

TC Document

I. Basic Information for TC

▪ Country/Region:	Regional
▪ TC Name:	Institutional capacity enhancement in the areas of trade facilitation and investment promotion
▪ TC Number:	RG-T2606
▪ Team Leader/Members:	Isabel Mejia (INT/TIU) and Joaquim Tres (INT/INT) (co-team leaders), Sunghee Ahn, Caroline Levington, Carolyn Robert, Maria Rospide (INT/TIU); Matthew Shearer (INT/INT); Sofia Greco (LEG/SGO), Virginia Franzini (LEG/SGO).
▪ Indicate if: Operational Support, Client Support, or Research & Dissemination	Research and Dissemination
▪ Date of TC Abstract authorization:	September 25, 2015
▪ Beneficiary:	Customs Administrations and other border-related agencies, Ministries of Trade and Investment, and Trade and Investment Promotion Organizations of IDB Borrowing Member Countries
▪ Executing Agency and contact name:	The Inter-American Development Bank (IDB) through the Trade and Investment Unit (INT/TIU).
▪ Donors providing funding:	Public Capacity Building Korea Fund for Economic Development (KPC)
▪ IDB Funding Requested:	650,000
▪ Disbursement period (which includes Execution period):	36 months
▪ Required start date:	January 22, 2016
▪ Types of consultants:	Firms and individual consultants
▪ Prepared by Unit:	INT/TIU and INT/INT
▪ Unit of Disbursement Responsibility:	INT/TIU
▪ TC Included in Country Strategy (y/n):	Yes
▪ TC included in CPD (y/n):	Yes
▪ GCI-9 Sector Priority:	Competitive Regional and Global International Integration

II. Objectives and Justification of the TC

- 2.1 The general objective of the project is to ***promote deeper and broader cooperation between Korea and LAC in trade facilitation and logistics and in attracting and retaining foreign direct investment*** in order to promote high value added exports, generate investment and create employment and economic development.
- 2.2 The specific objectives are to: (i) Transfer Korea's knowledge and experiences in investment attraction, trade facilitation and logistics to LAC countries; (ii) Identify the main bottlenecks in LAC countries' international trading systems in order to design a critical route to improve exporting and importing processes; (iii) Establish dialogue and networks between trade, investment, customs and border agencies, and transport and logistics specialists from Korea and LAC countries; and (iv) Set the groundwork for possible future discussions on non-tariff issues and Mutual Recognition Agreement negotiations between Korea and LAC countries. The objectives and activities of the project correspond to the Bank's Strategy for Regional

Integration (GN-2565-4), as they will promote trade, investment and regional integration.¹

- 2.3 The relationship between Korea and Latin America and the Caribbean (LAC) has deepened substantially in recent years. Over the past quarter-century, trade between the Republic of Korea and LAC has grown by an average of 17% annually, and stood at US\$54 billion in 2014. Investment ties have also grown, and LAC accounted for 5.4 percent of Korea's total outward Foreign Direct Investment (FDI) in 2013. Korea has free trade agreements (FTAs) in force with Chile and Peru, has signed a third with Colombia, and is negotiating yet another with Mexico. Negotiations for a strategic economic cooperation agreement between Ecuador and Korea began in August 2015.
- 2.4 Korea formally joined the IDB in March 2005 as a non-borrowing member country, reflecting growing economic ties. A decade later, the IDB Group held its Annual Meeting in Busan on March 26-29, 2015. Since joining the IDB, in addition to holding a share of the Bank's financial capital, Korea has established itself as an important provider of intellectual capital in the form of development experiences and has committed multiple trust funds managed by the Bank.
- 2.5 Recent rapid and sustained economic growth and poverty reduction in many developing countries has been accompanied by their emergence as development cooperation donors that are offering not only economic aid, but also the exchange of successful experiences with other countries facing similar development challenges. South-South and Triangular Cooperation gained important visibility and prominence in the Fourth High Level Forum on Aid Effectiveness which also took place in Busan, in 2011.
- 2.6 LAC-Korea ties have progressed from trade based on relative comparative advantages, to investment, to cooperation on these broader policy issues. Korea's remarkable transformation from an impoverished and war-torn country to a resilient and prosperous economy holds important lessons for other developing countries, including in LAC. Driven in no small part by trade, Korea's economic growth has been accompanied by a transition from cooperation recipient to cooperation donor, with important lessons learned both in terms of economic development and in international cooperation for development, and Korea is now a role model to many developing countries for its remarkable economic, social and political advancement. Over time, the Port of Busan grew from a focal point for receiving food aid and reconstruction shipments to the fifth largest port in the world and a major international center in the global supply chain.²
- 2.7 The economic growth and successes in trade and trade policy have presented important opportunities for many countries, but have also revealed new challenges, giving rise to a new trade agenda. Transport and logistics costs have now emerged as the most important obstacles to trade arising from inadequate infrastructure and inefficiencies at border crossings, presenting a greater burden than those imposed

