presence and direct involvement of an accredited tertiary facility providing training and certification as well as continuing education, updated technology and security for AGMT content production, Trinidad and Tobago's AGMT producers, as a vibrant and growing cluster, through collaboration and coworking, can establish, with support from UTT, viable commercial contacts in the North American market in particular. To emerge as a nearshoring hub for AGMT content production, at a first glance may appear audacious, but UTT has for over a decade been assessing barriers and

creating international market awareness of the talent and capability of Trinidad and Tobago's AGMT sector. To achieve growth and scaling of individual production houses in Trinidad and Tobago, would require decades and ongoing financial investment by small studios which has been a persistent challenge. By creating and facilitating a cluster approach and providing key services required to overcome defined barriers to growth, the Tamana Technology Hub is an investment in growth of a sector that has limited educational barriers to entry, is global in nature and can create high value commercial contracting and growth opportunities for the sector. Evidence from the Singapore media industry suggest that these types of investment can be effective at spurring growth in the AGMT sector⁵, UTT has studied the Singapore model as a best practice and has adapted this to catalyse development of the AGMT sector in Trinidad and Tobago. As an accredited tertiary education facility offering ongoing programs that develop capacity and can catalyse innovation in the local AGMT sector, UTT believes that the fact that the Hub is anchored by a research and training institution can add to the value proposition for attracting investment as the Hub develops and gains traction. What is particularly innovative about this intervention is that it is the first local attempt to organize and anchor smaller scale creative practitioners in a hub that provides on a subscription basis, the key services needed to secure and importantly, deliver on international contracts.

- 2.3. The three project components that will collectively support achievement of the project objectives are outlined as follows:
- 2.4. **Component I: AGMT Hub Capacity building (Total US\$1,105,500: IDB Lab US\$517,000, Counterpart US\$588,500):** The objective of this component is to develop a fully functional Hub for the collaborative execution of AGMT contracts. Due to the fragmented nature of this sector, specifically given the high level of freelancers in the AGMT industry, project financing will be used to develop an online platform to facilitate the registration of industry service providers. Currently, no such database or platform exists, outside of UTT's records of past students or reliance on informal channels to identify personnel with the required skills when job opportunities arise. This platform will serve as the first stop to identify the number of business/individuals within the various AGMT sectors and their relevant skills set/level of certification, and therefore serve as a skills-bank for the sector. This will allow both UTT and other businesses to identify potential team members and quickly respond to project and business prospects. Required principles of digital design (Principles of Digital Design of the Digital Impact Alliance) will be applied to ensure the relevance, cost effectiveness, integrity, usability of the solution developed, and the ethical use of information supported by the system. The team will embrace core principles of user-centred design and collaboration during the design of this database.
- 2.5. The technical needs of the AGMT industry change within short time frames and encompass a broader set of skills that can be acquired within traditional academic

⁵ <https://www.apacoutlookmag.com/industry-insights/article/309-recording-the-growth-of-the-media-industry-in-singapore>

programmes. Activities in this component will therefore also focus on identifying these required skills set and delivery of training in these areas. UTT will seek the services of international consultants with expertise in internationalization specific to the AGMT sector to advise on the needs of the international market and translate this into the design of industry specific short training courses which will be delivered to approximately 350-500 creatives drawn from enrolled students within UTT, small studios, founders and their teams and freelancers. Specialised training sessions may cover areas such as VFX, CGI, Scriptwriting, Game Design etc. Training may also be extended to non-technical and more business development and operational areas such as studio management, project management, and quality assurance/ management. These training modules will be developed in an interactive online format to allow maximum flexibility and subscriber access to a continuously updated on demand library. UTT will employ a Train the Trainer strategy to ensure that updated skills and competencies reside within the UTT faculty and training can be replicated without the exorbitant costs associated with the continued recruitment of external experts.