¹ In addition, the project is aligned with the country strategies of Bolivia, by "strengthening public institution to effectively execute public policies" (GN-2631-1); Colombia, as it will support the continued development of integration policy and make the most of its preferential access and upcoming and existing trade agreements (GN-2832), Ecuador, by supporting areas such as competitiveness and innovation, primarily on issues of promoting private sector investment (GN-2380), and Peru, as it will support trade and integration, on issues of exploiting trade agreements, trade facilitation and services (GN-2668).

² Korea ranked 25th overall in the Global Competitiveness Index 2013-2014.

by tariffs. The region stands to benefit by reducing the cost of trade through trade facilitation and transport. For example, it takes an average of 3 days to clear customs in LAC while in Asia it takes 1.7 days, and only 1 day in Korea. And according to the World Bank's Logistics Performance Index (LPI), which measures countries' performance in trade facilitation, the LAC region scores an average of 2.74, compared with a regional average of 2.85 for East Asia and the Pacific.³ Economic studies indicate that "an efficient international trade system can increase economic opportunities and improve livelihoods, especially in poor economies with small domestic markets."⁴ Therefore, in addition to being a highly symbolic city with regards to development cooperation between LAC and Korea, Busan, as a modern logistics hub, has important technical experiences that can prove useful to LAC countries. Moreover, Invest in Korea is an example of global best practices and can support LAC trade and investment promotion organizations to improve their efficiency.

- 2.8 Joint research presented at the Knowledge Sharing Forum on Development Experiences, held as a complementary event at the IDB Annual meeting in Busan, recommended that Korea and LAC cooperate on non-tariff issues such as rules of origin and in trade facilitation including single window and authorized economic operator (AEO) programs, as well as in export and investment promotion. Mexico and Korea concluded an AEO Mutual Recognition Agreement in March 2014. The negotiations received financial support from the Knowledge Partnership Korea Fund for Technology and Innovation, administered by the IDB, and technical support from the IDB's Integration and Trade Sector. Another AEO Mutual Recognition Agreement was signed April 24, 2015 between the Dominican Republic and Korea, and Korea and Peru announced in August 2015 that they were pursuing AEO Mutual Recognition Agreement negotiations.

III. Description of components and budget

- 3.1 Three components comprise the program's activities, addressing key areas for knowledge transfer – institutional capacity to promote foreign investment, trade facilitation strategy development, and public sector training on trade facilitation execution. While the capacity-building and knowledge-sharing activities will have broad applicability to the LAC region as a whole, the strategic planning activities contemplated in Component 2 are focused on the Andean region, where governments have expressed a strong interest in developing action plans to improve their international trade facilitation systems.
- 3.2 **Component I: Strengthening institutional capacity in investment promotion.** This component aims at strengthening the technical capacities of the institutions in charge of promoting investment in the LAC region through the following activities: (i) a benchmark study on best practices in FDI promotion (i.e. legal frameworks, institutional structure and programs for investors) and aftercare services, taking into consideration Korean and global best practices; (ii) a gap analysis of participating countries' existing FDI promotion frameworks and identification of areas for improvement and development; and (iii) technical workshops to discuss and disseminate the outcomes of these studies among officials of corresponding

³ There are also performance disparities within LAC, with for example an LPI average of 2.70 for the Bank's Country Department Andean Group, which is lower than the overall LAC average.

⁴ <http://www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB14-Chapters/DB14-Implementing-trade-single-window.pdf>

ministries and investment promotion agencies in the beneficiary countries; and (iv) development of policy proposals to enhance the technical capacity of the national investment promotion agencies in the areas studied.

- 3.3 **Component II: Benchmarking trade facilitation and roadmap development.** This component will support 1-2 Andean countries (whose average performance index is below the LAC average) in their aim to improve trade facilitation systems, with a focus on single windows and e-custom systems, to promote greater participation in global value chains. Taking into consideration existing variation among countries in their trade facilitation systems and capabilities of their relevant customs and control agencies and ministries of trade/commerce, and selecting participants according to the greatest need for improvement, the project will endeavor to achieve a benchmark level of trade facilitation for participating countries, furthering regional integration. This will be accomplished through detailed technical analysis of: (i) national institutional and regulatory frameworks for trade facilitation, including identification of the most essential areas for improvement and options to overcome existing regulatory impediments to efficient export and import processes; and (ii) opportunities and challenges to streamlining trade facilitation practices and procedures to facilitate global value chain participation; and the resulting development of (iii) a strategic roadmap including both regulatory and process improvements to trade facilitation systems to enable greater participation in regional and global value chains.
- 3.4 For the execution of Components I and II, the project team will collaborate with Korean institutions including the Korea Trade-Investment Promotion Agency (KOTRA) and the Korea Customs Service (KCS), including CUPIA (Korea Customs Uni-pass & Single Window Agency). These agencies will contribute with technical expertise but the IDB will be the only one responsible for the execution of the activities of the project
- 3.5 **Component III: Applying Korean lessons learned in trade facilitation and logistics.** This component is designed to transfer Korea's knowledge and experiences in trade facilitation and logistics to LAC countries that are pursuing similar initiatives, or may consider doing so in the future, through dialogue and direct capacity building. This will take place through the following activities: (i) an inaugural visit to Korea of around 10 customs heads or high-level officials responsible for trade facilitation from LAC countries in order to meet with officials from relevant Korean institutions such as Korea National Customs Service (KCS), Busan Port Authority and academics (Korea Maritime University) to discuss strategic issues, areas of greatest need and interest, and capacity development requirements; (ii) development and delivery of a new online tutored course on logistics (including inspection facilities and port administration, among other topics) and trade facilitation (focusing on the WTO Agreement on Trade Facilitation) that reflects Korea's technical knowledge as a global leader in these areas as well as the needs identified during the study visit and through subsequent follow-up with stakeholders; and (iii) a 15-day on-site training and field study visit to Busan, including the Port of Busan, Free Economic Zone and Logistics center, where high-level technical officials will acquire thorough understanding of the infrastructure and technology of trade facilitation through in-person training and field activities⁵. The curricula for both the online (III.ii) and in-

⁵ Country participation in the on-site training and field study visit to Busan will be determined by operational relevance in by Bank technical specialists in consultation with Country Departments, with an emphasis on countries with which Korea has concluded or is negotiating a trade agreement or an AEO Mutual

person capacity-building activities (III.iii) will be developed in response to activity III.i, and the hands-on coursework developed for III.iii can be filmed and adapted to add additional learning modules to the online course offerings. Courses can be operated and disseminated via existing IDB platforms for virtual coursework.⁶

- 3.6 It is expected that some of the outputs obtained from this project will be used to further expand the Bank's support and operational program in trade facilitation initiatives. For instance, public sector participants in capacity-building exercises would be expected to develop concrete proposals to improve port logistics in their respective countries, and these proposals could be supported by future Bank programming in consultation with the public and private sectors.

Recognition Agreement. The high-level technical officials who will participate in the visit will be nominated by their countries

⁶ See: <http://www.iadb.org/en/index/integration-and-trade-courses,7785.html> and <https://connectamericas.com/courses>