- 2.6. This component will also support the expansion of the Hub's physical and human resources. Counterpart financing will be used to purchase updated technology, including hardware, software as well as equipment to improve the training/re-skilling capacity and technology infrastructure and licensed software of the Hub to accommodate at least 25 persons working collaboratively on a project/projects at any one point in time. Additionally, UTT will contract a studio manager who will be responsible for the mobilisation of resources for reinvestment and upgrade of technology over time, as well as managing the pipeline of projects, workflow and subscriber engagement and access. A technical (ICT) manager will also be contracted. Project financing will also be used to improve the security features and protocols of the Hub to prevent copyright infringement, a necessary requirement to obtain international contracts.
- 2.7. As part of its mandate for inclusive education, the Hub will from the second year of the project offer introductory training to 100 low-income youth in animation of which at least 50% will be self-identified as female. The AGMT Hub is located in North-eastern Trinidad a region, where based on the most recent household survey data available for Trinidad and Tobago (2005 Survey of Living Conditions), local communities are characterized by high levels of poverty and unemployment⁶. This intervention will introduce youth to animation techniques delivered by UTT faculty and practitioners to showcase the opportunities of this sector for employment and entrepreneurship. As UTT accepts students for entry level tertiary programs of study based on high school leaving exam results and/or portfolio and in this regard, youth completing the programs offered under the project that demonstrate interest and aptitude can be guided to enrol in UTT's BFA program in Animation.
- 2.8. The key outputs of this component will be the launch of a fully equipped outsourcing Hub to support local business, upskilling of 500 AGMT practitioners

⁶ Understanding Poverty in Trinidad and Tobago: A Review of the Literature Working Paper University of the West Indies, St. Augustine.

and introductory training in animation delivered to 100 youth from low-income fence line communities.

- 2.9. **Component II: Marketing and Export Promotion (Total US\$297,000: IDB Lab US\$222,000, Counterpart US\$75,000):** The objective of this component is to increase the pipeline of both local and international contracts coming into the Hub, and by extension, the local AGMT sector, by connecting content developers with commercial opportunities. The UTT team will utilise both local and international expertise to promote the talent and professional capability of Hub subscribers through a range of activities including: (i) **Development of content and demo reels** which will showcase the talent and abilities of the individuals and companies associated with the Hub and will be used as a key marketing tool. These products will demonstrate the various technical skills that are available and help secure international opportunities. Materials developed will include content for advertising, film, music videos, games etc.; (ii) **Outreach and export promotion** through annual participation in industry conferences and trade shows, ongoing market outreach and promotion as well as the integration of the Hub into international search engines; (iii) Development and implementation of a **strategic branding and marketing plan** for the Hub. The leadership of the UTT's AGMT department are themselves experienced industry practitioners, who over the past decade have developed strong relationships with market players, primarily in North America. In this regard UTT's faculty has over the past few years participated in key industry forums in North America and has worked with an international expert in market and contract acquisition in the global animation sector. IDB Lab financing will support expansion of these efforts which will be strengthened by development of production capacity of the Hub and clustering and upskilling of local studios and freelancers. Target clients will include content creators, advertising agencies, filmmakers, musicians, and international outsourcing agents in the AGMT sector. UTT will also partner with other local export promotion agencies to support business outreach efforts including the National Export Facilitation Organisation of Trinidad and Tobago (exporTT), and the Ministry of Trade and Industry.
- 2.10. The key results for this component the production of demo reels and content as well as a branding and marketing strategy and plan for linking subscribing content creators of the Hub with international contracts which will include showcasing high quality locally created content in industry forums and directly with large studios and the formation of partnerships and contracts with international clients.
- 2.11. **Component III: Business Model and Scaling (Total US\$128,000: IDB Lab US\$54,000, Counterpart US\$74,000):** The objective of this component is to build a Hub that will support the evolving needs of the AGMT industry and built UTT's capacity to sustain and scale delivery of their services. UTT will rely on national and international expertise to aid with the attraction of international outsourcing opportunities and facilitate local business. UTT will also use IDB Lab financing to retain expertise needed to develop viable business and financial sustainability models. These models may focus on identifying different revenue streams such as outsourcing services and creation of original content, as well as subscription pricing and cost management models, to support financial sustainability over time.

- 2.12. The key outputs of this component will be the development of a business model and investment pitch deck.

B. Project Results, Measurement, Monitoring and Evaluation

- 2.13. At the impact level this project will catalyse the commercial development of the AGMT sector through the establishment of the Tamana Technology Hub. At the outcome level this project will expand the skills base of the country via a 20% increase of skilled personnel actively engaged in the AGMT sector by year 3 of the project. It is also expected that that by year 3 the Technology Factory will achieve a 10% increase in income earned and at least 5 studios will be exporting their services via connections provided by the Hub.
- 2.14. Key outputs include a skills bank database of industry service providers; provision of short-term training opportunities to ensure that practitioner skills are in alignment with industry needs, creation of content materials for Hub clients as well as the production of annual demo reels to showcase at industry events, and finally the creation of a business plan that will outline the various strategies to secure the financial sustainability of the Technology Factory.
- 2.15. The project contributes to the United Nations Sustainable Development Goals as follows (i) Goal #8 “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”, specifically target 8.1 “Sustain per capita economic growth in accordance with national circumstances and in particular, at least 7% gross domestic product growth per annum in the least developed countries” and target 8.2 :Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors”.
- 2.16. In accordance with IDB Lab requirements, UTT will report on project results as outlined in the project results matrix every six months via the IDB Lab’s Project Status Reporting (PSR) system and will also complete a final Project Status Report on conclusion of the project.
- 2.17. The project will also be subject to a final evaluation financed by the IDB lab which will be conducted by an independent consultant on conclusion of the project execution period. The objectives of this evaluation will be to assess the whether the project activities contributed to the overall project outcomes and objective as stated in the results framework, evaluate the overall impact of the project. This evaluation will contribute to IDB Lab’s knowledge on the Future of Work under its knowledge economy pillar, specifically as it relates to models that target re-skilling and up-skilling of a workforce within media and digital arts.

III. Alignment with IDB Group, Scalability, and Risks

A. Alignment with IDB Group

- 3.1. This project is aligned with IDB Lab's commitment to support projects in Small and Island Countries within the LAC region which includes Trinidad and Tobago. Development of the Tamana Technology Hub addresses the development challenge of developing skills and quality jobs/livelihood opportunities in today's knowledge economy. The COVID 19 pandemic and the shift to online tools to connect businesses with consumers, students with teachers and public agencies with citizens has created an increased need for digital content, the AGMT industry is growing as demand surges for more innovative and engaging content development, an opportunity that the Tamana Technology Hub is positioned to leverage. In addition, the project is aligned with the IDB Lab's Talent and Employment vertical as it is designed to connect creative technology professionals in the AGMT sector of Trinidad and Tobago with viable livelihood opportunities by creating a cluster model that enhances production capacity and connects studios and freelancers with market opportunities.
- 3.2. This project supports one of the three core operational areas of emphasis outlined in the IDB Group's Second Update to the Institutional Strategy, that is, focus on promoting technology adoption and innovation. This intervention directly aligns with IDB Group's activities under this core area to support countries in creating, re-skilling and up-skilling a first-class talent base to adapt to these technological demands for the future of work.
- 3.3. Additionally, this intervention supports the IDB Group's approach outlined under Vision 2025 to identify a pathway to accelerate recovery of the LAC region and working towards sustainable and inclusive economic growth. Specifically, this project will support the IDB's priorities under this plan of regionalisation of global value chains and digitalisation.
- 3.4. The project is aligned with Pillar 2 of the IDB Country Strategy with Trinidad and Tobago 2016 – 2020 "promoting private sector development". The Country Strategy with Trinidad and Tobago 2021-2025 is still pending approval and is therefore not referenced.
- 3.5. This project will leverage investments made by an IDB Loan facility TT-L1038 "Global Services Offshoring Promotion Programme". Through this loan UTT was able to procure updated technology and equipment to begin the physical outfitting of Tamana Technology Hub. Additionally, this project has synergies with the following IDB Lab projects in the region; (i) BA-T1072 "Animation Nation- Creating Employment Opportunities for an Inclusive Animation Industry in Barbados" which focuses on providing training in 2D animation and (ii) JA-T1193 "Catalysing Social Transformation through the Arts, Creativity and Technology" which focuses on increasing market access for creative entrepreneurs by providing access to immersive digital technologies, capacity building and development of new business models. Together, these three IDB Lab projects can position the Caribbean region for nearshoring activities in the AGMT sector.