Table III.1. Indicative Results Matrix

	Result	Indicator	Baseline 2016	Target 2017	Target 2018	Goal 2019	Means of Verification
Final Outcome Statement	<i>Cooperation deepened and expanded between Korea and LAC in trade facilitation and logistics and in attracting and retaining FDI</i>						
Final Outcome Indicator 1	Specific inter-regional commitments made to promote FDI and improve trade facilitation frameworks and processes	New MOUs or letters of intent agreed between Korea and LAC countries	0	0	1	3	Documentation of agreements in project annual reports
Final Outcome Indicator 2	LAC trade facilitation reforms undertaken following inter-regional consultations	Domestic reforms submitted for consideration by national authorities	0	0	2	4	Documentation in project annual reports as reported to the project team by participating national officials
Intermediate Outcome 1	<i>Improved knowledge of investment promotion and trade facilitation among LAC agencies</i>						
Output 1	Investment promotion action plan written and disseminated		0	0	0	1	Document in project database and shared digitally with corresponding public officials
Output 2	Investment promotion workshops conducted		0	0	2	2	Workshop reports
Output 3	Gap analysis of FDI promotion frameworks accepted by IDB		0	1	1	1	Document in project database
Output 4	Benchmark study on best practices and needs in investment promotion accepted by IDB		0	1	1	1	Document in project database
Output 5	Trade facilitation strategic roadmap written and disseminated		0	0	0	1	Document in project database and shared digitally with corresponding public officials
Output 6	Participants certified in tutored online trade facilitation courses		0	0	35	70	Course evaluation reports
Output 7	Participants in on-site trade facilitation trainings		0	0	15	15	Mission report
Output 8	Trade facilitation diagnostics on institutional/regulatory frameworks and trade facilitation practices/procedures for GVC participation written and disseminated		0	2	2	2	Documents in project database and shared digitally with corresponding public officials
Intermediate Outcome 2	<i>New investment promotion and trade facilitation tools and services designed</i>						
Output 9	Virtual course curriculum designed		0	1	1	1	Documentation in project annual reports
Output 10	New institutional services and programs for foreign investors (e.g. aftercare services) under consideration by national authorities		0	0	1	3	Documentation in project annual reports as reported to the project team by participating national officials

- 3.7 A total of US\$650,000 is requested from the Public Capacity Building Korea Fund for Economic Development for this project.

Table III. 2 Indicative Budget

Activity/ Component	Activities	IDB/Fund Funding	Total Funding
Component I	i) Benchmark study on FDI promotion and aftercare services	20,000	20,000
	ii) Gap analysis of FDI frameworks and competencies	40,000	40,000
	iii) Technical workshops	48,000	48,000
	iv) Action plan to enhance the technical capacity of national investment promotion agencies	30,000	30,000
	Subtotal	138,000	138,000
Component II	i) Analysis of institutional and regulatory frameworks	60,000	60,000
	ii) Analysis of trade facilitation practices and procedures to facilitate global value chain participation	45,000	45,000
	iii) Development of strategic roadmap to improve trade facilitation systems	50,000	50,000
	Subtotal	155,000	155,000
Component III	i) Trade facilitation strategy visit (10 officials)	70,000	70,000
	ii) Virtual course: curriculum design, and delivery of two tutored editions	100,000	100,000
	iii) On-site training and field visit to Busan (15 officials)	154,000	154,000
	Subtotal	324,000	324,000
Monitoring and Administration		20,000	20,000
Contingencies (2%)		13,000	13,000
Total		650,000	650,000

IV. Executing agency and execution structure

- 4.1 This operation will be executed by the Trade and Investment Unit of the Inter-American Development Bank, in accordance with the Bank's Technical Cooperation Policy (Document GN-2470-2). The project team will work together to ensure close coordination between INT/TIU and INT/INT.
- 4.2 The main reasons that justify the execution of the project by the Bank are as follows:
- This is a regional project that involves coordination with several public and private sector stakeholders from the region, and the Bank is an ideal position to execute it given its presence in every country.
 - INT has assisted countries in the design and implementation of national trade policies and in the identification of capacity-building needs, and has proven experience in addressing their needs in trade and investment through tailored and rapid response mechanisms. The activities to be financed by this TC would be prepared through a joint IDB-Government prioritization.
- 4.3 Prior to the initiation of the project's activities in the regional countries, non-objection letters will be obtained from the entities that play the role of liaison between the country and the Bank.
- 4.4 **Procurement.** The Bank will contract individual consultants, consulting firms and non-consulting services in accordance with Bank's current procurement policies and procedures.

V. Major issues

- 5.1 Major risks could relate to possible poor local institutional capacity and engagement, which will be mitigated through close and early engagement with key government agencies and by promoting their active participation in the activities described before. In addition, in order to ensure the sustainability of the project, the project team will identify 2-3 countries that show keen interest in further improving in the area of trade facilitation, supply chains or logistics and will execute the activities with the aim of transferring best practices on trade facilitation and logistic systems that are implemented in countries such as Korea.

VI. Exceptions to Bank policy

- 6.1 There are no exceptions to Bank policy in this project.

VII. Environmental and Social Strategy

- 7.1 This project has been classified under the category "C" according to the Policy Environment and Safeguards Compliance Policy (OP-703) (see Safeguard Policy Filter and Safeguard Screening Form).

Required Annexes:

Annex I: Terms of Reference

Annex II: Procurement Plan

PROCUREMENT PLAN FOR NON-REIMBURSABLE TECHNICAL COOPERATIONS										
Country: Regional					Executing agency: Bank-executed (INT/TIU)					
Project number: RG-T2606					Institutional capacity enhancement in the areas of trade facilitation and investment promotion					
Period covered by the plan: 36 months										
Threshold for ex post review of procurements:				Goods and services (in US\$):		0		Consulting services (in US\$):		\$300,000
Item No.	Ref. AWP	Description (1)	Estimated contract cost (US\$)	Procurement Method (2)	Review of procurement (ex-ante or ex-post) (3)	Source of financing and percentage		Estimated date of the procurement notice or start of the contract	Technical review by the PTL (4)	Comments
						IDB/MIF %	Local/other %			
1		Component 1								
		Individual Consultants								
		Benchmark study on FDI promotion and aftercare services	\$20,000	IICQ	Ex-ante	100	0	March, 2016		
		Gap analysis of FDI frameworks and competencies	\$40,000	IICQ	Ex-ante	100	0	March, 2016		
		Consulting firms								
		Action plan to enhance the technical capacity of national investment promotion agencies	\$30,000	QCBS	Ex-ante	100	0	January, 2017		
		Non-consultant services								
		Grouped technical workshop activities to be determined in different countries/venues	\$48,000	PC	Ex-ante	100	0	September, 2016		
2		Component 2								
		Individual Consultants								
		Analysis of national institutional and regulatory frameworks for trade facilitation	\$60,000	IICQ	Ex-ante	100	0	March, 2016		
		Analysis of opportunities and challenges to streamlining trade facilitation practices and procedures	\$45,000	IICQ	Ex-ante	100	0	June, 2016		
		Consulting firms								
		Development of strategic roadmap to improve trade facilitation systems	\$50,000	QCBS	Ex-ante	100	0	January, 2017		
3		Component 3								
		Consulting firms								
		Development of online tutored course on trade facilitation	\$40,000	QCBS	Ex-ante	100		September, 2016		
		Delivery of online courses	\$60,000	QCBS	Ex-ante	100		September, 2016		
		Non-consultant services								
		Grouped trade facilitation strategy visit activities	\$70,000	PC	Ex-ante	100	0	February, 2016		
		Grouped Busan on-site training and field visit activities	\$154,000	PC	Ex-ante	100	0	January, 2017		
Total			\$617,000	Prepared by: Matthew Shearer (x1850)			Date: 12/21/2015			
(1) Grouping together of similar procurement is recommended, such as computer hardware, publications, travel, etc. If there are a number of similar individual contracts to be executed at different times, they can be grouped together under a single heading, with an explanation in the comments column indicating the average individual amount and the period during which the contract would be executed. For example: an export promotion project that includes travel to participate in fairs would have an item called "airfare for fairs", an estimated total value of US\$5,000, and an explanation in the Comments column: "This is for approximately four different airfares to participate in fairs in the region in years X and XI".										
(2) Goods and works: CB: Competitive bidding; PC: Price comparison; DC: Direct contracting.										
(2) Consulting firms: CQS: Selection Based on the Consultants' Qualifications; QCBS: Quality and cost-based selection; LCS: Least Cost Selection; FBS: Selection under a Fixed Budget; SSS: Single Source Selection; QBS: Quality Based selection.										
(2) Individual consultants: IICQ: International Individual Consultant Selection Based on Qualifications; SSS: Single Source Selection.										
(3) Ex-ante/ex post review: In general, depending on the institutional capacity and level of risk associated with the procurement, ex post review is the standard modality. Ex ante review can be specified for critical or complex process.										
(4) Technical review: The PTL will use this column to define those procurement he/she considers "critical" or "complex" that require ex ante review of the terms of reference, technical specifications, reports, outputs, or other items.										