B. Scalability

- 3.6. The scaling strategy is to utilize IDB Lab and counterpart resources to catalyse and fund the work of the Tamana Technology Hub as a provider of AGMT services for international clients and to support growth of the sector locally through the scale up of smaller studios and new entrants.
- 3.7. To support scaling and knowledge transfer the detailed project budget includes financing for the engagement of local and international industry experts to support development of a business model and scaling strategy as well as promotion of the Hub and its subscribers.

C. Project and Institutional Risks

- 3.8. Financial Viability of the Hub: There is a risk that despite prior investments made in developing the physical infrastructure of the Hub, the Hub is unable to sustain its operations beyond the period of IDB Lab investment. To mitigate against this risk the project includes specific technical and financial support to develop a business model with a scaling strategy including the identification of multiple revenue streams which will include (i) provision of training (ii) outsourcing from international studios (iii) development of local content (iv) rental of space and (v) rental of equipment to small studios
- 3.9. Market risks: The outsourcing market is highly competitive with cheaper opportunities available in countries such as India. UTT will work with the local industry to provide competitive rates and ensure high quality content and will promote the benefits of the Hub for nearshoring (closer socio-cultural proximity to North American, studios, close geographical location, shared East Coast time zone and language). In addition, the anchoring of the hub in a tertiary institution engaged in delivery of applied training for the AGMT sector and UTT's leadership in showcasing Trinidad and Tobago's talent over the years in AGMT industry fora, will support mitigation of this risk.
- 3.10. Implementation risks posed by COVID 19: Given the highly sensitive and sophisticated hardware and software located at the Hub, trainees will have to attend in person training and capacity building activities. However, UTT has been, and will continue to adhere to national public health regulations as it pertains to in person classroom training, these include implementation of social distancing, regular sanitisation and ensuring that staff and students wear appropriate PPE. Additionally, it should be noted that the Government of Trinidad and Tobago has begun a mass public vaccination drive where public demand has exceeded all expectations demonstrating a low level of vaccination hesitancy amongst citizens. Targets have been set for herd immunity by September 2021 with schools expected to fully re-open for face-to-face teaching with the start of the new school year in September 2021.

- 3.11. The Assessment of Integrity and Institutional Capacity (DICI) conducted for this project rated institutional risk as low.

IV. Instrument and Budget Proposal

- 4.1. The project has a total cost of US \$1,851,000 of which US \$925,000 will be provided by the IDB Lab, and US \$926,000 by the counterpart. Counterpart financing will include in-kind resources from the technical staff of executing agency and project partners. The instrument to be used is a non-reimbursable technical cooperation
- 4.2. Retroactive Recognition of Counterpart Funds. The sum of US \$450,000 already expended by UTT prior to project approval, for the purchase of equipment for the outfitting of the Hub will be recognised by IDB Lab.
- 4.3. The project budget summary is presented in the following table:

	IDB Lab	Counterpart Cash and In- Kind	Total
Project Components			
Component 1: AGMT Hub Capacity Building	517,000	588,500	1,105,500
Component 2: Marketing and Export Promotion	222,000	75,000	297,000
Component 3: Business Model & Scaling	54,000	74,000	128,000
Project Administration	103,000	172,500	275,500
Contingencies	29,000	16,000	45,000
Grand Total	925,000	926,000	1,851,000
% of Financing	50	50	100

V. Executing Agency (EA) and Implementation Structure

A. Executing Agency(s) Description

- 5.1. University of Trinidad and Tobago (UTT) will be the Executing Agency for this project and will sign the agreement with the IDB.
- 5.2. Established in 2004 UTT is the national university of Trinidad and Tobago that was developed to offer a differentiated model of tertiary education, specifically tertiary education that is directly aligned to the needs of traditional and emerging high potential industries. UTT has fully accredited programs including international industry accreditation. UTT has an inclusive focus offering tiered programs allowing high school students that may not have qualifications for direct entry into an undergraduate program a pathway via diploma and certificate programs which allow for matriculation into a degree program. In addition, UTT is committed to maintaining gender equity and inclusion in its admissions and student support programs. Given Trinidad and Tobago's financial support to promote tertiary

education, undergraduate tuition fees are 100% subsidized and master's program tuition is subsidized up to a maximum of 50%. UTT offers a range of tertiary training opportunities in different disciplines of engineering information and communications technologies, maritime studies, sports, biosciences, food and agriculture technologies and the creative sector under which programs in AGMT are offered. UTT programs also incorporate entrepreneurship training and incubation services as part of its programs so that students are equipped with the technical and soft skills required to run a business.