ANNEX A

Regional**INT/TIU****Analysis of national institutional and regulatory frameworks for trade facilitation****DRAFT TERMS OF REFERENCE****Background**

The relationship between Korea and Latin America and the Caribbean (LAC) has deepened substantially in recent years. Over the past quarter-century, trade between the Republic of Korea and LAC has grown by an average of 17% annually, and stood at US\$54 billion in 2014. Investment ties have also grown, and LAC accounted for 5.4 percent of Korea's total outward Foreign Direct Investment (FDI) in 2013. Korea has free trade agreements (FTAs) in force with Chile and Peru, has signed a third with Colombia, and is negotiating yet another with Mexico.

LAC-Korea ties have progressed from trade based on relative comparative advantages, to investment, to cooperation on these broader policy issues. Korea's remarkable transformation from an impoverished and war-torn country to a resilient and prosperous economy holds important lessons for other developing countries, including in LAC. Driven in no small part by trade, Korea's economic growth has been accompanied by a transition from cooperation recipient to cooperation donor, with important lessons learned both in terms of economic development and in international cooperation for development, and Korea is now a role model to many developing countries for its remarkable economic, social and political advancement. Over time, the Port of Busan grew from a focal point for receiving food aid and reconstruction shipments to the fifth largest port in the world and a major international center in the global supply chain.¹

The economic growth and successes in trade and trade policy have presented important opportunities for many countries, but have also revealed new challenges, giving rise to a new trade agenda. Transport and logistics costs have now emerged as the most important obstacles to trade arising from inadequate infrastructure and inefficiencies at border crossings, presenting a greater burden than those imposed by tariffs. The region stands to benefit by reducing the cost of trade through trade facilitation and transport. For example, it takes an average of 3 days to clear customs in LAC while in Asia it takes 1.7 days, and only 1 day in Korea. And according to the World Bank's Logistics Performance Index (LPI), which measures countries' performance in trade facilitation, the LAC region scores an average of 2.74, compared with a regional average of 2.85 for East Asia and the Pacific.² Economic studies indicate that "an efficient international trade system can increase economic opportunities and improve livelihoods, especially in poor economies with small domestic markets."³ Therefore, in addition to being a highly symbolic city with regards to development cooperation between LAC and Korea, Busan, as a modern logistics hub, has important technical experiences that can prove useful to LAC countries. Moreover, Invest in Korea is an example of global best practices and can support LAC trade and investment promotion organizations to improve their efficiency.

¹ Korea ranked 25th overall in the Global Competitiveness Index 2013-2014.

² There are also performance disparities within LAC, with for example an LPI average of 2.70 for the Bank's Country Department Andean Group, which is lower than the overall LAC average.

³ <http://www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB14-Chapters/DB14-Implementing-trade-single-window.pdf>

Joint research presented at the Knowledge Sharing Forum on Development Experiences, held as a complementary event at the IDB Annual meeting in Busan, recommended that Korea and LAC cooperate on non-tariff issues such as rules of origin and in trade facilitation, including single window and authorized economic operator (AEO) programs, as well as in export and investment promotion. Mexico and Korea concluded an AEO Mutual Recognition Agreement in March 2014. The negotiations received financial support from the Knowledge Partnership Korea Fund for Technology and Innovation, administered by the IDB, and technical support from the IDB's Integration and Trade Sector. More recently, an AEO Mutual Recognition Agreement was signed April 24, 2015 between the Dominican Republic and Korea.

The technical cooperation (TC) project *Institutional capacity enhancement in the areas of trade facilitation and investment promotion* (RG-T2606) aims to promote deeper and broader cooperation between Korea and LAC in trade facilitation and logistics and in attracting and retaining foreign direct investment in order to promote high value added exports, generate investment and create employment and economic development. This TC includes, inter alia, activities to benchmark trade facilitation and develop a strategic roadmap in this area.

Consultancy objective(s)

The objective of this consultancy is to conduct a technical analysis of national institutional and regulatory frameworks for trade facilitation.

Main activities

The selected candidate will:

- a) Conduct a detailed technical analysis of national institutional and regulatory frameworks for trade facilitation (and related logistics services) in selected LAC countries including identification of the most essential areas for improvement and options to overcome existing regulatory impediments to efficient export and import processes, the current state of development of existing trade facilitation tools (such as foreign trade single window or authorized economic operator programs), degree of internal coordination among various trade- and border-related agencies, and degree of coordination and harmonization with neighboring countries and major trading partners;
- b) Develop recommendations for national and regional institutional and regulatory frameworks in the area of trade facilitation and related logistics services.

Reports / Deliverables

The selected candidate will deliver the following:

- a) A draft analytical report with recommendations for the review of IDB specialists; and
- b) A final report and recommendations following the receipt of comments.

Reports must be submitted to the Bank in an electronic file. The report should include cover, main document, and all annexes. Zip files will not be accepted as final reports, due to Records Management Section regulations.

Qualifications

- Bachelor's degree (master's preferred) in a relevant field, such as public administration, information technology, or law and/or professional certificate in customs.
- At least five (5) years of experience in trade and trade facilitation.
- Languages: Fluency in both Spanish and English.
- Areas of Expertise: Trade facilitation.
- Skills: Strong organizational skills; solid communications skills; good knowledge of information technology.

Characteristics of the Consultancy

- Consultancy category and modality: Products and External Services Contractual, Lump Sum
- Contract duration: Six months
- Place(s) of work: External consultancy
- Division Leader or Coordinator: Isabel Mejia, Specialist, Trade and Investment Unit (INT/TIU) will be responsible for supervising the contract.

Payment Schedule

The IDB will effect payments by means of electronic transfers to the individual consultant's account in three installments:

- a) 40% upon acceptance of the contract;
- b) 30% once the draft report and recommendations have been delivered; and
- c) 30% once final report and recommendations have been accepted by the Bank.

Payment and Conditions: Compensation will be determined in accordance with Bank's policies and procedures. The Bank, pursuant to applicable policies, may contribute toward travel and moving expenses. In addition, candidates must be citizens of an IDB member country.

Visa and Work Permit: The Bank, pursuant to applicable policies, may submit a visa request to the applicable immigration authorities; however, the granting of the visa is at the discretion of the immigration authorities. Notwithstanding, it is the responsibility of the candidate to obtain the necessary visa or work permits required by the authorities of the country(ies) in which the services will be rendered to the Bank. If a candidate cannot obtain a visa or work permit to render services to the Bank the contractual offer will be rescinded.

Consanguinity: Pursuant to applicable Bank policy, candidates with relatives (including the fourth degree of consanguinity and the second degree of affinity, including spouse) working for the Bank as staff members or Complementary Workforce contractuales, will not be eligible to provide services for the Bank.

Diversity: The Bank is committed to diversity and inclusion and to providing equal opportunities to all candidates. We embrace diversity on the basis of gender, age, education, national origin, ethnic origin, race, disability, sexual orientation, religion, and HIV/AIDS status. We encourage women, Afro-descendants and persons of indigenous origins to apply.

ANNEX A

Regional**INT/TIU****Benchmark study and gap analysis of Foreign Direct Investment promotion framework and related FDI services****DRAFT TERMS OF REFERENCE****Background**

The relationship between Korea and Latin America and the Caribbean (LAC) has deepened substantially in recent years. Over the past quarter-century, trade between the Republic of Korea and LAC has grown by an average of 17% annually, and stood at US\$54 billion in 2014. Investment ties have also grown, and LAC accounted for 5.4 percent of Korea's total outward Foreign Direct Investment (FDI) in 2013. Korea has free trade agreements (FTAs) in force with Chile and Peru, has signed a third with Colombia, and is negotiating yet another with Mexico.

LAC-Korea ties have progressed from trade based on relative comparative advantages, to investment, to cooperation on these broader policy issues. Korea's remarkable transformation from an impoverished and war-torn country to a resilient and prosperous economy holds important lessons for other developing countries, including in LAC. Driven in no small part by trade, Korea's economic growth has been accompanied by a transition from cooperation recipient to cooperation donor, with important lessons learned both in terms of economic development and international cooperation for development. Korea is now a role model to many developing countries for its remarkable economic, social and political advancement of trade and investment promotion.

It is widely understood that foreign direct investment (FDI) is an integral part of open international economic systems and a major catalyst to development. The LAC region has begun to pursue effective methods of attracting and retaining FDI through the establishment of Investment Promotion Agencies (IPAs). However, not every country in the region has an IPA, and many of those in operation are in need of improvement. Korea has launched Invest Korea, its national investment promotion organization, as a part of Korea Trade-Investment Promotion Agency (KOTRA) with the aim of supporting foreign companies entering the Korean market by providing a one-stop service that includes investment consulting and support with location searches, company establishment, investment notification, incentive applications, and other essential services related to doing business in Korea. Along with the launch of Invest Korea, the Korean government has established an office of the Foreign Investment Ombudsman, which the World Bank has highlighted as a global model for FDI promotion and the prevention of investor-state disputes.