- 5.3. UTT provides a different education model that emphasizes entrepreneurship, applied research, applications for diversification and the only institution in the English-speaking Caribbean to formally offer AGMT training at the undergraduate level that is specifically designed to meet evolving industry needs. Since 2008, UTT has focused on 3D and 2D animation and digital media tools. The UTT animation program consists of courses in character animation, visual effects, character rigging, motion graphics, lighting etc. In 2013 UTT partnered with Toon Boon Animation to offer students an introduction to industry standard software packages. In 2018 the BFA in Digital Media Arts was launched with specialization in Animation, Game Arts and Music Technology. This was designed with industry specific outcomes to support our graduates becoming major players in the global animation and gaming industry.
- 5.4. UTT is governed via an independent Board of Governors drawn from the education sector and private industry.

B. Implementation Structure and Mechanism

- 5.5. UTT will establish an executing unit and the necessary structure to execute project activities and manage project resources effectively and efficiently. A technical coordinator will be contracted to manage and coordinate project implementation, data collection, reporting and co-ordination of project partners on a day-to-day basis. The technical coordinator will report to the technical lead (current faculty member) for the Tamana Technology Hub project, who will be accountable for the achievement of the project results and objectives. The project implementation team will also consist of the studio manager and the IT manager, they will work together to oversee the flow of work within the Hub and examine the software and hardware needs to implement production for a specific piece of work. The Studio and Technical manager will also report to UTT's technical lead for the project.
- 5.6. Finance and procurement departments within UTT will provide fiduciary services inclusive of maintaining the accounts in accordance with IDB requirements, preparing financial statements and conducting procurement processes in alignment with IDB policies. The relationship between the project executing unit and finance and procurement departments of UTT, will be managed by The International Grants Office Grants within UTT.

VI. Compliance with Milestones and Special Fiduciary Arrangements

- 6.1. **Disbursement by Results, Fiduciary Arrangements.** The Executing Agency will adhere to the standard IDB Lab disbursement by results, Bank procurement policy⁷ and financial management⁸ arrangements as specified in Annex V and VI
- 6.2. **Results Based Disbursement.** The project will be monitored by the IDB's Country Office in Trinidad and Tobago. Monitoring will be undertaken in accordance with the performance and risk management policies (fulfilment of milestones), as established by the IDB Lab. Project disbursements will be contingent upon verification of the achievement of milestones (pre-determined outputs critical to achievement of the development objectives). Achievement of milestones does not exempt the Executing Agency from the responsibility of reaching the results matrix indicators and project's objectives.
- 6.3. **Financial Management and Supervision.** UTT will establish and be responsible for maintaining adequate accounts of its finances, internal controls, and project files according to the financial management policy of the IDB Lab. For the procurement of other goods and contracting of consulting services, the Executing Agency will adopt the principles of IDB Policies (GN-2349-15 and GN-2350-15).

VII. Information Disclosure and Intellectual Property

- 7.1. **Information Disclosure.** This document will be disclosed and made available to the public upon approval.
- 7.2. **Intellectual Property:** The Executing Agency shall own the intellectual property rights to all works produced or results obtained under the project and will grant the IDB Group an irrevocable, worldwide, perpetual, royalty-free, and non-exclusive license to use, copy, distribute, reproduce, publicly display, and perform all Executing Agency intellectual property derived from execution of the project, as well as to create derivative works.

⁷ Link to the Policy: [Procurement of Works and Goods Policy](#)

⁸ Link to the document [Operational Guidelines for Management of Milestones and Financial Supervision for MIF and SEP Technical Cooperation Projects](#)