The technical cooperation (TC) project *Institutional capacity enhancement in the areas of trade facilitation and investment promotion* (RG-T2606) aims to promote deeper and broader cooperation between Korea and LAC in trade facilitation and logistics and in attracting and retaining foreign direct investment in order to promote high value added exports, generate investment and create employment and economic development. This TC includes, inter alia, activities to benchmark investment promotion and develop a roadmap for IPAs of the region.

Consultancy objective(s)

The objective of this consultancy is to conduct a benchmark study and gap analysis of FDI promotion and related services in order to present an action plan to enhance institutional capacity of IPAs in the LAC region.

Main activities

The selected candidate will:

- a) Conduct a benchmark study on FDI promotion best practices, including legal frameworks, institutional structuring and services, and aftercare service for investors which serve as effective tools for retaining FDI. The research will take into consideration Korean and other global best practices.
- b) Elaborate a gap analysis of FDI promotion frameworks and define areas of improvement and development for participating countries. The results of the benchmarking study will be used as a guideline for the gap analysis.
- c) Develop recommendations and policy proposals to enhance and streamline the institutional capacity of each of the participating Investment Promotion Agencies in the LAC region.

Reports / Deliverables

The selected candidate will deliver the following:

- a) A Work Plan with the tentative activities and expected timeline of each component of the work
- b) A draft analytical report with recommendations for the review of IDB specialists; and
- c) A final report and recommendations following the receipt of comments.

Reports must be submitted to the Bank in an electronic file. The report should include cover, main document, and all annexes. Zip files will not be accepted as final reports, due to Records Management Section regulations.

Qualifications

- Academic degree & level: Bachelor's degree (master's preferred) in a relevant field, such as Public Policy, Economics, International Trade and Investment.
- Years of Experience & Field: At least five (5) years of experience for bachelor's degree and three (3) years for master's degree related to foreign investment promotion. Experiences related to Korea, KOTRA or any other Investment Promotion Agency will be considered a plus.
- Languages: Fluent English. Fluency in both English and Spanish will be considered a plus.
- Areas of Expertise: Investment Promotion
- Skills: Strong organizational skills; solid communications skills; strong teamwork (collaboration).

Characteristics of the Consultancy

- Consultancy category and modality: Products and External Services Contractual, Lump Sum
- Contract duration: Six months
- Place(s) of work: External consultancy
- Division Leader or Coordinator: Isabel Mejia, Specialist, Trade and Investment Unit (INT/TIU) will be responsible for supervising the contract.

Payment Schedule

The IDB will effect payments by means of electronic transfers to the individual consultant's account in three installments:

- d) 40% upon acceptance of the contract;
- e) 30% once the draft report and recommendations have been delivered; and
- f) 30% once final report and recommendations have been accepted by the Bank.

Payment and Conditions: Compensation will be determined in accordance with Bank's policies and procedures. The Bank, pursuant to applicable policies, may contribute toward travel and moving expenses. In addition, candidates must be citizens of an IDB member country.

Visa and Work Permit: The Bank, pursuant to applicable policies, may submit a visa request to the applicable immigration authorities; however, the granting of the visa is at the discretion of the immigration authorities. Notwithstanding, it is the responsibility of the candidate to obtain the necessary visa or work permits required by the authorities of the country(ies) in which the services will be rendered to the Bank. If a candidate cannot obtain a visa or work permit to render services to the Bank the contractual offer will be rescinded.

Consanguinity: Pursuant to applicable Bank policy, candidates with relatives (including the fourth degree of consanguinity and the second degree of affinity, including spouse) working for the Bank as staff members or Complementary Workforce contractuels, will not be eligible to provide services for the Bank.

Diversity: The Bank is committed to diversity and inclusion and to providing equal opportunities to all candidates. We embrace diversity on the basis of gender, age, education, national origin, ethnic origin, race, disability, sexual orientation, religion, and HIV/AIDs status. We encourage women, Afro-descendants and persons of indigenous origins to apply.